### Editorial

This month I am again concentrating on Pension Credit, as we prepare for implementation in October. I have been encouraged by the profile being given to Pension Credit in authorities I have visited, or spoken to. The results of our Omnibus 8 survey, though showing a mixed picture overall, indicate that many of you are well underway with preparations. And there is a lot of healthy debate about the issues – for example Sheldon Wood’s very interesting article in the July edition of the IRRV Benefit magazine, which looks at organizational models and verification procedures amongst other things. Ministers are naturally very keen to ensure successful implementation, and I can assure you that DWP will be doing everything possible to achieve that. This is of course, very important for you, as I realize that getting the right information at the right time from The Pension Service will be vital for Housing Benefit. Ministers are also keen to be assured that you are making the necessary preparations within your control, including use of the resources made available. That is why Chris Pond, the new Minister with responsibility for Housing Benefit, has just written to Council Leaders about Pension Credit, and why I have written to Chief Executives, enclosing a short questionnaire to complete. No doubt some of you will be asked to complete this and I would be grateful for your help.

On tax credits, I am pleased to say we are now agreeing with Inland Revenue an additional way for you to get information on complex tax credit awards, which I appreciate may have caused difficulties for you. We will let you have details about this shortly via a ‘Dear Benefits Manager’ letter (using our updated distribution list). Finally, I imagine many of you will be taking a break over the next month or so (as I am!). If so, have a really good holiday.

*Paul Howarth, Head of Housing Support Division.*

*Email: Paul.Howarth@dwp.gsi.gov.uk*

### Pension Credit update

#### MIG conversion

The Pension Service began to convert Minimum Income Guarantee (MIG) cases automatically to Pension Credit from April, and all conversion work will have been completed by October 2003. You should be receiving notification of individual conversions via an ETD report; most ex-MIG pensioners will receive the guarantee credit element of Pension Credit, which will continue to provide linked entitlement to HB/CTB.

#### Advance applications

The Pension Service began to write to targeted pensioners from April to invite advance applications for Pension Credit. This advance period is a test phase which is helping to refine our IT and processes for the main go-live. You should now be receiving ETD reports showing advance Pension Credit decisions.

#### August scan

A scan of the Pension Credit is being run over the weekend of 23/24 August and will be sent to you on a CD-ROM. The data will include MIG conversions and advance Pension Credit applications. More details are in the HB/CTB Pension Credit Handbook.

We are hoping to re-run the scan around A day, 6 October, to provide you with a further CD-ROM which will include all cases processed, including those in the period between the first and second scans.

#### Pension Credit go-live

Pension Credit goes live on 6 October 2003. A major advertising campaign, including television and national press advertising, will be launched in September. However, we will continue to send individual mailshots, and by June 2004 we expect to have written to all pensioner households.

To ensure that pensioners do not lose out there is a 12-month backdating provision until October 2004. This allows applications to be backdated to October 2003 where entitlement exists or the date of entitlement if this is later.

Contact Christine.Watkins@dwp.gsi.gov.uk
We issued a “Dear Benefit Manager” letter to all authorities on 18 July (and again on 29 July) to alert you to a change in the NDD concession contained in the current regulations (The Housing Benefit and Council Tax Benefit (State Pension Credit) Regulations 2003). This change will make the concession simpler and easier for you to administer.

The current regulations provide for an NDD concession for certain pensioners from 6 October 2003. The concession is designed to delay the application of the deduction in certain circumstances. The concession applies if the

- claimant or partner is aged 65 or over, and
- non-dependant (ND) changes would decrease HB/CTB/Pension Credit

The regulations currently provide that, from October, the deduction will no longer be made when the ND moves in. Rather, it will be made later - from an “anniversary date”. For pensioners who already have an ND in the household, and therefore an NDD in force, if the income of the ND increases so that the NDD falls to be increased, then that increase will not be made until later - from the anniversary date.

**The change**

Ministers have now agreed that the anniversary date provisions should be withdrawn. Instead, the application of the NDD (or an increase in an NDD) will be deferred for a common period of 26 weeks.

This is how the concession will now operate

- concession will apply to pensioners aged 65 and over, and where ND changes would decrease HB/CTB/Pension Credit - **no change**
- concession will be triggered by either
  - arrival of new non-dependant in the household - **no change**
  - increase in income of an existing ND, which would trigger a higher NDD - **no change**
- no NDD, or increase in NDD, to be applied from the change of circumstances (a or b above) occurring - **no change**
- NDD, or increase in NDD, to be applied 26 weeks after the change of circumstances ((a) or (b) above) - **change: anniversary date scrapped**

This change to the concession produces three big advantages. It will

- be far less complicated to administer
- produce the same “break” from NDDs for everyone affected - it will be completely even handed in terms of length
- be much easier for pensioners (and everyone else) to understand

Draft regulations to give effect to the modification will be prepared as soon as possible, and will be referred to the August meeting of the Social Security Advisory Committee. We plan to bring the regulations into force from 6 October 2003.

We have also informed software suppliers.

Contact Christine.Watkins@dwp.gsi.gov.uk

**Customer Management System**

Over the past 17 months we have kept you updated with the progress of the Customer Management System (CMS), the integrated, interactive, electronic information gathering process being introduced by Jobcentre Plus. As you are aware, the system supports new and repeat claims for IS, JSA, IB and associated claims for HB and CTB.

The system was implemented in Livingston Jobcentre Plus office on 14 July 2003 and the second site, Broxburn, is scheduled to go live on 4 August 2003. Both sites are linked to West Lothian Local Authority. National rollout of the CMS is currently planned to begin in the autumn of this year and is due to run from Autumn 03 to March 06. We are currently in the process of contacting all of you with details of the Jobcentre Plus sites due to go live between September 2003 and April 2004, together with their associated LAs. These dates may be subject to change as they are dependent on a range of activities being completed in each Jobcentre Plus site prior to the CMS being installed. We will, of course, keep you informed of any developments.

In order to help West Lothian staff prepare for the implementation of the CMS we gave presentations on the new process and staff were able to watch a demonstration of the system itself. The positive feedback received about these sessions will be used in developing support for those of you impacted by the CMS rollout between September and April. We will be speaking at the next set of IRRV forums and will be running workshops throughout the country in September and October, further details of which will be sent out shortly to those involved in initial rollout.

Some FAQs and the guidance we have produced to assist LAs will shortly be published on the Housing Benefit website.

If you have any queries about the CMS that aren’t covered on the website, please e-mail Kathy Brooks at Kathy.Brooks@dwp.gsi.gov.uk.
In last month’s edition of HB Direct we said that we would keep you informed of all ongoing activities which support the HB reform programme. The main items of information are set out below

- Benefit/Fraud managers can find detailed information on the changes to HBMS data extracts in the HBMS Flyer sent out in May to all participating LAs
- HBMS’ role in the replacement of benefit periods is detailed in the July 2003 HBMS Newsletter. Contents include HBMS scans, Rules development, changes to data extracts, data incidents and data cleansing. If you have questions on any HBMS services, contact points are given in the Newsletter. Further copies of the newsletter can be obtained from Chris.fuller@jobcentreplus.gsi.gov.uk, telephone number 01253 34449.
- The Programme Protection Working Party (PPWP) met on 15 July. The meeting focused on the review of VF and SAFE. Details of the PPWP’s valuable input into this review will be published on the Housing Benefit website in the near future.

Reminders

**Funding to take up the RSL VF Scheme** is still available, but only until March 2004. Further details about the scheme can be found in HB/CTB Circular A8/2003, issued in March 2003.

To participate in the scheme and be eligible to receive a set-up grant, you must either be

- currently fully or partially compliant with the Verification Framework, **or**
- planning to become compliant with the Verification Framework and wishing to implement the RSL VF Scheme at the same time

For further information please contact Sonia Adams on 020 7712 2297 or alternatively e-mail your enquiry to Safe-VF@dwp.gsi.gov.uk.

**Subsidy**

SAFE Subsidy - Are you missing out? - We are concerned that some of you may be under-claiming SAFE WIB subsidy. The guidance, detailed in HB/CTB Circular S5/2003, states that the quarterly returns should be submitted on a **cumulative** basis. You will want to check, and where appropriate, correct your FINAL WIB 5 returns (due 31 August 2003). Please ensure that future quarterly returns for 2003/04 are completed on a **cumulative** basis.

We would also like to remind you that the Department’s deadline for submission of both the 2002/03 HB/CTB initial final subsidy claim and the 2003/04 HB/CTB mid-year estimate is 31 August 2003.

If you have any enquiries, please contact Michael Mina, telephone number 01253 333844.

Except it isn’t, technically, as we’ve decided to drop “Standard” from the name. It will now be called the Local Housing Allowance (LHA for short), which should make it a bit less of a mouthful!

We have received a comprehensive response to the LHA proposals and Regulations from the Social Security Advisory Committee and we are currently preparing the DWP response. The Regulations themselves are in the process of being finalised and our intention is to lay them before Parliament during August.

The pathfinder authorities are, meanwhile, working towards their respective “go live” dates and are currently concentrating on a range of issues, including software requirements and communications.

DWP is continuing to talk to interested parties such as landlords and welfare rights groups about the LHA changes and we are preparing a range of information products for issue well ahead of the first go live date. Some of these have been designed with particular audiences in mind while others are for general information. We have just published our first official LHA product – a newsletter for landlords in the pathfinder areas (but available to anyone on request).

We hope to give you a further update in the next issue.
Dear Kevin

Many thanks for your letter. (I’m afraid we’ve had to edit it slightly but mainly the complimentary bits!)

I fully accept that 2003 is an extremely challenging year for the LA Housing Benefit service. We have of course been preparing for this for a long time, and have made available (so far) some £70m to cover the additional workload cost. Yes there are, as you know, some complications in the interaction between both tax credits and Pension Credit with HB. But we have tried to minimise these (for example in the treatment of arrears), and we have also removed some burdensome processes – notably renewal claims. Beyond that, perhaps I could throw a challenge to you – we are very open to suggestions about how we might do more to harmonize the rules between the credits and HB, to make it easier for customers to understand as well as for you to administer. Do let me have your views.

I also accept that the timing of the Comprehensive Performance Assessments, on top of everything else, complicates matters. Of course CPAs go far wider than HB administration, and the timing has been largely outside our control. No doubt any other would not suit some services. But don’t forget that part of the aim here is to identify those authorities who are performing well so that they can benefit from less inspection and more flexibility. In the longer-term Amber Valley could well see the fruits of all this. Meanwhile, we have set clear and challenging standards for HB administration, and it is important (perhaps even more important at this time) that we continue our programme of work to provide both support and challenge to help secure the improvements we all want to see.

You make an interesting point about both BFI and the Audit Commission undertaking inspections of the benefit service. Essentially, I agree with you here. I have argued for some time that BFI should undertake all benefit inspections – they after all are the experts in the field. That is why BFI are so heavily involved in the CPA process. However, as you will appreciate there is a limit to the overall resource the Department can devote to BFI. Inevitably, we have to make decisions about priorities. So it may take time to realize these ambitions. But the point is well taken.

I hope this is helpful.

Paul Howarth

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Dear Paul

I write in growing frustration at the additional burden being placed on Local Government by Central Government.

2003 was always going to be a difficult year with, I believe, the biggest changes in Benefits Administration in 20 years. I am still trying to work out where ‘simplification’ sits with this. For example, the introduction of Pension Credit, whilst more generous to the elderly, adds to the additional rule burden on the administrators both within your own department and within local government.

I for one know that Local Government must take some of the blame for under-investment by some Authorities in the Benefit Service and realise that there is a large variance in performance. What I find hard to accept is the additional burdens placed centrally on local government in this year of change. At my own Authority we are likely to face the BFI questionnaire for the CPA in August (our CPA is actually in January 2004), whilst already this year we have faced a Best Value Inspection for our Benefits and Revenues Service. Whilst I welcome any independent challenge to the delivery of our service I have serious reservations that this is the best way to provide a seamless service in such a massive year of change.

Whilst on the question of Best Value Inspections I must raise another point. How can a consistent approach be taken when some best value inspections for Benefits are carried out by the BFI and the others are carried out by the Audit Commission? Benefits, as we all know, is a very technical and complex area and not just a paper exercise.

I would welcome your comments on this and from my own knowledge thank you for your efforts in helping Local Government in this difficult, but challenging and rewarding role.

Thank you

Kevin Stewart
Head of Benefits and Revenues
Amber Valley BC

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Next month:
Coming in next month’s issue:
• Local Housing Allowance
• HB/CTB - IB/SDA extended payment scheme
• MIS contact list for general queries

Arrears Management in Social Housing
Capita are organising a conference on 16 September in London to discuss ‘Arrears Management in Social Housing’. This will be of interest to many of you involved in HB/CTB administration. DWP will be involved.

If you want to know more, phone 0870 400 1020 or look at www.capitaconferences.co.uk