Editorial

As many of you know, I am spending a lot of time at the moment talking to you, and to landlord groups and advice agencies, as we prepare for the introduction of the Local Housing Allowance reforms from April 2011. There is a short update inside on the guidance we have been issuing, and I am grateful to those of you who have been sending in accounts of what you have been doing to communicate the changes and work with stakeholders. This has all been very helpful – and very re-assuring! We now have held two of our four national conferences to discuss the reforms with you, with two more to come. Penny Higgins and I are speaking at these events. I hope to see many of you there. Also one of us will be attending nearly all the March IRRV forum events so that will be another opportunity to exchange information and views.

Also inside there are updates – a bit longer than usual as there is so much information to get over – about aspects of the Welfare Reform Bill which was published on 17 February 2011. This paves the way for Universal Credit and also contains important new provisions on preventing fraud and error. There is a lot of work going on to firm up the design of Universal Credit and I know there has been a lot of debate about this, not least at last month’s IRRV Benefits Conference. I am very pleased that local authority secondee are now helping with this work.

Finally, we have been making available funding for various different things recently. Several payments have come at the same time and I realise there has been some confusion. There is an article inside which attempts to clarify things and I hope you find it useful.

Hope to see many of you shortly.

Email: Paul.Howarth@dwp.gsi.gov.uk
Council Tax Benefit

The Government has already announced plans to localise Council Tax Benefit (CTB) from 2013–14, giving you a greater stake in getting people back to work and the discretion to target benefits on local priorities, while protecting the most vulnerable. The spending review also made a commitment to reduce expenditure by the equivalent of 10% of CTB spend.

The Welfare Reform Bill, published on 17 February 2011, took the first step in that direction by taking enabling powers to abolish CTB (it’s in clause 34 for those of you who haven’t found it yet).

The Government remains committed to retaining council tax support for the most vulnerable in society and it will be taking forward plans to develop local rebate schemes. This is part of a wider decentralisation agenda which will give councils a greater stake in the economic development of your area. Creating stronger work incentives, which is at the heart of the government’s welfare reform programme, is in everyone’s interest.

Work on the establishment of local schemes will be lead by the Department for Communities and Local Government (DCLG). Full consultation on the new system for local council tax rebate schemes in England will be undertaken in due course and the Government will discuss the devolved implications with the Scottish Government, the Welsh Assembly Government and the Northern Ireland Executive. Further legislation will follow to establish the new system from 2013–14 and we will bring you more information in due course.

David Gleave, Deputy Head of HB Delivery Division

Risk based verification

We are aware that some of you have expressed an interest in risk based verification (RBV). However, two recent developments; the abolition of the Audit Commission in 2012 and the implementation of Universal Credit scheduled for 2013, have meant that we need to develop new certification instructions for 2012/13 and beyond. As a result, we have had to postpone the introduction of RBV intended for 2011.

We remain committed to introducing RBV and will be working with stakeholders, including the Local Authority Associations to see how this can be developed and form part of the certification instructions for 2012/13.

If your authority has not adopted RBV you need to continue to follow the advice on subsidy contained in the HB/CTB Subsidy Guidance Manual. For those authorities that have our agreement to use the RBV, we are extending the arrangement to cover 2011/12, while arrangements for 2012/13 are being discussed.

Email: emmanuel.ibiayo@dwp.gsi.gov.uk
Potential new service from Shared Services Debt Management

In July 2010, Shared Services Debt Management invited you to take part in a feasibility study aimed at exploring the potential for extending their services. We are now developing a proposal that will offer you a facility to recover debts from the estates of deceased debtors.

The proposal will be limited to English and Welsh authorities in the first phase, in order to simplify IT requirements and allow a service to be offered sooner. Our longer term intention is to offer a similar service throughout Great Britain.

The offer will be made on a commercial basis. It will be for each authority to decide whether the proposed level of service and commercial terms represent value for money.

We want to hear from authorities in England and Wales who would like to see the first-phase proposal when it is ready, around the middle of April 2011. An expression of interest will not commit either party.

Providing the extended service will depend on a reasonable level of interest and is not guaranteed at this stage. If you are interested in seeing the proposal when it is available, or require further information please make contact by 28 March 2011.

Name change - Shared Room Rate to be known as the Shared Accommodation Rate

The Local Housing Allowance (LHA) rate for shared accommodation applies to those customers who are single and under age 25 (35 from 2012) and those over that age who live in non self contained properties. This has come to be known as the Shared Room Rate, but this does not properly reflect the nature of this type of accommodation and can cause confusion for customers.

As this term is not used in legislation or formal subsidy returns and doesn’t involve any IT changes we’ve decided to change it. In future we shall refer to this rate in any official communications from DWP as the ‘Shared Accommodation Rate’. We understand that a number of you already use this term on your websites and other communications so hope that you will welcome this change. There is no need for you to change any of your communications immediately. But as and when you change any letters, leaflets or other products you could take that opportunity to amend them so that they contain the new term.

Email: Lynne.Isaacson@dwp.gsi.gov.uk

Email: lee.nixon1@dwp.gsi.gov.uk
Automated Transfers to Local Authority Systems (ATLAS) Project

The early adopter phase is on track to go live on 9 May 2011. We will be contacting all early adopter authorities shortly to discuss how we can work together during this phase to identify any technical issues and best practice before phase 1 is rolled out nationally. A list of the authorities involved is available on the ATLAS website page. Both DWP and LA IT suppliers are reporting good progress on solution development.

We will shortly be entering the joint integration testing phase, when a full end to end test of the solution will take place. Data will be passed through the DWP IT architecture and the LA IT solution. We will be providing test files to all authorities and your IT suppliers. Any questions specific to the development of the LA IT solution should be referred to the relevant IT supplier.

The ATLAS page on the DWP website is updated regularly and contains answers to frequently asked questions. If you have any queries, please contact us on

Email: QH.HBInfoFlowsProgramme@DWP.GSI.GOV.UK

Changes to your future Government Connect service support arrangements

As you will be aware from previous communications, issued to you by Buying Solutions, the central funding of the Government Connect Secure Extranet (GCSX) Service expires on 31 March 2011.

As a result the existing Government Connect service desk provided by DWP will be closing on the 31 March 2011. From 1 April that service desk function will be provided directly by Cable & Wireless Worldwide (C&WW).

Additionally DWP’s role providing the Government Connect Management Body (GCMB) expires on 31 March 2011 and this responsibility will pass to Buying Solutions.

DWP Housing Benefit Delivery Division is working with Buying Solutions, the existing GCMB, and C&WW to ensure a smooth transition of service for the management and support of your GCSX service.

You will be receiving further communications direct from C&WW and Buying Solutions throughout March 2011 on the detail of the new service, including new contact details.

Email: WWG.GOVERNMENTCONNECTSERVICE@DWP.GSI.GOV.UK
Employee Authentication Service (EAS) Customer Information System (CIS) implementation project update

All LA Agent training has now been completed.

A £7 payment per each CIS user registered and enrolled to EAS will be paid before the end of this financial year.

Important notes for LA Agents

- CIS users who have been issued with their tokens and authorised by the National Registration Authority (NRA) should now be accessing CIS through EAS
- email addresses with apostrophes will not be accepted by the EAS system
- contact the project team if you have any users having difficulty using the tokens provided due to visual impairment or dexterity difficulties
- only send an End User Tracker to the NRA Hub once the previous tracker has been returned from them. New instructions are being issued to all LA Agents and Sponsors
- staff who have an ETD only role do not need to be registered and enrolled to EAS. ETD downloads to be carried out as usual until further notice. Staff with a dual role will need to retain their current eSEF log in details and will have two passwords (one generated and one retained)
- desk guides are being drafted for LA Agents

Troubleshooting

For

- Operational Readiness Review issues, please contact Email: eas.info@dwp.gsi.gov.uk
- REA1 or REA2 processes, please contact the NRA Hub Email: nra.hub@dwp.gsi.gov.uk

For further information or questions, please

- contact us at Email: eas.info@dwp.gsi.gov.uk or
- go to our website www.dwp.gov.uk/eas
Implementing the Local Housing Allowance (LHA) changes April 2011

We have already held successful conferences in Wales and Scotland, with further conferences in London on 15 March 2011 and Manchester on the 17 March 2011. The high response has made it necessary to limit delegate places so we are sorry if you could not secure all the places you requested.

HB/CTB Circular A4/2011 provides guidance on the operation of the direct payment safeguard which is being introduced from 1 April 2011. The safeguard allows you to pay HB to the landlord if it assists the customer in securing or retaining a tenancy. Ministers are clear that the new safeguard is only to be used when the rent charged is affordable. In the majority of cases this will mean a rent which is at or below the LHA rate.

The revised Discretionary Housing Payments good practice guide contains additional material to reflect your role in assisting customers affected by reductions in LHA rates from April 2011. The guide provides clarification on how assistance can be given with items such as deposits, rent in advance and removal costs and includes a new good practice section.

Please let us know if you have any ideas about how we can support and help you with implementation.

Email: jennifer.witchell@dwp.gsi.gov.uk

Local authority Single Housing Benefit Extract transmission timetable

The Data Services Team are pleased to report that the Single Housing Benefit Extract (SHBE) transmission timetable for 2011/12 was sent to all authorities at the beginning of March. This timetable replaces the old Data Take On and Processing Schedule (DTOPS) document which has been sent in previous years.

For a copy of the timetable please send an email request to

Email: IFD.SHBE@DWP.GSI.GOV.UK
The Department has made various payments to you recently and in at least one case we failed to issue an explanatory letter detailing what the money was for. This has caused some confusion for which we apologise. We thought it would be helpful to bring together in one place information about the various payments and hope this clarifies things but we have given a contact point for each set of funding.

**ATLAS**

- Initial payment on 8 December 2010 to cover early development work undertaken by suppliers. It was a flat rate payment of £5,000 to each LA.
- An explanatory letter sent 8 February 2011 with the second payment made on 16 February 2011. It was a further flat rate payment of £5,000.
- Final payment will be made in late March 2011. A letter was issued to all LAs during the week of 28 February 2011 giving an update.

Contact for further information is Email: paddy.wild@dwp.gsi.gov.uk

**Incapacity Benefit/Income Support reassessment**

A payment was made to authorities on 24 January 2011 towards the cost of software changes and staff training and publicity in respect of the reassessment exercise. We plan to issue a second and final payment during the summer towards the ongoing costs of reassessing HB/CTB entitlement.

Contact for further information is Email: christine.watkins@dwp.gsi.gov.uk

**LHA and temporary accommodation changes**

We have recently distributed funding to each authority (except the Isles of Scilly) for the IT costs of temporary accommodation changes and the IT costs of the LHA changes, both due to come in from April 2011. Paul Howarth gave details of what the funding was for in a letter dated 16 February 2011 to Finance Directors.

Contacts for further information are

Temporary accommodation Email: joseph.stacey@dwp.gsi.gov.uk

LHA changes Email: penny.higgins@dwp.gsi.gov.uk

**Employee Authentication Service (EAS)**

EAS will shortly make a payment of £7 for every CIS User re-registered and enrolled onto EAS. The amount received will be based on information supplied to the project team by each authority during implementation.

Contact for further information is Email: eas.info@dwp.gsi.gov.uk
Welfare Reform Bill

The Welfare Reform Bill published on 17 February 2011 introduces changes to the way the Government carries out welfare fraud investigation and its fraud sanctions regime. The recently published strategy for tackling fraud and error in the welfare system explained our intention to strengthen the sanctions regime, create the Single Fraud Investigation Service (SFIS) and introduce a civil penalty for customer error. All of these require changes to primary legislation.

Fraud Sanctions Regime
The Welfare Reform Bill will

- remove cautions from the sanctions regime
- introduce a new administrative penalty system with a £350 minimum penalty or 50% of the value of the overpayment whichever is greater (subject to a maximum of £2,000)
- introduce a
  - 4 week loss of benefit to accompany administrative penalties
  - 13 week loss of benefit for first prosecution leading to conviction
  - 26 week loss of benefit for second prosecution leading to conviction within 5 years
  - 3 year loss of benefit for third prosecution leading to conviction within 5 years
- introduce an immediate 3 year loss of benefit for organised fraud and identity fraud cases

Single Fraud Investigation Service
The Bill aligns powers so that a SFIS investigator can investigate and prosecute all welfare benefit fraud, including Universal Credit. To take account of the transitional period during which fraudulent claims for social security benefits, Tax Credits and Universal Credit will all need to be investigated and sanctions applied, the Bill provides some limited flexibility regarding roles and responsibilities until Universal Credit is fully rolled out (e.g. you may continue with a case where it has already started a prosecution)

Ultimately, there will be a cessation of local authorities’ autonomous powers to investigate benefit fraud and all future responsibility and powers will lie with SFIS.

Civil penalties
For cases of customer error where the customer has been negligent or failed to report changes of circumstances without a reasonable excuse the Bill introduces a new civil penalty of £50.

Would you like to be involved?
There is still much to do to work out the lower level of detail for each of the strategy initiatives and prepare for implementation, and we are keen for you to become actively involved in taking this work forward. There will be opportunities to work either as part of a project team, a member of a virtual stakeholder network, through stakeholder events or possibly on secondment.
Please e-mail frauderror.strategy@dwp.gsi.gov.uk if you are interested in working with us and we will send you an expression of interest form (for those that have already been in touch with us we will send forms out to you shortly).