



Local Authority Insight Survey – Wave 24

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The Local Authority Insight Survey is conducted every six months among managers with responsibility for the administration of Housing Benefit (HB) and Council Tax Benefit (CTB). It aims to provide the Department for Work and Pensions (DWP) with a regular means of finding out how local authorities (LAs) organise their benefit administration and their views on the implications of current and future policy.

This summary presents the findings of key sections of Wave 24 of the survey, which was conducted between the 22 October and 14 December 2012. More detailed findings from these and other sections are given in the full report, which is available free of charge on the DWP website.

Wave 24 of the survey covered the following areas:

- Discretionary Housing Payments (DHP).
- HB advice since the new regulations in April 2011.
- Impact of the Local Housing Allowance (LHA) changes on homelessness and the movement of private rented sector (PRS) claimants.
- Arrears and safeguards.
- Risk Based Verification (RBV).
- Removal of the spare room subsidy and introduction of the benefit cap.
- Supported 'exempt' accommodation.

DHPs

The most frequent use of DHPs was where the rent could not be met in full, either due to the LHA rate or the rent officers' determination¹ (97 per cent). Nine in ten LAs also said that they awarded DHPs to assist under-35s on a temporary basis to give them time to move home. This highlights a clear change in priority to single people aged 25–34 (75 per cent said they were more likely to have awarded them to this group since the new regulations). The proportion of LAs saying that they awarded DHPs because the tenant was in rent arrears has increased since the previous wave of the survey (52 per cent compared with just one per cent in 2011), as did the proportion of LAs that said they awarded DHPs to provide rent in advance/rent deposit (45 per cent compared with 28 per cent in 2011).

LAs indicated that, on average, approximately 41 per cent of all DHPs were awarded when rent could not be met in full because of the LHA rate or rent officer determination, 16 per cent were awarded to provide assistance to people aged under 35 and a further 10 per cent when there had been a change in family circumstances.

Almost half of LAs (48 per cent) said that the number of DHPs awarded for short periods of three months or less had increased since

¹ Rent officers determine the LHA rates that apply across Great Britain.

transitional protection (TP) began to end² and over half (55 per cent) of LAs said that the number of DHPs awarded for periods of more than three months since TP began to end had increased. More than a third (36 per cent) of LAs said they were more likely to award DHPs to existing³ tenants compared with 17 per cent at the previous Wave. Finally, two thirds (66 per cent) of LAs said that they expected to spend/commit to their full 'additional' DHP allocation in the financial year.

Housing Benefit advice

Almost all LAs (94 per cent) said that the need for HB advice had increased since the new regulations in April 2011, representing a significant increase on last year's findings of 57 per cent. Nearly two in three LAs (63 per cent) said that they had been able to offer the same level of service. However, 31 per cent said that they have had to cut back some of their services and this represents a significant increase from 24 per cent in 2011.

The proportion of LAs supporting tenants in rent negotiation also increased from 49 per cent in 2011 to 65 per cent in 2012. LAs said that an average of 18 per cent of tenants had been supported in rent negotiations and an average of 25 per cent of rent negotiations had been successful.⁴

Impact of the LHA changes on homelessness and the movement of PRS claimants⁵

Half of LAs surveyed said that the April 2011 regulations had caused landlords to leave the HB sub-market in their area; a significantly higher number than last year (27 per cent). When this group were asked roughly what proportion had withdrawn, they said that, on average, 20 per cent of landlords had left the HB sub-market.

Thirty per cent of LAs, however, had seen an increase in the number of landlords letting properties as shared housing/houses in multiple occupation that were previously let to families or as self-contained accommodation, which is significantly higher than in 2011 (eight per cent). Sixty-six per cent believed that this had led to an increase demand of council services, and 38 per cent said that they perceived that their area had become more transient or that there had been increased neighbourhood problems and anti-social behaviour as a consequence of this change in letting strategy.

More than half of LAs (57 per cent) thought that there had been an increase in homelessness among PRS tenants since the new regulations (in comparison to 42 per cent in 2011).⁶ When this group of LAs were asked what they perceived to be the three main reasons for homelessness for PRS claimants, 60 per cent mentioned loss of accommodation due to rent arrears and relationship breakdown (also 60 per cent).

² Following the changes to LHA from April 2011, a period of transitional protection was introduced to give existing claimants time to look for alternative accommodation or adjust to their revised award of HB.

³ That is, those who had been tenants prior to April 2011 and were not affected by the change in LHA regulations.

⁴ However, around half of LAs were unable to answer this question.

⁵ It is important to note that LAs were told to answer questions in this section based on their general perception if they did not keep records of the information required. The result of this is that some findings may be based on anecdotal evidence.

⁶ It is important to note that although there had been a perceived increase in homelessness since the new regulations this is not necessarily as a result of them.

A third of LAs (33 per cent) have noticed an increase in the number of claimants moving into their area compared with just 21 per cent that said this last year. Over half of LAs that had seen an increase (55 per cent) said the incoming claimants had come from neighbouring LA areas, while around three in ten mentioned Greater London areas or the same region (nearby LA but not neighbouring). The main types of household moving into LAs' areas were families with dependent children (27 per cent) and single people (25 per cent).

Over half of LAs (54 per cent) said that there had been no change in the number of claimants moving out of their area to find cheaper accommodation. However, 20 per cent had seen an increase, which is significantly higher than last year (four per cent).⁷ The main types of household moving out of the LA area were families with dependent children (33 per cent), single people aged 25–34 (29 per cent), and single people under 25 (26 per cent).

Almost half of LAs (47 per cent) noted an increase in the proportion of claimants moving within the LA area to find cheaper accommodation which is a significant increase on last year (25 per cent in 2011).⁸ Nearly half of LAs (49 per cent) said that single people aged 25–34 had moved within their LA area to find cheaper accommodation; 41 per cent also mentioned families with children, 31 per cent mentioned single people and 29 per cent lone parents. Overall, LAs said that, on average, 31 per cent that had moved within their area were single people aged 25–34, and 18 per cent were families with dependent children.

Nearly two in five LAs (39 per cent) said that there had been no change in the number of claimants moving to smaller properties or downsizing. However, 35 per cent said that there had been an increase, representing a significant change from last year (15 per cent).

Arrears and safeguards

Sixty-seven per cent of LA observed an increase in the number of requests for direct payments by landlords on the grounds of arrears (an increase of seven per cent from last year). Among the 140 LAs that had seen an increase in such requests, 80 per cent said they were more likely to approve these requests following the change to regulations in April 2011.

There has also been an increase in the number of LAs that had observed an increase in requests for direct payment on grounds of claimants being unlikely to pay (47 per cent in 2011 and 52 per cent in 2012). Among the LAs that said they had observed an increase in requests of this nature, 79 per cent said that they were more likely to approve these requests subsequent to the changes to regulations in April 2011.

The majority (87 per cent) of LAs have made use of the safeguard⁹, an increase of 11 per cent on the previous year's findings.

Risk Based Verification

At the time of the survey, 81 per cent of LAs were not applying RBV. Of the group of 30 LAs that were applying RBV, 83 per cent were recorded as stating they were satisfied on this measure, 53 per cent said that they thought RBV had been effective in reducing fraud and error, and the same proportion (53 per cent) said RBV had been effective in improving processing times.

⁷ It should be pointed out that the words 'in order to find cheaper accommodation' were added at 2012.

⁸ *ibid.*

⁹ This allows LHA to be paid direct to the landlord in order to help claimants secure or maintain a tenancy provided the landlord reduces the rent.

Removal of the spare room subsidy and introduction of the benefit cap

At the time that the survey was conducted, 44 per cent of LAs said they were finding the process of identifying cases affected by the removal of the spare room subsidy difficult (in contrast to 32 per cent that found it easy); difficulty obtaining the required information and lack of resources to carry out the extra tasks were cited as reasons behind this difficulty.

A wide range of work was being done by LAs to alert current claimants to the removal of the spare room subsidy, including: sending letters to claimants (86 per cent); putting information on websites (79 per cent); and alerting current claimants through stakeholders (77 per cent). A similarly wide range of work was also being done to alert current claimants about the forthcoming benefit cap, including: putting information about it on their websites (67 per cent); alerting current claimants through stakeholders (64 per cent); and sending letters direct to claimants (56 per cent).

The vast majority (84 per cent) of LAs said that they were reviewing their DHP allocation in anticipation of the removal of the spare room subsidy. Twenty per cent of LAs had already reviewed their DHP allocation criteria in anticipation of the benefit cap, and a further 60 per cent said that they intended to review it.

Almost all (96 per cent) LAs found the circulars regarding the Removal of the spare room subsidy helpful, and a similar proportion (91 per cent) found the circulars for the benefit cap helpful. Exactly half of LAs said they either definitely need more support to implement the removal of the spare room subsidy

(15 per cent), or that more support would be useful even if it is not essential (35 per cent). Slightly more than half (53 per cent) of LAs said they either definitely needed more support or that more support would be useful even if it is not essential to help implement the benefit cap.

Supported 'exempt' accommodation

The average number of cases in supported housing that met the definition of 'exempt accommodation'¹⁰ across all LAs interviewed was 385. Where the landlord was a registered charity or voluntary organisation, the average number of cases of this kind across all LAs was 124.

Approximately two in five (42 per cent) of LAs said none of the HB cases in supported 'exempt' accommodation were referred to a rent officer; the most common reason given by LAs for not referring them (selected by 77 per cent) was that the LA judged the rent reasonable compared to social sector rents for similar accommodation.

LAs were asked to state the average weekly amount of eligible rent, including eligible service charges, used for their caseload in supported 'exempt' accommodation. Approximately two in five (41 per cent) of LAs could not provide an answer to this question, despite the question stating that estimates were acceptable. The averages, where LAs were able to provide an answer (123 LAs in total answered with amounts), were recorded in greatest concentrations in the range between £101 and £200. Responses to the same question, but applied to situations where a registered charity or voluntary organisation were the landlord, were recorded in the greatest concentrations in the range between £151 and £200.

¹⁰ Where the landlord was a county council or housing association.

About the survey

One manager from each LA in England, Scotland and Wales was invited to take part in Wave 24 of the survey. Each received an advance letter that included a copy of the questionnaire, so that they could, if necessary, consult other managers.

A total of 211 LAs participated in the survey and this includes some LAs that did not complete every section of the questionnaire. Overall, 169 filled in the questionnaire on the web, 35 on paper and seven on the telephone, between 22 October and 14 December 2012.

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The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 909532 49 6. Research Report 847. July 2013).

You can download the full report free from: <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

Other report summaries in the research series are also available from the website above.

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