

2 Housing Benefit advice since the new regulations in April 2011

2.1 Introduction and summary

The changes to Housing Benefit (HB) announced in the June 2010 Budget and the Comprehensive Spending Review of 2010 included: changing the basis for setting Local Housing Allowance (LHA) rates from the median (50th percentile) to the 30th percentile of local market rents; capping LHA rates by property size (£250 per week for one bed; £290 per week for two bed; £340 for three bed; £400 for four bed or more – thereby scrapping the five bed rate); uprating HB rates annually from April 2013 at the 30th percentile of market rents, or, if lower, the September 2012 Consumer Price Index (CPI) rate. These changes applied to new claimants from April 2011, however, existing claimants were given a transition period and would only come under the new regulations between January and December 2012, on the anniversary of their claim. A non-dependent deduction to HB and Council Tax Benefit (CTB) was also implemented in stages from April 2011 onwards.

Two further measures were announced in October 2010. The first of these measures involved raising the age at which the Shared Accommodation Rate (SAR) (formerly the Single Room Rate (SRR)) applied from 25 to 35. This was introduced in **January 2012**. For existing claimants, it will apply on their next review after January 2012 or, if they are covered by the transitional protection period, when this period ends. The second measure concerned capping household benefits at £500 per week, to be introduced in four London Boroughs from **April 2013**, and more widely from autumn 2013.

This section of the survey aimed to assess whether or not the new regulations have had an effect on the work done by Housing Benefit Advisers within local authorities (LAs). It should, however, be stressed that at the time of the survey, which was conducted between October and December 2011, only new claimants had been affected by the changes. These are, therefore, only early indications and a number of LAs regarded it as too early to answer some questions. This is reflected in the findings below.

The key findings based on all LAs answering are summarised in this section. These are followed by the main findings, which include charts plus commentary highlighting the key sub-group differences.

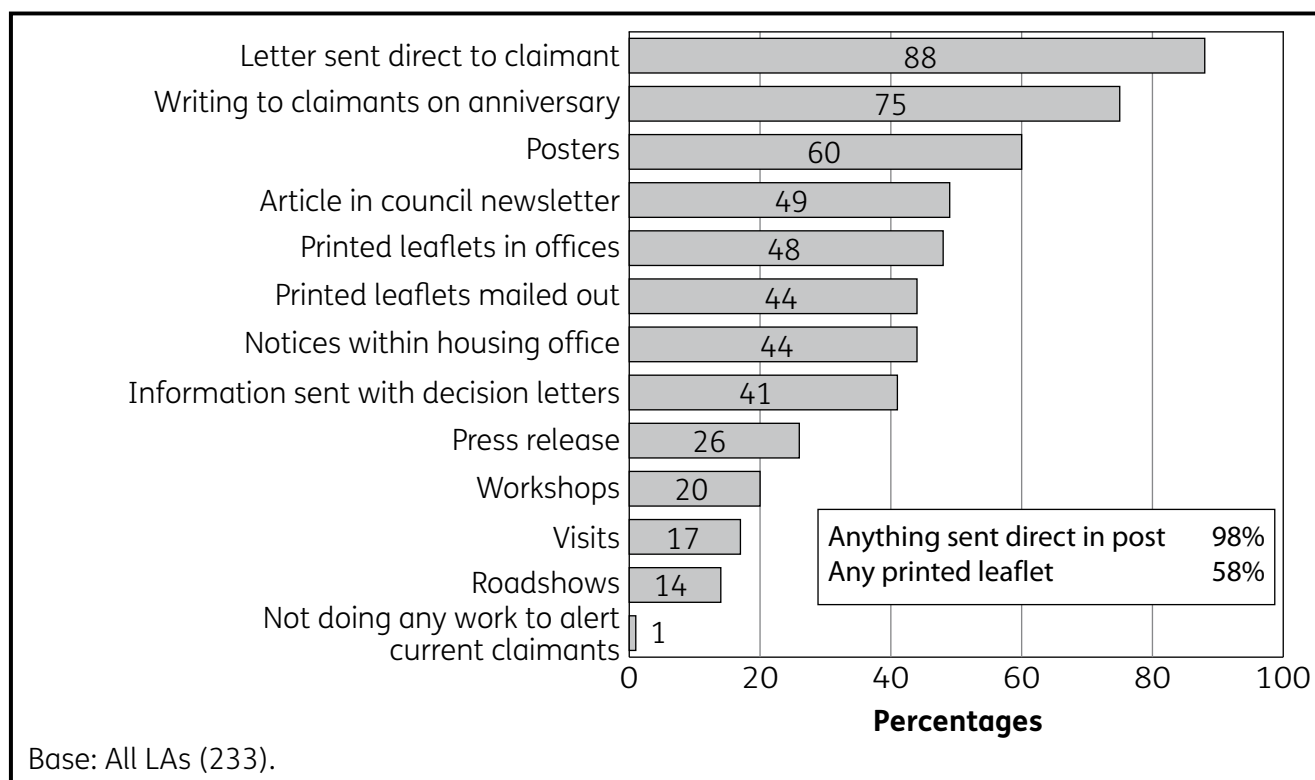
- Just two LAs said that they had not been doing any work to inform current claimants of the upcoming changes to LHA – one London Borough and one English unitary. Nearly all LAs (98 per cent) have alerted claimants by post, with 88 per cent having sent a letter out to claimants specifically about the changes. In addition to sending information in the post, 60 per cent of LAs had put up posters about the changes and around half had placed an article in the council newsletter (49 per cent) or made printed leaflets available in council offices (48 per cent). Forty-four per cent had notices within housing offices, while around a quarter (26 per cent) had issued a press release and one in five had held workshops.

- When respondents were asked whether or not they think there had been a change in the overall level of need for advice by claimants from the LAs' HB Advisers, over half of LAs (57 per cent) said that they had noticed an increase, while 22 per cent thought there had been no change and 17 per cent said that it was too early to say.
- The findings changed very little when LAs were asked about change in the level of need for advice from **LHA tenants** (60 per cent said that the need for advice by LHA tenants had increased).
- However, when asked about the level of need for advice from HB Advisers by LHA **tenants from outside the LA area** just one in six (16 per cent) had noticed an increase.
- Almost half of LAs (49 per cent) said that they had noticed an increase in the demand for LAs to be involved in negotiations with landlords and LHA tenants over rent amounts, while a third (33 per cent) said demand had stayed the same.
- Finally, in this section on HB Advisers, we asked if LAs had noticed any change in the level of service offered by HB Advisers, for example, in terms of claim times and processing. Nearly two in three LAs (64 per cent) said that they had been able to offer the same level of service, however, 24 per cent of LAs said that they have had to cut back some of their services.

2.2 Main findings

The following details the main findings and includes charts for all questions plus commentary highlighting the key sub-group differences.

Figure 2.1 What work, if any, is your LA doing to alert current claimants of the upcoming changes to LHA?



Looking firstly at the types of work that LAs had been doing to inform current claimants of the upcoming changes to LHA. Just two LAs (one per cent of those responding) said they had not been doing any work of this nature – one London Borough and one English unitary.

Nearly all LAs (98 per cent) had alerted claimants by post. Eighty-eight per cent had sent a letter out to claimants specifically about the changes, while three-quarters (75 per cent) had written to claimants about the changes on the anniversary of their claim. A further 44 per cent of LAs had mailed-out a printed leaflet about the changes and 41 per cent had sent information with a decision letter.

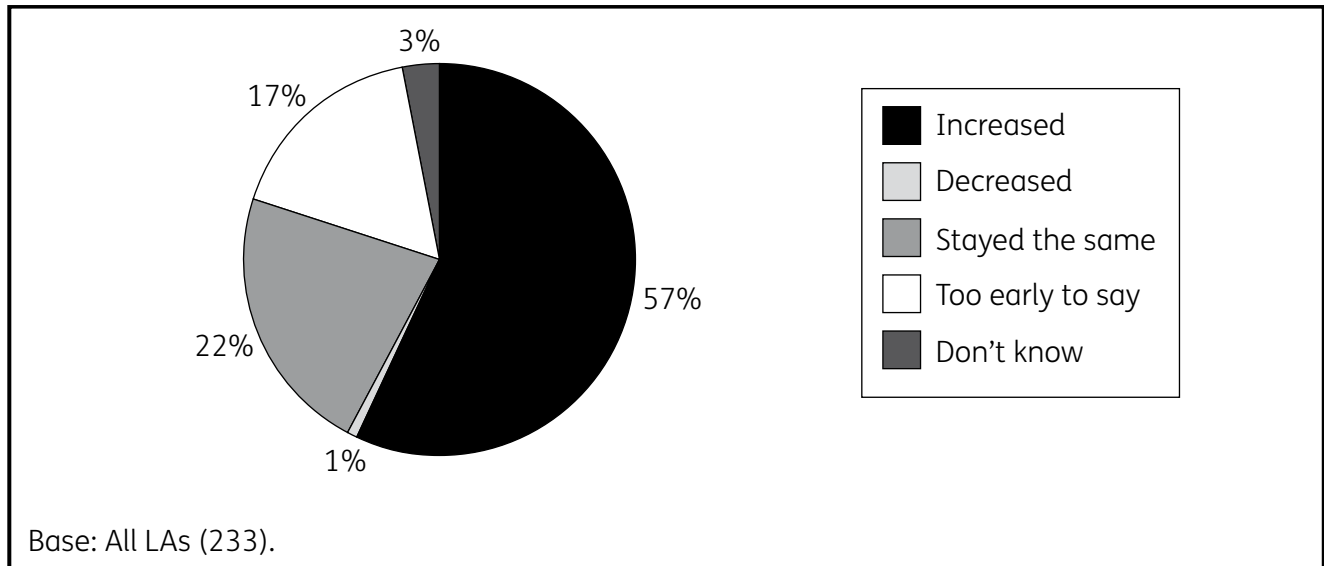
In addition to sending information in the post, 60 per cent of LAs had put up posters about the changes and around half have had an article in the council newsletter (49 per cent) or made printed leaflets available in council offices (48 per cent). Forty-four per cent had notices within housing offices, while around a quarter (26 per cent) had issued a press release and one in five had held workshops.

Fewer had made personal visits (17 per cent) or undertaken roadshows (14 per cent). It is interesting that a significantly higher percentage of London Boroughs held workshops (50 per cent), while LAs with a high and medium caseload were more likely than those with a low caseload to have held workshops, made personal visits and have held roadshows.

As well as the ways of informing claimants that are mentioned in Figure 2.1, one in eight (12 per cent) said that they had put information on their website. Fewer mentioned the following:

- Local radio – 6 per cent
- Telephone advice line – 4 per cent
- Landlord forum – 4 per cent
- Letter/email/contact with landlords – 4 per cent
- Contacted under 35s – 3 per cent
- Worked closely with housing groups – 3 per cent
- Events/presentations to landlords/claimants – 2 per cent
- Employed Housing Liaison Officer – 2 per cent
- Texts – 1 per cent
- Article in landlord newsletter – 1 per cent
- Invitation to come to LA offices – 1 per cent
- Other – 3 per cent

Figure 2.2 Would you say that since the new regulations in April 2011 the overall level of need for advice from your LA's HB Advisers has increased, decreased or stayed the same?

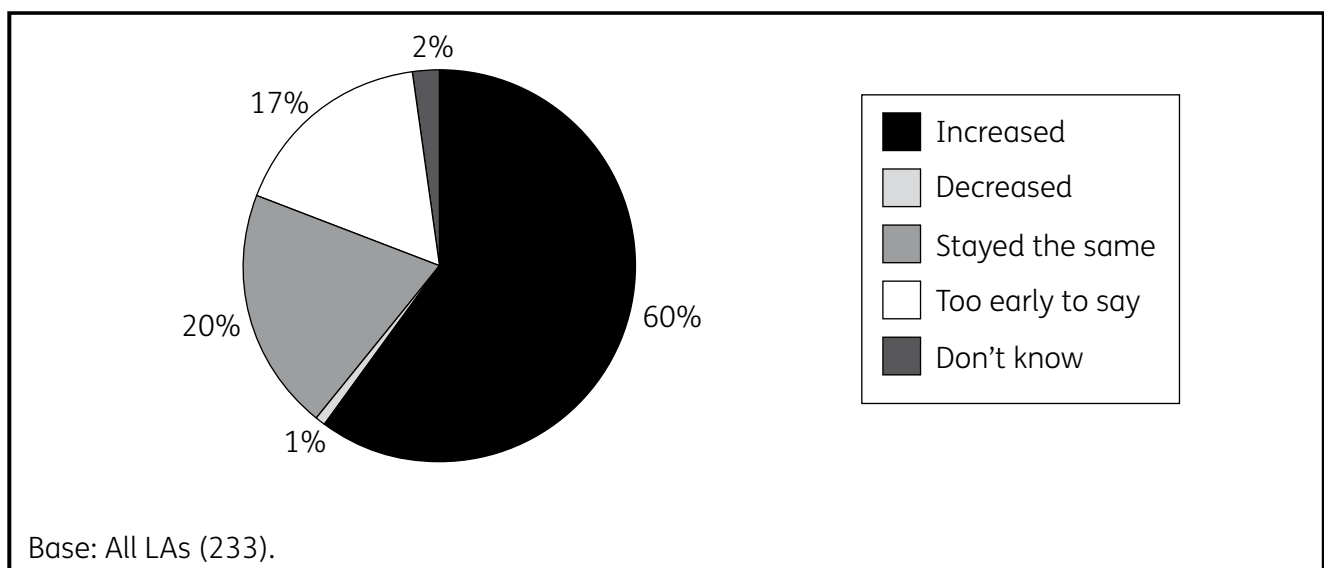


Respondents were asked whether or not they think there had been a change in the overall level of need for advice from the LAs' HB Advisers since the new regulations in April 2011.

Over half of LAs (57 per cent) said that they had noticed an increase, while 22 per cent thought there had been no change and 17 per cent said that it was too early to say. Just two LAs thought there had been a decrease.

There were no significant differences by sub-group.

Figure 2.3 Would you say that since the new regulations in April 2011 the level of need by LHA tenants for advice from your LA's HB Advisers has increased, decreased or stayed the same?



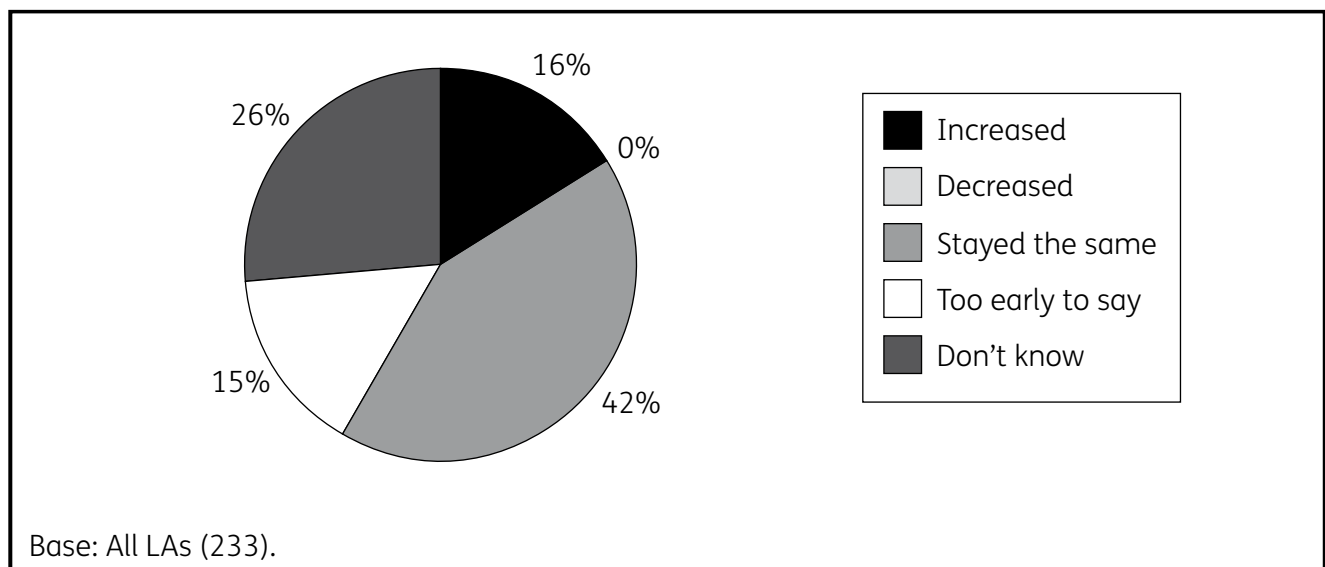
Local authorities were also asked the same question, but this time specifically about LHA tenants. The findings were very similar to those for all claimants.

Three in five LAs (60 per cent) said that the need for advice by LHA tenants had increased compared with 57 per cent for all claimants. This is not a substantial difference, suggesting that LHA tenants are no more likely than other claimants to have required housing advice from the LA since the new regulations.

Other findings were virtually the same also. One in five (20 per cent) said there had been no change and 17 per cent thought it was too early to say.

Again, the findings are very similar across all sub-groups.

Figure 2.4 Would you say that since the new regulations in April 2011 the level of need by LHA tenants from outside your LA for advice from your LA’s HB Advisers has increased, decreased or stayed the same?

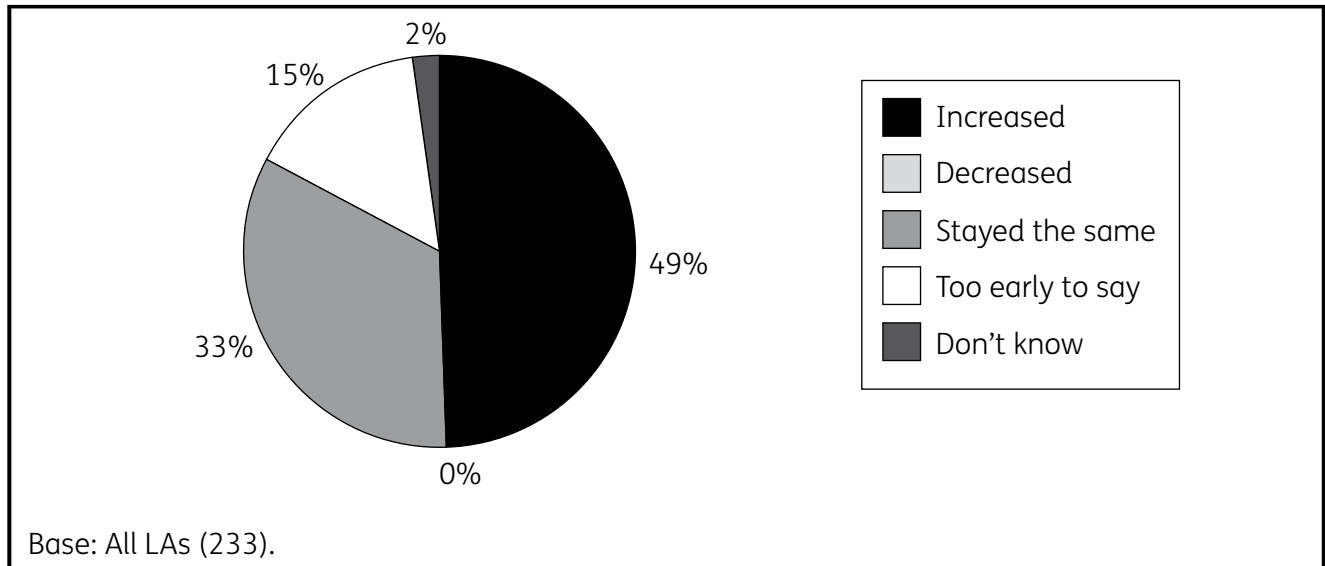


Next, the survey looked at any change in the level of need for advice from HB Advisers by LHA tenants from outside the LA area. It is important to note that LAs were told to answer this question based on their general perception if they did not keep records of the information required.

Just one in six (16 per cent) had noticed an increase, with this increasing to 26 per cent among LAs with a low caseload and 32 per cent among LAs in the South East of England. Forty-two per cent said the level of need had stayed the same and 15 per cent said it was too early to say.

One in four LAs (26 per cent) said that they did not know.

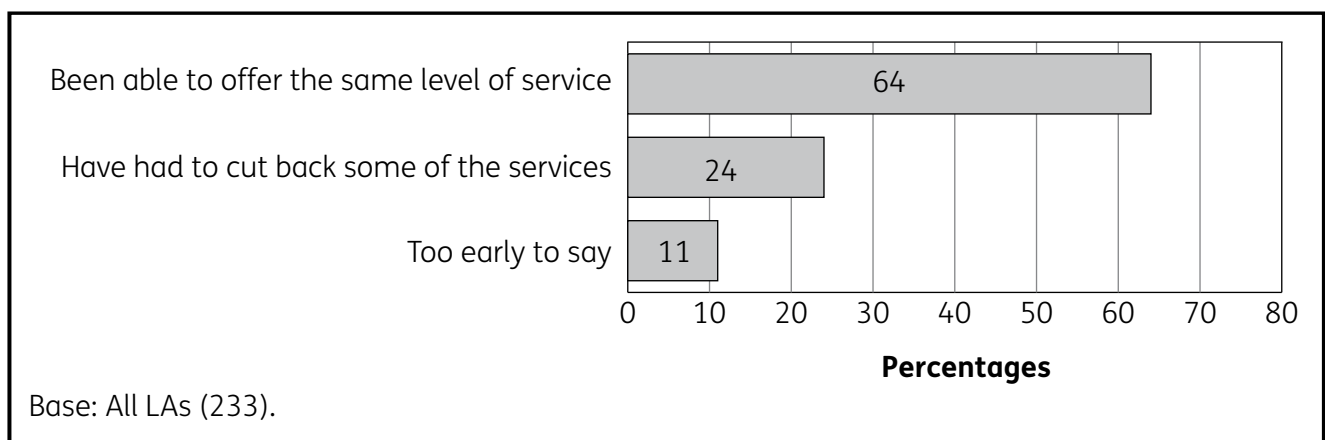
Figure 2.5 Would you say that since the new regulations in April 2011 the demand for your LA to be involved in negotiations with landlords and LHA tenants over rent amounts has increased, decreased or stayed the same?



Almost half of LAs (49 per cent) had noticed an increase in the demand for LAs to be involved in negotiations with landlords and LHA tenants over rent amounts, while a third (33 per cent) said demand had stayed the same. Authorities in the West Midlands, the South East and London were most likely to have seen an increase (67 per cent, 61 per cent and 63 per cent respectively)

Fifteen per cent thought it was too early to say.

Figure 2.6 In general, would you say that since the new regulations in April 2011 your LA's HB Advisers have been able to offer the same level of service (i.e. claim times, processing etc.) to tenants or have they had to cut back any of their services?



Finally, in this section on HB Advisers, we asked if LAs had noticed any change in the level of service offered by HB Advisers, for example in terms of claim times and processing.

Nearly two in three LAs (64 per cent) said that they had been able to offer the same level of service. Interestingly, contracted out LAs were more likely than other LAs to have said that they had been able to maintain the same level of service (79 per cent versus 62 per cent). Similarly, LAs with a medium caseload were more likely to have said that they had kept the same level of service than low and high caseload LAs (77 per cent, 61 per cent and 56 per cent respectively).

On the other hand, 24 per cent of LAs said that they have had to cut back some of their services, while 11 per cent thought it was too early to say.