

Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

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HB/CTB A1/2013

ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	Local authority staff who deal with Council Tax Benefit
ACTION	For information
SUBJECT	Transitional arrangements during the abolition of Council Tax Benefit (CTB)

Guidance Manual

The information in this circular does not affect the content of the HB/CTB Guidance Manual.

Queries

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Transitional arrangements during the abolition of Council Tax Benefit (CTB)

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Transitional arrangements during the abolition of Council Tax Benefit (CTB)

Introduction

1. This note is for operational staff to explain what should happen when CTB is abolished from 1 April 2013 and is replaced by local council tax reduction schemes.
2. The Welfare Reform Act 2012 provides for the abolition of CTB for claimants who would otherwise have been entitled by virtue of the Social Security Contributions and Benefits Act 1992 (subsequently amended further by section 8 of the Council Tax Benefits Regulations 2006).
3. When the relevant sections of the Welfare Reform Act are commenced to abolish CTB, we will also 'save' certain relevant regulations (for example, in the Council Tax Benefit (2006) Regulations and the Council Tax Benefit (Persons who have attained the qualifying age for state pension credit) regulations (2006)) to deal with prescribed circumstances.
4. From 1 April 2013, local authorities (LAs) will migrate CTB claimants to their council tax reduction scheme in accordance with rules of that scheme. The LA will close the CTB case with the last day of entitlement being 31 March 2013.
5. From 1 April 2013, the Department for Work and Pensions (DWP) will no longer receive any claims for CTB. People claiming DWP benefits will be signposted to their LA to make a claim for their council tax reduction scheme, should they register an interest. DWP will continue to transfer any data gathered as part of a claim for DWP benefits to the LA, using the existing Local Authority Code Information (LACI) and Local Authority Input Documents (LAIDs). Changes of circumstance reported to DWP will also continue to be communicated as at present via Automated Transfer to Local Authority Systems (ATLAS) and Electronic Data Transfer.
6. However, after 1 April 2013, there are still some scenarios where a LA will need to consider a period of entitlement for CTB:
 - **Backlog (claims and changes of circumstance);**
 - **Backdating of claims; and,**
 - **Changes of circumstances affecting a prior period of CTB entitlement.**

Backlog

7. Where a claim for CTB has been made, or a relevant change of circumstances has been notified, prior to 1 April 2013, but the decision is not made until after 1 April, **the LA should proceed as if the claim or change of**

circumstances had been dealt with at the time that it was received. The date of claim should continue to be defined as set out in Council Tax Benefit Regulations 2006 [215] Regulations 1 and 69.

8. Claimants who are entitled to CTB before 1 April 2013 should have that entitlement awarded. The period of entitlement should end on 31 March and the case migrated to the local council tax reduction scheme, in the same way as other CTB claims, effective from 1 April.
9. If a claim or change of circumstances in the backlog would only be effective from the start of a benefit week on or after 1 April 2013, then it should be considered in line with the rules of the council tax reduction scheme, rather than CTB regulations.

Backdating

10. If a claimant makes a claim for the council tax reduction scheme after 1 April and either a) requests backdating, or b) is a pensioner automatically entitled to CTB for a past period; the LA will be responsible for determining whether there is entitlement to a period of backdated CTB.
11. If it is decided that there is entitlement to backdating of any period of CTB, this should be calculated and paid in accordance with the relevant CTB regulations. Any entitlement must end on 31 March 2013. Any period from 1 April 2013 onwards should be considered in line with the local council tax reduction scheme.

Changes of Circumstances Affecting a Period of CTB Entitlement

12. Where an LA is notified about a relevant change of circumstances after 1 April 2013 that affects a period of CTB entitlement, the decision covering the period affecting CTB entitlement should be made in line with the relevant CTB regulations.
13. Arrears and overpayments of CTB arising from reassessment in these circumstances should be dealt with under Circular HB/CTB S6/2012.

Frequently Asked Questions

Q – Should we stop taking CTB claims to prevent the build up of any backlog?

A – No. Any person is legally entitled to make a claim for CTB before 1 April 2013 and you cannot prevent them from doing so. The claimant will be entitled to receive any CTB that falls into the period ending on 31 March 2013. As set out in circular HB/CTB S6/2012, no subsidy will be payable on awards made after 31 March 2013.

Claims for CTB can be treated as claims for the council tax reduction scheme, and managing the backlog of claims will minimise extra workload in the months following April.

Q – Is the LA decision to include a period of CTB within a request for backdating discretionary after 1 April 2013?

A – The decision is not discretionary, as the claimant has a legal right to request and, where appropriate, to be awarded CTB, including any backdated amount. However, for working-age claimants, the responsibility to claim backdating lies with them; neither DWP nor the LA is required to automatically include any backdating that they might be entitled to, if they haven't claimed it.

Q – How does all of this affect the regular LA subsidy for CTB?

A – As per Circular HB/CTB S6/2012, no subsidy will be payable in respect of payments of CTB that are made after 31 March 2012/13. This should have minimal impacts on LAs because in most cases overpayments of CTB exceed underpayments. This will mean that LAs do not claim subsidy where they have paid out for prior entitlement, but do not have subsidy reduced where they have identified overpayments. In effect the whole part of any recovered overpayments would be held by the LA. This has no bearing on the legal duty to make or adjust payments of CTB where the relevant period is prior to 1 April 2013.