

## **A8/2024: Housing Benefit operational information, performance support and engagement for the financial year ending March 2025**

### **Introduction**

Housing Benefit operational information, performance support and engagement for the financial year ending March 2025

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## Action

For information

## Subject

Housing Benefit operational information, performance support and engagement for the financial year ending March 2025

## Guidance Manual

The information in this circular does not affect the content of the Housing Benefit Guidance Manual.

## Queries

You can get [extra copies of this circular/copies of previous circulars](#).

If you want to ask about the technical content of this circular, contact: [housing.policyenquiries@dwp.gov.uk](mailto:housing.policyenquiries@dwp.gov.uk).

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## Introduction

1. This circular outlines the Department for Work and Pensions' (DWP) approach in relation to:

- its use of Housing Benefit (HB) operational performance information
- the support it provides to local authorities (LAs)
- engagement

2. It takes account of on-going reforms, for example Move to Universal Credit (UC) and the reducing HB caseload, the need to maintain levels of HB performance and the requirement to reduce HB fraud and error and keep claims right.

## Inspection and reporting arrangements for the financial year ending March 2025

3. 1. Due to LAs' continuing willingness to work in partnership with DWP and deliver change and improvements to their HB services, DWP has not needed to carry out any HB inspections in England since 2012. However, we reserve the right to do so should circumstances warrant it and report to the Secretary of State on any areas of concern as necessary.

4. Any decision to inspect would be taken separately from those made regarding the provision of free consultancy support. However, it would take account of any DWP involvement with the LA in question, including any liaison regarding improvement plans and the outcome of any consultancy support. For more on the support available to LAs see [paragraphs 15 to 17](#).

5. In Scotland and Wales, decisions on audit/inspection and the production of reports rest with the relevant audit bodies. DWP liaises with these audit bodies, as necessary, and continues to offer and provide free consultancy support to LAs in Scotland and Wales.

## **Areas of importance and DWP interests**

6. Whilst it is for LAs to decide how best to deliver their HB services, DWP's interests arise from:

- a. its funding responsibilities – HB subsidies and grants and, delivery of policy intent, including welfare reforms
- b. the speed of processing of HB new claims and changes of circumstance
- c. the level of HB fraud and error in the benefits system and the amount of claimant debt

7. The level of estimated losses each year due to HB fraud and error continues to be a major concern. DWP is providing additional funding to LAs to take part in two schemes aimed at keeping claims right: HB Award Accuracy (HBAA) Initiative and Verify Earnings and Pensions (VEP) service.

8. The HBAA Initiative includes mandated activities (see circular HB [A5/2024](#)):

- HB Full Case Reviews
- HB Matching Service referrals, including Self-Employed Earnings Reviews
- there is also an expectation that LAs accurately record activity in their LA IT software systems to ensure DWP can use SHBE (Single Housing Benefit Extract) to monitor and evaluate those activities undertaken

9. The VEP service is aimed at reducing levels of fraud and error within the HB caseload by providing LAs with real-time information regarding changes to PAYE (Pay As You Earn) earnings and occupational/private pensions. The latest VEP guidance can be found on Glasscubes.

10. In addition, DWP launched the HBAA Indicator in 2020. The Indicator compares the actual value of weekly reductions processed by each LA to an expected value of weekly reductions. The expected value is based on an estimate of the risk of a claim having a change of circumstance. This provides an indication of how effectively an

LA is managing its HB caseload. The HBAA Indicator quarterly management information (MI) is provided directly to individual LAs through an emailed letter.

11. DWP engagement on both schemes will centre on the volume of activity undertaken in relation to the funding provided, and will also consider outcomes achieved, in other words, HB awards changed from activity completed.

12. It remains the intention of DWP to work collaboratively with LAs in all areas to improve HB performance and will use a range of drivers of engagement as its focus:

- speed of processing data for new claims and changes of circumstances
- action being taken to prevent fraud and error, primarily through LA action to keep claims right, supported by the HBAA Initiative and VEP service - the HBAA Indicator will be used as a proxy measure of how well an LA is managing its caseload
- HB subsidy audit and assurance
- reduction of benefit debt levels and improving debt recovery rates – informed by HB debt statistics
- the relationship between LAs and DWP's Counter Fraud, Compliance and Debt Directorate

13. DWP's Local Authority Partnership Engagement and Delivery (LA-PED) division will use these drivers of engagement to monitor LA performance. LA-PED Performance Relationship Managers will be at the forefront of this engagement and will contact LAs regularly to discuss performance and offer advice and support. In addition, any ongoing concerns over a lack of improvement to performance can be escalated through an LA-PED performance governance board to the Performance Development Team (PDT) Business Consultants.

## **Sources of HB operational information**

14. To decide if there is a need to engage with an LA on HB operational performance and any service delivery issues, DWP will draw on the following sources of information:

- HB related data published by DWP (including HB caseload Speed of Processing statistics, HB Debt Recoveries statistics and the national statistics on the estimated overall monetary value of HB fraud and error)
- subsidy returns and any audit qualifications
- other HB information that may be supplied by LAs to DWP, including information from SHBE, VEP MI, LA returns on data matches and fraud referrals made to DWP

- data that DWP collates monthly on its fraud investigation work in respect of HB referrals
- wider information, such as any relevant reports produced by the audit bodies, correspondence received in DWP and press/media stories

## **DWP support to LAs**

15. Whilst it is for LAs to decide what sources of support they may wish to draw on to deliver any HB service improvements, PDT continues to offer free consultancy support to LAs in England, Scotland and Wales.

16. To find out more about the support available, LAs can contact PDT by email at [lawelfare.pdt@dwp.gov.uk](mailto:lawelfare.pdt@dwp.gov.uk).

17. You can find key aspects of HB performance on [Housing Benefit information, guidance and good practice for local authority staff](#).