We start the New Year with some very encouraging news. Early results from our monitoring of performance information for quarter 2, July to September, show further improvements in key indicators, for example the average time to process new claims is now down to 50 days. These figures do of course come with the usual caveats, and there is still a way to go reach a quality service across the board.

But it is a solid foundation on which to build, and indicates that all the various strands of work we have developed together are bearing fruit. As we introduce further reforms in 2004 (ending renewal claims, unifying subsidy streams) now is the ideal time to capitalize (literally) on the funding available to help you with further improvement and innovation. So do make a bid to the standards fund if you haven’t already. We do want to spend this money!

Now is also the time to review the interfaces between Housing Benefit and tax credits and Pension Credit. I know from your correspondence that there are still issues here so we have started some work to analyse them. See article below for details of the HB and New Tax Credits workshop.

Finally, congratulations to Blackpool and Lewisham who have successfully launched the new Local Housing Allowance. Of course, the other seven pathfinders will be joining them soon and we will publish regular articles on their progress throughout the year.

And finally, you may have seen that Chris Pond announced on 15 December that we are abolishing the current Council Tax Benefit restriction from April this year and have launched a programme of work to support you in encouraging take up of CTB.

All the very best for the New Year ahead.

Paul Howarth, Head of Housing Support Division.
Email: Paul.Howarth@dwp.gsi.gov.uk

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HB/CTB Overpayments Guide

On 1 December we issued an HB/CTB Overpayments Guide. Its aim is to provide you with comprehensive guidance covering all policy areas relating to overpayments, including subsidy, performance standards and the overpayments performance indicator.

Each authority has been issued two copies (one each to the Benefits and Overpayments managers). If you have not received yours or require further copies, please put in writing the name and address of your LA, and if applicable your reason for requiring further copies, by 31 January 2004 to Jocasta.Fletcher@dwp.gsi.gov.uk

The Guide can now be accessed via the DWP website at


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We hope that the Guide is ‘user friendly’ and covers all your questions on overpayments. However we would appreciate any comments or suggestions that you have regarding its contents. Every copy of the guide has a feedback form at the front for you to complete, or alternatively you can email your comments to Jocasta.Fletcher@dwp.gsi.gov.uk or Jane.Autherson@dwp.gsi.gov.uk

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HB and New Tax Credits workshop

Would you be interested in attending a Workshop in London on 22 January (2.30-5.00 pm) to share your experience of how New Tax Credits have affected the administration of HB? We are looking at ways to improve and would welcome your views on particular problems and how they could be overcome.

If you would like to attend (or can’t make it but would like to discuss this issue) please contact Cathy Payne, tel 020 7712 2105 or email: cathy.payne@dwp.gsi.gov.uk
HB/CTB Work Programme - 2004

Lifting CTB Restrictions

I’m sure you will have heard the Government announce its intention to abolish CTB restrictions in a statement about Council Tax Benefit made to Parliament on 15 December. So customers living in council tax band F, G or H properties will no longer have their CTB restricted to the maximum help available for band E properties. Consultation with your associations and the Social Security Advisory Committee will take place in the usual way and we hope to be able to lay the regulations in January to take effect from 5 April 2004.

Child care disregard threshold

The Chancellor announced in his pre-budget report on 10 December an increase in childcare disregard thresholds in HB and CTB to bring them in line with New Tax Credit levels. Although this will only affect a minority of your customers, this is an important move in our drive to improve work incentives. New thresholds are
- £135 for one child and
- £200 for two or more children

We have consulted with your software suppliers who have told us this will mean little, or no changes to your IT.

Movement into work as a Change of Circumstances

Another important measure in helping break down the barriers that prevent people finding work is treating movement into work as a change of circumstances. The abolition of benefit periods for working age people provides the opportunity to do this. Will we discuss the detail of this change with your associations.

New SAFE/VF arrangements

I hope you will have had the opportunity to look at the extra edition of HB Direct we issued in December. This was a useful way to bring together some of the information you will need to implement the changes from April. Of course, HBMS referrals will also be more regular from April. The four weekly cycle will help to, amongst other things, avoid fraud and error creeping into the system when benefit periods for working age customers are abolished in April.

Subsidy changes

You will be aware of the changes to subsidy taking place in April – see article for further Q and A on how this will affect you.

Customer Management System

During 2003, Jobcentre Plus began to implement the Customer Management System, a new electronic information gathering process for working age customers. 2004 will be just as significant - the continued rollout of the system means that more of you will be receiving HB/CTB claim information direct from Jobcentre Plus when a new or repeat claim is made for one of the ‘primary’ benefits (IS, JSA and IB).

We have just finished a series of seven workshops to assist those of you that will be impacted by the new system before April 2004. These provided a detailed walkthrough of the new process, and explained how customer claim details will be transferred to you through the “LA Input Document”. Most workshops had the opportunity to hear a representative from West Lothian Local Authority – the first LA to receive claims through the new process – talk about their experiences. These workshops were positively received, and we have used the feedback provided by delegates to make them even more relevant and useful for the future.

We have now made the material from these workshops available on the DWP website at www.dwp.gov.uk/housingbenefit/cms/index.asp. These are not intended to be definitive training products, and we would encourage you to adapt them as necessary to best suit your needs. Jobcentre Plus is currently developing the rollout schedule for 2004/2005 and we will contact those of you that will be affected by it as soon as the details are made available to us.

To ensure that the impact of the Customer Management System is fully understood, we are also undertaking evaluation work with West Lothian and their associated Jobcentre Plus offices. The data is currently being collected, but a customer survey carried out by Jobcentre Plus has revealed that 78% of customers prefer to give their claim details over the phone and 70% rated the ability of Jobcentre Plus staff to answer HB/CTB questions as good, very good or excellent. We are looking to extend our evaluation into more authorities as Customer Management System goes live throughout the country and we will shortly be in contact with those of you that have indicated you are happy to discuss involvement in further evaluation work.

If any of your queries on the Customer Management System are not answered by the guidance on the website, please contact
Kathy Brooks email: kathy.brooks@dwp.gsi.gov.uk or
Kerry Hartley email: kerry.hartley1@dwp.gsi.gov.uk
Salford City Council - Homeworking Project...

An innovative Homeworking Project has been piloted in Salford, producing extremely positive results. The scheme, which has improved productivity and accuracy as well as reducing sickness levels, is proving a winner with both bosses and officers.

The move to homeworking in Salford began in April 2002, when a pilot scheme began in the section which deals with local taxation and benefits administration. All staff were invited to join the scheme, and over 50 applications were received. Three officers from the benefits processing team and a Visiting Officer from the Recovery Section were chosen to take part in what turned out to be a very successful pilot.

A bid for £150,000 for further expansion of the scheme was made to the DWP in January 2003. As a result, 25 officers are homeworking at the time of writing this article. Up to fifty officers will have joined the scheme by next April.

Homeworkers have been provided with suitable furniture, a PC, printer, telephone and stationery. They work from home full-time, but visit the workplace for training purposes and team meetings about twice a month, and have direct contact with their line managers to assist with any problems.

All the homeworkers are happy with the arrangement, and the results outlined below indicate that both the Council and local residents have also benefited.

Council tax and Benefits processing - Productivity improvements of between 15-20% with no deterioration in performance.

Overpayments - (particularly in the areas of overpayments categorisation). There are early indications that there has been a huge increase of 48% in productivity levels.

Council Tax Recovery Teams and the Benefit Appeals process - Staff work programmes are being completed well in advance of anticipated deadlines.

Sickness reduction - There has been a 75% reduction in sickness absence levels.

Homeworking tackles some of the key issues that face any council, such as helping to reduce accommodation problems, tackling environmental issues by reducing travel, providing equal opportunities for staff, promoting a better work/life balance and helping to achieve e-government targets.

Salford is happy to share its case studies and experiences with other authorities. If you require further information contact Chris Southern on 0161 793 2718 or 07766 550273.

Housing Benefit Verification Pilot

In HB Direct Issue 13 we gave details of the Housing Benefit Verification Pilot, which has been testing a process whereby Jobcentre Plus undertake a full HB/CTB claims gathering and verification process on your behalf.

The operational testing of this process is now complete. The three Jobcentre Plus districts, (Calderdale & Kirklees, Buckinghamshire and Gateshead & South Tyneside), along with their nine associated LAs, have worked closely over the last 10 months setting up and running the pilot in order to test the impact of the process.

The addition of the piloted process to the Customer Management System would make it possible to achieve a ‘single claims process’ by undertaking the verification of evidence in support of these claims before passing to you for processing. You would continue to deal with claims from pensioners or from customers applying for standard HB.

Depending on the findings of the Pilot evaluation, and subject to Ministerial approval, the aim will be to integrate the scheme with the Customer Management System as it is introduced into Jobcentre Plus. Ministerial interest in this scheme has been high, and our Minister, Chris Pond, has visited one of the pilot sites. He was impressed by the hard work and commitment of the staff and with the excellent closer working and communications that the pilot offices had demonstrated.

We are currently evaluating and analysing the information gathered from the four strands of the evaluation, each of which is crucial to testing the impact of the process. One strand looked at staff and customer perception of the initiative, including interviewing 2000 customers. The Benefit Fraud Inspectorate examined 1800 cases to consider the security implications of this scheme.

A final report will be produced soon which will allow Ministers to make a considered decision around March 2004 on the feasibility of Jobcentre Plus undertaking the verification of HB/CTB claims that come through the Customer Management System process. If you wish to know more about the pilot, please contact Michael Hewson e-mail: Michael.Hewson@dwp.gsi.gov.uk
HB/CTB subsidy arrangements - 2004/2005

HB/CTB Circular S9/2003 gave details of the outcome of the HB/CTB Subsidy Review. We have received a number of queries regarding the circular and we thought it would be useful to provide a special short summary of frequently asked questions and answers.

Q1 How do the new LA error thresholds work?
A1 LA error overpayment thresholds for 2004/05 are based on estimated levels of LA error in 2001/02. Thresholds are set at 85% (lower) and 95% (upper) of the estimated amount of your LA error overpayments. You will receive:
- 100% subsidy if your level of LA error overpayments are within the 85% threshold.
- 40% subsidy if your level of LA error overpayments are between the 85% and 95% threshold.
- Nil subsidy if your level of LA error overpayments exceed the 95% threshold.

Q2 What is the definition of correct benefit payments to be used when considering the new LA error thresholds?
A2 Correct benefit payments are payments that attract 100% subsidy. From April 2004 this will include backdated payments.

Q3 Are the LA error thresholds calculated individually for rent rebate, rent allowance and Council Tax Benefit?
A3 No. LA error overpayments in rent rebate, rent allowance and Council Tax Benefit cases are totalled and compared to the total correct benefit payments.

Q4 Why weren’t thresholds based on individual levels of LA overpayment?
A4 LA error in rent rebate cases is not collected for all local authorities and therefore it is not possible to provide a reasonable threshold at an individual local authority level. A single threshold was agreed with your associations as a simple, easily measurable, indicator of LA error.

Q5 How is the 0.2% addition in the discretionary local schemes calculation applied?
A5 The 0.2% will be applied to your overall annual amount of HB/CTB benefit subsidy. This includes all amounts for which subsidy is payable, not just those amounts which attract 100% subsidy rates.

Q6 As backdated payments are going to attract 100% subsidy from April 2004, is there still a need to record backdated expenditure separately?
A6 Yes, for audit purposes it will be necessary to record backdated expenditure separately.

Q7 Will changes to be required to procedures for assessing “good cause” in backdated cases as a result of the increase in subsidy rate from 50% to 100%?
A7 No, you should continue to consider “good cause” in the same way as you do now. However, you may be required during the audit of subsidy claims to provide evidence of the reasons for accepting that “good cause” has been demonstrated.

If you have any further queries regarding the outcome of the Subsidy Review, please refer to the end of HB/CTB Circular S9/2003 for the relevant contact details.

Are you interested in working with the Help Team?

A job on the Help Team involves working with a wide cross section of authorities, widening your own HB experience and enhancing your own career potential, as well as enjoying a challenging and worthwhile job.

If you are an experienced and confident HB practitioner and your employing authority is prepared to release you for a period of secondment then we would like to hear from you. The cost of time and out of pocket expenses will be met by the DWP.

To find out more please contact Ann Chamberlain on 0207 9628345 email: ann.chamberlain@dwp.gsi.gov.uk or Mont Goldman on 0207 9628360 email: mont.goldman@dwp.gsi.gov.uk

Next month:

Coming in next month’s HB Direct issue:
- Update on LHA Pathfinders
- Sharing experiences and case studies