



A quick guide to Housing Benefit (HB) and Universal Credit



We will cover the following areas:

- The claiming process for HB
- The rules surrounding eligibility and occupation
- The claimant's household and 'non-dependants'
- Applicable amounts.
- The treatment of income and capital
- Rent liability
- Calculation and payment.
- Council Tax Reduction & Universal Credit



Housing Benefit

- Awarded to help with rent costs
- Open to private and social housing tenants
- Means Tested Social Security Benefit
- Dealt with by the local council not Job Centre Plus
- Application can be made when applying for Job Seekers Allowance



Who can claim?

A claim for HB can be made by any of the following people:

- Single claimants;
- Claimants who are part of a couple – either partner can claim.
- An appointee i.e. where the customer is unable to manager his/her own affairs e.g. someone with power of attorney.



How and Where to claim

- Customers can claim either directly with Northampton Borough Council or via the Jobcentre/The Pension Service.
- E-Benefits – claims via the internet.
- Telephone claim service – vulnerable tenants



Relevant Dates:



- HB is generally paid from the Monday following the date we receive their claim form.
- Benefit Take Up at the heart of what we do - to ensure:
- The customer makes their claim for HB at the earliest possible opportunity.
- If a customer has recently separated from their partner, or their partner has recently died then the remaining/surviving partner needs to make their claim within 1 calendar month of the death/separation.

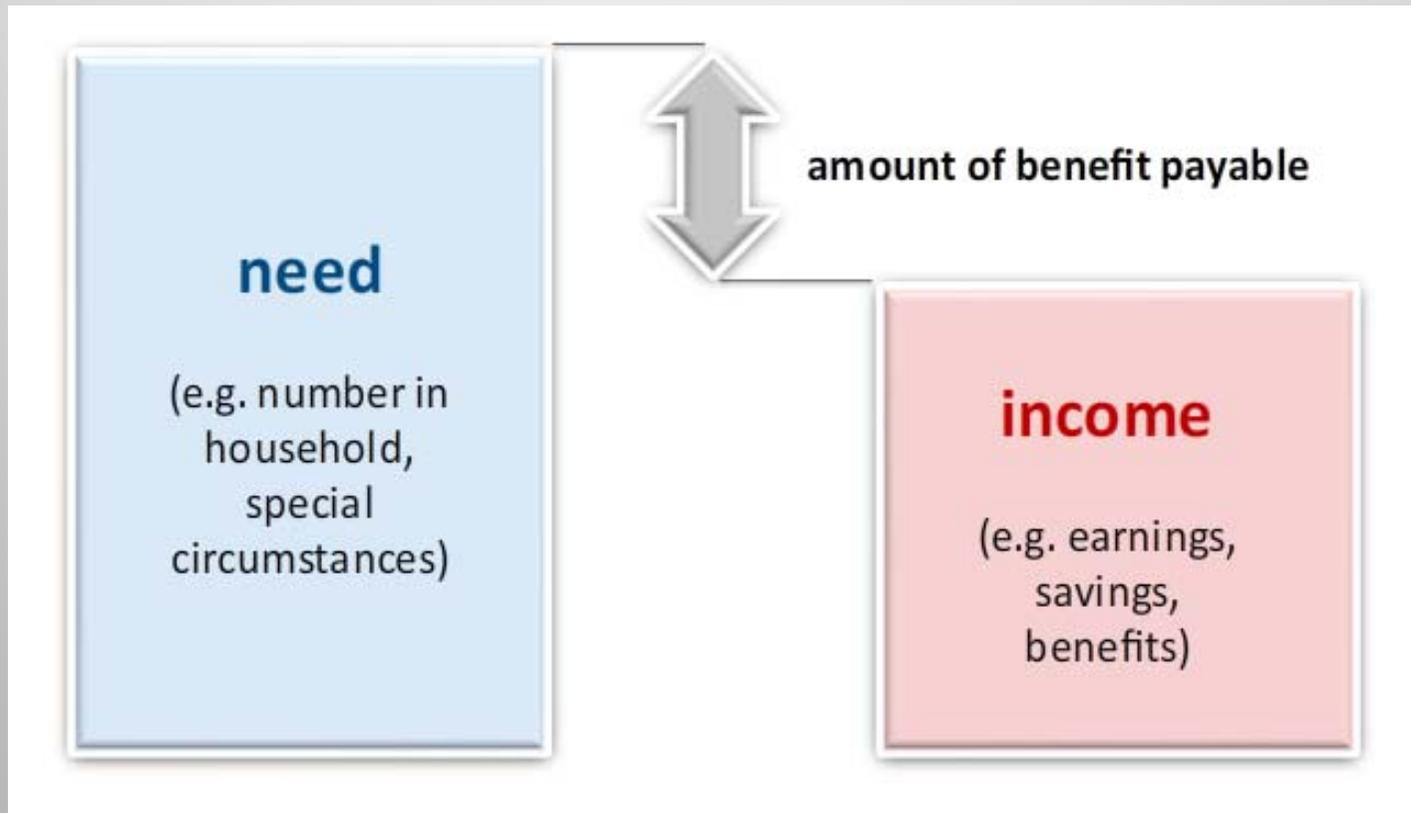
Eligibility and Occupation

The basic conditions of eligibility for Housing Benefit are:

- The claimant is liable to make payments or rent.
- The claimant occupies that dwelling as their normal home.
- The claimant is not a member of an excluded group (e.g. ineligible students or recent migrants).
- The claimant's capital does not exceed £16,000 (unless they are on PCGC)
- Any deductions for non-dependants do not exceed the claimant's eligible rent.
- The claimant's income is not too high.

What is the “means test”?

A comparison between an individual/couple’s ‘need’ and ‘means’





Applicable Amount



- An applicable amount is the amount of money that the government states that the claimant, along with any partner or dependent child/young people, need to cover their basic living needs each week.
- It is not a financial payment received by the customer, but more a yardstick by which to measure their income against to carry out a means-test.
- A customer's applicable amount is made up of personal allowances and any applicable premiums awarded:



Income & Capital



Earned Income:

We start with the customer's gross income, deduct their tax and national insurance contributions and 50% of any pension contributions they receive and then convert this to a weekly figure.

Earned income then attracts a number of disregards:

Example:

A lone parent works 20 hours a week and earns £250.00 per week, and pays £50.00 tax and £20.00 NI. The customer also pays £70.00 per week in child care costs.

The calculation would be:

$$(250.00 - 50.00 - 20.00) = £180.00 \text{ per week}$$

From the £180.00 the disregards are then deducted:

$$180.00 - 25.00 - 17.10 - 70.00 = £67.90.$$

So although the customer's gross income is £250.00 per week, the total amount of earned income that we will use in the means test for HB is £67.90pw.



Income – State Benefits



Most state benefits are taken in full as income, except the following, which are disregarded in full (i.e. we do not include them in the means test):

Child Benefit

DLA

AA

WWP/ WDP

Child Maintenance

CTC – only for pensioner customers

Income – pass-ported Benefits

The following benefits are pass-ported, which means the customer usually gets maximum Housing Benefit:

IS
JSA (IB)
ESA (IR)
PC (GC)



Capital



Capital can include anything from bank balances, to second properties (although never includes the home the customer lives in or personal possessions). There are a number of thresholds that are important for the assessment of capital.

Lower Thresholds:

A lower threshold is the amount of capital a customer and their partner can have before it affects their HB:

Working Age Customers = £6,000.00

Pension Age Customers = £10,000.00

Upper Threshold:

Customer's who have in excess of £16,000.00 in capital are not eligible for HB; the single exception to this is customers in receipt of PC (GC).

If a customer has capital which is above their lower threshold and below the upper threshold it is converted to a weekly income – called tariff income.



Rent Liability



The level of HB is determined by the type of rental agreement the customer has, the tenancy types are as follows:

Local Authority (NPH): The amount of rent used in the assessment of Housing Benefit is basically the rent set by the local authority (NPH).

Housing Associations: The amount of rent used in the assessment of Housing Benefit is the rent set by the housing association, less any ineligible service charges.

Private Tenants – Local Housing Allowance: The amount of rent used in the assessment of Housing Benefit is based on the customer's LHA amount.

LHA rates: 1 April 2017 to 31 March 2018 (weekly rates)

Shared room (under 35) rate*	1 bedroom rate	2 bedroom rate	3 bedroom rate	4 bedroom rate
£66.32	£100.05	£126.31	£139.84	£187.14



Calculation

To calculate HB the following information first needs to be established:

- The applicable amount for the claimant, partner and any dependant children.
- The weekly income of the claimant and partner, including tariff income.
- The customer's 'eligible rent' or Local Housing Allowance rate.
- The amount of any non-dependant deduction.

Maximum Benefit:

If a customer is on a pass-ported benefit or their income is less than or the same as their applicable amount the customer will receive maximum HB.

Maximum Housing Benefit is the customer's eligible rent/LHA figure less any non-dependant deductions.

Non-Dependent deductions

- A non-dependant is someone aged 18 years or over who lives with the claimant. Examples of a non-dependant would be a son, a daughter or elderly relative.
- We normally have to reduce the amount of benefit if there is a non-dependent. This is called a non-dependant deduction.
- The amount of deduction made depends on how much their gross income is and whether they are working.
- Non-dependant deductions currently range from Nil if the non-dependant is under 25 and receiving Income Support or Jobseekers Allowance (income based) to
- £95.45 for those in paid work whose gross weekly income is £430 or more.



Tapers

- If a customer's income is above their applicable amount their HB is reduced by 65% based on the customer's excess income.
- Excess income is the amount of income the customer has above their applicable amount.
- This basically means that for each £1.00 of excess income the customer's maximum benefit entitlement to HB is reduced by £0.65

An Example of a Housing Benefit Calculation (weekly income):

Weekly Income = £105.15 Applicable Amount = £88.15 EXCESS INCOME = £17.00

Weekly eligible rent = £54.00 Less ND Deduction = £17.00 MAXIMUM BENEFIT AVAILABLE = £37.00

TAPER: = Excess Income £17.00/ 100 * 65 = £11.05

Deduct Taper from maximum benefit £37.00 - £11.05 = **£25.95** (weekly HB Award)



Local Council Tax Reduction Scheme

- Council Tax Benefit ended on 31 March 2013.
- Every council now operates its own Council Tax Reduction scheme for Working Age.
- Many are using the same or very similar rules as the old council tax benefit.
- Due to the reduced funding the council now receives, the level of support we are able to provide has been reduced for all **working age** customers.
- From April 2017 the maximum discount a person receives was reduced from 71% to 65%. This means that all working age people who claim a Council Tax Reduction are required to pay a minimum contribution of 35% towards their Council Tax.



Universal Credit



Universal Credit will eventually replace:

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support
- Working Tax Credit
- Child Tax Credit
- Housing Benefit



Universal Credit



- Intention that people will claim Universal Credit online and then attend a face-to-face interview.
- Universal Credit is paid differently to current benefits. Majority of people will be paid once a month into their bank, building society or Post Office account.
- Any help towards rent will be included with in the Universal Credit payment.
- Tenant to pay landlord.



Universal Credit



Alternative Payment Arrangements

For a minority of claimants, alternative payment arrangements may be required; these might include

- paying the rent directly to the landlord
- making more frequent than monthly payments
- splitting the payment within the household



Universal Credit



Alternative Payment Arrangements

- Option to make rent payments direct to the landlord if a claimant reaches a certain level of rent arrears. (Usually 2 Calendar months)
- These alternative payment arrangements will be considered on a case by case basis and assessed on their individual merits.
- The decision about whether an alternative payment arrangement is suitable will be made by a UC adviser.



Universal Credit



Summary of proposed UC changes and dates

The measures below are included in an overall £1.5 billion package introduced to address concerns about universal credit delivery:

- from January 2018 - availability of advance payments of up to 100 per cent of notional entitlement with a 12 month repayment period;
- from January 2018 - new claims for universal credit in live service areas will cease and legacy benefits will need to be claimed instead
- from February 2018 – the seven waiting days at the start of universal credit claims is abolished;



Universal Credit



Continued.....Summary of proposed UC changes and dates

- . from April 2018 - stays in temporary accommodation to be paid through housing benefit;
- . from April 2018 - transition to universal credit housing payment of two weeks for anyone transferring across from housing benefit.
- . **November 2018** - roll out of the full universal credit in Northampton.
- . December 2018 – roll out of the full universal credit to all jobcentre plus offices is due to be complete
- . January 2019 – new claims from those with more than two children transferred to universal credit
- . Migration of existing legacy claims completed by 2022.



Some Facts & Figures

- As at October 2017 we have 15,473 applicants in receipt of a CTRS discount. Of these 5,829 are of pension age.
- This leaves 9,644 working age CTRS recipients - which equates to 62% of our CTR caseload.
- 21% of the working age LCTR caseload are currently employed but still require some level of financial support through the CTR scheme because their wages are relatively low.
- 29% of the working age LCTR caseload are in receipt of disability benefits. Many of these disabled people are unable to improve their financial circumstances by moving into work and their disability benefits are essentially provided to cover specific costs arising from their disability rather than to meet housing costs or Council Tax liability.
- 37% of the working age LCTR caseload are single parents (predominantly female) with one or more children.



Some Facts & Figures

The summary table shows the number of Housing Benefit claimants in Northampton as at Aug 17:

All HB claimants	Social Rented Sector	Private Rented Sector	Pass-ported	Non-Pass-ported (Standard Claims)
14,451	10,429	4,022	8,472	5,952

Some Facts & Figures

Benefit Cap - National picture: 68,000 capped households at Aug 17.

- 7 in 10 capped households are single parents.
- 83% have between 1-4 children and 10% have 5 or more.

306	178	77	44	6		
Total Aug	Up to £50	£50.01 to £100	£100.01 to £150	£150.01 to £200	£200.01 to £250	£250.01 to £300



Some Facts & Figures



- National HB Expenditure 2016/17 = £23.4 billion
- NBC HB Expenditure 2016/17 = £69.7 million

National data – number of HB claimants		Tenure Type		Pass-ported Status	
		Social Rented Sector	Private Rented Sector	Pass-ported	Non-Pass- ported (Standard Claims)
Great Britain	All HB claimants				
		4,413,726	3,074,472	1,336,412	2,693,307
					1,717,674



Discretionary Housing Payments

- DHPs – key tool to help claimants affected by changes to HB who need extra support.
- However, finite budget - DHP budget for 2017/18 is £545k
- We are committed to making the best use of funding to alleviate hardship and prevent homelessness.
- We very much appreciate the continued support of NPH/RSL colleagues in identifying need and helping vulnerable tenants with their DHP applications.



Questions?