

**REPORT OF THE CITY TREASURER**

**HOUSING AND COUNCIL TAX BENEFIT PROGRESS REPORT**

FOR INFORMATION

**1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to inform Members of the performance of the Benefits Section in the processing of new claims and changes in circumstance in accordance with the new National Indicator (NI 181) for Housing and Council Tax Benefit and, in addition, update Members on developments relevant to the business. This report covers the period 1 April 2008 to 31 July 2008.

**2. PERFORMANCE**

- 2.1 For several years the performance of the Benefits Service has been judged, amongst other measures, against a number of BVPIs (17 in all). However, the government has changed the BVPI regime to a National Indicator Set with effect from 2008/2009 and the Benefit Service now has two National Indicators (although it still has to continue to monitor and achieve good results in the areas of work which were previously the subject of a BVPI).
- 2.2 The two National Indicators are called "Right Benefit" (NI 180) and "Right Time" (NI 181). The former is a complex calculation which looks at all the changes to benefit entitlement done by the Benefit Section over the year. The latter looks at how long, on average, it took the Benefit Section to deal with all the new claims and changes of circumstance that it received. As is the case in many other authorities, the Section is still testing the calculation of these NIs within the system and the data which goes into them, therefore no local targets have yet been set, nor have any national performance measures been set.
- 2.3 This report will continue to contain performance statistics on the old BVPIs (78a and 78b), so that Members are aware of performance in relation to new claims and changes in circumstances.

**3. LOCAL HOUSING ALLOWANCE**

- 3.1 Members will recall that Local Housing Allowance (LHA), a new way of calculating Housing Benefit for private tenants, was introduced with effect from 7 April 2008. In broad terms, the changes mean that private sector tenants should normally receive their Housing Benefit payment themselves, rather than it being paid to the landlord. Also, LHA claims can be processed quicker than most old style claims because there is not a

need to refer the claim to the Rent Service for its valuation of a market rent.

- 3.2 Although there have been some issues to resolve, the implementation of LHA in Sunderland has gone generally very well. At the end of July there were 1102 LHA claims in payment. This number will increase every week as private sector tenants make new claims, change address or have a break in their claim and hence qualify for LHA rather than the old style of Housing Benefit.
- 3.3 As referred to above, under LHA rules, the Housing Benefit should normally be paid to the tenant. Requests to pay the landlord must be carefully considered as there are only certain circumstances in which the payment can be made to landlords. Currently, some Benefit staff resources are being taken up in having to collect evidence and information to inform the decision as to whom the Housing Benefit payment should be paid, landlord or tenant. At present this is not having a detrimental impact upon performance overall, however, the situation is being kept under review. In addition, there are indications from neighbouring authorities that they are experiencing similar issues in this respect.

#### **4. EMPLOYMENT AND SUPPORT ALLOWANCE**

- 4.1 A new state benefit is being introduced with effect from 27 October 2008. The Department for Work and Pensions (DWP) will pay Employment and Support Allowance (ESA) for new customers, replacing Incapacity Benefit, Severe Disablement Allowance and Income Support (paid on incapacity grounds). Their existing customers will initially continue to receive their existing benefits, so long as they continue to satisfy the entitlement conditions.
- 4.2 In line with Income Support provisions, customers receiving ESA (income related) will be entitled to maximum eligible help with their rent and Council Tax. An award of ESA will broadly have the same effect on Housing and Council Tax Benefit as an award of the benefit it replaces.

#### **5 RECOMMENDATION**

- 5.1 Members are asked to note the contents of this report.

#### **6. BACKGROUND PAPERS**

- 6.1 No background papers were used in the preparation of this report.