

# Housing Benefit Direct issue 138 June 2013



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## Editorial

Welcome to the June edition of Housing Benefit Direct. This is my first editorial for a while as I've been working elsewhere in the Department. It's good to be back at such a critical time for the welfare reforms and to see the progress made in the last six months. Universal Credit and Personal Independence Payment are now a reality with the first customers receiving the new benefits and local services for welfare provision and Council Tax support in operation.

Local authorities (LAs) continue to play an active part in shaping design of the reforms: a group of LAs and Local Authority Association (LAA) representatives spent time with the new members of the top team in Universal Credit yesterday to share information on the work we've done to date.

The benefit cap is continuing its phased rollout: news about the national implementation timetable is included in this month's edition.

The latest fraud and error statistics are now available: a summary is attached.

Finally thanks to all of you for the timely return of the subsidy and Discretionary Housing Payment (DHP) returns and for the great work many of you continue to contribute to as we design and deliver the reforms.

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## New burdens assessment and Homelessness

Some LAs have asked about the Department's approach to New Burdens in relation to any possible increase in homelessness. Any such impacts depend very much on how claimants respond to their particular circumstances and cannot be predicted with any assurance in advance.

The Department intends to monitor carefully a range of evidence sources to inform its assessment of whether there has been a measurable increase in homelessness or the associated costs as a direct result of the changes. These will include

- the regular published data on homelessness acceptances and numbers in temporary accommodation
- analysis of administrative data on claimants
- independent evaluations of the changes commissioned by the Department
- evidence from the regular Insight survey of LAs
- information on the use of DHP funds
- actively gathering information from a selection of LAs in addition to other monitoring evidence

The Department has provided additional funding for DHPs to help claimants who face particular difficulties to manage their transition to the new arrangements. The use of some of this DHP funding by LAs is intended to mitigate any impact on homelessness.

In line with the New Burdens doctrine, the Department will review the new burdens assessment in the light of any clear evidence of emerging homelessness impacts, and provide additional funding as appropriate.

## Fraud and Error National Statistics

The Fraud and Error National Statistics released on 9 May are available for you to view at

[http://research.dwp.gov.uk/asd/asd2/index.php?page=fraud\\_error](http://research.dwp.gov.uk/asd/asd2/index.php?page=fraud_error)

Total benefit expenditure has increased from **£159.2 billion** (2011/12) to **£166.8 billion** (2012/13). Across the benefits system as a whole, the preliminary estimates for 2012/13 show an overall **flat** profile in the level of fraud and error with

- **Overpayments** remaining the same at 2.1%
- **Fraud** remaining the same at 0.7%
- **Claimant error** remaining stable at 0.9%
- **Official error** dropping to 0.4%
- **Underpayments** increasing from 0.8% to 0.9%

Results by benefit: Overpayments compared with 2011/12

- **Jobseeker's Allowance** –reduced from **4.6% (£230 million)** to **4.2% (£220 million)** of benefit expenditure
- **Income Support** – increased from **4.4% (£310 million)** of benefit expenditure to **4.6% (£250 million)**
- **Pension Credit** – went down from **5.7% (£460 million)** to **5.5% (£420 million)** of benefit expenditure
- **Housing Benefit (HB)** – up from **4.9%** to **5.3%** (and monetary value increased from **£1.1 billion** to **£1.3 billion**)

The level of benefit fraud over the last 12 years has reduced by over 60% as a result of the action we have taken.

The Fraud and Error Programme is currently supporting the introduction of Universal Credit pathfinder which has been running since 29 April 2013. This simpler system should reduce the scope for fraud and error.

Any enquiries should be sent to [philip.borthwick@dwp.gsi.gov.uk](mailto:philip.borthwick@dwp.gsi.gov.uk)

## National implementation of the benefit cap

National implementation of the benefit cap will begin on 15 July 2013 as previously announced, with all appropriate cases having been capped by the end of September 2013.

DWP, in developing our approach, have considered the experience and learning from phased rollout LAs (Bromley, Croydon, Enfield and Haringey) and we have consulted via your LAAs, in order to determine the most appropriate implementation approach.

Implementation will be managed in two tranches

- Tranche 1 will include all LAs with 275 households or less and will commence from 15 July
- Tranche 2 will include all LAs with 276 or more households to be capped and is likely to commence from the week beginning 12 August 2013, although there will need to be flexibility with this date as the clearance of Tranche 1 will affect the precise start date of Tranche 2

All appropriate households will be capped by the end of September 2013.

Robust arrangements are in place for us to engage with LAs. A series of nine joint DWP/LA events have been planned at venues across England, Scotland and Wales to share the experiences of phased rollout and help you prepare for national implementation. LA Chief Executives were emailed the details of events on 16 May 2013.

If you have any queries please email [benefitcap.external@dwp.gsi.gov.uk](mailto:benefitcap.external@dwp.gsi.gov.uk)

## Subsidy and DHP returns - Thankyou

In issue 134 of Housing Benefit Direct sent out in February we issued a reminder regarding the deadline of 30 April 2013 for submission of HB/Council Tax Benefit initial final subsidy claims and DHPs final claims. The deadline of 30 April 2013 reflects wider governmental accounting and HM Treasury requirements. The vast majority of LAs succeeded in submitting their claims by this deadline, thus enabling the Department to comply with these requirements. We recognise and are extremely grateful for your considerable efforts in this regard.