



Housing Benefit Consultation Team
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Dear Sir/Madam,

IRRV Response: DWP Consultation: Supporting People into Work: The next stage of housing benefit reform

1. The Institute of Revenues, Rating and Valuation (IRRV) is pleased to provide this response to the above consultation process.

About the Institute

2. The IRRV is the professional body concerned with all aspects of local taxation in the United Kingdom. Its members are engaged in local authority benefits administration, the valuation of property for taxation, local tax administration, the appeals process and financial management in local government. The Institute represents the professional interests of its members who work within this broad church.
3. The Institute has developed this response through its Benefits Faculty Board, which draws upon the considerable benefits administration expertise of the Board members. The Institute strives to bring about improvements in the benefits administration processes.

Introduction

4. If the Government wishes to influence the private rental market it has to use taxation as a means of influencing the behaviour of landlords.
5. The main issue however has to be the impact that the recession is having on the availability of jobs. It is difficult to see this situation changing soon. Even if it does, it is likely to affect areas differently. Given that prior to this recession some parts of the country had not recovered from earlier recessions and that during that time little had been done to encourage the geographical movement of labour within Britain, it is surprising to see that this issue is not even discussed in this document. The costs of getting to and from work, coupled with problems connected with availability of reasonably priced housing and the cost of moving house, are real issues that affect peoples' decisions on whether to seek work options out with their immediate area.
6. There appears to be a lack of "joined-up government" thinking in this paper. We are therefore unsure as to whether the proposals as they stand can offer sufficient incentives to change attitudes. This is a very topical issue; see the forthcoming book "Identity Economics" by Professor George A Akerlof and Professor Rachel E Kranton. This book was previewed in an article by Daniel Finklestein in the Times on 20 January 2010. The book will highlight that rational economic decisions are not solely a matter of small financial incentives, but also include learned behaviour, peer group pressure, acceptance of pressure within groups and different norms of behaviour that are built up over a period of time. For instance if the inhabitants of an area feel that they have been abandoned by the wider society, the payment

of small sums of money as incentives may not be accepted as such. This impact can be greater in some age groups than others.

7. The consultation document appears to come from a solely cost reducing perspective. This, of course, can easily be achieved as in creating Local Housing Allowance (LHA) the DWP have manufactured a very strong subsidy control. In order to modernise the benefit system, rather than just restrict expenditure levels, a lot more linkage with other government, devolved or otherwise, will be required.
8. The document exaggerates the extent to which LHA simplifies and streamlines the situation. Also the document sometimes reads as if it is referring to Rent Allowance only, rather than the comprehensive reform of Housing Benefit. Our view is that, even though LHA is simpler (in its own terms) than the previous scheme, it didn't mean that Housing Benefit as a whole became simpler - it simply added another variation. This must not happen again if this reform is to be successful.
9. Indeed we feel that if the consultation results in a scheme that is reasonable and allows access to the appropriate market for rental accommodation in local authority (LA) areas, then all previous schemes (currently six by IRRV calculation) should be wound up after the shortest period of transitional protection.
10. No where in the welfare reform paper is any mention of Council Tax Benefit, but it would be unwise to disregard the impact on Council Tax Benefit (CTB). If we have fixed periods in Housing Benefit, then they must be mirrored in CTB otherwise we have an even more confused system, with changes being reported for CTB and ignored in Housing Benefit (HB).

Specific Points

11. Comments on both various general points raised in the consultation and the specific questions asked are provided below:

Page 15 of the consultation paper - Issue within the In and Out of Work Project

12. The economy affects the success of this project. Even if Britain as a whole, as reported in *The Scotsman* on 26 January 2010 is to come out of recession it is clear that Scotland and doubtless other points of the UK will not recover so readily.

Page 17 - The case for Housing Benefit reform: Supporting people into work

Point 3.3 "Over the past 12 years, the welfare system has been reformed for the better. We have provided increasing support to help people move into work whilst raising our expectations of individuals to take up the help that is on offer. The introduction of the National Minimum Wage and the tax credit system has meant that almost everyone is now better off in work than on benefits".

13. We would contend that this still misses the point. It is the marginal affect of income from work that needs to be considered. Work ethics are not universal and long-term benefit dependency has bred its own moral compass - as argued in the introduction.

Point 3.4 "The review showed that Housing Benefit needs to do more to support people into work. For some, the gains of moving into work are not clear enough and many customers are unaware that Housing Benefit can be claimed in work. Also, the anxiety associated with the transition into work can lead people to decide not to move into work if they fear that they will be unable to pay their rent. This fear is compounded when people do not know the effect that changes in circumstance will have on their benefit entitlement. The complex interaction with other benefits and tax credits, and the impact on benefit withdrawal rates when income increases, can discourage people from moving into work even when they would be better off financially by doing so".

14. Many more real-life issues come into play here. This is not just about Housing Benefit, but also to do with costs of getting to work, impact on other issues; school meals, child care, etc.

Affordability and sustainability

Point 3.5 *“We face challenges with the cost and sustainability of Housing Benefit in the future. Housing Benefit expenditure has risen in real terms over the last ten years. There are a number of reasons for this, including policy measures to address child poverty such as the disregard of Child Benefit. There have also been significant increases in caseload recently indicating how well we are supporting people through the recession. But the ain factor driving increased expenditure is rent increases in both the private and social sector”.*

15. The central issue is about the supply of affordable housing. There is also the impact of non-dependant deductions. Evidence in the non-benefit market is of grown up children moving back into family home. If there is a wish to align the position between those in receipt of Housing Benefit and those who are not in the treatment of adult children, then changes must be brought to the non-dependant deductions. If this does not take place the natural consequence is to increase the number of households in receipt of benefit.

Fixed period awards

Point 4.13 *“We propose to build on the example of the tax credit system and introduce a system of fixed period awards for Housing Benefit customers which will fix the award of benefit for six months”.*

16. We do not feel that the Tax Credit system is a good example to follow in terms of the level of errors and the ongoing impact of overpayment recovery. Tax Credits are renowned for having horrendous levels of overpayments and high levels of uncertainty amongst claimants, along with confusing rules and complex administrative procedures.

Point 4.15 *“For those in work, benefit awards could be fixed for six months. This could mean that Housing Benefit would be a fixed weekly award that would be unaffected by changes in circumstances including changes in income and earnings. At the end of the six months, the local authority would reassess the claim based on current circumstances. This would not necessarily require a new benefit claim or filling out lengthy forms: lessons learned from ‘rapid reclaim’—a streamlined reclaiming process—could be adopted to allow for a fast and straightforward benefit re-assessment”.*

17. Will this proposal still be affected by other changes to household? We believe that the Housing Benefit system must be responsive to our claimant’s needs, particularly when they are experiencing times of hardship. The current recession has meant that many workers are faced with reduced hours or sudden unemployment. Any new system must allow for these changes to result in adjustments to HB that are means tested accordingly. To not cater for this will not assist with many of the other Government policies in the welfare agenda; for example reducing childhood poverty.

Point 5.2 *“Part of the issue driving long-term rent increases is lack of supply in the housing market and we are committed to building more homes to tackle this. But we also need to make sure that Housing Benefit is affordable and sustainable in the short and medium term so that the system remains able to provide access to decent housing”.*

18. Links are needed into the tax system for landlords to provide better quality cheaper accommodation. Current links encourage the opposite behaviour.

Fair benefit rates and clearer benefit areas

Point 5.3 *“The fundamental purpose of Housing Benefit is to provide individual support to people on a low income to enable them to afford decent accommodation. In order to determine a fair level of benefit for customers, we need to be clear what we mean by a reasonable level of rent to support through Housing Benefit. We also need to set out: the areas within which to set that rate; what size of accommodation it is reasonable to support through benefit; and whether there are special issues to consider in expensive areas of the country”.*

19. We believe that key worker packages including tax incentives for companies employing staff should be encouraged.

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Point 5.13 - first bullet point “exclude some of the most expensive properties locally, as happens with the Local Reference Rent scheme which the Local Housing Allowance is replacing. For example, in many areas, removing the top 5 to 10 per cent of rents in a calculation would bring Local Housing Allowance rates back into line with the Local Reference Rent rates although there are significant variations, particularly in the highest cost areas”

20. If this takes place, a transition period is essential. It may be a consideration to conduct some research in this area to establish the effect of removing the higher level of rents from the calculation; to make sure that it did not adversely impact on some areas. It is important that any changes do not dissuade private landlords to rent their properties to benefit recipients.

Point 5.13 - Fourth bullet point “set rates according to the rents paid by working households in the area who are not on Housing Benefit. Research is underway at the moment to look at rents paid by other working households who earn just above the Housing Benefit threshold”

21. This is a flawed comparison as in reality many choose low grade accommodation in order to save to move on.

Point 5.14 “Approaches of this sort would make the Housing Benefit system fairer and more affordable but still provide access to decent housing in mixed communities across the country. However, any households directly affected by changes would of course be supported by appropriate transitional protection arrangements. We would welcome views on how long we would provide this protection and the eligibility rules to receive it”.

22. In order for Housing Benefit to be successful in the future, it is essential that all previous rent allowance schemes are now brought to an end. There are currently six schemes in existence and it is not acceptable to introduce yet another. It is necessary that all schemes are wound up and brought into line with the existing or replacing scheme. It is heartening that reference to transition is made in 5.14, but this must now be the time to simplify the scheme. We would recommend that a period of notice be given and maybe a lump sum payment to help existing claimants in ‘pre-1989’ accommodation, top up losers etc as they make decisions about their accommodation during the notice period. It is difficult to suggest what level these payments should be at without having some idea what is being paid on a national basis above the base scheme. A six month or one year notice period should be appropriate, as this allows short hold tenancies to be reconsidered and gives time for customers to make decisions and to source alternative accommodation or adjust budgets accordingly.

Point 5.15 “In order to support our reforms, we commissioned a research project to analyse, at a sub-regional level, the housing choices made by these other working households not on Housing Benefit and the costs that they pay for housing. We expect this research to deliver initial findings in 2010 to inform our consideration of consultation findings”.

23. Reasons for choices will be personal; these need to be considered as well.

Point 5.22: “ we want to know views on whether it would be fair to raising the age at which a young person qualifies for a separate bedroom from 16 to 18 in line with more widely used criteria in other sectors, and to use the savings to provide for extra space for disabled people or parents with shared custody of children”.

24. The age should be standardised; if there is no argument for a 16 year-old to have their own room (and again many non benefit families will experience same-sex siblings sharing a room until they leave for University or move out of the home) then there is no need for HB to allocate for this. It is reasonable that at 18 a private room is allowed for; however the social policy of keeping young people at home should be weighed against the evidence of the non

benefit sector to decide what is appropriate. Certainly we would have no objection to raising the age from 16.

Page 33 - Temporary accommodation reforms

Point 6.15 *"The Government is determined to change subsidy rules to better reflect the going rate for property in the area and encourage local authorities to charge tenants more reasonable rents".*

25. This is not a benefit issue directly and changing benefit subsidy is not the answer here. This issue can only be addressed by moving people and amending Housing Law to give incentives to those able to work in housing allocation terms.
26. In some LA's the cost of housing benefit in temporary accommodation has reduced. Tandridge District Council is an example of this where the bed and breakfast cases have reduced to only one or two families for short spells per year. This is due to the proactive approach of the Housing Enabling Team, who has prioritised prevention of homelessness, and then where temporary accommodation is needed, moved the family on as soon as possible to a more suitable solution. The Housing Benefit costs of this housing have therefore dropped. Concentrating on the prevention of homelessness and dealing quickly with those who do fall to the category would be a better strategy, and should be accompanied by guidance and advice to LA's on good practice in reducing this bill, as HB best practice can be an influence here to support more reasonable rents.
27. A further example is that of Oxford City Council which has been appointed the South East Regional Champion in Homeless Prevention by the DCLG. Again, a proactive approach has reduced Housing Benefit spending on temporary accommodation as well as establishing more families in settled accommodation. A focussed approach between the DCLG and DWP would be favoured as being a more sustainable approach to the issue.

Page 35 - Towards tomorrow's housing support

Point 7.4 - fourth bullet point *"Any long-term restructuring of Housing Benefit would need to involve a number of important steps. These steps could be:*

- *design a more flat-rate approach to benefit rates although important conditions will have to be satisfied before we consider taking forward these reforms in the social rented sector;*
 - *help more customers to receive their benefit directly, rather than have it paid to their landlord. Again, conditions will apply before we could commence these reforms in the social rented sector;*
 - *move towards greater integration of the services provided by local authorities and central government agencies, building on the In and Out of Work project;*
 - *align the reporting period for changes in circumstances more closely with other provision; and*
 - *align the rates at which benefit is withdrawn when customers are in work so that they are taken into account in the same way across benefits and tax credits".*
28. This is not as simple as all that to achieve. What about anniversary dates, etc? Greater local discretion is needed to reflect demographics, etc.
 29. Housing Benefit is a national welfare benefit and this appears to have been viewed too rigidly in this document. There is no consideration of the devolvement of an integrated benefit system to be administered locally by councils who, after all, are better able to address local issues and who also have clear democratic responsibility at a local level. Councils, because of their local nature, are better able to view their customers as single entities who have multiple needs and aspirations. We already provide a range of services to our customers, some of which are closely interlinked with benefits, e.g. Housing, Education, Economic Development, Social Work and Transport, together with all aspects of welfare and benefit advice. It is a shame that this document did not consider this issue. In ignoring it, it also overlooks the considerable sums of money that the administration of HB/CTB

costs councils; often greatly in excess of that for which they are funded by administration grants.

The consultation questions

Question 1. Do you agree that a Transition into Work Payment will help to ease the move into work?

30. This was recommended by the IRRV occasional paper 2009 and is therefore supported. The opportunity for a long term benefit recipient to receive a cushion to allow them to prepare themselves and manage the transition into work is essential.
31. We would however like to add some qualification here. Such a payment should be part of a package of support/incentive measures; otherwise, regardless of how long we pay it many customers will face the a struggle when HB ends/reduces. Great care has to be given to avoid false incentives that cause a reversal of desired behaviour. These currently exist, particularly surrounding tax credits. There is a wider issue of alignment with tax credits as a mixed message is sent; positive tax credits versus negative tapers leaving only small improvements at the cost of huge amounts of bureaucracy.

Question 2. What would be the main features of such a scheme to secure maximum impact and minimise risk?

32. The current criteria of a period of continuous unemployment and the requirement that the post is expected to last a minimum period of time (subject to probation), should apply. The Scheme should, as a minimum (see our next paragraph), continue to pay the level of benefit for a three month period after the person has returned to work. However this should only be paid in circumstances where the person has been out of work for a lengthy period, perhaps of 18 months or 2+ years. For those who have been out of work for a shorter period the one month period should remain.
33. As stated above, the Scheme should continue to pay the level of benefit for a three month period after the person has returned to work. In addition, we would like to put up for consideration the idea of extending the payment period to six months, with the second three-month period providing tapered payment levels. Support would therefore be gradually reduced for these customers so that are able to adjust their budgets over a period of time and gain confidence in managing their commitments. Suddenly reviewing the case after a three- month period would otherwise result in a significant drop in support for many customers who have returned to employment and it might prove difficult for them to manage.

Question 3. Should we introduce fixed period Housing Benefit awards for those customers in work?

34. We would put a question back in response: if fixed periods are introduced, would this mean the extended payment period would therefore be abolished and the reform in Question One would no longer be pursued?
35. We would not be in favour of a fixed period with no changes. Housing and Council Tax Benefit are currently very responsive to needs, and if administered quickly can help people to maintain their tenancies. Fixing an award for a six month period could result in some customers losing out on additional help that they need, whilst others will be effectively overpaid and then see a significant drop in their entitlement after the six month period. This could in effect make it harder for people to manage their financial affairs and act as a disincentive to work. Whereas fixed periods would reduce administration it would not address detrimental circumstances to a customer who could find themselves in quite dire circumstances should income decrease (yet benefit remain fixed) for several months. Quite simply this will not advantage those who are most at risk. We believe that the Housing Benefit system must be responsive to our claimant's needs, particularly when they are experiencing times of hardship (see our comment at para 17 above).

36. There is an important distinction to make between HB and Housing Tax Credit. The latter is in effect a top-up payment to a given level of income, whereas HB is there to provide a fundamental safeguard to ensure a reasonable standard of accommodation. HB is more responsive to local / individual circumstances than a housing tax credit could ever be. However, one word of caution needs to be raised and that by setting LHA rates at the median level, it effectively makes 50% of the rental market unavailable for HB recipients.
37. The first two options would therefore not be supported. There is some merit in the third proposal where changes within a certain band are disregarded for a fixed period. This is of course reintroducing benefit periods, but only for working age, which could be more successful and manageable. It will not address the pensioner changes (which can be considerable); however as this is already part of the established system, other than to mention that it is not equitable we would not wish to dwell on this point.
38. This third option would inevitably cause some confusion as to what should and should not be reported, but good data matching and publicity claims should hopefully reduce the instances of customer error remaining undetected.
39. It has to be stated however we do not have practitioner consensus on the issue of fixed periods; a significant proportion take the view that fixed periods will hinder HB administration; and that as a minimum requirement there would have to be in place safeguards to prevent large overpayments, otherwise the HB system will fall into disrepute.
40. It has been pointed out that an introduction of a six month review period will not assist HB administration. This review period was removed from HB several years ago at a time when performance levels of many LA's were extremely poor; that there was a lot of logic to removing fixed periods and the requirement to needlessly re-assess cases where no changes have occurred. Critics point out that the risk based approach that is currently in operation is much more effective in terms of managing fraud and error within the system.

Question 4. What would be the main features of such a scheme to secure maximum impact whilst avoiding any perverse incentives and minimising risk to those whose income falls significantly?

41. Unfortunately, fairness and administrative simplicity are often difficult to reconcile. For every simplification suggested, there will inevitable be winners and losers. Any new scheme will need to introduce simplifications within certain tolerances.
42. The scheme needs to be flexible enough to allow the correct amount of HB to be paid to the customer at the right time.
43. A floor as to the level of change would be needed, such as changes to a customer's overall capital (for example of up to £1000), changes to income (for example £20 per week for a family or £15 per week for a single person) and changes to other benefits.
44. This may add complexity to the scheme for some, but it would ensure that the benefit bill is not increased unnecessarily and that those in need get it when it is needed not a future adjustment to affect payment some months later.
45. One word of caution, however, is that the system would need to accommodate, out with certain parameters, a real drop in income during the period. This raises questions of bureaucracy and, more to the point perhaps, mixed messages on what to report and when.

Question 5. What is the level of rent above which it would not be reasonable for the taxpayer to offer support?

46. The question that should be asked here is: what is the level of rent required to keep the customer in a reasonable level of accommodation?
47. The level of rent in an area depends on the availability of housing and indeed of social housing. In *theory* some point between the average maximum eligible rent rebate or RSL rent allowance and the existing LHA may be appropriate; but it is not for the HB practitioner to say what is a reasonable level of rent.

48. It is not appropriate to quote a maximum figure that it would be reasonable for the taxpayer to afford. We need to be clear on how the level of support should be calculated across the country and ensure that the effects of this scheme are affordable in the long term. LHA is still a relatively new scheme. Frequently changing the way that HB is administered only adds to the confused state of some of our customers.

Question 6. How should we set benefit rates at an appropriate level so that they reflect the housing choices of other working households not eligible for benefit?

49. This links with question 5. Clearly it is not right that the state pays for a standard of accommodation that an individual would not fund themselves if they were not seeking state support. However some families are of a size that the only properties that meet their needs are much higher than the average rents. We have seen the stories about benefit mansions. By capping the rents that are paid we are potentially advising claimants that the state requires them to live in accommodation that is too small for the needs they demonstrate. This would seem to be a perverse situation. By removing the size criteria by paying up to a ceiling this could go some way to addressing this.
50. The methodology used by the rent service (VOA) should result in appropriate LHA levels - it only takes into account actual rents achieved by the non benefit rental sector. So the levels that have caused so much news coverage are actually based on real material.
51. The highest 5% of rents should be excluded from the calculation, but also substandard (low cost) accommodation should also be excluded. We should be basing the average level of rent on the properties that it is reasonable to expect someone to live in.
52. We advocate a root and branch review of the conditions for setting the BRMA's to ensure that appropriate areas are created that represent the actual market position. The current use of HERBS goes some way towards finding appropriate areas, but it relies too heavily on judgements and individual interpretation. A review of HERBs should also be undertaken to ensure that they are fully representative of the areas that they are supposed to reflect, and all of the elements that affect housing and employment prospects

Question 7. How could we set benefit rates to reflect different market conditions in different areas?

53. We do that anyway via rent officers LHA, BRMAs etc., although it would be good to look at BRMAs again to see if they are appropriately determined/ fit for purpose or need boundary/mix redrawing. As in the response to question 6, a review of HERBs should also be undertaken, as the factors that determine HERBS need to be clearer to ensure that they are fully representative of the areas that they are supposed to reflect.
54. The extent of public transport that allows ease of movement also affects rental choices. Some areas where there is a shortage of employment and where there is also little in terms of public transport may have low rents even though they may be considered as being nearby to more highly rented areas. There has to be a local element to decisions that define different areas. Obviously we hope that proposals are not skewed by the undoubtedly difficult and untypical characteristics of the wider London rental market.

Question 8. Would excluding the most expensive rents when setting Local Housing Allowance rates result in fairer levels of benefit?

55. This would ensure that the benefit rents are indeed more representative of the average non benefit type of home. However again, this needs to be carefully thought through so as not to force poorer standards of accommodation on to tenants who need state support.
56. We need to ensure that we are only taking into account accommodation that is of a habitable standard. Thus, significantly low rents which may be for substandard accommodation should also be excluded from the calculation otherwise the level of support provided to those in need may be lower than what is actually required.

Question 9. How should we set appropriate Housing Benefit areas?

57. The use of HERBS does this. As outlined above the factors that determine HERBS need to be clearer to ensure that they are fully representative of the areas that they are supposed to reflect. The use of much smaller HERBS should go some way to reducing the effects on LHA that are being experienced in London.

Question 10. Should the Local Housing Allowance size criteria be adjusted?

58. Other than where the subsequent questions refer, the size criteria that is currently in use is generally fit for purpose; but we raise two issues.
59. Firstly, the size criteria for the social sector differs from that for the private sector. A family with two children, 7 and 9, boy and girl would be entitled to a 2 bed property if renting in the private sector but in the social sector, local rules apply which, in Oxford mean that they would be entitled to 3 bedrooms (the age for a separate room being 5). Acknowledging that the costs involved in the private sector are higher than the social and that this may be a factor, it does throw up the scenario that two families living in adjacent properties will have different assessments on their size criteria based on the tenure of the property.
60. Secondly, joint tenants who are single are sometimes worse off because each of the joint tenants is only entitled to the shared room rate (unless exclusive use of two rooms) which added together does not come to the 2 bedroom rate.

Question 11. Should Housing Benefit be extended to provide for an extra bedroom where there is an established need for a room for a non-resident carer?

61. We accept that the additions in Disability Living Allowance and Attendance Allowance may be perceived as covering additional costs for a disabled person requiring care. Notwithstanding this, where there is a clearly evidenced need for an additional room, this person should be accommodated for in the calculation.

Question 12. Is there a case for providing for an extra bedroom in the size criteria to help parents who need to care for non-resident children if there is evidence that working households can do so?

62. This area has caused much concern in practice. Absent Parents (especially where there have been other issues that bring the family to the court's attention) often have requirements in access agreements to have suitable accommodation for their children before they are allowed overnight visits. It is clearly in a child's interests to have regular and settled access to both parents and it seems highly inappropriate that the welfare system does not recognise this. Matching the criteria to the standards for the CSA in determining maintenance for children on access criteria may be a good starting point. Where a parent accommodates overnight stays of more than 52 nights per year, the maintenance payments can be reduced. If HB had a criteria that an extra room could be allowed for where the children stay for a minimum of 52 nights per year (and at least one of these each month – to avoid anyone whose children attend a boarding school or similar arrangement) this could be a simple criteria to apply. By having a "minimum number of nights" criteria there is less chance of abuse of the allowance. It is important that couples who have come to more amicable agreements and have not gone through the courts are not ultimately penalised. Checking and policing the criteria may well be cause extra administration, however; but this highlights perfectly the points made in the introduction, about needing to set the HB changes in the context of wider social needs (see response to 3.4).

Question 13. Should Housing Benefit entitlement be conditional on property meeting certain standards?

63. We need to be clear about the role of HB. What would we do if someone was in employment and renting a substandard property and then they lost their job? Would we really say "sorry – you can't get any help?" We agree that properties should be of an appropriate standard,

but we do not believe that benefit payments should be used to enforce this. Housing benefit practitioners cannot be expected to take on the role of vetting property standards. Nor should the awarding of benefit be held up due to the checks and vetting processes of third parties.

64. We would not support any proposal to hold up benefit until standards were met. Payments need to be made quickly and accurately and refusing (or delaying) payments could negatively impact on some of the most vulnerable tenants.
65. The onus must be on the landlords, and done through means other than HB. Consideration could be given to using the existing landlord registration system to push this forward; to place the onus on landlords to do this in much the same way as boiler safety issue works now. Any scheme must include a way of reaching existing benefit claimants as well as new ones.

Question 14. Should a direct payment to the landlord be linked to the property meeting a certain quality or energy standard?

66. Whilst representations are made from landlords regarding direct payments, these are not the norm. If the tenant was not in receipt of HB, the landlord would have to collect the rent from the tenant. We cannot see a justifiable reason why payments should be made directly to a landlord other than where the exceptional circumstances contained within the safeguarding policy exist. The point of LHA was partly to enhance the power of the tenant to manage his or her own affairs and to negotiate with the landlord like any other tenant.

Question 15. We would welcome views on how Housing Benefit can contribute to the delivery of improvements in the standard of private sector housing for tenants.

67. Regulation and monitoring of landlords who own accommodation that they wish to rent out should be considered as an issue separate to the payment of HB to the claimant.
68. As the current arrangements stand however, we do not believe driving forward improvements in private sector housing is the role of Housing Benefit delivery, and we would caution against anything that would complicate Housing Benefit administration.
69. Tenants empowered by LHA payment etc or by Housing Credit or other income stream, together with Landlord Registration regimes should be the levers.
70. There is an overriding issue, which is only touched upon in parts in this document. There is an acceptance that a link exists between the level of Housing Benefit paid out and the shortage of available reasonably priced accommodation. However that link is then put to one side for an undefined period whilst accommodation is built. Even then no link is discussed about the allocation of this accommodation. This is probably because allocation of housing falls within the devolved powers. Nonetheless if extra weighting was given those who are receiving Housing Benefit as an in work benefit would that influence peoples behaviour?
71. The paper accepts that there is a shortage of reasonably priced accommodation. This is the natural outcome of a policy of council house sales combined with a failure to have such properties replaced in equal measure. This in turn created a vacuum in which the growth of the private rental market has taken place. The law of supply and demand, aided and abetted by Government policies, has seen a sharp increase in the level of rents charged. In many areas this has reached a level whereby it acts as a disincentive to work. The paper leads us into a cul-de-sac wherein it offers no solution on this front. If we step back from benefits for a moment and consider the wider area of housing costs, we can see that monies paid into the private sector provide only a short term solution. If more money was spent on the provision of cheaper public housing, there would be a medium to longer term impact on rent levels as a whole. To move this forward however, the Westminster Government would have to develop mutual understandings with the devolved Governments

Tomorrow's Housing Support

[Question listed on the discussion board, but with no direct match in the questions raised in the consultation paper]:

In the long term, and subject to affordability, how would you see the Housing Benefit system being reformed to help meet the aims of the welfare system?

72. Section 7.2 -7.4 makes the point that Housing Benefit is unique and the above question 14 underlines the point by reminding us that HB is paid to the landlord in some cases. If this is brought back for all cases it is likely that the majority of Landlords will favour this payment method. This as a result, keeps HB in a different class to many other benefits where payments are not payable to a third party. There is a case therefore that this benefit should not be merged into another but should stand alone. In the same way that Attendance Allowance remains different to DLA, however administratively there is no reason for its separation from other main stream benefits.
73. A housing tax credit is not supported. In Countries where these are in place the "circuit breakers" (as the equivalent to our benefit claimants are called) are not getting real help with their housing costs. They tend to be annual rebates on the tax return, rather than money in the hand to meet the bills when specifically needed. The problem with basing a welfare benefit on an annual tax return is that it looks back at the previous year's earnings, therefore being unresponsive to the changes that need addressing at any point in time (similar issues to a fixed period - see question 1). It is not a regular income to help balance payments out for those that live month-to-month or week-to-week. Often the schemes are not applicable for immediate award when someone moves in or has a change in circumstances needing help. A tax credit can neither react accurately nor get in to payment quickly. A means tested benefit can do that.
74. If the suggestion is to base a tax credit on the lines of the child and working tax credits in place at the moment, these are not real tax credits but are benefits being operated by the Treasury. The evidence of the administration is that it has not worked effectively as the renewal process is flawed (too long and overpayments accruing), is mainly based on historical records (creating confusion with the claimants), is slow to be actioned and is largely inaccessible to the customer. This type of process would be a disaster for housing benefit customers and would be an untenable burden on the administration.
75. The LHA element is as close as we can go to a housing tax credit without becoming less flexible to meeting the needs of those who have to claim, quickly and appropriately.
76. It has been long our view that local authorities are the best conduit for welfare benefits. Access to the systems and good data transfer would allow LA's to be the front end for all benefits, bringing customers all together in one place and reducing the stigma of making a claim for any one particular benefit. The rationale for having LA's deal with benefits and delivering straight to the public is well made, LA's are in the heart of the community and a focal point for residents to get advice.
77. Job Seeking and advice can be separated from the living support payments that are made and these services could remain in job centres/shops.
78. Full access to the progress of the benefit, or even better the awarding powers, would allow LA's to offer a full service; thereby reducing the amount of contacts, providing a holistic approach and generally enhancing the provision of welfare benefits to the community that it is part of. Liaison and transfer between benefits would be easier, fraud would decrease and take up for maximum entitlements would be easier to target. Therefore there would be a reduction in the overall benefits administration costs.
79. As stated previously in this response, we urge that all transitional schemes are removed so staff only have one scheme to deal with.
80. Update/abolish non-dependant deductions.

81. Improve liaison between agencies (especially HMRC).
82. The Housing Benefit (HB) scheme is undoubtedly complex. Over a number of years the DWP has sought to simplify the scheme and to ensure that take up is maximised and the correct level of social assistance is provided. What has evolved is an even greater level of complexity and fragmentation within the entire welfare scheme, with claimants having to navigate a myriad of different agencies. They often supply the same information time and time again and bizarrely some people with identical circumstances receive different levels of benefit, due to protection schemes where the law has changed. In response to this our recommendations in are:
- LAs with responsibility for HB should be the keystone to providing all benefits at a local level. The HB scheme captures almost all of the information that is needed for other benefits to be calculated. To truly capture it once, and meet the demands and the objectives of the "Tell Us Once" project it should be through this medium. Operating through LAs could yield large savings from closure of duplicated offices and long term structured staff reductions.
 - A benefit database of all people who claim any benefit should be established to allow cross matching / anti fraud / take up initiatives. All the information should held in one secure place, not fragmented and duplicated as it is at present. The current situation leads to confusion and error.
 - Reintroduction of a revised Verification Framework (VF) consistently applied across all welfare benefits
 - Data sharing must be true data sharing across all of the agencies and bodies that hold information that is relevant to the welfare state. Her Majesty's Revenues and Customs (HMRC) must engage with this and should require employers to submit salary information twice yearly rather than annually via electronic upload.
 - Anti-fraud work should be joined up across all benefits and operated at a local level through the local authority. A reward and subsidy scheme should be reintroduced.

We would be happy to discuss our response with you further.

Yours truly,



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