

Regional Impacts of changes to the Local Housing Allowance set out in the 2010 Emergency Budget and the 2010 Spending Review

The tables below show shortfalls as at March 2010 between customers' contractual rents and maximum Local Housing Allowance at the LHA rates prevailing at the time (Table 1, based on median market rents), and notional shortfalls under the rules introduced in April 2011 (when they started to apply for new claimants). The latter (also based on March 2010 data) are presented in Table 2. The shortfalls projected under the new rules should be seen as indicative and represent upper estimates with: (a) no behavioural changes, i.e. no account is taken of customers moving to properties with lower rents or landlords accommodating changes by reducing rents; and (b) Earned income is not accounted for. I.e. Table 1 and Table 2 are based on maximum LHA, before income is taken into consideration. Because Housing Benefit is means tested, actual losses will be smaller for some customers at the margins.

See www.dwp.gov.uk/local-authority-staff/housing-benefit/claims-processing/local-housing-allowance/impact-of-changes.shtml for more detailed statistics and policy background.

Table 1: Shortfalls before LHA changes (based on March 2010 data)

	East Midlands	East of England	London	North East	North West	South East	South West	West Midlands	Yorkshire and the Humber	England	Scotland	Wales	Great Britain
Proportion of customers currently experiencing a shortfall	54%	54%	38%	57%	53%	47%	52%	54%	51%	49%	41%	62%	50%
Average (mean) shortfall	£-23 p/w	£-23 p/w	£-37 p/w	£-20 p/w	£-22 p/w	£-23 p/w	£-22 p/w	£-22 p/w	£-19 p/w	£-24 p/w	£-22 p/w	£-21 p/w	£-23 p/w

Table 2: Impact of housing reform measures coming into effect in April 2011.

	East Midlands	East of England	London	North East	North West	South East	South West	West Midlands	Yorkshire and the Humber	England	Scotland	Wales	Great Britain
LHA caseload (March 2010)	59,100	71,010	159,370	45,160	131,180	123,000	83,180	80,140	87,310	839,450	51,060	48,710	939,220
Average maximum LHA	£99 p/w	£124 p/w	£204 p/w	£96 p/w	£102 p/w	£138 p/w	£117 p/w	£107 p/w	£93 p/w	£129 p/w	£106 p/w	£95 p/w	£126 p/w
Number of losers from measures as a package	58,680	70,970	159,370	45,160	130,900	123,000	83,180	80,140	87,310	838,700	49,730	48,530	936,960
Percentage of losers from measures as a package	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	97%	100%	100%
Average loss per loser	£-10 p/w	£-10 p/w	£-22 p/w	£-9 p/w	£-10 p/w	£-12 p/w	£-10 p/w	£-10 p/w	£-9 p/w	£-12 p/w	£-10 p/w	£-9 p/w	£-12 p/w
Percentage of LHA recipients													
No losses	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	0%	0%
Losses up to £5 p/w	18%	12%	2%	9%	13%	3%	7%	9%	13%	8%	8%	20%	9%
Losses of £5-£10 p/w	33%	36%	19%	53%	33%	30%	46%	37%	46%	34%	41%	39%	35%
Losses of £10-£15 p/w	41%	48%	53%	37%	50%	60%	45%	52%	39%	49%	44%	39%	48%
Losses of £15-£20 p/w	6%	2%	4%	0%	2%	5%	1%	1%	1%	3%	2%	1%	3%
Losses of £20-£30 p/w	0%	2%	11%	0%	0%	1%	1%	0%	0%	3%	2%	0%	3%
Losses of £30-£40 p/w	0%	0%	6%	0%	0%	0%	0%	0%	0%	1%	0%	0%	1%
Losses over £40 p/w	0%	0%	6%	0%	0%	0%	0%	0%	0%	1%	0%	0%	1%
Number of people experiencing losses of more than £20	310	1,680	35,610	260	780	2,210	810	600	420	42,680	1,350	290	44,320
Impact of individual measures													
Losers from removal of £15 p/w excess	25,620	30,360	82,640	20,650	64,580	58,650	36,680	38,110	35,710	393,010	26,040	19,070	438,130
Percentage of losers from removal of £15 p/w excess	43%	43%	52%	46%	49%	48%	44%	48%	41%	47%	51%	39%	47%
Average loss per loser from removal of £15 p/w excess	£-11 p/w	£-11 p/w	£-13 p/w	£-10 p/w	£-11 p/w	£-12 p/w	£-11 p/w	£-11 p/w	£-10 p/w	£-11 p/w	£-12 p/w	£-10 p/w	£-11 p/w
Losers from move to 30th percentile	51,920	59,460	113,330	39,890	114,180	96,300	70,430	67,490	78,280	691,280	40,420	43,270	774,970
Percentage of losers from move to 30th percentile	88%	84%	71%	88%	87%	78%	85%	84%	90%	82%	79%	89%	83%
Average loss per loser from move to 30th percentile	£-8 p/w	£-8 p/w	£-17 p/w	£-8 p/w	£-7 p/w	£-9 p/w	£-8 p/w	£-8 p/w	£-7 p/w	£-9 p/w	£-7 p/w	£-8 p/w	£-9 p/w
Losers from removal of 5-bedroom rate and caps	310	340	17,410	240	700	520	310	520	400	20,750	110	200	21,060
Percentage of losers from removal of 5-bedroom rate and caps	1%	0%	11%	1%	1%	0%	0%	1%	0%	2%	0%	0%	2%
Average loss per loser from 5-bedroom removal and caps	£-36 p/w	£-56 p/w	£-81 p/w	£-37 p/w	£-36 p/w	£-75 p/w	£-47 p/w	£-30 p/w	£-25 p/w	£-75 p/w	£-51 p/w	£-34 p/w	£-74 p/w

Notes:

- Estimates are based on administrative data (Single Housing Benefit Extract, March 2010) and are consistent with the 'Impact of Housing Benefit proposals', published 23 July 2010.
- A shortfall occurs where the applicable Local Housing Allowance rate is lower than the claimant's contractual rent.
- Maximum LHA for a claimant is the contractual rent plus the £15 excess, but capped off at the applicable LHA rate. Average maximum LHA refers to the mean maximum LHA for all claimants in that particular region.
- LHA tenants may include a small number of non-LHA cases making a new claim since 7 April 2008. Only those of the National Statistics LHA caseload with positive LHA rates and positive contractual rents recorded have been included in the impact of measure
- The removal of the 5 bedroom rate and caps measure in isolation also includes the 30th percentile. LHA caps have no effect for Scotland
- Some figures may not sum due to rounding.

Table 3: Housing Benefit claimants in and out of work, by age (December 2010)

Both Private Rented and Social Rented Sector	Under 25			25 to 59			60 and over			Age not known			Grand Total
	In work	Out of work	Total	In work	Out of work	Total	In work	Out of work	Total	In work	Out of work	Total	
East	2,380	24,310	29,550	56,080	154,910	211,000	2,690	130,200	132,890	10	20	20	373,460
East Midlands	4,560	22,510	27,060	37,900	134,100	172,000	1,710	106,810	108,520	0	10	10	307,600
London	10,240	42,940	53,180	163,150	385,560	548,710	4,890	209,750	214,640	10	30	40	816,560
North East	3,060	17,740	20,800	25,220	114,490	139,720	940	98,950	99,880	0	10	10	260,410
North West	8,150	41,020	49,170	67,060	291,100	358,160	2,550	200,540	203,090	0	10	10	610,430
Scotland	5,060	28,440	33,510	38,760	224,500	263,260	1,610	170,320	171,930	0	20	20	468,720
South East	8,630	32,720	41,350	91,360	210,610	301,970	4,550	171,100	175,650	0	10	10	518,970
South West	5,910	22,910	28,830	57,770	146,970	204,740	3,080	121,350	124,420	0	20	20	358,010
Wales	3,030	18,240	21,280	23,850	114,400	138,240	950	79,330	80,270	0	10	20	239,810
West Midlands	5,710	32,170	37,880	53,200	200,870	254,070	2,130	148,050	150,180	0	20	20	442,150
Yorkshire and Humberside	5,720	31,880	37,600	44,490	186,370	230,860	1,680	150,930	152,600	0	10	10	421,070
Grand Total	65,310	314,880	380,190	658,830	2,163,890	2,822,720	26,760	1,587,310	1,614,070	30	160	190	4,817,160

Table 4: Housing Benefit claimants in the Social Rented Sector in and out of work, by age (December 2010)

Social Rented Sector	Under 25			25 to 59			60 and over			Age not known			Grand Total
	In work	Out of work	Total	In work	Out of work	Total	In work	Out of work	Total	In work	Out of work	Total	
East	2,380	14,600	16,980	26,780	101,480	128,260	1,740	107,700	109,440	0	10	20	254,690
East Midlands	1,750	12,300	14,050	17,760	87,950	105,710	1,110	89,440	90,540	0	10	10	210,310
London	4,900	26,550	31,440	76,920	265,340	342,260	3,240	173,920	177,160	0	20	20	550,870
North East	1,290	8,880	10,170	14,470	76,150	90,620	720	88,940	89,660	0	0	10	190,450
North West	2,880	19,650	22,520	32,720	184,180	216,900	1,740	167,710	169,450	0	10	10	408,880
Scotland	2,820	19,740	22,550	23,930	177,630	201,560	1,260	155,480	156,740	0	10	10	380,860
South East	3,120	16,930	20,050	39,530	127,560	167,090	2,810	134,810	137,620	0	10	10	324,760
South West	1,990	11,660	13,650	23,060	84,990	108,040	1,690	91,160	92,850	0	10	10	214,550
Wales	1,180	9,630	10,820	11,700	73,290	84,990	640	66,230	66,870	0	10	10	162,680
West Midlands	2,470	18,440	20,900	28,510	137,070	165,580	1,530	128,300	129,840	0	10	10	316,330
Yorkshire and Humberside	1,920	15,410	17,330	21,080	119,570	140,650	1,140	130,270	131,420	0	10	10	289,400
Grand Total	26,690	173,770	200,460	316,460	1,435,190	1,751,650	17,610	1,333,950	1,351,560	10	90	100	3,303,780

Table 5: Housing Benefit claimants in the Private Rented Sector in and out of work, by age (December 2010)

Private Rented Sector	Under 25			25 to 59			60 and over			Age not known			Grand Total
	In work	Out of work	Total	In work	Out of work	Total	In work	Out of work	Total	In work	Out of work	Total	
East	2,380	9,720	12,580	29,290	53,400	82,690	950	22,480	23,430	0	0	10	118,690
East Midlands	2,800	10,190	13,000	20,120	46,100	66,220	600	17,340	17,940	0	0	10	97,160
London	5,330	16,260	21,580	85,890	119,480	205,360	1,650	35,750	37,390	10	20	20	264,360
North East	1,770	8,860	10,630	10,750	38,330	49,080	220	10,000	10,220	0	10	10	69,940
North West	5,280	21,370	26,640	34,290	106,800	141,090	810	32,740	33,550	0	10	10	201,290
Scotland	2,240	8,700	10,950	14,820	46,820	61,640	350	14,650	15,000	0	10	10	87,590
South East	5,510	15,780	21,290	51,810	83,000	134,810	1,740	36,260	38,000	0	0	10	194,110
South West	3,920	11,250	15,170	34,690	61,940	96,630	1,390	30,160	31,540	0	10	10	143,350
Wales	1,850	8,610	10,460	12,140	41,030	53,170	310	13,060	13,360	0	10	10	76,990
West Midlands	3,240	13,730	16,970	24,680	63,770	88,450	600	19,730	20,320	0	0	10	125,750
Yorkshire and Humberside	3,800	16,460	20,260	23,390	66,760	90,150	530	20,610	21,150	0	0	0	131,560
Grand Total	38,600	140,930	179,520	341,860	727,420	1,069,280	9,130	252,780	261,910	20	70	80	1,510,800

Notes for Tables 3 , 4 and 5:

- Source: Single Housing Benefit Extract, December 2010.
- The in work group are those recorded as being in some form of employment and who are not claiming a passported benefit.
- The out of work column includes all passported cases as well as non-passported claimants recorded as not working.
- Age group definitions are consistent with National Statistics for HB caseload.
- Rounded to nearest 10.
- Components may not sum to total due to (i) independent rounding (ii) exclusion of unknown and other small categories.
- See http://research.dwp.gov.uk/asd/asd1/hb_ctb/index.php?page=hbctb_arc for monthly Housing Benefit statistics

Table 6: Housing Benefit Claimants by Sector (December 2010)

GOR	SRS		PRS all		PRS LHA	
	Total	% of total	Total	% of total	Total	% of PRS
East Midlands	210,310	68%	97,160	32%	75,610	78%
East of England	254,690	68%	118,690	32%	89,550	75%
London	550,870	68%	264,360	32%	201,250	76%
North East	190,450	73%	69,940	27%	56,810	81%
North West	408,880	67%	201,290	33%	160,910	80%
South East	324,760	63%	194,110	37%	146,610	76%
South West	214,550	60%	143,350	40%	105,250	73%
West Midlands	316,330	72%	125,750	28%	98,290	78%
Yorkshire and Humberside	289,400	69%	131,560	31%	109,370	83%
Wales	162,680	68%	76,990	32%	59,520	77%
Scotland	380,860	81%	87,590	19%	68,410	78%
England	2,760,240	67%	1,346,210	33%	1,043,630	78%
Great Britain	3,303,780	69%	1,510,800	31%	1,171,560	78%

Notes:

- Source: Single Housing Benefit Extract, December 2010.
- Some figures may not sum due to rounding.