

Review of Housing Benefit

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Reviews in 2008

- DHP Distribution
- Temporary Accommodation Subsidy
- Review of Housing Benefit

Review of Housing Benefit

- DWP/Treasury Review
- Aim to report to DWP ministers by end of calendar year 2008
- Various stakeholders have been asked for views

Scope of Review

- Wide-ranging in scope
- Principles and purpose of HB
- Escalating cost of HB
- Value for money
- Structure
- Delivery Model

Principles

- Does it contribute to escalating rent levels and expenditure?
- Is it effective as an 'in-work' benefit?
- Does it align with other benefits and tax credits?
- Does it meet costs of housing in areas that working families/individuals could not ordinarily afford?
- Should it be 'conditional'?

Structure

- Is it claimant friendly or too complex for all but those who specialise in benefits?
- Does it align well with other benefits and tax credits or do they pull against each other ?
- Is it too sensitive to change?

LHA Principles extended to Social Rented Sector?

- BRMA or region based approach for rents in social sector?
- LHA size criteria for social sector?
- Direct Payments to all claimants except the vulnerable?

The Poverty Trap

- Tapers
- Earning Disregards
- Inclusion of tax credits
- Capital/Savings tarriff income
- Extension of Extended Payments for those entering work

Simplification of Administration

- Fixed award periods
- Less reactive to changes in circumstances (eg de minimus below which changes are ignored)
- Non Dependant deductions

Optimum Delivery Model

- By Pension Service for those of pension age?
- By JCP for those of working age?
- A new housing tax credit administered by HMRC?
- Centralised administration by a new DWP agency?
- Continuation of administration by LAs?

Pension Service option

- Offer only a telephone claim service with no local offices?
- Would they be better at improving take up?
- Are they more accurate at assessing benefit/pensions?

JCP option

- How are they currently performing?
- Could they take on HB while rolling out ESA and removing entitlement to IS for single parents solely because of children?
- Do they have local outlets for those who would otherwise struggle to claim using a telephone claim facility?

HMRC option

- Would the Housing Tax Credit be based on previous year's income?
- Would it create the huge volume of overpayment cases seen in WTC?
- Could they react swiftly to demands of a safeguard policy operating across all rented sectors?

A new Centralised HB agency?

- Interfaces with 300 or more LA rent accounting systems on an ongoing basis?
- What about non-standard rent cases (temporary accommodation, homeless person cases, etc)?
- Could it meet the demands of operating an efficient and effective safeguard policy?
- Could there be confidence that a new national computer system could be delivered on time and on budget?

**WHAT ABOUT
COUNCIL TAX
BENEFIT?**

The case for Local Authorities

- LAs now delivering as good turnaround times for new claims and changes in circumstances as other agencies.
- LAs now delivering as good if not better performance trends in bearing down on fraud and error
- IT systems, trained staff, settled administrative systems, established computer links with other DWP agencies and HMRC

The case for Local Authorities

- Local outlets offering a face to face service.
- Direct links with other council departments (housing, social services, homeless services, supporting people, etc)
- Community based service with links to and access for local voluntary sector agencies

The case for Local Authorities

- Local help for LHA claimants to open bank accounts, local support for those with budgeting difficulties, better lines of communication for private landlords re safeguard cases, etc, etc,
- HB and CTB administered together with all the associated economies.

The Immediate Future?

- Is it the time to tinker with the existing scheme (change for change sake) or would it not be better to gear up the current service provision for the huge increase in demand for HB/CTB that will flow from the economic downturn (up to a million more people unemployed, people moving in and out of work, changes in hours worked, changes in tax rates, etc)

The Way Ahead?

- Continued development of inter agency working (shared claims, shared use of information about changes in circumstances, slicker exchanges of information via IT links)
- LA Benefit Offices be claim centres for other state benefits, particularly Pension Credits