

Equality Impact Assessment

Name of strategy/project/policy/process/function:

Changes to the time for claiming Pension Credit and Housing Benefit and Council Tax Benefit for those of Pension Credit age from 12 to 3 months and a change to the backdating period allowed within Housing Benefit and Council Tax Benefit for working age customers from 52 weeks to 3 months

Name and contact details of the officer(s) responsible for the assessment:

Paul Needham
State Pension Division
Quarry House
Leeds
0113 2324949

Carol Foster-Middleton
Housing Benefit Strategy Division
Level 5, Adelphi
London
Tel: 0207 712 2377

1. Introduction

1.1 A change in the rules for three established benefits is being proposed. These benefits are Pension Credit, Housing Benefit (HB) and Council Tax Benefit (CTB) and are specifically aimed at those on low incomes. Pension Credit provides an income top up for pensioners, HB provides financial help towards rent and CTB reduces council tax liabilities.

Disability Equality Duty

1.2 The Department is required to give due consideration to the Disability Equality Duty in reaching a decision on policy.¹ In addition, public bodies listed in regulations are subject to specific duties, which include a requirement to produce a Disability Equality Scheme that sets out arrangements for assessing the impact of policies, practices and procedures on disability equality.²

¹ Disability Equality Duty: Section 49A of the Disability Discrimination Act 1995 places a **general duty** on all public authorities to carry out their functions with due regard to the need to:

- promote equality of opportunity for disabled people,
- eliminate unlawful disability discrimination;
- eliminate disability-related harassment;
- promote positive attitudes towards disabled people;
- encourage disabled people's participation in public life; and
- take steps to take account of disabled people's disabilities, even if that requires more favourable treatment.

² Disability Discrimination (Public Authorities)(Statutory Duties) Regulations 2005 (SI 2005/2966)

Race Equality Duty

1.3 The Race Relations Act (RRA) as well as protecting against discrimination places a general Race Equality Duty on public authorities to:

- Eliminate racial discrimination.
- Promote equality of opportunity.
- Promote good relations between persons of different racial groups.

To help meet the Race Equality Duty public bodies have a specific duty to assess the likely impact of current and proposed policies and services and any changes to those.

Gender Equality Duty

1.4 Since April 2007 public bodies are required to promote gender equality. The obligation covers all public functions, policies and services and will requires public bodies to:

- Eliminate unlawful discrimination and
- Promote equality of opportunity between women and men.

The Gender Equality Duty requires public bodies to carry out impact assessments when considering new policy developments or changes to ensure that there will be no adverse impact on either women or men.

This document provides the findings of the impact assessment relating to proposed changes to Pension Credit, Housing and Council Tax Benefit.

Proposals for change

1.5 The changes proposed do not provide for a new benefit or service as they simply change an existing rule within the established benefits listed above. These benefits are income related benefits and as such are not aimed at providing support for needs associated with disability as other benefits are available for this purpose, although it is acknowledged that a significant number of HB/CTB customers are disabled or have a long-standing health condition. As figures in section 11 below indicate, 40% of HB customers under age 60 fall within this category, and 43% of those receiving CTB. We have therefore focused the impact assessment on the extent to which the rule application would have an impact on disability equality as well as the potential impact on other customer groups.

1.6 Currently, the time allowed for making a claim to Pension Credit is 12 months from the date on which the claimant is entitled. This effectively means that claimants who make a claim up to 12 months following entitlement may receive a payment in respect of the past period. This is commonly known as “backdating”.

1.7 As with Pension Credit, HB and CTB regulations for people who are of the qualifying age for state Pension Credit contain a provision that allows the customer 12 months in which to make their claim.

1.8 Provisions that exist for HB and CTB for customers of working age (set when these benefits were introduced in 1988 and 1992 respectively), allow customers to claim

up to 52 weeks backdating where they can show continuous good cause for not having made a claim earlier. (See paragraph 12.2).

- 1.9 As part of a package of measures to streamline the benefit process, reduce intrusion into customers' financial circumstances and improve the claims process, the Department proposes to change the time allowed for claiming and for backdating within these benefits. Other measures included in this package will:
- introduce a more automatic claims process for HB/CTB for pensioners, enabling claims to be made entirely by telephone alongside claims to Pension Credit;
 - reduce the need for those Pension Credit claimants aged 80 and over to report changes to their retirement income (the "AIP run on"); and
 - enable all Pension Credit claimants who go abroad temporarily to keep their Pension Credit for up to 13 weeks.
- 1.10 The Pension Credit temporary absence abroad change is included in the same statutory instrument as the time for claiming changes but is the subject of a separate impact assessment. The other measures are contained either in the forthcoming Pension Bill, or in separate Statutory Instruments.
- 1.11 The changes covered by this impact assessment are those which:
- (a) reduce the time for claiming Pension Credit from 12 months to 3 months
 - (b) reduce the time for claiming HB/CTB for pensioners from 12 to 3 months; and
 - (c) amend the period a claim can be backdated for working age customers, from 52 weeks to 3 months.
- 1.12 It is considered that a period of 3 months to make a claim is an appropriate period, particularly in the context of an income related benefit. The change to 3 months brings the time for claiming and for backdating broadly into line with the backdating period which applies in other income related benefits such as Income support.
- 1.13 There are similar issues and considerations for the changes covered by this impact assessment but for ease these are covered in separate sections below.
- 1.14 This impact assessment has been undertaken in order to assess these proposals against the Department's disability, race and gender equality duties, under the Disability Discrimination Act 2005, the Race Relations Amendment Act 2000 and under the Sex Discrimination Act 1975, as amended by the Equality Act 2006.
- 1.15 This assessment considers the changes to the time for claiming and backdating periods for Pension Credit and HB/CTB in the light of the above duties, and those duties underpin the considerations that are given below to the impact of these proposals on different groups of customers.

A: Change to the time period for claiming Pension Credit

2. Purpose and aim(s) of the proposal or change:

2.1 The purpose of this change is to:

- reduce the burden on operational staff when establishing the likely entitlement to benefit for a past period;
- reduce the burden on customers to provide evidence and documentation for historic circumstances and changes; and
- simplify decision making as evidence should be readily available and remove the need to rely on judgement and balance of probabilities.

2.2 The desired outcome is a more streamlined claims process, enabling claims to be investigated and cleared more effectively.

2.3 The rationale for reducing the time allowed for claiming Pension Credit is that it is now a well established benefit and as such there is no longer a rationale for allowing a longer period for claiming than other established income related benefits. The reduction in the time for claiming for Pension Credit still retains more generous treatment for pensioners, as customers do not have to justify the time they have taken to claim. In comparison, other social security benefits, including those for disabled people such as Incapacity Benefit and the forthcoming Employment and Support Allowance, have a period of 3 months in which to claim. AA and DLA have a waiting period applied to the benefit and as such do not allow any backdating.

3. Who will benefit mainly from this proposal or change?

3.1 The Department, will benefit operationally from the time for claiming change in Pension Credit as this change will help to relieve the difficulties described above, and the process of claiming will become more efficient. A reduction to a 3 month period in which to claim Pension Credit will benefit those processing claims by:

- reducing the amount of evidence and information to be collected from customers;
- simplifying the verification process as documents will be more likely to be available for a 3 month period; and
- easing decision making as there will no longer be a need for evidence and detailed review of changes of circumstances and entitlement over a 12 month period.

3.2 Customers should find the claiming process less onerous as:

- evidence of their circumstances over a period of up to 3 months is more likely to be accessible;
- it may be easier to recall changes in circumstances over a shorter period; and
- claims should be dealt with more quickly.

3.2 The change also enables the Department to make the other beneficial changes across Pension Credit/Housing Benefit and Council Tax Benefit described in section 1.

4. What information and or data (evidence) has been obtained to impact assess this proposal or change?

4.1 The assessment has drawn upon evidence from Departmental administrative data sources and from Pension Service operations. Welfare rights and other similar organisations have been invited to send in details of case studies or other information about the potential impact of the draft proposals.

4.2 The Department has already consulted key stakeholders such as Help the Aged and Age Concern and is continuing to receive representations from other bodies such as Citizens Advice. Help the Aged and Age Concern, whilst not welcoming this change, have said that steps should be taken to ensure that the Department maintains momentum on raising awareness and take up campaigns that mitigate against the potential impact, by encouraging people to apply as soon as they may be eligible and encouraging those who may have been eligible for some time to claim before the proposed changes come into force.

5. What is the impact of the proposal or change on different groups?

5.1 Changing the time for claiming to 3 months will mean that those customers who claim after the change will have 3 months to claim once they think they may be eligible. The changes will apply to all new claimants and as such, will be equally applied to all customer groups but we have considered the potential impacts on different customer groups and this is covered in the following sub sections.

Existing customers

5.2 There will be no impact on existing customers, i.e. those who are already in receipt of Pension Credit or on those who make a new claim before the proposed new regulations come into force

Customers already potentially eligible but who have not yet applied

5.3 Those customers who may have been eligible for longer than 3 months at the time of the proposed changes could lose out if they do not claim before the rule change is brought into force. However, steps will be taken to encourage these people to apply. Section 6 below explains these steps in detail.

Customers who apply after the change

5.4 Potential future Pension Credit customers who make a claim following the change will only have 3 months to make their claim. There will be no adverse effect on anyone making a claim within 3 months of entitlement.

Disabled people, women, older customers and ethnic minorities

5.5 An analysis of the differential impact of the policy proposal by gender, age group and disability based on historical records of Pension Credit claims has been undertaken. It is not possible to extend this analysis to include analysis by ethnic group because that information is not collected on the data source used.

5.6 In 2006/07 we estimate that around 40% of customers who successfully claimed Pension Credit backdated their claims for more than 3 months. On average they received backdated payments of around £1,200. Just over half those who backdated their claims, did so for the maximum period of 12 months. Table 1 summarises what we know about the incidence of backdating Pension Credit across customer groups.

Table 1: Estimate of the incidence of extending the time for claiming (known as backdating) in Pension Credit in 2006/7 by customer group

	Total successful claims for Pension Credit	Number of successful claims within the group that were backdated for 3 months or less	Number of successful claims within the group that were backdated for more than 3 months		Number of successful claims within the group that were backdated for 12 months	
	Number	Number	Number	% of successful claims	Number	% of successful claims
All successful claimants	276,610	170,000	110,000	40%	70,000	25%
Males	124,210	80,000	40,000	35%	30,000	20%
Females	152,400	90,000	60,000	40%	40,000	25%
Under 75	188,310	130,000	50,000	30%	30,000	15%
75+	88,300	40,000	50,000	60%	40,000	40%
In receipt of AA/DLA	112,200	70,000	40,000	40%	30,000	25%
Not in receipt of AA/DLA	164,410	100,000	60,000	35%	40,000	25%

Source: DWP experimental statistics on-flows onto Pension Credit in quarters May 2006 to February 2007

Notes:

- Total successful claims have been rounded to the nearest 10 cases.
- Estimates of the percentage of successful claims by period of backdating have been rounded to the nearest 5 percentage points.
- Estimates of the number of successful claims by period of backdating have been rounded to the nearest 10,000 cases.
- Due to rounding the numbers of successful claims by period of backdating may not sum to the total number of successful claims
- Care should be taken when interpreting the table. As the Department does not routinely collect information on Pension Credit backdating periods, these have been estimated by comparing the date entitlement starts and the date Pension Credit is put into payment. Estimated backdating periods therefore include unknown periods of time that are due to processing, evidence gathering and verification work which routinely accompany every claim for Pension Credit.
- On-flows measure the total number of spells on benefit that commenced within a quarter. They do not include flows where people have moved out of one area and into another while remaining on the benefit.

5.7 The data we have therefore suggests that:

- Older pensioners are more likely to be affected by the proposed rule change. In 2006/7 older pensioners were more likely to backdate their claims than younger pensioners and were also more likely to do so for the maximum 12 months.
- A similar percentage of female and male claimants backdated their claims for more than 3 months.
- A similar percentage of disabled (those receiving Attendance Allowance or Disability Living Allowance) and non-disabled customers backdated their claims for more than 3 months.

5.8 The Department recognises that the impact could potentially be greater for older customers. Customer representatives have suggested that people with certain disabilities such as mental health impairments or communication difficulties may be less able to make their claims within the 3 month period, because they may not be aware of the existence of the benefit or may fail to understand the process for making a claim. So, even though our data suggests that disabled people are no more likely to be affected by the policy as non-disabled people overall, the Department recognises that there may be people with certain disabilities that face particular challenges in claiming within 3 months of their entitlement starting.

5.9 We have been unable to establish how many customers of ethnic minority origin backdated for this period as the Department does not collect such information.

6. Proposed mitigation of any negative impacts

6.1 Since the introduction of Pension Credit in 2003, the Department has significantly improved and simplified the process for claiming. It is now possible to make a claim for Pension Credit in a single telephone call (although claims may still be made in writing if preferred). Additionally, The Pension Service will always offer customers a home visit to help them make a claim. As such, disabled or elderly customers will not need to delay claiming until they can find a friend or relative to support them.

6.2 Local partnership agreements are either in place or approaching completion with all 203 primary tier Local Authorities and surrounding voluntary sector organisations to provide a single point of access to social care and benefit entitlement. This provides access to some of the most vulnerable pensioners, many of whom have never applied for any entitlement, and may not be aware of what is available or how to claim.

6.3 The Department has also set up Alternative Offices (which allow Local Authorities and voluntary organisations to accept claims from people aged 60 or over for Social Security benefits, or a person under 60 for benefits from the Disability and Carers Service), together with community based Information Points (formerly known as surgeries) in places that customers are familiar with, such as Age Concern, CAB and voluntary sector organisations, providing access for some of the most vulnerable pensioners

6.4 The Department has already undertaken extensive marketing and publicity in order to encourage people to claim Pension Credit and will continue to work closely with Age Concern, Help the Aged and others to ensure that potential customers are aware of the proposed new rules. At a national level both organisations are members of the

Partnership Against Poverty forum set up at the outset of the Pension Credit campaign to help to encourage take-up. We are building on the relationships we already have with Help the Aged and Age Concern to work with both organisations to promote Pension Credit take-up over the coming year.

- 6.5 The Department is confident that everyone who currently may have a potential entitlement to Pension Credit has now been contacted by The Pension Service and have been given the opportunity to make a claim. From our take-up and marketing analysis we have established that most of those potential claimants who may be eligible for Pension Credit, but who have not yet claimed have been contacted and made aware of the benefit, in a variety of ways: with over 75% of those people that the Department has identified as having a potential entitlement having been contacted 5 times or more by a combination of telephone calls and targeted mailshots.
- 6.6 Data on take-up shows that up to 81% of those entitled to the Guarantee Credit element of Pension Credit are claiming it. However, in recognition that there may still be some potential customers who are unaware of their possible entitlement to Pension Credit, the Department intends to continue to promote take-up of benefits by those entitled and will continue to use data matching to identify those eligible to, but not claiming Pension Credit.
- 6.7 Home visits will continue to be used to target vulnerable customers (in 2007/2008 the Pensions Service aims to carry out around 680,000 face to face visits) and seek to ensure that customers claim all of the benefits they may be entitled to.
- 6.8 Take-up activity, information and awareness, leaflets and the claim process already take account of equality and diversity requirements. Information which is sent out to customers is written to plain English standards and to the standards set by RNIB. If a customer needs the literature in an alternative language/format The Pension Service will arrange for this to happen. For those customers whose first language is not English interpretation services are available on request.
- 6.9 Prior to October 2008 when the changes are introduced, leaflets (available in alternative formats) will be amended to explain the proposed new rules so that those claimants who may wish to claim for a period which is more than 3 months will be aware of the need to do so before the proposed new regulations come into force.
- 6.10 The Pension Service through its local service will continue to work closely with local partners such as Help the Aged, Age Concern, and other community groups to improve take-up and ensure people are aware of the new rules. The Department will continue to work with these groups following the introduction of the change to continue to help those with potential entitlement to claim and to ensure that all potential claimants are aware of the benefit and the time limits for claiming.

7. Does the proposal or change have a positive impact on any group?

- 7.1 The change enables us to focus expenditure on improving the benefit process through a package of simplification measures which brings benefits to all customers in terms of an improved service and less intrusion into their financial circumstances.

8. Conclusion

- 8.1 The Department believes that a change in the time period for claiming Pension Credit will improve the administrative process for benefit claims and enable us to focus on improvements in the benefit process overall.
- 8.2 The Department recognises that there may potentially be impacts on some customer groups but believe the steps taken to maintain focus on take-up and highlight awareness of the change should minimise any impacts that could arise.
- 8.3 The Department will continue to review take-up activity and the benefit process and will ensure appropriate support and help is available to the most vulnerable customers to identify potential entitlement and to ensure that they are able to claim Pension Credit as soon as possible once they become eligible.

B: Change to the time period for claiming housing benefit and council tax benefit for those of pension credit age

C: Change to the backdating rules for housing benefit and council tax benefit for those of working age

9. Purpose and aims of the proposals

9.1 The Department plans to amend the time for claiming Housing Benefit (HB) and Council Tax Benefit (CTB) for pensioners from 12 to 3 months, to align with changes proposed to Pension Credit. To ensure consistency and simplicity for customers, it is also proposed that the period a claim for HB/CTB from working age customers can be backdated will be reduced from 52 weeks to 3 months. Both of these changes are consistent with the overall simplification agenda, making the rules for HB/CTB easier for customers and staff to understand. They broadly align HB/CTB with the backdating rules for other income related benefits. And these changes will also support the drive to improve administrative efficiency.

10. Who will benefit mainly from this proposal or change?

10.1 The changes to the time for claiming and backdating in HB/CTB are part of the overall simplification package that will enable resources to be targeted at improving the benefit process for these benefits as explained in Section 1. In particular the changes will allow resources to be invested in a change to the claims process for HB/CTB that will remove the need for a signed claim form for those claims taken by phone alongside Pension Credit, making the claims process more automatic for these customers.

10.2 Operational staff will also benefit from improvements in the administration process, as a result of:

- reduced levels of evidence and information to be collected from customers;
- simplified verification process as documents will be more likely to be available for a 3 month period; and
- improved speed and efficiency of decision making as there will no longer be a need for evidence and detailed review of changes of circumstances and entitlement over a 12 month period.

10.3 In addition, for people of pension age, the claiming process will be less onerous as:

- evidence of their circumstances over a period of up to 3 months is more likely to be accessible;
- it may be easier to recall changes in circumstances over a shorter period; and
- claims should be dealt with more quickly.

11. What information and/or evidence has been used to assess the impact of this proposal ?

11.1 The assessment has drawn upon evidence from Departmental analysts, from local authorities; and from a number of external stakeholders such as Citizens Advice (CA), and Child Poverty Action Group (CPAG).

Information about the data used

- 11.2 The scope of our analysis is restricted by the breadth and reliability of the data available to us. The information presented here represents the most complete and in-depth impact assessment possible subject to these data limitations.
- 11.3 Figures on the number and proportion of HB and CTB claimants likely to be affected by the backdating rule are derived from the Single HB Extract (HBSD-IAD scan)³. The backdating variable in the Single HB Extract was introduced relatively recently (April 2007) and accordingly we have no means of corroborating the data's robustness against historical data. The data only goes back 6 months. There are some concerns about the consistency of information provided by each local authority, but this will improve over time.

Data relating to number of claims backdated

- 11.4 Based on the first six months of data available, it is estimated that approximately 0.2%, of **new** HB and CTB claims would be affected. In absolute terms, this is approximately 3,000 HB and 3,000 CTB claims per year (Great Britain). These figures may be subject to revision as more data becomes available, however it is clear that the proposal would affect a relatively small group of individuals.

Existing HB and CTB claimants broken down by Equality group

- 11.5 The figures below correspond to the **existing** stock of HB and CTB claimants, for which we have reliable data. The data below present information on claimants' age, disability, ethnicity, claim type (passported/non-passported) and tenancy type.
- 11.6 Information on existing Housing Benefit and Council Tax Benefit claimants relate to Quarterly data. This aggregate-level data, provided by Local Authorities, offers a point-in-time estimate of the HB and CTB stockcount based on clerical returns. It is a trusted data source, however it contains no information on backdating. To no extent therefore is this information a substitute for information on backdating clients. Nevertheless, it is hoped that these figures are suggestive of the groups likely to be affected under the proposals.

11.7 *Receipt of Housing Benefit*

(a) *Age, Disability and Tenancy Type*

At February 2007, there were 4.04 million family units in receipt of Housing Benefit in Great Britain. During the four quarters to February 2007, there were on average:

- 37% (1.50m recipients) classed as elderly
- 63% (2.52m recipients) classed as working
- Of the elderly, 48% (0.72m) were in Local Authority housing, 39% (0.59m) were in Registered Social Landlord housing, and 13% (0.19m) were in the Private Rental Sector.

³ HBSD-IAD scan is a case level dataset of HB/CTB claims, extracted directly from LA computer systems

- Of the working age, 38% (0.95m) were in Local Authority housing, 35% (0.89m) were in Registered Social Landlord housing, and 27% (0.67m) were in the Private Rental Sector.

Source: quarterly 121 & 122 data

(b) Of recipients aged under 60:

- 40% (1.02m recipients) had a disability or long term illness
- 34% (0.85m recipients) were lone parents
- 11% (0.28m recipients) were unemployed
- 15% (0.38m recipients) were 'Others' - mostly in work, carers, widows, or had a short term illness.

Source: quarterly 121 & 122 data, averages over 4 quarters to February 07, splits by provisional May 05 1% data

(c) Ethnicity of recipients

The 2005-06 Family Resources Survey details the proportion of all benefit units in the sample in receipt of HB by ethnic grouping (based on the ethnicity of the head of the household):

- 11% of all 'white' benefit units are in receipt of HB
- 15% of 'mixed race' benefit units
- 8% of 'Asian or Asian British' benefit units, including
 - 4% of 'Indian' benefit units
 - 11% of 'Pakistani and Bangladeshi' benefit units
- 22% of 'Black or Black British' benefit units, including
 - 22% of 'Black Caribbean' benefit units
 - 23% of 'Black non-Caribbean' benefit units
- 12% of 'Chinese or other ethnic group' benefit units.

(d) Claim Type

Passported HB recipients: At February 2007, there were 2.92 million HB recipients (72% of the total HB caseload) also in receipt of a passporting benefit, and therefore in receipt of a full HB award.

Non-Passported HB recipients: At February 2007 there were 1.12 million HB recipients (28% of the total HB caseload) not in receipt of a passporting benefit.

Note: Passported benefits: refers to people in receipt of Income Support, income-based Jobseekers Allowance or guarantee credit or treated as receiving one of these benefits, who qualify for maximum HB/CTB.

11.8 **Receipt of Council Tax Benefit**

(a) Age, Disability and Tenancy Type

At February 2007 there were 5.10 million family units in receipt of Council Tax Benefit in Great Britain, of which:

- 50% (2.55m recipients) were classed as elderly

- 50% (2.55m recipients) were classed as working age

Source: February 2007 quarterly 121 & 122 data.

(b) Of recipients aged under 60, we estimate:

- 42% (1.07m recipients) have a disability or long term illness.
- 34% (0.87m recipients) are lone parents.
- 11% (0.29m recipients) are unemployed.
- 13% (0.34m recipients) are 'Others'- either in work, carers, widows or had a short term illness.

Source: quarterly 121 & 122 data, averages over 4 quarters to February 07, splits by provisional May 2005 1% data

(c) Ethnicity of Recipients

The 2005-06 Family Resources Survey details the proportion of all benefit units in the sample in receipt of CTB by ethnic grouping (based on the ethnicity of the head of the household):

- 15% of all 'white' benefit units are in receipt of CTB
- 17% of 'mixed race' benefit units
- 15% of 'Asian or Asian British' benefit units, including
 - 10% of 'Indian' benefit units
 - 21% of 'Pakistani and Bangladeshi' benefit units
- 24% of 'Black or Black British' benefit units, including
 - 25% of 'Black Caribbean' benefit units
 - 23% of 'Black non-Caribbean' benefit units
- 14% of 'Chinese or other ethnic group' benefit units.

Source: 2005-06 FRS report

(d) Claim Type

Passported CTB recipients - At February 2007 there were 3.61 million CTB recipients (71% of the total CTB caseload) also in receipt of a passporting benefit.

Non-Passported CTB recipients - At February 2007 there were 1.49 million CTB recipients (29% of the total CTB caseload) not in receipt of a passporting benefit.

Additional information

11.9 A questionnaire was sent to 27 local authorities (out of a total of 408 local authorities), seeking information from them about HB/CTB claims that are backdated. All submitted responses, but the quality of the data provided varied considerably, and we have concerns that they each used different criteria for counting the number of backdating requests. There are a number of reasons why a claim may be paid from an earlier date, and backdating on the basis of good cause forms just one category. Of the responses we did receive, the figures given for the number of claims that were successfully backdated varied from 0.9% to 20%. The reasons given for backdating varied but commonly included ignorance of the benefit system (which in fact is not a reason for 'good cause' backdating), and health problems. The majority of authorities backdated claims for less than 3 months, with 25% saying they backdated some claims for periods greater than 3 months. Both the reliability of this data, and the lack of specific detail about how many claims are backdated for particular periods, means we cannot draw any firm conclusions from this exercise. It does, however,

indicate that practices vary across local authorities and that people with health conditions are probably a key group that will be affected by the proposed change.

11.10 Welfare rights and other similar organisations have been invited to send in details of case studies or other information about the potential impact of the draft proposals. We received 11 emails from a variety of local organisations, providing details of case studies. Also two letters were sent to DWP Ministers, from CPAG, and from CA. The majority of examples related to people with mental health impairments or other disabilities, and pensioners who were unfamiliar with the claims process. A small number related to claims where insufficient information was provided and the claim was subsequently closed. While it is not possible to draw any conclusions regarding numbers who might be affected, there may be some people, notably those with health problems, who potentially may be disadvantaged. However in many cases people with health or communication difficulties will have access to a third party such as a carer, advice worker, etc who may be able to offer assistance with the claiming process.

12. What is the impact of the proposal or change on different groups?

12.1 There will be no impact on those customers who are already in receipt HB/CTB or on those who make a new claim before the new regulations come into force. All new customers on or after 6 October 2008 will have 3 months in which to make a claim.

12.2 There are no changes proposed to the rules on backdating. In summary, for people of working age, they must show that there was a good reason for not applying sooner. Ignorance of a particular benefit is not considered to be an acceptable reason. The circumstances in which good cause can be established generally falls into four main categories:

- the customer was so ill or otherwise unable to act that they could not claim and could not ask someone to claim for them;
- someone the claimant should have been able to rely on wrongly advised them they could not get HB/CTB;
- there were good reasons for the customer not believing they could claim, amounting to more than just not thinking or caring;
- some external factor prevented the customer from making a claim (eg failure of postal services, imprisonment).

12.3 There may be some impact on new customers who are disabled. In particular, customers who have mental health impairments or communication difficulties may not always be in a position to make their claims within the 3 month period, because they are not aware of the existence of these benefits or fail to understand the process for making a claim (due to the nature of their impairment), and have no one to advise or assist them.

12.4 A clear conclusion derivable from the data is that only a relatively small number of individuals would be affected by the modification to the backdating rule, and this would mainly be in the category of working age, disabled people.

12.5 While currently some pensioners may have difficulty claiming on time, we believe that this problem will largely disappear from October when new claims processes are

introduced and joint claims are taken over the telephone for Pension Credit and HB/CTB, without the need for customers to complete or sign a claim form. The application will be sent directly to the local authority for processing. This will benefit both disabled and non disabled people of pension age.

13. Proposed mitigation of any negative impacts

- 13.1 When similar proposals were put before SSAC in 2001, a number of concerns were raised and the proposed changes were withdrawn. The present package of changes are being submitted for SSAC's consideration in the knowledge that much has changed in the last seven years, removing many of the previously identified negative impacts. In addition, there are no plans to amend the rules on 'good cause.'
- 13.2 The administration of HB and CTB is now much improved, and this is backed up by Local Government Ombudsmen reports. Complaints about HB Administration have reduced by 74% in the last few years. Significant improvements have been made to local authority performance, which mean for example, that average HB/CTB processing times have been cut from 56 days in 2002/03 to 33 days in 2006/07.
- 13.3 The simplification agenda has considerably reduced the complexity of the benefit system making it easier for customers to get their entitlement. For example:
- the Pension Service now uses a shortened claim form (down from 26 to 3 pages) to target people who are claiming Pension Credit but are not claiming help with HB/CTB;
 - streamlined claim processes have been introduced, including the introduction of combined claims with DWP administered benefits, and more opportunities have been created for benefit claims to be made via third sector partners;
 - to align the benefit system, 'intention to claim' rules for HB/CTB have been introduced, and increased time limits to align with DWP administered income-related benefits;
 - and modifications for pensioners applying for Pension Credit have been mirrored in HB/CTB.
- 13.4 The impact of the changes will be mitigated in a number of ways. The Department will undertake a publicity campaign alerting customers to the potential change and encouraging them to apply before October 2008 should they believe that they are entitled to more than three months backdated HB/CTB. The campaign will start in late spring/early summer, and will include information to be circulated via the internet, and in the Departmental publication, Touchbase.
- 13.5 The Department will work with LAs and other landlords, reminding them of the need to address rent arrears promptly and by no later than the 8 week stage (the point at which action is usually triggered). As this will be within the 3 month period proposed, this change would still allow vulnerable working age customers who can show 'good cause' to claim HB/CTB and apply for backdating to cover the period of arrears. Pensioners of course will be able to apply for 'backdating' without having to show good cause. This will give customers an opportunity of claiming HB/CTB within the three-month period should that be necessary, and will help address concerns about a potential increase in evictions and homelessness.

14. Conclusion

- 14.1 The Department considers that the alignment of rules in this area is important in providing consistent rules across benefits to simplify the system as a whole. The period of 3 months strikes the right balance for income-related benefits that are intended to meet current day-to-day needs and which are generally administered far more efficiently than they were only a few years ago.
- 14.2 The Department considers that this change will still protect vulnerable customers from building up large debts, or facing eviction, in that such action is usually triggered where 8 weeks rent arrears has accumulated.
- 14.3 The Department will take steps to ensure people are aware of the changes prior to October 2008 and are encouraged to apply for their entitlement. Landlords will be encouraged to address rent arrears before they build up to more than 8-weeks. The changes will be monitored and further steps to mitigate any impact will be considered if necessary.