

Housing Benefit Direct.....

For staff involved in the delivery of HB/CTB in Local Authorities
November 2007

LHA special supplement

Editorial

Welcome to this special LHA edition of HB Direct. We are now five months away from national rollout of LHA which, as you will be well aware by now, is due to take place from 7 April 2008. I hope your preparations for LHA implementation are going well and that you will find some of the articles in this edition useful and informative.



I'd like to take this opportunity to thank our Pathfinders and Second Wave Group (2WG) authorities who bravely volunteered to test the original LHA scheme over the last four years. We are very grateful for the support they have given us in preparing implementation products, such as the development of guidance, training and best practice and also for their valuable input at the recent LHA seminars held during July and September. This has been real partnership working between central and local government. Long may it continue!

This special edition provides a number of articles about different aspects of LHA. Special thanks to two local authorities who have contributed to this HB Direct LHA special supplement, sharing their experiences of LHA Implementation past and present. Top tips from Sally at Coventry, one of our Pathfinders, on how they implemented LHA, including valuable project management tips and a current view from Castle Point on how implementation is progressing.

I hope these tips and advice will assist you with your implementation plans. We know LHA presents a significant change for local authorities and with this in mind, we are doing everything we can to support you. We've included a short piece this month on what help and support is available from DWP, but please feel free to tell us, via the Adviceline what other support and help you need.

Paul Howarth has included some thoughts on LHA in the context of our wider DWP strategic objectives such as financial inclusion and work incentives. There are also articles from our colleagues in The Rent Service about their locality reviews and the E-delivery Project.

Since we began developing the policy on LHA a number of 'myths' have emerged from various quarters, which we have attempted to dispel in this supplement.

We intend to continue working closely with you over the next five months to ensure the transition to LHA runs as smoothly as possible. Do let us know if there is anything more we can be doing – we will do our best to provide as much support as we can over the coming months.

Danielle Wells, Deputy Head (Strategy) of Housing Benefit Strategy Division

Sally's Top Tip

Consider how you will deal with and monitor split payments.

Sally Roberts
Pathfinder Project Manager
Coventry Benefits Service



LHA Guidance Manual updates

The latest version of the LHA Guidance Manual, reflecting the final version of the regulations, has now been published and circulated to you in CD ROM form. Since publication, we have been asked to clarify guidance relating to the entitlement of customers receiving Severe Disability Premiums in their benefit assessment. These changes were made after the CD ROM was published so we were not able to make the necessary changes in this version but they have been incorporated into the electronic version of the manual available on the website as well as the printed version that you should be receiving shortly.



If you have any further queries, please direct them to:

✉ LHAadvice@dwp.gsi.gov.uk

Sally's Top Tip

Establish discussion groups or forums with welfare and statutory organisations regarding vulnerable tenants.

Local Housing Allowance and our wider strategy

Strategy is simply about formulating our objectives over a period of time and setting out how and why we intend to implement these objectives. When we set out to develop the LHA, we had various objectives in mind. We decided that we needed to do more to promote fairness, choice, personal responsibility, transparency, and simpler claims processing. The government published their intentions in 'Building choice and responsibility: a radical agenda for Housing Benefit'. At that time, almost five years ago, we were very confident that LHA would plug some of the gaps, but we decided to test that by setting up Pathfinder authorities (and subsequently the Second Wave Group).

As you know, the LHA Pathfinders have been extensively evaluated with several volumes of findings now available. What stands out for me is the fact that so many tenants (over 80%) are being paid their HB direct to them, and that many have taken out bank accounts specifically for the purpose. Furthermore, this has happened without vast increases in rent arrears or growth in homelessness. This seems to indicate that, given the choice, and contrary to popular myths, most people are perfectly capable of managing their own affairs sensibly. LHA is helping to provide that opportunity and is I believe making a positive contribution to promoting financial inclusion, and thus eroding benefit dependency. It may be too early to say whether for working age people this translates into a greater readiness to move into work, but it is a considerable achievement in itself. It shows that in some important ways we can through Housing Benefit reform, make a real difference to people's lives.

I am pleased that there seems to be a growing recognition of the role Housing Benefit can play in addressing poverty and social exclusion and that this is an integral part of what we are all doing. For example, in their public commentary about Housing Benefit, I am delighted that the Audit Commission make reference to its 'vital contribution to the economic wellbeing of localities'. Housing Benefit does and must continue to play a part in wider objectives, and increasingly we should move to measuring success against these wider outcomes. LHA is very much part of that agenda – it underpins and supports wider reform. I hope you will spare some time to think about the wider strategy as you prepare in earnest for implementation.

Paul Howarth, Head of Housing Benefit Strategy Division

Sally's Top Tip

Raise awareness of LHA through articles in the local press, radio broadcasts etc, with the timing designed to hit a variety of target audiences.

Backdates prior to LHA and which rate to use

Some of you have raised concerns how claims for backdating should be treated if the backdate is at a point before the LHA national rollout.

In these cases where LHA is in payment and a backdate is awarded, the date of claim is the date that the backdate has been awarded to and the old rules will continue until there has been a break in claim or change of address. This means that they are treated in the same way as customers who claimed at the time that they became entitled to HB.

The main aim of the backdating policy is to allow customers who were eligible for HB, but for a number of reasons (which must be judged as good cause) did not claim benefit, and ensure that these customers are treated in the same way as those customers who claimed at the time they became entitled to HB. They shouldn't be better or worse off than people who made their claim on time.

This could lead to overpayments if the benefit entitlement pre-LHA is lower than the benefit entitlement post-LHA and authorities have queried what should happen to the overpayment. The rules for overpayments haven't changed in this area and you should treat the overpayment as you would any other.

If you have any further queries, please direct them to: LHAadvice@dwp.gsi.gov.uk

Sally's Top Tip

Decide which locations, organisations, outlets and landlords will need to be advised of LHA rates each month.

LHA implementation – what we've done at Castle Point so far...

At Castle Point we started planning LHA implementation in March 2007. We knew we had to make an early start because we also wanted to implement BACs payments before LHA. We held a brainstorming exercise and developed a basic project plan – identifying the objectives, key stakeholders, risks, tasks, responsibilities, and members of the project team. Between April and June we researched and gathered information from a variety of sources to ensure we had a good feel for LHA and were aware of all the problems and pitfalls ahead.

We found lots of information sources to help in planning for LHA, in particular the experiences of the 2WG authorities and the task sheets, timelines and project plans supplied on the DWP CD. We gathered useful information on lessons learnt from South Norfolk DC and we saved time preparing our vulnerability and safeguard policies by poaching copies from the 2WG authorities and tailoring the best bits to fit our needs. We also refined our initial project plan by comparing it with the ones provided by DWP and Norwich DC and pulled together the best bits from all three to develop a really comprehensive list of tasks.

We've been using the DWP task sheets to cross check each element of our project to make sure we've not let any 'good practice' fall through the gaps. We researched the publicity information available from Pathfinders, 2WGs and DWP and have developed posters, leaflets, and internal and external publicity articles which are currently in the final stages of artwork and editing for distribution during November and December.

From our experiences one of the most difficult bits to tackle has been liaising with the banks. After sending out several letters with very little response we resorted to sending one of our staff in person to each branch. The direct approach achieved much better results and we recently held a meeting which was attended by some, but still not all, banks. As a result we're currently arranging fast track procedures for customers to open bank accounts and we're developing escalation/contact routes so that we can resolve problems quickly. There's still a lot to do and April is fast approaching but we've certainly found that making good use of the information that's available and talking with other authorities has been the quickest and easiest way to get things done.

Eddie Mosuro, Benefits Manager, Castle Point Borough Council

LHA – dispelling the myths!

– Tenants won't be able to open bank accounts

– Yes they will

We recognise that tenant's ability to open bank accounts is a key issue for the rollout of LHA. Although this was something that varied within the Pathfinder/2WG authorities, one common theme identified was the number of referrals for money advice tailed off after the LAs had converted their caseload.

Although some authorities did experience difficulties with customers opening bank accounts, overall, only two per cent of customers have been refused a bank account and this was most commonly for lack of identification. These very few cases can be resolved using the safeguard policy or payment by cheque.

– Tenants won't pay their rent

– Yes they will

Landlords have concerns about the LHA scheme, specifically direct payments to their tenants. Their fears are centred around tenants not paying their rent, increases in rent arrears, and difficulties collecting rent or rent arrears.

From the evaluation we have found that these fears were unfounded. Tenants prioritise their rental payments to ensure that they have a roof over their head and a very small percentage of the Pathfinders have payments made to their landlords due to rent arrears. See Local Housing Allowance Final Evaluation: the qualitative evidence of claimants' experience in the nine Pathfinder Areas.

 <http://www.dwp.gov.uk/housingbenefit/lha/evaluation/2006/lha-report-13.pdf>

– Landlords will pull out of the rental market/renting to LHA customers

– No they won't

Evidence gathered from the LHA Pathfinder areas shows that whilst some landlords left the market, others joined and overall the supply of accommodation to LHA recipients increased by around seven per cent during the evaluation period.

Sally's Top Tip

Take the opportunity to provide 'refresher' training to staff on other rent schemes which will still apply.

Help and support

We thought it might be useful to outline what help and support is available to assist you with the LHA Implementation:

- CD Roms have been issued to you all in the last couple of weeks containing
 - An updated Guidance Manual
 - Trainers' Brief
 - Communication material provided by Pathfinders/2WG
 - Communication material for landlords in Scotland
- You will also be provided with two hard copies of the LHA Guidance Manual
- For those who weren't able to attend the LHA seminars in July and September, an additional 'mop-up' seminar has been arranged in London on 8 November
- The LHA pages on the DWP website contain Frequently Asked Questions
- Pathfinders and 2WG are a good source of advice and best practice – see Sally from Coventry's article in this edition
- The LHA Implementation team aim to provide as much support as we can over the coming months – please do let us know if you are experiencing any problems with the LHA implementation

If you have comments, please contact:  LHAadviceline@dwp.gsi.gov.uk

Sally's Top Tip

Talk to your Software Supplier and agree dates for software delivery.

Local Housing Allowance goes electronic

With the fast approaching deadline of the Local Housing Allowance (LHA) going live on 7 April 2008, The Rent Service (TRS) have been working with you and your software providers to provide an electronic solution for the exchange of LHA information.

TRS is supporting the Government's Housing Benefit reforms with the introduction of LHA and they are currently working with you to plan for this change. The new system will bring a number of changes and benefits, and TRS have taken the opportunity to support you with an electronic solution to data collection and sharing.

The new web based system, called E-Deliver, will ensure an effective and efficient way in which information is received and distributed to LAs and the public. The E-deliver solution will ensure that Housing Benefit customers have easy access to current LHA information to allow them to make decisions about their accommodation. This facility will also allow you to offer your stakeholders a more customer focused service.

Using its website, TRS will offer various features including a bedroom calculator, static BRMA maps across England, Scotland and Wales, lists of postcodes and the current applicable LHA rates which will assist HB customers in establishing the LHA rate they will be entitled to and allow them to make informed decisions on what is available in their area with the associated costs.

You will have the facility to link your own websites to the E-Deliver area of the TRS website so that you can provide up to date information for customers in your area. This area will effectively be a Portal for you and will also allow you to download, via a password protected link, the data held relating to your respective LHAs and Broad Rental Market Areas (BRMAs), including interactive maps (GIS) to navigate BRMAs and retrieve LHA data.



The E-Deliver system will also have an interface with the Scottish and Welsh Rent Office services so that these agencies can present their respective LHA data on their own websites.

As part of the new system TRS will send you an email confirming your LHAs 10 days prior to the start of each month to allow time for this information to be incorporated into local IT systems before it becomes effective.

TRS are working closely with your software suppliers to ensure the new system operates effectively and that data transfer runs smoothly. It is hoped to have the new E-Deliver test site up and running by the end of 2007 so that LAs can get used to the new way of working.

Also as part of the preparation for the new streamlined approach that LHA will introduce TRS will be centralising its administration functions into a Central Unit.

Both E-Deliver and the new central administration centre are linked to a wider change programme as TRS prepares for the transfer of its operational functions to the Valuation Office Agency (VOA), an executive agency of Her Majesty's Revenue and Customs (HMRC), which will be taking place in April 2009. TRS has in fact set up a dedicated change programme, called TRANSFORM, to ensure both organisations work towards a seamless transfer, maintaining and enhancing the ongoing service delivery levels to customers and stakeholders.

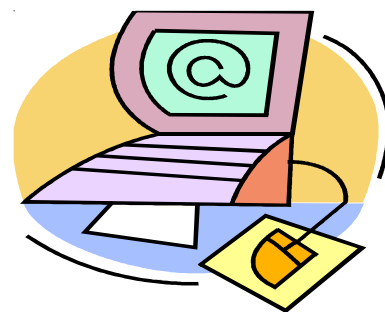
For further information please contact: CommunicationsTeam@therentservice.gov.uk

Sally's Top Tip

Consider pooling resources with neighbouring LAs and work jointly on Money Advice and Safeguard decisions.

Post-event Evaluation - Web-based survey

By now, many of you will have received a web-based survey from DWP, asking some questions about your initial preparations for LHA, following the programme of LHA seminars held in July and September. We'd really appreciate it (if you haven't already done so), if you could take the time to complete the survey as fully as possible. It doesn't take long and at the time of going to press, we'd had a great response already, but we would like to hear from all of you even if you have not attended one of our seminars. We'll be using the results from the survey to see how best we can support you with LHA implementation activity. The survey will also help us identify if any of you haven't received the CD Roms issued in June and will enable us to update our contact list.



We will be issuing a further survey early in 2008, with more specific questions about the LHA implementation and how it is going.

If you have any further queries, please direct them to: [✉ LHAadviceline@dpw.gsi.gov.uk](mailto:LHAadviceline@dpw.gsi.gov.uk)

Sally's Top Tip

When developing your Project Plan, break things down to manageable chunks.

The Rent Service - Locality review

The Rent Service (TRS) have been working with LAs since April 06 to complete a review of all localities in England, similar reviews have taken place across Wales and Scotland.

Ensuring that local market data is up to date has been an ongoing task for TRS and has helped to inform our valuation work. TRS made a commitment, to ensure that the quality of the data on which we base our valuations remains robust and representative of the private rented sector market.

In England the agency recognised the need to undertake a more detailed review of localities and also the need to consult you as part of the review process. TRS took the decision to set up a dedicated review team of Rent Officers (ROs) independent of the main Operations unit. Tasked with the delivery and implementation of these reviews by October 2007, this team took on the responsibility for the entire process. Extensive consultation with LAs in England and other stakeholders including the Citizen Advice Bureau, Shelter, the Rent Office Service Wales and Rent Registration Service Scotland was entered into to ensure transparency.

The key factors that the review teams considered was an individual's access to services and facilities relating to health, education, recreation, banking and shopping as contained in the Rent Officers Housing Benefits Functions Order.

ROs now have a variety of tools at their disposal including GIS mapping and internet research to ensure that the reviews accurately reflect the changing patterns of modern living. The first locality reviews began in April 2006 and these have now been completed across England with the exception of London. The implementation of the majority of these will take place on 29 October 2007, followed by the Pathfinders and second wave groups on 1 December 2007. The implementation of the locality review in Wales and Scotland have already taken place. London areas are progressing well and it is anticipated that these will be completed in early November 2007.

For further information please contact: [✉ CommunicationsTeam@therentservice.gov.uk](mailto:CommunicationsTeam@therentservice.gov.uk)

Local Housing Allowance - Communications toolkit

In the last edition of HB Direct we mentioned the imminent publication of the Local Housing Allowance Communications Toolkit. The toolkit consists of a number of leaflets and letters, that you can use with your own branding to publicise LHA with tenants and other stakeholders.

As you may have noticed, there has been a delay in making this available. This is because we have had to amend the products following clarification of some details. These are mainly resolved now and the majority of products will be on the DWP website by the time you read this. You can find the communications products in www.dwp.gov.uk/housingbenefit/lha/nat_roll_out_comms.asp



We will send out the CD containing copies of all of the products this month. Similarly, the Welsh versions should be available during November.

We are sorry for this delay. If you have a query on LHA please contact us on 📧 LHAadvice@dwpgsi.gov.uk

Sally's Top Tip

Review progress regularly!



A little reminder about the timing of benefit and rent payments...

The next few weeks and months should provide an ideal opportunity to consider the frequency with which you pay your customers their benefit. Handling benefit and rent payments will be made much easier for your customers if you can match the frequency of benefit payments with rent liability. Regulation 91 already allows you to do this, so, do consider it where it would be helpful.

If you have any further queries, please direct them to:

📧 LHAadvice@dwpgsi.gov.uk

Some further tips from Sally at Coventry

Planning for the inevitable roll out of the Local Housing Allowance in April 2008 is essential – failing to plan could mean planning to fail! While drawing up your project plans, you may want to take into account the following factors

- Understand your own service; its delivery, accessibility, performance, targets and structure
- Understand your market; caseload, problem areas, difficult landlords, vulnerable people and arrears cases
- Consider your current corporate infrastructure; can you build on or work with any existing projects within the LA?



As well as planning, some other key components of project management are

- Communication matrix
- Resources
- Reporting functions – which stakeholders, frequency of reporting etc
- Risk Management – don't forget to identify and manage any risks
- Reviewing and evaluating

Initially I would suggest that you identify who your stakeholders may be and to what degree they will need to be informed or involved with LHA. Obviously your major stakeholders will be the tenants, landlords and staff from a service and information perspective and therefore your communication strategy is going to be crucial. Some tips regarding communications are

- Stakeholder engagement – identify your stakeholders, both internal and external
- Develop a robust communication matrix
- Who are you going to engage with?
- What do they need to know?
- When is the appropriate time to engage with them?
- How will you engage them?
- How often will you need to engage with them?
- Identify what resources you have available – will you need to recruit?
- Do you have the capacity within your current structure?
- Are there any focus/forum groups already established within the LA that you could 'piggy-back' on?



LHA is on its way!

Enjoy the journey and rise to the challenge!

Sally Roberts, Pathfinder Project Manager, Coventry Benefits Service