

NORTH LANARKSHIRE COUNCIL

REPORT

To: HOUSING COMMITTEE		Subject: HOUSING BENEFIT POLICY REVIEW
From: DIRECTOR OF HOUSING		
Date: 21 NOVEMBER 1995	Ref: GSW/CAB	

1. INTRODUCTION

- 1.1 Reference is made to my progress report of 10th October 1995 which was submitted to the first meeting of the Housing Committee on 25th October 1995. Within the aforementioned report I indicated my intention to submit more detailed reports on all major aspects of the housing service in order that Committee could determine the policies and service standards which should operate from 1st April 1996.
- 1.2 The purpose of this report is to review the housing benefit function carried out within the Housing Department. The report will endeavour to highlight those issues which require consideration in the short term and where possible make recommendations as to how these should be tackled prior to next financial year i.e. 1996/97.
- 1.3 I have also taken the opportunity to prepare a draft policy statement on housing benefit administration for Committee's consideration. The policy statement basically encompasses all key elements of best practice and its formal adoption should provide elected members, officials and service users with a clear and early indication of the Council's broad aims in administering housing benefit and the principles and methods which will be used to achieve them. It is recognised that this statement is an interim measure to provide a policy framework to manage this aspect of the service in the early life of the Council. After organisational and committee structures are fully operational this very important area of service provision will be the subject of a further and more comprehensive review to ensure that policy, systems and procedures match as closely as possible the requirements of service users.

2. BACKGROUND

- 2.1 The Housing Department will be responsible for processing over 33,000 housing benefit claims from local authority tenants each year (57% of all tenants) providing a total of approximately £40 million in assistance towards housing rents.
- 2.2 In addition 3,400 private sector and housing association tenants will rely on the department for the provision of this service with a total of approximately £6.8 million paid out in rent allowances each year.
- 2.3 The administration of council tax benefit disaggregated from the Regional Council is the responsibility of the Director of Finance and discussions are ongoing to establish the most appropriate organisational arrangements to rationalise the management of council tax benefit and housing benefit to provide a more cost effective and efficient service. Full rationalisation is not however an option in the short term given the number of different computer systems currently used by the merging authorities for both these functions. The ensuing sections of the report therefore primarily focus on Housing Benefit administration with the only reference to council tax benefit being the possible introduction of a combined claim form for 1st April 1996.

- 2.4 Information technology plays a extremely important role in providing the processing power and management information to effectively administer housing benefits. The Shadow Council has already agreed a short term IT strategy which is currently being implemented with the aim of operating one common IT System for all tenants from 1st April 1997. This approach involves the phased transfer of claimant details to the MDIS system currently operating in Motherwell which will accommodate the Cumbernauld, Kilsyth and Strathkelvin caseload from 1st April 1996 and the remainder from Monklands 12 months later.

3. SHORT TERM ISSUES - HOUSING BENEFIT ADMINISTRATION

3.1 Procedure Manual

Although adhering broadly to the terms of the current Benefit Regulations, each existing authority exercises its discretion in different ways, and administrative arrangements are tailored to suit the different caseloads and departmental structures. The importance of standardising practices and procedures throughout the new Council is accepted, and a common procedure manual is required by 1 April 1996.

Recommendation : Adoption of a standard method of administering housing benefit and production of a standard procedure manual reflecting current working practices. This will be developed during 1996/97 to take account of developments in aligning the operation of housing benefit and council tax benefit.

3.2 Year End

The first large-scale administrative exercise to affect claimants will be the year-end notification of the change in housing benefit from 2 April 1996. This is an opportunity to inform claimants of specific benefit-related procedures which should be introduced, and a standard notification throughout North Lanarkshire is preferred. The two options to achieve this are :-

- (a) a new standard-format determination letter to be used by all outgoing authorities
- (b) use of current format determination letters but with standard text

Recommendation : Option (b), as difficulties exist in standardising stationery to be used on different computer systems.

3.3 Housing benefit/council tax benefit

In the long term, housing benefit and council tax benefit should be totally integrated, being administered by the same staff on a unified computer system. Around 34,000 council tax benefit claims overlap with housing benefit claims, with the remaining 16,000 being from owner-occupiers and private tenants. In the short term, customers should not be required to continue submitting separate applications to different offices in order to claim these benefits. The feasibility of introducing a single combined claim form is currently being examined, with a view to processing all claims initially through Area Housing Offices for Council, Housing Association and private sector tenants. Several administrative problems have been identified which will require to be resolved before this option can be implemented.

Recommendation : Subject to satisfactory resolution of identified problems, introduce a combined housing and council tax benefit claim form for all tenants.

3.4 Benefits Agency

At present, each authority has close links with the Benefits Agency, and service level agreements are in place with several Benefits Agency Local Offices. New service level agreements will be required from April, although liaison arrangements will remain broadly the same.

Recommendation : re-negotiate service level agreements with Benefits Agency offices for signing in April.

3.5 Remote Access Terminals

Last year, the Benefits Agency piloted a remote access terminal in Hamilton District Council. This enables a Benefits Agency operator, situated within the local authority, to access the Income Support computer, and answer queries immediately. Hamilton District Council estimated savings of £70,000 per year during the life of the project. Clyde Valley Benefits Agency has indicated its interest in providing a remote access terminal to North Lanarkshire Council.

Recommendation : Commence discussions with Clyde Valley Benefits Agency regarding placement of a remote access terminal in North Lanarkshire.

3.6 Employment Services

One of the merging authorities has a service level agreement with local Employment Services Jobcentres, which will require to be re-negotiated with additional Jobcentres under the remit of North Lanarkshire Council. Changes in employment benefit scheduled for October 1996 will require that close liaison be established to draw up procedures for claiming housing benefit. In addition, the local authority associations have drawn up a national model fraud service level agreement with the Employment Services, and it is recommended that local authorities negotiate their own agreements.

Recommendation : re-negotiate service level agreement with Employment Services Jobcentres for signing in April, and establish liaison procedures from 7 October 1996. Begin discussions with Employment Services Jobcentres with a view to establishing a fraud service level agreement from 1 April 1996.

3.7 Local Scheme

All existing authorities operate local schemes whereby all income from War Widows' Pensions and War Disablement Pensions is fully disregarded in the assessment of housing benefit. These claimants are thus entitled to more benefit than they would receive under the standard scheme. Existing schemes do not automatically transfer to the new authority, and the new Council will require to make a resolution to adopt some form of modification to the standard housing benefit scheme in respect of these pensions. The options available to North Lanarkshire Council are :-

- (a) not operating a local scheme
- (b) operating a restricted scheme whereby only certain types or elements of War Pensions are disregarded
- (c) operating a restricted scheme as above but with transitional protection for existing claimants
- (d) operating the full disregard of all War Pensions

Recommendation : Option (d) be adopted for housing benefit claimants, in line with current practice.

3.8 Claim Renewal

At present, each authority operates a different method of determining a claimant's benefit period, and therefore carrying out caseload reviews. The new authority's caseload is too large to be accommodated in an annual system of claim renewal, and some form of rolling review should be implemented. The most appropriate method of implementing a rolling review is by claimant group and date of claim. In this way, claimants with stable income would receive benefit for the maximum 60 weeks, while claimants with more unpredictable circumstances would have their claims reviewed on a more frequent basis.

One step towards achieving the long-term aim of combining housing benefit and council tax benefit claims is, where an individual claims both benefits, to establish a common benefit period for each claim. The Department of Social Security have introduced an element of flexibility in this area, which allows new authorities to terminate benefit periods early, allowing council tax benefit claims to be reviewed at the same time as housing benefit claims.

Recommendation : standard review cycle be established as soon as possible by introducing standard benefit periods during 1996/97 to bring housing benefit and council tax benefit claims into line.

3.9 Policy Statement

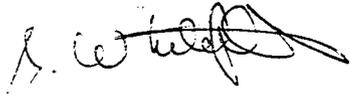
A draft policy statement setting out specific aims and objectives and incorporating target service standards for housing benefit administration is attached at Appendix 1 for Committee's consideration.

4. SUMMARY AND RECOMMENDATIONS

4.1 This report has highlighted the short term issues which the new Council will require to consider in order to ensure that it is in a position to deliver an effective housing benefit service from 1 April 1996. To address these issues and achieve this objective, in summary it is recommended that Committee :

- * agrees to the adoption of a standard administration procedure for administering housing benefit
- * notes the intention to produce standardised year-end determination letters on existing stationery
- * agrees to the introduction of a combined housing and council tax benefit claim form for all tenants subject to the satisfactory resolution of identified administrative problems.
- * notes the intention to re-negotiate service level agreements with the Benefits Agency
- * agrees to the progression of negotiations to place a Benefits Agency remote access terminal in North Lanarkshire
- * notes the intention to re-negotiate service level agreements with Employment Services Jobcentres, and implement a fraud service level agreement
- * adopts a local scheme resolution to disregard all income from war widows' and war disablement pensions, as defined in section 139(11) of the Social Security Administration Act 1992, and the Income-Related Benefits Schemes Amendment (No. 2) Regulations 1995 (S.I. 1995 No. 2792)

- * notes the intention to establish a standard review cycle with common benefit periods for housing benefit and council tax benefit claims.

A handwritten signature in black ink, appearing to read 'G S Whitefield', with a large, sweeping flourish at the end.

G S Whitefield
Director of Housing

c.c. Chief Executive
Director of Finance

HOUSING BENEFIT ADMINISTRATION - POLICY STATEMENT

North Lanarkshire Council aim to maximise the take-up of Housing Benefit, and to administer the scheme accurately and cost-effectively in accordance with current legislation.

Specific Objectives

1. To maximise the take-up of Housing Benefit by :-

designing Housing Benefit claim forms which can be easily completed and returned

monitoring the up-take of Housing Benefit on a regular basis

providing all new Council tenants with a Housing Benefit application form and information leaflet

making application forms and leaflets available to private tenants through Housing Central Support, Area Housing Offices and local Housing Associations

advertising the availability of Housing Benefit in general, and specific legislation changes in particular, through leaflets and posters in Area Housing offices, libraries and voluntary organisations

targeting take-up campaigns where appropriate to claimant groups affected by changes in legislation

advising of the availability of Housing Benefit in all rent arrears reminder letters and other appropriate correspondence

discussing potential entitlement to Housing Benefit at all arrears interviews and visits

liaising with the Finance department, Benefits Agency and other organisations as required

2. To administer Housing Benefit accurately by:-

ensuring that computer software is maintained in accordance with current legislative requirements

identifying individual training requirements and providing adequate Housing Benefit training for all appropriate staff

providing training on new legislation and procedures

making available and regularly updating a Housing Benefit procedure manual

holding regular meetings with Housing Benefit supervisors

holding regular discussion forums on current issues for all Housing Benefits staff

distributing DSS circulars to all Housing Benefit teams

regularly monitoring input and processing accuracy

3. To administer Housing Benefit cost-effectively by :-

processing completed new claims within 5 working days of receipt

requesting additional information within 5 working days of receipt of an incomplete claim

processing completed renewal claims within 10 working days

following the agreed timetable for claim renewals

producing determination letters within the required timescale in a clear format incorporating all relevant information

undertaking random audit checks to detect fraudulent claims

actively pursuing claimants suspected of fraud

liaising with the Finance department and Benefits Agency to maximise Weekly Benefit Savings

monitoring and controlling Housing Benefit overpayments and backdate claims

ensuring that existing rent allowance payments relate to reasonable market rent levels

ensuring that new rent allowance payments do not exceed the statutory maximum benefit level

monitoring and controlling discretionary rent allowance awards for exceptional hardship

ensuring that rent allowance cheques are paid in accordance with the specified payment dates

monitoring and controlling the level and cost of Housing Benefit administration

ensuring that all subsidy estimates and claims are completed timeously and accurately

utilising new technology.