

HB Reform Response

- Question 1. Do you agree that a Transition into Work Payment will help to ease the move into work? **In essence we agree with this statement. We do however question the potential for discrimination and providing an incentive for committing fraud in the process as it could mean those already in an established pattern of [low-paid] work and who may for example just miss the baseline for HB assistance, find that workers on similar wages receive substantial assistance via the TIW scheme thereby discriminating those who just fail to qualify, for example, for working tax credits etc.**
- Question 2. What would be the main features of such a scheme to secure maximum impact and minimise risk? **A gradual/phased reduction in the payment over 3 months.**
- Question 3. Should we introduce fixed period Housing Benefit awards for those customers in work? **We maintain that anyone who relies on welfare assistance has and should continue to have an inherent and unequivocal responsibility as part of the welfare assistance 'contract' to fulfil the same obligations and requirements as any other citizen, for example a requirement to report to HMRC changes affecting tax or national insurance as soon as is practicable. We therefore do not agree that fixed periods for Housing benefit are necessarily a good thing.**
- Question 4. What would be the main features of such a scheme to secure maximum impact whilst avoiding any perverse incentives and minimising risk to those whose income falls significantly? **If it was decided to proceed with F-HB periods we would suggest reducing the fixed period from 6 to 2 months. We feel 2 months is both perfectly adequate to adjust to the new income stream and is more likely to decrease people's continued reliance on the state, making people more socially responsible and thus increasing and enhancing their own self-reliance.**
- Question 5. What is the level of rent above which it would not be reasonable for the taxpayer to offer support? **With the exception of inner London, a rent that exceeds £1500 a month for unfurnished accommodation we would consider excessive and open to profiteering by unscrupulous landlords or agents as well as possible increased collusive/fictitious tenancies being created between immediate family members / friends / relatives. In the**

case of London, we agree there has to be a special case. However, we feel that a downturn in people's fortunes should not be expected to be fully met by state support in order to maintain a higher than average lifestyle. A paradoxical example we would use would be where -say- a city stockbroker whose income is such that he can afford to move from a two-up two-down in Reading to renting a similar sized apartment in perhaps Kensington or Victoria. Should this persons income then fall to a level where s/he requires state assistance in the form of HB, then the HB award should not be used to reflect an artificially inflated lifestyle that was previously maintained unaided by the state.

- Question 6. How should we set benefit rates at an appropriate level so that they reflect the housing choices of other working households not eligible for benefit? We suggest there should be a maximum benefit award, based on Council Tax banding for each Local Government / parliamentary constituency area. We further suggest benefit rates should be set depending on House size criteria, therefore, a 3 bedroom, 1-bathroom, 1-kitchen detached house in the stockbroker belt of Surrey, would command an identical benefit subsidy to an comparable property in the east end of Glasgow, Strathclyde.
- Question 7. How could we set benefit rates to reflect different market conditions in different areas? We suggest that when state aid is being called upon for assistance, the market or locality should play no role in determining HB awards or levels. By introducing market economics to one aspect of welfare benefits is completely discriminatory when compared with other benefits such as the level of Income Support paid. Variations in thresholds are exploited by fraudsters.
- Question 8. Would excluding the most expensive rents when setting Local Housing Allowance rates result in fairer levels of benefit? We would support this proposal as it has the potential to reduce fraud between landlords / tenants. We caution however that it also has the potential to discriminate between expensive and cheaper rents.

- Question 9. How should we set appropriate Housing Benefit areas? We recommend these should be set on a Parliamentary Boundary basis while simultaneously recognising contingent factors such as relative deprivation within such boundaries and building appropriate weightings into the equation.
- Question 10. Should the Local Housing Allowance size criteria be adjusted? There should be a universal LHA agreed, decided and applied. This could potentially reduce the incidences of fraud in cases of landlord / tenant collusion.
- Question 11. Should Housing Benefit be extended to provide for an extra bedroom where there is an established need for a room for a non-resident carer? We consider this a rhetorical question as, if a need has been established, yet the carer is non-resident, the question appears dichotomous. The system would also be open to potential abuse by people making higher claims / renting larger accommodation than the true reality of their needs.
- Question 12. Is there a case for providing for an extra bedroom in the size criteria to help parents who need to care for non-resident children if there is evidence that working households can do so? As in 11 above. Additionally, the needs of people who require care already appear to be accommodated in the enhanced payments associated with Disability benefits i.e. the carers element of DLA.
- Question 13. Should Housing Benefit entitlement be conditional on property meeting certain standards? Yes, at all times.
- Question 14. Should a direct payment to the landlord be linked to the property meeting a certain quality or energy standard? Yes, at all times.
- Question 15. We would welcome views on how Housing Benefit can contribute to the delivery of improvements in the standard of private sector housing for tenants. From the point of view of the counter-fraud practitioner enormous waste and abuse of the HB system contributes to hardship for those who genuinely need and deserve financial support. HB as currently delivered still leaves too much opportunity for dishonesty to divert those funds from the needy to the greedy. By securing those funds from abuse more help can be given to those who need and deserve it.