

The Housing Benefit Review – An Update



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History

Budget Statement 2008:

“Despite HB being available both in and out of work, it is still seen by some as a disincentive to work. Expenditure is also rising, even though the number of people claiming it is forecast to remain static. As the LHA is introduced, the Government will therefore undertake a comprehensive review of the working age HB system, to look at its effectiveness, particularly in promoting work incentives, efficiency and fairness and to ensure that it represents value for money for the taxpayer”.

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Aims of the HB Review:

- What is driving forecasted rises in HB expenditure and what scope is there for reducing or controlling it;
- Understand perceived or actual barriers to work caused by HB and what more could be done through HB to reduce child poverty;
- Consider cost / benefit analysis for changing responsibilities for HB;
- Set out a clear strategy for future of HB taking account of wider benefit reforms.

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Unforecasted Rises

SHBE Statistics – Council Tax Benefit

Scotland:

Nov 2008 - 520,760

August 09 - 547,380

Increase - 5.11%

Great Britain:

Nov 2008 - 5,157,290

August 09 - 5,527,250

Increase - 7.17%

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Unforecasted Rises

SHBE Statistics – Housing Benefit

Scotland:

Nov 2008 - 419,100

August 09 - 443,720

Increase - 5.87%

Great Britain:

Nov 2008 - 4,171,940

August 09 - 4,494,560

Increase - 7.73%

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Underlying Issues:

- Worklessness in the Social Housing Sector
- Underoccupation and Mobility
- Housing Benefit as an in-work benefit
- LHA
- Management and Performance

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Welfare Reform Bill:

- Abolish IS and move all claimants to JSA or ESA
- Align contribution conditions between JSA and ESA
- Benefit sanctions for non-attendance at Jobcentres
- Job search by partners of claimants
- Abolish Adult Dependency Increases in the Carer's Allowance or Maternity Allowance
- Work focused interviews for over 60's
- Work related activity in return for ESA
- Birth to be registered jointly by both parents
- Additional powers for the enforcement of Child Maintenance Arrears

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Budget Report 2009:

- Referring to the previous year's budget report the Government intends to extend consultation beyond the internal review that was already taking place. It stated that this would take place shortly and would focus on improving incentives for those returning to work and reduce spending on Housing Benefit in the medium term, while maintaining access to suitable housing for those who cannot work.
- LHA costs had exceeded the planned expenditure for the policy. The removal of the £15 cap.

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Consultation with DWP:

- Section 176 duty
- Law changes
- Distribution of Funds
- DWP / LAA Steering Group
- Practitioners Operational Group (POG)
- Security Operational Group (SOG)
- IT Suppliers Forum
- Sub-groups

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What does all this mean? So far:

- Refocus HB/CTB as an in work housing cost support
- Anti Social Behaviour in HB Sanctions
- Full disregard of Child Benefit in HB/CTB
- Changes to backdating rules
- Changes to way overpayments are calculated
- Increase in HB/CTB pensioner capital threshold
- Changes to earnings limit in HB/CTB for permitted work
- Council Tax Benefit renaming
- In and Out of Work project

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On the Horizon:

- Change to HB subsidy - temporary accommodation
- Potential changes to regulations on HB and Supported Accommodation
- Removal of £15 LHA?
- Tell us once
- Changes in data collection by DWP
- Real time verification
- One strike fraud
- Subsidy cuts
- Additional specific grant for administration costs
- Changes to HB/CTB regs to take account of state retirement ages
- Moves to reduce Customer Error Overpayments

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Where does this leave us?

Tensions

- Increasing caseloads
- New customers
- Reductions in funding
- Council cut backs
- Unrealistic expectations
- The need to help our customers
- Morale

Choices

- For DWP / Government
- For Employers
- For Ourselves

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Questions?

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