I am delighted that the Chancellor confirmed the Government’s commitment to Housing Benefit reform in his Budget statement on 9 April. There were a couple of references to Housing Benefit in his speech, in particular he mentioned the importance of reform as part of the welfare to work agenda. And there is a section about Housing Benefit in the supporting documents for the Budget (see www.hm-treasury.gov.uk/budget). He welcomed the piloting of the Standard Local Housing Allowance in ten pathfinder authorities, and said that it made sense to rollout such a scheme nationwide. He also said a similar reform should be extended to the social sector when conditions are right. It is encouraging to see that Housing Benefit is getting the profile and prominence it deserves.

And, as you may know, the Chancellor announced a number of other measures to improve customer service and work incentives: the end of benefit periods for working age customers, and making the move to work a change of circumstance; extension of the HB run-on to recipients of Incapacity Benefit and Severe Disablement Allowance; and bringing forward the 30 hour disregard that currently applies in HB/CTB so that those eligible for WTC and working 16-29 hours will gain. These measures will be introduced from April 2004.

I was particularly pleased that the Chancellor also announced changes to the hospital downrating rules for most benefits (including HB/CTB), so they will not now be downrated until after 52 weeks in hospital. Effectively, this means the end of hospital downrating in all but a very few cases. It will be a rush to get this change made for 21st May this year, but I hope you agree it is worth it in this case. Downrating after 6 weeks has resulted in some very unjust situations, whereby some tenants have had to start paying rent despite having less income. And it does help to simplify administration. Hospital downrating has been mentioned to me as a complex area on several visits to local authorities (for example at Chesterfield and Bristol) so I hope the change is welcome.

I want to thank you for all the work you are doing to deal with the introduction of new tax credits, in difficult circumstances. I know from e-mails I have received that many of you have taken initiatives to try to help customers get their Housing Benefit sorted out, for example, extra mailshots. We have been trying our best to make various contingency arrangements to enable you to get tax credit award information but I know it is not easy. You will very shortly receive the further guidance on how to treat tax credits (and how to interpret HB/CTB Circular S3/2000) and I hope you will find this helpful. Thanks you for your patience. (See further information inside.)

I am pleased to say that the Pension Credit handbook will shortly be available in hard copy and on the internet (we plan to make this available to you in mid-May). A lot of work has gone into this by many people, and we will do everything possible to keep it up to date and answer queries as they arise.

Paul Howarth, Head of Housing Support Division. E-mail: Paul.Howarth@dwp.gsi.gov.uk

Update on Training Working Group (TWG)

In February the TWG published HB technical training material on the DWP HB website. The TWG welcomes your views, comments and suggestions on the material and how it can be improved. Any feedback should be sent to Janet.Richfond@dwp.gsi.gov.uk. She can also be contacted on 020 7605 9786.

Janet is also organising a series of consultation workshops with LAs on behalf of TWG to obtain more specific feedback on improving the material. The aim is to ensure the material is comprehensive and contains all the component parts to enable you to design bespoke technical training courses for new entrants and staff requiring refresher training.

Update on model IT Specification

In February we also published the model IT Specification of HB processing systems on the DWP HB website. We welcome your views, comments and suggestions on the material and how it can be improved. Any feedback should be sent to susan.lingwood@dwp.gsi.gov.uk
Evaluating the Standard Local Housing Allowance Pathfinders

Following last month’s article we’ve had a number of queries about how the Standard Local Housing Allowance Pathfinder phase will be evaluated and so we thought you might be interested to hear a bit more about this.

A thorough evaluation of the Pathfinder phase is extremely important and we will rely on a range of methods to collect the necessary information. For example, the evaluation will include analysis of Housing Benefit management data and a large programme of interviews with claimants, landlords, Pathfinder authority and Jobcentre Plus staff, rent officers and other key stakeholders.

The evaluation will be carried out by analysts from DWP and independent external research organisations. It will consist of two main elements, a **policy evaluation** and an **operational evaluation**.

The **policy evaluation** will look at how the SLHA system meets our broad policy intentions and is expected to include an assessment of issues such as the:

- impact on rent shortfalls
- influence on claimants’ choice of property
- impact on rent levels, and
- effects of paying the SLHA to the claimant

The **operational evaluation** will look at the key administrative and operational issues and is likely to include an assessment of areas such as the:

- extent to which the SLHA scheme simplifies Housing Benefit administration and improves transparency
- impact on processing times, workloads and IT
- impact on overpayment recovery, and
- effect on fraud risks

The main questions that we expect the evaluation to answer are:

- To what extent does the new system give tenants a transparent and simple incentive to find accommodation at a rent met by the SLHA?
- To what extent does the SLHA boost the after-housing-cost incomes of tenants with rents below the local market rent?
- To what extent does the SLHA simplify and speed up the administration of Housing Benefit?
- Does the SLHA have any impact on rent levels and the supply and quality of accommodation in the private rented sector?
- Do SLHAs have any effects on work incentives, either through increasing benefit payments (both in and out of work) or by improving the speed and certainty with which in-work payments are made?
- What effect has the restriction of direct payments to landlords had on Pathfinder authorities, claimants and landlords?

Although these will be the main areas of interest, we expect the evaluation to pick up the wider effects of the scheme, such as the impact on homelessness, debt and poverty. The aim is to make sure that any significant effects of the SLHA system are identified and taken into account in designing a national scheme.

Please let me know if you have any comments or questions on the standard housing allowance scheme.

Lucy Vause

Email: lucy.vause@dwp.gsi.gov.uk

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**THB Data Extract - the latest position**

During April we have been processing extract returns for THB. To date we have processed data for more than 60% of you. Although there are, in some cases, minor difficulties in loading data into the A15 template we have been able to load the vast majority of cases. Where data has been successfully loaded we have run it against the automatic checking spreadsheet and have been very impressed with the overall quality and completeness of the data that has been extracted from HB systems.

For those of you that have submitted data we can confirm that there are no significant issues with the data. Where there are any major problems identified we will get back to the relevant authorities and discuss what can be done to help improve the situation prior to the submission of the final extract and of other data on the supplementary spreadsheet.

For those of you that haven’t yet submitted a control extract we would encourage you to do this as soon as possible. This will allow us maximum time to process our initial view of the data, and therefore maximise the time we have to provide you with help and guidance you need to move forward to the submission of the final extract and of other data on the supplementary spreadsheet.

If you are having problems with provision of the control extract please send an e-mail to THBS.support.uk@cgey.com and we will provide you with any help we can.
In HB Direct Issue 13 (March 2003) we advised you that amendments 1 - 6 to the HB/CTB: A guide to the new tax credits handbook had been issued. Since then we have issued the following information on tax credits:

**Amendment 7** - this amendment:
- gave instructions about how to calculate the amount of tax credit to be taken into account when assessing entitlement to HB/CTB
- included examples of the tax credit award notices and proformas
- included 11 case studies for you to work through

**HB/CTB Circular S3/2003** - this circular gave details about the additional administration subsidy and the special subsidy provision for the implementation of new tax credits. It provided examples of overpayments that could be categorised as “departmental error” as opposed to “claimant” or “LA” error

“Dear Benefit Manager” letter dated 14th April (“s3.doc” forwarded by email via CDS) - noted that further clarification of the examples in S3/2003 would be found in amendment 8

“Dear Benefit Manager” letter dated 14th April (“shortterm #2.doc” and “proforma 1 final 140403.xls” forwarded by email via CDS) - gave details of:
- a the exercise being undertaken to help those 318 LAs who took part in the first proforma exercise obtain further details or clarify the details already provided on the returned proformas, and
- b alerted you to the mop-up exercise we are planning

“Dear Benefit Manager” letter dated 23rd April (“DWP mop up.doc” forwarded by email via CDS and sent by hard copy) - which gave full details of the mop-up proforma exercise

**Amendment 8** to the handbook will be issued shortly and **Amendment 9** soon after. **Amendment 8** will contain:
- a clarification of the examples in S3/2003
- a new appendix (Appendix E) - Frequently Asked Questions (these update the ones in an earlier edition of HB Direct)
- general clarifications on earlier guidance - especially the period over which tax credits are to be taken into account

**Amendment 9** will provide information on the treatment of arrears of tax credits, with examples of award notices etc.

You will have noticed that many of our urgent letters are sent via CDS. The address list is ours but it is only as up-to-date as the information you give us. If your LA did not receive the electronic versions of the “Dear Benefit Manager” letters please email John.Kennett@dwp.gsi.gov.uk with the details of one nominated person per authority who will receive and distribute throughout the authority as necessary any further email communications. This will help us to help you.

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**Dear Paul,**

I note that the term ‘passporting’ is creeping more and more into recent guidance. (A4 & A7 for instance).

Back in the early 1980s when the Unified Benefits Scheme came into operation, LAs were to be issued with ‘Passports’ for those whose rent & rates would be paid by LAs instead of Supplementary Benefit. But as the term could be confused by some as being entitled to a British ‘PASSPORT’, the term was dropped and instead, they were ‘Certificated’.

Have you any idea why the term has been resurrected and if the implications have been considered 20 odd years on?

**Barbara Thompson**
HB Policy & Quality Manager
Bolton Metro

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**Dear Barbara**

Many thanks for your letter. I remember A359s from my local office days but I’m not clear why the various terms ‘passported’, ‘certificated’, ‘standard’ and ‘non-standard’ were introduced (and in some cases dropped) and what the correct terms should now be. I’m sure you’re right that we should not use the word ‘passported’ but can I ask for readers’ help here? If anyone can offer a view and an explanation please write to me. I will then try to clarify the position next month.

**Paul Howarth**
Dear Nicky,

Many thanks for your letter. I am sorry about the problems your authority has experienced and the potential impact this has for some customers. I would like to comment on the background to your letter and the steps The Rent Service is taking to address these concerns.

You will be aware that the Rent Service has developed new software that will improve the delivery of valuations determinations and includes an electronic interface system (EIS) which will speed up the transfer of HB referrals between authorities and the Rent Service. Unfortunately, as you mention in your letter, initial development problems with the new system temporarily affected service delivery times within the Rent Service. However, I understand that significant progress has already been made in resolving these problems and modifications to the software and increased local resources have improved service delivery times. For example, I understand that pre-tenancy determinations are now being dealt with within three working days.

The introduction of EIS (with which the Rent Service would be grateful to accept Wirral’s offer of support) brings the prospect of a same day service where inspections of accommodations are not required. The Rent Service are more than happy to discuss any local difficulties with you.

You mentioned the effect the delays will have on associated BVPIs. I appreciate that the BVPI for claims clearance is likely to be affected most. This is designed to measure the average total time it takes to process claims and this often includes, as you know, time which is not directly under your control, because, for example, more information is needed from the customer. But it serves a useful purpose as an indicator of the overall position. If we tried to make adjustments for delays of the sort you describe we would have to do so for all sorts of other problems e.g. IT down-time and the indicator would soon be meaningless. And of course the separate 14 day performance information is designed to measure the time it takes once all the information is to hand. I hope that the improvements the Rent Service has made, together with the wider simplifications we are making to HB will provide authorities with the support needed to meet these targets.

I hope this is helpful but do get back to me if you have any other further points.

Paul Howarth

Dear Nicky,

I have no doubt that Wirral is not alone in the tremendous efforts continually applied to ongoing service delivery, this is alongside increasing pressure to simultaneously achieve from the performance indicator perspective. I equally have little doubt that Wirral is not alone in trying to deflect the effects of other Agencies on their statistical returns, which, despite being beyond our collective control can impact on how we sit in the ‘league’ tables.

It is with the Best Value Performance Indicators in mind that I write. These statistics are published nationally raising the Authorities’ profile accordingly and as such (appropriately) placing pressure where it is needed, i.e. for ongoing improvement. Yet despite the credence placed upon this system of measurement the apparent lack of applied pressure or perhaps support, to another agency, currently experiencing significant software problems which impact directly on the time to determine Rent Allowance claims would seem, at the least, to be inequitable.

I would value your views/experiences of other Authorities and ask the Department to respond to this ongoing problem, which, in addition to critically affecting BVPI’s will also be causing financial hardship to many claimants.

Nicky Jarvis
Benefits Manager, Wirral.

Income and Capital Queries

As mentioned in Housing Benefit Direct Issue 12, we have been stockpiling enquiries regarding income and capital, but Phil Marchant has now joined us to help in this area. He is on secondment from Kensington and Chelsea, so is familiar with HB administration.

So for any future enquiries please email philip.marchant@dwp.gsi.gov.uk or telephone 020 7962 8313.

Next month:
Coming in next month’s issue:

• more on Benefit Periods
• Pathfinders update
• readers’ letters

Tax credit awards

We are aware that some claimants are receiving payments of tax credits either through their bank account or by way of a girocheque, without an award notice detailing what the payments are for. These payments should not to be taken into account as income until you are shown an award notice. All you can do is advise your claimants to notify you as soon as they receive an award notice and then action any overpayment as in HB/CTB Circular S3/2003.