

Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

1st Floor, Caxton House, Tothill Street, London SW1H 9NA

HB/CTB A9/2011

ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	All Housing Benefit (HB) and Council Tax Benefit (CTB) staff
ACTION	For information
SUBJECT	Local Housing Allowance Transition Fund: Invitation to bid for funding

Guidance Manual

The information in this circular does not affect the content of the HB/CTB Guidance Manual.

Queries

If you

- want **extra copies of this circular/copies of previous circulars**, they can be found on the website at <http://www.dwp.gov.uk/local-authority-staff/housing-benefit/user-communications/hbctb-circulars/>
- have any queries about the
 - **technical content of this circular**, contact Eugene Okonkwo
Email: Eugene.Okonkwo@dwp.gsi.gov.uk
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Local Housing Allowance Transitional Funding: Invitation to bid for funding

Introduction

- 1 This circular sets out the arrangements for distributing the £4m fund to ease the transition of the Local Housing Allowance (LHA) measures that came into force on 1 April 2011.
- 2 Local authorities (LAs) are invited to bid for funds to take forward initiatives that will support the implementation of the LHA changes.

Background

- 3 On 30 November 2010, Ministers announced funding of nearly £50 million to support the transition to the LHA changes that came into force on 1 April 2011. This fund consists of £4m in 2011/12 and £15m for each of the following three years, and is aimed at supporting people who will be affected by the changes in LHA rates.
- 4 For the first year, Ministers have decided to invite LAs to bid for a proportion of the £4 million transition fund, either individually or collectively, to take forward a specific initiative that will demonstrate an innovative approach to help smooth the implementation of the LHA measures.
- 5 Funding can cover costs to LAs (for example staff, IT) or costs incurred by customers affected by the changes (for example removal costs), or a combination of both.
- 6 We anticipate that
 - a bidding process will be the approach taken for this financial year only
 - there will be around eight to ten successful bids, and
 - most successful bids will be a minimum of £250,000
- 7 We are encouraging collaborative bids from groups of LAs or regionally. We want to target funding where it is likely to have the most effect and will either
 - help people in areas where the impact of the change is most severe, or
 - potentially help a larger number of customers, e.g. through joint bids by a number of LAs

Making a bid

- 8 Bids for the fund **must** demonstrate the following key requirements:
- 1 That there is an established need for funding. For example, if you can demonstrate that your LA is more affected by LHA changes than may be the case for other LAs; or that if you are bidding in collaboration with other LAs and that you can demonstrate that the initiative will potentially have a broad impact.
 - 2 That the initiative you are bidding for will support the implementation of the changes to the LHA that come into force in 2011. You will need to provide details of the outcomes you expect to achieve on your application.
 - 3 That your initiative demonstrates an innovative approach to implement this change. For example, that this represents a new way of working within your LA, or group of LAs, that has not been tried before.
 - 4 That you are prepared to publish details of your initiative and to share best practice with other LAs and the Department for Work and Pensions (DWP).

Funding priorities

- 9 Bids will be assessed internally and subject to final approval by DWP Ministers. Whilst we will consider bids that can demonstrate they will support the implementation of the 2011 LHA measures, priority will be given to initiatives that can demonstrate one or more of the following
- reducing rents
 - supporting people who may have to move, for example managing costs to tenants such as removal expenses and rent deposits
 - preventing homelessness
 - providing money advice
- 10 We would like to ensure funding covers different types of initiatives so will take account of the range of different bids when selecting them.

Application process

- 11 We anticipate that this will primarily be a written application and selection process although we may request further information or a meeting with some LAs in certain circumstances.
- 12 Final decisions will be made by DWP Ministers.
- 13 An application form is at Annex A of this circular. Please ensure you complete all parts of this form and **return no later than 3 June 2011 to Eugene.Okonkwo@dpw.gsi.gov.uk**. Please note that we cannot accept any applications after this date.

- 14 If you would like to discuss your application further please contact Penny.Higgins@dwp.gsi.gov.uk .
- 15 Each bid must be agreed by your finance director.

Conditions of funding

- 16 We want to ensure that the application and reporting process is as light touch as possible and does not create unnecessary administrative burdens but there are the following minimum requirements for each successful bid
- funding is to be used for the purposes stated in the bid only
 - winning bids will be expected to provide details of the initiative to DWP and other LAs in order to share best practice
 - a short report to account for funding will be required for each of the winning bids. We will set out the timing and requirements of these reports on an individual basis for each initiative
- 17 We will discuss any further individual requirements with winning bids, if appropriate.

Payment

- 18 Lump sum payments will be made to the successful bids as soon as practicable after the decision letters have been issued. Where successful bids are groups of LAs, payments will be made to the LA leading the bid.
- 19 Payments will be made in the 2011/12 financial year (as soon as is practicable after the selection process is complete) and it will be for LAs to manage the funding thereafter, for example by carrying forward part of it into the 2012/13 financial year if necessary.

Application for Transition Funding

This form should be completed in Word.

Please refer to all relevant guidance notes in Annex B before starting to complete the form.

Part 1 – Purpose of bid

Local Authority name

Name of partner organization (s) if any (i.e. other local authorities, private sector companies, voluntary sector)

Description of initiative (up to a max of 500 words)

Brief summary of expected outcomes (approx 250 words)

Part 2 – Funding required

Summary of costs (specify if costs are likely to be incurred in 2012/13 as well)

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Detailed cost breakdown: 2011/2012

Description of each component of the bid	Cost of each component
1.[<i>Example – Staffing- 2 extra staff</i>]	[<i>£25,000</i>]
2.[<i>Example – Publicity- printed material & distribution</i>]	[<i>£8,000</i>]
3.	
4.	
5.	
6.	
Overall Initiative Cost	

Plan - how will it work ?

Key Action	Timescale

Review mechanism (approx 250 words)

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Risks Identified (approx 250 words)

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Part 3 – Declaration

Statement by applicant

I confirm that this initiative is dependent on this application being successful, and it will not go ahead without DWP funding. I can confirm that this is not a committed initiative and that no funds other than those stated in the application form have been set aside already.

I confirm that I will report on progress in delivering this initiative during the funding period and at the end of the funding period.

I undertake to report promptly any likely underspend or failure to deliver the project, to allow funds to be reallocated to another authority.

I confirm that the statements made in this application form are true and have been approved by my finance director (section 151 officer).

Signature of applicant	
Name:	
Position:	
Email:	
Phone number:	

Checklist

Is the form signed by the applicant?

Are all sections complete?

Notes on completing the application for Transitional Funding

Part 1 - Purpose of the bid

Local authority name

The name of the lead authority only should be entered here. If an initiative is being submitted by more than one authority, the group should pick one authority to be the lead authority

Name of partner organisation(s)

The name of all partner organisation(s) should be put here if an initiative is submitted which will rely on working jointly with other authorities or groups.

Description of initiative

This should be a clear and concise statement of the initiative's aims and objectives. Your statement should be a maximum of 250 words.

Examples:

- To recruit and train four new housing option staff in order to help tenants in the de-regulated private sector negotiate lower rents with their landlords. The staff would work together with benefits staff and develop new ways of reaching landlords who don't have much contact with the authority.
- To instigate a partnership initiative to work locally with key stakeholders such as Citizens Advice, Shelter, landlord associations, and NHS primary care trusts to help smooth the transition period during which people may have to move home. [You will need to provide more detail relating to your initiative]

Brief summary of expected outcomes

Include here a short summary of the expected difference the initiative is expected to make, for example in terms of numbers who end up with lower rents or people who will be helped to move.

Part 2 – Funding required

Summary of costs

This should contain the full estimated cost of the initiative and show how much of this will be spent during this financial year. If some costs will be incurred in 2012/13 an estimate should be given.

Breakdown of the total costs

As far as possible this should show the estimated cost of each component of the initiative where there are a number of different costs.

Examples:

- Staffing – to recruit two new staff £X
- Training –to train staff to help negotiate rents downward £X
- IT – to enable our IT systems to send out targeted letters to customers £X
- Stakeholder work- for debt and homelessness prevention £XXXX

Plan – how will it work?

This should clearly state how the initiative will work and anticipated timescales

Examples

- If you are requesting funding for recruitment of 2 additional staff, on what have you based this decision and when do you need them in place?
- If the initiative includes purchase of scanners, how have you worked out the number required and when do you want them by?

There needs to be a clear case linking the funding requested to the outcomes stated earlier in the form.

Review mechanism

Provide details of the process you will use to monitor the progress and success of the project.

Risks Identified

Describe any risks you have identified in connection with the initiative and the steps you will take to minimize the risks

Part 3 – Declaration

The applicant should be a senior officer in the authority such as a benefits manager or revenues and benefits manager. We also ask that the bid is approved by the finance director.