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Evaluation of Removal of the Spare Room Subsidy

Interim report

July 2014

Research Report No 882

A report of research carried out by the Cambridge Centre for Housing and Planning Research and Ipsos MORI on behalf of the Department for Work and Pensions

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The Authors

Anna Clarke is a Senior Research Associate at the Cambridge Centre for Housing and Planning Research (CCHPR) and has been responsible for the management of the local case study work with landlords and agencies and the landlords' survey. She has managed a range of research projects in the field of housing including past projects for DCLG as well as work for housing associations on welfare reform.

Lewis Hill is a Senior Research Executive in Ipsos MORI's Housing, planning and development team. As part of this evaluation, he is Project Manager for the survey research with claimants. He has managed a number of projects for DWP on welfare reform, covering the Removal of the Spare Room Subsidy and the Benefit Cap.

Ben Marshall is Research Director at Ipsos MORI and Business Manager for the Housing, planning and development team. He has designed and directed hundreds of projects for Government and public sector clients. He is Project Director for this evaluation for DWP and has worked in a similar role within a consortium evaluating reforms to the Local Housing Allowance in the private rented sector.

Sarah Monk is Deputy Director of CCHPR and currently manages a range of research projects. Her current main research areas are the production of affordable housing through the planning system.

Isabella Pereira is an Associate Director in Ipsos MORI's Qualitative research team and managed the qualitative research with claimants. Isabella has worked on a number of projects for DWP and other clients researching welfare reform and its impacts.

Eleanor Thomson is a Research Executive in Ipsos MORI's Employment, welfare and skills team. On this study, she helped design and deliver the qualitative research with claimants. She has experience on a number of qualitative depth interviewing projects, including work for the Welsh Assembly Government.

Christine Whitehead is a Senior Research Fellow and former director of CCHPR. Her research interests are in housing and urban economics and finance. She is Professor in Housing Economics in the Department of Economics, London School of Economics.

Peter Williams was the Director of CCHPR until December 2013 and undertook the lender interviews of this evaluation. His long career includes academia, Government and industry and has been Deputy Director General of the Council of Mortgage Lenders.

Glossary of terms

Affected claimant	Housing Benefit claimant affected by the Removal of the Spare Room Subsidy (RSRS). Since Housing Benefit is claimed by a family unit this is usually the same as households.
The Benefit Cap	The cap, introduced in 2013 and limiting the total amount of benefits that most out of work working age households can receive to £500 a week for couples and families and £350 a week for single people without children.
Discretionary Housing Payments (DHPs)	Payments awarded by local authorities when they consider that a claimant requires further financial assistance towards housing costs. The DWP allocates funding for DHPs to local authorities, who decide how to allocate it and may also choose to top up the funding from their own resources.
Housing Benefit	Financial support paid to tenants (or to landlords on their behalf) for those who are out of work or on low incomes to help pay their rent. It can cover up to the entire value of the rent, depending on the claimant's circumstances and income.
Social landlord	Landlords who manage social housing, including local authorities, housing associations and other Registered Providers.

List of abbreviations

CAB	Citizens Advice Bureau
CML	Council of Mortgage Lenders
DCLG	Department for Communities and Local Government
Defra	Department for the Environment, Food and Rural Affairs
DHP	Discretionary Housing Payments
DLA	Disability Living Allowance
DWP	Department for Work and Pensions
HA	Housing association
HB	Housing Benefit
HCA	Homes and Communities Agency
LA	Local authority
LHA	Local Housing Allowance (Housing Benefit for the private rented sector)
LSVT	Large Scale Voluntary Transfers (of local authority stock to a registered provider)
PRS	Private Rented Sector
RP	Registered Provider (HAs and other providers of social housing registered with the Homes and Communities Agency, but excluding local authorities)
RSRS	Removal of the Spare Room Subsidy
SHBE	Single Housing Benefit Extract (DWP's Housing Benefit data)
UC	Universal Credit

Executive summary

This Interim Report presents early findings from the evaluation of the **Removal of the Spare Room Subsidy (RSRS)** undertaken by Ipsos MORI and the Cambridge Centre for Housing and Planning Research. A final report will be published in 2015.

The **objectives of this project** are to evaluate:

- the preparation, delivery and implementation of the policy changes by local authorities and social landlords;
- the extent of increased mobility within the social housing sector leading to more effective use of the housing stock;
- the extent to which as a result of the RSRS more people are in work, working increased hours or earning increased incomes;
- the effects of the RSRS, and responses to it, of:
 - claimants;
 - landlords
 - local authorities;
 - voluntary and statutory organisations and advice services;
 - Funders lending to social landlords.

Background

The RSRS was brought into effect on 1 April 2013. It entailed a reduction in Housing Benefit for working age social tenants whose properties have more rooms than the DWP's size criteria state that they need (see box).

The **Removal of the Spare Room Subsidy (RSRS)** reduces Housing Benefit for social tenants of working age with more bedrooms than they are deemed to need. The number of bedrooms required is worked out so that no one has to share a room unless they are:

- a couple;
- both aged under 10 years old;
- both aged under 16 years old and of the same sex;

No more than two people should have to share any room.

An additional room is also allowed in certain circumstances for regular overnight carers, foster carers, students or members of the armed forces away temporarily, disabled children unable to share a bedroom and people who are recently bereaved.

Those deemed to have spare rooms have had their rent eligible for Housing Benefit reduced by:

- 14% for one spare bedroom;
- 25% for two or more spare bedrooms.

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The DWP's Housing Benefit data show that in August 2013, 522,905 households¹ were affected by the RSRS², which equates to 11.1 per cent of all social tenancies.

This research was carried out during the first eight months of implementation. Subsequent DWP administrative data shows a steady decline in the caseload affected by RSRS. This has occurred for a variety of reasons e.g. moving house, increasing income etc. We will look more closely at some of these mitigating actions in the second wave of research.

Research methods

The research methods for this interim report comprised:

- **a survey of social landlords throughout Britain** which ran between October and November 2013. A total of 312 landlords replied in full, a response rate of just under 50 per cent with a stock profile representative of the national profile on key measures including the proportion of tenants affected by the RSRS;
- **a survey of Housing Benefit claimants both affected and not affected by the RSRS** carried out across 15 areas in October and November 2013. Face to face interviews were carried out with a total of 1,502 Housing Benefit claimants, of whom two thirds were currently affected by the RSRS according to DWP's SHBE records;
- **detailed qualitative interviews with 30 of the surveyed claimants affected by RSRS** were carried out in November 2013 in six of the 15 areas;
- **case study work in ten local authority areas**. This included group interviews carried out with local authority staff in the summer of 2013, qualitative interviews with social landlords in summer 2013 and telephone interviews with 47 local agencies across the ten areas in the autumn, including Children's Services, the Citizens Advice Bureau, Job Centres and local voluntary organisations³;
- **interviews with eight of the major lenders to the HA sector** were conducted during October 2013;
- **the DWP's local authority (LA) Insights survey** undertaken in October to December 2013 which included questions intended to assist this evaluation.

This report has drawn upon all these sources of information, drawing on more than one source where possible to increase the validity of the conclusions drawn.

This report presents interim findings from the first phase of the research. A follow up survey of the affected claimants and further survey of landlords and case study work will be undertaken during 2014 to input into the final report. Some of the evidence gathered at this stage is therefore intended to provide a 'baseline' rather than assess the impact of the RSRS.

¹ Since Housing Benefit is claimed on a family household basis, the term household has been used interchangeably with claimant throughout this report.

² Data from <https://stat-xplore.dwp.gov.uk/>. DWP figures relate to the numbers on the second Thursday of the month. Data for April were not available.

³ Local authority staff interviewed included those involved in the administration of Housing Benefit, as well as strategic housing managers and (where applicable) those responsible for managing social housing stock.

Key findings

Preparedness and implementation

Most social landlords felt that their staff were very well prepared for the implementation of the RSRS and the long run-in period was appreciated. Overall 87 per cent of landlords surveyed were confident they knew which tenants were affected by RSRS in at least 95 per cent of cases, and a further ten per cent knew most. Landlords working across many areas were more likely to be having difficulties in knowing which tenants were affected.

Systems for communicating changes of circumstance to landlords were not so well-developed with only around half of landlords surveyed reporting to be regularly informed by the LA about tenants starting to be affected.

Reclassification of the homes (in terms of number of bedrooms) has been very small scale, under 0.1 per cent of stock, with fewer still physically altered.

Communication with claimants

Good joint working practices were reported between local authorities and social landlords in most areas, with examples of good practice such as producing joint letters sent to tenants and agreeing who will visit.

Just over half (53 per cent) of landlords report having visited at least 90 per cent of affected tenants, and 70 per cent had had telephone contact with over 90 per cent. Claimants recall lower levels of contact: 86 per cent of the affected remember receiving notification of changes, but of those who do, most recall a letter (75 per cent of all claimants and 87 per cent of those recalling notification) while only 13 per cent recall a visit (15 per cent of those recalling). However, most affected claimants were aware of the RSRS.

Discretionary housing payments (DHPs)

DHPs have helped some households to meet their rental shortfall. Some local authorities struggle to make long-term plans for this resource and suggested that this was because of uncertainties around both future demand and the size/availability of the fund. The 2014-15 allocation was only announced in January 2014, after the fieldwork for this phase of the research had taken place. There was some variation in who was assisted, even within a local authority, in this early phase of implementation.

A key concern raised by landlords and local agencies is that disabled people in adapted homes have not always been awarded DHP because disability benefits, which are intended to help with some of the extra costs of having a long-term disability or health condition, can cause them to fail means tests based on their income. Local agencies are also concerned about some groups who fail to apply for DHP, or fail to adequately evidence their application, especially those with mental health difficulties. More than half (56 per cent) of RSRS-claimants surveyed who have not applied for DHP said they were not aware of it. The claimants who were unaware of DHP were similarly likely to other claimants to report having difficulties paying rent and similarly likely to be in arrears.

Early impact on claimants

The DWP's data shows reduction in households affected by the RSRS from 547,342 to 522,342 by August 2013, a fall of 4.6 per cent. The claimants survey found a similar reduction, but also highlighted some degree of flux, with five per cent of those who were affected on 1 April (according to SHBE) no longer being so by the time of the interview (autumn 2013), and a further three per cent reporting that they had been affected some but not all of the time since 1 April.

Mobility

A total of 4.5 per cent of affected claimants were reported by landlords to have downsized within the social sector within the first six months of implementation, which was a key aim of the policy. Landlords with the lowest proportion of affected tenants have downsizing rates of almost 16 per cent, four times higher than those with the highest proportion affected, despite similar proportions of affected tenants registering for downsizing. This suggests that landlords with the highest proportion of affected tenants will have more difficulties in meeting the demand for downsizing. Overall, landlords report that around 19 per cent of affected tenants have now registered for downsizing, compared to previous rates of downsizing which were typically under 0.5 per cent of all tenants downsizing in a year⁴, although they had not yet been able to accommodate most of those who wanted to move to a smaller home.

A further 1.4 per cent of affected claimants had moved to the PRS. This was more common for the tenants of landlords based in the north of England and much less common in London.

Most claimants we spoke to in the qualitative research were reluctant to move, for a wide variety of reasons including proximity to services, work, and support networks; the claimant's perceived need for the additional bedroom and the knowing that they would soon cease to be affected by the RSRS – for instance because a child would turn ten or 16 and require their own room.

Finding work and increasing earnings

18 per cent of affected claimants say they have looked to earn more through employment-related income as a result of the RSRS, rising to 50 per cent of those who said they were unemployed and seeking work.

Both local authorities and landlords had encouraged tenants to find work, although they were concerned about the long-term barriers faced by tenants. Claimants also reported difficulties finding work because of disability, having been out of the workplace for a long period and having young children (and being their sole carer). Some had asked employers for additional hours in their current jobs, although employers were sometimes unable to accommodate this.

Taking lodgers

Very few affected claimants have taken a lodger. A frequently given reason was concerns around sharing their home with someone they did not know. This was a particular concern if claimants had children or if they felt themselves to be vulnerable. Some had made enquiries about taking in a family member.

⁴ Derived from the English CORE data for 2012/13 and HCA's data on the size of the sector.

Paying the shortfall

Landlords reported that, five months into the RSRS, 41 per cent of tenants have paid the full RSRS shortfall, 39 per cent have paid some and 20 per cent have paid none.

There was widespread concern that those who were paying were making cuts to other household essentials or incurring other debts in order to pay the rent. 57 per cent of claimants reported cutting back on what they deemed household essentials and 35 per cent on non-essentials in order to pay their shortfall. A quarter of claimants (26 per cent) said they had borrowed money, mostly from family and friends (21 per cent of all claimants); three per cent had borrowed on a credit card and three per cent taken payday loans, although we do not know whether they have a history for borrowing for other purposes. In addition, ten per cent had used savings and nine per cent been given money from family.

Early impact on social landlords

Nationally, 11.1 per cent of all social tenancies are affected by the RSRS⁵. The landlords' survey found that this varies between landlords with the proportion of landlords' tenants affected varying from under five per cent to more than a quarter.

Arrears

Total arrears (for all reasons) held by social landlords increased by 16 per cent between April and October, although it must be emphasised that the cause of this is uncertain and we cannot directly attribute this increase to the RSRS. Landlords state that they will eventually evict RSRS-affected non-payers, though at the time of the research most were currently only in the early stages of this process. Many landlords expressed concern that collecting rent from people who can't afford to pay whilst in their current circumstances is damaging relations between landlords and tenants.

Allocations and development

Difficulties in letting larger properties were reported by 41 per cent of landlords who participated in this research – primarily of three bedroom homes. However, it should be noted that national voids figures show no statistically significant increase. Around a third of developing landlords have altered their build plans as a result of RSRS or the Benefit Cap in order to build more one bedroom homes and/or fewer larger homes.

Early impact on local authorities

Most local authorities and landlords have changed the size of homes they consider applicants to be eligible for, and are now in line with the DWP's rules. They suggest that this has contributed to increased waiting times for smaller homes for those on the waiting list, while making larger properties available for other families on the waiting list.

It was too soon at the time of the research with local authorities to establish whether there has been an impact on homelessness services arising from RSRS evictions.

⁵ Derived from the DWP's administrative data (<https://stat-xplore.dwp.gov.uk>) and 2011 census data on the size of the social sector.

Early impact on voluntary organisations, advice and support services

Children's services had been concerned about impact on foster carers prior to the change in rules allowing them an extra room. Those interviewed in the case studies reported that few foster carers are social tenants on HB and that most only have one child at a time so would only require one extra room. Concerns about a possible impact of the RSRS on foster carer recruitment had therefore diminished. It was reported that it is always hard to place siblings but this does not seem to have changed in response to the RSRS.

Voluntary sector agencies working with the single homeless reported difficulties in hostel move-on to social housing because of the shortage of one bedroom homes and reluctance of landlords to allocate single people to two bedroom homes where they would be affected by the RSRS. Moving single people to private rented housing had also become more difficult lately because those aged under 35 were now limited to LHA to cover only a single room, rather than a one bedroom flat, although it must be noted that other research shows that landlords are increasingly planning to expand the shared accommodation they offer (Local Housing Allowance evaluation, DWP research reports 870-874, 2014).

As part of the implementation of RSRS, the Government worked with relevant stakeholders, including charities, advice agencies and other organisations, many of whom received public funding. Citizens Advice Bureaus (CABs) reported that people were increasingly asking for help related to welfare benefits, with some CABs saying that they had difficulty meeting the level of demand for their services. They believed that RSRS was one of several factors causing this, although they also noted that people affected by the RSRS commonly had additional problems as well.

Conclusions

At the time of the research, four out of five claimants affected by the RSRS were reported by landlords to be paying some or all of their shortfall, although half of these had failed to pay in full. There was widespread concern about the impact of potential future evictions on local services, and on landlord finances as well as on the lives of vulnerable people.

At the time of writing, few tenants have found work or taken in lodgers. However, demand for downsizing has been greater than anticipated, although, in many areas, this demand has thus far been difficult to meet. At the time of this research, there had been very few evictions solely due to the RSRS.

The evaluation will continue to monitor this situation and any resultant impact on landlords, local authority services or on the lives of claimants themselves, in its next round of fieldwork later in 2014.

1 Introduction

This interim report presents early findings from the evaluation of the Removal of the Spare Room Subsidy (RSRS). The evaluation is being led by Ipsos MORI and the Cambridge Centre for Housing and Planning Research and being carried out between 2013 and 2015. The evaluation will also examine the impact of the Benefit Cap within the social rented sector, but the findings from this strand of the work will be presented separately in the autumn of 2014.

The focus of the evaluation is Great Britain (England, Scotland and Wales).

1.1 Aims

This interim report presents the early findings from the study, covering the first eight months of implementation – April to November 2013.

We describe early assessments of impact and many of the findings in this report serve as a baseline for further examination later this year. A final report will be published during 2015 which will conclude both elements of the evaluation.

Assessing whether HB expenditure has reduced is being carried out by the Department for Work and Pensions (DWP) separately, and does not lie within this evaluation.

The objectives of this evaluation are to evaluate:

- the preparation, delivery and implementation of the policy changes by local authorities (in their strategic housing role) and social landlords;
- the extent of increased mobility within the social housing sector leading to more effective use of the housing stock with households in more suitable sized accommodation (reduced overcrowding, and waiting lists for social housing);
- the extent to which, as a result of the RSRS, more people are in work, working increased hours or earning increased incomes;
- the effects of the RSRS, and responses to it of:
 - claimants;
 - social landlords;
 - local authorities;
 - voluntary and statutory organisations and advice services, including Children’s Services;
 - funders lending to social landlords.

1.2 Background

The RSRS was brought into effect on 1 April 2013. It entailed a reduction in Housing Benefit for working age social tenants whose properties have more rooms than the DWP's size criteria state that they need.

The size criteria specify the number of bedrooms that a household requires so that no one has to share a room unless they are:

- a couple;
- both aged under ten;
- both aged under 16 and of the same gender.

No more than two people should have to share a room. An extra room was also allowed for a non-resident overnight carer for the tenant or their partner.

Later amendments were introduced before implementation which allowed an extra room for:

- foster carers who have fostered or become approved for fostering within the last year;
- parents with adult children in the armed forces (or reservists) who normally live with them but are deployed on operations;
- a child whose disability or medical conditions means they cannot share a bedroom with another child whom they would otherwise be expected to share with.

Those with one spare bedroom, according to the criteria, have had their Housing Benefit eligibility reduced by 14 per cent, whilst those with two or more spare rooms have had their Housing Benefit eligibility reduced by 25 per cent. People on partial Housing Benefit will in some cases have ceased to be eligible for Housing Benefit as the reductions are applied from the eligible amount, not the actual amount received. The average reduction was projected to be around £13 (DWP, 2011).

The DWP's initial data on the impact of the RSRS shows that in May 2013 two thirds of tenants with one spare room were seeing reductions of between £10 and £15 a week, whilst 16 per cent had had their Housing Benefit reduced by under £10. For tenants with two or more spare rooms, half were experiencing reductions of between £20 and £25, with 28 per cent were seeing reductions of over £25⁶.

The DWP's data show that in May 2013 a total of 547,341 households were affected across Britain, falling slightly to 522,905 by August 2013⁷. These figures are somewhat lower than the DWP's initial estimate of 660,000 affected households (DWP, 2012), though 40,000 of these households were estimated to be those on partial HB who would lose all of their HB entitlement as a result of the RSR, and therefore would not be expected to be seen in the figures for those affected but still in receipt of HB. The 547,341 is however still lower than the 620,000 whom the DWP estimated would be affected but remain on HB. This may be because some claimants acted in the three years prior to April to avoid being affected, and/or that landlords amended their letting policies to reduce under-occupation among new tenants. There were also some additional 'easements' made prior to the Impact Assessment which allowed small numbers of households to have an extra room.

⁶ <https://sw.stat-xplore.dwp.gov.uk>

⁷ DWP figures relate to the numbers on the second Thursday of the month. Data for April 2013 was not available.

The overall size of the social housing sector in Britain is around 4.71 million homes⁸. This means that 11.6 per cent of all tenancies were affected by the RSRS in May 2013, falling to 11.1 per cent by August 2013.

DWP data also show clear geographic differences between areas in the proportion of HB-dependent tenants affected, reflecting differing housing stock profiles and housing pressure; at one extreme Westminster and Mole Valley both see fewer than six per cent of HB-dependent tenants (of all ages) affected, while at the other, Copeland, East Ayrshire and West Lothian all see more than 26 per cent of their HB-dependent tenants affected.

1.3 Research methods

There are six strands to this research:

- **A survey of social landlords throughout Britain**

The survey ran between 16 October and 8 November 2013. A total of 750 landlords were invited to take part in the survey, comprising all stock-owning local authorities and RPs with over 1000 properties, as well as a sample of smaller social landlords throughout Britain. A total of 312 replied answered most or all of the survey. The survey asked for substantial numeric data relating to finances and numbers of affected tenants. Landlords were instructed to *'draw on any data you hold wherever possible, but give us your best estimate if not. Please leave blank any questions where you do not know the answer, and cannot provide a good estimate either'*. For further details see Appendix C.

The landlords who replied were representative of all social landlords in terms of their spread between England, Scotland and Wales. They also had an average of 11.1 per cent of their stock occupied by tenants affected by the RSRS, which is precisely the national average, as of August 2013. For further details, see Appendix C.

- **A survey of Housing Benefit claimants both affected and not affected by the RSRS**

A total of 15 areas, were selected for the purposes of undertaking primary survey research among Housing Benefit claimants in the social rented sector. These covered England (13 areas), Scotland and Wales (one area each), and were chosen to ensure a range of housing market circumstances, region, tenure mix, type, and size of local authority throughout Britain. This was not designed to be representative in any statistical sense – and should not be considered as such, but rather to ensure coverage of a mixture of stock-owning and non-stock owning, rural and urban, and unitary and district authorities.

⁸ 2011 Census.

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Table 1.1 below shows key statistics of the 15 case study areas, as compared to the national average:

Table 1.1 Key statistics of the 15 case study areas

	15 case study areas	Britain
Proportion where LA owns stock	60%	53%
Proportion rural (Defra class 4-6)	40%	51%
Mean % PRS tenants	19%	16%
Average overcrowded households per 100 households	5	4
Mean proportion social sector with 1-2 rooms	10%	11%
Mean estimate of proportion of tenants affected by RSRS	15%	14%

Source: 2001 and 2011 Censuses, Defra, Scottish Government and Welsh Government websites; Estimate of proportion affected by RSRS modelled from DWP impact assessment.

In order to encourage frank and open discussion, the case study authorities have not been identified in this report.

The survey ran between 1st October and 24th November 2013 (following a small-scale pilot survey conducted in September). The sample was drawn from the May 2013 Single Housing Benefit Extract (SHBE), which flagged claimants as either 'affected' or 'non affected' by the RSRS at the point the extract was compiled.

Ipsos MORI interviewed 100 claimants face-to-face in their homes in each area. Sampling and quotas were structured to achieve interviews with affected claimants in a 70:30 ratio of affected to non-affected claimants at both local and aggregate levels. In total, 1,071 affected HB claimants were interviewed, and a non-affected sample of 431 HB claimants.

For analysis purposes, findings focus on the 871 claimants flagged in the May 2013 SHBE extract as affected by the changes⁹ and who say they are **currently affected by the changes and Housing Benefit has been reduced ('affected')**, and on the 381 claimants flagged as not affected in the May 2013 SHBE extract and who say they are **not currently affected by the changes ('non-affected')**. This allows us to analyse those affected with greater certainty that they had indeed been affected.¹⁰

Fieldwork was conducted a number of months after receipt of the May SHBE extract, meaning that there was a possibility of circumstances changing for some respondents in this period. Consequently, the original affected/non-affected SHBE flag has limitations but, at the same time, respondents' self-reported status cannot be easily validated.

⁹ This was derived from SHBE field 21 – 'the weekly amount of social sector size criteria/under-occupation deduction'.

¹⁰ This allows greater certainty but remains reliant on respondent recall/reporting (and does not provide precise validation of the SHBE flag). We detected some confusion on the issue – for example, of the 1,502 taking part in the survey, 180 flagged as affected by SHBE said that their Housing Benefit had not been reduced. A further 32 flagged as not affected by SHBE said that their Housing Benefit had been reduced, while 10 said they believed they were affected but their Housing Benefit had not been reduced. A further 28 were unsure of their current status.

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Taking this into account at the analysis stage, we isolated those flagged in the original SHBE sample as being affected and non-affected, and whose self-reported responses in the survey matched these labels. This allowed us to analyse early impacts of the policy among a group we know to be both affected and aware of the fact, and looking ahead, allows us to monitor effectively the change over time through the longitudinal element of the evaluation.

For further details on methods and the interview schedule used, see Appendix A.

• **Follow-up qualitative interviews with 30 claimants affected by the RSRS**

In addition to the survey of claimants, 30 in-depth interviews were conducted among those affected by RSRS (who had taken part in the original survey). Respondents were chosen based on demographic characteristics to ensure a cross-section of affected claimants was interviewed. Interviews were conducted in six of the 15 areas (four in England, one in Wales, one in Scotland).

A full disposition of qualitative interviews can be found in Appendix B.

Qualitative research is designed to be both detailed and exploratory and provides insight into the perceptions, feelings and behaviours of people. It is useful for exploring perceptions of policy issues and proposals but it is important to note that qualitative findings are not designed to be statistically representative of the views of all claimants.

The findings include some indications of the prevalence of views or experiences across the sample or within subgroups, indicated through the use of words such as 'most', 'many' and 'few' to describe how typical views or experiences were across the relevant group. However, this should be considered indicative rather than exact due to the nature of qualitative research which is not intended to give a statistical measure of the prevalence of different views.

• **Case study work in ten local authority areas**

The ten case study local authorities were chosen to reflect the range of housing market circumstances. Nine of the ten areas were chosen from within the 15 areas selected above¹¹. Group interviews were held between May and August 2013 in each location with between two and ten local authority staff in attendance at each interview. In total 26 landlords were interviewed, covering 89 per cent of the housing stock in the case study areas, around 186,000 properties. Interviews were also conducted in November 2013 with a total of 47 local agencies and local authority departments across the ten areas, including Children's Services, the Citizens Advice Bureau, Job Centres and local voluntary organisations.

The topic guides used are in Appendix D.

¹¹ The intention had been to choose just nine from within the 15 selected for claimant interviews, but one case study area was found not to have adequate SHBE data, and therefore was no longer suitable for claimant interviews. It was therefore decided to include an additional 10th case study area – nine from the 15, as planned, as well as continuing fieldwork in the 10th one where claimant interviews could not be carried out.

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• Interviews with eight of the major lenders to the social housing sector

A series of eight telephone interviews with funders of the housing association sector was undertaken in October 2013, including both established and new lenders/investors in the sector, and also the Council of Mortgage Lenders. Moody's play a role in here in ranking the creditworthiness of borrowers, including housing associations. They declined an interview but did supply a note which also included an overall commentary on the health of the sector in relation to welfare reforms. A draft summary of the points raised was circulated to the eight lenders for further comment. The HCA's recently published Sector Risk Profile¹² has also been drawn on as it provides a useful overview of the sector. The topics covered are listed in Appendix D.

• The DWP's LA Insight survey

The DWP carry out a survey of all local authorities every six to twelve months, known as the LA Insight survey (formerly the Omnibus Survey). The autumn 2013 survey ran from October to December 2013 and included questions added to contribute to this evaluation. The questions added covered:

- Discretionary Housing Payments and their use in relation to people affected by the RSRS;
- Housing Benefit Advice given to people affected by the RSRS;
- communication with claimants affected by the RSRS;
- whether the numbers affected had increased or decreased and perceived reasons for any decrease;
- other comments on the RSRS.

This report has drawn upon all these sources of information and used triangulation methods which involve drawing on information from more than one source wherever possible in order to cross-check and increase the validity of the conclusions drawn. Areas of agreement or divergence can be highlighted and explored further.

This report presents interim findings from the first phase of the research. A follow up survey of the affected claimants and further survey of landlords and case study work will be undertaken during 2014 to input into the final report. Some of the evidence gathered at this stage is therefore intended to provide a 'baseline' rather than assess the impact of the RSRS.

¹² www.homesandcommunities.co.uk/sites/default/files/our-work/sector_risk_profile_2013_full.pdf

2 Preparedness and Implementation

2.1 Local authority and social landlord staff training, set up and preparedness

Case study work examined the extent to which local authorities and landlords had prepared for the RSRS. Some organisations had identified a lead person with overall responsibility for overseeing the implementation of the RSRS. Others had set up or used an existing board. Both arrangements appeared to work well and the staff interviewed in the late spring of 2013 had, without exception, a thorough understanding of the details of the RSRS.

Overall most landlords felt their staff were very well prepared for the implementation the RSRS. The long run-in period had been appreciated as landlords had needed some time in order ensure their records were correct and also to mobilise staff across their organisations. Rent collection teams and tenant support services were at the forefront of their work, but many landlords had made efforts to ensure that all staff were up to speed in how the RSRS would affect their tenants, so that even those such as maintenance teams could answer queries as they arose.

Last minute additions to the groups exempted from the RSRS (including foster carers and disabled children unable to share) had, however, caused frustration in some areas. The sense that the policy might not go ahead, or might be altered further was reported as contributing to the difficulties that landlords experienced in persuading tenants to take preventative action before implementation. Landlords suggested that tenants were often disinclined to believe that the policies would actually happen until they took effect.

2.1.1 Support from the DWP, DCLG, the Scottish and Welsh Governments

The DWP's regular briefings were mentioned by two case study authorities as having been helpful, and one was appreciative of the data-sharing protocol. Respondents were however, generally negative about the support provided by the DWP to help them train staff and understand the reforms and reported little involvement with DCLG over the implementation of the reforms. Local authorities appreciated having a local DWP representative that they could approach. Some reported that they had had such a contact in the past but no longer did, or that their local contact was unable to answer their questions without having to go away and seek out answers from others, which took time. Issues of particular concern related to the lack of clarity over when they should be making Discretionary Housing Payments (DHPs). Most received training from external providers including the National Housing Federation and Chartered Institute of Housing, which was generally reported to be excellent.

Local authorities and landlords also reported that they would have liked more information on the policies in what they saw as 'tenant-friendly language'. By this they meant material that explained the implications of the policy for the tenants, without attempting to explain the rationale behind the reforms. Several complained that they did not feel able to use the material issued by the DWP because they felt it was too political. Following this research, DWP has since reviewed its communications and do not believe they are political.

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The view was that there was some ongoing need for training and support in dealing with difficult situations and with tenants affected by the RSRS who are struggling and/or not paying. Staff stress and workload were an issue of concern. Training materials that recognised the pressures on both tenants and staff were felt to be important. Some landlords reported that housing staff were used to working with tenants who failed to pay their rent, but there were some affected by the RSRS who the staff felt were unable to afford to pay. This was widely perceived to be a new issue resulting from the RSRS. People who cannot afford to pay can potentially change their circumstances, for example by increasing earnings or moving to a smaller home.

2.1.2 Identifying the number of bedrooms

Local authorities hold the most up to date information on the profile of benefit claimants' households. They had not, however, previously held data on the number of bedrooms in their homes. Landlords therefore needed first to provide the local authorities with data on the size of their properties, and then to receive information back from the local authorities on the profile of the occupants' households, enabling them to identify which households would be affected.

Good working relationships between local authorities and landlords were reported in nearly all the case study areas. These tended to be the strongest between local authorities and the larger landlords within them or where there were established local area network meetings. Landlords with stock across a large number of local authorities encountered more difficulties in both supplying information requested in many different formats, and receiving back the information they required. Likewise, unitary authorities covering large geographical areas with many landlords found the task more challenging.

Identifying the number of bedrooms in properties was generally completed in good time and without too many difficulties. Landlords reported small numbers of cases where their records were incomplete, or later turned out to be incorrect, but across the stock of around 186,000 units owned by case study landlords, around 35,000 of which were occupied by tenants affected by the RSRS, there were fewer than 50 found to be incorrectly recorded in terms of size. Reasons for incorrect recording included cases where adaptations to cope with a disability (such as a lift) had resulted in the loss of a bedroom, or individual properties transferred from another landlord or bought privately where the records were incorrect or missing.

Some landlords had given their local authority information on the size of all their properties, whether or not the current tenant was affected by the RSRS. Others were informing the local authority of the size of homes only on request.

2.1.3 Identifying affected tenants

Identifying affected tenants was a more complicated process than identifying the size of properties. Nevertheless nine out of the ten case study areas (interviewed around June 2013) felt that they knew the large majority of which tenants were affected. By six months into the policy, 87 per cent of landlords responding to the survey, covering 83 per cent of affected tenancies reported that they knew which tenants were affected in at least 95 per cent of cases (Table 2.1).

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Table 2.1 Which of the following statements best describes how confident you are that you know you are able to identify tenants affected by the RSRS?

Response	Number of landlords	% of landlords	RSRS-affected tenants	% of all RSRS-affected tenancies
We think we know which of our tenants are affected by the RSRS in all or nearly all cases (95%+)	269	87%	206,025	83%
We think we know which of our tenants are affected by the RSRS in most cases, but there are at least 5% of cases where we don't know	32	10%	26,239	11%
We think we know which of our tenants are affected by the RSRS in a minority of cases, but do know at least 5% of them	4	1%	7,685	3%
We know which of our tenants are affected by the RSRS in none or very few cases (under 5%)	2	1%	7,967	3%
Other	3	1%	286	*
Total	310	100%		

Base: All Landlords (n=310). Fieldwork Dates: 16 October to 8 November 2013.

Source: CCHPR/DWP.

Landlords with stock spread across the country were more likely to report that they were experiencing more difficulties in identifying affected tenants than those with stock in just one area.

Systems for keeping this information updated and sharing information when tenants' circumstances changed so that they started or ceased to be affected by the RSRS were, however, less well developed in some areas (Table 2.2).

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Table 2.2 Which of the following best describes how you become aware when tenants start or cease to be affected?

Response	Number of landlords	% of landlords	RSRS-affected tenants	% of all RSRS-affected tenancies
We have access to the local authority HB database so we can see for ourselves	42	14%	43,851	18%
The local authority informs us on a case by case basis when people start or cease to be affected	45	15%	19,021	8%
The local authority informs us on a regular basis (at least monthly)	43	14%	48,965	20%
The local authority informs us but less often than monthly	34	11%	34,659	14%
We do not get informed by the LA reliably so rely on the tenant telling us directly	44	14%	31,947	13%
A mixture of the above	90	29%	58,105	24%
Other	8	3%	5,129	2%
Total	306	100%	241,677	100%

Base: All Landlords (n=306). Fieldwork Dates: 16 October to 8 November 2013.

Source: CCHPR/DWP.

Again, landlords with dispersed stock reported more difficulties in finding out when tenants started or ceased to be affected. Stock-owning councils were generally able to access the Housing Benefit database themselves so found this task easier, and were less likely to report difficulties.

2.1.4 Identifying exempt tenants

Certain groups of households are allowed an extra bedroom (referred to in legislation as having been 'given easements') before they are deemed to be under-occupying. These comprise:

- people in supported exempt accommodation or certain types of temporary homeless accommodation;
- parents keeping a bedroom for a student, if a student's main residence is their parents' home;
- people who need a bedroom for an overnight or live-in carer;
- families where under-occupancy has arisen due to a death within the last 12 months;
- approved foster carers, who have fostered or become registered within the last 12 months;
- parents with adult children on operational duty in the Armed Forces who continue to live with their parents, and spouses of those serving in the armed forces;
- disabled children unable to share a bedroom.

Case study work suggested that neither local authorities nor landlords had reliable records on numbers in most of these groups, so generally required the tenants to self-identify.

Social workers interviewed were sometimes aware which of their foster carers were on Housing Benefit, and therefore likely to be affected by the RSRS, though the process of ensuring that they were allowed an extra room was generally led by the tenant, rather than the social services department.

Table 2.3 Number of tenants allowed an extra room for specific reasons

Reason for extra room	Number of cases known to landlords	As proportion of RSRS-affected tenants
Foster carers	322	0.35%
Child in the armed forces	94	0.10%
Disabled children unable to share	756	0.82%
Total	1,172	1.27%

Base: All tenancies affected by the RSRS managed by landlords (number of tenancies =92,485; number of landlords=126). Fieldwork Dates: 16 October to 8 November 2013.

Source: CCHPR/DWP

As can be seen, the total number of claimants allowed an extra room for any of these three reasons was very small. The majority of landlords had no tenants at all who had been allocated an extra room for foster caring or a child in the armed forces.

Case study local authorities and landlords, interviewed in May and June expressed concern around how to identify cases where disabled children were unable to share a bedroom. Many felt that they lacked the medical expertise to establish which disabled children were unable to share a room and this had led to delays in processing applications from this group.

2.2 Altering or reclassifying stock

There has been concern expressed in the media that some landlords have responded to the RSRS by physically remodelling their stock (eg knocking down walls) or reclassifying the number of bedrooms in their properties which could prevent some tenants being affected by the RSRS.

2.2.1 Physically altering stock

The landlords' survey asked whether landlords had altered stock or intended to do so (Table 2.4).

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Table 2.4 Have you physically altered any of your stock to change the number of bedrooms in direct response to the RSRS?

Response	Number of Landlords	%
Yes	10	3%
No	287	93%
Not yet but are planning to do so within the next 12 months	9	3%
Not known	2	1%
Total	308	100%

Base: All Landlords (n=308). Fieldwork Dates: 16 October to 8 November 2013.
Source: CCHPR/DWP.

Those who answered yes, reported a total of 40 properties which had been altered to change the number of bedrooms, with a further 676 properties planned to be altered during the next 12 months. The average cost reported of such alterations ranged from £150 to £84,000 per property, averaging at £6,500. Seven of the landlords who were making alterations were removing internal walls to reduce the number of bedrooms, two were relocating a very small kitchen or bathroom into a spare bedroom, and re-designating its previous location as a store room or study, and two were converting larger houses into flats.

The reasons cited for altering stock generally related to low demand for larger properties and the need to provide smaller units for downsizers.

Overall, the scale of such activities is very small, representing only 0.0018 per cent of the housing stock managed. The further 676 properties planned to be altered in the next twelve months represents a further 0.030 per cent of the housing stock.

2.2.2 Reclassifying the number of bedrooms in properties

Reclassifying the number of bedrooms without making physical alterations to the stock was somewhat more common to date (Table 2.5).

Table 2.5 Have you reclassified the number of bedrooms in any stock in response to the RSRS?¹³

Response	Number of landlords	%
Yes	32	10%
No	259	85%
Not yet, but are planning to do so within the next 12 months	13	4%
Not known	3	1%
Total	307	100%

Base: All Landlords (n=307). Fieldwork Dates: 16 October to 8 November 2013.
Source: CCHPR/DWP.

¹³ Respondents were specifically instructed not to include cases where they did this solely because they had discovered that their records were incorrect.

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A total of 1,172 properties had been re-classified, representing 0.053 per cent of the housing stock managed (2.2 million), though this should be viewed with some caution as nearly half of the properties reported in the survey as having been re-classified were owned by just one landlord. This suggests a potentially large margin of error in extrapolating to the country overall from the survey results. Table 2.6 shows the breakdown by size of the 1,172 properties reclassified:

Table 2.6 The original size of properties reclassified in response to the RSRS

Number of bedrooms	Number reclassified to have fewer bedrooms	Net change in number of properties of this size
1	0	664
2	664	-310
3	354	-210
4+	153	-153
Unknown	1	n/a

Base: All properties reclassified by landlords (number of landlords = 31; number of properties=1,172).
Fieldwork Dates: 16 October to 8 November 2013.
Source: CCHPR/DWP.

The reasons cited for reclassifying the number of bedrooms related to the size of the bedroom, its unsuitability as a bedroom or overall low demand for properties of that size (Table 2.7).

Table 2.7 Reasons cited for re-classifying the number of bedrooms in properties

Reason	Number of landlords
Bedroom is too small	
Under 50sq foot	5
Perceived not to meet legislative requirements ¹	4
Other/Not specified	10
Low demand for this property size	10
Downstairs bedroom used as sitting or dining room	7
Adaptations (eg lift) made room unsuitable for use as bedroom	4
Bedroom accessed via another bedroom or via living room	3
Bedroom needed for carer or medical use so not available for use as bedroom	3
Other reasons	3

Base: All Landlords who had reclassified stock, or were planning to do so (n=44). Fieldwork Dates: 16 October to 8 November 2013.
Source: CCHPR/DWP.

¹ As set by HAs or LA relating to space standards for statutory overcrowding.

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Landlords were also asked whether they had lowered the rent on properties where they had reclassified the number of bedrooms (Table 2.8).

Table 2.8 Have you lowered the rent on those properties that were reclassified as a result of reclassifying them?

Response	Number of landlords	%
Yes, on all of them	23	72%
On some of them	3	9%
No, none of them	5	16%
Not known	1	3%
Total	32	100%

Base: All Landlords who had reclassified stock (n=32). Fieldwork Dates: 16 October to 8 November 2013. Source: CCHPR/DWP.

As can be seen, most landlords had reduced the rent on all reclassified properties. Those who had not done so reported that this was either because the total size of the property was unchanged, or because the rent was still below target rents.

Respondents were asked what approach they took to deciding which properties to reclassify (Table 2.9).

Table 2.9 Which of the following best describes your approach to reclassifying?

Response	Number of landlords	%
We reclassified all properties of a similar type, regardless of who is living in them	12	38%
We reclassified only properties occupied by tenants affected by the RSRS	1	3%
We reclassified only on request or on an individual basis	17	53%
A mixture of the above	1	3%
In some other way	1	3%
Total	32	100%

Base: All Landlords who had reclassified stock (n=32). Fieldwork Dates: 16 October to 8 November 2013. Source: CCHPR/DWP.

As can be seen most landlords were reclassifying only a small proportion of their stock, often exhibiting quite individual features such as very small bedrooms. In some cases they did this only when the issue was brought to their attention by the current occupants but only one landlord indicated that they specifically intended only to reclassify the properties of tenants affected by the RSRS.

The large majority of landlords have neither physically altered nor reclassified any of their stock. The case study interviews indicated that most landlords had given some thought to reclassifying stock, but had decided that they lacked any housing that could reasonably be defined as having fewer bedrooms, or were concerned about the impact on their rental income if they were to do so.

2.3 Communication with claimants

In most areas either the local authority or the landlord was visiting all affected households with the aim of carrying out face to face interviews. Case study interviewees emphasised that this was a very time-intensive exercise, with multiple visits being required in many cases before contact was made. Face to face contact was however considered by most landlords to be the most effective method of engaging tenants. Many were concerned that tenants often failed to open their post, or failed to understand it. This was supported by our qualitative research with claimants, described towards the end of this section.

Local authorities were asked what types of communication they had had with claimants – both those currently affected by the RSRS and also with those who weren't but might be in the future or might be worrying that they would be affected (Table 2.10)

Table 2.10 What type of communication has your LA had with claimants who are:

	Affected by the RSRS?		Not currently affected by RSRS but might be in the future?		Not currently affected by RSRS but might be worrying that they are?	
	Number of LAs	%	Number of LAs	%	Number of LAs	%
Letter	220	96%	56	24%	45	20%
Telephone call	123	54%	29	13%	39	17%
Meeting/visit	138	60%	27	12%	29	13%
Information on website	198	86%	173	76%	171	75%
Leaflets available at LA	122	53%	104	45%	98	43%
Joint communication from LA and landlords	134	59%	68	30%	64	28%
Advice from Housing officers/RSLs	208	91%	130	57%	125	55%
Responding to claimants' queries	211	92%	145	63%	153	67%
Liaison with CAB	155	68%	83	36%	77	34%
Newsletter/tenants newsletter/members newsletters	5	2%	7	3%	7	3%
Flyer with notification letters	4	2%	4	2%	4	2%
Advice team referrals/money advice/debt advice/welfare advice agency	7	3%	2	1%	1	*
Is done by the HB section	2	1%	0	0%	0	0%
Magazine/newspaper/council newspaper/resident's magazine	3	1%	3	1%	3	1%
Other	19	8%	6	3%	4	2%
Don't know	2	1%	4	2%	3	1%
Not used any communication	0	0%	19	8%	18	8%
Total	229	100%	229	100%	229	100%

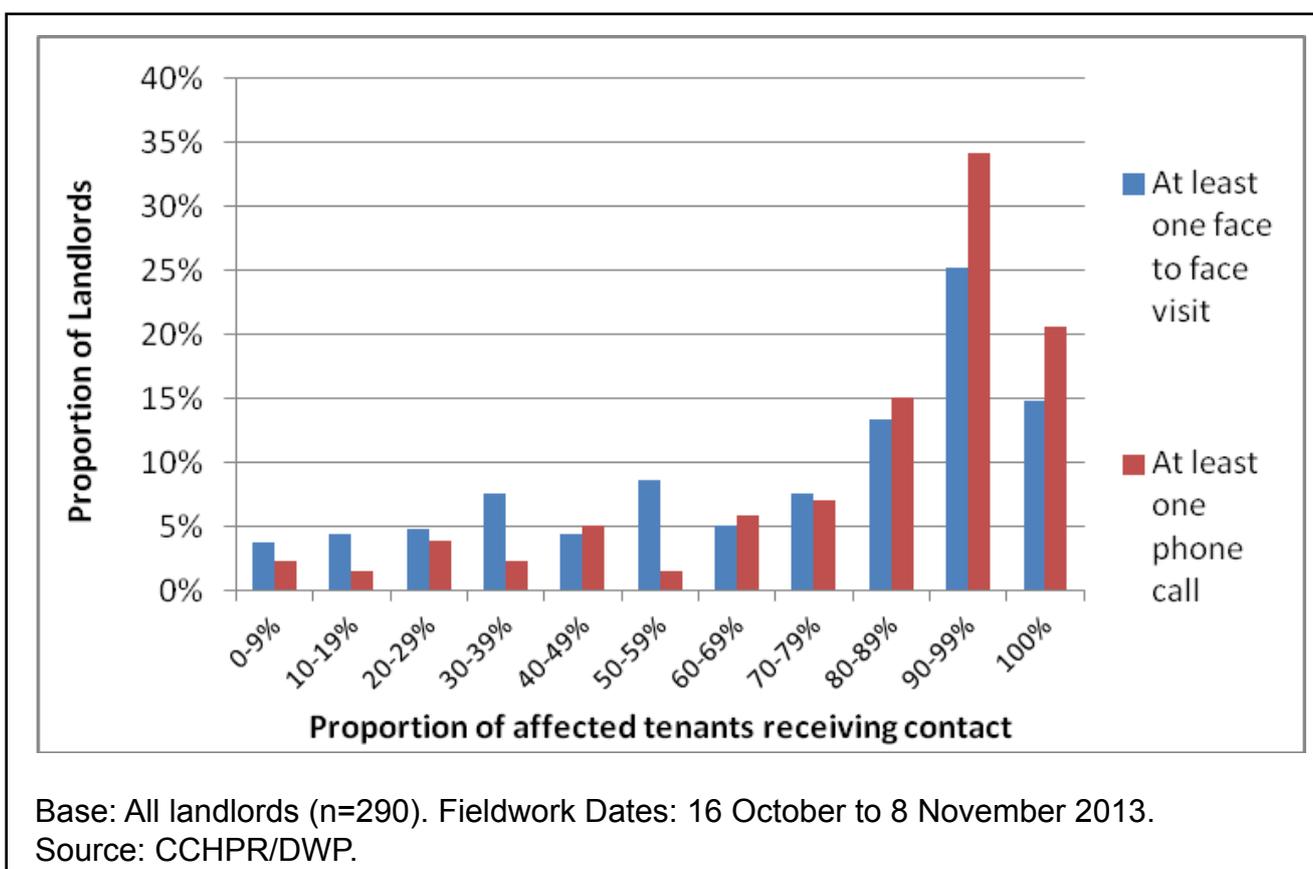
Base: LA Insight Survey All local authorities (n=229). Fieldwork Dates: 14 October to December 2013. Source: CCHPR/DWP. Respondents could give more than one answer.

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As can be seen, almost all authorities reported having written to those affected by the RSRS, with many also having communicated by other means too. Communication with those not currently affected has been more reactive, with responding to claimants' queries and information on the website being the most commonly used methods of communication.

Landlords have also played a key role in communicating the changes coming from the RSRS to tenants. The figure below shows the proportion of tenants whom landlords reported they had made contact with by either means before implementation or within the first six months (Figure 2.1).

Figure 2.1 Please estimate the proportion of your tenants affected by the RSRS who have received at least one face to face visit/at least one phone call¹⁴



Landlords with stock concentrated in just one area were more likely to report that the large majority of affected tenants had been visited face to face, as were landlords with fewer properties.

All case study areas told us that additional support was available on request (by phone or visit), although one landlord reported a four week wait for appointments for its tenancy support, because of high demand.

¹⁴ Respondents were instructed not to include tenants they had tried but failed to make contact with.

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Some case study areas had undertaken 'roadshow' type events, although there were mixed views as to how effective these were either for those affected or those who feared they might be. They were often not well attended, which staff speculated may be because of the stigmatised nature of receiving benefits, or possibly because they were held too early, before tenants were ready to grasp the implications of the reforms.

Joint working arrangements between landlords and local authorities in most areas were well-established. Good practice identified included developing joint letters to be sent to tenants throughout the local authority, ensuring a single and clear message was sent out with an individual assessment of their likely loss of Housing Benefit and telephone numbers to contact for further advice.

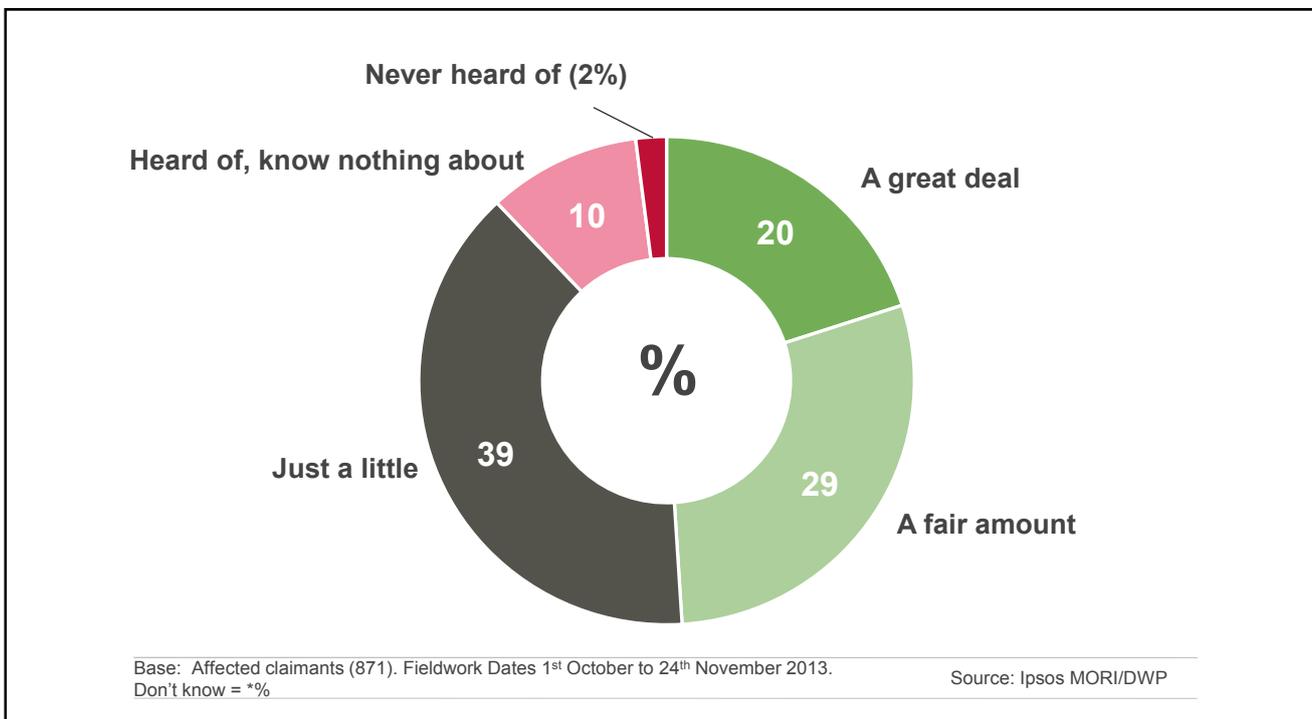
The timing of communication with affected tenants was also considered crucial. Some areas who had been able to identify tenants likely to be affected as early as summer 2012 had tried to forewarn tenants. Most, however, reported limited success in engaging tenants this far in advance, and reported a more positive response only once the reforms were imminent or actually in operation. They believed the lack of earlier success was due to tenants being unwilling to engage until it came into effect. Note that there is also evidence within this research that tenants were reluctant to respond in advance of April 2013.

Local authorities and social landlords had also taken some efforts to disseminate information about the policy more widely and to reassure unaffected tenants that they would not be affected. Most landlords did this by means of articles in tenants' magazines or newsletters. Both local authorities and landlords reported having to devote some time to fielding calls from unaffected tenants, mainly pensioners, who were concerned about having to pay the 'bedroom tax' that they had heard about in the press.

According to our survey research with claimants across the 15 areas, the vast majority of affected claimants said they were aware of the policy before being interviewed (NB, as explained in Section 1.3, this analysis excludes those who were flagged by the DWP data as being currently affected but believed they were not). Around half (49 per cent) said they knew either a great deal or fair amount about the changes, while just two per cent reported that they had never heard of the changes before being interviewed, as the figure below shows:

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Figure 2.2 *Before this interview* how much, if anything, did you know about these changes?¹⁵



Those who were not affected were just as likely to have heard of the changes, though their knowledge was a little shallower: 42 per cent claimed to know a great deal or fair amount about the changes before interview, while five per cent said they had never heard of the policy.

The vast majority, 86 per cent, of affected claimants, recalled receiving notification that they would be affected by the policy. A small proportion (12 per cent) said they did not, with two per cent unable to recall. Of those who recalled receiving notification, most said they received a letter (87 per cent), while 15 per cent said they received a visit in person. A further nine per cent said they received a phone call. This is in contrast to the reports from landlords (shown above in Figure 2.1) which find that more than over half of all landlords claim to have visited at least 80 per cent of their affected tenants and phoned at least 90 per cent of them. This suggests that some tenants may not have recalled the visit or phone call they had from their landlord.

¹⁵ Full question wording: 'As you may know, the Government has reduced the amount of Housing Benefit that those renting from a council or housing association receive if they have more bedrooms than it is thought they need. For example, a couple with no children have had their Housing Benefit cut if they had more than one bedroom. These changes came into effect on 1 April this year. **Before this interview** how much, if anything, did you know about these changes?'

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Those currently in arrears (at the time of the interview) were more likely not to recall receiving notification: 16 per cent of this group said that they did not receive notification compared with seven per cent of those not currently in arrears. All landlords and local authorities interviewed reported having written to 100 per cent of their affected tenants.

The qualitative work with claimants found that awareness of the reforms in general was high, with respondents having heard about the reforms in local and national media, as well as through letters and other communications from their landlords. Some landlords and local authorities interviewed had tried to ensure that all tenants due to be affected were written to before April with their individual shortfall in benefit calculated for them. However, claimants in the qualitative research typically reported that although they were aware of the changes, they had not known the exact amount they would be required to pay until they were obliged to make payments in April 2013.

This was often because exact amounts were not always stated in letters they received. Where their precise amount of reduction was not given, some believed they would be paying the average payment quoted in their letter or that they had seen in the local press, or, because they did not understand what the percentage quoted in the letter received meant for what they would need to pay. As a result, some were surprised by the actual amounts they were asked to pay. Echoing this, local advice agencies in London also reported that the publicity had concentrated on average losses per tenant, leaving some London tenants with high rents surprised by the size of the shortfall they individually faced.

Claimants who reported having received a face-to-face visit from their local housing office or their housing association tended to have a better idea of how the changes would impact them with regard to the amount they would need to pay. They also had a better idea of what coping mechanisms they could employ – this was because the advice they received was tailored to their situation. This confirms the views of many social landlords interviewed. Those who had endeavoured to carry out face to face meetings with all their affected tenants had found it to be an enormous undertaking but one that they felt paid dividends in engaging tenants. They felt this to be particularly so for the most vulnerable tenants, many of whom they reported did not always open or read their post, though the low proportion of tenants surveyed who recalled the visit (13 per cent, see above) would suggest that the benefits may not be quite as high as landlords perceived.

3 Discretionary Housing Payments

Discretionary Housing Payments (DHPs) are made by local authorities on a discretionary basis when a local authority considers that a claimant requires further financial assistance towards housing costs. Previously these were intended mainly for Private Rented Sector (PRS) tenants to help them deal with short run problems, where an end to the problem could be envisaged. The Government has made substantial increases to the funding allocated to local authorities for DHP to enable them to help some of those affected by the RSRs and the Benefit Cap, as well as the previous client group which was mainly private rented sector tenants whose rent was not fully covered by their Local Housing Allowance (LHA).

Local authorities may top up their DHP allocation to a maximum of two and a half times the Government's contribution, from their own funds. In addition the Scottish Government announced in September 2013 that it would top up the resources available Scottish local authorities by a total of £20 million, trebling the amount available to Scottish authorities for 2013/14.

3.1 Who is being helped by DHP?

Information on the use of DHPs has separately been collected recently by the DWP (DWP, 2013). This showed that in Britain overall 40 per cent of DHP allocated for the financial year 2013-14 had been committed during the first half of the year. Overall, 66 per cent of the awards made, and 51 per cent of the expenditure had been made to people affected by the RSRs, with a further four per cent of awards and four per cent of funding to those affected by a combination of welfare reforms. The total amount allocated to local authorities specifically to help those affected by the RSRs was £55m, out of a total of £180m, or 31 per cent. This suggests that local authorities have, thus far, spent more of their budget on people affected by the RSRs than previously anticipated, though the budget overall has not been fully committed yet. The DWP report also highlights the degree of variation between local authorities, with some having committed over 100 per cent of their DHP funding, and others less than 20 per cent.

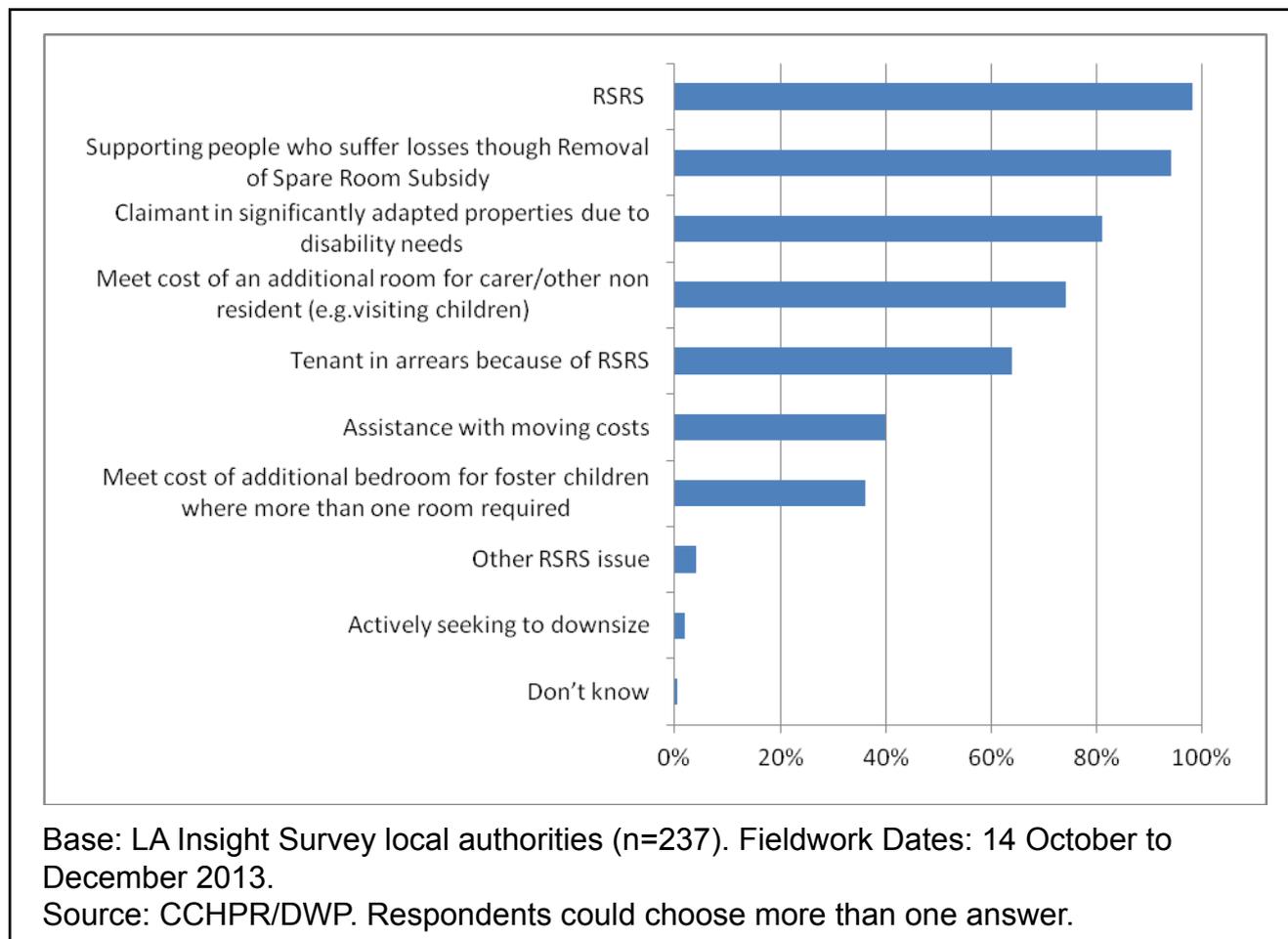
Local agencies and landlords were generally appreciative of the existence of DHP and most felt that the local authorities were using it effectively, given the resource constraints:

'We have devoted a large amount of our resources to supporting our tenants to make DHP claims. This has been very successful with 100 tenants having being granted DHP awards of varying amounts for varying time periods. Without this our rent arrears would likely have increased by a much higher amount.'

(Social landlord replying to survey)

The LA Insight survey found that almost all local authorities responding were making DHP payments to some of those affected by the RSRs (Figure 3.1)

Figure 3.1 Since April 2013, in what situations has your LA awarded a DHP?



More than one in five (22 per cent) of affected claimants said they had applied for DHP since 1 April in response to the reduction in their Housing Benefit, making it a middle-ranking response to the RSRS (from a prompted list with an opportunity to select multiple options, see Figure 4.3 in next chapter). For comparison, 14 per cent said they had looked to move house, 18 per cent said they had looked to boost their income through employment (new or existing), 26 per cent had borrowed money and 60 per cent said they had cut back in household spending either on what they deemed essentials, or on non-essentials, or both.

Those most likely to have applied for a DHP include the long-term sick or disabled (26 per cent of whom had applied), while single parent households were less likely to have applied (14 per cent). There was no difference in the incidence of applying for DHP between claimants who do or do not recall receiving being notified about the RSRS, or by claimed levels of awareness or knowledge of the policy.

Among those who applied for DHP, most said they have heard the outcome of their application (81 per cent). Of this group, almost half (49 per cent) said their application was successful.

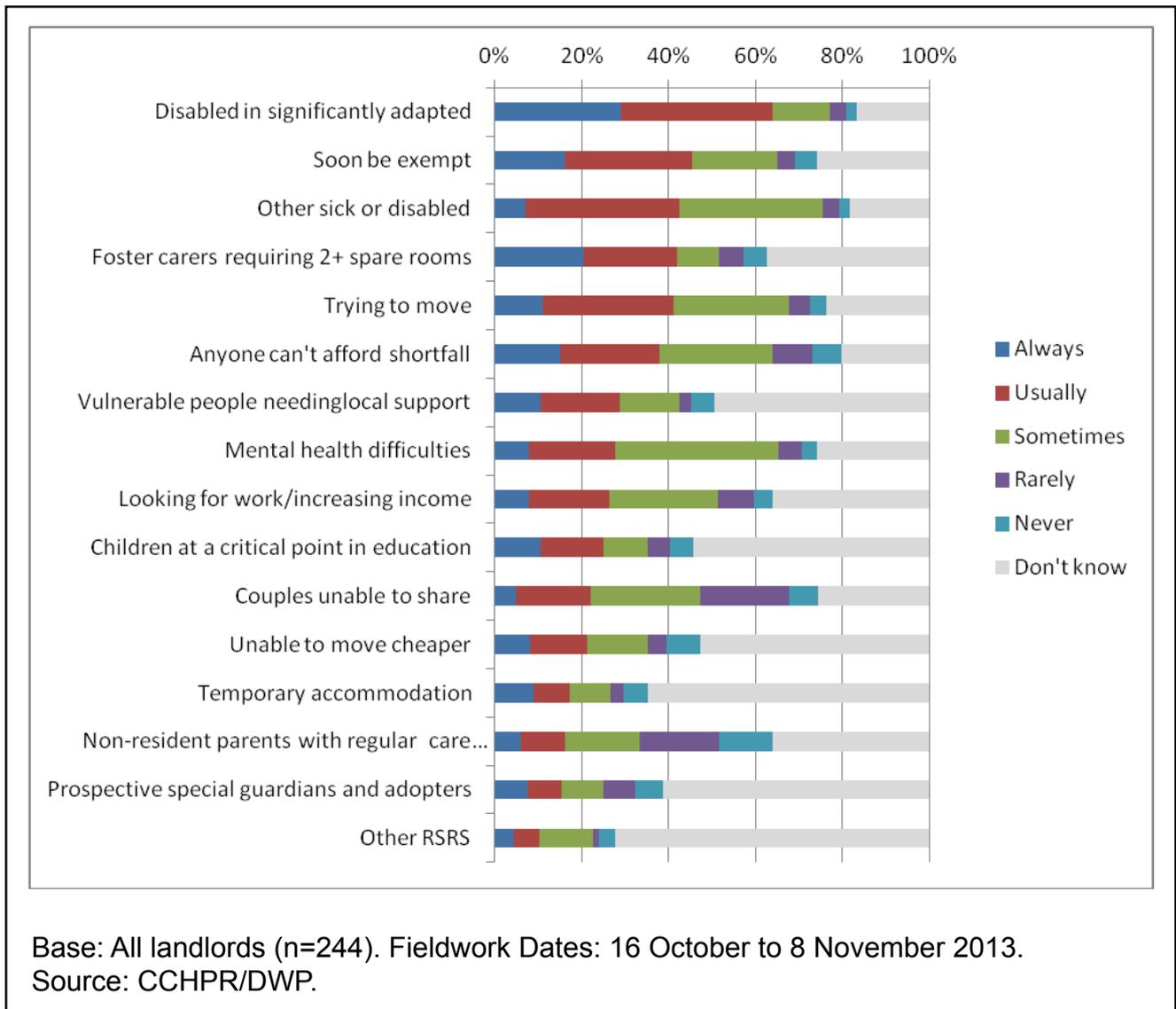
Qualitative claimant interviews highlighted the wide differences between local authorities in approaches to informing claimants about and awarding DHP. For example, most claimants in the case study area in Scotland who reported receiving DHP had applied after being informed about the availability of support face-to-face in their home. All claimants interviewed

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in this case study area who had applied were successful. In contrast, in three of the case study areas in England, the claimants interviewed were less likely than those in Scotland to have applied for DHPs, and also less likely to have been successful in their applications.

Further detail is provided from landlords, many of whom were aware which of their tenants are and are not being awarded DHP (Figure 3.2).

Figure 3.2 Generalising across the local authorities in which you work which of the following groups are receiving priority for DHP



Landlords were also asked about the system that was most often used for assessing their tenants' eligibility to receive DHP (Table 3.2)

Table 3.1 Which of the following best describes the system used most often for assessing eligibility for DHP for your tenants?

Landlords' understanding of DHP criteria	Number	%
Tenants need to be in a priority group	18	7%
Tenants need to be found to be unable to afford the shortfall	109	42%
Tenants need to be in a priority group, and ALSO to be found to be unable to afford the shortfall	81	31%
Some other system	32	12%
Not known	18	7%
Total	258	100%

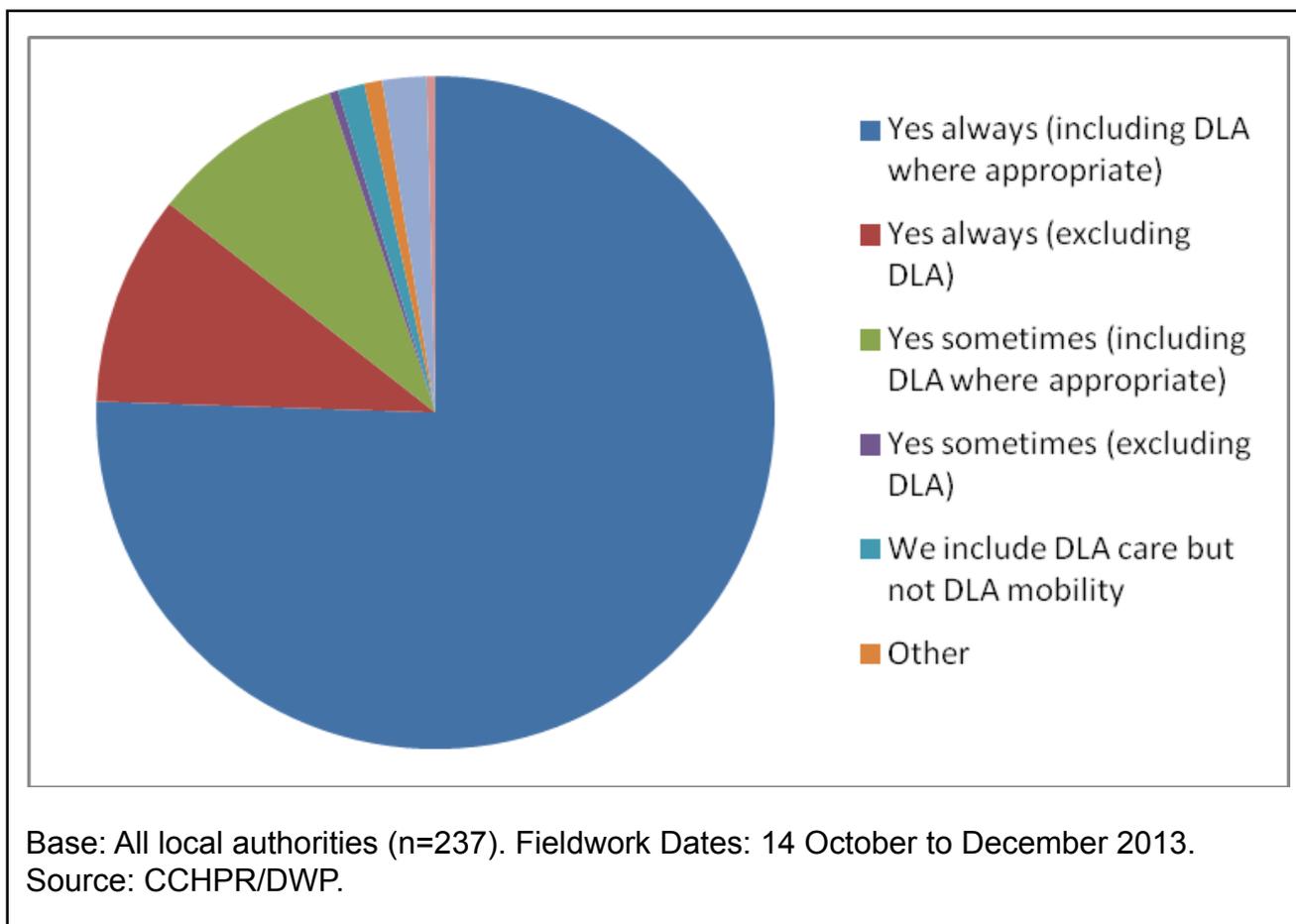
Base: All Landlords (n=258). Fieldwork Dates: 16 October to 8 November 2013.

Source: CCHPR/DWP.

One area of particular concern raised by local authorities in the case study work and LA Insight survey concerned the approach to means-testing disabled applicants. Many felt that expectations had been raised that people in significantly adapted properties, in particular, would be eligible for DHP, but when they came to assess financial hardship in this group they found that many did not qualify. This was often because their disability benefits gave them a higher income than other households.

The LA Insight survey asked about the approach to means-testing and whether Disability Living Allowance (DLA) was included (Figure 3.3).

Figure 3.3 Does your LA carry out a test of affordability before issuing a DHP?



It is the responsibility of local authorities to decide who is vulnerable and should be supported with DHPs. As can be seen, the large majority of local authorities reported that they always carried out a means test, and most of these included DLA where they deemed it appropriate to do so. DLA is a benefit to help people meet some of the extra costs of living with a long-term health condition or disability. Some voluntary sector agencies and landlords interviewed expressed concerns that disabled people were not always adequately demonstrating the ways in which they needed their DLA to cope with their disability on their DHP application forms. Agencies were also concerned that some of the most vulnerable people, and those with mental health difficulties sometimes refused to engage, or failed to provide sufficient evidence for their DHP claim and therefore did not get help. This was especially the case for those who applied without the assistance of their landlord or another agency. These groups often struggled with both paying rent and moving house and could be at risk of eviction if they weren't supported:

'I knew DHP would be difficult to obtain, but I was surprised by just how hard it is to get. There are some cases where we think they clearly don't have the money and yet they still don't get it.'

(Local advice agency)

Since DHP is awarded discretionally, there were concerns that certain groups might not be a priority for awards. Single people in good health with no children were thought to be low priority, along with those whose marriage had broken up, single parents with shared care but under 50 per cent (most often fathers) meaning they were unable to keep a spare room for their children (as is also the case in the private rented sector), and those recovering from domestic abuse, some of whom had children temporarily in care or living with other relatives.

3.1.1 The discretionary nature of DHP

Case study local authority staff interviewed were overall appreciative of the increased flexibilities they had been given over the use of DHP and the control they had over its use. Landlords and local advice agencies however were more concerned about the uncertainties created by the discretionary nature of the funding source. Landlords' surveyed raised a variety of concerns with DHP (Table 3.2).

Table 3.2 Do you have any other comments about DHP?¹⁶

Response	Number of landlords raising issue
DHP is working well	8
Topped up funding (LA or Scottish Gov) has helped	7
Good close working with LA over DHP	5
Inconsistent/not transparent approaches within LAs	24
Inconsistent approaches between LAs	22
Worried about when it runs out	20
Long processing times	11
Application process burdensome	10
Uncertainty over renewal causes difficulties for tenants	10
Only short term awards being made	8
Disabled not getting DHP	8
Insufficient funding	6
Partial awards still leave shortfall	5
LA not making landlord aware who has been assisted	5
Tenants not aware of DHP	3
Other	3

Base: Landlords survey. All Landlords (n=127). Fieldwork Dates: 16 October to 8 November 2013. Source: CCHPR/DWP. Some landlords' comments have been coded under more than one category.

As can be seen, the issues raised most often related to inconsistencies both within and between local authorities, as might be expected from the discretionary nature of DHP.

Agency interviews in the case study areas also highlighted the degree of variation between different local authorities and the different jurisdictions within Britain. Most notably, Scottish authorities had seen their DHP funding trebled by the Scottish Government. In some areas both landlords and agencies such as the Citizens' Advice Bureau (CAB) reported that all DHP claims were now being awarded.

¹⁶ This was asked as an open question, and the replies coded up afterwards. Some landlords gave more than one comment.

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Changes to the amount of funding available (especially in Scotland, where the funding was topped up by the Scottish Government part-way through the year) and difficulties in anticipating the level of demand for the funding have in some areas meant that the criteria used to decide awards have changed since April – in some cases more than once. This has meant that applications declined previously had had to be re-assessed under new criteria, and that people in similar circumstances are treated differently depending on when they applied, leading to some confusion as to who would be assisted. Some agencies also did not seem to be very clear about which claimants affected by the RSRS were being helped by DHP: one interviewee said ‘pensioners’ which suggests a lack of understanding of both the RSRS and DHP¹⁷.

In other areas it was made very clear who would get it – for example, only those who actively engaged with the council and demonstrated that they were making a serious attempt to remove themselves from the situation, either by finding work or moving home. In other areas those being helped were those perceived as the most vulnerable.

Case study work suggested that some areas were making awards on a ‘case by case basis’ with no written guidance available to local landlords or anyone else who may be assisting tenants with their applications. The landlords in these areas reported that they had very little idea which DHP claims might be successful so were encouraging everyone to apply. Consequently some local authorities were accumulating a large backlog of applications, and long delays in processing them. These landlords were very concerned that tenants waiting to hear about a DHP award tended not to pay their shortfall in the meantime, resulting in considerable arrears by the time they found out that the result of their claim. This demonstrates the value of local authorities being well-organised and deciding in advance their DHP criteria.

Conversely, in some areas where clear rules had been laid down regarding eligibility for DHP, tenants’ organisations were reported to have been challenging these through the courts on the grounds that they were not in line with the DWP’s guidance that discretion should be used.

Some agencies and tenants organisations felt that the grounds for some DHP awards appeared judgmental: for example, some claimants had been refused a DHP on the grounds that they smoked or had a satellite dish. They felt this amounted to unnecessary monitoring of the detail of people’s personal choices and lives.

3.2 Administering DHP

3.2.1 DWP guidance

The DWP issued updated guidance on allocating DHPs in April 2013¹⁸. Local authorities differed in their views of how helpful this had been. Overall the consensus was that the guidance left a lot to their discretion. Some local authorities appreciated the flexibilities

‘I don’t think there is any need for additional guidance. The previous guidance on administering DHP was fine. We know how to administer DHP.’

(Local authority housing benefit department)

¹⁷ Pensioners are not affected by the RSRS.

¹⁸ www.dwp.gov.uk/docs/discretionary-housing-payments-guide.pdf

However, many felt that it left them exposed, uncertain and in need of independent legal advice:

'The DWP [guidance] needed to be much more focused and prescriptive. It omits guidance on budget priorities given the increased demands.'

(Local authority housing benefit department)

3.2.2 The application process

The case study local authorities appeared to differ substantially in their success at getting DHP administered efficiently from the start of the financial year.

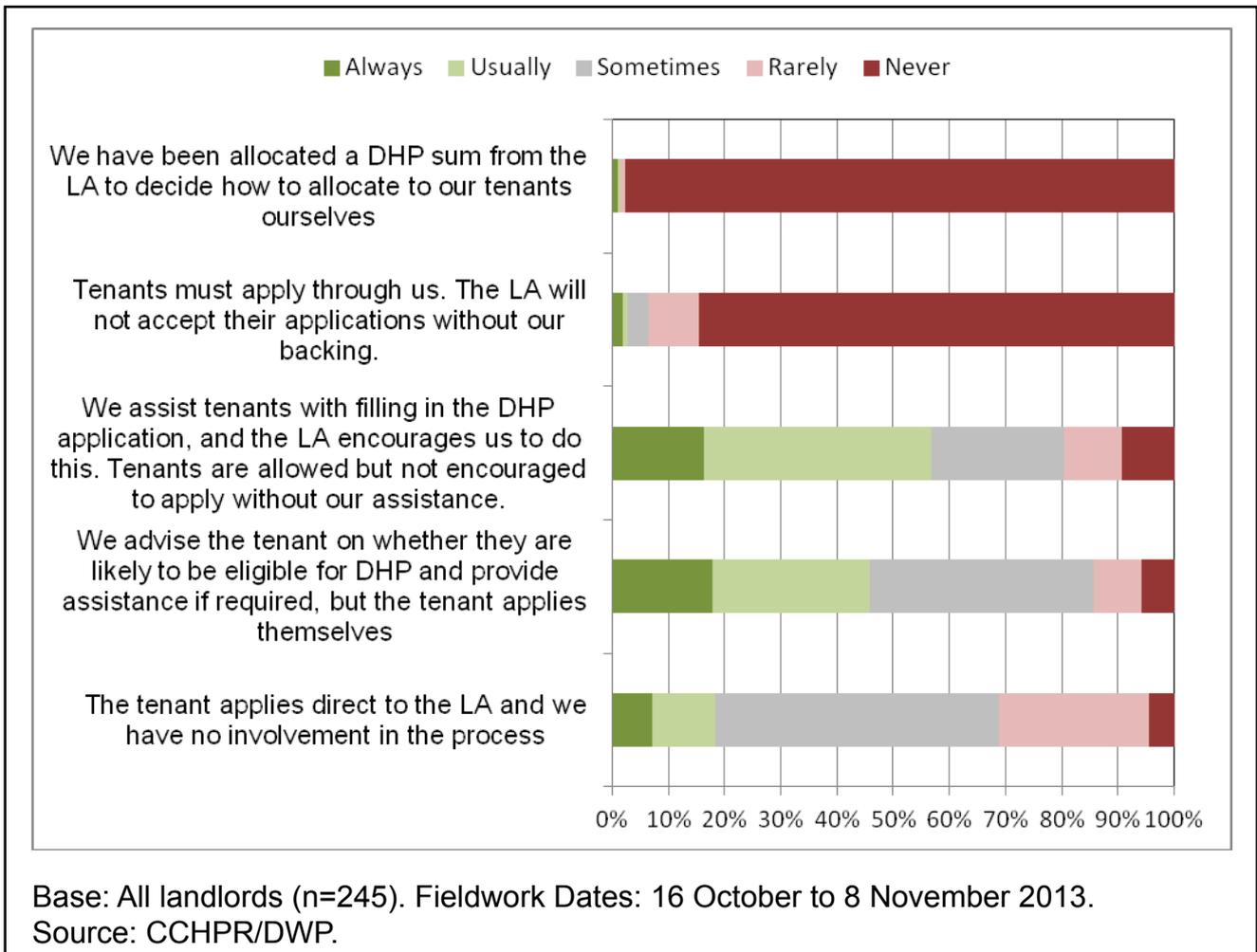
Some had a clear policy on how to prioritise, developed in consultation with social landlords and communicated to claimants. They had, by the time of the interview (usually May 2013), already processed applications they had received in April 2013 and made awards. They were working closely with landlords and other agencies (such as CAB) to ensure their staff were aware of which households were likely to be eligible for DHP, for instance by inviting staff from other agencies to shadow their DHP staff in order to learn how applications were processed. In these areas, the landlords reported that they had a good clear understanding of how awards were made and were able to advise tenants accordingly, to ensure that only those likely to be successful applied.

In other areas, however, the local authorities were struggling to process the applications. In some cases this was compounded by a shortage of staff, as at the time of the interviews (May-August 2013), they were still recruiting new staff. One case study area had refused to accept DHP applications in advance of 1 April, leading to further delays in processing them.

In some areas social landlords were heavily involved in the process of assisting tenants to apply for DHPs (Figure 3.4).

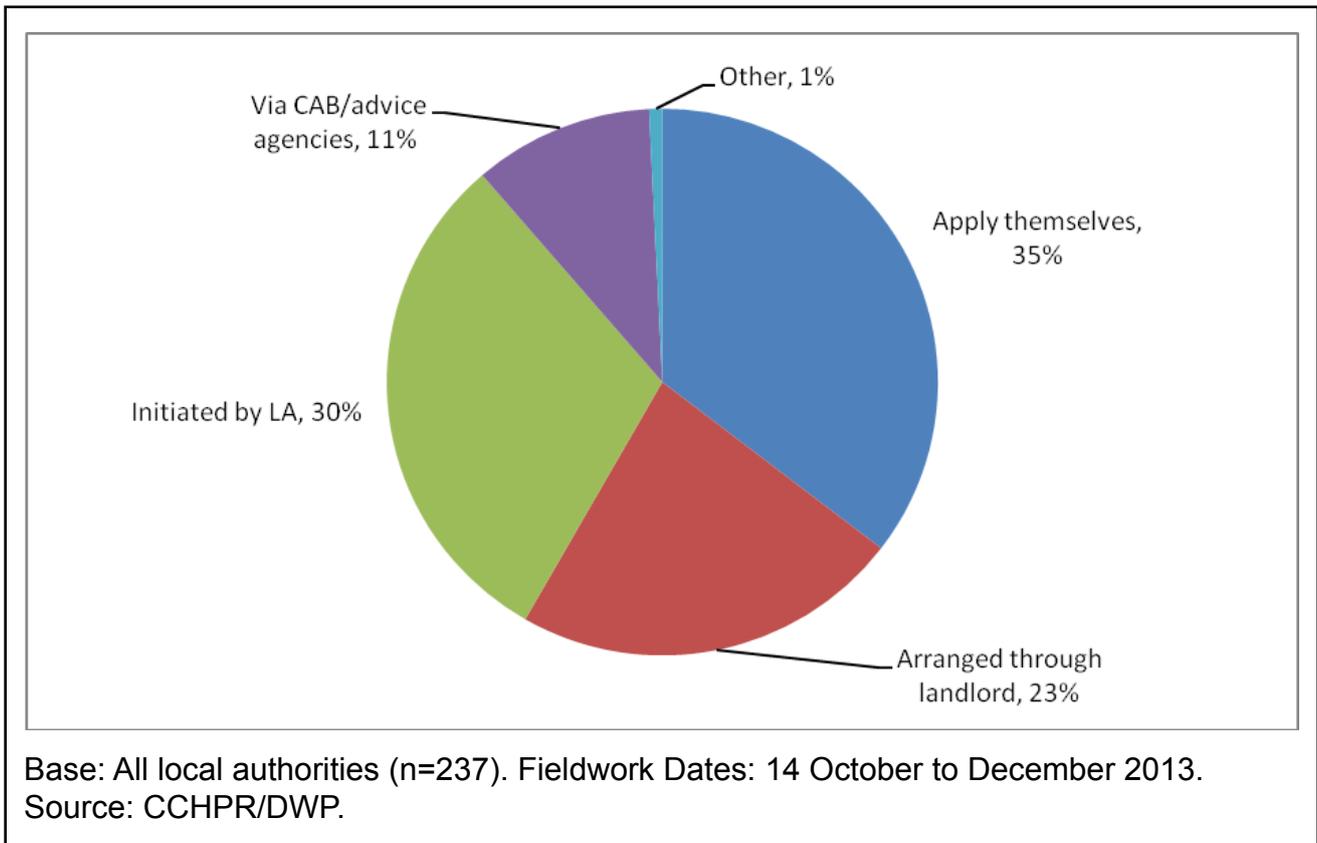
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Figure 3.4 Which of the following processes of applying for DHP apply for your tenants?



The LA Insight survey reported a similar mixture of systems in place for assisting tenants in applying for DHP payments (Figure 3.5).

Figure 3.5 Average proportion of tenants reported to apply by different means



As might be expected for a localised process, it clearly varied between authorities, with some reporting that more than 75 per cent of claimants applied themselves, whereas others reported that more than 75 per cent were arranged through a landlord.

Landlords generally reported a good level of understanding of which groups would receive priority for DHPs in the authorities in which they worked (Table 3.3)

Table 3.3 In how many of the local authorities in which you work are you familiar enough with the policy on DHP to advise tenants affected by the RSRS or Benefit Cap as to whether they might be eligible to apply?

Response	Number of landlords	%
All	203	76%
Most	45	17%
Around half	5	2%
A minority	12	4%
None	3	1%
Total	268	100%

Base: All Landlords (n=268). Fieldwork Dates: 16 October to 8 November 2013.
Source: CCHPR/DWP

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Landlords however were less certain about which groups would be successful in their applications for DHPs (see Figure 3.2 in section below).

The close working relationships established between most social landlords and local authorities in identifying affected households did not always seem to have translated to effective working over DHP policy. Landlords were also not always aware when a DHP claim had been decided, and were not told the result of the claim, which hindered their efforts to support tenants.

The flexible and discretionary nature of DHPs has also caused difficulties for landlords who work across many areas. Landlords whose stock was spread across many areas were much more likely in the survey to report that they did not know who might be eligible for DHP in most or all of the areas in which they worked than those with their stock concentrated in just one area:

'Every district is doing something different. There is a lack of consistency.'

'No one DHP form is the same as another, each local authority varies.'

(Social landlords' open comments in survey)

Most local advice agencies were well aware of DHPs and encouraged or assisted clients to apply for it, despite acknowledging that they were usually unable to predict which cases would be successful. Social services were aware but not familiar with the detail as they would refer clients to housing services if they thought they needed further assistance.

3.2.3 Claimants' knowledge and understanding of DHPs

Many claimants had not heard of DHPs. Of those who had not applied for DHPs, 56 per cent said they had not heard of them before the interview and a further 12 per cent said they were not sure.

Qualitative interviews with claimants also found the level of knowledge about DHPs to be generally low. Typically, claimants did not know what DHPs were or if they were likely to be eligible. Among those who applied, most reported that they had not been offered reasons why their claim was accepted or rejected.

Among those who had heard of DHPs but did not feel in need of them, many reported the perception that only those in greater hardship than they were would be eligible for DHP, tending to feel that they were not struggling enough to be eligible for this support. This was common among single working age claimants, who believed that DHPs were for the elderly or those with children.

'I just presumed that, you know, it's [for] people far, far worse off than me. I can work.'

(Affected Claimant, Yorkshire and the Humber)

3.2.4 Topping up DHP

Subject to an upper limit, local authorities are permitted to supplement the DHP allocated to them by Government from their own resources. The LA Insight survey asked about plans to do this. There were significant differences in the responses of the authorities in Wales and Scotland so their responses have been shown separately (Table 3.4)

Table 3.4 Does your LA intend to top up the Government DHP contribution?

	Number of landlords with stock mainly in			
	Scotland	Wales	England	Britain
Yes, we have already topped up our DHP spend	12	3	18	33
	60%	23%	9%	14%
Not yet, but intend to	1	4	36	41
	5%	31%	18%	17%
No, we do not intend to do this	7	4	120	133
	35%	31%	59%	56%
Don't know	0	2	28	30
	0%	15%	14%	13%
Total	20	13	202	237

Base: All local authorities (n=237). Fieldwork Dates: 14 October to December 2013.

Source: CCHPR/DWP

Three of the ten case study authorities had already committed to topping up the DHP fund from their own resources, as the policy permitted, when interviewed (May-July 2013), in one case up to the upper limit permitted. Of the other seven, only one indicated that they had no plans at all to do so – citing other pressures on their budget as more pressing. The remaining six areas had not committed funding as yet but were keeping this under review. Most felt that the context in which DHP was operating this year was so different to previous years that there was a need to see what the pressures on the fund were like first before making commitments.

Some were using their own funds to help affected households but not via DHPs. For instance, the Scottish Welfare Fund was being used, as were local funding pots, often to enable the council to help those who did not qualify for DHPs, but who they nevertheless felt should be helped.

Local authorities overall reported little change to the other ways in which they were using DHP (e.g. for LHA claimants). One felt that the increased funding and flexibility was enabling them to help more LHA claimants, whilst others were concerned that increased demand would more than offset the increased funding. Most felt it was too soon to know.

More recently the Scottish Government's decision to add to the DHP fund had significantly increased the ability of Scottish authorities to award DHPs.

3.2.5 Time limiting and renewing awards

The LA Insight survey asked local authorities for the maximum period they had awarded DHPs for this year (Table 3.5).

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Table 3.5 Since April 2013, what is the maximum period that DHPs have been awarded for at your LA?

Max period	Number of LAs	%
12 weeks	8	3%
26 weeks	49	21%
39 weeks	9	4%
52 weeks	166	70%
More than 52 weeks	4	2%
Don't know	1	*
Total	237	100%

Base: All local authorities (n=237). Fieldwork Dates: 14 October to December 2013.

Source: CCHPR/DWP

As can be seen, most authorities were awarding at least some awards for a year. The survey also asked about how the spending patterns had changed since April (Table 3.6)

Table 3.6 Changes in DHP spending patterns since April 2013

Change	Number of LAs	%
Awarding larger individual DHPs for longer periods of time	101	43%
Awarding larger individual DHPs for shorter periods of time	31	13%
Awarding smaller individual DHPs for longer periods of time	55	23%
Awarding smaller individual DHPs for shorter periods of time	21	9%
No change in spending pattern	25	11%
Don't know	4	2%
Awarding larger individual DHPs	132	56%
Awarding smaller individual DHPs	76	32%
Total	237	100%

Base: All local authorities (n=237). Fieldwork Dates: 14 October to December 2013.

Source: CCHPR/DWP.

This shows a mixed pattern of changes, with somewhat more authorities making larger individual DHPs than previously and over longer time periods.

However, case study work suggested that the majority of awards made to claimants affected by the RSRS were of relatively short duration – with three to six months the most common lengths of award. The claimants' survey confirms a similar picture with three in ten of those who were successful in their DHP applications saying they no longer receiving payments, because they were viewed as a low priority for additional help, despite still being affected by the RSRS.

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The time limited nature of DHP caused widespread concern to both landlords and local advice agencies. Although agencies welcomed the 'breathing space' that it provided, they, and social landlords, believed that people who were viewed as a low priority for additional help would fail to find a long term solution within the time limit of the award:

'[This LA] have reduced timescales on reviews of DHPs to 13 weeks and a third request for DHP is much more difficult to obtain.'

'Local authorities approached DHP awards very cautiously and few tenants were given 100 per cent and most were short term awards.'

(Social landlord replying to survey)

Neither the local authorities nor the landlords interviewed thought that this would be sufficient time for the large majority of households to resolve their problems, meaning that most could be expected to reapply when their award expired. Local authorities were aware of this and the administrative burden it entailed but, nevertheless, considered it to be the best way to ensure that their funding lasted, and was used efficiently:

'We're keeping everything under review. This is our first year of enhanced DHP.'

'We are planning and monitoring on a week by week basis.'

(Local authority housing benefit departments)

Overall, it would probably be fair to say that most were working on a hand to mouth basis, seeking to minimise future commitments whilst they got to grips with the pressure on their resources.

DHPs were not always intended to cover the full RSRS shortfall. Some landlords reported that, when DHP awards did not cover the full RSRS shortfall, tenants were left in financial difficulties. Local authorities, landlords and advice agencies all reported that the DHP application process and the requirement for repeat applications meant required substantial staff input.

The claimants' survey found that, looking ahead, most of those who have applied for a DHP expect to continue to be affected by the RSRS for the next 12 months (90 per cent). This suggests that they mainly see their need for DHP as a long-term one. By comparison, 85 per cent of affected claimants who did not apply for DHP said they expect to be affected in the next 12 months.

Overall, there was a widespread concern across all ten case studies, and also raised in the landlords' survey that the time-limited nature of DHP awards meant that it was only delaying the real impact of the RSRS:

'It's a sticking plaster and will run out.'

(Social landlord replying to survey)

There was also a great deal of concern regarding the future size of DHP allocations from Government, with local authorities and landlords concerned the requirements for DHP arising from the RSRS were not likely to decline significantly in the coming years¹⁹.

¹⁹ DHP allocations for 2014-15 were announced in January 2014, after this fieldwork was carried out.

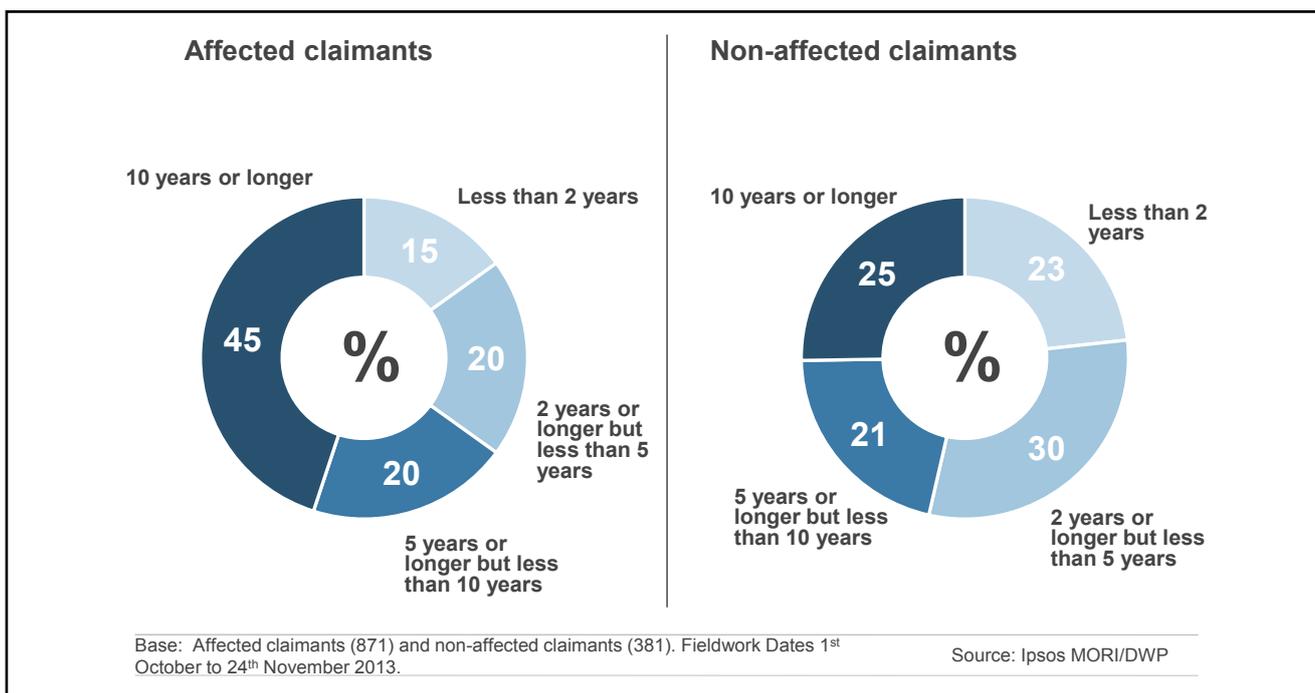
4 Early impact on claimants

4.1 Overall impact

According to our survey of claimants, affected households (defined as those affected by the RSRS changes to Housing Benefit and who say they are currently affected by the changes and Housing Benefit has been reduced) are much more likely to be single person/two-person households than the non-affected group. Almost three in five (59 per cent) said they have always/mostly been in paid employment while 18 per cent are currently working full or part time. They are much more likely to regularly have non-resident children come to stay with them overnight – 17 per cent against six per cent among the non-affected group.

Close to half (46 per cent) of affected claimants have lived in their present accommodation for ten or more years, with relatively few (14 per cent) having lived in their present accommodation for less than two years. The non-affected claimants we spoke to had on average lived less long in their present accommodation than affected claimants, as shown by the figure below:

Figure 4.1 How long have you lived here in this accommodation?



Around three quarters (74 per cent) of affected claimants were renting from a housing association, with 25 per cent renting from a council or local authority (the remainder were not sure or said that they did not know). The profile is largely reflective of the case studies in which interviews were conducted.

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Most affected claimants had moved to their current accommodation from another social rented home (28 per cent from a housing association, 35 per cent from a council or local authority). A small proportion (17 per cent) had come from the private rented sector into the social rented sector, while 13 per cent had lived with their parents.

Close to seven in ten (68 per cent) of the affected group say they or someone in their household has a disability²⁰, 58 per cent of whom receive some form of care for this disability. This is higher than 58 per cent among the non-affected (of whom 53 per cent receive some form of care).

The DWP's data suggest that there has been a modest reduction in the number of households affected by the RSRS²¹ from 547,341 at the start of May to 522,905 by August 2013, a fall of 4.5 per cent. These are net figures, and will include some households newly affected by the RSRS and also the loss of those who have ceased to be affected.

Our survey of claimants, undertaken a few months later during October to November 2013, was able to put some figures on this 'churn' with approximately eight per cent of those flagged as being affected by SHBE either reporting not being **currently** affected but having previously been so, or who were currently affected but had not always been so since 1 April.

In the LA Insight survey, 64 per cent of local authorities reported that the numbers affected by the RSRS had reduced since April, with 13 per cent saying they had gone up, 17 per cent that they had remained the same and seven per cent saying they did not know. Those who had seen a reduction were asked what they thought were the reasons for this (Table 4.1).

²⁰ The definition of this is given to respondents as 'any long-term illness, health problems or disability which limits your/their daily activities or the work you/they can do, including any problems which are due to old age'.

²¹ This was derived from SHBE field 21 – 'the weekly amount of social sector size criteria/ under-occupation deduction'.

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Table 4.1 Why has this change occurred?

Reason	All reasons		Most significant reason	
	Number of LAs	%	Number of LAs	%
Downsizing	113	77%	54	38%
Identifying exempt households	98	67%	27	19%
Household change	100	68%	23	16%
Identifying overnight carers for foster children & disabled children	80	55%	10	7%
Tenants finding work/increasing pay	50	34%	7	5%
Moving out of the social sector	41	28%	6	4%
Tenants taking lodgers	34	23%	1	1%
Work-related	9	6%	1	1%
Reclassification of bedrooms	38	26%	0	0%
Correction of inaccurate records/inaccuracies coming to light	2	1%	0	0%
Other	6	4%	4	3%
Don't know	5	3%	8	6%
Total	146	100%	141	100%

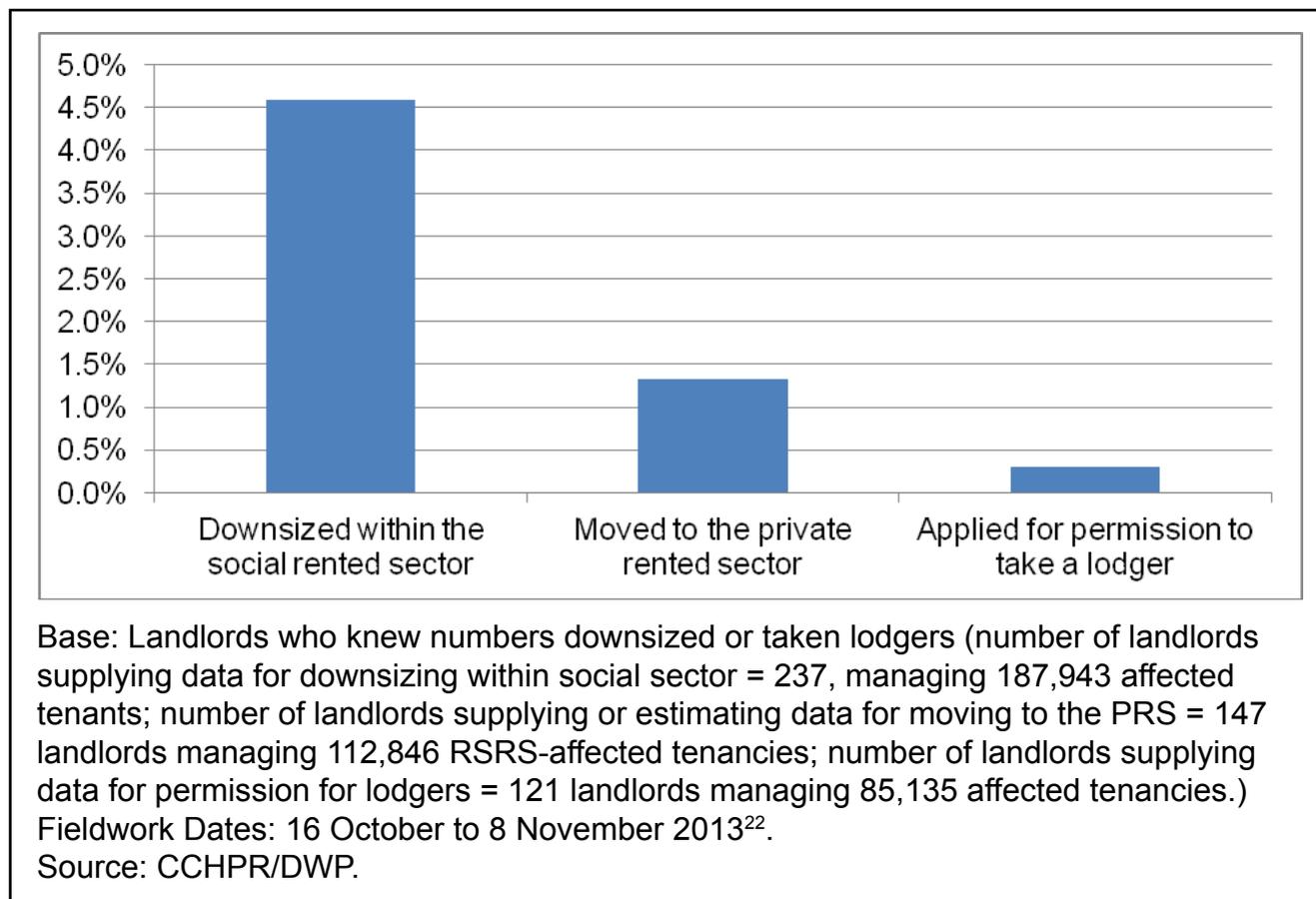
Base: All local authorities reporting a decline in RSRs-affected claimants (n=146). Fieldwork Dates: 14 October to December 2013.

Source: CCHPR/DWP. Respondents could give more than one answer.

As can be seen, local authorities identified a wide range of reasons for a reduction in the numbers, but highlighted downsizing and identifying exempt households as the most likely causes of the fall.

The landlords' survey also provides some evidence of claimants taking action in response to the RSRs (Figure 4.2).

Figure 4.2 Proportion of affected claimants who have moved or taken lodgers in response to the RSRs



Across the case study areas as a whole, agencies reported that people were slow to engage; that they were not sure they would be affected until it actually happened or they thought the amount of the shortfall in rent would be affordable so they could stay and pay; and that it was only after a few months that many started seeking help or looking into their options.

The survey of claimants asked those affected what they had done in response to the reduction in your Housing Benefit in the period since 1 April this year, presenting them with a list of possible actions they might have taken.

The most likely response cited by affected claimants was cutting back on household essentials, chosen by 57 per cent, and non-essentials, by 35 per cent. Three in five (60 per cent) say they have done one, or both, of these two things.

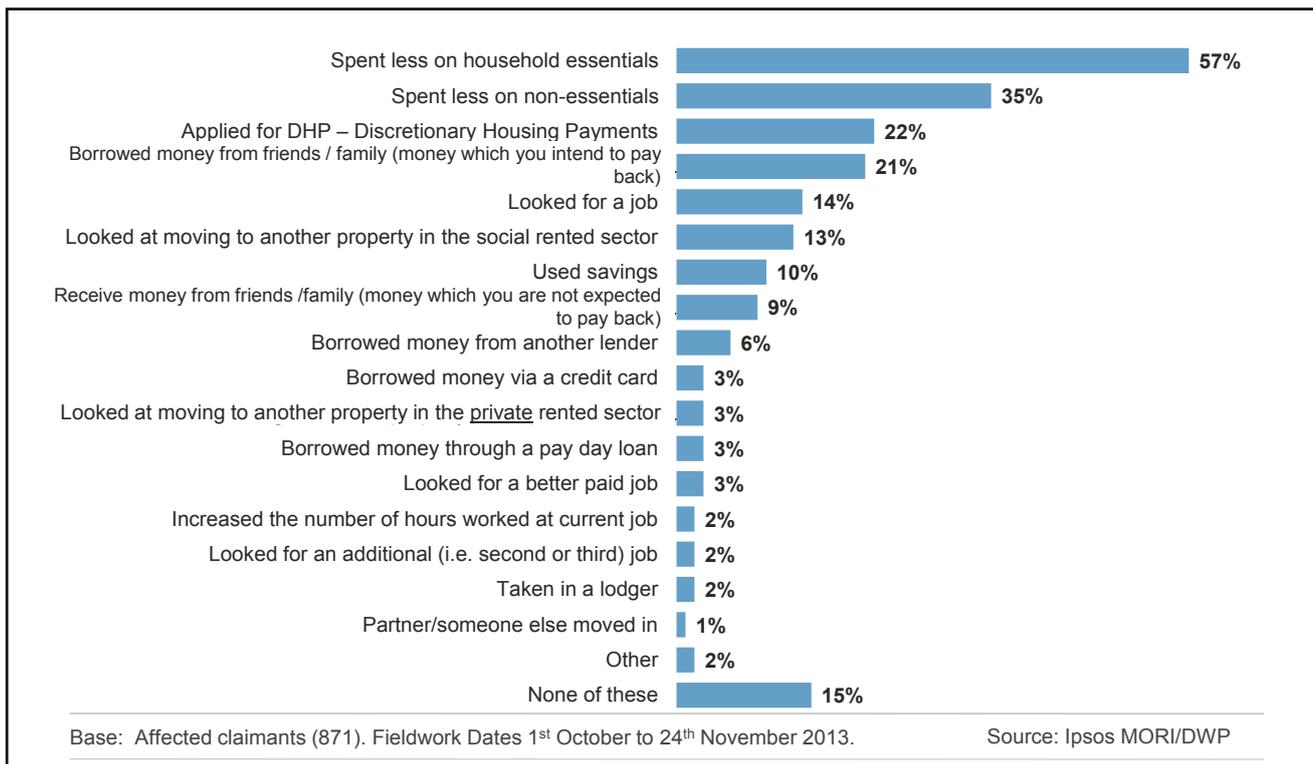
²² Landlords were asked for the total number of tenants affected by the RSRs, and for the numbers who had downsized, moved to the PRS or applied for permission to take a lodger. The percentages shown here relate to the proportion of all affected tenants (excluding those whose landlord omitted that part of the question). The figure for moves to the PRS was based on estimates rather than data for 39 per cent of landlords supplying data.

The landlords' survey did not ask about whether claimants had moved into work because a pilot test of the survey suggested that most landlords could not distinguish between people who had found work in response to the RSRs from a more general 'churn' in tenants moving in and out of work.

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Other common responses relate to borrowing money, mentioned by 26 per cent, applying for a DHP, by 22 per cent, looking to earn more through employment, by 18 per cent, or looking to move house, by 14 per cent. The full breakdown of responses is shown in the figure below:

Figure 4.3 Which of these, if any, have you (or your partner) done in response to the reduction in your Housing Benefit in the period since 1 April 2013? Please read out the letters on this card, mention as many or as few as apply and please say 'none' if you have not done anything.



Some 15 per cent of claimants said they had not taken any action at all in response to the changes (as above, **None of these** was included as an option on the showcard presented to respondents), a figure which rises to 22 per cent among those who had either heard of the changes but did not know anything about them, or had never heard of them before the interview. Among those who say they took one or more of the listed actions in response to the changes, the mean number of actions taken was 2.5. The group who replied 'none of these' were as likely to be in arrears as other affected claimants.

The proportion who said they had looked for work specifically in response to the reduction in their Housing Benefit since 1 April rose to 50 per cent of those who said they were unemployed and seeking work. Other claimants more likely to have looked for work in response to the changes include younger claimants aged 25-34 (34 per cent), those in arrears (23 per cent) and single-parents (26 per cent).

Those in arrears were also more likely than those not in arrears to have borrowed money (33 per cent against 19 per cent) or received money from friends or family which they were not expected to pay back (12 per cent against seven per cent). It is not known whether these claimants had a history of borrowing before the RSRS was introduced.

The qualitative interviews illustrated that claimants typically took steps to cope with changes after the RSRS was introduced, rather than before it started in April 2013. Landlord and local agency interviews echoed this finding – most reporting that they had tried but often failed to engage tenants prior to April. Claimants stated that this was often because they did not know how much they would need to pay, as discussed earlier.

Some of the interviewed claimants were looking to move so they would no longer need to pay, but most reported strong reasons for staying in their current home, such as attachment to area, feeling that they needed the additional bedroom, or a perception that it would not be possible to find a suitable smaller home.

Claimants such as these were trying to pay the additional cost, typically by cutting back on their expenditure or by borrowing from friends or family members. Only a few of those interviewed reported that they had arrears, but almost all feared getting into arrears or debts increasing. Many claimants reported that they would struggle to increase their income from paid work due to ill-health, caring responsibilities, or a lack of opportunities.

‘A lady came from the Council and she talked to me and went through my budget. She went, “I don’t know how you’re going to manage”. She says “you’re really on a tight budget” ... I did think I could look for another job, but I know it’s quite difficult at the moment; for more hours. Maybe a full time job or something like that, but (a) would they be as flexible with all these [health] appointments? And (b) would I start having to maybe travel to my job on my medication, what would I need to do?’

(Affected Claimant, Yorkshire and the Humber)

Our follow-up survey of claimants later this year will enable us to follow up claimants in terms of whether they are still affected and their actual responses to the RSRS.

4.2 Mobility: Moving to a smaller home

As can be seen from Figure 4.1 (above), landlords report that 4.6 per cent of claimants affected by the RSRS have moved to a smaller home within the social sector within the first five months of the policy, and a further 1.4 per cent was estimated to have moved to the private rented sector. This would be higher than some had expected as the DWP’s impact assessment was modelled on the assumption that no significant numbers would downsize (DWP, 2011). This figure also seems high when compared to previous rates of downsizing. For instance, CORE data for England shows only 7,706 allocations to tenants who had downsized in 2012-13, 3.5 per cent of all tenancies allocated and representing under 0.5 per cent of all social tenants

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downsizing in that year²³. If downsizing in response to the RSRS continues at the current rate for the next two years, over 20 per cent of affected households would have downsized within social housing. The evaluation will continue to monitor these trends.

4.2.1 Demand for downsizing

The landlords' survey also asked about the number of households who had registered for downsizing – either by means of mutual exchange or via the transfer list. Around half of all landlords were able to supply this information, and overall they reported that 13 per cent of affected tenants had registered for downsizing via a transfer list (either their own or that operated by another landlord or local authority), and a total of ten per cent had registered for mutual exchange²⁴.

Tenants can of course register for downsizing by both these means, and figures from the landlords who could identify such tenants suggested that around four per cent of all affected tenants had registered for both. This would suggest that overall around 19 per cent of tenants affected by the RSRS had registered for downsizing by at least one means. It is possible that these figures somewhat underestimate the numbers registering for mutual exchange because there are a variety of means by which tenants can search for mutual exchange partners, and landlords are not always aware of all of them. Overall they would suggest that around a fifth of those seeking to downsize have thus far been successful.

According to our survey of claimants, one in seven (14 per cent) said that since April they had looked to move in response to being affected by the reduction in Housing Benefit. Two parent families are significantly less likely to have looked to move house: just seven per cent said that they had. Those affected claimants who had lived in their current accommodation for ten or more years were less likely to say they had looked to move house in response to the changes (11 per cent). In contrast, those who had lived in their current accommodation for two to five years (20 per cent) were more likely than average to say they had done so.

Claimants were subsequently asked if they are currently looking to move home, regardless of whether they had sought to move home in response to the changes or not. Close to one in five (19 per cent) said that they are, with results relatively consistent between different claimant groups, and also consistent with the landlords' figures.

Almost three quarters (73 per cent) of those currently looking to move said that this was mainly because of the changes to Housing Benefit, with 27 per cent saying they had other reasons for wanting to move currently. However, many of those currently looking to move home said they have not registered their interest in moving with their landlord or local authority (29 per cent) or for mutual exchange (39 per cent).

²³ CORE data covers lettings made by registered providers of social housing and local authorities who are registered with the Homes and Communities Agency. Data are considered comprehensive on the registered provider side, but not comprehensive on the local authority side. Although the majority of local authorities are providing data, a few do not, and therefore the DCLG publish weighted figures for CORE each autumn to estimate for the small gap in coverage. The data used here is the weighted data. For further information see www.adls.ac.uk/communities-and-local-Government/core-the-continuous-recording-system/?detail

²⁴ Transfer lists are generally maintained by local authorities and many housing associations may therefore be unaware of whether their tenants have registered on them. Mutual exchange schemes are also run independently of individual landlords, so again landlords may not always know whether tenants have registered.

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From the qualitative interviews, those claimants who were looking to downsize reported using their local (council or HA) housing website to see what was on offer, but were typically disappointed in the suitability of homes for them to move to. This was a problem particularly faced by single adult households looking for one-bedroom accommodation. In some areas participants believed, whether correctly or incorrectly, that suitably sized homes were reserved for older age groups.

Landlords and local authority housing departments were well aware of the difficulties and the limited potential to move all the potential downsizers within their usual allocations system, in particular because of a lack of one bedroom homes. An inadequate supply of smaller homes to meet demand for downsizing was the one of the most commonly raised issues in both the landlords' survey and the LA Insight survey²⁵.

Turnover rates of social housing are not high – generally around 6-7 per cent per year (Whitehead & Travers, 2011), and in some areas the waiting list for one bedroom properties had been closed to new applicants in order to prioritise downsizers. Agencies reported that they were seeing a lot of people who wanted to downsize but could not. This was particularly true of large rural areas, but also many urban and suburban areas where the standard social rented property is a three bedroom house. Many had not yet considered their options within the private rented sector.

Mutual exchanges have the potential to move greater numbers of affected tenants, if they can find partners willing to swap. Both landlords and local authorities were promoting this as an option to RSRS-affected tenants. The claimant survey found that, of affected respondents currently looking to move (19%), almost three in five (58%) had registered for mutual exchange.

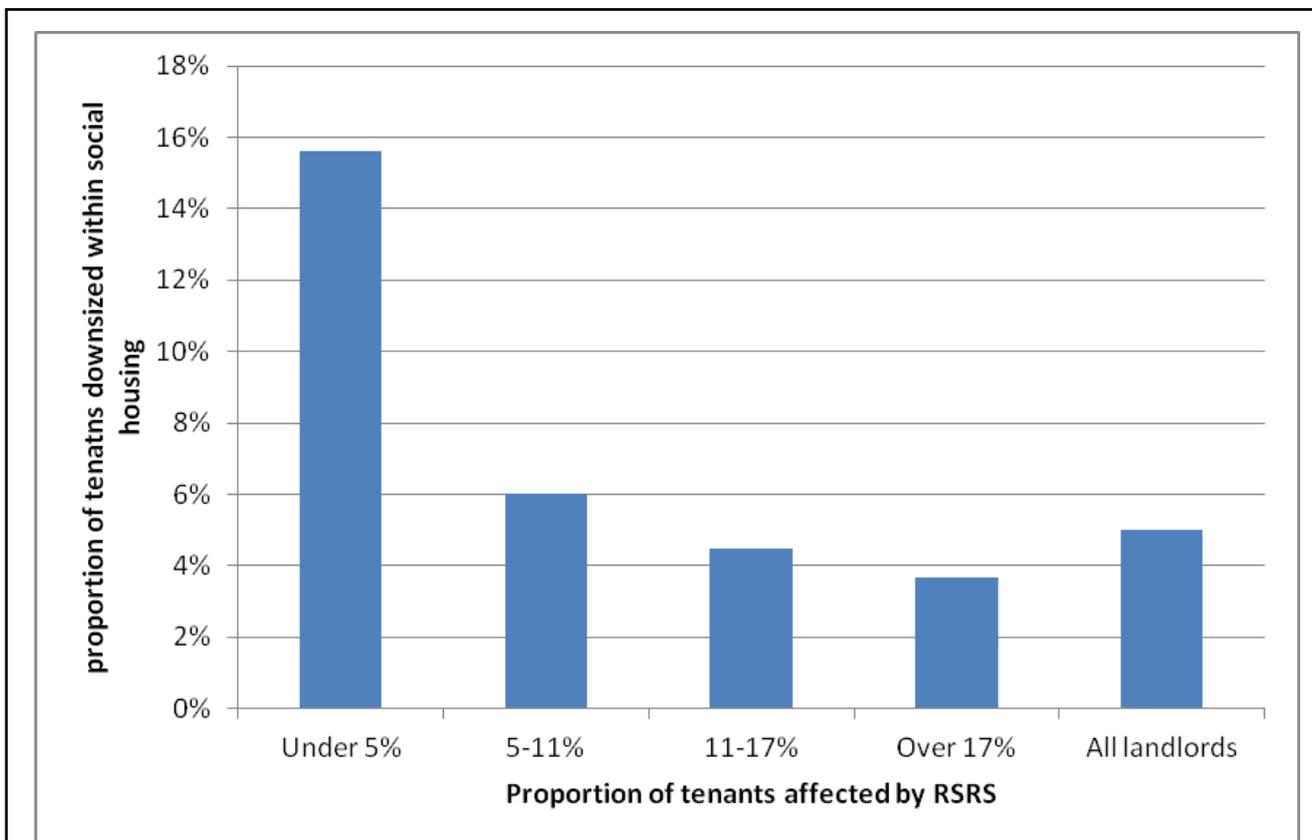
RSRS affected households who want to swap homes need to find either an overcrowded household to swap with, or one who would like (and is able to pay for) a larger home than they technically need. In some areas, it was suggested that there were difficulties with tenants finding very few swapping partners in areas where overcrowding was rare and the local authority was preventing people from upsizing to a new tenancy where they would be under-occupying, even if they were not currently on Housing Benefit or were willing to pay the shortfall. Some landlords operating in rural areas also reported that tenants encountered difficulties in setting up moves to or from sparsely populated areas with poor transport links and limited demand.

Some local agencies and claimants suggested that some landlords' rules around mutual exchanges occasionally prevented people from downsizing – because either they or their swapping partner would still be under-occupying in the new property. For instance, one participant, a single claimant living in a three bedroom house was prevented from swapping to a two-bedroom house currently occupied by a family of three. She reported that she had been told by her housing office that this was because she would still be over-occupying, which the council would not allow, despite the lack of availability of one-bedroom stock in the area.

Landlords with low proportions of tenants affected by the RSRS had also seen much higher rates of downsizing (Figure 4.4).

²⁵ This was in response to an open question asking for any other comments on the RSRS.

Figure 4.4 Proportion of affected tenants who have downsized within social housing, by proportion of landlord’s tenants affected by the RSRS



Base: All RSRS-affected tenants of landlords (number of landlords =166; number of RSRS-affected tenants = 187,943). Fieldwork Dates: 16 October to 8 November 2013. Source: CCHPR/DWP.

This suggests that tenants of landlords where a small proportion of other tenants are affected by the RSRS are likely to find it easier to downsize than those in areas where larger proportions are affected.

Registered Providers/housing associations also reported higher rates of downsizing than local authorities or ALMOs. This may be related to a number of various factors and their differing stock profiles: some local authorities and ALMOs have a housing stock consisting largely of three bedroom homes, which are commonly under-occupied and a lack of smaller housing.

4.2.2 Reasons for not downsizing

From the qualitative interviews with claimants, it was evident that there were manifold barriers to downsizing, which were both attitudinal and practical. Attachment to area and home was an important barrier for many participants especially because of support networks, dependence on local schools, and health services and employment.

‘I don’t want to start going further afield ‘cause then ... I’ll be having to pay bus fares. So what I’m losing in the bedroom tax, I’ll spend on bus fares, so I’m trying to keep within a radius where I’m near to my employment, I’m near to my family, obviously near to my GPs ‘cause obviously I have a lot of appointments.’

(Affected claimant, Yorkshire and the Humber)

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Some of the most vulnerable participants were reluctant to move as they did not want to move to a new area where they did not feel safe:

'I stay here on my own ... I've got great neighbours, and there's no way I'm going to move to a smaller house, because I could be put next door to drug users or alcoholics or anything, and I wouldn't feel safe...'

(Affected claimant, Scotland)

Among those interviewed who were not looking to move, many reported that the 'spare' bedroom served a vital need in the household. This was especially the case in instances where the claimant was a carer. Situations included participants who reported they were unable to share a bedroom with their spouse due to health reasons, and those caring for family members who stayed overnight frequently but did not live there. For example, in one family the claimant's grandfather often stayed overnight, as respite for his spouse. In this family the parents felt that their young son should have his own room, and not be forced to share with his grandfather.

[We needed an extra room] because he was sleeping in the same bedroom as his great granddad, who is incontinent, deaf, blind, had cancer. He just couldn't function as a child, he couldn't play; he couldn't do anything.'

(Affected Claimant, Yorkshire and the Humber)

Some parents felt that their children should not be sharing a room, despite being expected to under the RSRS rules. For example, one family with four children, included two girls aged five and 13, who would be expected to share. However the parents felt that the age gap means that it is not appropriate for their daughters to share a bedroom. There were also instances of participants with children who had made the decision not to downsize because they were waiting until they were no longer eligible for the RSRS, and were prepared to pay the shortfall in the interim.

'In four years' time my daughter will qualify for her own room, when she's 16. It's a long time to wait but then it's also expensive to move. The removal costs, plus carpet, decorating, it could be £2000/£3000. But then in four years' time we'd be able to have three rooms so we'd have to move again'

(Affected claimant, South East)

The costs of and support required in moving home were also widely mentioned as a barrier to moving; participants did not report awareness that DHPs could help with costs of moving:

'Plus also the cost of moving, it cost me £650 to move here for the lorry, for getting a company to help me. I couldn't lift it, I couldn't do it, so my grandmother paid £650 for me to get a local company in... You know I can't ask her for that money again and I certainly wouldn't have the money and I don't have the manpower, I don't have the connections to say, "Can you all help me move house next week?'''

(Affected Claimant, South East)

Several participants also reported concerns around being able to afford new carpets or flooring as it was their understanding that homes would be stripped of flooring when emptied.

There was also evidence that claimants were sceptical about the availability of suitable-sized homes. Single claimants in particular reported difficulties in finding homes to downsize to, and households with children also felt, whether correctly or incorrectly, that it would be a challenge to find the home they needed.

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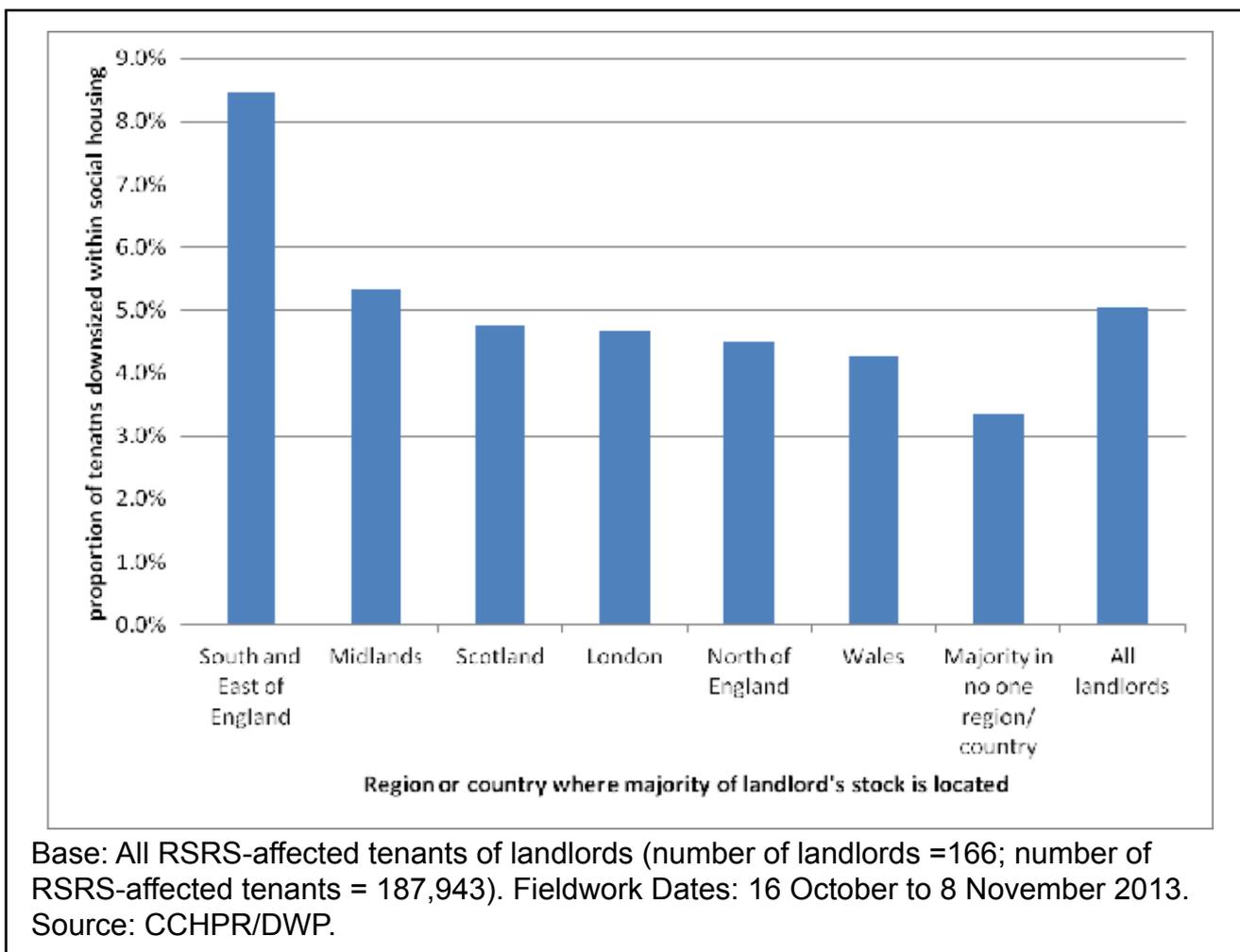
'It would be impossible to get a two bedroom house round here anyway, 'cause it was hard enough to get this. They say that it's like up to seven years waiting for Council round here, obviously unless you're homeless and to give you help quicker. I waited three and a half years to get this 'cause I lived at mum with both kids and we were in the same bedroom.'

(Affected Claimant, North East)

4.2.3 Geographical variation in downsizing

The landlords' survey shows that tenants in the South and East of England were the most likely to have downsized within the sector and those whose landlord's stock was spread across the country least likely (Figure 4.5).

Figure 4.5 Proportion of affected tenants who have downsized within social housing, by geographical area in which landlord operates²⁶



²⁶ The regional breakdown used here and throughout this report includes the South East, South West and East of England as 'South and East of England', the North East, North West and Yorkshire and the Humber as 'North of England' and the East and West Midlands as 'Midlands. This has grouped together areas with broadly similar housing pressure, and provides a larger sample size within each grouping.

The difference between regions/countries in the numbers who had moved is statistically significant. No statistically significant differences could be observed between areas in terms of the numbers registering for downsizing.

4.2.4 Moving to the private rented sector

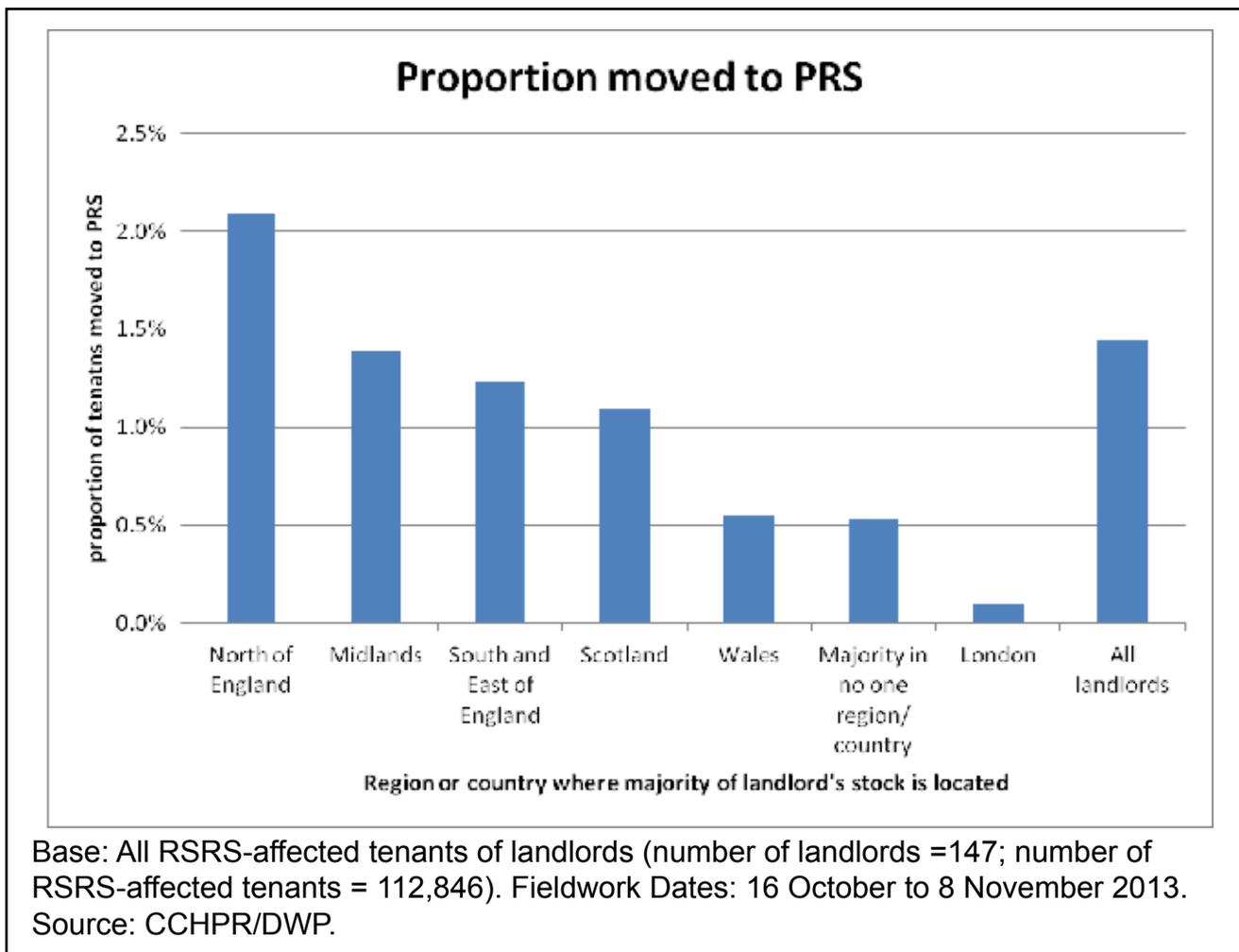
Figures from the landlords' survey suggested that overall, 1.4 per cent of tenants affected by the RSRS had moved to the PRS²⁷. Our survey of claimants found similarly that the one in seven (14 per cent) who said that they looked to move in response to being affected by the policy, were far more likely to have looked at moving to another property in the social rented sector (13 per cent) than the private rented sector (three per cent).

Landlords reported that moving to the private rented sector (PRS) was of interest to tenants in the cheaper areas, where private rents were not much higher than social rents. A few landlords were actively encouraging tenants to consider rent deposit schemes and other systems set up to help low income households to access the PRS. Some reported that single people were the most likely to consider renting privately. Landlords also reported that the PRS was the most likely destination for tenants who abandoned their tenancies or were evicted. However, landlords were usually unsure of where the tenant had moved in these cases.

In higher priced areas, and in London in particular, landlords reported that there was little or no interest in the PRS and did not consider it worth promoting. Note that London has lower levels of RSRS. The numbers reported in the landlords' survey reflected this view (Figure 4.6).

²⁷ 47% of landlords were able to supply figures for the numbers who had moved to the PRS. 39% of landlords supplying figures reported that these were based on estimates rather than data that they held. The proportions moving to the PRS have been calculated as a proportion of the affected tenants of the landlords who were able to supply at least estimates of the numbers moved to the PRS.

Figure 4.6 Proportion of affected tenants who have moved to the PRS, by geographical area in which landlord operates



4.2.5 Where tenants are moving to

Our survey of claimants found that the majority (60 per cent) of those looking to move house in response to the policy said they have looked only at properties inside the local area (60 per cent). One in ten (10 per cent) have looked only at properties outside the local area, while one quarter (25 per cent) looked both inside and outside the local area.

Similarly, case study landlords had all reported that tenants generally wished to remain in their local area and there was a feeling that all areas were experiencing similar pressures on their housing stock. There was therefore no active promotion of longer distance moves in response to the RSRS, although landlords were happy for tenants to initiate such moves if they chose (usually via mutual exchanges).

A few case study landlords were working jointly with neighbouring landlords (usually within the same local authority area) to prioritise each other's tenants for transfers, although most landlords were instead trying to give first priority to their own tenants.

Many claimants were strongly attached to the local area for a variety of reasons. For many it was the support networks that they had in the local area, such as family and friends living very close by. In some areas, such as rural areas, where communities are often very close-

knit, the majority of claimants interviewed could not imagine moving out of the area. Work, local schools and health services were also important factors tying people to their area.

Some of the most vulnerable participants were reluctant to move as they did not want to move to a new area where they did not feel safe. In a few cases participants felt that if they were to move within the houses owned by their housing association or local authority they could be in a much worse situation than they were at present.

'Then there's a problem of where they're going to move you to ... because the Federation and Association always tend to be in much rowdier, rougher areas, you know they're this type of house usually and you know you can't choose the people that you live round can you really?'

(Affected Claimant, Yorkshire and the Humber)

Some landlords raised particular difficulties in finding new homes to meet the needs of disabled tenants, both in relation to the home itself and its proximity to local services and support networks.

4.3 Finding work or increasing incomes

Finding work or increasing earnings is promoted by both landlords and local authorities in their work with affected tenants. Improving benefit take-up has also been a key focus of many landlords' money advice work for some time. Some landlords reported some success in improving benefit take-up particularly of DLA, although others thought that in some areas take-up had already been maximised so there was little potential remaining. A few landlords reported potential for unclaimed child-support to be claimed and used to help pay a rental shortfall for some households.

However, most were not optimistic about the prospects for increased earnings to have a substantial impact on the numbers affected by the RSRS. Many areas with the highest rates of under-occupation and benefit-dependency reported particular issues with finding work in these areas, against a general picture of growing labour markets throughout the United Kingdom (Labour Market Statistics, Office for National Statistics, June 2014).

As noted by the DWP's impact assessment (DWP, 2011), the tenants affected by the RSRS are typically older (but by definition still working aged) tenants. Local authorities reported that very many of this group had been out of work for some time and faced multiple barriers to work including disability, mental health problems and lack of skills and literacy. In order to be completely unaffected by the RSRS, claimants need to move not just into low paid work²⁸, but to be earning enough to make them ineligible for Housing Benefit altogether. Most landlords believed that, for many of their tenants, this was not likely in the short or medium term.

Agencies also reported a lack of available jobs hindering job-seeking activities, despite some people trying to find work or completing training courses. Agencies which had a focus on

²⁸ People on low incomes with part-time work have an earnings disregard of £5 for single people, £10 for couples (with or without children) and £20 for lone parents, certain disabled people and carers. Single people and couples in receipt of Housing Benefit are therefore likely still to be left with an income that is below JSA/Income Support levels after having paid the RSRS shortfall, even if they are in work.

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getting people into work retained this focus, and some job centres were working closely with local landlords to identify and support those affected by the RSRS in finding work.

The claimants' survey found that close to one in five affected claimants (18 per cent) said that they looked to earn more money through employment **in response to the reduction** in their Housing Benefit since 1 April. The vast majority (86 per cent) of those who looked for new or additional work recalled receiving notification that they would be affected.

For most claimants this meant looking for a job (14 per cent of all affected claimants), while three per cent looked for a better paid job, 2 per cent said they had increased the number of hours worked in their current job, and two per cent looked for an additional job. Half (50 per cent) of those who said they are unemployed and seeking work said they looked for a job in response to the changes. More than three in ten (32 per cent) of those in work also claim to have looked for a new job/to earn more in an existing job.

Of those claimants who looked to earn more money from employment in response to the changes, most (65 per cent) said they have always or mostly been in paid employment since leaving school. This means that just over a fifth, 22 per cent, of those looking for work in response to the changes have only sometimes been in paid employment and 13 per cent have rarely or never been in paid employment.

Our survey found, however, that most (87 per cent) of those claimants who said they have looked for work also said they that, in the first six months since RSRS had been implemented, they had not been able to find work or secure better paid employment.

From the qualitative work with claimants, most participants who were able to work had considered earning more through starting work – although this was not solely in response to the reforms, rather that they had been hoping to do so anyway. Those who reported that they were looking for extra hours or a better paid job more often reported that this was in response to the policy.

Most of those interviewed who were looking for work felt hopeful – but not confident – that they would be in work in a year's time, for the reasons described in section 4.3. Others believed that their chances of finding work were small, which would suggest it was difficult for them to adopt a longer-term approach to responding to the RSRS.

'That's my goal, is to get a job and be financially better off I'm optimistic and hopeful, you know. I wouldn't say I'm confident, you know.'

(Affected claimant, South East)

A small number of claimants in the qualitative work reported that they had been successful in finding work or more hours since the reforms came in. However, most reported major barriers to finding work or extra hours including caring responsibilities, for example of elderly parents or young children, which inhibited looking for work or more hours in work, at least in the near future; scarcity of jobs in the local area; and constraints on employers in increasing hours given the recession. For example, one claimant in London asked for more hours at the school which she worked at, but was told that any extra hours had to be shared out between all the staff because everyone wanted them.

Another barrier to finding work was having the skills and experience. In particular, older participants reported concerns about being out of the labour market for an extended time, and how it would be difficult to re-enter such a competitive market.

'We've always worked, even when I had children it were either part time, or in school or something where I could ... but you get to a point, you know [I'm] 58 years old, it won't happen; what am I going to do, who's going to take me? It'd be nice to have something coming in, I'd rather have been [working] ... but I'm resigned to the fact that things are not going to change'

(Affected claimant, Yorkshire and the Humber)

Nonetheless, some participants were motivated to overcome these barriers and find employment to increase their income, often in informal employment. Several participants interviewed reported earning extra money to help them cope with the reforms through such means as doing ironing for neighbours, or selling their belongings on EBay or at car boot sales.

4.4 Taking lodgers

Case study work and the landlords' survey both suggested that taking a lodger in order to help pay the shortfall was reported by landlords to be of interest only to a small minority of tenants, although some landlords thought that their number may increase when the reality of failing to pay by other means or facing eviction became a reality. Eighty five per cent of landlords in the survey reported that their tenants would usually require permission in order to take a lodger. These landlords reported between them a total of 265 such requests for lodgers in response to the RSRS, suggesting that around 0.3 per cent of tenants affected by the RSRS had chosen this option, and their landlords were aware of it. Landlords were also aware that once Universal Credit is introduced, tenants will be much better off financially if they take a lodger, so some thought that interest may increase at that stage.

The claimants' survey found slightly higher figures – possibly because of the inclusion of undeclared lodgers, though the numbers are too small to be sure of this. However, it was still only two per cent (18 of our 871 respondents) who said they had taken in a lodger, while a further one per cent (seven respondents) said that a working partner or someone else had moved in.

The qualitative interviews with claimants also demonstrated that few people were keen to take a lodger. Claimants who were used to living alone especially felt as though having a lodger would be an intrusion of private space. They felt that they would be vulnerable if they were to take a stranger into their home. Additionally, families with young children were unconvinced about the benefits of taking a lodger, due to concerns about child protection issues.

'The only options I've heard of is a lodger which is difficult for someone who is by themselves a lot, when I've got children, I've got to be careful who I have ... I mean I know you can vet people and that, but still it's your home isn't it?'

(Affected claimant, South East)

For those who said that they had considered it, claimants generally said they did not take the idea any further as they were concerned about how it would affect their Housing Benefit, and were worried about whether it was allowed within their tenancy rules – not always understanding the distinction between (illegal) sub-letting and (legal) renting out of a room. In the qualitative work, the very few participants who had made enquiries about taking a lodger had done so with view to having a family member live with them.

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People who take in a lodger or additional family member will usually no longer be affected by the RSRS (unless they had two or more spare rooms to start with), though other benefits will usually be affected by non-dependent contributions or rent that they receive. Participants often had an idea that taking a lodger or family member could affect their benefits and that they wouldn't be any better off financially. Some also had additional fears based on incorrect knowledge, such as reporting concerns that the income would be taxable.

Others understood (incorrectly) that they would still be affected by the RSRS if they took a lodger.

'You've still got to pay bedroom tax even if you take in a lodger. Because I went down to the council what if I move my grandson in, he's coming up to 18 ... and they said you've still got to pay the bedroom tax ... and I'll have to pay half the rent of the house. If I was moving my grandson in, or a lodger, my Housing Benefit would be cut and I'd have to pay back the rent'

(Affected claimant, Scotland)

In the example above the respondent had either been given incorrect advice, or had misunderstood the advice he was given. If the house was fully occupied he would not be affected by the RSRS, though his housing benefit would be reduced to reflect the share of the rent his grandson (a non-dependent) was expected to contribute.

The case study work found that landlords were not universally in favour of encouraging tenants to take a lodger, citing concerns about vulnerable tenants and difficulties in managing relations between their tenant and sub-tenant. Most were keen to ensure that their responsibility remained clearly to their own tenant and not to any sub-tenant. All reported that they would allow lodgers in most circumstances, but some were doing nothing more to promote it.

4.5 Paying the shortfall

The survey of landlords found that 41 per cent of tenants overall were reported to have paid the full shortfall, 39 per cent had paid some of it, and 20 per cent had paid none. The implications of this for landlords are explored in more detail below (Section 5.3). This information cannot distinguish between different patterns of payments.

Affected claimants were asked about their approach to budgeting, specifically how long they 'usually plan their budget for' (if at all). They were more likely to say they budget in the shorter term: 35 per cent plan their budget weekly, and 29 per cent fortnightly. A smaller proportion (19 per cent) said they plan their budget monthly, while fewer than one in ten (nine per cent) do not plan their budget at all. These results are broadly in line with those for non-affected claimants.

While claimants are more likely to budget in the short term as opposed to the long-term, results suggest that budgeting frequency does not have any obvious impact on the likelihood of affected claimants to be in arrears or to afford their rent.

Landlords and local agencies reported that most people affected by the RSRS would prefer to stay in their home and pay the shortfall, rather than move to a smaller home. Certainly qualitative interviews with claimants found that, at the time of interview, claimants reported generally paying the shortfall, as rent was their first priority – but typically, with considerable difficulties in doing so. They tended to prioritise rent due to a fear of going into arrears:

they feared being evicted if they did not pay the shortfall and meet their rent payments. Additionally some were concerned that arrears would prohibit them from being allowed to apply to move.

Agencies were offering advice in terms of budgeting, income maximisation (claiming all benefits they may be entitled to) and in some cases they are even being taken to the supermarket and assisted with the shopping in order to help tenants pay their shortfall.

4.5.1 Financial difficulties

Almost all agencies interviewed reported that people did not generally seek their help until they found themselves in difficulties paying their rent.

'People often come long after the changes came into effect, when they are threatened with eviction.'

(Local advice agency)

Local agencies reported that many people in rent arrears because of the RSRS also had other debts and wider issues relating to unemployment, relationship breakdown and mental health. For some though, the RSRS had tipped them into rent arrears for the first time, adding a new difficulty to troubled lives.

Tenants' groups interviewed expressed concern about the welfare of people who were paying the shortfall, reporting that some were going without food, not heating their homes, and becoming socially isolated. Many landlords also said they were concerned about their tenants' level of financial hardship:

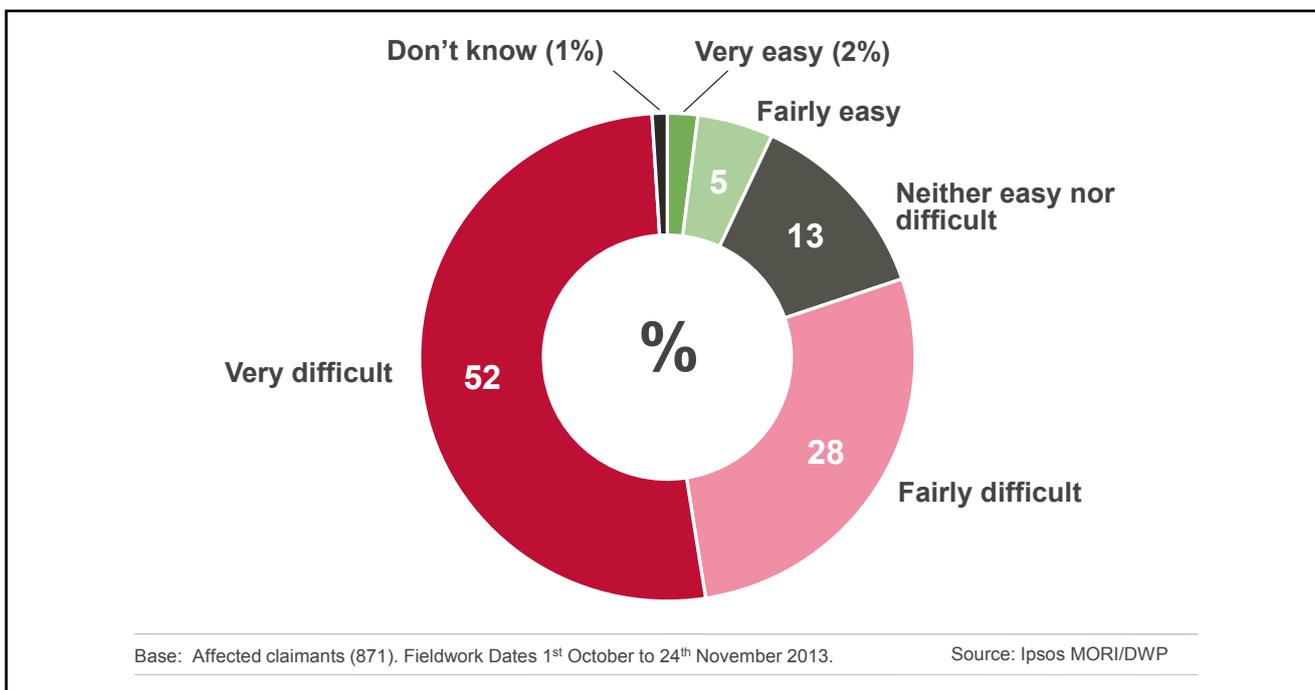
'We have fed people who have come into our office for assistance; and staff have gone and purchased food for people from their own pockets; these are not families with low levels of literacy or addiction issues, or not willing to work.'

(Social landlord)

The vast majority of affected claimants reported difficulty affording the amount of rent they pay at the moment with a little over half (52 per cent) considering this to be very difficult, (Figure 4.7).

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Figure 4.7 How easy or difficult at the moment are you finding it to afford the amount of rent that you pay?



Affected claimants who reported not having received notification of the changes were more likely to say they are finding it very or fairly difficult to afford the rent (89 per cent vs. 80 per cent overall). Claimants not affected by the RSRS were much more likely to say that they are finding it easy to afford their rent at the moment (41 per cent) than report difficulties (18 per cent).

Affected claimants were also more likely to report running out of money before the end of the week or month than non-affected claimants. More than half (53 per cent) of affected claimants said this happened very often, and a further quarter (25 per cent) said it happened fairly often, a combined figure of 79 per cent. Comparatively, the combined proportion of non-affected claimants who ran out of money was 57 per cent (29 per cent very often and 28 per cent often). We do not have data to compare this with their budgeting patterns before the RSRS.

Affected claimants who were in arrears were significantly more likely to have reported running out of money before the end of the week or month (90 per cent vs. 79 per cent of all affected claimants). The qualitative work found claimants typically struggling financially and making cutbacks in their domestic budgets to pay the shortfall. Cutting back on using energy (particularly heating, lighting and using cookers) and on food budgets was widespread, with many reporting remaining cold at home to reduce bills (interviews were conducted during the autumn months) or regularly skipping meals. Spending reductions, where they could be made, were also made in areas such as travel or cutting back on spending on children or grandchildren. Claimants attributed these difficulties to the RSRS, although we do not have evidence to compare to their situation before the RSRS was introduced. Concerns were also typically expressed about the rising cost of living:

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'There's weeks I'm struggling ... so sometimes on a Tuesday [my mum will] buy me a couple of groceries, but we get money every two weeks and on the second week that's basically when we're struggling, And I've had to tell the family I've had to cut down Christmas because I've got seven grandkids and I've had to cut right back because I can't afford to give them [anything] ... I've not even got any Christmas shopping or anything, just kind of food basically, just can't afford it... It's going to be even harder this year because the gas and electricity has gone up now.'

(Affected Claimant, Wales)

Some claimants reported various ways of coping with the changes, including careful budgeting and in one case taking on additional informal paid work.

'I'd say things have got worse ... I've got better with it now, like I said I'll go to the charity shops and, I've always been good at budgeting, don't get me wrong, but I have to think about now ... I've done a bit of ironing for people to help me on the way sometimes, because people hate ironing and I enjoy it, and if I'm really desperate I'll say does anyone you know [want some ironing done] ... that's the only way'

(Affected Claimant, London)

Borrowing money from friends and family was also a common coping mechanism. Many of those interviewed had already borrowed money in order to help them meet financial commitments, but those who had done so questioned the sustainability of this option given the low incomes of the family and friends they borrowed from. We have no data to compare this with their previous borrowing patterns.

Other household reductions which impacted on children were reducing spending on items such as school uniforms and also on leisure, such as one mother reporting she no longer took her son swimming every week. Grandparents affected by the RSRS were also reducing the amount that they spent on their grandchildren. Some said that they could no longer afford to take their grandchildren on outings, or spend money on them at Christmas time, whilst others reported that they had to reduce the frequency with which their grandchildren could visit because they could not afford to heat the house or feed them.

Several participants reported feeling isolated and unable to socialise because of their financial circumstances and being affected by the RSRS.

'I'm a lot worse off. I'm more secluded to the house than I used to be... I can't buy clothes; I can't go out with friends. I used to go out into town to get out the house. But the bus fare is £2.50 each way and then I just see things that I can't buy and feel depressed. I've cut back on food, on brands, now I just buy Tesco's own brand. When the tax came in I paid that instead of my bills'

(Affected Claimant, Scotland)

The costs of transport were often mentioned as particularly difficult to afford. Those who were able to were cutting back on travel costs as much as possible. However several families relied on their car, for example to take the person they cared for to frequent medical appointments. Bus fares were typically considered unaffordable, with those that could either walking or in one case using a free bus supplied by Tesco to get out instead.

The RSRS also affected financial resilience as well as household budgets, with many claimants reporting relying increasingly on informal financial support from their families to meet essential payments since the reforms came in, which they typically attributed to the

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RSRS. This was because such households reported having little 'slack' in their household budgets, meaning they were compelled to look for alternative sources of support when available funds for household spending were diminished by the RSRS. Some reported borrowing single lump sums which they intended to pay back, and other had asked for help to meet the demands of particular bills (e.g. utilities). In some cases claimants were helped by going for meals at their families' home to help them save money on food. Claimants tended to note that it was difficult for their family members – also on tight budgets – to offer support, and they typically felt uncomfortable in asking for support from family members. Several participants also reported accumulating debts to pay for essentials since the reforms were introduced. There were many cases where participants had fallen behind on payments for utility bills as a result of the extra payment for the RSRS, raising concerns among such participants that their situations may be unsustainable and debts may become difficult to manage in the future. Again, while claimants attributed these difficulties to the RSRS, we do not have evidence on their previous circumstances.

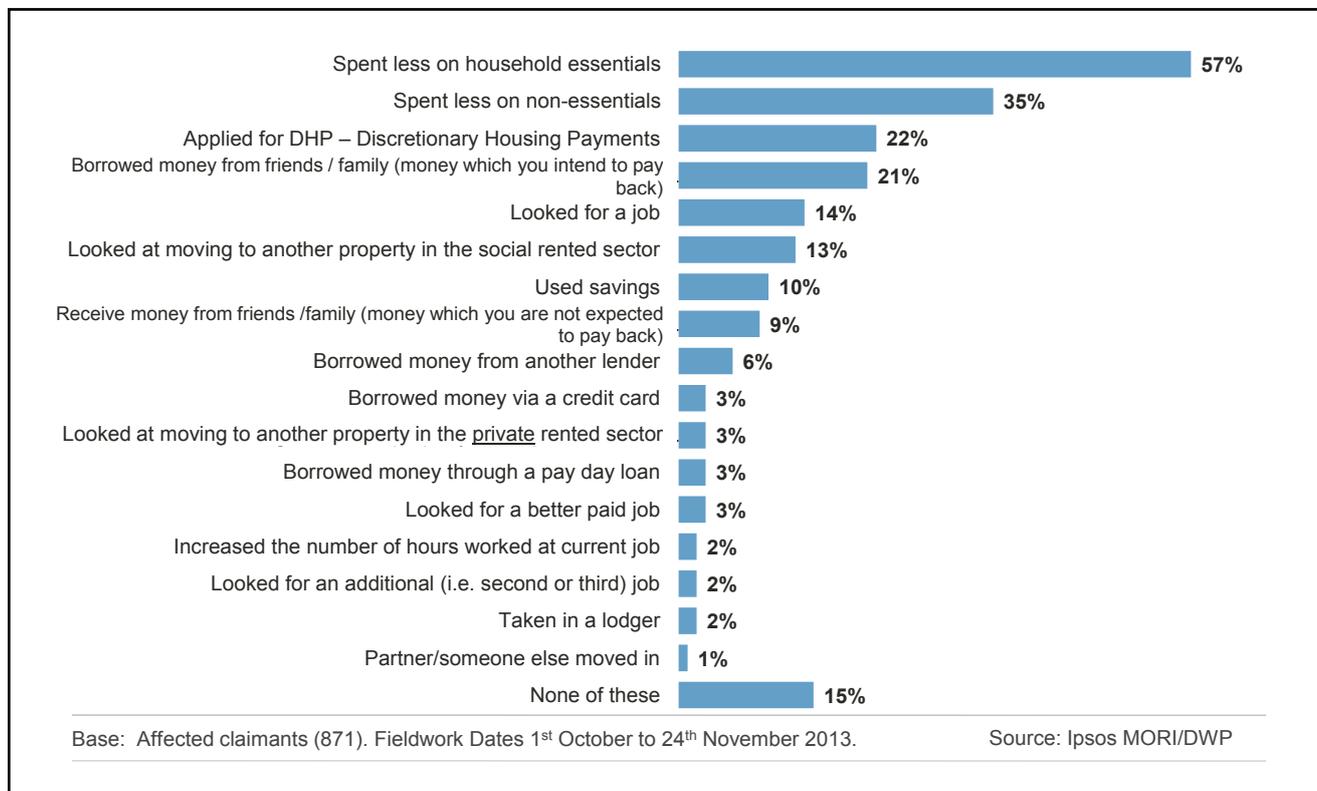
4.6 Future responses to RSRS

An overwhelming majority (86 per cent) of claimants affected by the policy said that they expect (still) to be affected by the policy in the next 12 months.

These respondents were asked what responses they expected to take in the future. They were first asked this question on an unprompted basis. Close to half (49 per cent) suggested a specific action that they intended to take in order to deal with being affected by the changes. The remaining 51 per cent either did not give a response or said they did not know what they would do. They were then asked the same question on a prompted basis, with the same list of coded responses that they were presented with earlier in the survey when asked what actions they had taken.

As the figure below shows, actions which claimants said they plan to take are similar to those they have already taken (Figure 4.8).

Figure 4.8 Still thinking about the next 12 months, which of the things on this card, if any, are you (or your partner) planning to do to deal with being affected by the changes and a reduction in Housing Benefit?



Again, the most frequently mentioned response among those who expect to be affected in the next 12 months is expenditure reduction – 54 per cent said that they plan to spend less on essentials or non-essentials, though this figure is lower than the 63 per cent of claimants in this group who said they have already done this.

By contrast, a higher proportion of this group said they planned to look for extra earning through employment: 27 per cent said this compared with 17 per cent among the same group who said they have done this since 1 April.

Claimants were no more likely to say they plan to look to move house than to have said that they have already done this since April 1 (both 14 per cent).

Those in arrears were more likely than those up to date with their rent to say that they planned to look for extra earning through employment (31 per cent vs. 24 per cent). They were also more likely to say they would borrow money (25 per cent vs. 12 per cent), predominantly from friends and family and which they intended to pay back: 21 per cent of those in arrears said this.

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In the qualitative interviews, participants reported that planning for the future was generally quite difficult, because of uncertainties around moving home, finding work and cutting back on spending. Rather than having clear or specific long-term plans for how they would cope with shortfalls over the next six to 12 months, they reported that they would employ short-term coping strategies and hope for the best.

Cutting back on spending was the most common response to paying the shortfall, but most claimants reported that they had been doing this to a large extent already, including on basics such as energy and food. They therefore felt that any further household economies would be difficult to make, especially during winter, where they would need to spend money on heating.

Overall, the constraints claimants faced in being able to take a longer-term approach to changing their housing situation or increasing their income meant that most fell back on short-term strategies: cutting back on non-essential and essential household spending, and borrowing. Most in this situation were concerned about future arrears, feeling that their situation was not sustainable.

'As far as I have to help us swim out of it somehow but I don't know how I'm going to do that ... it's quite complicated, not being employed ...'

(Affected claimant, London)

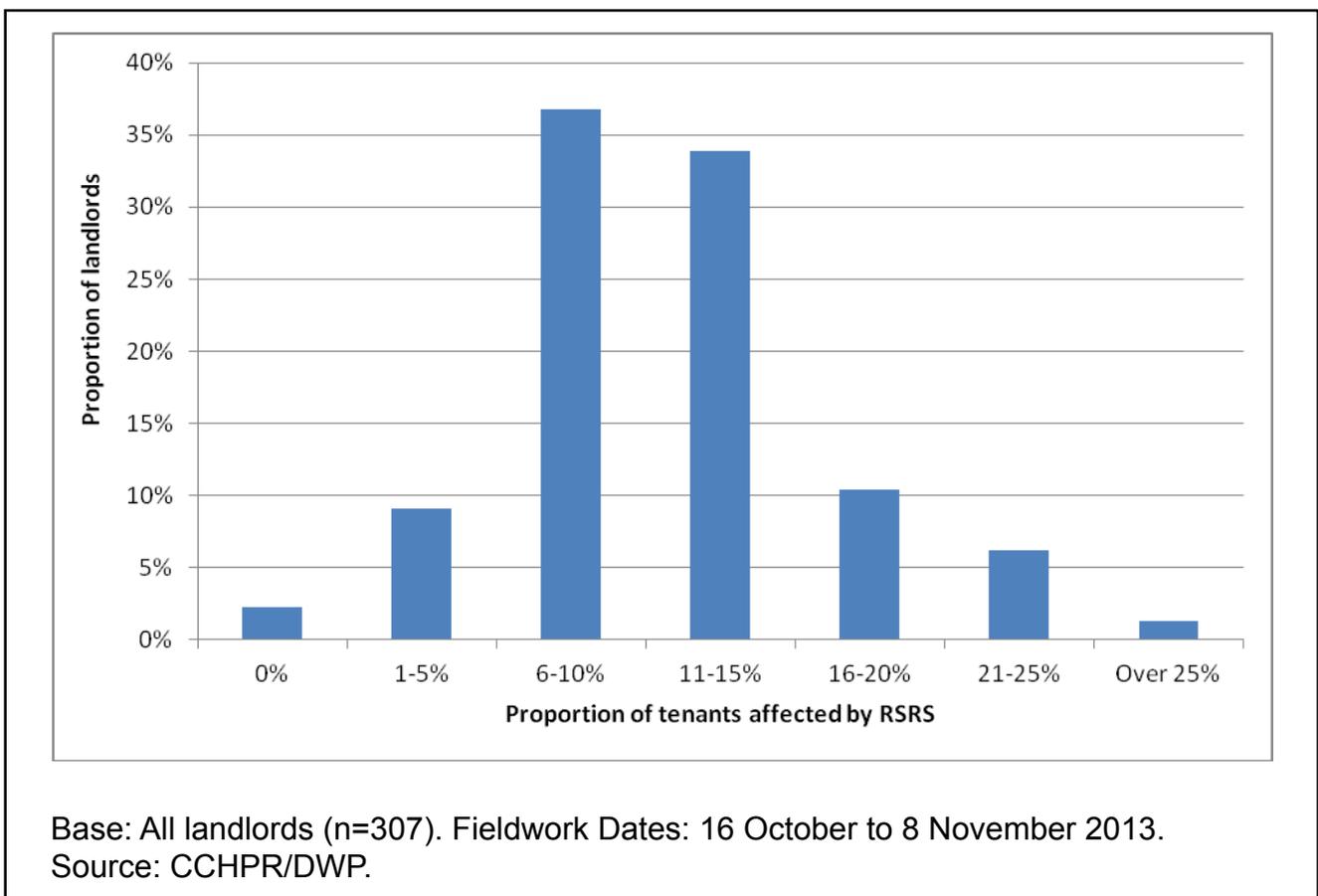
5 Early impact on social landlords

5.1 Degree of impact

The Removal of the Spare Room Subsidy was first announced in the Emergency Budget of June 2010 and implemented in April 2013.

The impact of the RSRS on social landlords varies between areas and between landlords. Overall, 11.5 per cent of tenancies are affected, but this varies considerably with some landlords having fewer than five per cent affected (and small numbers, none at all) but others having over 20 per cent affected (Figure 5.1).

Figure 5.1 Proportion of tenants currently affected by the RSRS



Landlords had a range of concerns about the impact of the RSRS on their business and their tenants, as shown in their answers to an open question asking for comments on the RSRS (Table 5.1a and 5.1b).

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Table 5.1a Comments about impact of the RSRS on tenants

Comments about the impact on tenants	Number
Not enough 1 bedroom homes	26
RSRS causing severe poverty	21
Downsizing difficult for maintaining local support networks	7
RSRS Causing stress to vulnerable people	7
Having spare room or children with one room each is reasonable	5
RSRS is inequitable/unfair against working age	5
Lack of jobs/more hours impractical	5
Downsizing impractical if requirements will soon increase	4
Downsizing hard for disabled	3
Other	10

Base: All landlords (n=312). Fieldwork Dates: 16 October to 8 November 2013.
Source: CCHPR/DWP.

Table 5.1b Comments about impact of the RSRS on landlords and wider impact

Comments about impact on landlords and wider impact	Number
Costs to organisation are large	32
Difficulties letting properties as result of RSRS	8
Problems with implementation and communication with LA	7
High turnover increasing costs	7
Expecting costs to rise over winter	6
Phasing RSRS in over time would have been more acceptable	6
Concerned about funding for future development	5
RSRS has not been too bad	5
Cutting other services to fund RSRS work	4
Building flexible/large sized rooms	3
Reduced numbers on list/reduced demand	3
Downsizing to the PRS is increasing the HB bill	3
Other	15

Base: All landlords (n=312). Fieldwork Dates: 16 October to 8 November 2013.
Source: CCHPR/DWP.

As can be seen, social landlords' main concerns were around the costs of RSRS to their organisation, the supply of one-bedroom homes and the possibility of tenants ending up in poverty. Their other comments included concerns around the cumulative impact of welfare reforms and the RSRS having a damaging impact on relationships with tenants, though two respondents did note that mobility had increased.

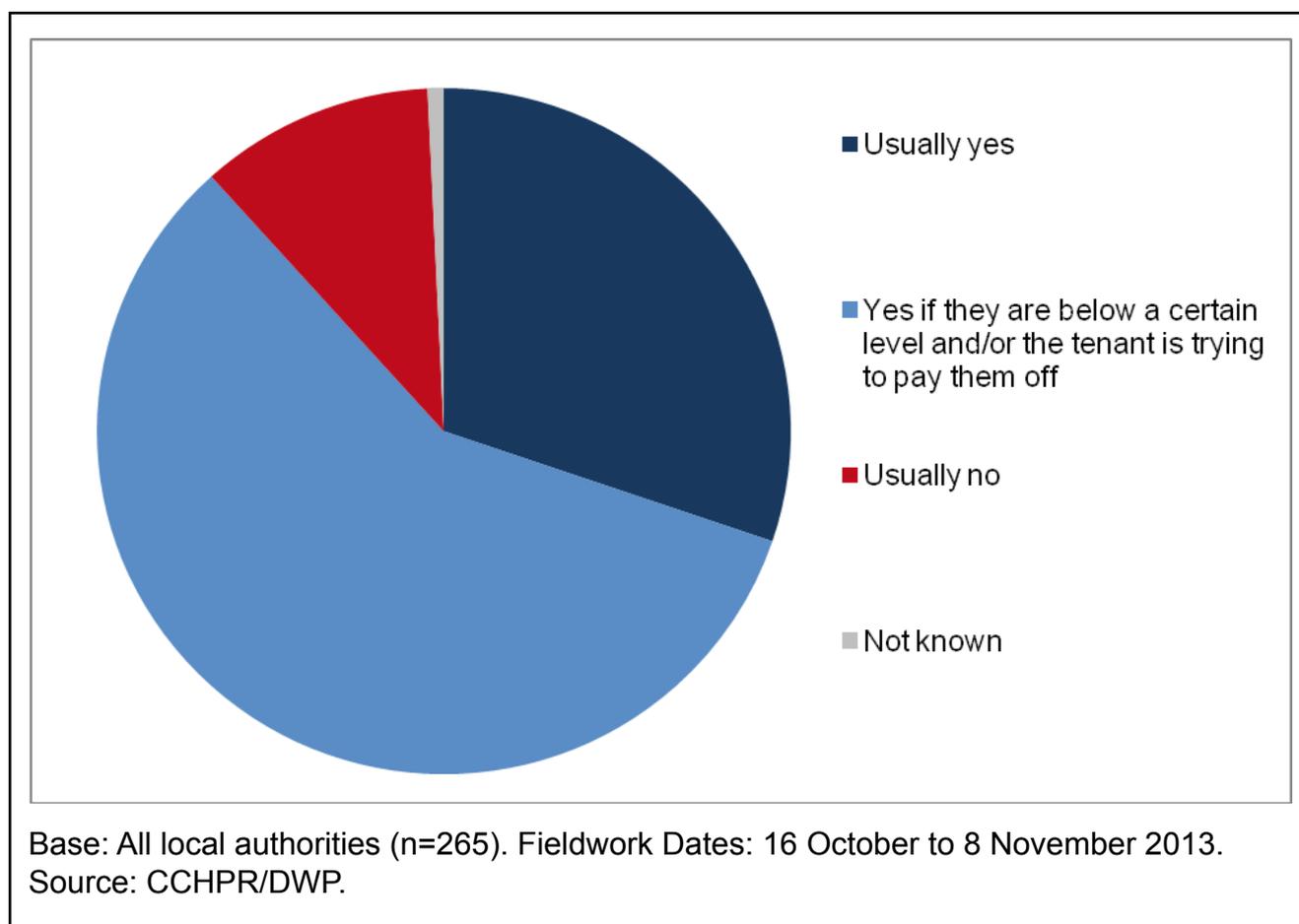
5.2 Managing mobility and voids

5.2.1 Downsizing with rent arrears

Landlords had previously been adverse to tenants moving when they had rent arrears. This is mainly because it is more difficult, legally, to recover the arrears on a previous tenancy. Case study work however showed that most were aware that this would create a 'catch 22' situation for those affected by the RSRS whereby they could not afford to repay their arrears whilst they continued to under-occupy, but would be prevented from downsizing by their arrears. Many case study landlords had therefore reviewed their policies on downsizing with arrears and allowing it in specific circumstances.

The landlords' survey asked about policy in this area (Figure 5.2).

Figure 5.2 Do you allow tenants affected by the RSRS and with arrears to downsize?



5.2.2 Financial incentives to assist with downsizing

Many landlords offer financial incentives to downsizers, which can be used to assist with the costs of moving or to clear rent arrears if necessary. These have been in place for some time in order to incentivise downsizing and free up larger homes for families (CIH, 2012).

The landlords' survey found that 27 per cent of landlords offered financial incentives to downsizers affected by the RSRS, and a further 22 percent would in specific circumstances, usually tying the financial support to the specific costs of the move.

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Analysis by region showed that there was a strong variation between different parts of the country in the use and the scale of financial incentives (Figures 5.3 and 5.4)

Figure 5.3 Is there a financial incentive available to your tenants who wish to downsize?

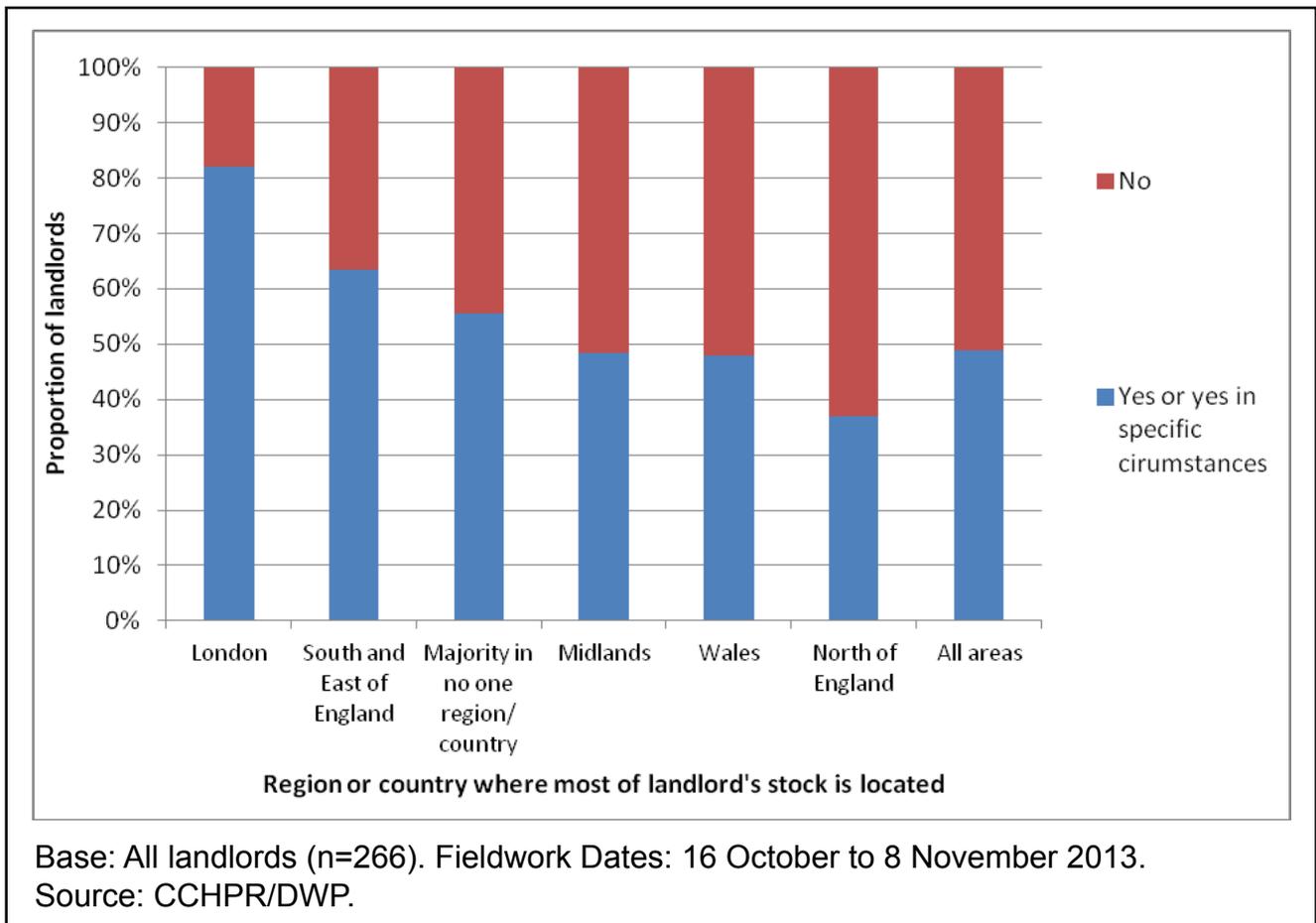
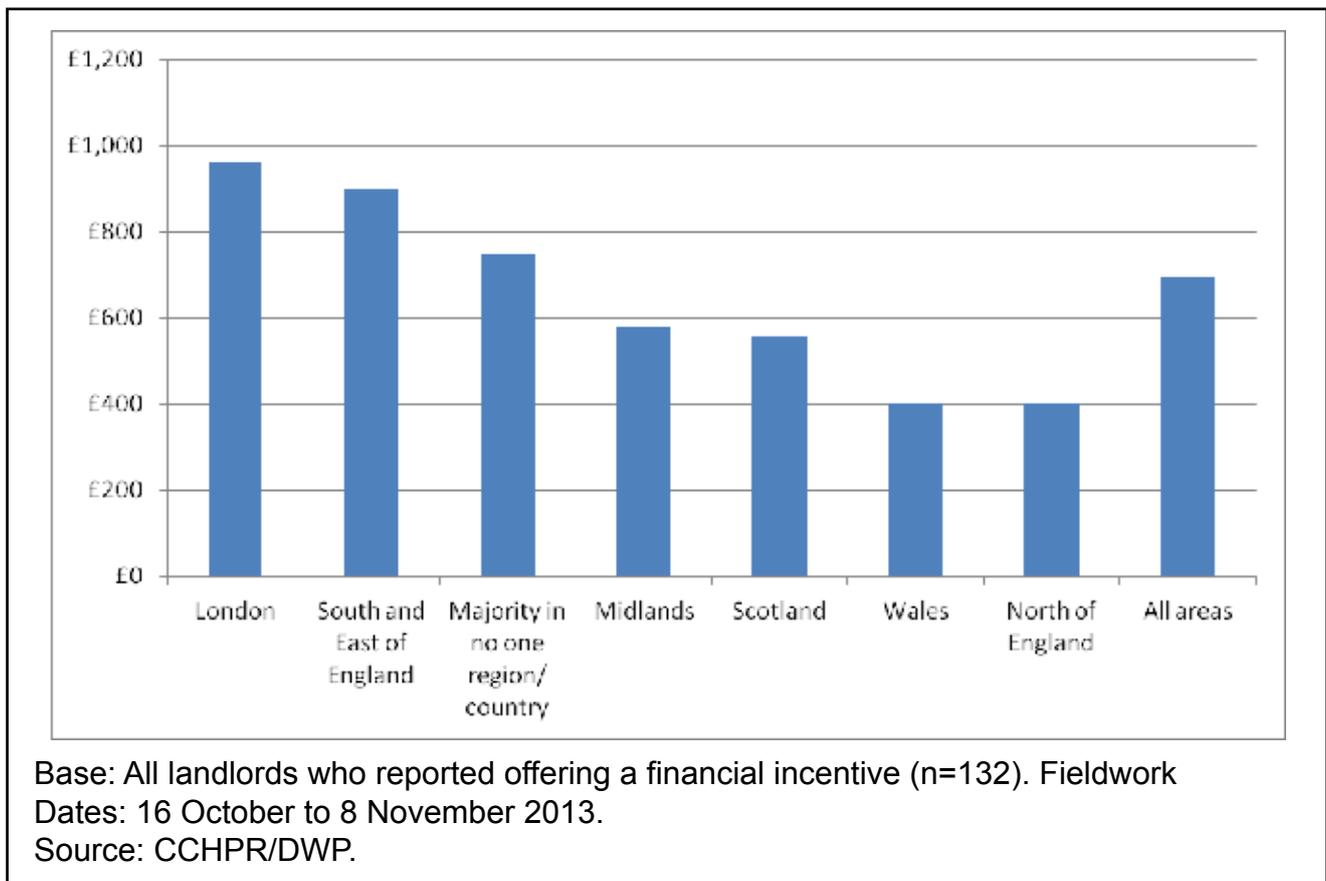


Figure 5.4 Average size of landlords' typical amount offered to downsizers



This may suggest that financial incentives are less available in the areas most affected by the RSRS.

Many case study landlords were increasing the promotion given to downsizing: running promotional events, newsletters and helping applicants apply. Mutual exchanges were also being promoted and some landlords were actively matching suitable households.

5.2.3 Managing voids

The research with social landlords uncovered two identifiable ways in which the RSRS might affect the number of properties empty at any one time.

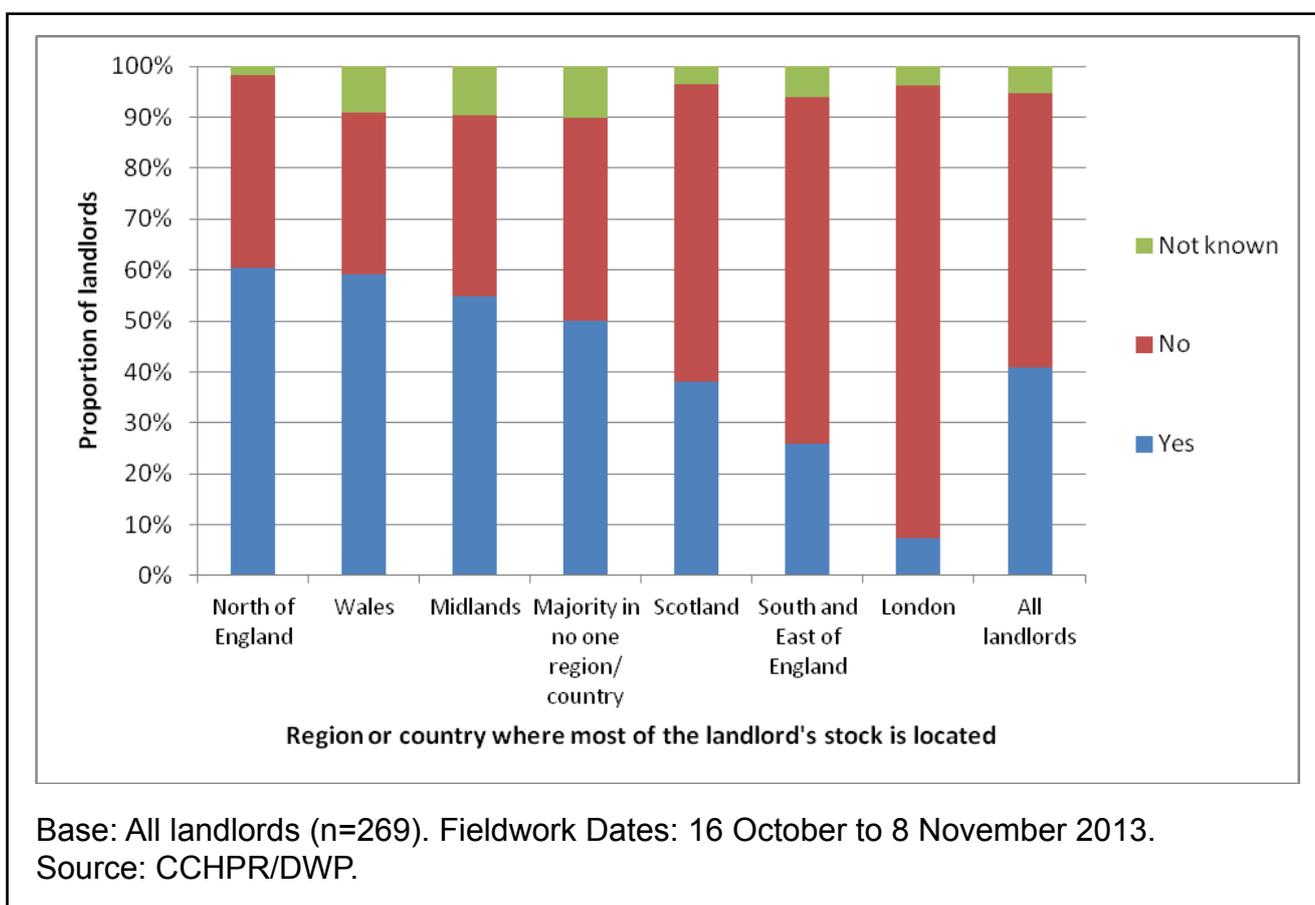
The first, an increase in mobility within the sector, and in and out of social housing, is likely to result in an increase in empty properties as landlords take time to re-let a property. Tenants moving by mutual exchange avoid this issue. However, case study landlords said that re-letting a property after eviction or abandonment usually takes longer than usual as well as costing more.

The other issue relates to possible difficulties in letting housing that is no longer affordable to people on the housing register. As discussed above, the changes to allocation scheme rules on the sizes of properties required present a significant change to the ways in which social housing is allocated in Britain. Unless there were an increase in the supply of houses with fewer bedrooms, through building, buying stock from the private sector or conversions, it will become considerably harder for single people and couples requiring only one bedroom homes to access them.

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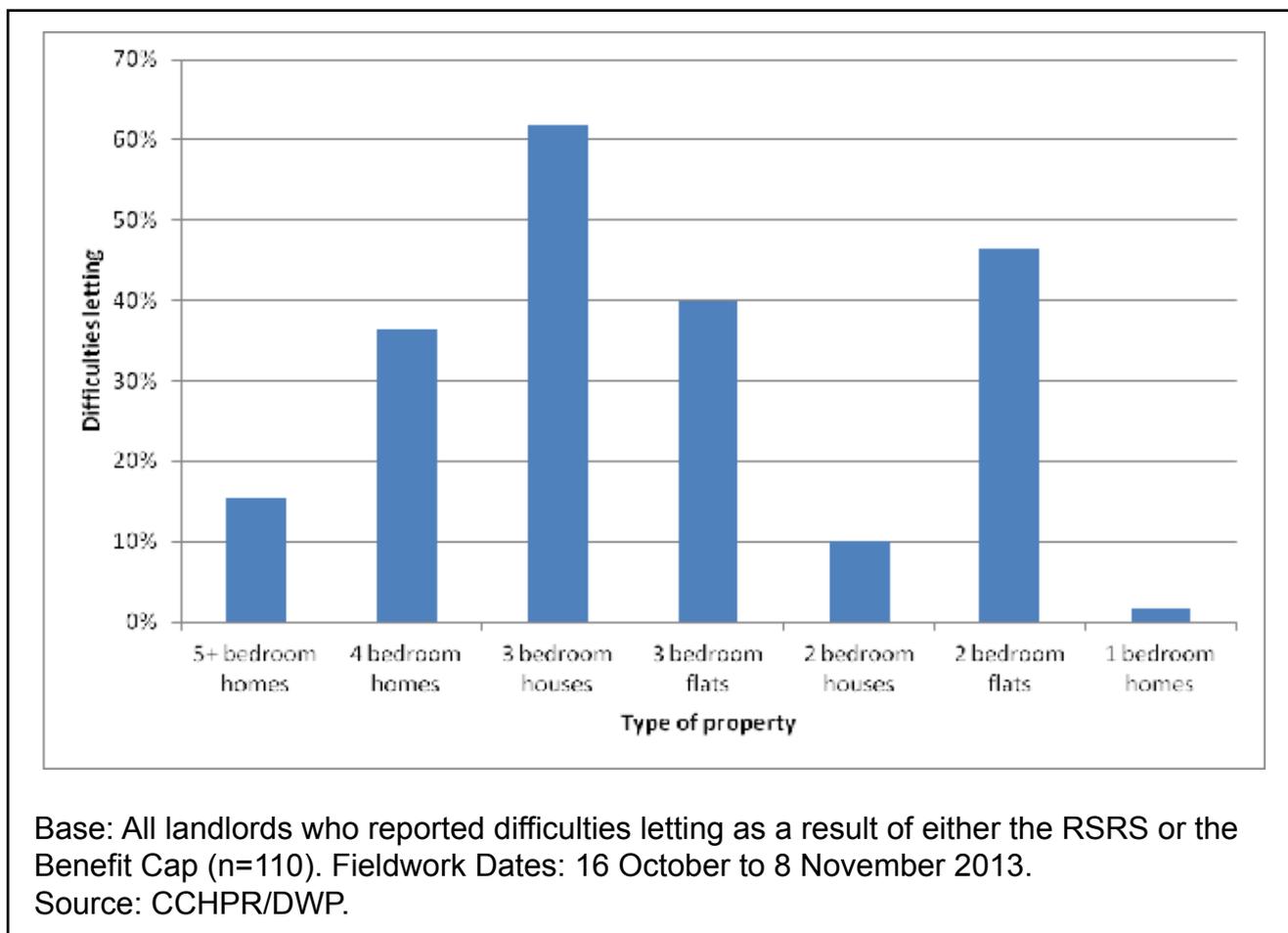
The landlords' survey asked whether landlords were experiencing any difficulties in allocating properties as a result of the RSRS or the Benefit Cap. A total of 41 per cent of landlords reported that they had experienced difficulties. This was strongly correlated with the proportion of tenants affected by the RSRS; 72 per cent of landlords with the highest proportion of tenants affected reported difficulties in letting properties, as compared with only 26 per cent of those with the lowest proportion affected. There was also a strong regional dimension with only two out of 27 landlords whose stock was mostly in London experiencing any difficulties as a result of the RSRS, as compared with over 60 percent in Wales, the north of England and the midlands (Figure 5.5).

Figure 5.5 Have you experienced any difficulties in letting properties as a result of the RSRS or the Cap?



The increased difficulties in these areas could reflect both the higher proportion of tenants affected by the RSRS in these areas, and/or the lower demand for housing in these areas. The 110 landlords who reported difficulties were asked which types and sizes of property these related to (Figure 5.6).

Figure 5.6 Proportion of landlords reporting difficulties letting as a result of RSRS or Cap who are experiencing difficulties with each size and type of property



Note that the case studies suggested that some of the concerns relating to letting larger properties (with four or more bedrooms) are likely to be related more to particular Benefit Cap cases than the RSRS. Landlords most concerned about the RSRS had two main concerns about letting.

First, three bedroom homes were reportedly harder to let in areas where a very large proportion of the housing stock was three bedroom houses. These had traditionally been let to families with one to three children, but now only those with three children or two children over ten and of opposite sexes could fully occupy these houses; the majority of housing applicants had smaller households. Note, however, that few landlords reported any significant increase in voids.

Landlords who reported some difficulties in letting properties were asked for their void figures for 31 March 2013 and for the most recent comparable date²⁹. Of the 760,018 properties owned by landlords reporting difficulties in letting, a total of 10,959 (1.44 per cent of stock) were reported vacant on 31 March 2013, as compared to 11,755 (1.55 per cent) on the most recent comparable date. The difference between the two figures is not statistically significant. This means that although some landlords are concerned about increased difficulties in letting

²⁹ Respondents were instructed to choose the most recent 'taking into account your letting cycle – eg the same day of the week/month'. The median date chosen was 17th October 2013.

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stock these have not, as yet, translated into a demonstrable increase in vacant stock. It is also uncertain to what extent these increased voids result from an increase in longer-term hard-to-lets rather than transient vacancies as a result of increased mobility within the sector. This evaluation will return to this issue when fuller data are available.

The other major difficulty reported concerned two bedroom flats in lower demand areas, particularly high rise flats with no access to gardens or lifts. These were generally considered unsuitable for families in many areas and have historically been let to single people and couples without children who were now affected by the RSRS. Offering these properties to families or to singles to share may offer a solution in some areas.

One way of tackling this is by promoting the sharing of two- or three-bedroom properties by younger single people. Some landlords were already considering this, although others feared it would be harder to manage such stock. One area had considered promoting hard to let two bedroom flats to groups who did not traditionally access social housing, such as young working people currently living in the PRS, but were unsure how popular their housing would be with this group.

5.3 Rent collection and arrears

5.3.1 Rent collection

Many tenants (especially outside London) had been previously on full HB, so handling rent payments themselves to cover the RSRS shortfall has been new to them. Landlords were generally offering a range of payment methods. Direct debits were preferred by landlords, as being less resource-intensive for them to collect. However several reported that tenants often preferred a payment card, enabling them to keep control of how much rent they paid when.

Much of the work that landlords were doing anyway in preparation for Universal Credit – helping tenants set up credit union accounts and develop rent-paying habits – was useful in implementing the RSRS, and landlords felt that they were learning useful lessons around rent collection from their experiences of the RSRS which would carry forward to Universal Credit.

Nevertheless, from the case study interviews and answers to the landlords' survey, it appeared that landlords were uncomfortable about their role as social landlords in collecting rent from people they believed could not afford to pay it in their current circumstances. As discussed earlier, people can potentially change their circumstances, for example by increasing earnings or moving to a smaller home.

'Our customers are in severe hardship through this reduction in Housing Benefit and many are needing vouchers for foodbanks after making rent payments. Customers are distraught and telling us they cannot cope and we are dealing with regular threats of suicide. With winter approaching customers now have an extra decision to make, pay their rent, eat or keep warm. The RSRS is damaging the relationship between landlord and customer as we are chasing customers for payments we know they cannot afford.'

(Landlord survey response)

Local advice agencies also felt that the RSRS has had a negative impact on the relationship between landlords and tenants. Some agencies said that it was difficult for housing officers to enforce something with which they might disagree. Some agencies reported that people were increasingly coming to them with housing related problems because they no longer felt that their landlord was 'on their side'.

5.3.2 The impact of the RSRS on arrears

Landlords concerns to manage and monitor the impact of welfare reforms mean that most have been keeping a very careful eye on arrears. Case study work highlighted that many took action prior to April 2013 to bring down their levels of arrears in advance of the RSRS. This appears to have paid dividends and the landlords' survey found that total arrears owing to social landlords fell by 5.6 percent between 31 December 2012 and 31 March 2013. In total, the 233 Landlords who were able to supply data from each point in time had seen a fall in total arrears from £313 million to £295 million, though this may in part be due to seasonal variation in arrears as they typically build up over the Christmas period (Scottish Housing Regulator, 2014).

Since then, however, arrears have risen. The total amount of arrears (for all reasons) owed to the 233 landlords answering this question in the survey stood at £343 million around the start of October 2013 (Table 5.2).

Table 5.2 What was the total amount of arrears outstanding (from all your tenants, whether affected by any of the welfare reforms or not)?

Date	Total arrears
31st December 2012	£312,985,055
31 March 2013	£295,499,127
On the most comparable recent date ¹	£342,871,668

Base: All landlords supplying data for both March 2013 and a comparable recent date (n=262).

Fieldwork Dates: 16 October to 8 November 2013.

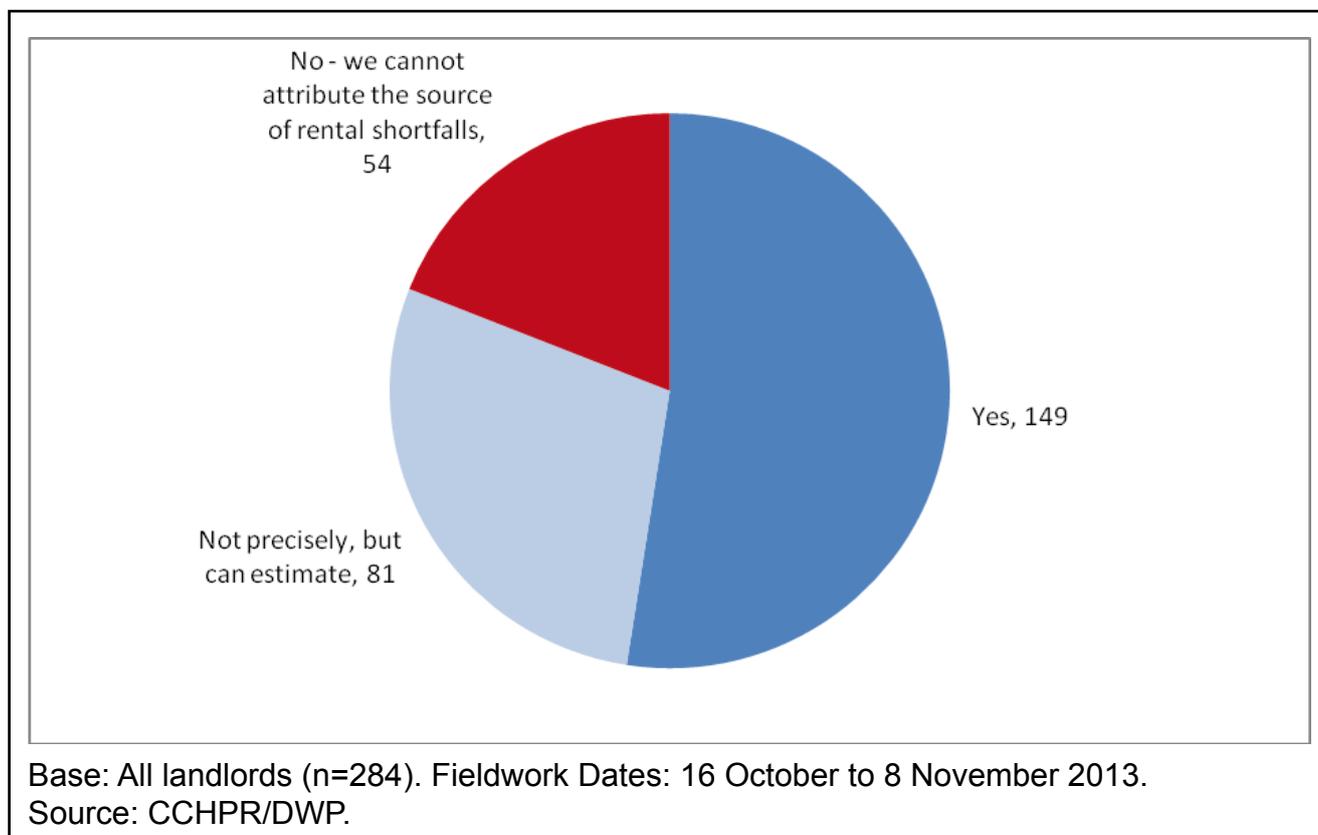
Source: CCHPR/DWP.

¹ Respondents were instructed: 'Please give the figure for as recent a date as possible that can best be compared to 31 March, bearing in mind your rent collection cycle and Housing Benefit payment dates'. They were then asked what date they had used. The median date given was 1 October 2013.

This rise coincides with the introduction of the RSRS, and does not coincide with a time of year when a rise in arrears would be expected. However it is not possible to directly attribute the rise to the introduction of the RSRS as other elements of welfare reform and changes in the wider economy and to rent levels could also play a part. Note that more recent research shows a small reduction in rent arrears of current tenants during the last quarter of 2014 (Quarterly Survey of Private Registered Providers 2013/14 Quarter 4, Homes & Communities Agency, 2014).

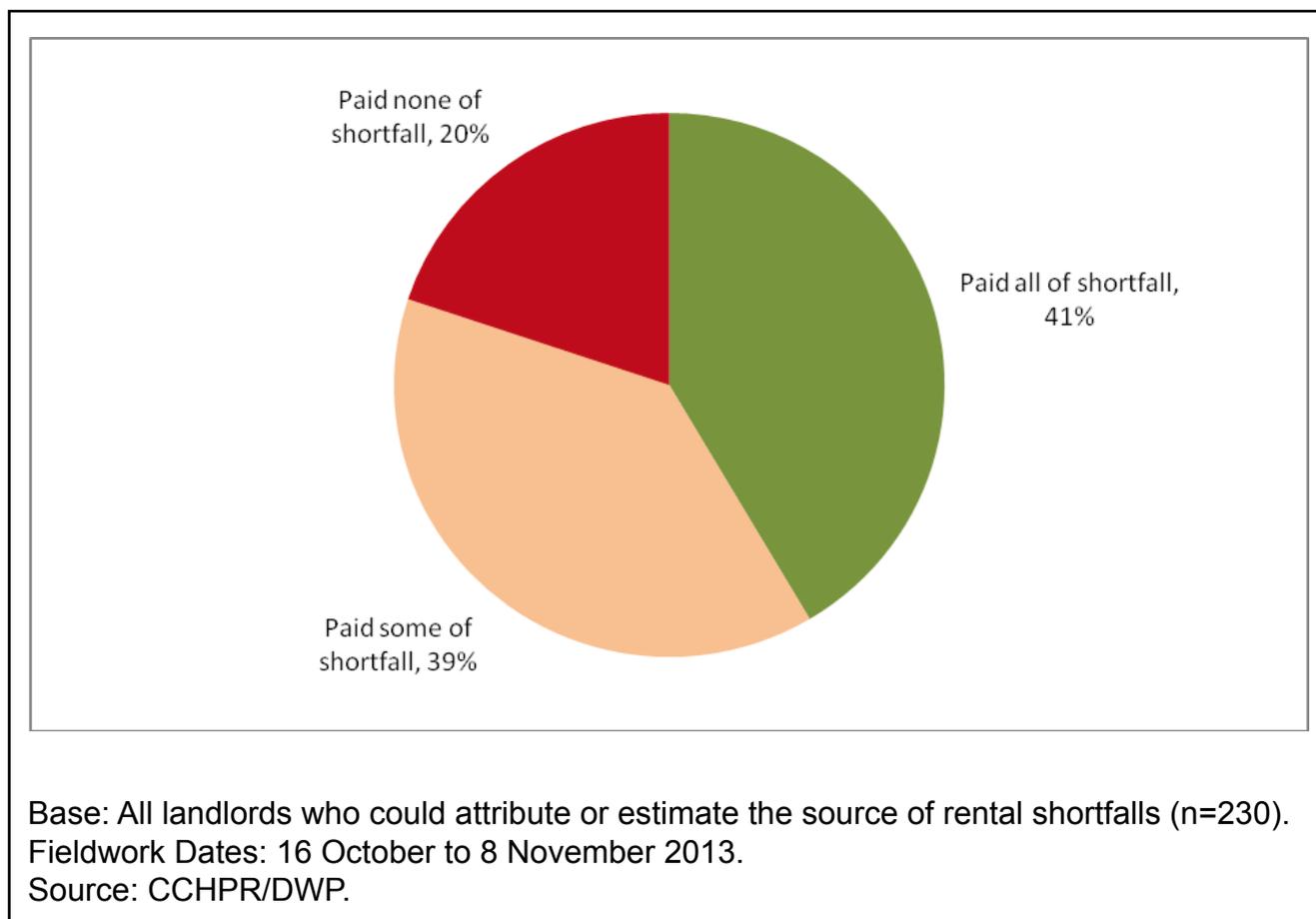
The majority of landlords replying to the survey were able to identify the number of tenants affected by the RSRS who had paid their shortfall, or at least to estimate (Figure 5.7).

Figure 5.7 Are you able to identify the number of your tenants affected by the RSRS or the cap who have paid their shortfall?



Those who could at least estimate the source of arrears were asked for further information about whether tenants were paying their shortfall, from which the overall proportion paying can be estimated (Figure 5.8).

Figure 5.8 Proportion of tenants affected by the RSRS who have paid their rental shortfall



By comparison, the claimants' survey, carried out in the autumn of 2013 found just slightly lower rates with close to half of claimants (47 per cent) self-reporting that they were in arrears. Younger claimants and those who are unemployed and seeking work were more likely to say they were in arrears. Similarly, those with two or more children were significantly more likely than average to be in arrears (59 per cent vs. 47 per cent).

When asked about their arrears history, 37 per cent of affected claimants said they have never been in arrears. Three in ten (30 per cent) said they have occasionally/sometimes been in arrears, while one third (33 per cent) said they have been in arrears most or all of the time.

Of those in arrears, 72% said they owed £500 or less, while 21 per cent owed more than £500. The mean amount that claimants in arrears said they owed was £182.

Claimants were asked whether or not they were in arrears in March 2013 (before becoming affected by the policy). Most (77 per cent) said they were not in arrears at this time, while 22 per cent said they were. No comparative data is held on whether they were carrying any debt before the introduction of the RSRS.

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Three in five (61 per cent) of those currently in arrears said they were not in arrears in March 2013. Landlords reported very similar numbers with a total of 61 per cent of those currently in arrears having not having been so on 31 March. This means that 29 per cent of our sample of affected claimants fell into arrears after the 1 April and the reduction in Housing Benefit. This compares with 37 per cent of non-affected claimants currently in arrears who were not in arrears in March 2013: seven per cent of all non-affected claimants.

5.3.3 Policies around managing arrears and evictions

One case study suggested a reluctance to evict tenants who were in arrears:

'It is not the council's business to evict people If people were working with us to make arrangements to pay etc. they would not be evicted.'

(Local authority Chief Executive)

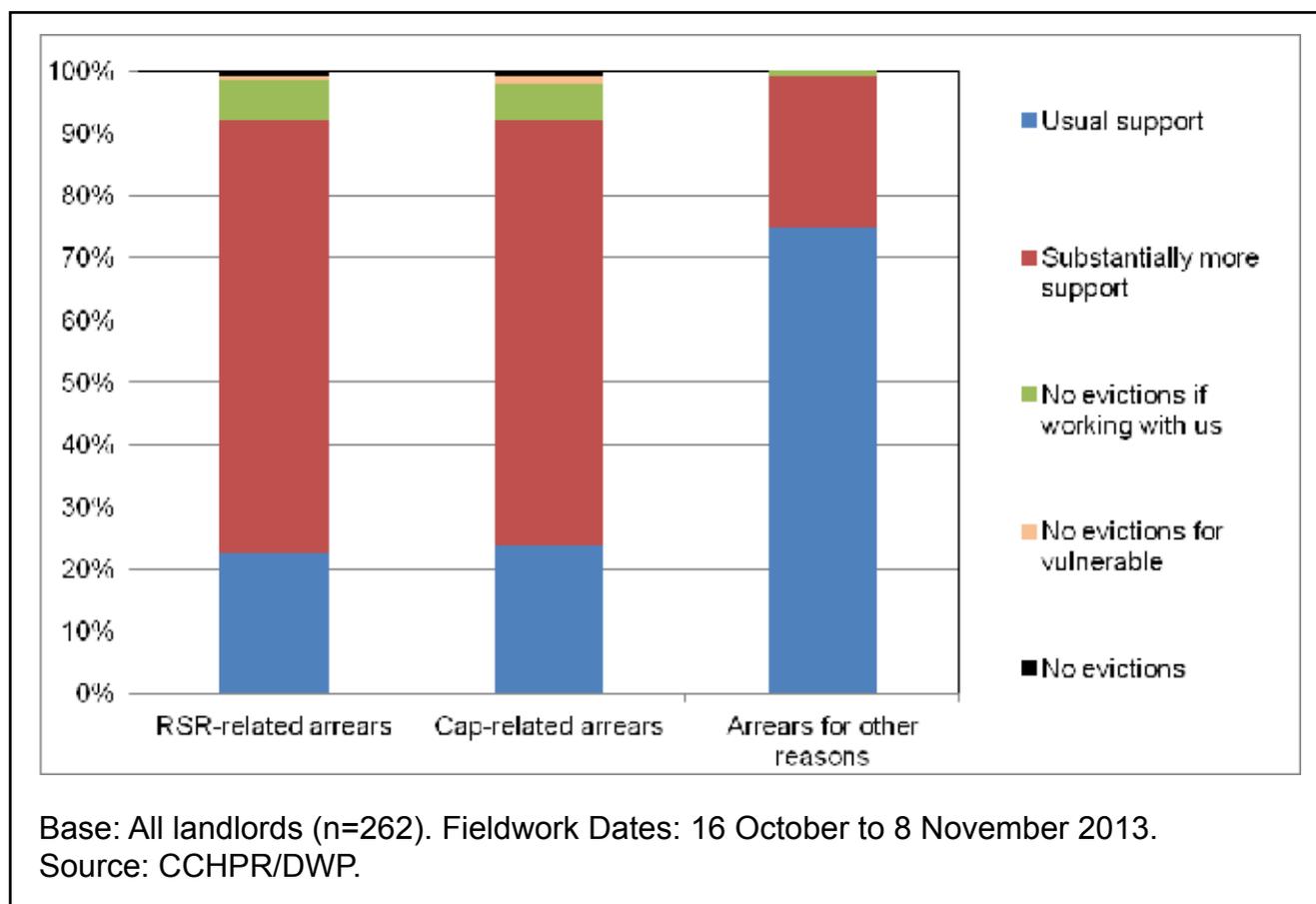
However, landlords stated that they would expect to follow their usual procedure:

'They will move through the normal arrears process We will take supportive but robust action'

(Social landlord, within the LA quoted above)

The survey of landlords, carried out in the autumn of 2013 found similarly that the large majority of landlords would evict tenants if necessary, though they would offer substantial support first (Figure 5.9).

Figure 5.9 Which of the following best describes your policy towards possession proceedings on tenants who are in arrears for³⁰



Landlords interviewed in the case study areas also emphasised that they were offering considerable support to tenants as soon as there was evidence that they were struggling to pay their rent as a result of the RSRS (or indeed other factors). Landlords had in many cases modified their whole arrears management process to become much more proactive and to engage with tenants at an earlier stage, with arrears management having risen up their agendas considerably. In the qualitative research with claimants, there were instances of participants reporting experiences of face-to-face support from landlords, such as visits from support officers who offered advice on budgeting. Such advice was typically welcomed by claimants.

Six of the 26 landlords, each operating in a different case study area interviewed reported that there might be certain circumstances when they would consider writing off arrears such as in circumstances where they thought a court would not consider it reasonable to evict the

³⁰ The options offered in full were:

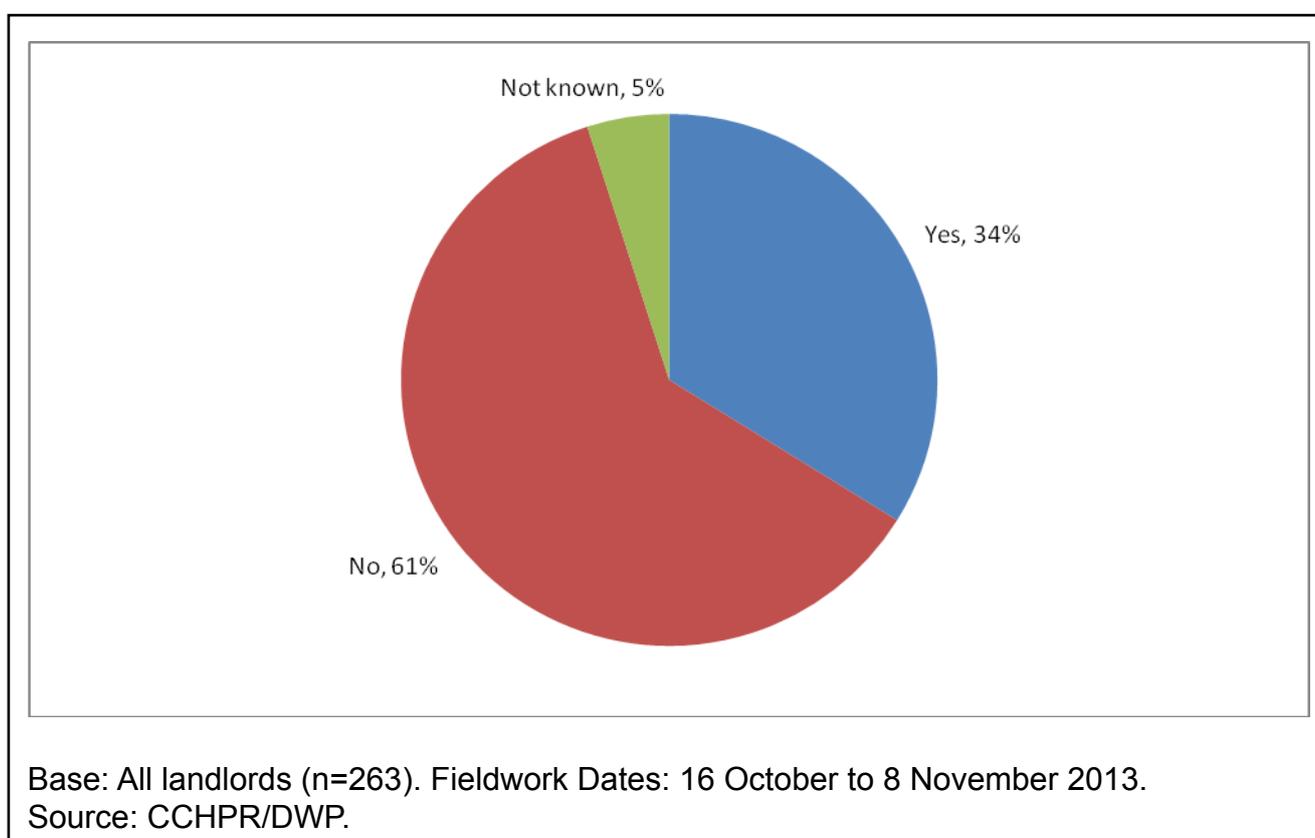
- We offer our usual support, but follow our usual possession proceedings if this fails to resolve the situation.
- We offer support that goes substantially above the level we'd usually offer, but will then follow possession proceedings if this fails to resolve the situation.
- We will not evict tenants who are working with us, even if this has failed to solve their problems and their arrears are still growing.
- We will not evict certain groups of tenants (eg vulnerable, or with children) even if they repeatedly fail to pay.
- We will not evict any tenants even if they repeatedly fail to pay.

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household, or when the tenant was downsizing. Most others stated that they would not do this, concerned that it would send the wrong message to other tenants who were paying their rent.

In terms of the level of arrears required to trigger court action, most landlords interviewed said that they were developing their policy over time. They were anxious not to be in the media for being the first in court for 'bedroom tax evictions' and wanted to give tenants every opportunity to pay. Nevertheless by the autumn a third had already begun the process of issuing formal warning letters and in some cases continuing further in the route to evicting non-payers (Figure 5.10).

Figure 5.10 Have you initiated any possession proceedings against any tenants in arrears solely as a result of the RSRS?



Overall, landlords reported that 35 per cent of tenants affected by the RSRS had been issued with a formal warning letter and ten per cent had been issued with a notice of intention to seek possession (NOSP). Smaller numbers had proceeded further than this (Table 5.3).

Table 5.3 Actions taken to recover rent from tenants in arrears arising from the RSRS

Action	Total number of tenants in arrears solely because of failing to pay the RSRS shortfall	Proportion of all tenants affected by the RSRS
Formal warning letter sent	34,303	35%
Notice of intention to seek possession	13,356	10%
Possession applied for	1,628	1.1%

Base: All landlords (n=135-193³¹). Fieldwork Dates: 16 October to 8 November 2013.

Source: CHPR/DWP.

Just under half of the cases where possession had been applied for (751 of them) had been heard in court. We do not know how many, if any, of these tenants were refusing to pay on principle. Table 5.4 shows the outcomes.

Table 5.4 Outcomes reported of court cases

Outcome	Number	Proportion of all court cases heard
Suspended possession order	407	54%
Possession order (not suspended)	138	18%

Base: All court cases heard of tenants with arrears arising solely from the RSRS (number of landlords=52; number of court cases = 751). Fieldwork Dates: 16 October to 8 November 2013.

Source: CCHPR/DWP.

Landlords in the survey reported that a small number of tenants, 45, had actually been evicted for arrears arising solely from the RSRS. 24 of these were from a single landlord, so we must be cautious about assuming that this figure is representative of the RSRS nationally. Note that this survey took place seven months after the RSRS was implemented, and evictions in the Social Rented Sector usually take several months. Accordingly, this figure is tiny, representing less than 0.02 per cent of the 248,202 tenants of the landlords answering the survey who were affected by the RSRS. Note also that, since the survey was anonymous, the specific number of evictions cannot be independently verified.

Suspended possession orders allow tenants an opportunity to address their arrears and retain their tenancy, though may end up back in court if the tenant fails to keep to the terms of their repayment arrangement.

³¹ Not all landlords were able to answer all parts of the question. Data on formal warning letters was supplied by 135 landlords with 99,226 RSRS-affected tenants. Data on Notice of Intention to Seek Possession was supplied by 175 landlords with 135,775 RSRS-affected tenants. Data on possessions applied for was supplied by 193 landlords with 147,553 RSRS-affected tenants.

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Of the 1,628 cases where the landlord had applied to court, mandatory possession had been applied for in only in 14 cases. It would therefore appear fairly unusual for landlords to apply for mandatory possession for RSRS-related arrears at the current time. Over a third of the case study landlords interviewed however reported that they would consider using mandatory possession grounds in the future in certain circumstances if they found that the courts could not be relied to evict tenants.

The claimants' survey found that more than a quarter (26 per cent) of affected claimants said they have been warned by their landlord about the possibility of being evicted because of unpaid rent since April 1 (fieldwork was undertaken up to 24 November 2013). A further six per cent said they have been given notice of eviction because of unpaid rent in this period. This combined 32 per cent is significantly higher than the ten per cent of non-affected claimants interviewed who said that they had either been warned about (8 per cent) or given notice of eviction (three per cent) since 1 April, though it should be kept in mind that close to two thirds (65%) of non-affected claimants say their Housing Benefit covers all of their rent.

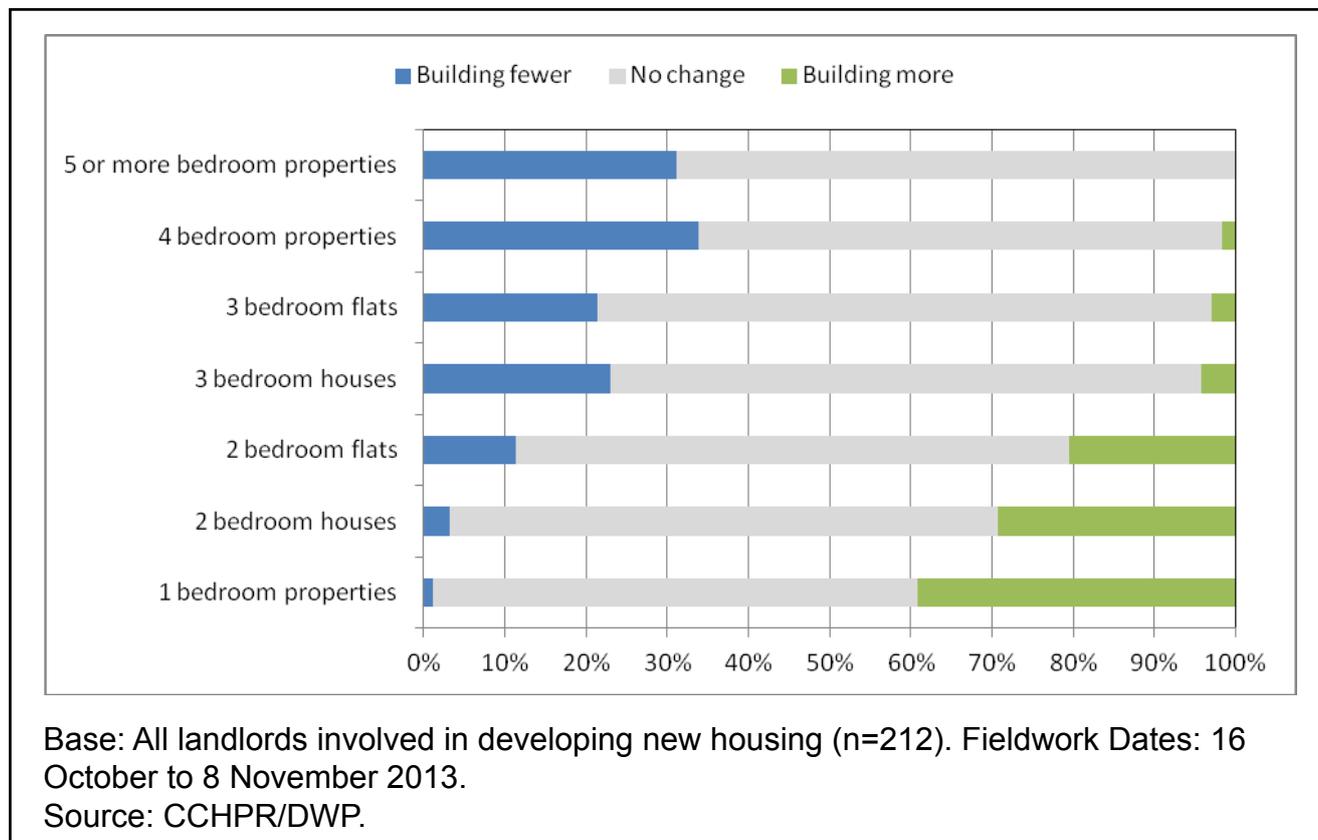
The rate of self-reported notification (32 per cent) is very similar to the landlords' figure of 35 per cent having received a warning letter. Of the 26 per cent of affected claimants warned about the possibility of being evicted because of unpaid rent, the majority (66 per cent) reported that they were not in arrears in March 2013. As with the research among landlords, we do not know how many, if any, claimants were in arrears due to refusing to pay on principle.

Those who did not recall receiving notification that they would be affected by the changes to Housing Benefit are significantly more likely to have been warned about the possibility of eviction (39 per cent) or given notice of eviction (13 per cent) because of unpaid rent.

5.4 Development

There has been a substantial change in the relative demand for different sizes of homes as a result of the RSRS. Eighty percent of landlords surveyed reported that they were involved in developing new housing. Of these, around a third reported that they had already amended the profile of dwellings that they will build in response to the RSRS or the Benefit Cap. The main impact has been a reduction in the number of larger homes and an increase in one bedroom flats being built (Figure 5.11).

Figure 5.11 Ways in which landlords report having altered their development plans as a result of the RSRS or the Benefit Cap



Case study work suggested that some landlords were looking at what they could do to provide more space whilst keeping the number of bedrooms low. Well-sized two bedroom houses or one bedroom flats with good levels of storage space were a popular option. Some were particularly keen to avoid building two bedroom flats which landlords considered to be not ideal for families, but no longer lettable to single people, though others were building increased numbers of both one and two bedroom homes.

In London overcrowding is a much bigger problem and the numbers affected by the RSRS much smaller, so there was less interest in revising development plans. Some landlords also raised the conflict between building smaller units and the Mayor’s requirement to build more family housing. In other areas too, local planning requirements were reported to restrict the building of one bedroom units.

Despite concern about the impact of the RSRS, it is clear that most landlords had not (yet) altered their development programmes to increase the proportion of smaller homes. Despite the evidence for increased demand for smaller properties elsewhere in this research, the case study work found that landlords showed a reluctance to make radical changes to their development programmes and were nervous of building one bedroom stock that in many areas has been considered low demand for many years. There was also a strong desire to ensure continued building of a mixture of property types on new sites, rather than, for example, focussing purely on one-bedroom properties.

It must also be noted that there was a conflict in timing with the HCA’s development round, with applications for the new round not due until April 2014.

5.4.1 The costs of implementation

Case study work found that some landlords had allocated a specific budget to oversee welfare reform which included implementation of the RSRS, but it was not possible to identify and quantify this in any comparable form, and hence the precise cost to landlords of implementing and addressing the longer term consequences of the RSRS was not tackled by the landlords' survey. Issues that arose in both the survey and case study work included:

- cuts to other budgets to fund the costs of supporting tenants and rent collection;
- cutting staffing levels to other services, including wider community and neighbourhood work;
- reducing expenditure on development;
- reduced rental income because of higher void levels and expenditure on repairs and staff costs associated with increased re-letting.

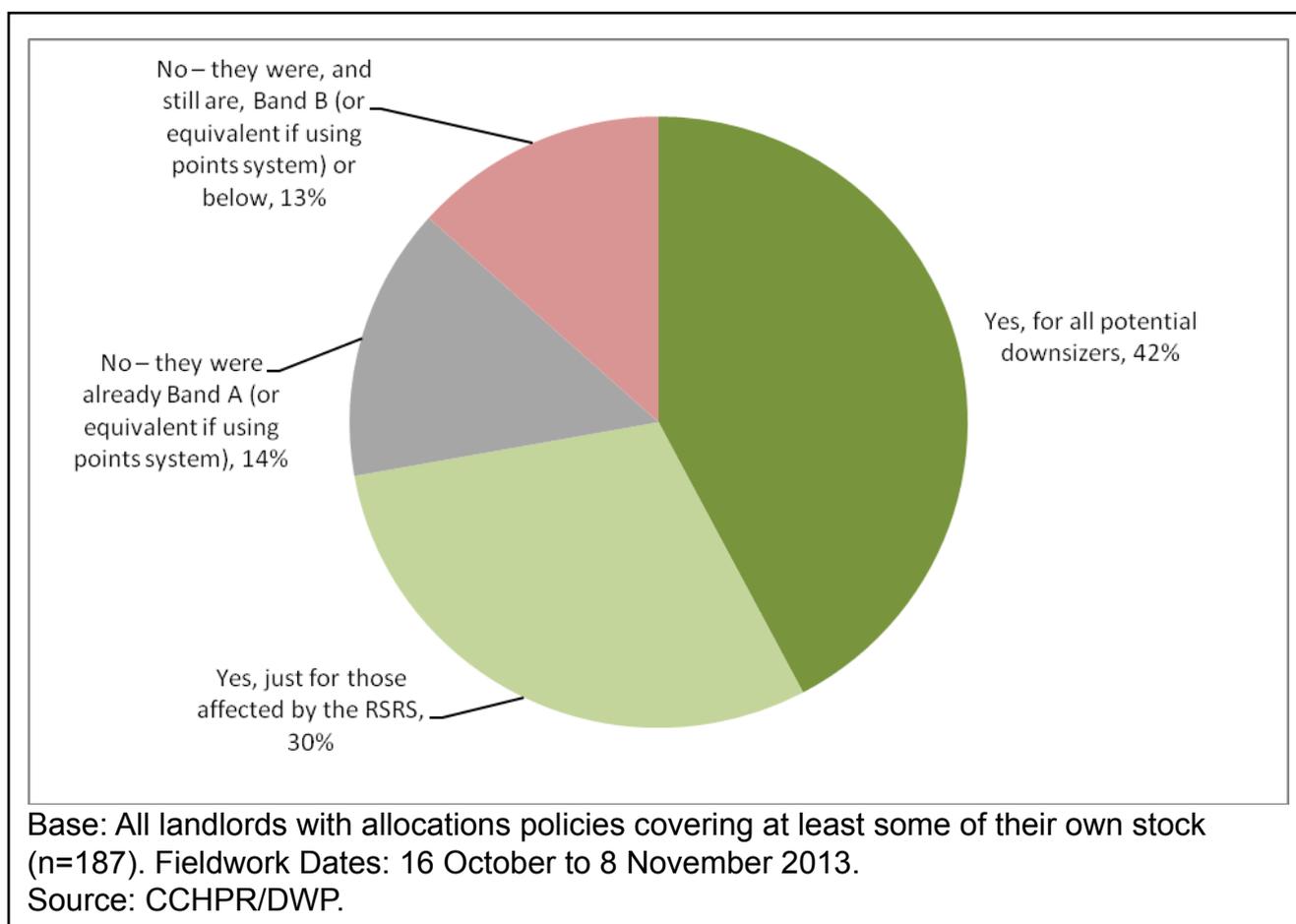
6 Early impact on local authorities and housing allocation policies

6.1 Allocations policies and lettings

Allocation systems vary across the country. In some of the case study areas, one centralised system was in use throughout the local authority (and in one case a sub-regional grouping of local authorities), whilst in other areas social landlords retained some autonomy over their own allocation systems.

Overall, 70 per cent of the social landlords surveyed reported that they had an allocations policy covering at least some of their stock. Most landlords rank applicants into bands for determining their priority for social housing, with Band A being used for the most urgent cases. Landlords with an allocation policy were asked whether they had altered their allocations policy in response to the RSRS or the Benefit Cap (Figure 6.1).

Figure 6.1 Have you altered your allocations policy to increase the priority given to downsizers in response to the RSRS or the Cap?



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Seventy two per cent of landlords had altered their allocation scheme to increase priority for downsizers either for all downsizers or just for those affected by the RSRS, and a further 14 per cent were already giving them the top priority. Of the remainder, half were already giving them top priority, leaving just 13 per cent of allocation schemes giving them a lower than their top priority band

This represents quite a considerable change to allocation priorities, brought about partly in response to the RSRS and also to the 2012 guidance issued by Government to local authorities making it explicit that they could prioritise transfer applicants even if they were not in the most severe housing need (CLG, 2012).

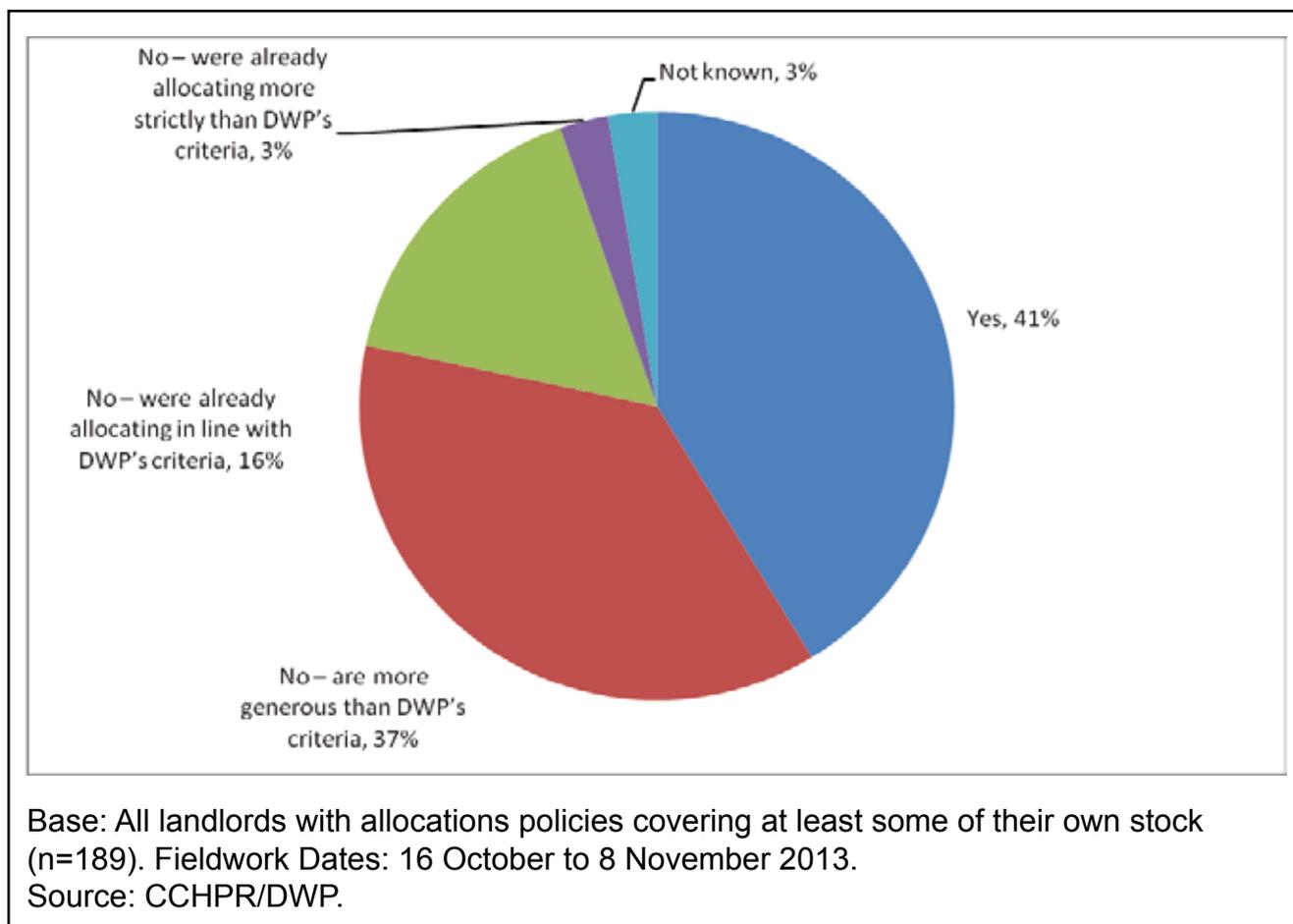
6.1.1 Determining the size of properties applicants need

Changes had also been made to the size of property that landlords deemed appropriate for different sized households. In many areas, particularly (though certainly not exclusively), those with the lowest housing pressure or a large supply of family-sized housing, allocation schemes had previously often been more generous than the RSRS's size criteria in determining the size of property required. Allowing opposite sex children a room each from a younger age than ten, allowing a room for a non-resident child, allowing for likely future increases in household size or allowing all households to choose to bid for properties with one more bedroom than they needed were all in use in case study areas.

Landlords were however anxious to avoid allocating new tenants to homes they could not afford, so many have altered their criteria to bring them into line with the DWP's size criteria³² (Figure 6.2).

³² See page 13 for definition.

Figure 6.2 Have you altered the way in which you determine the size of home an applicant needs so that your criteria match the DWP’s size criteria used for the RSRS?



Base: All landlords with allocations policies covering at least some of their own stock (n=189). Fieldwork Dates: 16 October to 8 November 2013. Source: CCHPR/DWP

As can be seen, less than a quarter of landlords had previously been allocating in line (or more strictly) than the DWP’s size criteria, but afterwards more than 60 per cent were. Some case study areas reported that bringing their allocation size criteria into line with the DWP’s had resulted in a substantial decline in the numbers on their housing waiting list – as they had previously been waiting for larger accommodation for which they were no longer eligible.

A further question asked for more detail as to which households would be considered for properties that were technically larger than they needed, according to the size criteria used for the RSRS (Table 6.1).

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Table 6.1 Which of the following groups would you consider for properties that are technically larger than the DWP's size criteria?

	Number of landlords	%
All applicants, including those affected by the RSRS?	30	12%
All applicants, including those affected by the RSRS, after having ensured that they are aware of the implications of the RSRS and believe they can afford the shortfall	125	48%
Applicants affected by the RSRS who we consider can afford the shortfall	162	63%
People affected by the RSRS in the short term but anticipating a change in family circumstances (eg a baby being born) which will cause them to cease to be affected	180	70%
Pensioners	178	69%
Working age people who are working and not currently claiming Housing Benefit	174	67%
None of the above	50	19%

Base: All landlords (n=258). Fieldwork Dates: 16 October to 8 November 2013.

Source: CCHPR/DWP.

As can be seen, around two thirds of landlords would consider letting properties that were larger than technically required to applicants not affected by the RSRS (pensioners or working people, not on Housing Benefit), and around half would also let to those affected if they were confident they could afford the shortfall.

Case study landlords offered some further insight into the rationale behind these policies. One local authority housing allocation scheme was now allowing, and even promoting, moves to two bedroom properties by single people and couples who were in work and able to pay the full rent. Other areas were adverse to this: in some cases this was because they were opposed in principle to differentiating between working and non-working tenants and felt that allocation should be done solely on the basis of housing need; in other cases it was a more pragmatic response to concerns that the under-occupier might need to claim Housing Benefit in the future.

Revising size criteria to bring them into line with the DWP's criteria, was not however a viable option in all areas; some areas had very small numbers of one bedroom homes and large numbers of single applicants. The mismatch between dwelling sizes coming available and household size would be too great if they were to allocate strictly according to the DWP's criteria. Local authorities and landlords in these areas had given some thought to the issue but had generally decided on balance to continue to allocate according to their existing criteria, but to counsel applicants carefully to ensure they were able to afford any rental shortfall:

'We have opted to treat applicants as adults. They are made aware of benefit restrictions and allowed to make their choice in the full knowledge of the possible risk and consequences.'

(Social landlord)

Some asked tenants to sign to say they understood the consequences of taking on a larger property than the DWP would pay for. Counseling tenants on their obligation to pay the shortfall, however, was in most cases only taking place after an offer had been made and very shortly before or at the time of tenancy sign-up. Landlords felt that, at this stage, tenants were likely to simply agree.

6.1.2 Nominations and relations between local authorities and landlords

Most case study landlords and local authorities reported good working relationships, and in some cases felt that the introduction of the RSRS had encouraged them to develop closer systems of working together.

A few areas had experienced difficulties with the local authority housing department making nominations into housing association stock where the housing association did not want to house the households because they would be under-occupying.

These issues arose in situations where the local authority's housing allocation criteria on the size of properties people could bid for was more generous than the DWP's size criteria, but the landlords were reluctant to let to under-occupiers.

Most, however, were working together and making their policies explicit to avoid this sort of situation:

'We negotiate, rather than refuse [to take nominations].'

'We were very clear at the outset that we would not allow any new under-occupiers'

(Social landlords)

In some cases there had been initial difficulties with nominations being refused by landlords that had since been resolved through a more unified allocations scheme.

Some landlords were aware that they had changed the profile of the stock they were making available to the council for nominations – offering up the larger stock so that they could prioritise their own downsizers. Local authorities did not appear (as yet) to be concerned about this practice.

In some areas the issue of refusing nominations did not arise because the local authority housing department would draw up a shortlist of the highest ranking bidders and the landlord could choose from the list. This does, however, raise a concern that some applicants could be inadvertently bidding for housing for which the local authority had deemed them to be eligible, but which they would not be allocated, again highlighting the need for good information to be provided to applicants at an earlier stage before an offer has been made.

6.1.3 Overcrowding

Local authorities and landlords were asked whether they expected the RSRS to have any impact on overcrowding. Most believed that it would not, and in many areas they replied that overcrowding was, anyway, not a significant issue. They were however, responding to this question in the light of their own tenancy mix, rather than in relation to overall national demand for housing.

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‘Overcrowding is not a significant problem across the stock and certainly not one that we would think it worth impoverishing others [or making them homeless] to solve.’

(Local authority housing department)

‘To be honest I haven’t really thought about it.’

(Social landlord)

Three of the areas with the highest housing pressure saw some potential benefit, especially to households in need of three bedroomed homes. However, they felt it could be minimal because of tenants’ reluctance to downsize, or the overcrowded families not living in the type of stock that was popular with downsizers.

Local authorities generally had information around overcrowding from their waiting list, although revisions made to their definitions of overcrowding (by bringing their criteria into line with the DWP’s size criteria, see Figure 6.1, above) mean that it will be difficult to assess whether the RSRS has had a direct impact on overcrowding from administrative data. Social landlords outside London generally lacked any comprehensive data on overcrowding rates amongst their tenants.

6.2 Homelessness functions

Case study local authorities were asked how they would treat homeless applicants who would be in priority need who had been evicted because of rent arrears arising from the RSRS. All said that they would assess them on an individual basis in line with the legislation.

Most did not expect to find people intentionally homeless if the arrears were due solely to rent arrears arising from the RSRS, though some mentioned that they would consider using their new powers to discharge homelessness duties by offering accommodation in the PRS to people evicted from social housing because of rent arrears arising from the RSRS, possibly into shared housing. Sharing is more common in the private rented sector than the social rented sector.

Local agencies were very concerned about evictions and consequent homelessness. It is however too early to report any findings on the outcomes for claimants who lost their homes as a result of rent arrears accrued after being affected by the RSRS.

One commonly expressed concern was about moving single people on from temporary accommodation because of a shortage of one bedroom homes. This is discussed further in the following chapter.

6.3 The costs of implementation

None of the ten case study local authorities had set aside additional earmarked funding – but were instead responding as required to new demands, drawing on existing funds and restructuring systems. The New Burdens funding issued to local authorities had been appreciated and helped to cover some of the costs.

The main costs for local authorities related to staff to administer DHP and some had taken on new staff specifically to do this. Others had been slower to recognise the new requirement and were still in the process of recruiting or seconding staff.

7 Early impact on voluntary organisations, advice and support services

Before and during the implementation of the Removal of the Spare Room Subsidy, the DWP worked with relevant stakeholders, including charities, advice agencies and other organisations. Many of these also received public funding for their work.

A total of 47 local agencies were interviewed across the ten case study areas including Social Services (Children's Services), the Citizens Advice Bureau (CAB), Job Centres and local voluntary organisations.

Many agencies reported an increase in demand for their services since April 2013. However they did not always think it was just because of the RSRS, as other welfare reforms had also affected demand. Many agencies also highlighted that a lot of the people they saw who were in financial difficulties or facing eviction often had a complex set of problems of which the RSRS was only one part and it was therefore hard to attribute the extent of the RSRS in contributing to their workload.

There were mixed views across agencies about their ability to cope, with some agencies saying they could, as the local community had been tremendously supportive, but others saying that the caseload increase as a result of the RSRS had been substantial and the demand could not always be met.

7.1 Social services

Social workers interviewed had some understanding of the RSRS, but were not experts in housing and tended to refer housing problems to the local authority housing department or landlord to help with. Some were involved in helping their clients to move to new homes, but lacked the expertise with which to do this. For example, one social worker had assisted someone affected by the RSRS to move to a private rented flat, but was unaware of the LHA limits and assumed that as it was the right size for him he would receive LHA to cover the full rent. The flat was actually over the LHA limit, and the client ended up with rent arrears accumulating at a faster rate than he had in the previous two bedroom social rented home. This demonstrates the complexity of providing local support services in dealing with change and claimants' specific circumstances.

7.1.1 Recruitment of foster carers

Prior to the implementation of the RSRS, there had been concerns that foster carers would be affected by the RSRS, especially if they were in between placements – and therefore receiving no fostering allowance but needed to keep a spare room for a future foster child. The Government had initially suggested that DHP would cover this group but in March decided to make an exception for those who are in between placements or newly approved for fostering children. Only those who require two or more spare rooms for fostering are therefore still affected by the RSRS.

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Social workers interviewed were generally aware of the new rules and reported that they had largely solved the concerns they had had over causing foster carers to cease to foster children. Social workers generally reported that only a small proportion of foster carers were on HB, as most were two parent households with one person in work. Most foster carers also only have one child at a time so would only require one extra room. For example, in one authority, out of 56 foster carers it was believed that two claim HB and have been allowed an extra room. One of these has two rooms for fostering so did experience times when both would be empty and the carer therefore affected by the RSRS. So far this carer was still fostering.

Social workers all reported that it was always hard to place sibling groups with foster carers – who may require two or more spare rooms – but there seemed no real evidence that this had changed in response to the RSRS.

Overall there was no real evidence of foster carers having ceased to care because of the RSRS, though social workers emphasised that it is harder to know whether others could be deterred from coming forward because of it.

7.2 Citizens Advice Bureaus

CABs reported seeing more people who for the first time in their lives were faced with arrears.

In several areas the local CAB said they were not coping and that they were struggling to provide the help that was needed as they rely substantially on volunteers. One area reported that the waiting time has doubled from two to three weeks to four to six weeks which is simply too late for urgent cases. Another CAB said they currently had an embargo on referrals to their specialist welfare advice service. Whilst they still had frontline workers (volunteers) available for new clients to see, they could only deal with basic issues and more complex cases were therefore not being taken on. They were unsure as to the extent that the RSRS had played in contributing to this situation.

They are particularly concerned about people affected by welfare reforms who also had mental health difficulties meaning they weren't responding in a manner that would enable them to address their difficulties:

'One man came in with a sack of mail that had been unopened for six months.'

(Local Citizens Advice Bureau)

A major concern was that people were only approaching them for help at a very late stage – such as when an eviction was imminent. Many of these people had failed to engage with their local authority housing benefit department or landlord, and only sought help from CAB at a stage when their problems were very difficult to address.

7.3 Other agencies

Jobcentres had in some areas been quite heavily involved in trying to help some of those affected by the RSRS to find work. In one case study area, Jobcentre Plus conducted initial interviews with all tenants affected by the RSRS jointly with the council. This was felt to have worked well despite different cultures, working styles and attitudes to vulnerable tenants presenting challenges at first.

Foodbanks have been a growing area of support for low income people in recent years.

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Some in the case study areas were integrated with wider support services providing much more than just food. In two of our case study areas there was a debt advice service in the same location and in one a welfare adviser from the council.

However, most were focussed on the frontline work of giving out food. Whilst some gave to anyone who asked, most used either vouchers or referrals made by a range of other agencies. These other agencies were involved in establishing why the recipient was in need of food, so foodbanks themselves did not generally have detailed figures on the circumstances of their clients.

In some areas tenant groups have been very active disseminating information about the RSRS. People did approach them for advice, and whilst some referred these people on to other agencies, one group did provide advice on its website which was in conflict with the advice people would receive from any other agency – urging people not to pay under any circumstances and focus instead on fighting through the courts to challenge the legality of the RSRS. This practice would contribute to a rise in arrears for tenants.

The residents of hostels and women's refuges were not often directly affected by the RSRS because they very rarely had spare bedrooms. However hostels and women's refuges were very concerned about the indirect effect on the move-on options for their residents. The tightening of allocation criteria to avoid allocating people larger homes than they needed, coupled with demand from downsizers has led to considerable pressure on one bedroom homes:

'There's a lack of smaller units relative to demand. This causes bed-blocking in hostels and supported housing.'

(Local authority housing department)

Women's refuges were particularly concerned about their single women who were struggling to move out of refuges after many months, although it is not clear whether they considered other options than the social rented sector.

Moving larger families on had in some cases become easier (although not in London, partly because of the Benefit Cap) because of homes freed up by downsizers, or now only available to those who could fully occupy them. But most local authorities reported that single people comprised the large majority of their homeless households and that they were increasingly making use of the private rented sector for this group. It should also be noted that other research shows that landlords are increasingly planning to expand the shared accommodation they offer (Local Housing Allowance evaluation, DWP research reports 870-874, 2014).

Overall there was widespread concern that the difficulties many tenants were experiencing under the RSRS would place them in a financially vulnerable position from which to cope with other financial pressures.

8 Early impact on funders lending to social landlords

Although the focus of this part of the evaluation is on the impact of the RSRS on housing associations (the main recipients of private finance) there was also awareness amongst lenders of impacts of other elements of welfare reform and also on the impact on the wider housing sector to which they led, including the buy to let market.

The RSRS was believed by funders to have the potential to damage landlord income streams and to be leading to a reworking of whom associations served and had some cost impact in terms of both arrears and management costs. Many lenders recognised the issues the Government was seeking to address but felt that it would have been easier to manage the risks had the policy been rolled out over a longer period of time, or focused only on new lettings rather than existing tenancies.

Currently the risks were considered manageable by associations and thus for lenders. Both may have to live with higher arrears and see business plans altered and staff resources re-allocated. The common view was that the biggest impact will be upon associations with a stock profile consisting largely of houses and where rents are close to market. Lenders were preparing for possible rising vacancies and arrears and a resultant financial pressure on these associations, and the RSRS was seen as one of the factors contributing to this picture.

One issue mentioned was the need to ensure that landlords retain the ability to take possession of homes in the event of serious or mounting arrears. Lenders were concerned at suggestions by the devolved administrations in Scotland and Wales to limit these powers. Lenders were clear that they would want to see landlords retaining the power in order to protect their income streams.

Most funders saw it as too early in the welfare reforms process to change the reporting requirements which their customers had to meet. The typical twice yearly review meetings with landlords were going ahead as normal with lenders asking for information and statistics and seeking comment on what the landlord was doing to mitigate the pressures. However it was clearly a 'hot' topic and funders were asking for detail, and to see the new situation reflected in business plans. Though most had left loan documentation unchanged there had been some adjustment of asset cover (the ratio between debt and assets) and debt service ratios (the proportion of income available for servicing debt) though this arose more from the combined effect of the downturn as well as welfare reforms.

In general the view was that associations were on top of the issue and that they did have the skills and capacity to deal with welfare reform. Funders were more concerned about smaller associations where stretch was greatest.

The clear consensus on the likelihood of default was that it was very unlikely. Welfare reforms, including the RSRS, had brought new pressures but lower interest rates had also eased others. It was however thought that there were some associations with the wrong mix of homes in the wrong locations who might be at risk from the RSRS. There was agreement that over the longer term risks are rising and the reserves in the sector will be eroded.

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Lenders were aware that associations were clearly struggling with the new situation that the RSRS posed such as the requirement to evict their own tenants who were unable to pay their rent as a consequence of reduced Housing Benefit. As a consequence lenders were aware that associations varied hugely in terms of what they were doing in response to the reforms.

They were concerned that arrears could build up and about possible erosion of debt-paying capacity but this was felt to be a slow burn issue. Lenders felt it unlikely to cause major problems given that boards and regulators as well as they themselves were all carrying out regular reviews. Business plans, however, now needed more prudent assumptions to cope with RSRS, especially in the areas where the impact was greatest.

Debt service capacity had not been seriously eroded to date; but arrears were slightly up. Business plans were re-focussed with reduced development planned and greater priority given to meeting the increased costs of management reflecting both the RSRS and other welfare reforms. It was widely expected that costs would increase. However, no material adverse effect had yet been observed as set out in covenant requirements linked to loans. Lenders were alert to that possibility and no borrowers had sought to renegotiate covenants as a result of the RSRS.

As a consequence this was a live issue in lenders' regular credit review meetings. Lenders reported that they required their clients to take them through all the welfare reform issues, including the RSRS, how they were impacting and how the consequences were being managed. It was anticipated that this scrutiny process would intensify over time, leading to full reviews. Lenders would not seek to put pressure on landlords over how they should manage the risks but expected to be reassured that it was being managed and solutions had been identified.

Funders were concerned about long term impacts on tenants, organisations and themselves. They felt that cumulative impacts of welfare reform measures could lead to a build-up of arrears, reduced liquidity, reduced profitability, more stretched management and less development. Funders did not recognise any positive impact from their perspective of improved work incentives arising from the RSRS.

There was no evidence of any impact of the RSRS on loan pricing and availability at this stage. Indeed bonds were currently cheaper, reflecting a currently healthy and competitive environment. However underneath this it was suggested that because many bond investors were more distant from the transaction than debt funders they may be unaware of some of the structural changes taking place. However as publicity about the impact of welfare reform on landlords increased it was felt that the awareness and appetite of investors might change. Bond funding volumes and costs can move quickly with the costs of funding having tightened reflecting the cost of gilts to which they are linked. In terms of appetite for debt finance this had come down anyway, loan terms had shortened and there was an issue in terms of capital weightings for these assets. Clearly lenders have benefited from the Bank of England's Funding for Lending Scheme which has since ended, leaving questions in terms of the re-supply of debt finance. As impacts become clearer and funding context tightens changes may take place.

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Credit committees were reported to be becoming more demanding. They respond to headlines and though there was not yet any tightening of sector exposure limits the risks posed by welfare reform generally were firmly on their radar and being fuelled by media coverage. This suggests there may be more challenges in the future to get large exposures through. It will also impact on charges in the sector for example in situations such as mergers where a lender could find it has too much lending to the new entity, though lenders noted that a higher risk profile does not always mean higher risk actually arises; it all turns on how clients manage it.

Though funders rarely took a scheme-level view of funding – they lend to the entity rather than the development – they were aware that development profiles were changing. They were seeing less development and a change to the mixture of what was being built. They were aware that their clients could no longer assume that they could build and let anything, but must ensure it was affordable to tenants in the future to avoid financial risk to the landlord. This could impact on the risk premium and overall appetite. Gearing covenants might be adjusted and material adverse terms renegotiated.

9 Conclusions

The Removal of the Spare Room Subsidy had, at the time of this research, been in operation for around six months. The preparatory work needed to identify tenants who would be affected was effective and the reduction in Housing Benefit was brought into effect successfully.

The widespread media coverage that the RSRS received, along with extensive efforts on the part of local authorities and social landlords have meant that tenants were largely aware of the RSRS before implementation. Most, though, were unwilling to take action in response before April and most did not know the exact amount they would be affected by.

Tenants' responses to the reduction in their Housing Benefit have been mixed. Around four fifths are paying some or all of their rental shortfall – though only half of these have paid it in full. Landlords are most concerned about the one in five tenants who paid nothing in the first six months. This group are likely to face eviction procedures unless they can start to pay their shortfall and address the arrears that have built up.

There had not, at the time of the research, been significant numbers of evictions resulting from the RSRS. This is something that the evaluation will return to in its next round of fieldwork later in 2014.

The four fifths who were currently paying all or some of their shortfall were not doing so without difficulty – more than half reported cutting back spending on what they deemed essential in order to pay their rent. However, local advice agencies were concerned about the consequences for people on very low incomes who were trying to budget with less money than they had before. As discussed earlier, people can potentially change their circumstances, for example by increasing earnings or moving to a smaller home.

Landlords are trying to support tenants to pay, though many feel that the role of rent collector from people without the means to pay sits uncomfortably alongside the support-worker role they feel they provide to many of their more vulnerable tenants. Landlords surveyed for this research had seen rent arrears rise in the first five months following the introduction of the RSRS, and also report increased costs of rent collection and recovering rent arrears. Note that more recent research shows a small reduction in rent arrears of current tenants during the last quarter of 2014 (Quarterly Survey of Private Registered Providers 2013/14 Quarter 4, Homes & Communities Agency, 2014).

Many were concerned that a loss in rental income could reduce their ability to develop new housing in the future, but it does not as yet appear to have affected their relationship with their lenders, who do not believe that default on loans is likely.

Concerns around large scale reclassification of properties, or landlords knocking down walls to avoid the effects of the measure are largely unfounded; such activities have been very small scale.

Discretionary housing payments have undoubtedly helped to alleviate the difficulties of some of the most vulnerable tenants, though this funding is by its nature short term and offers tenants little certainty over their future. Local authorities have found it hard to predict the demands on this fund, and most have therefore been cautious in allocating it thus far. There remain concerns that many tenants are not aware of DHPs, or do not manage to supply the correct evidence to support their application. There is wide variation in practice between areas, as might be expected from the discretionary nature of the funding.

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One of the aims of the RSRS was to increase mobility within the social housing sector leading to more effective use of the housing stock with households in more suitable sized accommodation, reducing waiting lists for social housing. The numbers that landlords report to have downsized would suggest that there has been some success in increasing mobility, though this will be evaluated more thoroughly once the full year's data are available.

Most claimants affected by the RSRS would prefer to stay in their home – citing proximity to family, schools, work or support services. Nevertheless, 19 per cent said they are currently looking to move home and around a fifth of these had downsized during the first six months of operation, a rate of downsizing much higher than previously seen. Even this level of demand for smaller dwellings has proved challenging to meet in many areas. Only a fifth of those registered to downsize had managed to do so by the time of the research, and the rates were lowest in the areas with the highest proportion of tenants affected by the RSRS. Some of the areas with high levels of under-occupation are also generally the areas reporting difficulties in letting some of their larger homes – though there is not as yet any evidence on increased void levels. It is difficult to see how landlords in these areas can meet the needs of their local population without some major restructuring of their housing stock profile – by selling off or remodelling larger homes, or letting homes as shared houses. There is little evidence of these kinds of activities as yet.

Moves into the PRS have been low in number so far, and concentrated in the areas where the price differences between social and private rented homes are modest.

The impact on social housing waiting lists would appear to be more mixed. The RSRS has caused a substantial change in the size of social rented homes required to meet needs. Alongside this, landlords have reduced the extent to which they over-allocate homes to households who would be affected by the RSRS. These factors have caused an increase in the number of households now only eligible for one bedroom homes – many of whom would previously have been allocated two bedroom homes, causing difficulties for the single homeless and other single people in housing need. Conversely, there has been some benefit from the RSRS reported for families eligible for three bedroom homes in particular, who have benefited from downsizers vacating larger homes, and a smaller number of other households now considered eligible.

Some claimants, especially those on JSA, report that they have looked for work in response to the RSRS, and many of those in work have sought to increase their hours in response, though only modest numbers would appear to have been successful in the first six months.

9.1 Next steps

The final phase of this evaluation will proceed to look at the impact of the RSRS over the coming year. We will return to the same claimants interviewed in autumn 2013 to find out how they have continued to respond to the RSRS – whether they have found work, moved, or managed to pay their shortfall. We will also draw on administrative data from the 2013-14 financial year to look at the impact on overcrowding, housing waiting lists and mobility within the social sector; a second landlords' survey will be undertaken; and we will also return to our case study local authorities and landlords to find out how the policy affects them and their tenants over the longer term.

The final report will be published in 2015.

Appendix A

Claimant survey methods

A.1 Claimants' survey – technical note

Technical information: Survey of Housing Benefit claimants both affected and not affected by the RSRS

Sampling

The sampling frame used for the Stage 1 survey of claimants was the May 2013 SHBE August extract. The Primary Sampling Unit (PSU) was postal sector.

In accordance with the data security conventions and protocols established for this particular project (and more generally for projects delivered by Ipsos MORI on behalf of the DWP), the Department sent Ipsos MORI an encrypted data file containing anonymised data for SHBE claimants across the 15 case study areas. This included a unique ID, local authority name, full postcode and 11 sampling variables. The file also contained a flag for those known to be affected by the RSRS at the point of extract, and those known not to be affected at that time.

As explained in the introduction, fieldwork was conducted a number of months after receipt of the May SHBE extract, meaning that there was a possibility of circumstances changing for some respondents in this period. Sample was flagged in the original extract for those affected and not affected by the RSRS. This flag has limitations, but equally respondents' self-reported status cannot be easily validated,

For analysis purposes, the 871 claimants flagged in the May 2013 SHBE extract as affected by the changes **and** who say they are currently affected by the changes and Housing Benefit has been reduced are defined as '**affected**', and the 381 claimants flagged as not affected in the May 2013 SHBE extract and who say they are **not currently affected by the changes** are defined as '**non-affected**'. This allows us to analyse those affected with greater certainty that they had indeed been affected.

There were five subsequent steps to sample selection:

Stage 1 involved generating PSU-level data, selecting sample points and then selecting specific claimants for the opt-out stage. Specifically:

- PSU-level data files were produced allowing generation of penetration levels for key variables including 'affected'/'not affected'.
- Six PSUs (or combinations of postal sectors) were selected for each case study area. The six were selected to provide a sufficient number of cases to draw a sample from allowing for DWP exclusions, the likely extent of opt-out and taking into account the interview length, assumptions about response rates etc. **Selection was designed to generate viable blocks of addresses for interviewers and** took account of the following (in order of importance): the overall number of claimants, the number of affected and non-affected claimants, the geographical spread and other variables including property type, household size and age.

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- All cases (claimants) within each PSU were included.

Stage two involved sending a list of unique IDs for all the selected cases to DWP. DWP then provided secure sample files containing unique IDs, name and address, and local authority name for each case. In accordance with data security requirements, Ipsos MORI deleted initial Stage 1 sample variables except the affected/non-affected claimant flag.

Stage three involved adding in other sampling variables and selecting claimant cases. Specifically:

- Frequency tables for each case study area were produced showing: the ID for each PSU, the postal sector(s), the total number of HB claimants in each PSU, the total number (and percentage of the whole) of 'affected' and 'non-affected' claimants in each PSU.
- 6 PSUs were selected per case study area; 5 primary and 1 reserve units. Selection was based on same criteria as at Stage 1.
- Where possible 165 cases were randomly selected within each PSU in proportion to the overall 70/30 target of 'affected' and 'non-affected' claimants. This meant selecting 115 'affected' and 50 'non-affected' claimants per PSU using a fixed interval '1 in n' approach where there were more than 115 or 50 or selecting all of them if there were fewer than 115 or 50 available.

Stage four involved creating a list of selected claimant names and addresses then mail-merging this with the agreed opt-out letter (supplied in the Appendices which follow). A Welsh language version letter was used where necessary. The letter informed recipients of the survey and provided them with the option of opting-out via telephone, email or letter.

Stage five involved removing all opt-outs from the selected sample. Once the sample was finalised, address lists were then generated and issued to interviewers in advance of the telephone briefings run by Ipsos MORI researchers and the start of fieldwork.

Fieldwork

A total of 15 areas were selected for the purposes of undertaking primary survey research among Housing Benefit claimants in the social rented sector. These covered England (13 areas), Scotland and Wales (one area each). These areas were chosen to ensure a range of housing market circumstances, region, tenure mix, type, and size of local authority throughout Britain. A mixture of stock-owning and non-stock owning, rural and urban, and unitary and two tier authorities were included. In order to encourage frank and open discussion, the case study authorities have not been identified in this report.

A breakdown of the areas chosen and interviews completed in each area is as follows:

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Table A.1 Target and actual interviews by case study area

Case study area	Target	Actual total	Affected	Non-affected
East	100	100	64	36
East Midlands	100	98	77	21
London 1	100	100	67	33
London 2	100	100	74	26
North East	100	100	72	28
North West 1	100	101	74	27
North West 2	100	100	71	29
North West 3	100	100	69	31
Scotland	100	101	74	27
South East 1	100	100	72	28
South East 2	100	100	73	27
South West	100	101	70	31
Wales	100	100	74	26
West Midlands	100	101	69	32
Yorkshire and the Humber	100	100	71	29
Total	1,500	1,502	1,071	431

NB – ‘Affected’ and ‘Non-affected’ flags based on SHBE sample flag.

A small-scale pilot was undertaken in September 2013. It involved two interviewers working in two regions (London and South East) and was designed to test the sampling, opt-out and contact procedures, as well as to provide feedback on the questionnaire. The pilot generated 20 interviews, which are not included in final data.

Interviewers were provided with copies of the opt-out letter, address lists, doorstep introduction, hard copy and CAPI (Computer Assisted Personal Interviewing) versions of the questionnaire and showcards.

Ipsos MORI interviewers were briefed by a combination of written instructions and telephone conference-call briefings. A key point was that only the named claimant at each address was eligible. Interviewers were not required to make a set minimum number of calls to each address, but were encouraged to reattempt contacts at initially non-productive addresses.

The survey ran between 1 October and 24th November 2013. All fieldwork was undertaken by Ipsos MORI interviewers in accordance with ISO 20252 and ISO 27001 systems and standards (further detail can be provided on request).

The sample was drawn from the May 2013 Single Housing Benefit Extract (SHBE), which flagged claimants as either ‘affected’ or ‘non affected’ by the RSRS at the point the extract was compiled.

Ipsos MORI interviewed c. 100 claimants face-to-face in their homes in each area. Sampling and quotas were structured to achieve interviews with affected claimants in a 2:1 ratio relative to non-affected. In total, 1,071 affected HB claimants were interviewed, and a non-affected sample of 431 HB claimants of working age.

Questionnaire

The questionnaire is included below. Q47 sought informed consent for data matching and Q48 did so for re-contact. Consent was given by 85 per cent and 93 per cent of respondents respectively.

Analysis and approach

For analysis purposes, findings focus on the 871 claimants flagged in the May 2013 SHBE extract as affected by the changes **and** who say they are **currently affected by the changes and Housing Benefit has been reduced** (*'affected'*), and on the 381 claimants flagged as not affected in the May 2013 SHBE extract **and** who say they are **not currently affected by the changes** (*'non-affected'*). This allows us to analyse those affected with greater certainty that they had indeed been affected.

Fieldwork was conducted a five months after receipt of the May SHBE extract, meaning that there was a possibility of circumstances changing for some respondents in this period. Consequently, the original affected/non-affected SHBE flag has limitations but, at the same time, respondents' we are not able to validate respondents self-reported status and the survey detected some potential confusion on the issue.

Taking this into account at the analysis stage, we isolated those flagged in the original SHBE sample as being affected and non-affected, and whose self-reported responses in the survey matched these labels. This allowed us to analyse early impacts of the policy among a group we know to be both affected and aware of the fact, and looking ahead, allows us to monitor effectively the change over time through the longitudinal element of the evaluation.

Data processing, weighting and interpretation

Data was captured using CAPI (Computer Assisted Personal Interviewing). This allowed for accurate routing of questions and the questionnaire script included a number of logic checks. CAPI also reduced the need for manual data entry of returned questionnaires and, thus, improved accuracy.

At the analysis stage, data has been weighted by age, tenure (housing association or local authority), number of children and number of bedrooms, and is reflective of the overall sample drawn from the May 2013 SHBE extract for the survey. Weighting has been undertaken separately for those affected and those not affected. While representative at the aggregate level, samples are not representative at area level. In addition, because of the purposive, case study approach, we cannot consider the two samples as being nationally representative of affected and unaffected HB claimants across Britain.

A sample, and not the entire population of claimants across the 15 areas, has been interviewed. As a result, all results are subject to sampling tolerances (referred to as confidence levels or 'margins of error'). The variation between the sample results and the 'true' values can be predicted from knowledge of the sample sizes on which the results are based and the number of times that a particular answer is given. The confidence with which we can make this prediction is usually chosen to be 95 per cent, that is, the chances are 95 in 100 that the 'true' values will fall within a specified range.

Sampling tolerances also mean that not all differences between sub-samples – for example between claimants in different case study areas – are statistically significant.

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The variation between the sample results and the 'true' values (the findings which would have been obtained if every HB claimant in each case study area had taken part in the study) can be predicted from knowledge of the sample sizes on which the results are based and the number of times that a particular answer is given. The confidence with which we can make this prediction is usually chosen to be 95 per cent, that is, the chances are 95 in 100 that the 'true' values will fall within a specified range.

The table below illustrates the predicted ranges for different percentage results at the '95 per cent confidence interval': assuming a normal distribution of residents.

Table A.2 Sampling tolerances

	Approximate sampling tolerances ¹ to percentages at or near these levels		
	10% or 90%	30% or 70%	50%
	±	±	±
871 'affected claimant' interviews	2.0	3.0	3.3
381 'non-affected claimant' interviews	3.0	4.6	5.0
871 interviews (affected claimants) vs. 381 interviews (non-affected claimants)	3.6	5.5	6.0

¹ The calculation of these figures assumes a pure random sample. As the sampling approach employed on the survey was not purely random, these figures are indicative only.

Finally, throughout this report and in the tables provided, where percentages do not sum 100 this may be due to computer rounding, the exclusion of 'don't know' categories, or multiple answers. An asterisk (*) denotes any value less than half a per cent but greater than zero.

It is also worth remembering that this survey, like all surveys, deals with perceptions, recalled behaviour and anticipated behaviours at the time the survey was conducted and these may, or may not, necessarily reflect reality.

A.2 Claimant survey – questionnaire

Good morning/afternoon/evening, my name is I'm from Ipsos MORI, the independent research organisation.

We are conducting a survey about the Housing Benefit system and other housing-related issues as part of a research project for Government. I'm would like to speak to...

You should have received a letter like this introducing the survey...

The survey should take no more than 15 minutes.

I would like to reassure you that all the answers you give will be treated in the strictest confidence and it will not be possible for DWP or your landlord to identify any individual from the information you provide. Helping with this study will never affect any benefit you receive or any contact you have with a Government department or agency, now or in the future.

QHB. ASK ALL//SC

Do you currently receive Housing Benefit, or not?

- | | |
|---------------------------------------|-----------------|
| 1. Yes, receive Housing Benefit | CONTINUE |
| 2. No, do not receive Housing Benefit | THANK AND CLOSE |
| Don't know | THANK AND CLOSE |

Q1. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC

Can I check, when did you move into this accommodation here at this address? Was it before 1 April this year, or since 1 April?

1. Before 1 April this year
2. Since 1 April this year
3. On 1 April this year (DO NOT PROMPT)
Don't know

Q2. ASK IF CODE 1 AT Q1//SC//SHOWCARD A

How long have you lived here in this accommodation?

1. Longer than six months but less than 12 months
2. 12 months or longer but less than 2 years
3. 2 years or longer but less than 5 years
4. 5 years or longer but less than 10 years
5. 10 years or longer
6. Other (DO NOT PROMPT)
Don't know (DO NOT PROMPT)

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Q3. ASK IF CODE 2 AT Q1//SC//SHOWCARD B

How long have you lived here in this accommodation?

1. Less than a month
2. A month or longer but less than 2 months
3. 2 months or longer but less than 3 months
4. 3 months or longer but less than 4 months
5. 4 months or longer but less than 5 months
6. Other
Don't know (DO NOT PROMPT)

Q4. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC//SHOWCARD C

Can I just check, which one of these applies to you and this accommodation?

- A. Renting from a housing association
- B. Renting from a council or local authority
- C. Renting from a private landlord
- D. Other

Don't know (DO NOT PROMPT)

Q5. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC//SHOWCARD D

Before you moved to this accommodation were you previously renting from a housing association, a council, a private landlord, or something else?

1. Renting from a housing association
2. Renting from a council or local authority
3. Renting from a private landlord
4. Lived with parents
Other (DO NOT PROMPT)
Don't know (DO NOT PROMPT)

Q6. ASK IF CODES 1/2 AT Q5//SC//SHOWCARD E

Can I just check, did you move via a transfer list or via mutual exchange, or did you organise the move yourself?

- A. Moved via a transfer list
- B. Moved via mutual exchange
- C. Organised move myself
Don't know

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Q7. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC//SHOWCARD F

For which of these periods are you charged rent at this accommodation?

1. Weekly
2. 4 weekly
3. Monthly
4. Other (SPECIFY)
Don't know

Q8. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//RECORD EXACT AMOUNT//INCLUDE LOGIC TESTS FOR ANY AMOUNT ABOVE £500 PER WEEK/£2,000 PER MONTH

How much in total does your landlord currently charge your household in rent? That is, the total amount of rent INCLUDING any that is paid by Housing Benefit?

- £
1. Don't know
 2. Refused

Q9. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC//SHOWCARD G

Thinking about the rent you are charged, how much does your Housing Benefit cover?

1. All of the rent
2. Three-quarters of the rent or more but not all of the rent
3. Half of the rent or more but less than three-quarters of the rent
4. A quarter of the rent or more but less than half of the rent
5. Less than a quarter of the rent
Don't know

I'd now like to ask you some questions about Housing Benefit.

Q10. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC//SHOWCARD H

As you may know, the Government has reduced the amount of Housing Benefit that those renting from a council or housing association receive if they have more bedrooms than it is thought they need. For example, a couple with no children have had their Housing Benefit cut if they had more than one bedroom. These changes came into effect on 1 April this year.

Before this interview how much, if anything, did you know about these changes?

1. A great deal
2. A fair amount
3. Just a little
4. Heard of, know nothing about
5. Never heard of
Don't know (DO NOT PROMPT)

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Q11. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//MC (EXCEPT 'NO' SC)//
SHOWCARD I

Do you remember having ever received notification from your landlord or local council in any of these ways informing you that you would be affected by these changes?

PROBE: Any others?

- A. No, do not remember receiving notification
- B. Yes, by letter
- C. Yes, by phone call
- D. Yes, by visit
- E. Yes, by text message
- F. Yes, by some other way
Don't know (DO NOT PROMPT)

Q12. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC

To the best of your knowledge, are you currently affected by these changes to Housing Benefit or not? Which one of these applies to you?

- 1. Yes, affected and Housing Benefit has been reduced
- 2. Yes affected but Housing Benefit has not been reduced
- 3. No, not affected
Don't know (DO NOT PROMPT)

Q13. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC//SHOWCARD J

Still thinking about these changes, which of these best describe when you/your household became affected after 1 April this year?

- A. On 1 April and ever since then
- B. On 1 April but no longer affected
- C. Some of the time since 1 April, but not at other times
- D. Not affected at all
Don't know (DO NOT PROMPT)

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Q14. ASK ALL CODE 1 AT Q12//MC//SHOWCARD K

Which of these, if any, have you (or your partner) done in response to the reduction in your Housing Benefit in the period since 1 April this year? Please read out the letters on this card, mention as many or as few as apply and please say 'none' if you have not done anything.

- A. Looked for a job
- B. Looked for a better paid job
- C. Looked for an additional (i.e. second or third) job
- D. Increased the number of hours worked at current job
- E. Looked at moving to another property in the social rented sector
- F. Looked at moving to another property in the private rented sector
- G. Applied for DHP – Discretionary Housing Payments
- H. Used savings
- I. Borrowed money from friends/family (money which you intend to pay back)
- J. Received money from friends/family (money which you are not expected to pay back)
- K. Borrowed money through a pay day loan
- L. Borrowed money from another lender
- M. Borrowed money via a credit card
- N. Spent less on household essentials (e.g. food, heating)
- O. Spent less on non-essentials (e.g. going out, holidays)
- P. Partner/someone else moved in
- Q. Taken in a lodger
- R. Sought advice or help of someone else such as a local charity, church or group
- S. Other (SPECIFY)
- T. None of these
Don't know

Q15. ASK ALL FOR EACH OF CODES 1-3 AT Q14//SC

Have you been able to get a (better paid) (additional) job or not?

- 1. Yes
- 2. No
Don't know (DO NOT PROMPT)

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Q16. ASK ALL FOR EACH OF CODES 5-6 AT Q14//SC

Have you been looking at properties in the local area, outside the local area or both?

1. In the local area
2. Outside the local area
3. Both
Don't know (DO NOT PROMPT)

Q17. ASK ALL CODE 7 AT Q14//SC//SHOWCARD L

You mentioned that you applied for a Discretionary Housing Payments, or DHPs. These are short-term payments from local councils to help some Housing Benefit claimants afford their housing costs. Which of these best describes your situation?

- A. I applied for and got DHPs, and am still receiving them
- B. I applied for and got DHPs, but am no longer receiving these
- C. I applied for but did not get DHPs
- D. I have applied for DHPs but am still waiting to hear
Don't know (DO NOT PROMPT)

Q17b. ASK ALL CODE 3 AT Q17//SC

How long did you wait until you were told your application had been unsuccessful?

ASK ALL CODE 4 AT Q17//SC

How long have you been waiting to hear?

RECORD LENGTH OF TIME IN WEEKS.

IF RESPONDENT SAYS LESS THAN ONE WEEK, CODE AS 1 WEEK.

Don't know/can't remember

Q18. ASK IF NOT CODE 7 AT Q14//SC

Now for a question about Discretionary Housing Payments, or DHPs, which are short-term payments from local councils to help some Housing Benefit claimants afford their housing costs. Before this interview, had you heard of them or not?

1. Heard of them
2. Not heard of them
Don't know

Q19. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC

Are you currently looking to move from this accommodation, or not?

1. Yes
2. No
Don't know

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Q20. ASK ALL 'YES' AT Q19//SC//

Can I just check, is your reason for wanting to move from here mainly because of the changes to Housing Benefit or is it for some other reason(s)?

1. Mainly because of the changes to Housing Benefit
2. For some other reason(s)
Don't know

Q21. ASK ALL CODE 2 AT Q20//MC//SHOWCARD M

What is that reason(s)?

- A. Want to down-size/move to a smaller property/have too many bedrooms
- B. Want to up-size/move to a larger property/have too few bedrooms
- C. Family is getting bigger
- D. Family is getting smaller (separation, divorce)
- E. Because I can't afford the rent for current accommodation
- F. Because of a reduction/cut in Housing Benefit
- G. Don't like the area/neighbours
- H. School catchment area
- I. For work reasons
- J. Other (SPECIFY)
Don't know

Q22. ASK ALL 'YES' AT Q19//SC//SHOWCARD N – INCLUDE 'MUTUAL EXCHANGE SUCH AS THE HOME SWAP SCHEME' AS HEADING ON SHOWCARD

Have you registered for mutual exchange, such as a home swap scheme, or not?

- A. Yes, have registered and been allocated new accommodation
- B. Yes, have registered and am actively looking for new accommodation
- C. Yes, have registered but am not actively looking for new accommodation
- D. No, have not registered but plan to
- E. No, have not registered and do not plan to
Don't know

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Q23. ASK ALL 'YES' AT Q19//SC//SHOWCARD O – INCLUDE 'TRANSFER LIST OR HOUSING REGISTER' AS HEADING ON SHOWCARD

Taking your answer from this card, have you registered an interest in moving from this accommodation with your landlord or local authority through the transfer list or housing register?

- A. Yes, have registered and been allocated new accommodation
- B. Yes, have registered and am actively looking for new accommodation
- C. Yes, have registered but am not actively looking for new accommodation
- D. No, have not registered but plan to
- E. No, have not registered and do not plan to
Don't know

Q24. ASK IF CODE 1 AT Q12//SC

Now looking ahead, do you expect to still be affected by the recent changes to Housing Benefit in the next 12 months or, or not?

ASK IF CODE 2/3 AT Q12//SC

Now looking ahead, do you expect to be affected by the recent changes to Housing Benefit in the next 12 months or, or not?

- 1. Yes, expect to be affected
- 2. No, do not expect to be affected
Don't know

Q24b. ASK ALL CODE 1 AT Q24//OPEN-ENDED

Still thinking about the next 12 months, what, if anything, are you (or your partner) planning to do to deal with being affected by the changes and a reduction in Housing Benefit? Please say if you are not planning to do anything.

ASK ALL OTHERS (NOT CODE 1 AT Q24)//OPEN-ENDED

If you were to be affected and were due to receive a reduction in Housing Benefit, what actions would you (or your partner) take? Please say if you would not do anything.

WRITE IN

Nothing

Don't Know

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Q25. ASK ALL CODE 1 AT Q24//MC//SHOWCARD P

Still thinking about the next 12 months, which of the things on this card, if any, are you (or your partner) planning to do to deal with being affected by the changes and a reduction in Housing Benefit?

Please take your answer from this card and mention as many or as few as apply. Please say if you are not planning to do anything.

ASK ALL OTHERS (NOT CODE 1 AT Q24)//MC//SHOWCARD P

IF you were to be affected and were due to receive a reduction in Housing Benefit, which, if any, of the things on this card would you (or your partner) do?

Please just read out the letters, and please say if you would not do anything.

- A. Look for a job
- B. Look for a better paid job
- C. Look for an additional (i.e. second or third) job
- D. Increase the number of hours worked at current job
- E. Look at moving to another property in the social rented sector
- F. Look at moving to another property in the private rented sector
- G. Apply for DHP – Discretionary Housing Payments
- H. Use savings
- I. Borrow money from friends/family (money which you intend to pay back)
- J. Receive money from friends/family (money which you are not expected to pay back)
- K. Borrow money through a pay day loan
- L. Borrow money from another lender
- M. Borrow money via a credit card
- N. Spend less on household essentials (e.g. food, heating)
- O. Spend less on non-essentials (e.g. going out, holidays)
- P. A partner/someone else will move in
- Q. Take in a lodger
- R. Other (SPECIFY)
- S. None of these
Don't know

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Q26. ASK ALL FOR EACH OF CODES 5-6 AT Q25//SC

Do you think you would look at properties in the local area, outside the local area or both?

1. In the local area
2. Outside the local area
3. Both
Don't know (DO NOT PROMPT)

Now on a different subject...

Q27. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//MC//SHOWCARD Q

Which, if any, of these ways do you (and/or your partner) use to pay bills such as utility bills?
Please just read out the letters that apply.

- A. Cash
- B. Cheque
- C. Direct debit
- D. Debit card
- E. Credit card
- F. Pre-payment card or key
- G. Standing order
- H. Some other way
- I. Do not pay for bills
Don't know
Refused/prefer not to say

Q28. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC//SHOWCARD R

Which of these best describes how long you usually plan your budget for?

- A. Weekly
- B. Fortnightly
- C. Monthly
- D. Less frequently than this
- E. It varies
- F. Don't plan budget
Don't know

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Q29. ASK ALL AFFECTED AND NON-AFFECTED (FROM SAMPLE)//SC//SHOWCARD S

Taking your answer from this card, how often, since 1 April this year, have you or your household run out of money before the end of the week or month? Please include any times when you have run out of money and had to use your credit card, an overdraft, or borrow to get by.

1. Very often
2. Fairly often
3. Hardly ever
4. Never
- Don't know
- Refused/prefer not to say

Q30. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC//SHOWCARD T

How easy or difficult at the moment are you finding it to afford the amount of rent that you pay?

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult
- Don't know/No opinion (DO NOT PROMPT)

Q31. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC//SHOWCARD U

How often have you been in arrears at this accommodation since the 1 April this year, that is how often have you owed money to your landlord because you've not been able to pay the rent in full?

1. Never
2. Occasionally
3. Sometimes
4. Most of the time
5. All of the time
- Don't know
- Refused

Q32. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC

And are you currently up to date with the rent you owe or are you in arrears?

1. Up to date
2. In arrears
- Don't know
- Refused

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Q33. ASK IF Q32 = 2//RECORD EXACT AMOUNT £//LOGIC TEST FOR ANY AMOUNT ABOVE £1,000

IF RESPONDENT DOES NOT KNOW THE EXACT AMOUNT, RECORD THEIR ESTIMATED AMOUNT £

By how much are you currently in arrears on this accommodation?

£

1. Don't know
2. Refused

INTERVIEWER: ASK AND RECORD IF THIS IS AN ESTIMATE OR NOT.

1. Accurate
2. Estimate

Q34. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//MC//SHOWCARD V

Still thinking about the period since 1 April this year, has your landlord given you notice that you are to be evicted or warned you about the possibility of you being evicted because of unpaid rent, or neither of these?

- A. Yes – given notice of eviction because of unpaid rent
- B. Yes – warned about possibility of being evicted because of unpaid rent
- C. Neither of these
Don't know
Refused

Q35. ASK ALL AFFECTED AND NON-AFFECTED (FROM SAMPLE)//SC

Now thinking back to March this year, were you in arrears then, or not?

1. Yes
2. No
Don't know
Refused

INTERVIEWER READ OUT: Now I'd like to ask you about each of the people in your household. By household I mean the people living here who share a living/sitting room or share at least one meal a day. Please exclude any non-resident children or adults who don't live here but sometimes come to stay – I will ask about them later.

As with the rest of the questionnaire, I would like to assure you that your answers are completely confidential.

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Starting with yourself...

INTERVIEWER: FOR EACH HOUSEHOLD MEMBER RECORD JUST THE FIRST NAME OR ANY UNIQUE IDENTIFIER.

	Name	Gender	Age (if exact age not known then banded)	Relationship to respondent	Work status
1				N/A	
2					
3					
4					
5					
7					
8					
9					
10					

Q36. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SINGLE CODE (SC) FOR RESPONDENT + EACH PERSON

Is (NAME) male or female?

1. Male
2. Female

Q37. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC FOR EACH PERSON//RECORD EXACT AGE AND CODE BY BAND. IF EXACT AGE NOT KNOWN, RECORD AGE BAND ONLY//SHOWCARD W

What was your/(NAME)'s age last birthday?

1. 0-4
 2. 5-9
 3. 10-15
 4. 16-24
 5. 25-34
 6. 35-44
 7. 45-54
 8. 55-59
 9. 60-64
 10. 65+
- Don't know
Refused

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Q38. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC FOR EACH PERSON THEIR RELATIONSHIP TO RESPONDENT

ADD VALIDATION CHECKS – E.G. IF CODE 1/2/3/4/5/6 AT Q37, ANSWER AT Q38 MUST BE 16+

I would now like to ask how the people in your household are related to you.

1. Spouse or civil partner
2. Cohabitee
3. Son/daughter (incl. adopted)
4. Step-son/daughter
5. Foster child
6. Son-in-law/daughter-in-law
7. Parent/guardian
8. Step-parent
9. Foster parent
10. Parent-in-law
11. Brother/sister (incl. adopted)
12. Step-brother/sister
13. Foster brother/sister
14. Brother/sister-in-law
15. Grand-child
16. Grand-parent
17. Other relative
18. Other non-relative

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Q39. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC FOR EACH PERSON//SHOWCARD X

Which statement on this card applies best to each person aged 16 or over in the household?

INTERVIEWER: FOR AGENCY WORKERS OR THOSE WITH FLEXIBLE HOURS USE THEIR AVERAGE HOURS WORKED IN THE LAST FOUR WEEKS/MONTH

- A. Working full-time (30 hours a week or more)
- B. Working part-time (16-29 hours a week)
- C. Working part-time (Less than 16 hours a week)
- D. On a Government training scheme/apprenticeship
- E. Unemployed and seeking work
- F. At home/not seeking work
- G. Long term sick or disabled
- H. Full-time carer
- I. Full-time education
- J. Fully retired
- K. Other
 - Refused
 - Don't know

Q40. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC FOR EACH PERSON//SHOWCARD Y

Now thinking about each person aged 16 or over in the household who is in full- or part-time work, how often are they paid?

- 1. Daily
- 2. Weekly
- 3. Monthly
- 4. Other (SPECIFY)
 - Don't know

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Q41. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC FOR EACH PERSON//SHOWCARD Z

Which statement on this card applies best to each person aged 16 or over in the household since leaving school or education?

- A. I/they have always been in paid employment
 - B. I/they have mostly been in paid employment
 - C. I/they have sometimes been in paid employment
 - D. I/they have rarely been in paid employment
 - E. I/they have never been in paid employment
- Refused
Don't know

Q42. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//MC FOR EACH PERSON//SHOWCARD AA (NOT REVERSED)

Still thinking about each person aged 16 or over who is not in full-time education, can I just check are you/they receiving any of these state benefits or allowances? Your answers are completely confidential. Please just read out the letters that apply.

- A. Income support
 - B. Job Seekers Allowance (formerly unemployment benefit or Income Support for unemployed people)
 - C. State Retirement Pension
 - D. Incapacity Benefit or Severe Disablement Allowance
 - E. Employment and Support Allowance
 - F. Some other benefit for people with disabilities (e.g. Industrial Injuries Benefit)
 - G. Working Tax Credit
 - H. Child Tax Credit
 - I. Council Tax Benefit
 - J. Pension Credit (previously Minimum Income Guarantee)
 - K. Carer's allowance (formerly Invalid Care Allowance)
 - L. Disability living allowance now called 'PIP' (mobility or care components)
 - M. Attendance allowance
 - N. Some other state benefit (SPECIFY)
 - O. No, none of these
- Refused
Don't know

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Q43. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC

In addition to the people you have mentioned, do any non-resident children regularly come to stay overnight with you here at this accommodation – by regularly I mean 52 nights a year (about once a week) or more often?

1. Yes
2. No
Don't know

Q44. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC

Do you or does anyone in your household have any long-term illness, health problems or disability which limits your/their daily activities or the work you/they can do, including any problems which are due to old age?

1. Yes
2. No
Don't know

Q45. ASK IF Q44 = 1//SC//SHOWCARD BB

Do you/they receive any of these types of care?

- A. Care from a member of the household who lives here
- B. Care from a visitor who comes during the day and does not stay overnight
- C. Care from a visitor who stays overnight regularly
- D. Care from a visitor who stays overnight occasionally
- E. None of these
Don't know

Q46. ENGLAND AND WALES: ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC FOR RESPONDENT ONLY//SHOWCARD CC

From this card, which of these groups do you personally belong to?

White

- A. English/Welsh/Scottish/Northern Irish/British
- B. Irish
- C. Gypsy or Irish Traveller
- D. Any other white background (specify)

Mixed/multiple ethnic group

- E. White and Black Caribbean
- F. White and Black African
- G. White and Asian
- H. Any other mixed/multiple ethnic background (specify)

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Asian/Asian British

- I. Asian/Asian British – Indian
- J. Asian/Asian British- Pakistani
- K. Asian/Asian British – Bangladeshi
- L. Asian/Asian British – Chinese
- M. Any other Asian background (specify)

Black/African/Caribbean/Black British

- N. African
- O. Caribbean
- P. Any other Black/African/Caribbean background (specify)

Other ethnic group

- Q. Arab
- R. Any other ethnic group (specify)

Q46b. SCOTLAND: ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC FOR RESPONDENT ONLY//SHOWCARD CCX

From this card, which of these groups do you personally belong to?

White

- A. Scottish
- B. Other British
- C. Irish
- D. Gypsy or Irish Traveller
- E. Polish
- F. Any other White background (specify)

Mixed or multiple ethnic group

- G. Any mixed or multiple ethnic groups (specify)

Asian/Asian Scottish/Asian British

- H. Pakistani, Pakistani Scottish or Pakistani British
- I. Indian, Indian Scottish or Indian British
- J. Bangladeshi, Bangladeshi Scottish or Bangladeshi British
- K. Chinese, Chinese Scottish or Chinese British
- L. Other (specify)

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African

- M. African, African Scottish or African British

Caribbean or Black British

- N. Caribbean, Caribbean Scottish or Caribbean British
- O. Black, Black Scottish or Black British
- P. Other (specify)

Other ethnic group

- Q. Arab, Arab Scottish or Arab British
- R. Any other ethnic group (specify)

Q47. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC

To help improve public services we would like to be able to match information from your Housing Benefit claim to this survey. As before, all information will be used for research and statistical purposes only. Your personal details will be kept completely confidential and any benefits you may receive will not be affected in any way.

Are you happy for Ipsos MORI, on behalf of DWP, to add information about your Housing Benefit claim to your responses to this survey?

- 1. Yes
- 2. No

Q48. ASK ALL AFFECTED + NON-AFFECTED (FROM SAMPLE)//SC

This project will be running until 2014 and we are keen to contact participants in this first survey again about Housing Benefit over this period. Can we take your details to contact you again about this study in the future?

- 1. Yes *IF YES* – contact details to be recorded: name, address, telephone number, mobile number; and email address (to be entered twice to validate)
- 2. No

THANK AND CLOSE

Appendix B

Qualitative claimant interviews – technical note

In total, thirty face-to-face depth interviews were conducted with claimants. All interviews were conducted face-to-face by interviewers from Ipsos MORI, and lasted between 60 and 90 minutes.

Sampling and recruitment

Qualitative sampling aims to reflect diversity rather than aspiring to a representative sample³³. The qualitative sample was therefore designed to include a range of participants in across a range of relevant characteristics. The achieved profile of the participants in the qualitative research is presented in the table below.

Table B.1 Qualitative claimant interview quotas

Region	Total interviews	Employed full time	Employed part time	Unemployed	Lone parent	Couple with children	Single, no children	2+ adults, no children	One extra bedroom	Two extra bedrooms
Scotland	5		2	3	2		2	1	3	2
Wales	5		2	3	2	1	1	1	4	1
Yorkshire & the Humber	5		2	3	2	1	1	1	5	
South East	5		1	4	1	1	3		5	
North East	5		1	4	1	1	2	1	3	2
London	5	1	1	3		2	2	1	5	
Achieved Total	30	1	9	20	8	6	11	5	25	5

All participants in the qualitative research were drawn from a sample of those who had taken part in the survey and agreed to be re-contacted. Participants were contacted via telephone and were offered an incentive conditional on taking part in the study.

Fieldwork and analysis

The fieldwork took place in November and December 2013, with each interview lasting between an hour and 90 minutes. All interviews were recorded with users' permission, and detailed fieldnotes were written. Analysis was conducted throughout fieldwork through team discussions, and once the interviews were concluded using fieldnotes, audio recordings and NVivo data management software.

³³ Barbour, R (2001) Checklists for improving rigour in qualitative research, British Medical Journal 322: 2115, p58

Research materials

All interviews were conducted by experienced moderators, using the discussion guide below. This guide also included timeline template stimulus to help aid participant recall.

B.1 Claimant qualitative research – discussion guide

<p>1. Introduction and background</p>	<p>10 mins</p>
<ul style="list-style-type: none"> • Thank participant for taking part • Introduce self, Ipsos MORI – independent research organisation commissioned by DWP • Explain aims of project – to understand how the welfare reforms are affecting claimants and how they are responding to the changes • Explain confidentiality and MRS guidelines. Reassure that all responses are anonymous and that information about individuals will not be passed on to anyone, including back to DWP or any other Government Department • Reassure that any current or future Housing Benefit claim will not be affected in any way • Get permission to digitally record – transcribe for quotes, no detailed attribution and not passed on to DWP <p>I'd like to start by understanding more about you. Can you tell me a little bit about...</p> <ul style="list-style-type: none"> • Where you currently live – how long have you lived here? • Does anyone else live here with you? What do they do? • Do you have children living with you? How old are they? Are they girls or boys? <p>It would also be helpful for me to know about whether you're working at the moment...?</p> <ul style="list-style-type: none"> • IF WORKING: What kind of work do you do? For how many hours a week? What kind of contract do you have? <ul style="list-style-type: none"> – <i>Is it temporary or permanent? Is it a 'zero hours' contract?</i> • IF NOT WORKING: What kinds of things do you do in a typical day? <ul style="list-style-type: none"> – <i>Probe for their work status (e.g. unemployed, looking after the home or their children, long-term sick/disabled, a carer, retired)</i> <p>And have your housing costs or the amount of Housing Benefit you receive changed at all recently?</p> <ul style="list-style-type: none"> • Is this because of the changes to Housing Benefit rules or any other reason (e.g. change in earnings)? 	

<p>2. Knowledge and awareness of the RSRS reforms</p>	<p>10 mins</p>
<p>I'd now like to speak to you about welfare reforms in general.</p> <p>First of all, have you heard anything about the changes to welfare benefits?</p> <p>PROBE FOR KNOWLEDGE OF THE FOLLOWING:</p> <ul style="list-style-type: none"> • RSRS/PENALTY FOR UNDER-OCCUPYING (the 'bedroom tax') • THE HOUSEHOLD BENEFIT CAP • UNIVERSAL CREDIT (introducing a single monthly integrated benefit for working age households, both in and out of work, paid direct to claimants rather than to the landlord) • CHANGES AND CUTS TO SUPPORT FOR COUNCIL TAX (and devolving power to local authorities to design and administer this benefit) • REDUCTIONS IN HOUSING BENEFIT FOR CUSTOMERS WHOSE HOUSEHOLD INCLUDES ADULT MEMBERS OTHER THAN THEIR PARTNER (non-dependants) • What have you heard? • Do you know of any changes that would affect you? • What did you think of the changes? <p>Thinking in particular about the RSRS changes (also sometimes called 'bedroom tax')...</p> <ul style="list-style-type: none"> • When did you first hear about this change? • What did you hear about it? Did anyone tell you about them? • Who did hear about from? Did you ask them about it? • Did you receive any information or advice about the changes when you first found out about them? From whom? • How helpful was this? <p>What did you think about the changes when you first found out?</p> <ul style="list-style-type: none"> • How did you think it would affect you/your family? Can you explain why? • How did you think it would affect other people in similar situations to yours? • Why do you think they have been introduced? Have you thought about them much? How do you feel about them? 	

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Can you describe exactly how the changes have affected you?

- How much more have you been asked to pay towards your rent? (OR How much has the reduction in Housing Benefit been?)
- When did this begin?
- What do you think about the changes now?

Have you received any further information since when you first found out?

- What have you received?
- From who/where?
- Did you seek it or was it offered to you/did you receive it anyway?
- IF SOUGHT INFORMATION: What did you do?
- What did you think of the information you received? (Probe: was it clear/easy to understand? Did it have enough detail?)
- What did you learn from it? Did this affect your decisions or thinking – and how?

Is there anything else that you wanted to know about the changes but couldn't find out?

Have you had any support or advice about the changes?

- What support or advice did you receive?
- From who?
- Was it helpful? What did you learn from it? Did this affect your decisions or thinking – and how?

Did you seek this support or advice or was it offered to you?

Were you offered any support that you didn't take up?

- What were you offered?
- Why did you not take up the offer?

Are you aware of Discretionary Housing Payments (DHPs)?

EXPLAIN IF REQUIRED: DHP is an extra payment (not Housing Benefit) which the local authority may grant you if they think you need further financial assistance with your housing costs.

- IF YES: How did you hear about it?
- Have you applied for it?
- IF YES: Are you receiving it and when did you start receiving it?
- How easy or difficult was it to claim DHP?
- Were there any conditions attached e.g. having to seek new accommodation?

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<ul style="list-style-type: none"> • Are you considering asking for your DHP to be renewed? • IF NO: What reason (if any) did the local authority give for declining your application? Did you ask for a review of the decision? 	
<p>3. Financial impact of changes since April 2013</p>	<p>20 mins</p>
<p>I'm interested to find out about how the changes to Housing Benefit have affected your finances, if at all.</p> <p><u>EXPLORING FINANCIAL CAPABILITY</u></p> <p>I'd like to start by talking about your finances more generally. At the moment, how easy or difficult do you find it to manage your incomings and outgoings?</p> <p>Are there any things that you often find difficult to pay for?</p> <ul style="list-style-type: none"> • What are they? How do you pay for them? <p>Has your overall income changed in the last year or so? What about your spending?</p> <ul style="list-style-type: none"> • Can you tell me how? Why was this? <p>Are you receiving any other benefits (not just Housing Benefits)?</p> <ul style="list-style-type: none"> • Can you tell me which ones? • Have there been any recent changes to any of the benefits which you are claiming? <p>Who is responsible for managing the household budget in your house?</p> <p>How would you describe your approach/your partner's to this?</p> <ul style="list-style-type: none"> • Can you describe your weekly/monthly incomings and outgoings? • How do you keep track of these? Do you keep any records? How often do you review your finances? • Do you keep a record of what you've spent? <p>I'd now like to do a budgeting exercise with you, to get a sense of what you need to spend your money on from week to week.</p> <p>USE TEMPLATE TO HELP PARTICIPANT CONSIDER THEIR WEEKLY BUDGET</p> <p>Could you talk me through what your regular incomings and outgoings are? Ask about rent, bills, income and/or benefits received. Food, travel expenses etc.</p>	

If you can't pay everything that needs to be paid one week/month, which bills or payments do you prioritise?

- Why are these payments so important to you?

How important is paying your rent?

- Can you explain why?
- How easy or difficult is it to pay this?

EXPLORING FINANCIAL RESILIENCE

Do you ever run out of money before the end of the week/month?

- How do you manage when you do run out of money?
- What things do you cut back on?

Do you have any savings?

- How often do you save money?
- What do you use the money you save for?

Have you needed to borrow any money in the last year or so?

- Who/where did you borrow the money from? PROBE ON CREDIT CARDS, PAYDAY LENDERS, HOME CREDIT, CATALOGUES
- What did you need the money for?
- How do you feel about this?
- Have you paid this back – or are you able to?

And do you have any debts that need to be paid back at the moment?

- How do they fit into your budgeting?
- How long are these payments for?

Have you ever struggled to pay your rent in full or on time?

- IF YES Can you tell me about how this happened?
- Have these problems been resolved? If so, how?

IF CURRENTLY IN ARREARS

- Are your arrears increasing at the moment, or are you able to pay them back? Can you explain how?
- Have you applied for any other state benefits to help you? Which ones? Or any help from the Council?
- Have you spoken to your landlord about the arrears? What happened?
- Do you think any problems you are facing paying your rent will be temporary, or go on for a while? Can you explain why?
- How do you feel about the situation?

IF REPORTED RECEIVING DHP: Are you still receiving DHP?

- IF STILL RECEIVING: How much are you receiving?
- Is it helpful to you?
- Do you know how long you will get this for?
- What will you do when it ends?
- IF NO LONGER RECEIVING: How much did you receive and for how long?
- Was it helpful? What happened afterwards?

RESPONSES TO THE REFORMS

I'd like to ask you a bit about any changes that you may have made since the RSRS reforms.

Have your spending priorities changed since the changes to Housing Benefit were introduced?

- How easy or difficult have you found it to manage your finances since the changes came in?
- Do you find you have more or less to spend on anything?
- MODERATOR TO USE BUDGET SHEET PREVIOUSLY DISCUSSED AND EXPLORE THE CHANGES SINCE THE REFORMS IN DETAIL

Are you planning to stay where you are and pay the additional rent?

- IF YES: Do you think you will be able to manage this? How?
- How long do you think you will be able to manage this?
- IF NO: Why not?

Have you made any plans to deal with the changes?

- IF YES: What plans have you made? Why?
- What are you doing differently as a result? Why?
- IF NO: Is there a reason you haven't made plans? PROBE FULLY WHERE POSSIBLE ON WHAT THEY INTEND TO DO

Have you needed to or tried to borrow money?

- IF YES: Who from?
- PROBE FULLY ON: family/friends? Bank? Pay day lender? Other lender?
- Will you have to pay the money back? How will you manage this?

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<p>What about cutting back on your current expenditure?</p> <ul style="list-style-type: none"> • Is there anything you are cutting back on? • Why these things? • What's the effect of cutting back on these things? Is anyone else affected? <p>Is there anything that you cannot cut back on? Why?</p> <p>Are you managing to pay your rent on time and in full since the changes? PROBE FULLY ON ANY DIFFICULTIES, INCLUDING EXPLORING PERSISTENT UNDERPAYMENT</p> <p>Have you made any other changes because of the changes to Housing Benefit?</p> <p>Would you consider taking a lodger to help you with the rent?</p> <ul style="list-style-type: none"> • IF YES: How do you feel about this prospect? • IF NOT: Why not? What are your concerns about taking in a lodger? <p>Have you started claiming benefits that you were entitled to but were not claiming before?</p> <p>Has anyone told you anything about what might happen if you don't pay your rent on time now that the welfare changes are coming in?</p> <ul style="list-style-type: none"> • What have they said? What do you think of this? <p>Looking forward, are you concerned about your finances in the future?</p> <ul style="list-style-type: none"> • What do you think will happen to you given the changes? • Would anything help you make plans? • Which things are you most worried about paying for now? Are you planning to do anything about these concerns? 	
<p>4. Attitudes to moving</p>	<p>20 mins</p>
<p>I'd now like to talk to you a bit more about where you live. I'd first like to know a little more about your current home.</p> <p><u>CURRENT HOME</u></p> <p>How many bedrooms does your home have?</p> <ul style="list-style-type: none"> • What are they all used for at the moment? Were they ever used for anything else? • Is there anything that is important to you about living here? Why? 	

<p>What do you think of your home generally? Do you like – or dislike – living here? Why?</p> <ul style="list-style-type: none">• How happy or unhappy are you with the general condition of the property?• How happy or unhappy are you with the amount of space in your home at the moment?• Are there any problems? <p>How would you describe your relationship with your landlord (this is your local authority or housing association)?</p> <ul style="list-style-type: none">• Would you say it was good or bad?• Can you describe why?• What do you think of the service they offer you? Why?• Have they offered any help related to the reforms? Can you tell me more about this? PROBE FULLY ON THE NATURE AND IMPACT OF ANY SUPPORT FROM LANDLORDS <p>Have you moved recently?</p> <ul style="list-style-type: none">• IF YES: When did you move? Where from – and why? <p>What do you think about the area that you live in?</p> <ul style="list-style-type: none">• How long have you lived here?• What's it like to live here? Do you like living here? Why?• What's good about living here?• What's bad about it? <p>What are the main places that you go to in your local area?</p> <ul style="list-style-type: none">• IF PARTICIPANT IS WORKING: How close is your work from here? How do you travel there?• IF PARTICIPANT HAS CHILDREN: Where do your children go to school/attend childcare? How do you/they travel there?• IF PARTICIPANT HAS CARING RESPONSIBILITIES: Where do you carry out your caring responsibilities? How do you travel there?• Do you have family and/or friends in your area? How do you travel to visit them?• Do you use any other services around here? PROMPT: such as public transport/doctor's surgery/advice centres/places of worship/library/proximity of friends and family members	
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RESPONSES TO THE REFORMS

Given the changes to Housing Benefit, are you planning to stay in your current home?

- Have you considered moving to a smaller home?
- Why? Why not? Can you explain the main reasons?

How would you feel about possibly moving to a new home (with fewer bedrooms)? What are the advantages/disadvantages of doing that?

- PROBE ON DOMESTIC FACTORS: *need spare room for carer, keeping a room for older sibling/non-resident child, have made adaptations to the property*
- PROBE ON EXTERNAL FACTORS: *proximity to work, proximity to schools, proximity to family/support networks etc.*

Are there any barriers stopping you moving?

- Can you explain why they are important?
- PROMPT ON: work/school/support are close to current home; think transfer list is too long; can't access internet; have looked and no suitable homes available

Is there any help available which makes you think it might be a good idea?

- Can you explain why they are important?
- PROMPT ON: financial incentives and support from landlord; concern about finances

Do you know how you would go about finding somewhere suitable to live?

- Do you know where you would look for information about somewhere to move to?
- Have you looked for a new home? What happened?

Do you know about how to apply for a transfer?

- How easy or difficult do you think you would find this? Why?
- Have you tried using the transfer process?

Have you heard of mutual exchange (this means finding someone to swap homes with)?

- Have you tried to use this?

IF HAVE EXPERIENCED TRANSFER PROCESS/MUTUAL EXCHANGE:

What was your experience of this?

- How easy or difficult did you find it?
- Could you explain why?
- Did you need any help or support in doing this? What kind?
- Do you think the process will be successful?

Overall, how easy or difficult do you think it would be to move house?

- Can you explain why?
- PROBE: *finding a suitable home; time off work; cost of removals; challenge of organising the move*

IF NOT CONSIDERING MOVING

I'd now like to talk about what it would take for you to feel comfortable about moving to a house with fewer bedrooms. If you were to move to a smaller home...

- Where it would ideally be?
- Would you want to live in this area or would you be happy to live further away?
- How far would you be prepared to move?
- What kind of home it would be?
- What it would be like inside?
- What help you might need to move?
- What, if any, financial incentives would motivate you to move?

Do you think you would feel differently about moving house in the near future (for example, in one year's time)?

- Why/why not?

Can you foresee a time when it might be easier to move?

- PROMPT IF APPROPRIATE: when children are moving schools/ move away from home
- Would you consider moving then?

IF CONSIDERING MOVING

What kind of home would you be looking to move to? Can you describe it?

- Where it would be?
- What kind of home it would be?
- What it would be like inside?
- What help you might need to move?
- What, if any, financial incentives would motivate you to move?

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<p>Have you considered moving to a smaller property in the private sector?</p> <ul style="list-style-type: none"> • How do you feel about this? • What factors are you thinking about when considering it? • What size of property would you move to? • Do you think you will move to the private sector? 	
<p>5. Attitudes to and experiences of employment</p>	<p>10 mins</p>
<p>I'd now like to find out a bit more about your thoughts on work. <i>IF CURRENTLY WORKING</i></p> <p>What is your current job like? How did you find it? How long have you had it?</p> <p>Have there been any recent changes to your job? PROBE on hours, number of shifts, pay increase/decrease, employment conditions?</p> <p>Have you considered any changes in your work to respond to the reforms? Why?</p> <ul style="list-style-type: none"> • Increasing hours? • Finding a different job • Taking an additional job? <p>Are you considering changing your work for any other reasons?</p> <p>Do you think you are better off financially in work at the moment?</p> <ul style="list-style-type: none"> • Have you done any calculations to see if this is the case? <p><i>IF IN A COUPLE HOUSEHOLD OR HAVE AN ADULT CHILD</i></p> <p>What about your partner/(adult) child? Are they considering making any changes to respond to the reforms? What kinds of things?</p> <p>PROBE as above on hours/alternative or additional work, and to explore if these changes are in response to the reforms.</p> <p>Are they considering changing their work for any other reasons?</p> <p><i>IF NOT WORKING</i></p> <p>When were you last in work? What did you do?</p> <p>Are you looking for work at the moment?</p> <p><i>IF LOOKING FOR WORK</i></p>	

<p>What kind of work are you looking for?</p> <ul style="list-style-type: none">• Have you seen any jobs that you could apply for?• Did you apply?• Why?/Why not? <p>How are you going about your job search?</p> <ul style="list-style-type: none">• Have you received any help or advice with it? From whom? <p>How easy or difficult do you think you will find it to find a job? Why? PROBE FULLY ON AVAILABILITY OF WORK, PARTICIPANT'S LEVEL OF EXPERIENCE AND SKILLS, SUPPORT REQUIRED IN FINDING WORK</p> <p>What would be the effect on you/your family if you found work?</p> <ul style="list-style-type: none">• How would you feel?• Do you think you will be able to pay the shortfall in your rent from the wages you would receive?• Do you think you would be better off financially in work at the moment?• Have you done any calculations or consulted anyone (for example a Job Centre Plus adviser) to see if this is the case? <p>Did the RSRS ('bedroom tax') reforms affect your decision to make these changes?</p> <ul style="list-style-type: none">• IF YES: Can you explain how?• Why was it important? <p><i>IF NOT LOOKING FOR WORK OR PARTNER/ADULT CHILD IS NOT LOOKING FOR WORK</i></p> <p>Can you explain to me why you're/they're not looking for work at the moment?</p> <ul style="list-style-type: none">• Have you/they looked for work in the past 2 years?• Do you think you/they would be better off financially in work at the moment?• Have you done any calculations to see if this is the case?• Have you/they looked for any advice to see if they would be better off financially in work? <p>Do you think that you might look for paid work in the future? Why?</p> <p>Are you at all concerned that you may need to find paid work in order to pay your housing costs?</p> <ul style="list-style-type: none">• What are your concerns?• What will you do if you need to find work to stay in your home?	
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<p>6. Wider impacts of the reforms</p>	<p>10 mins</p>
<p>I'd now like to ask you a little bit about any effects that the reforms may have had on you and your family.</p> <p>Generally speaking, how do you think the reforms have affected you?</p> <ul style="list-style-type: none"> • Have there been any positive impacts? • Have there been any negative impacts? • PROBE: <i>health, emotional wellbeing, mental health, stress if required</i> <p>Do you think there have been any effects on members of your family?</p> <ul style="list-style-type: none"> • IF IN A COUPLE: What about your partner? • IF PARTICIPANT HAS CHILDREN: What about your children? • PROBE: <i>health, emotional wellbeing, mental health, stress if required</i> <p>Have the RSRS ('bedroom tax') changes affected you in any other way?</p>	
<p>7. Future plans</p>	<p>10 mins</p>
<p>We've talked about the immediate impact that the RSRS ('bedroom tax') reforms have had on you and your family.</p> <p>Are there any concerns you have for the future, given the changes?</p> <ul style="list-style-type: none"> • Can you tell me about these? <p>In light of the reforms, do you think you will be seeking any further advice or information?</p> <ul style="list-style-type: none"> • What will you be seeking advice/information about? • Where do you think you will go to get this advice/information? <p>I'd like to do a short exercise so I can better understand how you see the future. Can you complete the sentences for me:</p> <p><i>In 1 year's time I expect my work situation to be ...</i></p> <ul style="list-style-type: none"> • PROBE: full time employed/part time employed/unemployed? • IF RELEVANT: What kind of work? Where? • Why do you think it will be the same/different to now? <p><i>In 1 year's time I think I will be living in</i></p> <ul style="list-style-type: none"> • PROBE: The same place/a different place? • Do you think this will happen? Why? • What things would need to be in place to make this happen? What might make it difficult to happen? 	

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<p><i>In 1 year's time I think my finances will be....</i></p> <ul style="list-style-type: none"> • PROBE: Better/the same/worse? • Why do you think this? <p>IF RESPONSES TO ABOVE POSITIVE: What do you think would need to be in place for you to achieve these things?</p>	
<p>8. Conclusions and Final Thoughts</p>	<p>5 mins</p>
<p>Given everything that we have discussed today what do you think the main impact of the RSRS changes has been on you?</p> <p>Is there anything that you would like to mention/anything else that you would like to say about the RSRS changes?</p> <p>PLEASE REMEMBER TO ASK:</p> <p>We may need to speak to you next year as well as in the next few weeks. Would you be willing to take part in further interviews if needed?</p> <p>Note interest.</p> <p><i>Thank participant for taking part, and give them their incentive.</i></p>	

Appendix C

Landlords survey methods

The survey of social landlords ran between 16 October and 8 November 2013. A total of 750 landlords were invited to take part in the survey, comprising all social landlords and RPs with over 1000 properties, as well as a sample of smaller landlords throughout Britain. Contacts were supplied from:

- the Department for Communities and Local Government (English stock-owning local authorities);
- the Homes and Communities Agency (English Registered Providers);
- the Scottish Government (Scottish stock-owning local authorities);
- the Scottish Social Housing Regulator³⁴ (Scottish Registered Social Landlords);
- the Welsh Government (Welsh stock-owning local authorities and Registered Providers).

A total of 312 responded to the survey completing most or all of the questions. A small number of responses from those completing only a small part of the survey, or which appeared to be duplications of existing (fuller) responses were excluded from analysis. The survey asked for substantial numerical and financial data, as well as more qualitative elements. Many landlords therefore did not complete every single question. Analysis and percentages given throughout this report relate to those who did respond to the specific question and do not always sum to 312 landlords for this reason.

Table C.1 shows the size profile of landlords responding to the survey

Table C.1 The size of landlords responding to the survey

	Landlords	
Number of general needs social rented properties managed		
1,000 or fewer	58	19%
1,001-10,000	185	59%
10,001-50,000	67	22%
50,001 or more	2	1%
Number of LAs where manage social rented general needs properties		
1	161	52%
2-10	88	28%
11 or more	60	19%
Not known		1%
Total	312	100%

Table C.2 shows the type of landlord and region/country where most of their stock is located.

³⁴ www.esystems.scottishhousingregulator.gov.uk/register/reg_pub_dsp.home

Table C.2 Profile of social landlords responding to survey

	Number	%
Type of landlord		
Stock owning local authority	53	17%
Arms Length Management Organisation	16	5%
Registered Provider/Registered Social Landlord	237	76%
Private Registered Provider	4	1%
Not known	2	1%
Location of the majority of social rented (general needs) housing		
England		
North East	14	4%
North West	39	12%
Yorkshire and Humber	15	5%
East Midlands	13	4%
West Midlands	24	8%
South East	23	7%
South West	24	8%
East of England	25	8%
London	33	11%
England (total)	210	67%
Scotland	68	22%
Wales	24	8%
Majority of stock not in any one region/country	11	4%
Not known	1	*
Total	312	100%

The landlords who replied were representative of those polled in terms of their spread between England, Scotland and Wales. They also had an average of 11.1 per cent of their stock occupied by tenants affected by the RSRs, which is precisely the national average as of August 2013. It was therefore unnecessary to weight the data for analysis.

To increase robustness, some English regions have been combined with neighbouring regions for analysis. Table C.3 gives the stock size by broader geographical regions, and shows comparable figures for all social housing in Britain.

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Table C.3 Social rented dwellings managed by location of landlord, and location of social rented stock in Britain

Country	Broad region	Regions included	Owned by landlords responding to survey		Owned by all social landlords	
England	'North'	North East, North West, Yorkshire and Humber	627,556	28.0%	1,466,747	31.1%
	'Midlands'	East Midlands, West Midlands	296,615	13.2%	809,987	17.2%
	'South and East'	South East, South West, East of England	418,005	18.6%	1,224,163	26.0%
	London	London	368,376	16.4%	402,653	8.5%
England (total)			1,710,552	76.3%	3,903,550	82.8%
Scotland			216,296	9.6%	594,976	12.6%
Wales			102,176	4.6%	214,911	4.6%
Majority not in any one region/country or not known			213,942	9.5%	-	-
Total			2,242,966	100%	4,713,437	100%

Sources: Landlords' survey, October- November 2013 and 2011 Census.

It should be noted here that the classification of landlords' stock into regions is based on the region where the majority of stock is located and as such is only an approximation to the actual location of the stock held.

C.1 DWP Survey on Removal of the Spare Room Subsidy and Benefit Cap

Welcome to the survey on the Removal of the Spare Room Subsidy ('the RSRS') and Household Benefit Cap ('the Cap'). The survey is being undertaken by the Cambridge Centre for Housing and Planning Research and is part of the evaluation commissioned by the Department for Work and Pensions to evaluate the two policies. The evaluation will enable the DWP to understand better how the policies are working in practice and what impact they are having on you and your tenants. You can stop the survey part-way though if you wish, and re-enter it at a later time to finish it off. Your answers will be saved. You may also share the survey with colleagues who, by using the link sent in the email you received, will be able to edit the same version of the survey. However, if you also require a PDF of the survey to share with colleagues, please email [XXXX] to request this. Where numeric answers are requested, please draw on any data you hold wherever possible, but give us your best estimate if not. Please leave blank any questions where you do not know the answer, and cannot provide a good estimate either. We realise that not all landlords will be able to answer all the questions. All questions relate to the stock that you manage, regardless of whether you own it or manage it on behalf of another landlord. If you are a local authority, please answer the questions just in relation to tenants in the stock that you manage, not those who live in your area in housing managed by Registered Providers; separate questions have been added to the DWP's LA Insight survey to cover your local authority's role in the

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administration of Housing Benefit and Discretionary Housing Payments. Any information you provide will be held in the strictest of confidence and will be handled securely throughout the study in line with the requirements of the Data Protection Act (1998). The information you provide will be used only for research purposes and the research findings will not identify you or your organisation.³⁵

This first section is about you and where you work

1 Please indicate what type of landlord you are:

- Stock owning local authority
- Arms Length Management Organisation managing council-owned stock
- Registered Provider/Registered Social Landlord
- Private Registered Provider

2 In which of these regions/countries do you manage general needs stock? (Please include social rented, and Affordable Rented stock, but not shared ownership or sheltered housing)

	All of our stock	Most of our stock (over 50%)	Some of our stock (under 50% but more than 1%)	None/very little of our stock (under 1%)
Scotland	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wales	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
NW England	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
NE England	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yorkshire and the Humber	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
West Midlands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
East Midlands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
East of England	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
South East England	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
South West England	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
London	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3 In how many local authorities in Britain do you manage social housing stock? (Please include social rented and Affordable Rented stock, but not shared ownership or sheltered housing)

4 And how many general needs properties do you manage in Britain? (Please include social rented and Affordable Rented stock, but not shared ownership, supported or sheltered housing)

³⁵ The Survey has been reproduced here in Word format with the filtering displayed as 'If X, please go to Question Y'. This was fully automated on the web-based version with respondents only displayed the questions they were eligible to answer.

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This section is about identifying tenants who are affected by the Removal of the Spare Room Subsidy (RSRS) or the Cap

- 5** Please choose one of the following statements that best describes how confident you are that you are able to identify tenants affected by the RSRS:
- We think we know which of our tenants are affected by the RSRS in all or nearly all cases (95%+)
 - We think we know which of our tenants are affected by the RSRS in most cases, but there at least 5% of cases where we don't know
 - We think we know which of our tenants are affected by the RSRS in a minority of cases, but do know at least 5% of them
 - We know which of our tenants are affected by the RSRS in none or very few cases (under 5%)
 - Other (please explain) _____
- 6** To the best of your knowledge, how many of your tenancies are currently affected by the RSRS?
- 7** Please provide figures (if available) for the number of your tenants who have been allowed an extra room because they are:
- a Foster carers, or approved for fostering within the last 12 months
 - b Have a child in the armed forces
 - c Have disabled children unable to share a room
- 8** Thinking about tenants whose circumstances change so that they start to be affected by the RSRS or cease to be, which of the following best describes how you become aware when tenants start or cease to be affected?
- We have access to the local authority HB database so we can see for ourselves
 - The local authority informs us on a case by case basis when people start or cease to be affected
 - The local authority informs us on a regular basis (at least monthly)
 - The local authority informs us but less often than monthly
 - We do not get informed by the LA reliably so rely on the tenant telling us directly
 - Other (please explain) _____
 - A mixture of the above

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- 9** Please estimate the proportion of your tenants affected by the RSRS who have received at least one face to face visit or phone call from one of your staff in about the RSRS? (Do not include those you tried but failed to contact – eg because the tenant was not in or did not answer)

	0-9%	10-19%	20-29%	30-39%	40-49%	50-59%	60-9%	70-79%	80-89%	90-99%	100%
At least one face to face visit	<input type="radio"/>										
At least one phone call	<input type="radio"/>										

- 10** How many of your tenants are affected by the Cap? (IF ANSWER = 0, PLEASE GO TO Q12)

- 11** What is the average amount of their weekly shortfall?

This section is about making alterations to your stock or reclassifying the size of properties, in response to the RSRS

- 12** Have you physically altered any of your stock to change the number of bedrooms in direct response to the RSRS (eg knocked down walls)

- Yes
- No (PLEASE GO TO Q13)
- Not yet but are planning to do so within the next 12 months
- Not known (PLEASE GO TO Q13)

- 12a** How many have you altered so far?

- 12b** How much was the average cost, per property altered?

- 12c** Please briefly explain what these alterations involve(d)?

- 12d** How many are you planning to alter within the next 12 months?

- 12e** Why did you decide to do this?

- 13** Have you reclassified the number of bedrooms in any stock in response to the RSRS? (Please do NOT include cases where you did this solely because you discovered that your records were incorrect, for instance because of adaptations that had taken place previously which reduced the actual number of rooms)

- Yes
- No (PLEASE GO TO Q14)
- Not yet, but are planning to do so within the next 12 months
- Not known (PLEASE GO TO Q14)

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13a How many properties have you reclassified in response to the RSRS?

13b And of these, how many:

Were originally classed as having 2 bedrooms

Were originally classed as having 3 bedrooms

Were originally classed as having 4 or more bedrooms

13c Please briefly explain why you decided reclassify these homes?

13d Have you lowered the rent on those properties that were reclassified as a result of reclassifying them?

- Yes, on all of them
- On some of them
- No, none of them
- Not known

13e Why/why not?

13f Which of the following best describes your approach to reclassifying?

- We reclassified all properties of a similar type, regardless of who is living in them
- We reclassified only properties occupied by tenants affected by the RSRR
- We reclassified only on request or on an individual basis
- A mixture of the above
- In some other way (please explain) _____

This section asks about the response of tenants affected by the RSRS

14 How many of your RSRS-affected tenants have registered for downsizing since 1 January 2013?(Please leave blank if not known)

Via Mutual exchange

Via the transfer list (either yours or one held by your LA)

Not registered for either

15 How many of your RSRS-affected tenants have downsized within the social sector to date?

16 How many of your RSRS-affected tenants have moved to the private rented sector to date (Please provide an estimate if possible, or leave blank if the number is not known)

16a Is this figure (for moves to the private rented sector) based on an estimate or figures that you have available?

- Estimate
- Figures

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17 Do your tenants need to ask your permission to take a lodger?

- Usually yes
- Usually no (PLEASE GO TO Q18)
- Not known (PLEASE GO TO Q18)

17a Do you have figures for the number who have applied for permission to take a lodger since 1 January 2013?

- Yes. How many? _____
- No, these figures are not available

This section is about arrears and relates to tenants affected by both the RSRS and the Cap

18 What was the total amount of arrears outstanding (from all your tenants, whether affected by any of the welfare reforms or not): * For 'Most comparable recent date',

On 31 December 2012?

On 31 March 2013?

On the most comparable recent date? (Please give the figure for as recent a date as possible that can be best compared to 31 March, bearing in mind your rent collection cycle and Housing Benefit payment dates.)

What date is this latest figure for?

19 Are you able to identify the number of your tenants affected by the RSRS or the cap who have paid all, some or none of their shortfall?(The shortfall, in this context, refers to the rental shortfall after HB and DHP have both been paid)(IF YOUR ANSWER IS NO TO THIS QUESTION, PLEASE SKIP AFTERWARDS TO Q20)

	Yes	Not precisely, but can estimate	No – we cannot attribute the source of rental shortfalls
For the RSRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For the Cap	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

19a At the current time, what proportion of your tenants who are affected by the RSRS:

Have paid all their shortfall

Have paid some but not all of their shortfall

Have paid none of their shortfall

Have paid an unknown amount of their shortfall

19b And for comparison, what proportion of your tenants currently affected by the RSRS were in arrears on 31 March 2013?

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19c Of those affected by the RSRS and in arrears:

What proportion are in arrears solely as a result of failing to pay the RSRS shortfall?

What proportion are in arrears for other reasons as well as failing to pay the RSRS shortfall?

19d At the current time, what proportion of your tenants who are affected by the Cap:

Have paid all their rental shortfall

Have paid some but not all of their rental shortfall

Have paid none of their rental shortfall

Have paid an unknown amount of their rental shortfall

19e And for comparison, what percentage of your tenants affected by the cap were in arrears on 31 March 2013?

20 Of those affected by the Cap and in arrears:

What proportion are in arrears solely as a result of failing to pay the shortfall caused by the Cap?

What proportion are in arrears for other reasons, as well as failing to pay the shortfall caused by the Cap?

21 Have you initiated any possession proceedings against any tenants in arrears solely as a result of failing to pay the shortfall resulting from:

	Yes	No	Not known
For the RSRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For the Cap	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

22 Thinking only about tenants whose arrears are due solely to either the RSRS or the Cap:(Please leave blank if not known)

	RSRS-related arrears	Cap-related arrears
How many tenants have been issued with a formal warning letter?		
How many tenants have been issued with an intention to seek possession (NOSP)?		
How many tenancies have you applied for possession for?		
And how many of these were mandatory possession applications (Ground 8)?		
How many tenants have had court cases heard?		
How many tenants have been issued with a suspended possession order		
How many tenants have been issued with a possession order (not suspended)?		
How many tenants have been evicted?		

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23 Which of the following best describes your policy towards possession proceedings on tenants who fall into arrears?

	a. We offer our usual support, but follow our usual possession proceedings if this fails to resolve the situation	b. We offer support that goes substantially above the level we'd usually offer, but will then follow possession proceedings if this fails to resolve the situation	c. We will not evict tenants who are working with us, even if this has failed to solve their problems and their arrears are still growing.	d. We will not evict certain groups of tenants (eg vulnerable, or with children) even if they repeatedly fail to pay	e. We will not evict any tenants even if they repeatedly fail to pay
RSR-related arrears	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cap-related arrears	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Arrears for other reasons	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

This section is about your tenants' experiences of applying for Discretionary Housing Payments (DHP).

24 In how many of the local authorities in which you work are you familiar enough with the policy on DHP to advise tenants affected by the RSRS or cap as to whether they might be eligible?

- All
- Most
- Around half
- A minority
- None

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25 Which of the following processes of applying for DHP apply for your tenants:

Always	Usually	Sometimes	Rarely	Never
a. The tenant applies direct to the LA and we have no involvement in the process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. We advise the tenant on whether they are likely to be eligible for DHP and provide assistance if required, but the tenant applies themselves	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. We assist tenants with filling in the DHP application, and the LA encourages us to do this. Tenants are allowed but not encouraged to apply without our assistance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Tenants must apply through us. The LA will not accept their applications without our backing.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. We have been allocated a DHP sum from the LA to decide how to allocate to our tenants ourselves	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

26 Which of the following best describes the system used most often for assessing eligibility for DHP for your tenants?

- Tenants need to be in a priority group
- Tenants need to be found to be unable to afford the shortfall
- Tenants need to be in a priority group, and ALSO to be found to be unable to afford the shortfall
- Some other system (please explain) _____
- Not known

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27 Which of the following groups are receiving priority for DHP:

Always	Usually	Sometimes	Rarely	Never	Don't know
a. Disabled people in significantly adapted properties	<input type="radio"/>				
b. Others who are sick or disabled	<input type="radio"/>				
c. Couples unable to share a room	<input type="radio"/>				
d. Foster carers who require more than one spare room	<input type="radio"/>				
e. Prospective special guardians and adopters, not yet approved so not yet eligible for an extra room	<input type="radio"/>				
f. Non-resident parents with regular overnight care of a child	<input type="radio"/>				
g. People with mental health difficulties	<input type="radio"/>				
h. Those who are engaged with the LA or RP in trying to move	<input type="radio"/>				
i. Those who are engaged in looking for work/increasing income	<input type="radio"/>				
j. Those who will soon be exempt because they will reach retirement age, or their requirements will increase (eg child will turn 10/16)	<input type="radio"/>				
k. Anyone whose income is inadequate to afford the shortfall	<input type="radio"/>				
m. Households affected by the household benefit cap with children at a critical point in their education	<input type="radio"/>				
n. Households affected by the cap which include vulnerable people dependent on local services or support networks	<input type="radio"/>				
o. Households affected by the cap in local authority temporary accommodation	<input type="radio"/>				
p. People affected by the cap who are unable to move somewhere cheaper	<input type="radio"/>				
l. Other groups affected by the RSRs (please give details)	<input type="radio"/>				

28 Do you have any other comments about DHP?

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This section is about allocations

29 Do you have your own allocations policy covering at least some of your stock?

- a. Yes
- b. No – all allocations are made via LA-wide policy/policies/via a common housing register and we do not design the allocations policy (PLEASE GO TO Q30)

29a Have you altered your allocations policy to increase the priority given to downsizers in response to the RSRS?

- a. Yes, for all potential downsizers
- b. Yes, just for those affected by the RSRS
- c. No – they were already Band A (or equivalent if using points system)
- d. No – they were, and still are, Band B (or equivalent if using points system) or below

29b Have you altered the way in which you determine the size of home an applicant needs so that your criteria match the DWP's size criteria used in determining who is under-occupying for the purposes of the RSRS?

- a. Yes
- b. No – we are more generous in the size of home we allow than the DWP's size criteria
- c. No – we were already allocating in line with the DWP's criteria
- d. No – we were already allocating more strictly than the DWP's criteria
- e. Not known

30 Which of the following groups would you consider for properties that are technically larger than the DWP's size criteria?

- All applicants, including those affected by the RSRS All applicants, including those affected by the RSRS, after having ensured they are aware of the implications of the RSRS and believe they can afford the shortfall
- Applicants affected by the RSRS who we consider can afford the shortfall
- People affected by the RSRS in the short term but anticipating a change in family circumstances (eg baby being born) which will cause them to cease to be affected
- Pensioners
- Working age people who are working and not currently claiming Housing Benefit
- None of the above

31 Do you allow tenants affected by the RSRS and with arrears to downsize?

- Usually yes
- Yes if they are below a certain level and/or the tenant is trying to pay them off
- Usually no
- Not known

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32 Is there a financial incentive available to your tenants who wish to downsize?

- Yes
- Yes in specific circumstances (please explain) _____
- No
- Not known

33 How much would downsizers typically be offered?

34 Will you let properties to households affected by the Household Benefit Cap, who would be unable to claim the full HB because of the Cap?

- a. Yes
- b. Yes, if they are confident they can afford the rent
- c. Yes, if they and we are confident they can afford the rent
- d. In certain circumstances (please explain) _____
- e. No
- f. Don't know
- g. This hasn't arisen/no capped households have applied

This section is about difficulties letting properties

35 Have you experienced any difficulties in letting properties as a result of the RSRS or the Cap?

- Yes
- No (PLEASE GO TO Q36)
- Not known (PLEASE GO TO Q36)

35a Which types of properties have proved harder to let?

- Homes with 5 or more bedrooms
- 4 bedroom homes
- 3 bedroom houses
- 3 bedroom flats
- 2 bedroom houses
- 2 bedroom flats
- 1 bedroom homes

35b How many properties were void on 31 March 2013?

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35c And how many were void on the most recent comparable date, for which data is available? (Please choose a comparable date, taking into account your letting cycle – eg the same day of the week/month)

35d What date is this for?

This last section is about development plans

36 As a landlord, are you involved in developing new housing?

- Yes
- No/Not currently (PLEASE GO TO Q37)

36a Have you altered your development plans in response to the RSRS or the cap and their consequences in order to build:

	Building fewer	No change	Building more
1 bedroom properties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2 bedroom houses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2 bedroom flats	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3 bedroom houses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3 bedroom flats	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4 bedroom properties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5 or more bedroom properties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

37 Do you have any other comments about the operation of the RSRS or the Cap and their impact on your organisation or your tenants?

Appendix D

Topic guides for case study work and lender interviews

A.1 Topic guide for local authority case study interviews

1 Staff training and preparedness

- a. Overall responsibilities
- b. Budget for implementation
- c. Support from DWP/DCLG

2 Implementation of the RSRS

- a. Communication with tenants
- b. Altering the profile of your stock
- c. Supporting affected tenants
- d. Dealing with arrears
- e. Discretionary housing payments – supporting applications for

3 Allocations, downsizing and joint working arrangements with LA and other HAs

- a. Relations with HAs and other LAs, including nominations
- b. Allocations policy – reforms to in response to RSRS
- c. Policy around downsizing
- d. Potential impact of RSRS on overcrowding

A.2 Topic guide for case study voluntary organisations, advice and support services

For all organisations

- 1 Nature of organisation and relationship with RSRS or Cap-affected claimants
- 2 Impact of RSRS and Cap on demand for services
- 3 Relationships with local landlords and local authorities to co-ordinate support
- 4 Any unexpected consequences of the RSRS or Cap

For specific agencies

Social services

- 1 Process of identifying foster carers who require an extra room
- 2 Any issues with foster carer retention or recruitment resulting from the RSRS
- 3 Impact of RSRS and Cap on clients

CAB/local advice agencies

- 1 Numbers of enquiries relating to RSRS or Cap
- 2 DHP – who is assisted and who should be?

Solicitor/legal advice service

- 1 Contact with those affected by RSRS or Cap
- 2 Treatment of affected claimants in court

A.3 Topic guide for lender interviews

- 1 Exposure of business to the impact of welfare reform
- 2 Which elements of welfare reform of most concern
- 3 Relationship with landlords
- 4 Possibility of loan default
- 5 Specific concerns around the RSRS
- 6 Specific concerns around the Cap
- 7 Impact of welfare reforms on financing new development

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