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Rating Policy Division

Internal Review
of the Rate Rebate Scheme



Contents

Foreword	3
1. EXECUTIVE SUMMARY	4
2. INTRODUCTION TO THE INTERNAL REVIEW	8
3. DOMESTIC RATES BACKGROUND	13
4. FINDINGS AND CONCLUSIONS	17
A. Uptake.....	17
Work already undertaken to improve uptake	21
B. The Annual Review Policy	23
C. Link to UC.....	26
D. Paying the Landlord Instead of the Tenant/Claimant.....	27
E. Fraud and Error	28
5. SUMMARY AND NEXT STEPS	30
SUMMARY	30
Policy Objectives	30
i. Relevance.....	30
ii. Efficiency.....	31
iii. Effectiveness.....	32
iv. Impact.....	34
v. Sustainability	35
NEXT STEPS	35
A. Uptake.....	36
B. The Annual Review Policy	36
C. Link to UC.....	37
D. Paying the Landlord Instead of the Tenant/Claimant.....	37
E. Fraud and Error	37
ANNEX A	38
Terms of Reference for the Internal Review	38
ANNEX B	44
Housing Benefit Rates Expenditure	44

Foreword

The Department recognises that a significant period of time has elapsed since the initiation of the review in late 2019 and the publication of this outcome report in October 2022.

The independent review and internal review of the Rate Rebate Scheme both considered the first 2 years of the operation of the Scheme when it was a relatively new policy, having been introduced late in 2017, when Universal Credit was not fully implemented.

Whilst a true indication of how the Scheme was achieving its objectives could not be fully realised until the managed migration¹ of all claimants to Universal Credit was complete, the Department did not wish to further delay the review.

The timetable for managed migration to UC was unknown at the time of the review. However, in April 2022² the Department for Work and Pensions indicated that managed migration would complete by the end of 2024, although this timetable is not guaranteed.

It should be recognised that this report evidences a specific period of time when the review was conducted and that the Scheme has naturally progressed and improved since that time. As the development of this report proceeded, improvements continued to be made to the Scheme and further opportunities continue to be identified for future improvements to the operation and administration of the Scheme.

Notwithstanding the continued implementation of and improvements to the Scheme, there are a number of policy areas, detailed in this report, that remain to be considered as the managed migration of claimants to UC, and to the Scheme (if eligible) begins.

¹ Managed Migration -Remaining legacy claimants will be migrated (moved) to UC

² [Managed move of claimants to Universal Credit set to restart - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/managed-move-of-claimants-to-universal-credit-set-to-restart)

1. EXECUTIVE SUMMARY

- 1.1 As a result of Welfare Reform and the introduction of Universal Credit (UC) the then Department of Finance and Personnel (DFP) was required to design, legislate and establish administrative arrangements for a new Rate Rebate Scheme for owner occupiers and tenants.
- 1.2 Following Executive agreement obtained on 25th February 2016 the Rate Rebate Scheme (the Scheme) came into operation on 27th September 2017, in line with the phased introduction of UC. It is gradually replacing Housing Benefit (HB) as the main help for rates for those of working age.
- 1.3 Domestic rates is broadly equivalent to Council Tax in Britain and the Scheme, like Council Tax Reduction Schemes in Britain, aims to help those who struggle to pay these bills.
- 1.4 To qualify for the Scheme claimants must be entitled to UC. Their income is then compared to the UC Maximum Amount (the amount determined by Government that the family unit needs to live on). Anyone whose income does not exceed the UC Maximum Amount will qualify for full Rate Rebate, others will have a taper applied to establish partial or no entitlement depending on the amount of income above the UC Maximum Amount.
- 1.5 As with any new policy the Department ensured that the Scheme was monitored and in the absence of a functioning Assembly and subsequent lack of Assembly scrutiny, an independent review of the Scheme was commissioned in January 2019 to provide the Department with an independent opinion on whether the Scheme was delivering the policy objectives, and before the internal review of the scheme would commence. The independent review was published in June 2019 by New Policy Institute Associates (NPI) following which the Department established a working group to engage with stakeholders and commenced a formal internal review of the Scheme. The findings and recommendations of the NPI report³ were considered in the scope of the internal review.

³ [Independent review of the Rate Rebate Scheme | Department of Finance \(finance-ni.gov.uk\)](#)

- 1.6 The aim of the internal review was to identify opportunities to improve the Scheme and to set out a plan on how best to develop and deliver any identified improvements whilst taking account of the aims of the Scheme.

The aims of the Rate Rebate Scheme:

- Target those least able to pay rates in harmony with Welfare Reform, making work pay;
 - simplify the rules; and
 - provide value for money.
- 1.7 The internal review established that common themes arose from the NPI recommendations and stakeholder feedback as well as from the internal mechanisms to monitor the Scheme.
- 1.8 While the Department is satisfied that the Scheme is targeting those most in need, and is operating in harmony with Welfare Reform because of its links to UC, it acknowledges that a shorter period between reviews would reflect claimant needs better as it would make real time adjustments should a claimant's income fluctuate. NPI recognised, and the Department agrees, that this must be weighed against the costs of administering frequent reviews, the impact on claimants who may need to arrange to pay any shortfall in rates (as their Rate Rebate award varies each month) and the impact on landlords who deal with an annual bill.

1.9 **Uptake**

Both NPI and the Department recognised that the forecasts used to determine uptake were unreliable as it is difficult to know how many people claiming UC are liable for rates. Because rates are often charged alongside rent, some tenants are unaware that they pay rates and some of those who do, do not realise that they must claim help with rates outside of UC. The Department has made strenuous efforts to advise people of the Scheme, and work continues to identify any opportunities to raise awareness.

- 1.10 It is recognised that there are significant differences in uptake in each of the housing sectors. In particular Social Housing tenants have a much higher

uptake than Private Rented Sector tenants due mainly to the efforts of Social Landlords; the NIHE and Housing Associations.

1.11 **Annual review**

When the Scheme was designed it was initially envisaged that the Rate Rebate award would be able to change monthly in line with each new UC award, but the availability of relevant data and IT capabilities to achieve a monthly review are currently preventing this from happening. The Department had therefore taken the decision to base the Rate Rebate award on the UC data that applied to the first UC award with a review occurring only annually. This means that any change in circumstances that occurs between annual reviews has no effect on the award; the new award at the annual review is based on the circumstances at that time and so on. There are arguments for an annual award of Rate Rebate, including that the person liable for the rates will know how much of the annual rates bill will be met by the Rate Rebate award and they can budget accordingly. However UC awards can fluctuate on a monthly basis and so a better reflection of a claimant's circumstances may be gained through more frequent reassessments.

Issues identified for improvements

- 1.12 The table at 1.13 on the following page is a summary of the issues identified for future potential improvements to the scheme and the suggested approach. It should be noted that any change to policy may require amendments to subordinate legislation and / or will have a cost implication to systems and resources. Therefore, it is impossible to predict a likely timescale for improvements, or whether they will be viable or cost effective.

1.13 Table of improvements

Issues identified for improvement		Approach	
Uptake	i.	Claimants who cannot prove tenancy arrangements due to non-compliance by landlords will continue to lose RR. However, evidence indicates that agents are more likely to cooperate with information supply allowing entitlement to RR.	Consider introducing legislation that allows landlords' agents to act for the landlord.
	ii.	Claimants are not always aware they can claim again if previously disallowed (if their circumstances change)	Continue to review notifications to claimants who have been disallowed to raise awareness of claiming again if their circumstances change.
	iii.	RR awards can only be backdated by 3 months before a claim is made. Often claimants will not claim RR until they get a bill. If a property is not valued claimants lose out on entitlement.	Consider linking the time allowed to claim to the valuation date.
Annual review policy.	iv.	The Rate Rebate Scheme uses Universal Credit data to calculate entitlement but because of issues with data flow between IT systems the Rate Rebate award is based on the first Universal Credit award and only reviewed annually. Should a claimant's income change in-year the Rate Rebate award stays the same, and does not reflect changes to a claimant's income.	Continue to review and monitor the annual review policy to identify opportunities for more frequent review points, ideally monthly, in line with UC changes.
Paying the Landlord Instead of Tenant or Claimant	v.	LPS has been asked to pay the claimant directly instead of crediting a landlord's rate account to prevent any issues with the landlord not passing on rate rebate award to the tenant.	<p>Whilst this is a matter between the claimant and their landlord, LPS will consider how and if it can assist.</p> <p>Continue to review, monitor and identify any barriers for landlords passing on the rate rebate to their tenants.</p>

2. INTRODUCTION TO THE INTERNAL REVIEW

2.1 The Rate Rebate Scheme is a Department of Finance Scheme introduced on 27th September 2017 in alignment with the phased introduction of UC and the gradual abolition of Housing Benefit in Northern Ireland. Due to the impact of these Welfare Reform changes, the Scheme was introduced to provide support for UC claimants on low incomes who could struggle to pay their domestic rate bill. As a relatively new policy the Department carried out an internal review of the Scheme to measure how it is achieving its objectives. Until UC is fully introduced (estimated to complete by 2024) with the managed migration of legacy benefit claimants to UC, a true indication of how the Scheme is achieving its objectives cannot be fully realised; however, the Department considered there would be value in examining the policy after its first few years of implementation and did not wish to delay the internal review until the policy had been fully introduced.

Terms of Reference/Objective of the Review

2.2 A copy of the terms of reference can be found at ANNEX A. The aim of this internal review was to provide an objective assessment of the Scheme as it continued to evolve. Lessons learned will feed into the future decision making on the operation of the Scheme.

2.3 The internal review aimed to help those responsible for the Scheme, both administratively and from a policy perspective, to identify and set out a plan to develop improvements so as to enhance the long-term performance of the Scheme and to assist with decision making.

2.4 The internal review was limited to a review of the current policy and operational delivery of the Scheme at that time. The internal review considered:

- (i) Relevance
- (ii) Efficiency
- (iii) Effectiveness
- (iv) Impact
- (v) Sustainability

Approach and method to evidence gathering

2.5 In order to determine how well the Scheme was achieving its objectives the Department:

- (1) Commissioned an Independent Review of the Scheme by the New Policy Institute;
- (2) Engaged with Stakeholders; and
- (3) Used its own internal monitoring of the Scheme including customer complaints and liaison with colleagues in Britain.

Independent Review by New Policy Institute (NPI)

2.6 NPI is a UK research institute which produces evidence-based research on a range of social and economic issues. Its main research areas are poverty, Social Security, housing and economics. This includes significant involvement in Council Tax and Council Tax Reduction Schemes.

2.7 NPI's remit was to compare the Scheme to Council Tax Reduction Schemes in Britain and assess how well the Scheme was achieving its objectives. During the course of its research it engaged with relevant stakeholders who had an interest in the Scheme such as the housing and advice sectors. NPI recognised that the challenges around Rates and Rate Rebate were greater than, and distinct from, its closest comparator - Council Tax and the Council Tax Reduction Schemes. The following table provides a summary of the 9 recommendations made by NPI in their report⁴

⁴ [Independent review of the Rate Rebate Scheme | Department of Finance \(finance-ni.gov.uk\)](#)

No.	NPI Summary of Recommendations
1	Prioritise raising the Scheme's take-up rate.
2	Design actions to raise take-up for each housing tenure separately.
3	Strengthen efforts to engage with stakeholders, especially potential partner organisations specific to each housing tenure.
4	Monitor take-up using reliable statistics on a housing sector-specific basis
5	Consider an externally led review of the public documentation about the Scheme and the detailed language used.
6	Seek agreement with the Department for Communities about what the costs of a more frequent reassessment would be.
7	Confront the challenges arising from the monthly flow of UC data to the Scheme before making major changes to its design.
8	In revising the Scheme's design, set the goal as being to minimise the number of people receiving less support than they are entitled to.
9	Keep the interests of those for whom the link to UC creates difficulties under review.

Engagement with Stakeholders

2.8 The Department targeted stakeholders who had contributed to the consultations which informed the policy that became the Rate Rebate Scheme. These included representatives from the advice sector, and housing sectors (both social and private rented sector).

2.9 A series of meetings were held and the main issues raised were centered around:

- (1) Uptake (including co-operation from landlords).
- (2) The annual review policy.
- (3) Paying the landlord instead of the tenant/claimant.
- (4) Comparison of Rate Rebate and HB spend (this will be covered along with the uptake section later in the document).

There were other issues raised by stakeholders about domestic rates that were not directly linked to the Scheme. As these issues were not directly related to

Rate Rebate, they are not covered in this report however the Department will consider the following issues separately:

- (5) Social sector standardisation⁵.
- (6) Separate rebates for those with severe mental impairment.

Internal Monitoring of the Scheme

2.10 As a new Scheme the Department has monitored and reacted to matters arising since its introduction in September 2017. This, in conjunction with feedback received from the public and representatives via complaints and queries received in relation to the Scheme, led the Department to consider potential amendments to the Scheme. As with any adjustments the associated costs need to be carefully considered via appropriate cost-benefit exercises.

2.11 The matters highlighted through internal monitoring of the Scheme were similar to those raised by both NPI and stakeholders but with an additional consideration regarding fraud and error.

Summary of themes

2.12 To recap, the subjects and themes raised by NPI and stakeholders were similar to those the Department had recognised through internal monitoring as being areas of concern. These were:

- A. uptake (including co-operation from landlords);
- B. the annual review policy;
- C. the link to UC for claimants wanting to remain on legacy benefits;
- D. paying the landlord instead of the tenant/claimant; and
- E. fraud and error.

⁵ The capital value of social sector properties are adjusted so that the rates are charged as a percentage of the rent payable.

Layout of this report

- 2.13 The findings and conclusions of this report are contained in **Section 4** and are arranged against the 5 themes as listed above.
- 2.14 **Section 5** of this report considers and summarises the findings and conclusions of the internal review against the agreed terms of reference.

3. DOMESTIC RATES BACKGROUND

3.1 Domestic rates is a form of property tax payable by those who occupy a property as their home whether as an owner or tenant. Rates is an unhypothecated tax with a rates bill calculated using two parts: the capital value (CV) of the property and the multiplier (the rate poundage).

3.2 The CV of the property is assessed at a set point in time (1 January 2005).

The rate poundage is set annually and is made up of two parts which are added together to give a total poundage, and varies dependent on the location of the property (District Council area):

- The regional rate is set by the Executive and used to fund regional services e.g. the health service. The same poundage is set for all properties.
- The district rate is set by each District Council and used by them to fund local services e.g. bin collections. Poundages vary by District Council.

The CV of social sector properties are adjusted so that the rates are charged as a percentage of the rent payable and this is known as Social Sector Standardisation.

Comparison to GB (Council Tax)

3.3 In Britain, Council Tax is the broad equivalent of domestic rates. It is also based on the CV of the property but each property falls into a value band and charged a set rate determined by each local authority, depending on the band.

Rate Rebate and Council Tax Benefit

3.4 Before the introduction of the Rate Rebate Scheme, the main help with rates in Northern Ireland was provided as part of Housing Benefit alongside help with rent. In Britain, Housing Benefit only covered rent and help with Council Tax was provided through a separate Council Tax Benefit Scheme.

- 3.5 As part of Welfare Reform 2012, Council Tax Benefit and Housing Benefit Rate Rebate were to be removed from the Social Security System. Funding changed from Annually Managed Expenditure (AME) i.e. demand led funding direct from HM Treasury, to Departmental Expenditure Limits (DEL), which in Northern Ireland is covered by the block grant. Additionally funding was cut by 10%.
- 3.6 On 1 April 2013 Council Tax Benefit was abolished in Britain and later that month UC started to roll out. Housing Benefit (HB) began gradually being subsumed into UC and new Council Tax Reduction Schemes were established to replace Council Tax Benefit. Each Local Authority in England, Scotland and Wales is now responsible for its own Scheme.
- 3.7 While Council Tax Benefit ceased to exist from 1 April 2013, the NI Executive agreed to maintain Housing Benefit for rates as long as Housing Benefit for rent continued. Therefore, like other legacy benefits Housing Benefit continues for those already on it but no new claims can be made (with a few exceptions). Significant changes of circumstances will result in claimants moving from legacy benefits to UC. As Housing Benefit is not compatible with UC, the new Rate Rebate Scheme had to be designed to ensure access to rates support for those moving to UC.

Development of Rate Rebate Scheme

- 3.8 When the Scheme was designed, the objective of the Scheme was to:
- Target those least able to pay rates in harmony with Welfare Reform: making work pay;
 - simplify the rules; and
 - provide value for money.
- 3.9 The then Department of Finance and Personnel (DFP) undertook two consultations during 2013 to consider modifications to the Rate Rebate rules that operated under Housing Benefit so that UC claimants would not be disadvantaged as a result of the introduction of UC in Northern Ireland and the consequential phasing out of Housing Benefit. Following the delay in the introduction of UC a third consultation, which was informed by the two earlier

consultations, was undertaken in November 2014 to seek views on proposed options for a long term Rate Rebate Scheme.

- 3.10 Several options were considered, details of which are included in the Consultation Documents.⁶
- 3.11 Following careful consideration of the responses to the consultations the policy position for the long term Rate Rebate Scheme was finalised. Executive agreement to consequential adjustments to rate support arrangements for low income households of working age was obtained on 25th February 2016. This agreement allowed the Department to bring forward the necessary legislation to provide for the new Rate Rebate Scheme to be introduced at the same time as the introduction of UC here.
- 3.12 The Scheme is legislated for in the Rate Relief Regulations (NI) 2017 as amended.

The Main Rules of the Scheme

- 3.13 The Scheme is designed around UC. This means claimants do not need to supply the same levels of information normally associated with a means test. To qualify for Rate Rebate there must be entitlement to UC. However, not all UC claimants will qualify for Rate Rebate; this is because not all UC claimants have a rates liability and there will be some UC claimants whose income will be too high to qualify for Rate Rebate.

The basic rules are:

- the claimant must be liable for rates in a property occupied as the home;
- the claimant must be entitled to UC;
- the claimant must NOT be entitled to HB for the relevant property;
- compare income to an income threshold (UC maximum amount);
- the UC award (excluding certain adjustments e.g. sanctions) is taken into account as income;
- the earnings disregard is half of UC work allowance figure;

⁶ <https://www.finance-ni.gov.uk/consultations/rate-rebate-replacement-scheme>

- a 15% taper applied to excess income (using UC data with Rate Rebate adjustments); and
- awards are reviewed annually except where changes to the amount of rates payable occur or UC ceases.

3.14 Since the Scheme was introduced an amendment was made to allow one-off payments for Payment in Lieu of Notice (PILON) and holiday pay to be disregarded from earnings in the Rate Rebate entitlement calculation.

4. FINDINGS AND CONCLUSIONS

4.1. This section summarises the evidence collected, collated and analysed during the period of the internal review and is laid out to follow the **5 key themes** of:

- A. Uptake (including co-operation from landlords)
- B. The annual review policy.
- C. The link to UC for claimants wanting to remain on legacy benefits.
- D. Paying the landlord instead of the tenant/claimant.
- E. Fraud and error.

It also highlights actions already taken by the Department to improve how the scheme operates for claimants and areas where the Department does not feel change is appropriate.

A. Uptake

Statistics and Forecasting

4.2 At the outset the Department engaged with the Department for Communities and using the UC forecast caseload with the Family Resources Survey sought to predict the Rate Rebate caseload.

4.3 It transpired however that the UC caseload was significantly less than predicted, and so the forecast for the Rate Rebate caseload was also going to be proportionately affected. It should be borne in mind that the managed migration of claimants on legacy benefits had not yet begun (and not anticipated to be complete until end of 2024).

4.4 NPI in its report remarked that reliable statistics broken down by housing sector are required to be able to compare uptake against those who would qualify for Rate Rebate if claimed. The Department has been in discussion with Department for Communities colleagues to find the best way to predict what uptake should be, but it has proved extremely difficult to determine how many people who qualify for UC are liable to pay rates and how many of these would

qualify for Rate Rebate. The Department continues to seek ways to achieve this.

- 4.5 For indicative purposes the tables at ANNEX B detail the amount spent on Housing Benefit and Rate Rebate since 2014. The data has been used to inform the following paragraphs on each of the sectors represented, although it should be stressed this is **indicative only** as there are multiple factors and complexities that impact on claims for Housing Benefit and Rate Rebate respectively.

Sectoral Differences

- 4.6 The figures were in keeping with anecdotal evidence which suggested that uptake in the social sector and owner occupier sector was higher than the private rented sector and there are several indications as to why this is so. Social sector landlords, i.e. NIHE and Housing Associations, are proactive in “hand-holding” claimants through the procedure. More owner occupiers than tenants are aware that they pay rates as they will receive a bill directly. In the private rented sector it is often the landlord who receives the rates bill as they are responsible for paying the rates to LPS and some tenants are not aware that they are liable for rates.

Landlords

- 4.7 In order for a Rate Rebate claim for a tenant to proceed, LPS will require confirmation of occupation of the property in order to prevent fraud. Consequently landlords are required to register online to complete a certificate of occupation form which, for the purposes of Housing Benefit is a hardcopy form. Social sector landlords comply with this requirement, but many landlords in the private rental sector are reluctant to engage. Stakeholder engagement suggests that these landlords feel that there is no incentive for them to comply and this would suggest that there is an education and training need. Landlords currently receive a 10% discount if they pay the rates for their property in full by a certain date even where Rate Rebate is payable. Any payment of Rate Rebate goes directly to the landlord’s rate account therefore they do not have to collect this amount from their tenant.

- 4.8 The fact that some landlords are not engaging means that even those private sector tenants who are making a claim for Rate Rebate are not qualifying due to the lack of evidence of bone fide occupancy. This distorts the uptake figure as this figure is based on successful claims but more importantly citizens are losing out on help that they should be getting due to a lack of evidence or cooperation from landlords.
- 4.9 Many landlords employ agents to handle their properties. However, due to data protection issues it is problematic for the agents to take full control of the Rate Rebate requirements. If these barriers could be overcome it is likely that there would be more engagement and the Department should consider whether it could introduce legislation to permit this while ensuring compliance with data protection issues. The Department does continue to engage with partner organisations such as Social Housing providers, including NIHE, for social sector rented claimants and the Landlords Association for Northern Ireland (LANI) for private rented sector claimants. The Department is also aware that some private landlords, especially landlords with only one property, may not sign up to become a member of LANI, which requires a fee from members. However, the Rate Rebate information available on the LANI website is the same information that is freely accessible elsewhere on the internet including via NI Direct.

Claimant Awareness

- 4.10 Both NPI and stakeholders remarked that some tenants are not aware that they are liable to pay rates and even if they are, they do not realise they have to claim help outside of UC, as is the case with some owner occupiers.
- 4.11 LPS has strived to improve uptake of the Scheme by targeting potentially eligible claimants and has a dedicated team to promote the Scheme along with other reliefs and rebates. LPS has continued to ensure that UC claimants are advised and reminded via their UC account about the need to claim rate rebate separately.
- 4.12 Stakeholders indicated that some claimants thought that if they were disallowed Rate Rebate they could not claim again for a full year, which is directly linked

to the annual review issue (para 4.27 of this report). The Department reviewed its Rate Rebate notifications that are issued when a claim is disallowed to ensure claimants are aware when they can reclaim, and continues to review and improve the Scheme notifications.

- 4.13 Some stakeholders suggested that a rebranding of the Scheme would assist with uptake; however, there is a danger that this could cause even more confusion. Help with rates for those on low incomes is also provided via Housing Benefit and Low Income Rate Relief which tops up the NI Housing Benefit scheme, and the Department is aware that this causes confusion. These “benefits” will eventually be replaced entirely by Rate Rebate, at least for those of working age, and this should reduce any confusion that exists. However, it is recognised that as many people as possible who would be entitled to help from the current Scheme should receive that help now. Stakeholders suggested a “Make a Claim” campaign, more use of NI Direct, social media, an “app” or using the Housing Rights landlord helpline would help raise awareness. The Department welcomed these suggestions and has reviewed and enhanced the messaging on NI Direct, engaged with Housing Rights and already engages with DfC’s Make the Call Team⁷ to ensure that the Rate Rebate information they provide remains up to date. The Department already uses social media to inform potential claimants to Rate Rebate and it is continually looking at ways to improve this approach.

Prisoners

- 4.14 There are some prisoners who can get help with housing costs including Rate Rebate. However some stakeholders indicated that it was difficult for prisoners to make claims due to the online application process so to counteract this LPS has been accepting telephone claims from prisoners.

New Builds

- 4.15 Those who move into new properties often have to wait for a ratable valuation of the property and, as they do not know how much their rates bill will be, they

⁷ Make the Call’ is a branch within the Department for Communities which provides help and advice for individuals and families in NI to claim benefits, and to make use of services and other supports that are available which they may be entitled to

delay claiming. Delays in completing valuations have been caused by address issues (allocation of postcodes for example) and there have been practical issues with onsite visits arising from the pandemic. However, LPS does accept the claims in these circumstances and holds them pending valuation.

- 4.16 An issue can also arise when a claim is accepted, where tenants who are waiting for their Rate Rebate claim to be assessed pending valuation, can fall into debt. This is because landlords, especially social sector landlords, whose rates are calculated using social sector standardisation rules i.e. based on the rental charge, charge their tenant the rates before the capital value is known. There has been ongoing engagement with valuation colleagues in LPS to highlight the issue and that has resulted in some improvements in this area

[Work already undertaken to improve uptake](#)

- 4.17 As stated in this report the scheme has been under review from when it was introduced and any opportunities for improvements identified that could be realised, have been delivered as the internal review progressed. The following paragraphs reflect some of those improvements.
- 4.18 The Department has engaged with UC delivery partners throughout Northern Ireland to ensure that new and existing UC customers are made aware of the Rate Rebate Scheme. The online UC application specifically mentions how UC claimants can get help to pay rates directing them to make a claim online. The Department has also delivered awareness sessions to approximately 1,000 Department for Communities (DfC) staff members in Jobs & Benefits offices to increase knowledge regarding the Rate Rebate Scheme and to promote it as a financial support available to UC customers.
- 4.19 The Department has engaged with DfC's Make the Call Team to promote the Rate Rebate Scheme as a means of financial support available to UC claimants responsible for the payment of rates.
- 4.20 Due to social distancing restrictions brought in since March 2020 the Department's face-to-face engagement was curtailed but virtual engagement activities using online platforms have been utilised.

4.21 The Department, since 2020 has implemented a process where all new UC claimants who indicate that they may require support to pay their rates in their UC online application will receive an email from the Department advising them how to claim Rate Rebate.

4.22 The data collected by the Department regarding uptake showed that take-up was higher after UC claimants received a prompt to claim via a direct email from the Department. The table below illustrates the numbers of contacts made and subsequent claims made following receipt of such an email for the year 2021/22.

RATING YEAR 2021/22	EMAILS ISSUED	EMAILS CONFIRMED RECEIPT	CLAIMS MADE FOLLOWING RECEIPT OF EMAIL	% CLAIMS MADE FOLLOWING RECEIPT OF EMAIL
Q1 (Apr -Jun)	6963	4305	1574	36.6%
Q2 (Jul - Sep)	6119	3973	1263	31.8%

4.23 The Department is engaging with DfC and the Department for Work & Pensions (DWP) to explore whether enhanced data may be shared between UC and the Department with regard to the housing sector of each claimant in order to better tailor the email and better inform the customer, specifically in respect of their housing tenure, before they make their claim for Rate Rebate. One suggestion is to include a leaflet for landlords which may be shared by the tenant to help ‘myth-bust’ any preconceptions regarding the Rate Rebate online Landlord portal.

4.24 The Department is exploring whether UC information relating to any customer’s Digital Assistance requirements may be shared to look at different means of helping a customer who is unable to access online services to make their claim for Rate Rebate.

4.25 In 2021 the Department engaged the services of data experts to look at information on UC claimants and Rate Rebate claimants to help identify if there were any geographical or sectoral variations in take-up of Rate Rebate. This

work continues and once completed, should help inform strategies and targeted activities to promote Rate Rebate for each specific housing sector. This information will be used to inform partner organisation engagement, including at a local level, throughout NI. It is anticipated that grass roots engagement in the sector (or sectors) appropriate to any specific location will bring about greater relevant knowledge of the Rate Rebate Scheme, hopefully, leading to greater Scheme take-up.

- 4.26 In relation to new builds the Department accepts claims and holds them pending valuation and considers the merits of linking the time allowed to claim to the date of valuation where the property has not been valued at the time a claim should be made.

B. The Annual Review Policy

- 4.27 When the Scheme was designed it was envisaged that the Rate Rebate award would change monthly in line with each new UC award, but it subsequently transpired that the data would not be available to achieve this. The Department recognised that to perform a separate means test, i.e. without being able to lift and use the data from UC, would mean spending significant money on administering a Scheme when it would be better spent on actual rebates helping people. The Department therefore decided to base the Rate Rebate award on the UC data that applied to the first UC award. This means that any change in circumstances that occurs between annual reviews has no effect on the award; the new award at the annual review is based on the circumstances at that time and so on
- 4.28 Stakeholders voiced objections to this policy and the Department recognises that while some claimants do benefit from this policy, others do not. The NPI report at paragraph 6.18 (Recommendation 8) refers to “people receiving less support than they are entitled to” adding “In principle, more frequent reassessment means that those whose entitlement has changed have less long to wait for their proper level of support”. It is important to be clear that these claimants are receiving the “proper” level of support under the provisions of the Scheme as it is legislated for at present; it appears that what NPI are referring

to is the level they would receive if more frequent reassessments were carried out as a matter of course. The Department accepts that while, as stated, in principle more frequent reassessments mean that claimants whose circumstances have changed would “have less long to wait” for reassessment, circumstances and UC awards fluctuate significantly so the only true reflection of a claimant’s circumstances would be to reassess monthly in line with UC. With less frequent reassessments e.g. every 3 or 6 months, claimants could happen to have higher income at the 3 or 6 month assessments compared to other months, so there would still be an unknown element as to how earnings fall in the relevant months.

- 4.29 There are some advantages to annual assessments in addition to costs. For example, rates is an annual bill so claimants know what their bill with the Rate Rebate reduction is and this will generally not change. A monthly recalculation for claimants with fluctuating earnings would mean the amount the claimant has to pay in rates will vary from month to month with a new bill having to be issued monthly, which could also prove administratively difficult.
- 4.30 NPI in their report recognised that more frequent assessments would create an administrative burden on social landlords in particular as well as LPS and that policy choices will involve trade-offs, in broad terms it agreed that fairness and costs both in administering the Scheme and managing its consequences have to be weighed up. Some local authorities in Britain are trying to filter the vast amount of data received in relation to UC awards to partially automate their processes. The Scheme policy here was initially based on the assumption that automation would be possible but had to be adapted as it transpired that this would not be possible. Testing an interface to gauge whether it would be possible to automate the Scheme and to consider if the information needed to reassess awards on a monthly basis could be extracted is ongoing. As there are likely to be significant costs in adapting IT systems, considerable work will be required to determine the feasibility of any changes, however the Department is committed to exploring ways to increase the frequency of reviews.

- 4.31 The delay with the full introduction of UC often means that people are obliged to naturally migrate to UC from legacy benefits, for example when their employment terminates. Sometimes these claimants would receive additional payments in their final pay for payment in lieu of notice (PILON) and holiday pay thus, notwithstanding “normal” fluctuations, increasing the amount of their earned income. It can sometimes be the case that despite these additional payments, claimants will qualify for UC. If UC was fully introduced, i.e. if no legacy benefits existed, then these claimants would most likely already have been claiming UC and Rate Rebate, therefore the increase would not affect the Rate Rebate award as the award would already be in place and only changed at the annual review date.
- 4.32 As the full migration of UC is further delayed and in light of the increased redundancies caused by the pandemic the Department introduced new legislation which disregards both PILON and holiday pay from the income taken into account when calculating the Rate Rebate award. As these earnings are taken account of in the UC calculation, LPS does not have access to the breakdown of the earnings therefore the onus is on the claimant to provide evidence of this. This new rule was effectively introduced for new Rate Rebate claims that started from the date of the first lockdown on 28th March 2020.
- 4.33 To summarise, the Department is using a new interface with UC data for day-to-day use and these interactions between UC and the RSS⁹ will continue to be monitored and assessed to determine the feasibility of adapting it for the purpose of more frequent assessment. Any changes to the Scheme and interface will require additional investment and potentially additional funding if annual delivery costs increase as a result. The Department accepts that a monthly review is popular but will also consider whether 3 or 6 monthly reviews could be appropriate and effective, depending on the quality of the data received and the abilities of the IT available. This process will take account of financial, practical and political opinion and will require a public consultation.

⁹ RSS is the Rate Support System which is the IT System used by LPS to administer the Rate Rebate Scheme

C. [Link to UC](#)

- 4.34 As the Scheme is linked closely to the UC claim some stakeholders questioned whether the UC claim could also be treated as a claim for Rate Rebate. The Department pointed out that this was something that was considered when the Scheme was being designed, however because of the continuation of Housing Benefit and its IT link with the UC system it was not possible to get the data sent automatically for the new Scheme. It is something that can be explored once the full migration of UC has occurred. However, as not all UC claimants are liable to pay rates it could create significant and unnecessary work for LPS. The Department may consider revisiting this when full migration to UC from legacy benefits is complete and settled.
- 4.35 Stakeholders also felt that as much of the data to establish entitlement to the Scheme was lifted from UC, that it would be better for UC to administer the Scheme within UC or at least alongside it. Both of these proposals were considered at development stage. As the UC system is in fact the Department for Work and Pensions system it is not possible to have help for rates incorporated. As UC is a relatively new benefit and legacy benefits have not yet fully migrated to it, DfC is not in a position to administer Rate Rebate alongside it. Once UC is fully implemented and settled these things can be revisited however no progress can be made at this time.
- 4.36 This issue of the link to UC also relates to claimants on legacy benefits having to claim UC if they want to get help with their rates and are not receiving Housing Benefit. While this issue was not raised during the stakeholder engagement meetings it was raised by one of the stakeholders during the implementation of the Scheme and again with NPI during their discussions.
- 4.37 Social security legislation provides that while those on legacy benefits can remain on them pending migration to UC, no new claims can be made for legacy benefits including Housing Benefit, with a few specific exceptions. The Rate Rebate Scheme is only available to those entitled to UC therefore cannot be claimed by those on legacy benefits who have not migrated to UC. The

stakeholder suggested that this was a gap in the policy for owner occupiers as they could not claim help for their rates without migrating to UC.

4.38 The Department does not agree that this is a gap. While it is the case that those owner occupiers wishing to claim help with their rates would have to move from legacy benefits to UC this is the case for any legacy benefit claimant who wishes to get help with any housing costs. For example, if a Jobseeker's Allowance legacy benefit claimant who wasn't claiming housing benefit wanted to get help with their rent, they would have to claim UC as help with rent is provided as part of UC. They would also then claim Rate Rebate for help with their rates. This means that everyone is treated the same. Unlike in Britain, Northern Ireland maintained the old system of help with rates, i.e. Housing Benefit, pending migration to UC. All of these claimants therefore have the option of remaining on legacy benefits or migrating to UC until a change of circumstances occurs that necessitates migration.

4.39 In its report NPI noted that it must be acknowledged that there are people for whom applying for UC either adds complexity (and conditionality) or requires a better-off calculation because UC may provide less support than legacy benefits. The Department accepts this and while it did not expect UC to take as long as it has to be fully implemented, UC **is** the new method of Social Security. Many claimants are required to migrate to UC when changes occur including the need to claim housing costs and the Department remains satisfied that this policy is appropriate. Rate Rebate is a form of tax relief and no longer a social security benefit; it treats owner occupiers and tenants the same and targets those the Social Security systems recognises as requiring help. The Department therefore does not intend to take any action regarding this at this time.

D. [Paying the Landlord Instead of the Tenant/Claimant](#)

4.40 Some stakeholders identified issues surrounding the way rate rebate is paid in that Rate Rebate is credited to the rate account of the **person liable to pay the rates to LPS** which is often the landlord rather than the claimant/tenant.

4.41 While it is the landlord that is liable to pay the rates to LPS, landlords are permitted to charge their tenants that amount, and this is why tenants can claim Rate Rebate. The Department is however concerned at reports that the landlord may not always pass on the rate rebate, which is solely meant for the benefit of the tenant.

4.44 The Department does not believe it makes logical sense for LPS to pay Rate Rebate award money to a claimant for them to give it to the landlord simply for the landlord to give it back to LPS. However, it is concerned that landlords may not be passing the rebate on to their tenants. The Department has no control over the contract between the claimant/tenant and the landlord, however it would wish to help resolve these problems and so the Department will consider options, including via legislation or providing additional guidance or information to assist.

E. Fraud and Error

4.45 In order to claim Rate Rebate a customer must have a rating liability and be in receipt of UC. The Rate Rebate Scheme uses information verified from a variety of independent systems including:

- the Department's ⁹Abbacus system regarding the rating liability;
- information received direct from DWP's UC Full Service system regarding earnings, etc.;
- other information provided by the Rate Rebate claimant; and
- information verified via the DWP Searchlight¹⁰ system.

Use of these independent systems provides a level of assurance to help reduce the facility for fraud and error.

⁹ ABBACUS is the LPS Revenue and Benefits internal processing system for rate collection

¹⁰ DWP Searchlight is a system used by Rate Rebate to verify UC information in respect of an individual Rate Rebate claimant

- 4.46 The Department uses the LPS Revenues & Benefits Quality & Guidance Team to carry out checks on the financial accuracy of payments made through Rate Rebate Scheme.
- 4.47 In 2021 the Department commissioned the services of the DfC Standards Assurance Unit (SAU) to independently monitor, assess and report on the financial accuracy of payments made through the Rate Rebate Scheme from 2022 going forward. SAU will separately measure the levels of official error and any customer fraud or error identified. The findings from the SAU monitoring activities will be considered and where appropriate, improvements to the administration of the scheme will be developed.

5. SUMMARY AND NEXT STEPS

SUMMARY

- 5.1 This section of the report considers and summarises the overall aim of the internal review against the Terms of Reference and lays out the next steps to support delivery of the potential improvements to the Scheme identified in the findings and conclusions in Section 4.

Policy Objectives

- 5.2 The aim of the internal review was to provide an objective assessment of the Scheme as it continued to evolve so as to determine the level of achievement of policy objectives, its *relevance, efficiency, effectiveness, impact and sustainability*

i. Relevance

Is the Scheme achieving its objectives?

- 5.3 The Scheme policy was compromised from the outset due to problems receiving data which led to an annual review rather than monthly revisions in line with UC. It was recognised that some claimants would benefit financially from the annual review while others would not but this had to be weighed up against the administration costs of other options. NPI in its report recognised the administration problems with monthly reviews. The Department is satisfied that it is targeting those most in need in harmony with Welfare Reform by using UC entitlement as a basis for providing help in that UC is the welfare support benchmark. It does recognise however that monthly reviews would mean that as income changes, Rate Rebate would be adjusted on an ongoing basis.
- 5.4 The Scheme is less complex than Housing Benefit in that it uses information and decisions made for UC thus ensuring consistency as well as simplicity. The annual review policy is inherent to the Scheme to keep administration costs from spiraling. Since the start of the review a new interface between IT systems was introduced and the Department began to gauge the functionality in relation

to the prospect of moving to monthly reviews. This would have to be balanced against the cost of administering the Scheme and include the impact on rates bills changing each month as well as IT costs before any decision can be made. The Department will also consider the merits of other periods of reviews, e.g. 3 or 6 months either in the interim or long term.

ii. **Efficiency**

Is the Scheme making the best use of available resources in terms of cost, time, delivery and people?

- 5.5 From a policy perspective the Scheme is making use of available resources by utilising the data from UC.
- 5.6 The Department has continuously improved its use of available resources in order to deliver a cost-effective and timely service to Rate Rebate Scheme claimants.
- 5.7 In 2020 the Rate Rebate Central Unit amalgamated all of its Rate Rebate related procedures, advice, guidance and best practices into a central resource hub that is fully accessible to all Rate Rebate users. This has helped to share information and has improved the knowledge of the staff and resources delivering Rate Rebate.
- 5.8 In 2021 the RSS went through a number of major developments in its IT infrastructure and Scheme environment which improved the accessibility and throughput of information on the system. From July 2021 the RSS has utilized an interface with the UC Full Service system where UC claimant data links in a more automated way to the same claimant in Rate Rebate. These IT enhancements have improved the operation of the Scheme and the user's accessibility to relevant up-to-date information which has improved the quality of the decisions made and improved the service provided to customers.

iii. Effectiveness

Is the Scheme making sufficient progress against planned objectives?

- 5.9 The Department constantly monitors the Scheme and is open to making improvements. It was aware of the issues around the annual review when it was introduced and continues to look at the merits of reducing the annual review period to monthly or at least a shorter period. While this continues to be monitored, the Scheme is considered to be meeting its objective of helping those most in need by targeting those on UC. However it is accepted that while many do benefit from the annual review policy others would be better off with monthly assessments.

What positive actions have been taken to date?

- 5.10 In order to help counteract some of the issues with the annual review policy the Department introduced legislation to remove holiday pay and payment in lieu of notice from the Rate Rebate entitlement calculation. Regulations have also been amended to adjust the Scheme to ensure it stays aligned and compatible with UC.
- 5.11 The main constraining factor is how UC data is received and filtered. A workaround was devised to counteract the fact that a breakdown of unearned income was not received but this is an internal 'work around' without which the Scheme could not have operated. It should be noted that this workaround does not impact on entitlement.
- 5.12 Since July 2021 the UC interface with the RSS has ensured that UC data relating to a claimant is integrated with the RSS within 24 hours of it being shared by UC. With this, most annual reviews may take place automatically when the UC data is received so that the customer is notified of their new annual award. At the end of each UC assessment period UC notifies the RSS if a claimant is still in receipt of UC therefore the decision to continue to pay or terminate a claim each month is made through the automation brought about by this enhancement.

- 5.13 There has been significant co-operation with UC who supply necessary data to DfC.
- 5.14 The functionality of the new IT interface is being considered to understand whether it is practicable to reduce the period between reviews but this work will need to be subject to careful analysis by the project team to understand the capability of, and costs to change IT systems.
- 5.15 Encouraging landlords from the private rented sector to engage with the Department has resulted in a process of establishing better means of communication and education by liaising with the DfC and engaging with landlords and landlord associations.
- 5.16 Significant liaison exists between landlords, in particular social housing landlords, and LPS to assist claimants with their claims.
- 5.17 Telephone assistance is provided for vulnerable claimants including prisoners.
- 5.18 Adjustments have been made to ensure continuing compatibility with UC e.g. Rate Rebate cannot normally be awarded while housing benefit is in payment however the 2017 rate rebate regulations were amended to ensure that those claiming UC could still qualify for rate rebate where UC rules allowed housing benefit for rent to continue for 2 weeks into the UC claim.

How effective is the delivery of the Scheme?

– including consideration of both working relationships with team, partners and stakeholders and with internal and external communications?

- 5.19 Landlords mainly, but not exclusively, from social housing recognised that there was helpful and effective engagement between their group and LPS when issues arise. There is concern however over engagement with private sector landlords but those that did engage indicated good working relationships with LPS. The problem is getting other private sector landlords to engage in the first instance.
- 5.20 The Revenue and Benefits Outreach Team in LPS has continuously engaged with stakeholders from 2016 to date to help improve knowledge of and take-up

of Rate Rebate. The Social Sector are the main independent areas to maintain engagement as they are aware of the benefit of Rate Rebate to their customers. The other housing sectors are generally under-represented, however, advice and guidance is widely available.

5.21 The engagement with the UC Programme and Operations Teams over the years has been good with joint departmental sessions held with different representative groups prior to Go Live in 2017 which continued beyond Go Live. The UC Programme Team have been helpful in improving the knowledge of Rate Rebate through the UC Scheme itself, while the UC Operations Team invited the Outreach Team to raise the knowledge and understanding of approximately 1,000 UC staff to date. The UC Programme Board has also been a useful arena for sharing the means for wider engagement with the Advice Sector. In September 2021 the UC Programme Board advised the Department of a new UC specific advice group, UC: Us¹¹, who enquired about UC advice material. The Department's Outreach Team successfully engaged with UC: Us, and helped update their independent guidance to better reflect the reality of making a Rate Rebate claim.

iv. Impact

Is the target audience aware of the Scheme and what has been the overall effect of the Scheme on the wider range of stakeholders?

5.22 Extensive outreach work has always been undertaken to target potential claimants including for example, notices sent via a claimants UC claim.

5.23 The Department recognises that until UC has been fully introduced and HB is abolished entirely there can be some confusion with how support for rates is claimed by UC claimants. The Department continues its outreach work particularly with private rented landlords because of the poor uptake in this sector, and is continuing to seek ways to further engage with these landlords.

¹¹ UC:Us is a group of people in Northern Ireland who receive UC and whose aim is to share experiences and insights so that things might change for the better in the future. ([UC:Us \(uc.us.org.uk\)](http://uc.us.org.uk))

- 5.24 Engagement with DfC's Professional Services Unit to investigate the data used to predict the number of expected Rate Rebate claimants indicated that there were certain cohorts that had been included in earlier predictions that should not have been, for example, non-dependents and claimants whose UC has stopped who remain on the UC system for 6 months.
- 5.25 It is clear that some claimants simply do not respond to prompts and anecdotal evidence suggests that some may receive enough housing costs in their UC award to cover both rent and rates. It is also apparent that not all landlords charge their tenants rates, this will also distort the figure.
- 5.26 NPI recognised that the available data was unreliable and the Department agrees that the predictions that have been made are not reliable. The Department continues to interrogate the data to ensure it is as accurate as it can be.

v. Sustainability

Is the Scheme sustainable or are changes required to inform future sustainability?

- 5.27 The Scheme is sustainable but the Department recognises that the annual review policy is unpopular and could be negatively affecting some claimants. The Department will continue to investigate the potential impact of changing this policy exploring if it is possible and practicable to change it.

NEXT STEPS

- 5.28 This section summarises the Department's plans to further develop the Scheme. The Department does not plan to change the rules in relation to the link to UC i.e. **it is satisfied that those on legacy benefits must opt to move to UC in order to claim Rate Rebate**. This is consistent with those who wish to claim other housing costs as they have to move to UC.

A. Uptake

5. 29 A significant problem with determining the levels of uptake is the difficulty in sourcing accurate data, however comparing the spend on Rate Rebate both pre and post the introduction of the Scheme and through the Department's monitoring of the Scheme it is clear that the most significant problem lies with the private rented sector. The Department has undertaken significant engagement work as discussed in **Section 4** and will continue to do so.

The Department will:

- i. **Consider introducing legislation to assist landlords' agents to act for the landlord.**
- ii. **Continue to review notifications to claimants who have been disallowed to raise awareness of claiming again if their circumstances change.**
- iii. **Consider linking the time allowed to claim to the valuation date where the property has not been valued at the time a claim should be made.**

B. The Annual Review Policy

5.30 The Department is aware that annual assessment based on the first UC assessment period and each year thereafter is unpopular and while the reasons for its introduction remain, consideration of the functionality of the new interface between the DWP / DfC and DoF IT systems will be assessed. The Department, in conjunction with discussions with Local Authorities in Britain who use a similar system, will look at its capabilities to determine if the necessary information is available and if it is possible to automate the filtering of data to reduce the labour intensive process that would prohibit monthly reviews of the Rate Rebate award taking place.

The Department will:

- iv. **Continue to review and monitor the annual review policy to identify opportunities for more frequent review points, ideally monthly in line with UC changes**

C. [Link to UC](#)

- 5.31 Rate Rebate is a form of tax relief and no longer a social security benefit, it treats owner occupiers and tenants the same and targets those that the Social Security systems recognises as requiring help. **The Department does not intend to take any further action regarding this at this time.**

D. [Paying the Landlord Instead of the Tenant/Claimant](#)

- 5.32 The Department does not plan to change its method of payment and will continue to credit rate accounts with Rate Rebate awards rather than make payments to claimants, in order to protect the public purse. Whilst it is not practical for the Department to pay tenants directly it is concerned that landlords may not always be passing on the rate rebate to their tenants so the Department will continue to explore where it can provide assistance.

The Department will:

- v. **Continue to review, monitor and identify any barriers for landlords passing on the rate rebate to their tenants.**

E. [Fraud and Error](#)

- 5.33 The Department has a responsibility to prevent and detect fraud and error to protect the public purse. The introduction and operation of the Rate Rebate Scheme is no exception and **the Department continues to conduct robust events both internally and externally across all of its operational activities.**

ANNEX A

Terms of Reference for the Internal Review

TERMS OF REFERENCE

Internal Review of the Department of Finance Rate Rebate Scheme (the Scheme) with recommendations to address issues identified during implementation to ensure the effectiveness and efficiency of the future delivery of the Scheme.

1. INTRODUCTION

- 1.1. The Department of Finance (DoF) aims to help the Northern Ireland Executive secure the most appropriate and effective use of resources and services for the benefit of the community. In pursuing this aim, the key objective of the Department is to deliver quality, cost effective and efficient public services and administration in the Department's areas of executive responsibility.
- 1.2. As a result of Welfare Reform and in particular the introduction of Universal Credit (UC) and the abolition of Housing Benefit (HB) DoF introduced a rate rebate replacement Scheme for owner occupiers and tenants to replace HB for rates.
- 1.3. The Scheme came into operation on 27th September 2017, in line with the phased introduction of UC in Northern Ireland (NI). The Rate Relief Regulations (NI) 2017 gave effect to the Scheme.

2. BACKGROUND AND CONTEXT

- 2.1. Rate support represents an integral part of financial support for housing which is available to those on low incomes. Prior to the introduction of UC in Northern Ireland (NI), all rent and rate support (known as rate rebate) was paid through the Housing Benefit (HB) Scheme with Low Income Rate Relief essentially providing a top up of HB for rates. The introduction of UC, which represented one of a suite of welfare reforms in NI, resulted in the rental element of HB being subsumed within UC resulting in the phasing out of HB and anyone entitled to UC not being entitled to HB (some exceptions do apply).
- 2.2. This change resulted in the need for the development of a new Scheme to provide rates rebates in NI to ensure that support towards rates continued to be provided for claimants no longer entitled to HB.
- 2.3. The principle aim of the Scheme is to help those who are least able to pay rates whilst also adhering to the general principle of welfare reform. The Regulations provide for the making of a claim for rate relief, entitlement to rate relief and eligible rates to be taken into account in any provision of relief. They provide that the administration of the Scheme will rely on UC information allowing a straightforward calculation of rate rebate entitlement and no requirement for a separate means test.

- 2.4 As part of the closure of the DoF Rate Rebate Replacement Programme (R3P) Board, which had responsibility for overseeing the delivery and implementation of the Scheme, it was agreed that an internal review on the new Scheme would be conducted post 18/19 financial year. This timescale was to allow the Scheme an opportunity to become embedded.
- 2.5 Since its introduction, the Scheme has been subject to ongoing monitoring via monthly monitoring meetings to identify how well the Scheme is achieving its objectives and to identify any adjustments that may be required. Linkages with UC are also considered. The monthly monitoring meetings also provide an opportunity to consider and respond to the needs and interests of stakeholders.
- 2.6 The ongoing monitoring of the Scheme has resulted in a number of policy and administration issues being identified and adjustments made through the legislative process.
- 2.7 In response, and in advance of the internal review being conducted, an independent review of the Scheme was commissioned in January 2019. The key aims of this review were to:
- obtain an independent opinion on whether the Scheme delivers the policy objectives. This was considered important in view of the political climate in which we were operating with the absence of a functioning Assembly and the subsequent lack of legislative scrutiny;
 - benchmark the Scheme against other comparable council tax reduction Schemes in the rest of the UK and to draw on the knowledge and expertise of an experienced consultant with a view to determining if the challenges we face are unique to NI and to consider options as to how we may improve the Scheme;
 - provide an informed position of the Scheme, help increase awareness and provide an independent narrative to assist understanding of the Scheme among our wider stakeholders; and
 - provide an independent assessment of the Scheme to enable us to gain a greater understanding as to the issues surrounding take-up to see if there is anything further that we can do to improve this.
- 2.8 The independent review of the Scheme, which was completed in June 2019, and the recommendations arising from it, will be formally reviewed and considered as part of the internal review.
3. OBJECTIVES
- 3.1 The aim of this internal review is to provide an objective assessment of the Scheme as it continues to evolve so as to determine the relevance and level of achievement of policy objectives, effectiveness, efficiency, impact and sustainability. It is intended that any lessons learned will feed into the future decision making process of the Scheme.
- 3.2 The review aims to help those responsible for the Scheme (both administratively and from a policy perspective) to identify and develop

improvements so as to enhance the long-term performance of the Scheme and to assist with decision making.

3.3 This review is limited to review of the current policy and operational delivery of the Scheme and will include consideration of the following issues:

(i) Relevance:

Is the Scheme achieving its objectives?

(ii) Efficiency:

Is the Scheme making the best use of available resources in terms of cost, time, delivery and people?

(iii) Effectiveness:

Is the Scheme making sufficient progress against planned objectives?

What positive actions have been taken to date?

What constraining factors have been encountered to date and how have these been overcome?

Is the policy being updated as necessary to ensure the Scheme continues to be deliverable?

How effective is the delivery of the Scheme – including consideration of both working relationships with team, partners and stakeholders and with internal and external communications.

(iv.) Impact:

Is the target audience aware of the Scheme?

What has been the overall effect of the Scheme on the wider range of stakeholders?

(v.) Sustainability:

Is the Scheme sustainable or are changes required to inform future sustainability?

4. OUTPUTS

4.1 The main output of the internal review will be an evaluation report with recommendations for improvements to the Scheme policy and administration.

4.2 A series of meetings with a broad range of key stakeholders to talk through the Scheme and findings arising from the external report and how to address these will also be arranged before any formal recommendations are proposed.

5. CONDUCT OF REVIEW (METHODOLOGY)

- 5.1. The Department expects that the Review will be conducted in two distinct work streams;
- 5.2. Stream 1: Investigate the level of take-up to the Scheme to include:
 - (1) Analysing and monitoring Scheme take up using available statistics on a housing sector specific basis;
 - (2) Designing targets actions to raise take up for each housing tenure where necessary;
 - (3) Strengthening efforts to engage with stakeholders, especially potential partner organisations specific to each housing tenure;
 - (4) Consideration of an externally led review of the public documentation about the Scheme and the detailed language used;
- (5) Seeking agreement with the Department for Communities (DfC) about what the cost of a more frequent reassessment would be; and
- (6) Identifying opportunities in policy to improve take up, including comparison with other jurisdictions.
- 5.3. Stream 2: Review into managing the flow of data from UC and of the Scheme's design, to include:
 - (1) Confronting the challenges arising from the monthly flow of UC data before making major changes to the Scheme and its design;
 - (2) Consideration of the issues for those for whom the link to UC creates difficulties; and
 - (3) Consideration as to how Scheme policy and administration contributes to the efficiency and effectiveness of Scheme objectives with recommendations for improvements as necessary.
- 5.4. The review will include analysis of all relevant data which is made available to LPS, including data provided from DfC Analytical Services Unit. Further information gathering will take place as considered necessary. This will involve engagement with the stakeholders who participated in the external review of the Scheme if it is felt necessary to further discuss points that may have been raised. It will also include engagement with LPS staff to gauge their knowledge of the Rate Rebate Scheme.
- 5.5. Other considerations, such as UC policy developments, which may impact on the Scheme will also be considered as part of the review.
6. PROJECTED TIMETABLE
- 6.1 The review will commence in October 2019. The duration of this will be subject to a number of factors which will impact on the conduct and completion of the review. These include:

- A new interface transferring the data from UC to Rate Rebate is due to be tested in May 2020. This will have particular impact on the timing of Stream 2 (1) of the review; and
- The outcome of the ongoing application for judicial review based on the meaning and application of the 2017 Regulations which, if proceeds, will impact on the timing of the conclusion of the review and any forthcoming recommendations.

6.2 Each work stream will be progressed in tandem and progress against each work stream will be monitored and recorded at the monthly monitoring meeting. A succinct progress report will be produced at the end of each Stream of the Review, after which an overall outcome report will be produced.

STAGE 1 DELIVERABLE

- (1) Analysing and monitoring Scheme take up using available statistics on a housing sector specific basis
- (2) Designing targets actions to raise take up for each housing tenure where necessary
- (3) Strengthening efforts to engage with stakeholders, especially potential partner organisations specific to each housing tenure
- (4) Consideration of an externally led review of the public documentation about the Scheme and the detailed language used
- (5) Seeking agreement with the Department for Communities (DfC) about what the cost of a more frequent reassessment would be
- (6) Identifying opportunities in policy to improve take up, including comparison with other jurisdictions

STAGE 2 DELIVERABLE

- (1) Confronting the challenges arising from the monthly flow of UC data to the Scheme before making changes to its design
- (2) Consideration of the issues for those for whom the link to UC creates difficulties
- (3) Consideration as to how Scheme policy and administration contributes to the efficiency and effectiveness of Scheme objectives with recommendations for improvements as necessary

STAGE 3 DELIVERABLE

- (1) Draft evaluation report for consideration by Senior Management

- (2) Recommendations for future of the Scheme and sign off and publication of final report and next steps.

7. OVERSIGHT

- 7.1. Governance around the work streams will be tailored and proportionate. Key personnel representing key business areas will take forward the delivery of this assignment:

Progress will be monitored as part of the monthly Rate Rebate monitoring meetings, with more frequent meetings arranged as necessary.

8. REPORTING AND CONCLUSIONS

- 8.1. A monthly update will be provided to the LPS Director of Rating Policy, and LPS Director of Revenue & Benefits, who will act in an oversight role, and who will provide input as considered necessary.
- 8.2. Chief Executive of Land and Property Services (LPS) will have oversight and overall responsibility for delivery of the Review and will formally sign off on the end Report, prior to it being issued to the DoF Minister for approval and publication.

9. BUDGET

- 9.1. The review will be undertaken in line with in-house resources and business as usual.

ANNEX B

Housing Benefit Rates Expenditure

HB RATE REBATE (HB)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Housing Executive tenants	28,207,280	28,811,826	28,836,121	28,859,541	28,375,460	27,139,389	25,005,523
Housing Association tenants	Included with Private Tenants	Included with Private Tenants	14,308,882	15,042,357	15,620,745	15,160,988	14,990,407
Private Tenants	51,175,751 (includes HAs)	51,238,086 (includes HAs)	37,326,477	36,434,036	34,167,054	29,615,366	27,459,957
Owner Occupier	42,908,770	40,938,592	39,164,173	38,287,397	37,483,495	35,990,697	34,627,370
Total	122,291,801	120,988,504	119,635,653	118,623,331	115,646,754	107,906,440	102,083,257

Housing Benefit Rates with Rate Rebate Expenditure

RATE REBATE Scheme (RR) & HB+RR Totals	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Social Sector Tenants (RR) (Total HB and RR)			(43,145,003)	(43,915,737)	(45,199,645)	(47,255,738)	(48,141,763)
Private tenants RR (Total HB and RR)			(37,326,477)	(36,439,451)	(34,526,300)	(30,848,249)	(29,343,835)
Owner Occupier RR (Total HB and RR)	(42,908,770)	(40,938,592)	(39,164,173)	(38,293,628)	(38,013,507)	(38,046,655)	(39,846,502)
Total RR only				25,485	2,092,698	8,244,202	15,248,843
TOTAL HB AND RR	122,291,801	120,988,504	119,635,653	118,648,816	117,739,452	116,150,642	117,332,100

