

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 in accordance with the Best Value Performance Indicator (BVPI78a) for Housing and Council Tax Benefit. This report covers the period 1 April 2007 to 31 January 2008.

2. PERFORMANCE

- 2.1 Our target for BVPI78a for processing new claims for 2007/2008 is 27.3 days. The attached table shows our progress towards meeting that target. It is apparent that the speed of processing has increased considerably now that the issues that were causing problems have been resolved. These issues were all associated with the necessary redirection of resources to implement the new Revenues and Benefits ICT system. The staff of the Benefit Section remain fully focussed on achieving the target.

3. PUBLICITY

- 3.1 One of the objectives for the Benefits Service in the Department's Business Plan is to promote Housing and Council Tax Benefit and thereby increase take-up of these benefits. Members have been previously informed of exercises that have taken place.
- 3.2 The Section has reviewed its marketing material ready for a launch in March when the 2008/2009 Council Tax bills are issued. As well as benefit publicity enclosed with the bills, there will be publicity in the Echo, Sunderland and Washington Star, Customer Service Centres and on a fleet of Stagecoach buses during March and April. In addition, there is a week-long event, commencing 31 March, to be staged in the Bridges shopping centre which, along with other matters, will promote the take-up of Housing and Council Tax Benefits.

4. LOCAL HOUSING ALLOWANCE

- 4.1 From 7 April 2008, Housing Benefit in the private rented sector is changing with the introduction of Local Housing Allowance (LHA).
- 4.2 The government's reasons for introducing the LHA are to increase responsibilities fulfilled by tenants, place choice firmly in the hands of tenants, and help develop the skills and attributes of tenants to make the transition to work.

- 4.3 There are two major changes associated with LHA; how Housing Benefit is worked out and how it is paid.

Most tenants who rent from a landlord in the deregulated private sector and either make a new claim for Housing Benefit, have a break in their claim, or change address on or after 7 April 2008 will be paid LHA.

LHA remains part of Housing Benefit but it uses a different method to calculate entitlement ie a flat rate allowance based on the size and age of the tenant's household. This amount is not directly related to the rent being charged so the Housing Benefit paid may be equal to or lower than the rent, as is the case at present, or may even be higher than the rent charged.

Most tenants of private landlords have their Housing Benefit paid directly to their landlord. The government wants to change this position and therefore the LHA Regulations stipulate that the benefit entitlement will be paid to the tenant (not the landlord). There are exceptions to this rule to provide for tenants who have difficulty in managing their financial affairs or where the evidence suggests that the tenant is unlikely to use the LHA to pay the rent.

- 4.4 The Benefit Section is currently on target to meet the implementation date of 7 April. The new software has been installed and is being tested; staff are being trained and landlords and tenants and other affected parties are being made aware.

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.