

which cannot be accepted by the computer system. Many tenants are being paid wrong amounts and many cheques are being sent out late. We realise that this is causing distress to the borough's residents, particularly the elderly.'

Bromley is in no way atypical, for similar letters have been sent out by authorities all over Britain, explaining and apologising for delays, confusion and errors involving housing benefit, all of which have been occurring on missive scale. What is perhaps unusual is that local authorities, not normally renowned for admitting that their services are not functioning properly, should have been so uncharacteristically frank and open about the scale of the debacle. Even more remarkable has been the unanimity with which they have laid the blame fairly and squarely on the Government. There can be few examples in recent years of a new government scheme which has attracted such a uniform barrage of criticism from right across the political spectrum.

The reason for this is not that the scheme makes upwards of 2.5 million households in Britain worse off, though that is one of the consequences. Nor is it that central government is again offloading its responsibilities, in this case transferring them from the Department of Health and Social Security (DHSS) to local government. These implications of housing benefit were known long before the scheme was put into effect, and aroused little public comment other than perhaps predictable condemnation from the poverty lobby. No, the reason for the outcry is simply that the implementation of the scheme has been bungled on a quite remarkable scale. The story provides some interesting insights into the implementation of social welfare policy against the background of pressure for cuts.

The idea of a unified housing benefit bringing together the former rent and rate rebate schemes with the arrangements for meeting the housing costs of supplementary benefit recipients, was first advocated in the mid 1970s by David Donnison, then chairman of the Supplementary Benefits Commission. Donnison argued that this would create a simpler, fairer and more coherent framework for helping to meet poor people's housing costs.

At the same time he sounded the warning that to do the job properly required some additional public expenditure. This would be necessary to iron out the anomalies created by unifying the two separate schemes. No progress was achieved before the 1979 general election, but subsequently the idea was resurrected

THE HOUSING BENEFIT BUNGLE

On 15 June residents of the London Borough of Bromley received a letter from the Borough Treasurer. It opened simply and directly: 'Many of you will be aware that the new housing benefit system is a mess'.

After explaining some of the reasons the letter described the impact of the new scheme in the borough: 'Many clients have not been entered on the computer system, there is a huge backlog of queries, complaints and changes in circumstances

by the incoming Conservative government. Not only was there a broad consensus that a unified housing benefit was desirable, but it also held out the prospect of reducing DHSS employment through the transfer of responsibility to local authorities. There remained, however, the public expenditure problem — a problem which was resolved quite simply by the imposition of a 'no extra cost' limit on the reform.

So by the time the Government announced its proposals in a consultation paper 'Assistance with housing costs' (March 1981), there had been a major shift in emphasis. Instead of a reform designed to create a simpler and fairer benefit system for the claimants and to make it easier to administer, albeit at some extra cost, housing benefit was increasingly seen as a means of reducing staffing levels in the DHSS, while creating no extra cost in benefit payments. Significantly the word 'unified' disappeared from the proposal at precisely this time. The 'no extra cost' constraint made it impossible to unify the



The new system: the elderly suffer most

two schemes on any reasonable basis. Instead an increasingly complex series of rules were required to enable the two essentially different types of benefit — rent and rate rebates on the one side and supplementary benefit on the other — to be administered together. And because this inevitably resulted in substantial numbers of claimants facing serious financial losses, even more complexities were added to provide supplementary payments, or transitional protection to mitigate some of the losses.

The outcome was predictable: a hideously complex scheme which is incomprehensible to most claimants, and poses huge administrative problems to local authorities. This was bad enough, but to

compound the disaster the DHSS set an unrealistically tight timetable for the implementation of the scheme. The rush to get the new systems into operation was made even more chaotic by a flood of amending regulations which cascaded out of the DHSS throughout the winter of 1982/3 and, indeed, right up to and beyond the supposed full implementation date of April 1983.

Not surprisingly April came and went, leaving hundreds of thousands of claimants with no benefit. Computer systems were simply not coping, or programmes were so riddled with errors that all the assessments had to be re-done manually. Desperate claimants began to form queues outside council offices in the hope of getting some money to enable them to pay the rent. Many private tenants faced the threat of eviction. Many authorities were deluged with phone enquiries, as many as 700 in one day in one London borough alone.

Against this background of chaos and confusion the DHSS might have been expected to show signs of concern and regret at the widespread anxiety and hardship which its new scheme had caused to hundreds of thousands of people. Instead it initially adopted a tone of aloof disbelief — 'these reports of chaos were greatly exaggerated'. The responsible minister, Dr Rhodes Boyson, who, to be fair, had inherited the mess from his predecessor Hugh Rossi, made reassuring noises to the House of Commons, claiming initially that only 15 authorities were encountering difficulty with the scheme. When this was shown to be hopelessly out of touch with reality and the estimate of authorities in difficulty had to be raised from 15 to 100 (which still greatly underestimated the problem) the DHSS resorted to a second line of defence blaming the local authorities for the problems.

So now, more than seven months after the supposed 'full' start of the scheme, with thousands of claimants still not having received their proper benefit, and some unbelievably having received nothing at all, local authority councillors and staff are learning the hard truth that they have been sold the pass by the DHSS. They have been given responsibility for administering a hopelessly flawed benefit scheme, which fails to meet its original objectives (simplifying the system, making it fairer and easier for claimants to understand, and streamlining the administration) and which has left one in eight households in Britain worse off; and to add insult to injury they are being blamed for the fiasco.

As to the scheme itself, there can be few

more explicit examples of a good idea turned into a nightmare by the application of crude monetarist thinking, or, in more old fashioned terms, a ship ruined by the lack of the ha'penny worth of tar.

Nick Raynsford