

RSL involvement in the Housing Benefit/Council Tax Benefit Verification Framework: Summary

Introduction

- 1 Improving the administration of Housing Benefit (HB) is an important aspect of the wider reform of the HB system. It includes looking at ways to cut down the time it takes for HB claims to be processed. In October 2001 the Department for Work and Pensions (DWP) launched a national pilot scheme that enabled registered social landlords (RSLs) to verify tenants' Housing Benefit/Council Tax Benefit (HB/CTB) claims on behalf of local authorities (LAs). The 'RSL VF Pilot' enabled RSLs to check claims and verify evidence required under the HB/CTB Verification Framework (VF). There were twelve Pilot areas, incorporating fifteen VF compliant LAs and 53 RSLs, including Scottish and Welsh organisations.
- 2 The RSL VF Pilot aimed to
 - improve the administration of HB/CTB
 - free up LA resources
 - improve RSL cashflow
 - ensure quality services to all claimants
- 3 It set out to contribute to an overall improvement in HB administration by ensuring the claims of participating RSL tenants arrived at the LA ready for processing. RSL tenant claims would therefore be processed faster, with the knock-on effect of also improving processing times in other areas of HB administration.

Key findings

- 4 The key findings were
 - LAs, RSLs and RSL tenants welcomed the RSL VF Pilot and wanted it to continue into the future.
 - The RSL VF Pilot improved the quality of HB claims received by LAs.
 - The Pilot had improved HB processing times of RSL tenant claims where the RSL had acted as the verifier and reduced the number of renewal claims that expired.
 - It gave RSLs confidence that fully completed HB claims had been submitted to the LA from their tenants ready for processing. However, LAs did have to ask for additional evidence on a number of pilot claims.

- It offered tenants greater choice as to where they went to get their claim verified.
- Tenants welcomed the involvement of their landlord in verifying their HB claim, stating that it had made applying for HB easier and less. There was confidence among tenants that, because their landlord had been involved, there would be no problems with their application for HB.
- Over 5,500 HB claims were verified under the RSL VF pilot, the majority of which were new claims. 'Change of circumstance' claims were the least likely to be verified. However, RSLs providing supported and temporary housing found the Pilot an invaluable opportunity to assist vulnerable tenants in submitting change in circumstance claims to the LA, reducing the risk of the claim being discontinued or an overpayment being made.
- Relationships between LAs and RSLs were strong during the RSL VF Pilot, particularly between frontline staff, with a greater understanding of each other's respective roles and duties.
- Virtually all Pilot LAs and RSLs did not want the RSL VF Pilot to end. It was argued that it would be a backward step, and would confuse tenants. Tenants also held the view that they would like the option of going to their landlord in the future.
- RSLs were likely to have experienced a reduction in rent arrears levels over the course of the RSL VF Pilot. However, where rent arrears decreases were quantified they were on the whole not very large. In addition, RSLs pointed to other factors influencing rent arrears levels, such as staff turnover and LA computer failure, which needed to be taken into account when justifying the available.
- The financial benefits to the LA were even less clear cut than for their RSL partners. There was little, if any, evidence that LA HB staff had been able to improve the service to non-pilot claimants, as had been hoped.
- LAs and RSLs accepted that more time was needed in order to demonstrate the financial benefits of the RSL VF scheme. The Pilot had run for a maximum of nine months (and six months in three of the areas), and it was argued that this was too short a time to reap clear financial benefits.
- The experience in Scotland and Wales mirrored that of English LAs and RSLs.

Recommendations

- 5 It is recommended that the RSL VF scheme is extended on a voluntary basis to LAs and RSLs where the LA is fully or partially VF compliant.
- 6 The RSL VF scheme must be mutually agreed between local partners, and LAs should have the flexibility to decide which RSLs to invite to act as verifiers. Partnership arrangements must be based on a contract, and RSL performance monitored by the LA.
- 7 DWP should assist in the extension of the RSL VF scheme, by making available good practice guidance and by providing set up funding to LAs. They should also provide other forms of advice and assistance as necessary, such as verbal and written advice to LAs and RSLs.
- 8 LAs, RSLs and DWP need to be confident that the RSL VF scheme complies with the Data Protection Act 1998. This means demonstrating that tenant consent has been given freely, that data is transferred between RSLs and LAs safely and securely, and that data is not stored unnecessarily by any party. Appropriate checking systems within each organisation should be set up to ensure compliance with the Act.
- 9 Tenant satisfaction with the RSL VF scheme should be tested further as the scheme is extended out. This could include RSLs asking a question about the scheme in any future tenant satisfaction surveys, and similarly the LA surveying RSL HB claimants.

Practicalities of the RSL VF Pilot

- 10 Before the RSL VF Pilot, relationships between LAs and RSLs were good, although backlogs were common and target times for processing HB claims often not met. Receipt of incomplete HB claim forms were a common reason for delays in processing, with between 60 to 80 percent of all HB claims being incomplete. During the Pilot this trend was reversed for Pilot claims, with around 20 percent or less now being incomplete. Some LAs reported 95 percent of claims as fully completed when first received.
- 11 Before the Pilot RSL cashflow was affected by delays in HB, with the level of impact varying across RSLs. In one RSL 75 percent of total rent arrears was estimated to be HB related. By the end of the Pilot this figure had decreased to 19 percent.
- 12 LAs and RSLs wanted financial benefits to result from their participation in the Pilot, although the added value of better quality service to claimants and improved partnership working were seen as equally valid outcomes. Very few organisations undertook a robust cost benefit analysis prior to starting the Pilot, and no one regretted this approach. Set up costs varied, with most costs falling on LAs, in the form of training provision and materials needed for RSLs to undertake VF (such as triplicate check-sheets and UV scanners).

- 13 Verifying a HB claim took between 15 and 25 minutes, and RSL staff thought that the process was simple. They had been provided with check lists, guidance material and training by LAs; all of which they thought assisted them in their new tasks. Verification tended to take place in the RSL office, rather than in the tenants' home, although some RSLs did offer this service. RSLs had to receive specific training to conduct home visits, and this was more common for those working in rural areas or with older tenants.

The impact of the RSL VF Pilot

- 14 The financial impact assessment of the Pilot indicated that the single largest resource costs of the Pilot were RSL staff resources. Average RSL staffing costs were around £24,972 per annum, which accounts for roughly 1.5 full time equivalent staff. However, there were variations across the Pilot areas. Most RSLs adapted the VF work into existing workloads, though a minority seconded staff to work (usually part time) on VF for the course of the Pilot.
- 15 It was common for Pilot organisations to point to external factors that had influenced its running and impact. Incidences such as LA computer failures, RSL staff turnover and poor quality publicity about the Pilot were cited as examples.
- 16 The Pilot had required little, if any changes to LA administrative systems although LAs expressed an interest in adapting current systems if the scheme were to be extended. The systems would be adapted to identify RSL VF scheme claims, and to assist in monitoring the performance of their RSL partners.
- 17 While the financial benefits to LAs were not clear cut, there was recognition that the Pilot had led to a decrease in the number of reminder letters sent to tenants, and the number of tenant and RSL queries, and hence the potential to free up LA HB staff time.

Tenants perspective

- 18 Tenants welcomed the opportunity to have their claim verified by their landlord. They were not really aware of whether the Pilot had a positive effect on the speed with which their claim was processed, though no one reported problems about receiving HB. Similarly no tenant had been chased for rent arrears since submitting their HB form and were assuming that everything was correct. However, because of their landlord's involvement with HB, tenants did think that even if HB was not paid immediately they would not be pursued for rent arrears. This was based on the understanding that the landlord would know about the status of their claim.
- 19 Tenants were comfortable with providing supporting evidence to their landlord to verify their claim though they questioned whether best use was made of the available information held on them by local agencies, such as personal data held by social security and Jobcentre Plus offices.

- 20 To take part in the Pilot tenants signed a consent form, but few tenants actually remembered signing it. Tenants generally heard about the Pilot directly from their landlord, either when they signed up for their tenancy or as part of rent arrears pursuance, with publicity not appearing to have had a great impact on them.
- 21 Tenants did not have a strong view on who verified their HB claim. Location of office was a more important factor, with many stating that they would go to the nearest local office, be that an LA or a RSL office.

Learning from the RSL VF Pilot

- 22 There are good practice lessons to be learnt from the Pilot, which would influence the ease with which any future scheme could be introduced. Practical aspects relating to agreeing the contract, developing appropriate administrative systems, and monitoring the scheme have been tested over the Pilot period.
- 23 There a number of risks associated with the success of the RSL VF scheme, which would need to be managed by any future participant and by the DWP. Risks include:
- the dependence on tenant consent and the legal obtaining of that consent
 - the lack of local RSL offices
 - secure transfer of data
 - RSL staff turnover and staff capacity
 - LA HB department structural changes
 - inadequate quality checking and monitoring by the LA
 - the capacity of the LA to respond to additional training needs of RSLs
- 24 Several issues influence the extension of the RSL VF scheme, not least the need for it to demonstrate financial benefits for the parties involved. While organisations accepted that it may be too early for financial benefits to emerge, there was an expectation that over time the benefits would be clearer. This would assist in deciding whether to continue with the scheme in the longer term.
- 25 There was a general view that while it may be difficult to pay RSLs for undertaking the VF role on behalf of the LA on a claim by claim basis, there was agreement that there should be some central government funding. LAs were keen to emphasise that any funding should be in addition to the funding they currently receive.

About the Pilot

- 26 The RSL VF Pilot was a voluntary scheme, consisting of two 'Waves'. Wave 1 ran for nine months (Oct 2001 start), and involved nine Pilot areas. Wave 2, introduced to encourage LAs from London and Wales to participate, ran for six months, (Jan 2002 start), and involved three Pilot areas. The Pilot officially ended on 30 June 2002. A variety of LAs took part, including a LA where HB administration was contracted out, urban areas and rural areas. There was also a mix in the type of RSLs involved.
- 27 DWP provided the basic framework in which the Pilot was to operate, with local flexibility allowed. LAs maintained their statutory responsibilities for determining claims, and detecting fraud, whilst RSLs were responsible for assisting LAs in VF. Both parties were satisfied with this division of duties. New claims, renewal claims and 'changes of circumstances' were all dealt with under the Pilot. Pilot claims were dealt with by LAs in the same manner as other HB claims, apart from in one Pilot area where partners agreed that the LA would fast track Pilot claims. This was seen as a trade off for RSLs carrying out LA tasks.
- 28 The Pilot was evaluated by SPARK Research Limited, with BMRB Qualitative and Weedon Grant. The evaluation aimed to determine the impact of the Pilot. It was qualitative in nature. It involved: interviews with several staff from all Pilot LAs and RSLs and a sample of tenants; monitoring Pilot claim activity; producing a guidance manual; running learning seminars; and evaluating the Pilot's financial impact on a sample of Pilot LAs and RSLs.