Editorial

It’s been another busy month for all of us. The second group of LAs have all now successfully implemented the Local Housing Allowance, and last week, James Plaskitt, the Minister with responsibility for Housing Benefit, attended one of the regular meetings of the second wave group, having already met with the first Pathfinder LAs. Following a comprehensive presentation by Phil Rimmer from St.Helens, James was keen to explore the issues faced by LAs as they implement the LHA. He seemed particularly interested in how the IT is going! In more general terms, he is very pleased with the increased number of payments going direct to customers’ bank accounts. This is making an important contribution to the Government’s financial inclusion agenda.

Last month I was very grateful for the opportunity to speak at the IRRV Benefit Fraud Symposium, in Blackpool. As I have only fairly recently taken on responsibility for HB fraud and error strategy, it was very useful for me to attend this event to meet some of you and get your views on the issues we face in this vitally important area of work. I gave details of our plans to put right the Howell problem through primary legislation, which looks on course for an autumn introduction, rather than the Regulatory Reform Order on which we consulted. We are committed to restore the intention of allowing you to investigate and prosecute offences against national social security benefits alongside HB/CTB, see Howell opinion inside for more details. It was very instructive for me, as I’m sure it was for those who attended, to hear my colleague, Richard Kitchen, who heads our fraud investigation service, give an account of latest developments in the Department and how they might affect LAs.

In this month’s issue, we have included an update on CMS. Many of you will now be receiving HB claims via CMS as it continues to rollout throughout the country. I know it hasn’t all been plain sailing, but a further IT release later this year should help with some of the problems you have been experiencing. We have included more information about CMS on our website, and continue to work closely with Jobcentre Plus to iron out any concerns.

I am glad to include inside a note from Geoff Fimister, who is trying to get together a ‘top ten’ of ideas of how to improve HB – do try to respond to this if you can, I think this is a very good idea and, if we get to see the results, it will help us identify where you feel the key problem areas lie.

Finally, some of you will be off on your summer holidays around now (as I am), so I hope you all have a good summer and many thanks for all of your hard work so far this year.

Paul Howarth, Head of Housing Benefit Strategy Division

Email: ♦ Paul.Howarth@dwp.gsi.gov.uk

Rising costs of supported accommodation

Over recent months a growing number of you have expressed concern over the level of rents being charged for supported accommodation and the difficulty you face in restricting rents for these old scheme cases. There have also been concerns raised about the subsidy shortfall as the rents are far higher than the rent officer’s determination of a claim-related rent.

You have described situations where social services and health authorities turned to existing charities and recognised voluntary groups to provide suitable supported housing for their clients. These groups turned to property companies, commonly associated to these groups’ advisors or consultants, who purchased accommodation to suit the prospective tenant’s needs. They allegedly purchase the property with short-term business loans for which the repayments need to be covered by correspondingly very high rents.

We are currently looking into the extent to which private companies are looking to maximise profits by taking advantage of the more beneficial provisions for old scheme cases.

We would be interested to hear of your experiences with individuals, companies, voluntary organisations, housing associations, etc who appear to be taking advantage of old scheme rules by trying to fit within the definition of ‘exempt accommodation’ and charging high rents. If you could send us any details, we’d be very grateful. In the meantime we will keep you posted.

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Customer Management System (CMS) Update

The rollout is continuing and over the coming months more of you will begin to receive HB/CTB claims, when associated with claims to Jobcentre Plus benefits, through CMS. We are aware that the experience for those of you already receiving claims via CMS has been variable and in some instances this has disrupted HB/CTB administration.

We have worked with Jobcentre Plus to make improvements, including

- reviewing the training materials to ensure HB/CTB issues are clearly highlighted
- visiting Jobcentre Plus Contact Centres and front-facing offices and reviewing the end-to-end process
- producing a Standard Operating Model which helps to ensure that all offices administer claims in the same way, avoiding the use of shortcuts that can have a negative impact on the effectiveness of the process

An evaluation of the impact of CMS on LAs last year identified a number of key issues

- local liaison requires early contact between LA and the local Jobcentre Plus Implementation Manager
- training is needed for a range of LA staff about the whole CMS process
- monitoring is required (performance, timings and quality) feeding back to Jobcentre Plus using specific examples where possible

A series of seminars with those of you due to go live on CMS drew attention to these key issues, and the messages were reinforced by the sharing of live-running experience provided by a representative from Blackpool and their associated Jobcentre Plus office.

The CMS Guide for LAs and Planning Guidance to assist with local implementation has been updated to reflect the changes made to CMS in December 2004. Updated material relating to CMS is available on our website at http://www.dwp.gov.uk/housingbenefit/cms/ which includes a new leaflet for customers explaining the evidence required to support their claims for HB/CTB.

A further version of CMS will be released later this year that will, as far as possible, remove the need for clerical forms. We will tell you more about CMS Release 3 and how it will affect you as soon as possible.

Following the concerns around the date of claim for those customers entitled to IB or JSA (Cont), we expect the relevant regulation will be changed in November to bring it into line with HB/CTB claims associated with a means tested or passported benefit (IS or JSA(IB)).

Contact: Martin.Frankham@dwp.gsi.gov.uk

Replacing RATs

We are very pleased to say that all of our invitations to the 12 LAs invited to become our pilot sites have been accepted.

The first round of pilots will start at the end of August/early September and further pilots will follow that. Once these have been fully evaluated we will seek Ministerial approval to commence a phased national roll-out from December 2005. We intend to ask those of our pilot sites who already have access to the Government Security Extranet (GSX) to help us initially with the connectivity trials.

We are still working on the training material for the pilots. Our aim is to provide you with the learning and development opportunities you need to efficiently access and utilise the new link. We are working closely with your colleagues in the user groups to check that we are getting it right. We are also liaising with the user groups and colleagues in the RAT Support Team to draft the new live support arrangements both for the pilots and for roll-out.

For more information contact: ann.chamberlain@dwp.gsi.gov.uk

Dear Paul,

Improving administration of HB & CTB

With the help of some of the major benefit practitioners’ and advisers’ networks, I am running a contest to generate new ideas for improving HB and CTB administration.

The idea is to arrive at a ‘Top Ten’.

I would like to invite your readers to join in by

- thinking of up to three suggestions to improve the administration of HB and/or CTB
- adding a brief paragraph of explanation to each
- ranking proposals 1 - 3, with the most important at 1
- emailing them to me at gfitnister@blueyonder.co.uk

I shall award three points to every first choice, two to every second and one to every third. Later this year, I shall announce the final chart placements and submit the proposals to the appropriate DWP Minister and officials. Closing date is October 15.

Best wishes,

Geoff Fimister
Consultant
Proposed regulation changes on rent-free weeks

You may remember in the December HB Direct Issue 36, we mentioned a Commissioner’s decision on rent-free weeks.

The case in question was the Neville case, and it was decided that although the tenant was required to pay 23 fortnightly payments of rent, they were actually liable for their rent throughout the whole year. So we had to calculate an annual rent, pay it over the whole year, and ignore the rent free weeks.

The idea has always been not to pay HB in weeks when rent is not due. And regulations (Regulation 70 of the Housing Benefit (General) Regulations 1987) were intended to support this by ensuring HB cannot be paid for those weeks in which a person is not liable to pay rent.

However, the effect of this Commissioner’s decision means that for any cases similar to the Neville case, the rent would have to be calculated on an annual basis and benefit paid over the whole year, even though the rent would actually be due for a shorter period.

This would result in increasing rent arrears throughout the year which could only be paid off with HB received in the rent free weeks.

To make sure that the regulations reflect what we wanted to happen originally, we hope to amend the legislation and have amending regulations in place within the next few weeks.

Contact: Dave.Jones@dwp.gsi.gov.uk

Many thanks to all of you who responded to the consultation document.
Impact of the Civil Partnership rules

Following our article in July’s HB Direct Issue 43, we promised to keep you informed of new developments.

We have opened discussions with your Associations, and the main proposals are summarised below:

- There is no question of LAs being expected to identify all affected couples and implement the new rules from 5 December. The approach will be gradual, and the forthcoming circular will make this clear.
- For DWP administered benefits, the new rules will be applied to existing cases from the first intervention on or after 5 December 2005. By intervention, we mean anything which responds to a relevant change reported by the claimant, which results in us having to intervene in the case. In general, we are likely to accept this as reasonable unless there are specific reason(s) to the contrary.
- DWP will be issuing guidance to its decision makers about the ‘reasonableness’ requirement. We will adapt this guidance for you as soon as it is available and we hope to include it in the circular.
- For existing cases at 5 December 2005, in which HB/CTB is in payment on the strength of a ‘passporting’ benefit (IS, JSA(IB) or Pension Credit guarantee credit) you should apply the new Civil Partnership rules from the date that The Pensions Service/Jobcentre Plus applies them to the passporting benefit. This will generally avoid any HB/CTB overpayment being raised.
- For existing cases at 5 December 2005, not involving a ‘passporting’ benefit, you should apply the new Civil Partnership rules from the date they become aware of a case, either because of:
  - The claimant reporting a change of circumstances
  - An intervention by the LA under the current reviews procedure

In general, the LA can accept this as reasonable unless there are specific reason(s) to the contrary. We do not want these cases to remain unidentified indefinitely so while the review procedure will identify some of these cases we need to see how we might capture the others.

Watch out for a forthcoming circular which will cover all this, and more, in detail. You will need that to get the complete picture, as well as an authoritative statement.

Contact: Jane.Mapp@dwp.gsi.gov.uk

Terrorist attack – temporary absence rules in HB/CTB

Following the recent terrorist attacks on 7 July in London, this note is to remind you of the benefit help you may be able to give to those who are claiming HB and are temporarily absent from their home as a result of this type of disaster.

We would like to remind you that under the temporary absence rules HB/CTB can continue to be paid to those who satisfy the conditions for receipt of the benefit for up to 13 weeks of absence. This includes those who are reported missing and have not been identified yet. The period of absence for which benefit can continue to be paid can be extended for up to 52 weeks for a variety of reasons, including when a person in the United Kingdom or elsewhere is

- undergoing medical treatment
- receiving medically approved care, or
- providing medically approved care of a person

provided all the other conditions for receipt of the benefit continue to be satisfied.

Contact: Lucy.Da-silva@dwp.gsi.gov.uk

Monthly data-matching

Thank you for making the move to monthly data-matching a big success!

The results reported by you so far for the first year of monthly data-matching show that overpayments were identified in over 65,000 cases (three times more than under the old quarterly matching regime). The average overpayment has decreased from £1,000 to £770. This shows that the quality of referrals has been maintained despite the threefold increase in volumes and that overpayments have been detected more quickly.

A particular highlight was a new data-match against Inland Revenue savings which was introduced during 2004/05. This has been very successful, with the average overpayment running at nearly £3,000 per case.

We will be discussing our plans to further enhance the HBMS service with the Fraud Operational Group and will keep you informed of developments.

Finally, we are still working on your request to post HBMS performance data on our website.

For any enquiries relating to the data-matching regime please contact: Fraud-Error-Policy@dwp.gsi.gov.uk