

Reducing the time period for claiming
backdating of pension credit, housing
benefit and council tax benefit:

Submission to Social Security Advisory
Committee

May 2008

Key points

- The CAB service very much regrets that the DWP are once again proposing to cut housing benefit (HB), council tax benefit (CTB)) backdating, despite the fact that a similar proposal was made in 2000 only to be withdrawn in the face of strong opposition and a highly critical report from the SSAC. Many of the arguments made at that time still apply, and are outlined below.
- We do not consider that these proposals represent coherent policy making. Whatever the merits of the whole pension credit (PC) package, we do not believe that it is appropriate that this should be funded by cuts to housing benefit entitlement for either working age or pensioner claimants.
- The impetus for the proposals comes from the desire to make savings from PC backdating in order to pay for an improved PC claiming process and minor improvements to entitlement. It is then argued firstly that because pensioners will be claiming PC and HB in a single process, the backdating rules for the two benefits must be aligned, and secondly that since HB is also paid to working age claimants, similar (although not the same) rules must be introduced across the board. This is despite the fact that decisions on HB/ CTB backdating are made by different decision makers from PC.
- The result is a proposal to cut HB entitlement for working age claimants without any compensating benefit for this group, and without any consideration being given as to why rules which have been in place since 1988 are now no longer needed. As such we believe this a shortsighted policy proposal, the consequences of which will be felt by some of the most vulnerable claimants who may end up facing homelessness as a result.
- We would also challenge the initial premise that the measures represent an overall improvement to the benefits system, certainly as far as customers are concerned. Clearly there are some gains for some pensioners but at the expense of a considerable loss of potential income for others by restricting backdating to three months. Moreover it seems likely that the latter group of pensioners will be more vulnerable, as they will by definition be people who are not even aware of their possible entitlement.
- We consider that the data available on the numbers of claimants receiving backdating for periods greater than three months is inadequate to support the proposed cuts. We also regret that no detailed breakdown is provided on the relative cost of each of a) the improved PC claims process b) the assessed income period run on and c) the 13 weeks temporary absence abroad extension, and how these compare with the estimated savings

from reducing backdating for a) PC, b) HB/CTB backdating for pensioners and c) HB/CTB backdating for working age claimants.

- We also strongly dispute the claim which is made throughout the Memorandum, that the backdating cuts will only affect new claimants. Whilst this may be the case for PC, the situation for HB/CTB is far more complex, which partly explains why backdating for those benefits has always been 12 months. Many of the HB backdating cases dealt with by bureaux relate to existing claimants with arrears dating back to a period many months earlier where, for some reason, there was a problem with their claim and benefit ceased.

Detailed comments

Pension Credit

The CAB Service has been working closely with DWP to tackle pensioner poverty. Undoubtedly, pension credit has played an important role in this work and access to 12 months backdating without the need for good cause has been a welcome feature and an incentive for people to claim. We can see no justification for the proposed change and, moreover, it does not seem to fit with the Government's wider and overarching policy to tackle pensioner poverty and promote the wellbeing of older people (PSA 17).

While we welcome the introduction of a one-call claims process for Pension Credit, Housing Benefit and Council Tax Benefit for older people, together with proposals to allow Pension Credit to be retained for up to 13 weeks of a temporary absence abroad, we do not believe that this compensates for the loss of potential income from backdating, nor that the reduction in backdating is necessary in order to facilitate the one-call process.

A CAB in the Midlands reported the case of a man in his 60s whose hours of work had been reduced, leaving him with earnings of less than £90 a week and a small occupational pension of £370 per month. He was paying full council tax and finding it increasingly difficult to manage financially. He was much relieved when the bureau advised him that he was entitled to guarantee pension credit, which could be backdated up to 12 months.

A CAB in the North reported another man in his 60s who had been self-employed for many years but whose profits had been declining and in the past few years he had made a loss. He had been living off his savings and went to the bureau for help when these were exhausted. He was claiming working tax credit and had a small personal pension but was not claiming council tax benefit and had an interest-only mortgage of £78,000. The bureau calculated that he was due guarantee pension credit of £73 a week and also full CTB of £16 a week. The pension credit award was backdated 12 months but the CTB was originally only awarded from the date of application, until the adviser pointed out to the local authority that

pension credit had been backdated 12 months. The backdated pension credit allowed the client to resolve his immediate financial problems and pay off his mortgage arrears

The benefit of take-up work

With funding from the DWP's Partnership Fund between 2005-07, twenty-three Citizens Advice Bureaux in England and Wales generated thousands of pounds in extra income for vulnerable older people, who might otherwise never have realised that help was available, let alone claimed it. For example:

- Over 12 months, Middlesbrough CAB saw 724 clients, resulting in 519 new benefit claims, and an estimated £834,681 in new benefits awarded to older people.
- Salisbury CAB carried out more than 250 visits to vulnerable elderly clients in their own homes, and raised over £400,000 in previously unclaimed income in the first year. Results for the second year were expected to exceed £600,000.

Despite the Government's work to encourage the take-up of older people's benefits, including the current "pester power" campaign launched by the Pensions Minister earlier this year, older people continue to miss out on huge amounts of financial help and struggle to make ends meet. Only half of eligible older people claim council tax benefit and as many as four in ten are still missing out on pension credit, estimated to total between £2.5 and £4.2 billion a year. For example:

A Northumberland CAB's client struggled to get by on her basic state pension of £125, and a tiny occupational pension of £1.77 each week. She had cancer and was living alone in privately rented accommodation. She had been using her savings to pay her rent of £91.15 a week, and was concerned that her savings would only last another 11 months. She had no idea that she was entitled to additional benefits and was living in poverty. The bureau commented that, because the client was receiving the single person discount on her council tax, the council should have been prompted to carry out a full benefit check and determine that the client was entitled to housing benefit and council tax benefit.

A CAB in South-East Wales reported that their client and his wife had missed out on pension credit and council benefit for two years because they thought they wouldn't be eligible. They told the adviser that they had had the forms, but were put off by the lack of information about entitlement, and felt it wasn't worth making a claim for something they might not be entitled to. The adviser found that they had, in fact, been entitled to pension credit worth approximately £120 a week for the past two years, as well as full council tax benefit.

Joint teams

We are concerned to see Local Authority Joint Teams, or joint working partnerships, included within the rationale for reducing the time limit for backdating benefits (Equality Impact Assessment, paragraph 6.2). These teams

take many forms – a very small number appear to be co-located actual teams, with LA staff doing pension credit claims and DWP staff doing financial assessments for home care, and the work being done on one visit by either organisation. This level of co-operation appears to be very rare, however. At most, it provides a single point of contact for financial assessments and benefits, and concentrates resources mainly on those applying for, or already using, home care services, rather than the majority of pensioners who do not use that service. We are disappointed that the DWP has not commissioned independent evaluation of joint teams in advance of these proposals – with regard, in particular, to the impact, if any, that they have had in increasing take-up.

Choice

The Minister's initial statement, and the Social Security (Miscellaneous Amendment) Regulations 2008, indicates that the reason for the proposed change was that older people are reluctant to provide the amount of personal information necessary to support a 12-month backdated claim. Bureaux do not believe this to be the case – indeed our evidence is that claimants are very pleased to have the opportunity for such backdating and the additional income it will provide. In any event, the current system allows the decision as to whether to backdate, and for how long, to rest with the claimant, which we believe to be the most appropriate arrangement.

Housing and council tax benefit backdating

A major part of bureaux work involves helping clients with housing debt, taking all possible steps to help them sustain their tenancies and avoid eviction and homelessness. Indeed this is a key aim of the National Homelessness Advice Service (NHAS) which the CAB service is funded by DCLG to deliver, and in 2006/7 bureaux dealt with over 80,000 enquiries on rent arrears. What is very clear from this work is that, despite improvements in HB administration, HB problems continue to be a major feature in rent arrears cases, and the facility to get a claim backdated by up to one year is therefore a very valuable tool. In 2006/7 bureaux dealt with over 8,000 inquiries relating to HB backdating, and over 5,000 inquiries about backdating of CTB. Moreover, because of the requirement to prove good cause, there can be no doubt that this provision is targeted only on the most vulnerable claimants who most need personal support to help them cope.

A CAB in the south west reported a client who has been pursuing backdated housing benefit for a two month period when he failed to complete his housing benefit application because he was sectioned and hospitalised. The CAB has been helping the client with his claim but he has repeatedly lost contact and had to start again. As a result the whole process has taken well over three months. When the client is well he is fully capable of managing his own affairs. However more severe periods seem to occur without warning and he often loses contact with family at these times.

A CAB client in her sixties living in Surrey was struggling to cope since her husband had died suddenly over a year earlier. This led to mental health problems which resulted in her failing to complete HB review forms or to claim pension credit despite efforts by her local authority landlord to help. She was therefore living on approximately £47.00 per week retirement pension and was eventually evicted from her home for rent arrears. At this point she was referred to the CAB by the local authority.

The bureau adviser realised that she was entitled to a considerable amount of backdated HB, and persuaded the landlord to agree to let her return to the property if the arrears were cleared before they re-let it. The bureau helped her successfully claim seven months backdated HB/CTB and PC, which completely cleared her rent arrears and court costs. She was then granted a new tenancy with a clear rent record.

Aligning backdating rules with other benefits might appear administratively neat. However there are important reasons why HB is different from other means tested benefits and therefore requires different and more flexible backdating provision. Firstly, because benefit is often paid direct or rebated to the landlord, usually four weeks in arrears, there is often a delay before the claimant is even aware that their benefit has ceased and that action is needed to re-claim.

Secondly, unlike other means tested benefits, HB and CTB are paid to meet particular defined liabilities. If the benefit is not received then the debt remains. In May 2007, HB payments averaged £70.16 per week; claimants - by definition on a low income - are unlikely to be able to pay off the resulting rent arrears without a backdated payment. It is important to recognise that the impact of cutting HB/CTB backdating will in many cases be also felt by another part of the public purse: the majority of HB claimants rent from local authorities or housing associations which are likely to see their bad debts rise as a result of the change. Similarly it is likely that the council tax take will reduce.

We welcome the proposals to improve the claims process for HB/CTB claims for pensioners from October 2008. However we do not consider it appropriate that this should be funded by cutting backdating entitlement. The memorandum justifies this by arguing that the improved claims process will reduce the need for new claims to be backdated. However this ignores the fact that many of those who most need the benefit to be backdated beyond three months will be existing claimants, - who will not therefore have benefited from this improved claims process - as well as the most vulnerable pensioners who do not know about their entitlement.

Our main concern however is focussed on the extension of these measures to working age claimants. It appears that the only justification for cutting HB for this group is in order to fund the improved pensioner measures; there do not appear to be any compensating benefits for working age claimants or indeed any assessment of the value of the current rules in tackling rent arrears and preventing homelessness.

Prior to the introduction of pension credit in 2003, HB backdating was available for all HB claimants for 12 months on grounds of good cause. If the intention is therefore to end the transitional arrangements made around the introduction of PC, then 12 months with good cause should be the fall back position. Any change from that "status quo" position must be justified.

It is suggested (para 34) that it is in the customer's interest to reduce the backdating period because they have difficulty in proving good cause or providing the relevant information for past periods and because the existing provision creates confusion for claimants and staff. This is not the experience of CAB advisers who, on the contrary, report how very valuable claimants find the option to backdate for a period up to 12 months, especially when they are faced with the threat of eviction for rent arrears. In any event, the claimant always has the choice not to backdate their claim if that is what they would prefer.

A CAB in County Durham reported a couple in their 70s and in poor health, who were in receipt of retirement pension, industrial injury disability benefit and a small occupational pension. A benefit check showed that they were due about £23 a week HB and £9 a week CTB. The bureau helped them complete an HB/CTB claim and requested that the benefits be backdated 12 months on the grounds that her poor health meant that they had not been able to seek benefit advice earlier. It was not difficult to provide all the information required for this. When the claim was awarded in January 2008, it was backdated 12 months without any problems.

The level of take up for HB, particularly among people in work is very poor at around 50% in 2005/6. It is important to recognise that the facility to backdate benefit for up to a year is a valuable tool for increasing take up as it ensures that claimants are able to claim their full entitlement. Moreover the good cause provisions mean that it is targeted on vulnerable groups.

Impact on existing claimants

A repeated misunderstanding which runs through the memorandum is that the backdating cuts will only affect new claimants. Whilst this may be the case in relation to PC, it significantly oversimplifies the issue with respect to HB/CTB. Bureaux regularly report cases where clients are currently in receipt of HB/CTB but are nevertheless facing action for arrears. A close look at their HB/CTB record then reveals that the arrears accrued because, at some point during the previous 12 months, benefit ceased for a period of some weeks. Although it was subsequently reclaimed, nothing was done at the time to apply for backdating for the missing period.

A CAB in Yorkshire reported the case of a single parent who is a Roma/Gypsy/Traveller who cannot read or write. Despite being in receipt of full CTB she has received a council tax summons for £22.61 plus £50 costs. It appears that there must have been a gap in her CTB at some point in the past. As she cannot read she does not know if she received earlier letters regarding this or her council tax arrears. The bureau is now helping her to submit a backdated claim.

Another common scenario is that a claimant is in receipt of partial HB and when the bureau examines the circumstances it becomes clear that, for an extended period, the client has not been receiving all the HB to which s/he is entitled. Typically the bureau only gets involved at a late stage when a significant amount of arrears have accumulated, which might take several months, and court action or eviction is then threatened.

A CAB in Hertfordshire reported a single parent whose daughter has learning difficulties. The client herself had difficulties dealing with her affairs. She came to the bureau with a variety of debts including £775 rent arrears which had accrued following a reduction in her HB. Her daughter had lost her place at a further education course and the HB department had therefore wrongly assumed she had started working which was not the case. The adviser was able to help the client claim HB backdated for seven months.

Not cost effective

Because backdating is only available where there is good cause, there is likely to be a close overlap between those clients entitled to backdating and those who would be deemed in priority need under homelessness legislation were they to become homeless. The HB backdating provisions are therefore a key tool in delivering the government's agenda to prevent homelessness. As such, they are also highly cost effective. Any saving to the HB budget is likely to be far outweighed by the cost to the landlord of court action, a void period and management time in re-letting the property. Added to that would be the cost to the local authority of rehousing if the person was found to be unintentionally homeless and in priority need.

The Audit Commission assessed the cost of an eviction as being around £2000 in 1998 – a figure which will have grown significantly in 10 years.¹ In 2003 a report by the New Policy Institute for Crisis assessed the wider costs of homelessness for a single person (including temporary accommodation, health, support services and the cost of unemployment) as being anywhere between £15,000 and £24,000 per person per year.² Costs for a family could be significantly more. Clearly this vastly exceeds the value of any savings made from cutting benefit backdating.

More than three months

We strongly disagree with the argument that three months backdating is sufficient, given that landlords may issue a notice to quit at 8 weeks. The rent arrears pre-action protocol introduced in October 2006 makes it clear that landlords should take early action to prevent rent arrears and avoid the need for court action. However recent research by Citizens Advice³ indicates that - although good progress has been made - advisers operating on court desks on possession days still identify clients facing possession action and with rent arrears averaging 15.6 weeks, where a claim for backdated benefit could be made. Frequently by this stage the backdating period will significantly exceed three months. However the adviser may well be able to persuade the district judge not to make a possession order on the grounds that the rent arrears could be significantly reduced or even eliminated by a successful backdating claim.

A CAB in Surrey reported a client seen at their court desk who was facing possession for rent arrears. He had been ill and unable to work for a long time, and had had a kidney transplant shortly after moving into a new housing association flat eleven months earlier. Rent arrears started to accrue immediately as he could not afford the rent and was not well enough to attend to any benefit claims. His parents helped him out financially and he used up his savings. With help from the local advocacy service he eventually received income support and HB. He applied for HB to be backdated to the start of the tenancy and at the time of the possession hearing he had confirmation that good cause had been accepted, but there were ongoing problems over proofs of income and savings. The adviser was able to negotiate an adjournment on terms pending resolution of the backdating application. Without the possibility of 12 months' backdating of HB, this client is likely to have found himself facing a suspended possession order, and having to pay off seven months' worth of rent arrears out of his income support over a very long period.

¹ Audit Commission, *Home alone*, 1998

² Crisis, *How many, how much*, 2003

³ Citizens Advice, *Unfinished business – housing associations' compliance with the rent arrears pre-action protocol and use of Ground 8*. 2008

There are many different circumstances which can give rise to the need for backdating in excess of three months, particularly where more vulnerable claimants are concerned. Traumatic life events such as hospitalisation, imprisonment or relationship breakdown can often mean delays in taking action on a benefit claim.

A prison in-reach service of a CAB in Surrey reported a client who had had a serious car accident which resulted in the death of her unborn child. Prior to being arrested, she had switched her benefit claim from IS to JSA which resulted in her HB being stopped. Rent arrears accrued both before and after her arrest and imprisonment, and in December 2007 she received notice of possession action against her for rent arrears, being rent not covered by HB since July 07. HB was reinstated with effect from September when the client came into prison. However, the CAB was helping her to claim backdated HB for the period from July to September, thanks to the current 12 months backdating facility. Without this, the client's already fractured life would be even more problematic – statistics show a clear correlation between homelessness on release and recidivism.

The same CAB reported a client who suffers from long term serious health problems and has had several admissions to hospital under section ?? of the Mental Health Act. Prior to one hospital admission her health had been gradually deteriorating and she became increasingly unable to deal with her affairs. It was not until she was admitted to hospital that her social worker became aware of large rent arrears going back almost a year which had built up after her HB had been stopped – the client had failed to return a review form because of her ill health. The local authority landlord had started possession action. The social worker was able to use the maximum 12 month backdating rules to get HB reinstated for the period in question and the rent arrears cleared and the possession action withdrawn.

A CAB in Yorkshire reported a single parent living in social housing who has mental health problems. This has resulted in her not opening her mail, and not answering the phone or door for a significant amount of time. As a result her benefits including IS, HB and CTB stopped and she accumulated rent arrears of over £500. She is now in contact with the bureau which has helped her make a fresh claim for all three benefits and apply for a backdating under good cause provisions for longer than 3 months. Without this she will not be able to pay back her rent arrears.

Underlying entitlement

In some cases, entitlement to HB/CTB is dependent on a successful claim of another benefit. However for HB/CTB there are no specific protective claim regulations allowing automatic backdating in these circumstances. Yet in these situations delay is factored into the process and a three month time limit may well

prove inadequate. For example in the case of DLA, claimants are allowed six weeks in order to submit a claim, and the most recent statistics show that *average* processing times are then 28 working days, i.e. almost six weeks. Inevitably therefore there will be some cases where the whole period from starting a DLA claim to receiving the benefit will be in excess of 12 weeks, therefore making it impossible for claimants to fully backdate their resulting HB/CTB entitlement.

Bureaux also see many DLA/AA decisions which are quite obviously wrong and which are overturned by revision or at tribunal, thus further extending the period before which HB/CTB can be claimed. Typically HB departments will allow backdating on good cause in these situations. The following fictionalised examples demonstrate the issue.

Case 1

Man aged 23yrs with learning difficulties. He moves into supported accommodation, rent £60, council tax £18 /week. He does supported permitted work earning £85 /week. He is entitled to no HB or CTB.

His support worker helps him to apply for DLA and he is awarded lower rate care and lower rate mobility. He appeals and at tribunal is awarded middle rate care backdated eleven months to the date of claim. He is now eligible for £31.99 HB and £9.38 CTB as a result of being eligible for the severe disability premium. If HB/CTB was only backdated three months he would **lose over £1400** as a result of the wrong decision by the Pension, Disability and Carers Service which the tribunal theoretically corrects.

Case 2

Woman aged 56 yrs has had a stroke. She has long term IB plus an occupational pension of £80. She pays rent of £80 and council tax of £20/ week. Her son has moved back home to care for her – he earns about £250 /week so there are non dependent deductions of £38.20 from HB and £4.60 CTB so she is entitled to no HB or CTB.

She applies for DLA and is awarded higher rate mobility. She appeals and the decision is revised awarding middle rate care as well - awarded from the date of claim five months earlier. This means that non dependant deductions are not applicable and so she is entitled to £29.21 HB and £4.37 CTB /week. She would lose **about £300** from the proposed cuts.

Case 3

Lone parent on long term IB with lower age addition following a serious car accident – she has three children aged 10, 8 and 6. She earns about £40 per week doing permitted work. Her rent is £65/week and council tax is £20/week. She is entitled to no HB or CTB.

She applies for DLA and is awarded lower rate care but her GP advises her to appeal and on appeal she is awarded middle rate care as she needs substantial amounts of care to enable her to do the permitted work.

It takes about 11 months from the date of her original claim for the appeal to be heard. The DLA entitlement gives entitlement to severe disability premium on HB and CTB. As a result she is entitled to £31.40 HB and £9.66 CTB. She would lose **over £1400** from the proposed cuts.

Mitigating measures

The memorandum suggests that DWP plans to adopt a minimalist approach towards mitigating the impact of these changes on working age claimants. Reference is made to continuing with existing initiatives around publicity, and encouraging landlords to deal with rent arrears promptly – a response which we fear will be completely inadequate. It is not even proposed that HB officers should be required to adopt a pro-active approach towards checking for the possibility of backdating whenever a new claim is made, and providing support with such claims.

Wider impact and evidence base

We regret that the memorandum states it has not been possible to undertake a child poverty impact assessment because of the lack of data. Nor is there any assessment of the impact on other Government priorities such as homelessness prevention, council tax collection and welfare to work.

We are particularly concerned that the DWP does not have, by its own admission, reliable data to demonstrate the number of HB/CTB claims currently backdated for between three and twelve months. Nor is it clear whether the data provided only relates to claims where HB/CTB was backdated for more than three months from the point of claim, or whether it also includes cases where the backdating period itself, whatever its length, was more than three months in the past at the point when the backdating claim was made.

Such data is unlikely to be difficult to obtain. A local bureau found it relatively easy to persuade their local HB department to monitor for a two month period how many cases were backdated for more than three months. This showed, as expected, that the figures were relatively small, with only 12% of backdating claims being for over three months and only 25% of those being accepted. It therefore seems unlikely that the overall cost of this measure is significant; but we are clear from our evidence that the value of the facility to individual claimants and their families can be huge.

We strongly feel that a proposal with such a significant potential impact should not be made without first commissioning both qualitative and quantitative research on the current backdating provisions and their value to claimants, so that the impact of proposed cuts can be thoroughly assessed in advance.

The figures provided are also confusing. On the one hand they refer to 3000 HB and 3000 CTB backdating claims being affected by the proposals but on the other hand the supplementary memorandum estimates the annual savings as being £70 million in a full year. This would suggest that the average combined

HB/CTB backdating claim of between three and twelve months is in the region of £23,000 which seems unlikely, given that the average HB claim is £70.16 and CTB claim is £14.10 per week.⁴

Who is affected?

The memorandum identifies that disabled claimants will be affected, and particularly those

“who have mental health impairments or communication difficulties, who may not be in a position to make their claims within the three month period because they are not aware of the existence of these benefits or fail to understand the process from making a claim” (para 12.3) .

We would agree with this assessment which in our view is a strong argument for not taking forward these proposals, especially as the paper goes on to argue that only a relatively small number of claimants will be affected. Such an outcome is inevitable, given that the good cause provisions already mean that the backdating facility is closely targeted on the most vulnerable claimants.

We understand that, following consultation with ourselves and others, the DWP Change Programme is progressing work on making the DWP and its benefits and services easier to access for people identified as having ‘chaotic lifestyles’. It is precisely this group who stand to lose most from these proposals. We are concerned that the proposals will directly contradict the work on chaotic lifestyles, and are disappointed that the Department has not waited for the outcomes of this work before proceeding.

⁴ DWP, HB/CTB summary statistics, May 2007

Conclusions

Whilst we welcome the proposed improvements to pension credit, we do not consider that it is appropriate to fund these out of cuts to HB/CTB backdating for vulnerable working age and pensioner claimants who have good cause for making a late claim. Given that the backdating proposals appear to be driven by the need for costs savings, it is of concern that so little consideration is given to the fact that the cuts will result in increased public expenditure if, as seems likely, vulnerable people end up losing their homes as a result. Certainly it is not a change which supports DCLG's homelessness prevention agenda, and as such is hardly a good example of joined up government.

Nor can we see how this contributes to benefits simplification as the most complex part of the process – the “good cause” provision – remains. Proving good cause can be challenging for a vulnerable claimant, who is unlikely to manage to provide the appropriate evidence without the support of an advice worker. Undoubtedly weighing up this evidence also places administrative burdens on HB departments. An alternative, simpler, approach would be to align HB and CTB backdating rules with PC, thereby leaving the period at 12 months but removing the need for good cause.

Indeed there are a number of alternatives which would to varying degrees deliver on the Government's agenda to simplify the benefits system, support vulnerable claimants and prevent homelessness, all of which would be less damaging than what is proposed. These are outlined overleaf. If changes are to be made, we would recommend that option C outlined would - on balance - deliver the best outcomes in terms of consistency and simplicity whilst also retaining the 12 month safety net for more vulnerable claimants.

Alternative options for HB/CTB backdating periods

Option	Advantages	Disadvantages
A. 12 month automatic backdating for all	Simpler, easier to claim, consistency across HB claimants	Cost
B. 12 months backdating with good cause for all	Status quo before 2003 Consistency across HB claimants Good cause targets those most in need	Good cause is hard to claim
C. 3 months automatic backdating for all plus 12 months for good cause	Builds on status quo Consistency across HB claimants 3 months ties in with PC so supports shared claims process	
D. 3 months automatic for all	Consistency across claimants Simpler, Easier to claim	Some vulnerable claimants will lose out because 3 months is not enough
E. 3 months automatic for pensioners plus 12 months good cause for working age group (WAG)	Smallest change from proposal Leaves WAG as at present Relatively low cost Protects vulnerable WAGs	Different rules for 2 groups Some vulnerable pensioners will lose out
<i>F. Current proposal - 3 months automatic for pensioners plus 3 months good cause for WAG</i>		<i>Different rules for 2 groups</i> <i>Doesn't protect vulnerable claimants needing more than 3 months</i> <i>Good cause is hard to claim</i>