

Housing Benefit Circular

Department for Work and Pensions
Caxton House, Tothill Street, London SW1H 9NA

HB A14/2013

ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	All Housing Benefit (HB) staff
ACTION	For information
SUBJECT	Q&A for HB Circular A13/2013 Universal Credit: Change of circumstances affecting Housing Benefit

Guidance Manual

The information in this circular affects the content of the HB Guidance Manual. Please annotate this circular number against 6.360 Change of circumstances. This circular should be read after circular A13/2013.

Queries

If you

- want **extra copies of this circular/copies of previous circulars**, they can be found on the website at <http://www.dwp.gov.uk/local-authority-staff/housing-benefit/user-communications/hbctb-circulars/>
- have any queries about the
 - **technical content of this circular**, contact la.universalcreditrtransition@dwp.gsi.gov.uk
 - **distribution of this circular**, contact housing.correspondenceandpgs@dwp.gsi.gov.uk

Crown Copyright 2013

Recipients may freely reproduce this circular.

Q&A for HB Circular A13/2013 – Universal Credit: Change of circumstances affecting Housing Benefit

Contents

Para

Introduction.....	1
Q&A for circular HB A13/2013.....	Annex A

Q&A for HB Circular A13/2013 – Universal Credit: Change of circumstances affecting Housing Benefit

Introduction

1. This Circular sets out to answer the questions that local authorities (LAs) have raised since the publication of the HB Circular [A13/2013 Universal Credit: Change of circumstances affecting Housing Benefit](#) which was published on 29 April 2013. The Universal Credit Pathfinder is a period of learning and we are grateful to those LAs that have raised queries, as this will help achieve greater clarity in the systems and processes.
2. The questions received from LAs and the answers from Universal Credit are set out at Annex A.

Annex A

Q&A for HB Circular A13/2013 – Universal Credit: Change of circumstances affecting Housing Benefit**1. HB Circular A13/2013 has been reported as applying to national roll-out of Universal Credit, but the circular states that it applies to Universal Credit Pathfinder only, please clarify?**

The information in HB A13/2013 only applies to the Universal Credit Pathfinder stage. The Pathfinder is an early implementation of Universal Credit across four Jobcentres in the North West. The Pathfinder enables the Department for Work and Pensions (DWP) to test Universal Credit systems and interfaces in a live environment in order to build confidence in the processes and learn lessons for wider implementation. The Pathfinder does not pre-determine the systems and processes that will be in place for the progressive roll-out of Universal Credit from October 2013.

Universal Credit will apply the “once in, stay in” principle so that claimants who move out of the Pathfinder area will remain on Universal Credit. Where this happens the claim will continue to be maintained by the Universal Credit Service Centre. If the claimant has moved to a new location they will still be able to receive face-to-face support, such as attending regular interviews from a Jobcentre in their new location.

Although new Universal Credit claims are limited to the Pathfinder area, it’s possible that a Universal Credit claimant may have a change of circumstance that requires a non-Pathfinder LA to close a HB claim. The purpose of HB A13/2013 was to inform LAs not involved in Pathfinder on actions to take if a Universal Credit claimant moves into their area, or if a HB claimant moves into the Pathfinder area with a Universal Credit claimant.

2. Are all LAs expected to provide budgeting support during Pathfinder?

Bilateral arrangements have been agreed with just the four Pathfinder LAs about support to claimants during Pathfinder. The arrangements in place for Pathfinder do not prefigure what will be arranged with LAs generally via [Local Support Services Framework](#) (LSSF) partnerships for progressive national roll-out.

3. During Pathfinder direct payments to landlords (managed payments) will be triggered following two months of arrears. Does this represent a change in policy for progressive national roll-out of Universal Credit?

Paying housing costs direct to claimants will allow them to take greater responsibility of their finances and breaks a barrier that people can face when moving into work. The safeguards that will apply during the Pathfinder have existed for private sector HB claimants since 2008. We

have always been clear that protection will continue under Universal Credit. Pathfinder and the extended Direct Payment Demonstration Projects are helping us to shape what that protection looks like. The progressive national roll-out of Universal Credit, which runs from 2013-17, offers further opportunity to refine the details of managed payments to landlords and the interventions that will best help claimants to achieve budgeting capability.

4. Can you give an indication of what sort of timescale it will take the Universal Credit agent to notify the LA of a change, from when the change was first known?

The Universal Credit agent will notify the LA via the UC MGP1 (LA) form as soon as the verification interview with the new claimant partner (the HB claimant) has been carried out. At this stage of Pathfinder, verification interviews are taking place within days of a claim to Universal Credit or when a new claimant partner joins the household. It is also worth noting that if the HB claimant informs the LA that they are part of a Universal Credit household, the HB claim should be closed as “business as usual” (BAU) and the HB claimant should be signposted to claim Universal Credit.

5. Should LAs set up a secure mailbox in order to receive the UC MGP1 (LA), rather than providing the secure email of a specific staff member?

LAs are advised to identify or create a secure (GSx/GCSx) team/shared mailbox to use in the event that a Universal Credit agent contacts the LA to send the UC MGP1 (LA). It would not be appropriate for the UC MGP1 (LA) to be sent to an individual’s email account as this could cause problems, for instance when that individual is on leave. In addition, DWP will follow up where the LA does not respond within 5 days, which could be problematic where an individual’s email account has been used and they are absent.

6. If a Universal Credit claimant moves outside of the Pathfinder area, what process is in place for data sharing to support their Local Council Tax Reduction (LCTR) claim?

Universal Credit claimants that move out of the Pathfinder area will remain on Universal Credit, and they may need to claim LCTR in the non-Pathfinder LA. The Universal Credit claimant must make a LCTR claim before DWP can put data sharing in place. Once the LCTR claim has been made the non-Pathfinder LA will need to action data sharing with the DWP for LCTR claim in a slightly different way. The LA will also have to take different action if a Universal Credit claimant needs additional help with their housing costs by the way of a Discretionary Housing Payment (DHP). The LA should contact hbsdmp.wweg@dwp.gsi.gov.uk for additional guidance.

7. If a HB claimant tells the LA they have joined a Universal Credit household, should the LA just refer them to the Universal Credit Service Centre, or should the LA contact DWP directly?

The LA should take the appropriate BAU action with regards to HB and signpost the claimant to Universal Credit rather than to legacy benefits. LAs are not expected to contact DWP to report that they have referred a claimant to Universal Credit.

8. What is meant by the 'Universal Credit effective date'?

The 'effective date' of a change of circumstance to a Universal Credit claim is the start of the Assessment Period in which the change occurred. If the change of circumstance is reported late (i.e. in an Assessment Period after the one in which the change occurred) and where the change of circumstance is to the claimant's advantage (i.e. would increase the Universal Credit award), then the Effective Date is the start of the Assessment Period in which the change of circumstance was reported.

9. Will Universal Credit details, including assessment start dates be available on the Customer Information System (CIS)?

For new claims and partners migrating, the Universal Credit marker showing the award details will show approximately 30 days after the Universal Credit claim is made.

10. Will there be a mechanism for alerting the LA that the HB claimant is now a Universal Credit claimant?

People currently in receipt of legacy benefits including HB are excluded from claiming Universal Credit during the Pathfinder stage. An exception to this is in the event that a HB claimant becomes the partner of a Universal Credit claimant. In such cases the UC MGP1 (LA) is the Universal Credit form that will be used to notify the LA that the existing claim to HB is to be closed to prevent dual provision, and for the LA to provide information on the new claimant partner (the HB claimant) which may affect the Universal Credit claim. The Universal Credit marker on CIS will show 30 days after the claim is made.

11. How will LAs identify if a new HB claimant is already in receipt of Universal Credit and avoid dual payments?

The Universal Credit Service Centre will get a data feed for HB from the Single Housing Benefit Extract (SHBE) to identify duplicate HB/Universal Credit claims. This will show potential dual payments of HB/Universal Credit although this will be after the fact (it's possible that the first payment of Universal Credit will already have been made depending on timing) it will enable the prevention of any ongoing dual payments. The treatment of HB overpayments section in HB A13/2013 explains that we are encouraging LAs to classify overpayment of HB as Departmental error in some cases. The legislation for Pathfinder has no power for Universal Credit to recover overpayments of HB, meaning there will be some dual payments. See pages 6 – 7 of HB A13/2013 for more details.

12. If there is no HB interest on CIS, how will the Universal Credit agent know to inform the LA that a customer has claimed Universal Credit and therefore HB should stop?

When a Universal Credit claimant reports a change of circumstance – to add a partner to the Universal Credit claim – the new claimant partner must attend a verification interview where they will be asked if they have any legacy benefits, including HB. The Universal Credit agent will also check CIS to establish if the new claimant partner is in receipt of legacy benefits. The Universal Credit agent will notify the LA that the HB claim should be closed via the UC MGP1 (LA) form.

13. Once a HB claim has been closed and the debt has been migrated to Universal Credit, how should the LA deal with any enquiries from that claimant about the collection of that debt?

During Pathfinder a Universal Credit claimant may be joined by a partner that has an existing HB legacy debt. The debt will be migrated to Universal Credit on closure of the HB claim. If after the debt has migrated, the claimant wishes to query their deductions or check the debt balance, the LA should signpost the claimant to contact the Universal Credit Service Centre by telephone 0845 600 0723 or text phone 0845 600 0743. It is not necessary for the LA to contact the Universal Credit Service Centre after they have sign-posted the claimant.

If the LA receives the query from the claimant via the post, the LA should forward the letter to the Universal Credit Mail Opening Unit: Blackpool DWP BBW, Blackpool Technology Park, Floor G, Room 25K, Farraday Way, Blackpool, Lancashire FY2 0JH. The LA may also wish to send an acknowledgement to the claimant that their query has been passed to Universal Credit to respond.

14. Why is the debt section of the UC MGP1 (LA) only collecting details of HB overpayment debt?

We have a process in place for Third Party Deductions (TPDs) that are already being deducted from DWP benefits, and as we already hold the data for these TPDs, there is no need to ask LAs for this information. The UC MGP1 (LA) is purely for the purpose of instructing LAs to close down a HB claim and for capturing additional information such as a HB overpayment currently in recovery from on-going HB and any sanctions in place. In addition, there are processes to accept and input new TPDs during Pathfinder.

15. Will there be a delay in the recovery while the Universal Credit claim is assessed?

The process is a clerical one, and when the UC MGP1 (LA) is returned to Universal Credit, it will have to be shared with Debt Management to record the recovery action. However, as Universal Credit is being paid monthly, and initial volumes are expected to be low, it is not anticipated to impact on delays in recovery. It must be noted that recovery will continue to be one month in arrears.

16. Will the LA be advised as to the success of the deduction from Universal Credit?

The LA will be advised when they receive the money and the remittance advice from Debt Management.

17. Will the LA be advised of the recovery rate and when this changes?

Debt Management will inform LAs of the amount recovered via the existing process during Pathfinder.

18. What is the process to make a change to the debt after the HB claim has migrated to Universal Credit?

If there is a change to the debt, for instance as a result of a reassessment or appeal, the LA should contact Debt Management via secure e-mail at Debtmanagement.la@dwp.gsi.gov.uk in order to notify the change on the Debt Adjustment Return Request Form (DARRF).

19. During Pathfinder if HB has not been paid beyond the Universal Credit assessment period start date, so there is no overpayment, how will the new claimant partner be paid for the rent liability up to when they move; will this be covered by Universal Credit?

During the Pathfinder phase, the couple would not receive Universal Credit in respect of the new claimant partner's former home. It is a principle of Universal Credit's 'whole month' approach to assessment and payment that Universal Credit will be paid according to the circumstances that applied at the time that the payment is calculated at the end of the monthly assessment period. That means that the Universal Credit housing element will only be paid for the property in which the couple is living on the Universal Credit payment calculation date. Our analysis indicates that there will be a very small number of cases involving new claimant partners during the Pathfinder phase. We are currently reviewing the provisions applying to new claimant partners beyond the Pathfinder.

20. Could you confirm, whether the meaning of paragraphs 31 and 32 of HB A13/2013 is that any overpayment created as a result of ending the HB claim (due to delayed or no notification of this change to the LA) in line with the start of the Universal Credit assessment period has to be classified as claimant error or as LA error?

Classification will be for the LA to determine based on all the circumstances of the individual case - normal classification and subsidy rules would apply. However, it may be that claimant or LA error would not be appropriate in at least some cases. For example, the Universal Credit new claimant partner may genuinely not have known that a HB payment would subsequently overlap with the Universal Credit award at the time it was paid, or that the LA may have correctly made the HB payment before the claimant formed a couple with the Universal Credit claimant. You may wish to refer to the 'Classification and recovery' section of the HB/CTB Overpayments Guide available on the DWP website:

<http://www.dwp.gov.uk/local-authority-staff/housing-benefit/claims-processing/operational-manuals/overpayments-guide/>

21. Paragraphs 31 and 32 of HB A13/2013 state that where a Universal Credit claimant moves into the household of a HB claimant, any overpayment should NOT be classed as DWP error. Why is there a difference between HB claimants moving into a Universal Credit household or the other way around, as in both cases the HB claim would close and the person transferred onto the Universal Credit claim?

The reason for the difference in treatment where the Universal Credit claimant moves into the HB household is that the Universal Credit housing element paid for the first assessment period will be for the same rental liability as any HB that had been paid. This is not the case where the HB claimant moves into the Universal Credit household.

For example:

- Bruce is a HB claimant who has been paid to 16 July
- Sheila receives Universal Credit, including Universal Credit housing element, with an assessment period 1 July - 31 July
- Sheila moves in with Bruce as his partner on 24 July
- The Universal Credit housing element for the assessment period 1 July - 31 July will be paid for the same property as the HB that had been paid to Bruce (Sheila will not receive Universal Credit housing element for the property she has vacated during the assessment period)
- This means that the Universal Credit housing element will duplicate the HB paid to Bruce to 16 July

Since HB and Universal Credit had been paid for the same rental liability, there is a duplication of payment that should be recovered - we do not want to pay for the same liability twice. This duplication of payment for the same accommodation does not occur where the HB claimant moves into the Universal Credit household. Any HB that had been paid would have been for a different rental liability.