

Housing Benefit Direct.....

For staff involved in the delivery of HB/CTB in Local Authorities

April 2004

Issue 28

Editorial

For a number of reasons, I am very pleased with the Budget announcements about Housing Benefit. You can find the relevant part of the Budget documentation on the Treasury website

<http://www.hm-treasury.gov.uk>



First, the Government has made a further commitment to continue with our programme of reform, in particular the Local Housing Allowance (LHA). This was highlighted by the announcement that we intend to ask a small number of authorities to implement the LHA (in the private rented sector) from April 2005, in order to test operational readiness. The idea is not to for these authorities to be part of the thorough evaluation now underway in the nine live pathfinders, but to enable implementation issues (including training, IT, money advice and work with local banks) to be tested further. This will help us put together best practice advice for national roll-out. We are now working closely with our analysts to decide which authorities to invite, and we will of course keep you up to date with developments as they happen. At the moment, I anticipate we will invite around five more authorities to take part. I am happy to take expressions of interest, as long as you appreciate there can be no guarantees. We will need to agree any proposals with Ministers, and with your associations.

Second, the Budget re-affirmed the Government's intention to roll-out the LHA nationally, although we will need to consider carefully the results of our extensive evaluation before we can make any firm decisions on this. Obviously, it is vitally important that the LHA is designed in the best possible way before any steps are taken to implement it fully.

But the Budget news wasn't all about the LHA. I am particularly pleased with the recognition that the complexity of Housing Benefit is a serious issue, and the welcome commitment to further simplification, including alignment with tax credits and Pension Credit in particular. As I hope you know by now, this is something I am personally committed to achieving, as part of the drive to improve performance, break down barriers to work, and get those who need help to take up their entitlement. The Budget announcement included some important, if modest, changes, such as ignoring childrens' income and capital, and further reform of extended payments. But the important thing is the commitment to build on this start by introducing successive packages of similar changes.

Most of these Budget measures will be introduced in April 2005. This is good news in itself – for all of us. I am intending to step up our activity to manage our work programme better, and to ensure that you, and your software suppliers, are notified well in advance of all changes that affect HB. This includes implementing effectively our new communications strategy (see article inside) – I am not suggesting that this is radically different from what we have done before, but I do want to ensure that all of the communications you receive from us are consistent, streamlined and provide you with all of the information you need, when you need it.

Much of the press interest around the Budget centred on the staffing position in the civil service and DWP in particular. It is important to remember that many of the changes were already planned, as part of the structural changes underway in DWP. I am not expecting any sudden changes on the Housing Benefit front, but there may be a need to scale back our ambitions in some areas. We will certainly need to ensure that we in DWP organise ourselves in the most efficient way.

And aside from the Budget, we have been working closely with the IR on the handling of the tax credit renewals process, starting this month. See article inside for information about how provisional payments and renewed awards will work. We are making progress on putting in place an email link between you and IR, and we are providing information about tax credit renewals through the Housing Benefit Matching Service (HBMS). We will continue to put in place all the interim measures we can, as part of our longer-term commitment to provide better access to DWP and IR data.

Finally, on Pension Credit, I am pleased that the proposal to continue with the provision that allows claims to be backdated for 12 months will also apply to HB/CTB, thus maintaining alignment. Several of you have written to me about verification procedures, in the light of (sometimes rather misleading) articles in the Press. I recognise that there are some important issues to resolve here, and I want to assure you that work is underway here to review the current arrangements.

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

Communications Strategy

Last month, we gave you details of the results of our Communications Survey. Based on the results of the survey and our review of communications, we want to start implementing, as soon as possible, a consistent, streamlined approach of distributing information to you. Improving our communications is an ongoing process, but to begin with, we intend to

- centralise the management and distribution of our A, S and F circulars to our Departmental publishers. Circulars will be restricted to technical information only (eg for A Circulars, information that will later be incorporated into the HB Guidance Manual) and should therefore significantly reduce in number
- supplement circulars with a two-tier system of bulletins. A monthly information bulletin that includes more general advice, updates and information will be issued in the middle of each month. We will include an index of all of the communications we have issued during the previous month, including additions to our website. Urgent Information bulletins will be issued when, exceptionally, we have to get information out to you immediately – these will replace 'Dear Benefit manager' letters
- over time, incorporate all guides and manuals into one suite of HB manuals. This will mean the HB Guidance Manual will be the central guide, with existing and new guides and manuals as additional, numbered volumes
- modernise the way we distribute our communications. This means, phasing out sending hard copies of circulars by April 2005 and making much better use of the LA area of the DWP website
- manage the overall HB work programme better. We aim to provide you with information about regulation changes and new initiatives much earlier, allowing you and your software suppliers to implement new procedures in the most effective way. We will issue twice yearly publications that will give detailed information and advice about the future HB work programme

We will provide further information about our communications strategy in our first General Information Bulletin to be issued on 15 April.

Distribution/content of this newsletter

We welcome your views on the content and format of this newsletter, and would like further suggestions on what to include in future issues. Please send your ideas to:

Penny.Higgins@dwp.gsi.gov.uk

Suspected bogus calls to The Pension Service customers

The Pension Service has been made aware of a message that is circulating around some Local Authorities and certain Police Forces that bogus callers are currently contacting vulnerable, older people requesting financial details from them.

Whilst you need to bear in mind the possibility of a real bogus call to a customer from people saying that they are from The Pension Service or DWP will always exist, you also need to be aware that there is a need for The Pension Service staff to make genuine calls regarding customer's financial details.

Telephone calls are being made to customers as part of the Direct Payment conversion project and customers are being asked about bank sort codes and account details. These calls are being made when customers have failed to respond to letters sent to them regarding conversion from an order book or because forms have been returned incorrectly completed or illegible. Where customers are anxious about being asked for bank account details they should be offered a call back facility.

DWP's Disability and Carers Centres are also seeking financial details in relation to Direct Payment and Pension Centre staff are following up claims details.

Customer Conversion calls will be made between 9am-6.30pm on weekdays and 9am-5pm on Saturdays. No calls will be made on Sundays. All other calls may be made up until 8pm.

Where you receive concerns from The Pension Service customers regarding the authenticity of any calls, please refer them to the Security Specialist at their linked Pension Centre.

Jim Boyd, Pension Service/Local Authority Liaison

Changes of circumstances - Performance Indicator

The abolition of benefit periods from April 2004 means that there will be more changes of circumstances to process, and fewer new claims. For example, the cessation of IS, JSA(IB) and PC, changes of address within the local authority area and moving into work (except where an Extended Payment is made) will be treated as a change of circumstance. Guidance is being issued on how to handle these changes from April 2004.

Changes in volume of the different types of work may impact on current clearance times in the short term, as you adapt working practices, in particular to monitor closely outstanding requests for further information required to process a change of circumstance. We will therefore keep the BVPI and associated Performance Standard under review.

Housing Benefit Review - increased sample size

The Housing Benefit Review (HBR) is a continuous programme of work designed to measure the amount of incorrectness within Housing Benefit (HB). Results from the HBR inform progress towards the Public Service Agreement (PSA) target to reduce fraud and error in HB by 25% by March 2006. Measuring the true level of loss through fraud and error is an essential part of the strategy for achieving this.

Ministers have agreed to increase the overall HBR sample, from 10,000 to 14,000 cases annually from April 2004. This will result in an increased HBR sample (subject to the paragraph below) being taken from every Authority from April 2004. Details of the increased sample size are as follows

LA 'size'	Sample size 2003/4	Sample size 2004/5	No. of LAs in this category
Large	60	84	21
Medium	40	56	50
Small	20	28	337

Review Activity Control Teams (RACTs) responsible for visiting are unlikely to have sufficient trained resources in place to undertake the increased number of reviews until May or June 2004; therefore the increase may not affect you until this time. Future 2004/5 activity will not be increased to compensate for any shortfall in the April to June sample size.

Look out for an F Circular that will be issued shortly, providing details of the proposed 2004/5 HBR visiting schedule size.

Tax credit renewals

IR will conduct tax credits renewals for the first time from April 2004 and each April thereafter. All households who received a tax credit award during 2003/4 will be subject to the renewals process.

The renewals period will last from April to the end of September 2004. Most people will have their award renewed during this period. A minority of tax credits claimants, such as those with estimated income, may have their award renewed at a later point up to January 2005.

The process involves the customer confirming their statement of circumstances sent to them by IR is correct, and confirming their taxable income for the past year. This allows IR to finalise the 2003/4 award and renew the 2004/5 award.

In February 2004, IR sent out a letter to all tax credit customers. The key messages in the letter were that IR

- will continue to pay tax credits beyond 5 April 2004 on a provisional basis, at the same rate as the 2003/4 award
- will send Annual Review Forms (ARFs) from April, which the customer should check, complete and return
- want the customer to report any changes (ie those that have not been reported since the award notice was sent) straight away

Starting on or around 6 April 2004, and for the following nine weeks, IR will issue ARFs to tax credit households on a rolling programme. The ARF includes an Annual Declaration, an Annual Review statement of circumstances, and notes for completion.

IR can only complete renewals action when the claimant returns their Annual Declaration. It is the responsibility of the claimant to complete and return their annual declaration before 30 September to ensure that their award is renewed.

Throughout the renewals period (from April until 30 September 2004), IR will continue to pay tax credits at 2003/4 rates until the customer completes and returns their Annual Declaration. These 'provisional payments' will, for most customers, be different from their current award but the customer will not be sent a notification of this change. Although you will, of course, need to re-assess HB/CTB when the renewal award is issued (and new award notice issued), you will not need to take any action in respect of the provisional payment *unless the customer asks you to*.

Further information/guidance on tax credits renewals, including ways in which you can obtain information from IR about awards that have been renewed, will be issued shortly.

The Pension Service Partnership Fund

We would like to inform you about some new, short-term funding available to local and national organisations and community partners, including the voluntary sector, to

- improve the take-up of older people's benefits particularly by hard-to-reach groups
- promote the independence of older people
- integrate joint working between partners
- improve access to services, and
- gain a better understanding of older people's needs in a specific community, religion, including the needs of Minority Ethnic elders

Funding is available for 2004/5 and 2005/6. Funds will be allocated in the form of a project/service contract. Where evaluation demonstrates that the initiative is effective in meeting its aims, details of the initiative will be shared by the DWP with organisations that serve older people.

Individual local authorities, as well as community and voluntary organisations are being invited to apply. Applications to support benefit take-up amongst traditionally 'hard-to-reach' groups, such as those living in rural or remote areas, the severely disabled and housebound elderly, or minority ethnic elders including those whose first language is not English, will be particularly welcome.

Enquiries about The Partnership Fund

For more information or to obtain an application pack, please contact The Partnership Fund team by

- email: ThePartnershipFund@dwp.gsi.gov.uk, or
- post: The Partnership Fund
PO Box 44795
London SW1P 2XQ

Making an application

Applications for 2004/5 funding can be received at any time up until **12 noon on 30 June 2004**. You will be notified of the outcome within 60 working days of the closing date for receipt of applications.

Assessment and awards

All applications will be considered for approval by an evaluation panel within DWP. The panel will also include an external member providing independent expert advice.

Once approved, funding will normally be released in advance and in full except where the initiative is to run for two years. In these cases the 2004/5 funds will be released initially and the 2005/6 balance payable following receipt of satisfactory evaluation feedback.

Customer Management System

Rollout of the Customer Management System (CMS) is now underway and detailed information is available on the DWP website including

- guidance in the form of *The Customer Management System – A Guide for Local Authorities*
- sample Input Documents that can be used for training purposes
- slides that were used in awareness workshops run for local authorities impacted by CMS rollout before April 2004, and
- a Suggested Planning Approach which aims to help you prepare for the implementation of CMS and is designed to reflect the planning guidance that exists in Jobcentre Plus

We will shortly be adding some information aimed at landlords. This will be in the form of a draft letter and leaflet, which provide basic details on the CMS process.

To access the documents simply click on the HB Reforms button or visit the following web site

<http://www.dwp.gov.uk/housingbenefit/cms/index.asp>

Service Level Agreements for 2004/05

The process of reviewing and updating SLAs for 2004/5 is currently being carried out by Jobcentre Plus, The Pension Service, the Appeals Service, Debt Management, The Rent Service and the Inland Revenue. The revised versions will be issued to you as soon as possible. Unfortunately, this is not likely to be before June 2004. In the meantime we would ask that you continue to follow the SLAs that are already in place.

Next month:

Coming in next month's HB Direct issue

- Readers' letters
- LHA update
- Quarterly Monitoring results