

The Chartered Institute of Public Finance and Accountancy

Response to the consultation

Housing Benefit and Pension
Credit: temporary absences from
Great Britain

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As the world's only professional accountancy body to specialise in public services, CIPFA's portfolio of qualifications are the foundation for a career in public finance. They include the benchmark professional qualification for public sector accountants as well as a postgraduate diploma for people already working in leadership positions. They are taught by our in-house CIPFA Education and Training Centre as well as other places of learning around the world.

We also champion high performance in public services, translating our experience and insight into clear advice and practical services. They include information and guidance, courses and conferences, property and asset management solutions, consultancy and interim people for a range of public sector clients.

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Response to Consultation

CIPFA is pleased to be able to respond to the consultation on the proposal to amend the Housing Benefit Regulations 2006, the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 and the State Pension Credit Regulations (2002) to make changes to the allowable absence from outside Great Britain (GB).

This response concentrates on the changes being proposed to the housing benefit legislation.

The aim of these proposed changes is stated as being that taxpayers should no longer subsidise those who leave GB for a period longer than, generally, four weeks and in aligning the income related benefit rules to this end.

No other reasoning or justification as to why these changes are necessary is specified, or what the overall objectives or expected behavioural changes are.

For example, objectives of removing disincentives to work, or behavioural change in limiting longer periods of absences abroad, possibly replaced with more frequent, shorter absences.

CIPFA welcomes the general principle to align the rules relating to the income related benefits, including the alignment of housing benefits rules with those applying to universal credit, which is a stated objective of these proposed amendments.

These proposals however, whilst aligning housing benefit rules with universal credit, result in the creation of new differences in

- The treatment of periods of temporary absence from GB between housing benefit and pension credit
- The treatment of periods of temporary absence inside and outside of GB within housing benefit rules

Housing benefit does not currently have separate rules for those who are temporarily absent within GB and outside of GB.

Rather than aligning rules therefore, these changes have the effect of introducing further differences in treatment, resulting in a lack of consistency and potential confusion for claimants and decision makers in situations where housing benefit claimants or pensioner claimants receiving pension credit, with the same circumstances and reasons for being temporarily absent from home, are absent either elsewhere within GB or are absent abroad.

There may well be circumstances where there is just as good a reason for a claimant to temporarily absent themselves from GB as for being absent from home within GB. For example

- Gaining work experience or additional skills (for example, language skills) in order to improve chances of finding work either in or outside of GB or progressing in existing employment.
- Temporary placement in work abroad by an employer other than one of those exempted from the measure (armed forces deployment, mariners and continental shelf workers) including, to improve skills, work experience or work progression opportunities.
- Temporary absence from GB to undertake a course of study to improve work skills or opportunities.
- Visiting close family, especially where there is family illness or the family live great distances away, limiting the opportunity for short visits.
- Temporary absence from GB for genuine health reasons, but not necessarily hospitalisation or receipt of medical treatment/care.

One group which may be most concerned by this measure will be those pensioners who, each winter, travel abroad for extended holidays of two-three months.

For example, pensioners vulnerable to health issues and costs relating to the cold winter months spending longer periods in warmer climates during the winter months, is a common situation.

Pensioners may do so for reasons of economy, with it being cheaper for them to travel abroad in times of less demand whilst, at the same time, saving on fuel costs at home and reducing the risk of illness or virus' which would adversely affect existing health and medical conditions.

Such situations obviously involve detailed individual circumstances, for which, CIPFA accept, it would be difficult to provide a comprehensive list of exemptions within regulations, providing for every eventuality.

Draft regulation 2(4) however, already provides discretionary authority for local authorities to consider particular individual circumstances surrounding temporary absence from Great Britain in connection with the death of: a partner; child or young person for whom they or their partner are responsible; their or their partner's close relative; or a close relative of a child or young person for whom they or their partner are responsible.

In such circumstances, local authorities are provided with the discretion to extend the period of absence by up to a further 4 further weeks if the relevant authority considers this reasonable.

CIPFA recommend that this discretionary power for local authorities should be extended beyond the limited range provided for in draft regulation 2(4) to encompass some, or all, of the circumstances leading to temporary absence from GB highlighted above where the authority considers that the reasons for a longer absence from GB are reasonable.

