

Housing Benefit Simplification

Background

Long term concerns at the delays in processing housing benefit claims (“most inconsistently administered public service” TB).

Concern (C Gov’t) at payment of benefits direct to landlords, distancing individual from responsibility to pay rent, not one shared by most landlords who are more concerned about collection rates.

Changes being made

1. 8 to 10 ‘pathfinders’ being set up in 2003/4 where the existing system of HB calculation is replaced (deregulated private rented sector only *) with a flat rate allowance based on:
 - Size of the household
 - Local market rentsAn income test is used to calculate the proportion payable

* Waiting on rent restructuring programme before general introduction to social housing sector (RSL’s & LA’s)

2. The ‘standard’ allowance is still paid if a lower rent is negotiated/paid
3. Allowances based on average local reference rents (not on each individual property)
4. Benefits are paid to the tenant not the landlord
5. ‘Safeguards’ for vulnerable tenants and landlords of tenants in arrears
6. Proposal to test standard allowances against the social housing sector in an early pathfinder
7. In October 2003:
 - End of Benefit Periods for pensionersLater
 - End of Benefit Periods for all claimants
8. Sharing of benefit claim information from:
 - Job Seekers Allowance
 - State Pensions
9. Combining funding streams for HB to local authorities
10. New fraud reduction targets (25% reduction by 2006)
11. Proposal to withhold HB from tenants in some Anti Social Behaviour cases
12. Longer term idea to combine 3rd Age benefits services