

Work and Pensions Select Committee inquiry: Impact of the changes to Housing Benefit announced in the June 2010 Budget

Analytical supplement

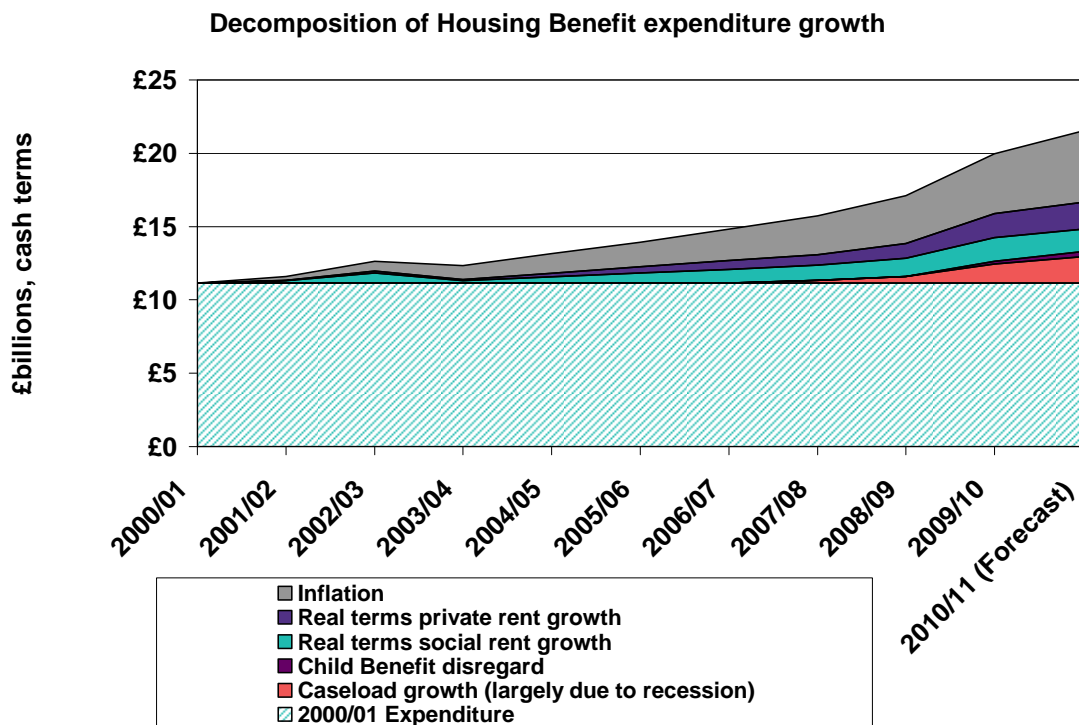
Oral evidence session – 3 November 2010

Contents

1.	Rising Housing Benefit costs	3
2.	Market context	8
3.	Impacts.....	16
4.	Rents, shortfalls and affordability	21
5.	Overcrowding and under-occupation	25
6.	Low income working households.....	27
7.	Schools	28
8.	Population movements.....	31
9.	Labour market	32
10.	LHA rates in London.....	35

1. Rising Housing Benefit costs

Chart: Growth in Housing Benefit expenditure over the last 10 years



Source : DWP analysis of financial and statistical data from Local Authorities

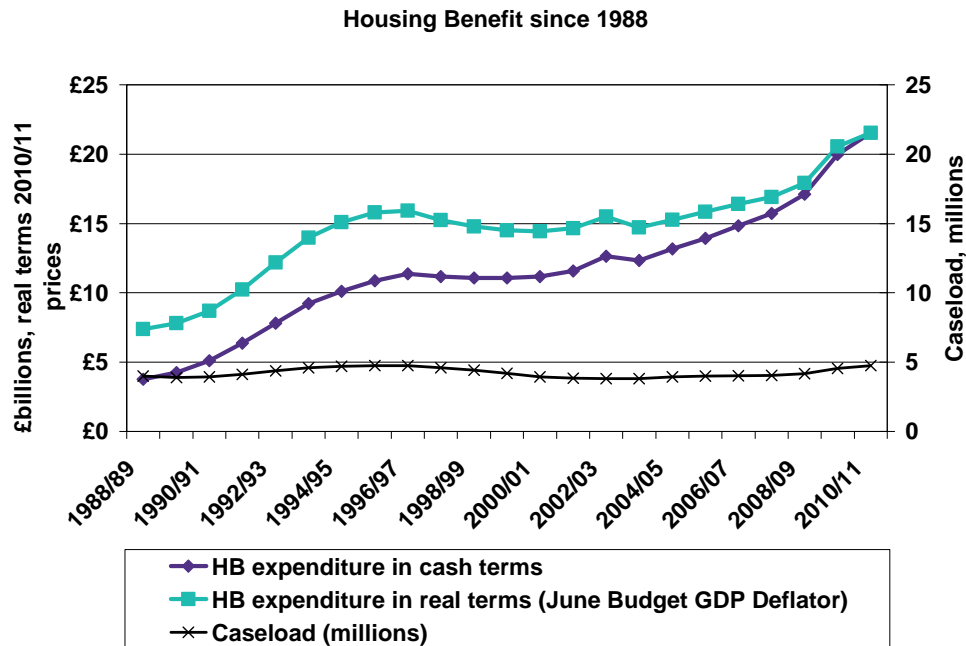
This illustrates the rise from £11bn in 2000/01 to an expected £21.5bn this year in cash terms. The decomposition firstly strips out inflation, to show growth in real terms. We then account for real terms growth in social and private rents, the recent impact of the Child Benefit disregard and recent growth in the caseload, although as rents have risen, high rents are also a factor in the extra costs of increased caseloads.

The table below gives the data underlying the chart above, in £billions, cash terms.

£bn, cash terms	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2000/01 baseline	11	11	11	11	11	11	11	11	11	11	11
Inflation	0	0	1	1	1	2	2	3	3	4	5
Real terms social rent growth	0	0	1	0	0	1	1	1	1	2	2
Real terms private rent growth	0	0	0	0	0	0	1	1	1	2	2
Caseload growth	0	0	0	0	0	0	0	0	0	1	2
Child Benefit disregard	0	0	0	0	0	0	0	0	0	0.2	0.4
Total Housing Benefit expenditure	11	12	13	12	13	14	15	16	17	20	22

Chart : Housing Benefit caseload and expenditure since 1988

This chart shows trends in the Housing Benefit caseload and expenditure in both cash and real terms since 1988.



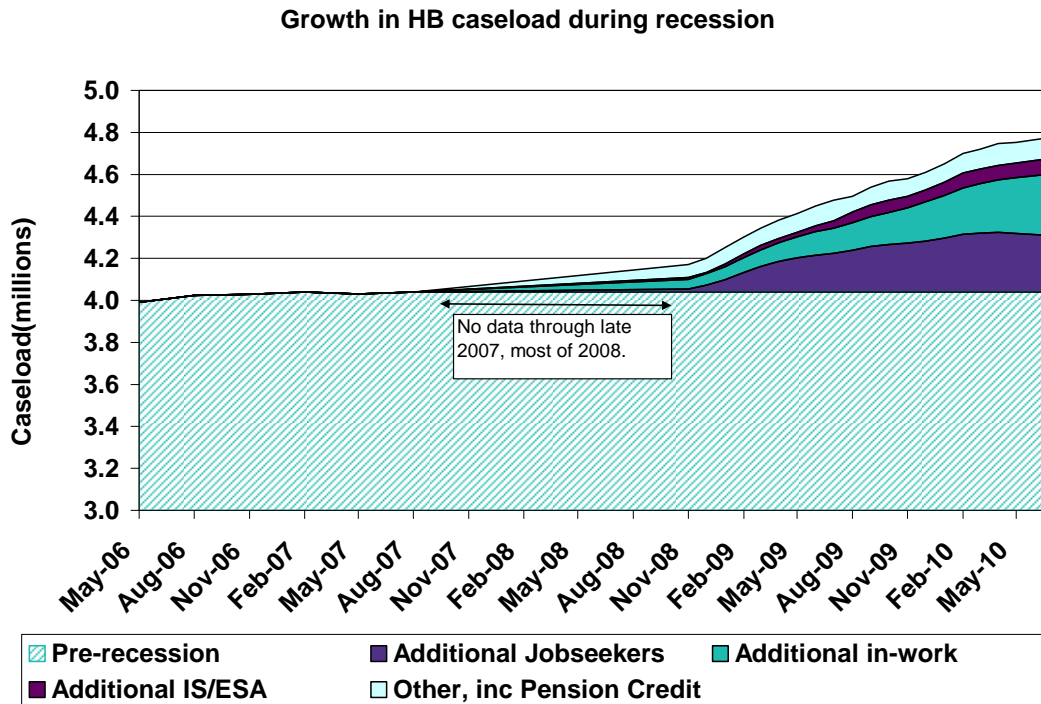
Source : Financial and statistical data from Local Authorities

Pre-recession compared to today's costs

- Compared to 2007/08, expenditure is expected to be £6bn (35%) higher this year in cash terms (£5bn / 25% in real terms).
- Caseload is now 700,000 higher than before the recession, adding over £2 billion to Housing Benefit expenditure. This is more than the caseload effect in the previous 10 year chart, as over the ten year period used above, a lot more of the current award is attributed to inflation.

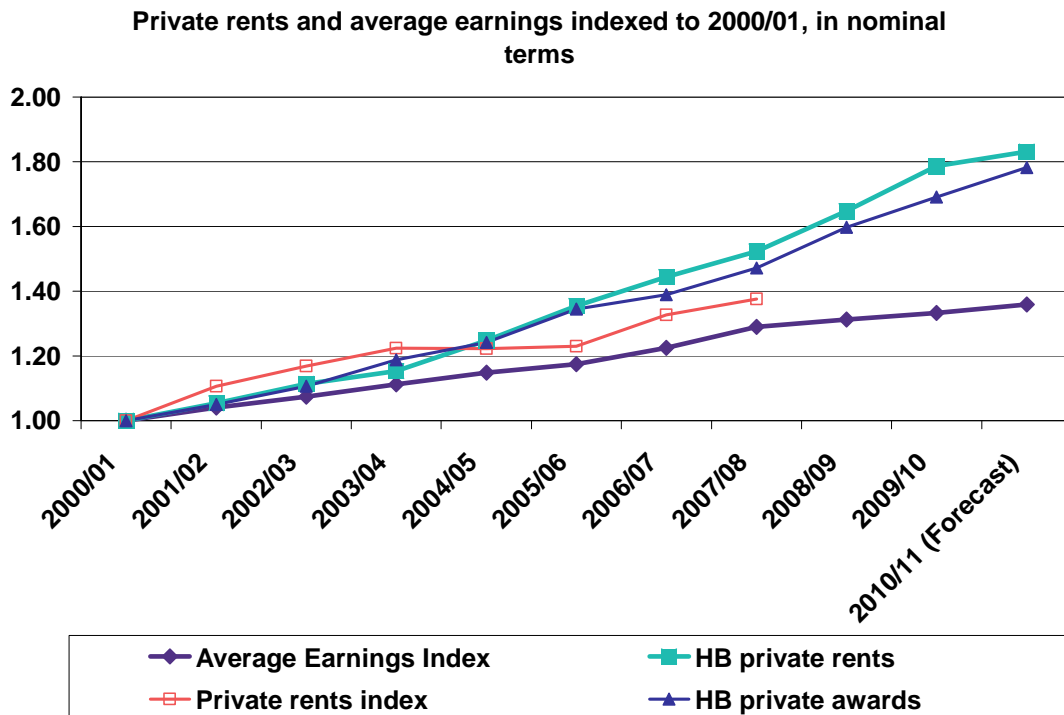
Decomposition of rise in caseload

This chart shows a breakdown of the sharp rise in Housing Benefit caseload over the last two years.



Source: Single Housing Benefit Extract

Private sector rents



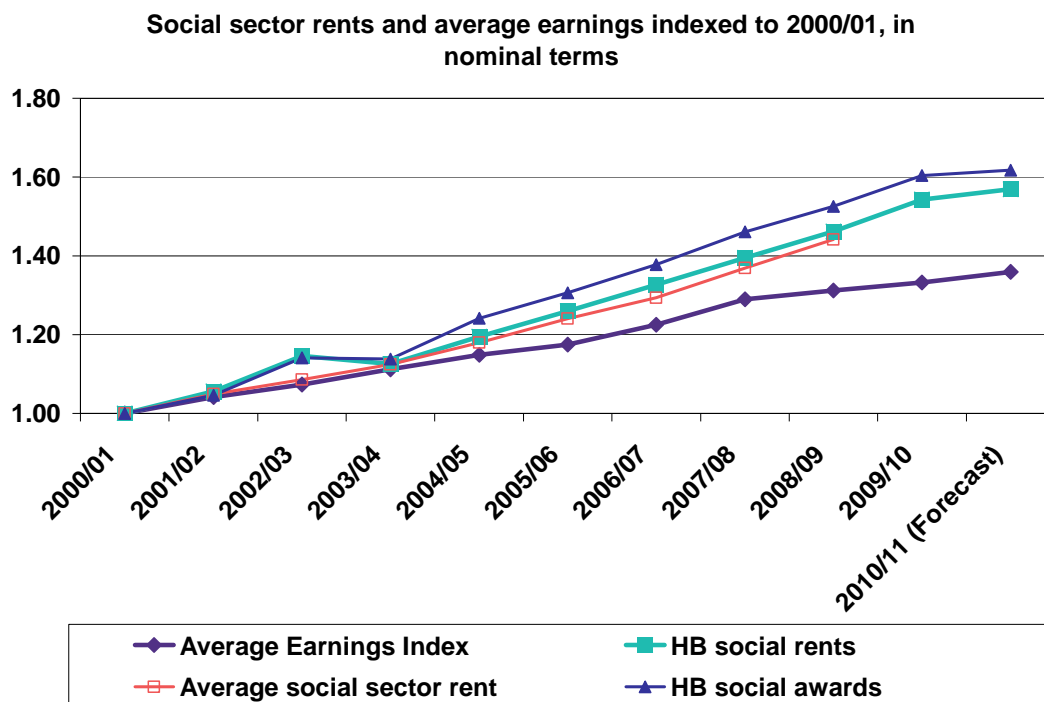
Sources : Average Earnings Index, Local Authority statistical data.
 Index of private rent growth derived from the Survey of English Housing:
<http://www.communities.gov.uk/documents/housing/xls/141464.xls>

Tabulation of indices from chart above; all in nominal terms.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Average Earnings Index	1	1.04	1.07	1.11	1.15	1.18	1.23	1.29	1.31	1.33	1.36
Private Rents Index	1	1.10	1.15	1.20	1.20	1.25	1.35	1.40			
HB private eligible rents	1	1.05	1.10	1.15	1.25	1.35	1.45	1.50	1.65	1.80	1.85
HB private awards	1	1.05	1.10	1.20	1.25	1.35	1.40	1.45	1.60	1.70	1.80

In real terms, the increase in average private rents in England between 2000 and 2007 was 15%. Over the same period the average HB private eligible rent went up by around 25% in real terms.

Social rented sector rents

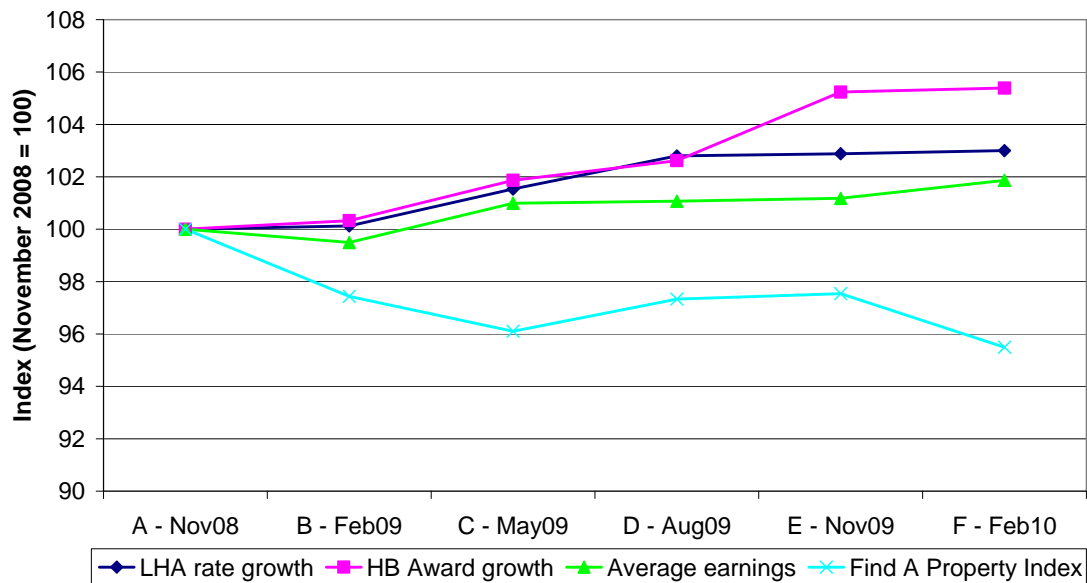


Sources: Average Earnings Index, statistical data from Local Authorities and Housing Associations

Tabulation of indices from chart above; all in nominal terms.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Average Earnings Index	1	1.04	1.07	1.11	1.15	1.18	1.23	1.29	1.31	1.33	1.36
Social sector rents	1	1.05	1.10	1.10	1.20	1.25	1.30	1.35	1.45		
HB social eligible rents	1	1.05	1.15	1.15	1.20	1.25	1.35	1.40	1.45	1.55	1.55
HB social sector awards	1	1.05	1.15	1.15	1.25	1.30	1.40	1.45	1.55	1.60	1.60

Growth in HB Awards and LHA rates for LHA tenants



Source: HB Award growth and LHA rate growth are drawn from the Single Housing Benefit Extract

CLG rental data only goes up to 2008.

The Find A Property index is based on asking prices for private lets on property websites.

The growth in LHA rates here is based on the entitlements at the time of their last anniversary of LHA claims in payment.

LHA rates are the median of market rents in payment as opposed to asking prices.

Rents informing LHA rates are sampled over a 12 month period as opposed to within a calendar month.

Tabulation of indices from chart above; all in nominal terms.

	Nov 2008	Feb 2009	May 2009	Aug 2009	Nov 2009	Feb 2010
LHA rate	1.00	1.00	1.02	1.03	1.03	1.03
HB award for those on LHA	1.00	1.00	1.02	1.03	1.05	1.05
Average earnings index	1.00	0.99	1.01	1.01	1.01	1.02
Find-a-property rental index	1.00	0.97	0.96	0.97	0.98	0.95

2. Market context

- In Great Britain, there are 4.78 million Housing Benefit claimants. 3.30 million are in the social rented sector; 1.47 million are in the private rented sector. Of those in the private rented sector, 1.09 million receive the LHA¹.
- In London, there are 810,000 HB customers. 550,000 are in the social rented sector; 260,000 are in the private rented sector. Of those in the private rented sector, 190,000 receive the LHA.
- The impacts document published in July 2010 was based on the March 2010 Single Housing Benefit Extract. This is based on 940,000 LHA cases, of which 170,000 were in London. Unless otherwise stated, all impacts in this note are based on March 2010².

Based upon National Statistics figures for July 2010, the Housing Benefit caseload for claimants in the private rented sector, expressed as a percentage of the estimated 3.6m privately rented properties in Great Britain, was approximately 40%. This figure uses the most up-to-date information available, and unlike survey data it does not systematically underestimate the receipt of Housing Benefit. However, it is unable to take into account situations where there are multiple Housing Benefit claimants living in a single household.

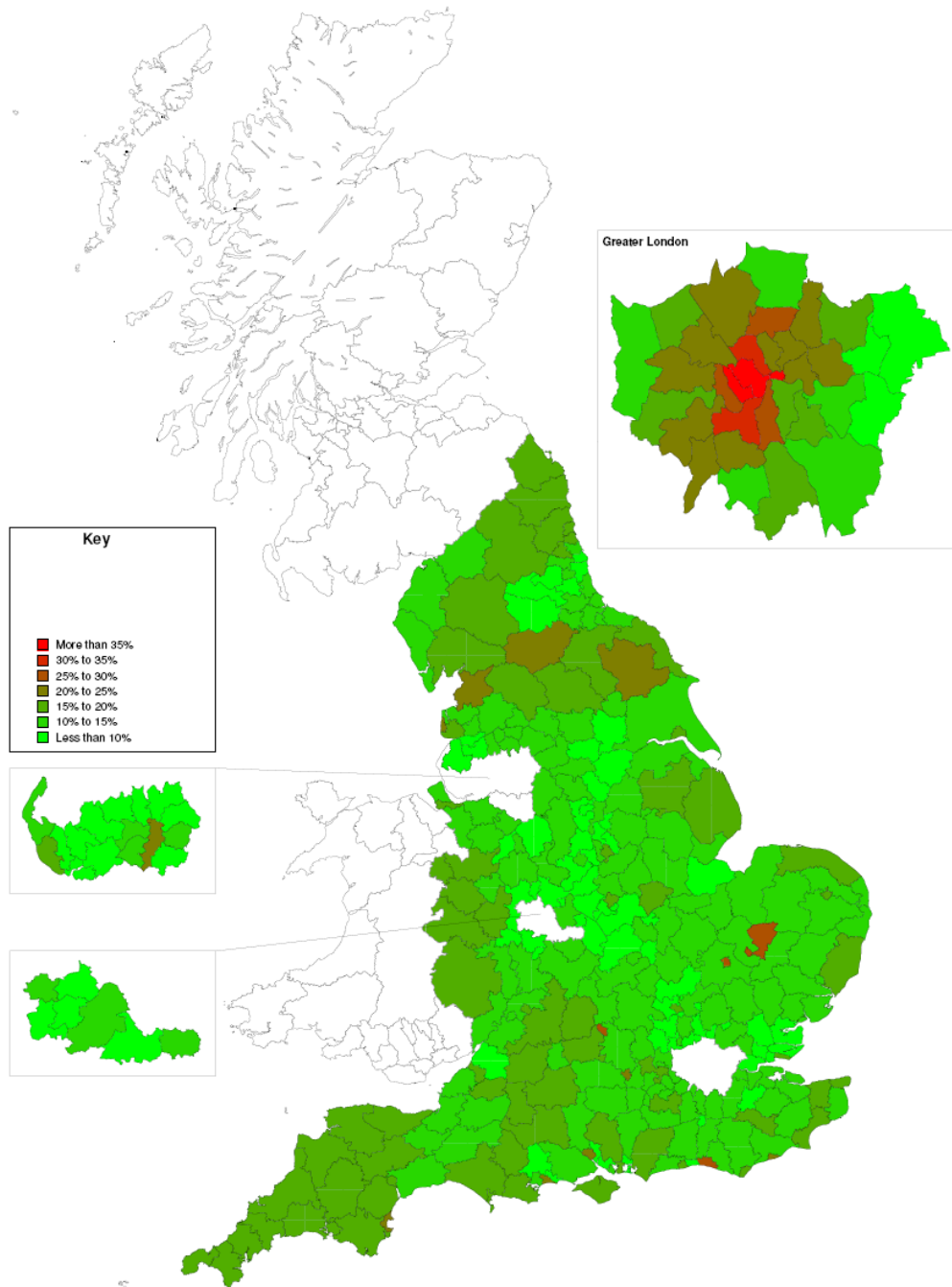
Individual maps showing the proportion of dwellings in the private and social rented sectors have been produced for England, Scotland and Wales. Because different sources of data and different time periods have been used in their production, separate maps for the private and social rented sectors in England, Scotland and Wales, are presented below.

¹ Single Housing Benefit Extract, July 2010 <http://research.dwp.gov.uk/asd/index.php?page=hbctb>

² Note that actual LHA caseload was 1.02 million in March 2010, but because of incomplete data only 940,000 cases were usable in the analysis.

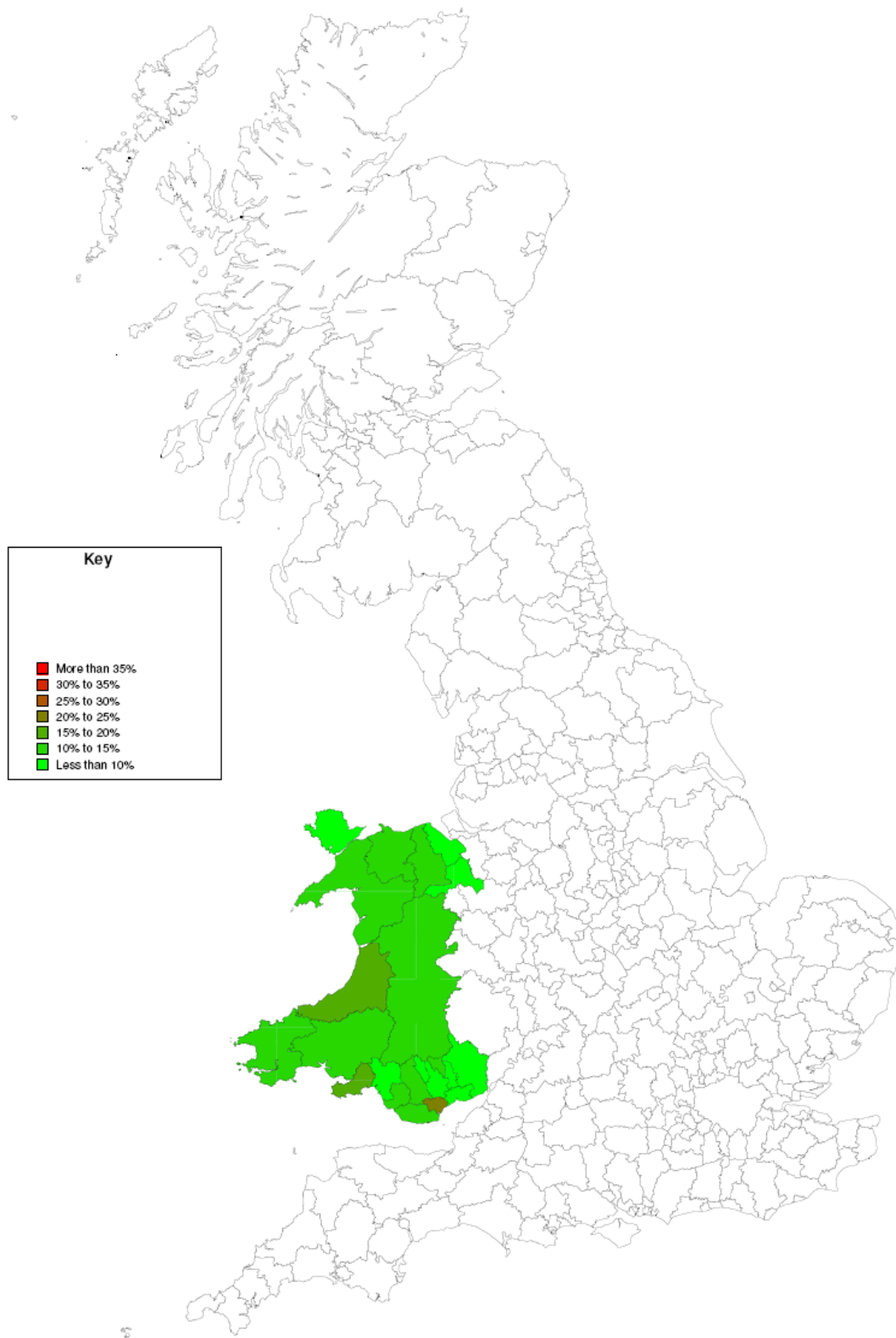
Private Rented Sector as a % of All Dwellings

by Local Authority, 2007



Private Rented Sector as a % of Dwellings

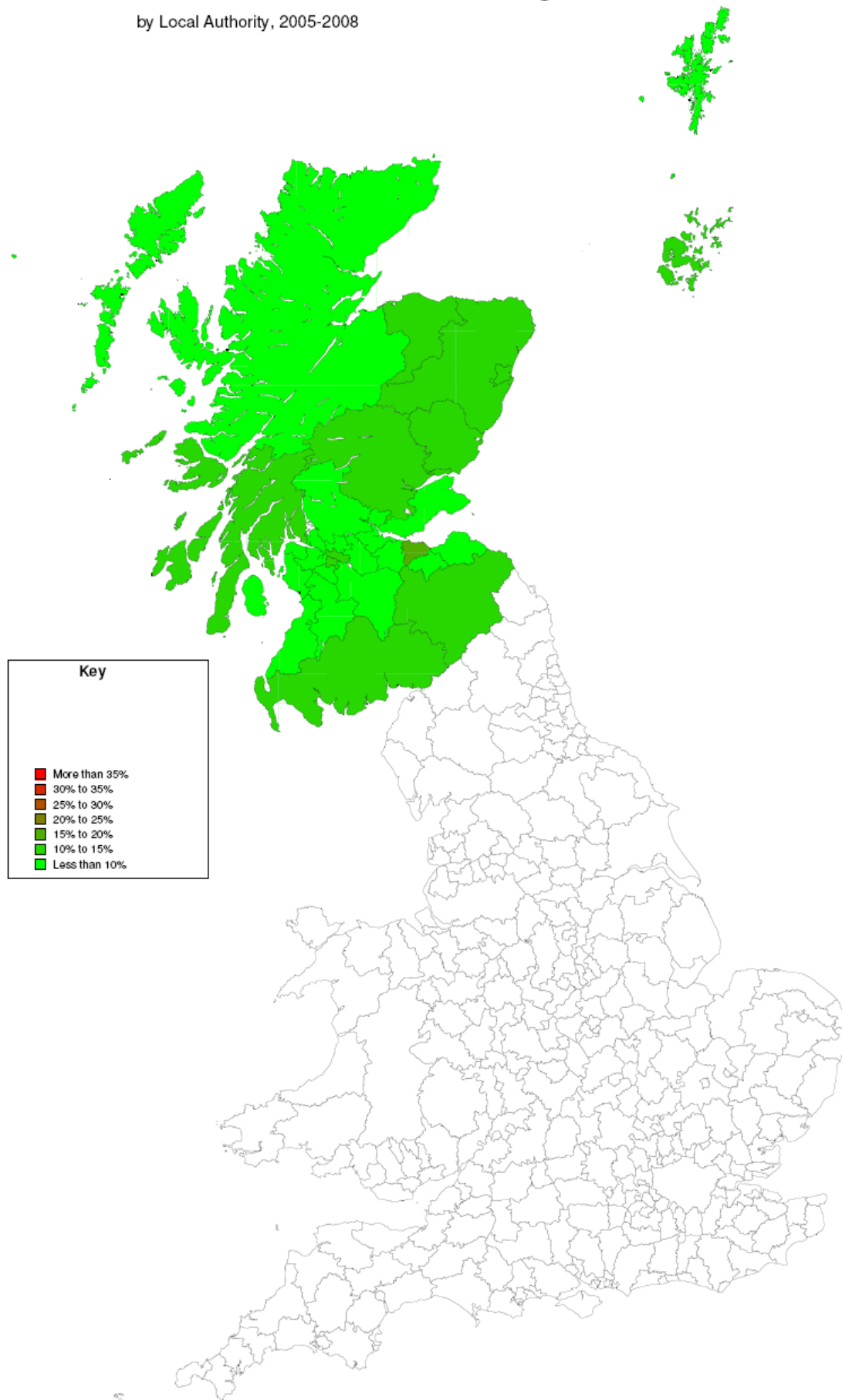
by Local Authority, 2009



Private Rented Sector as a % of Dwellings

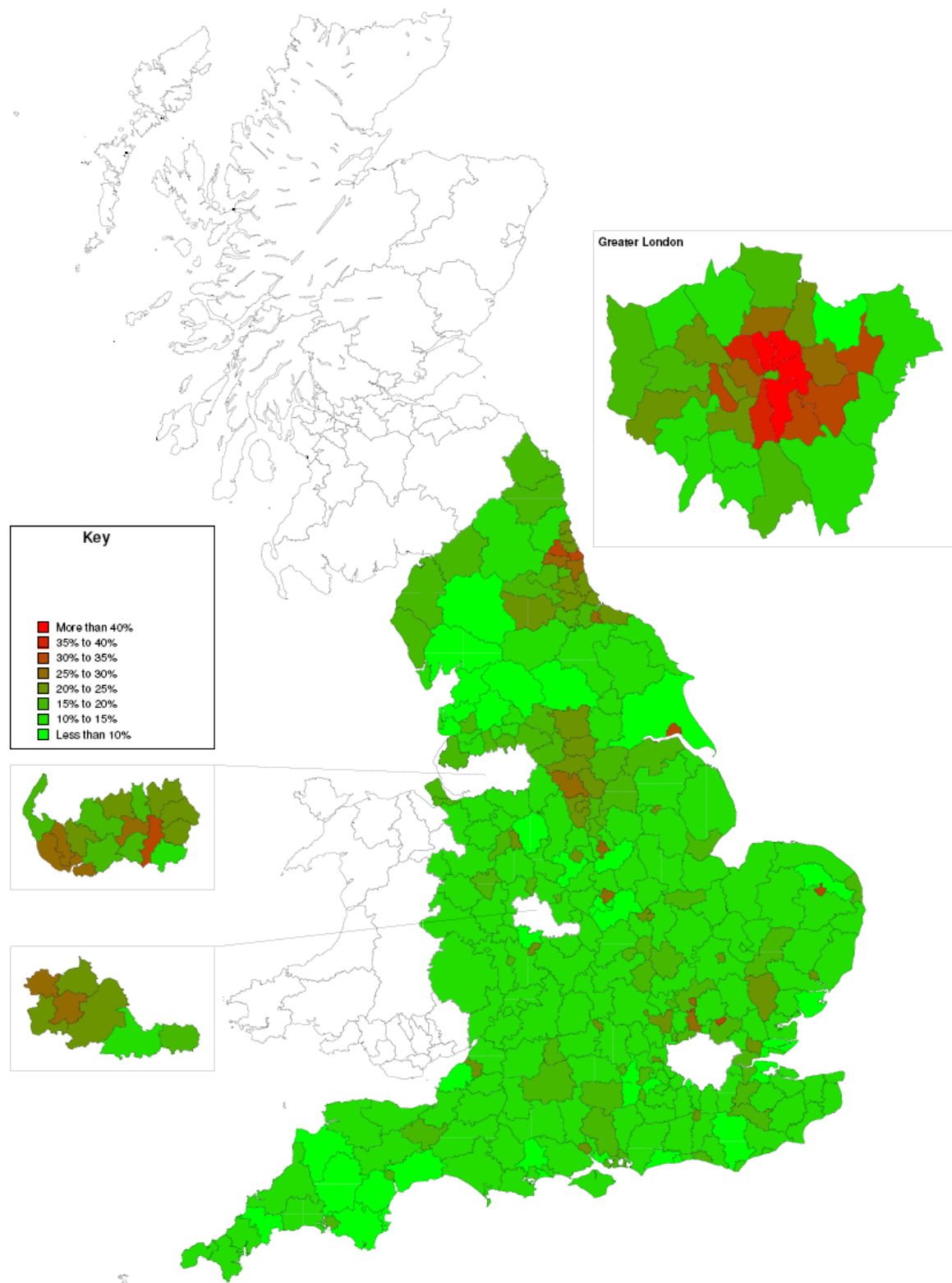
Shetland and Orkney

by Local Authority, 2005-2008



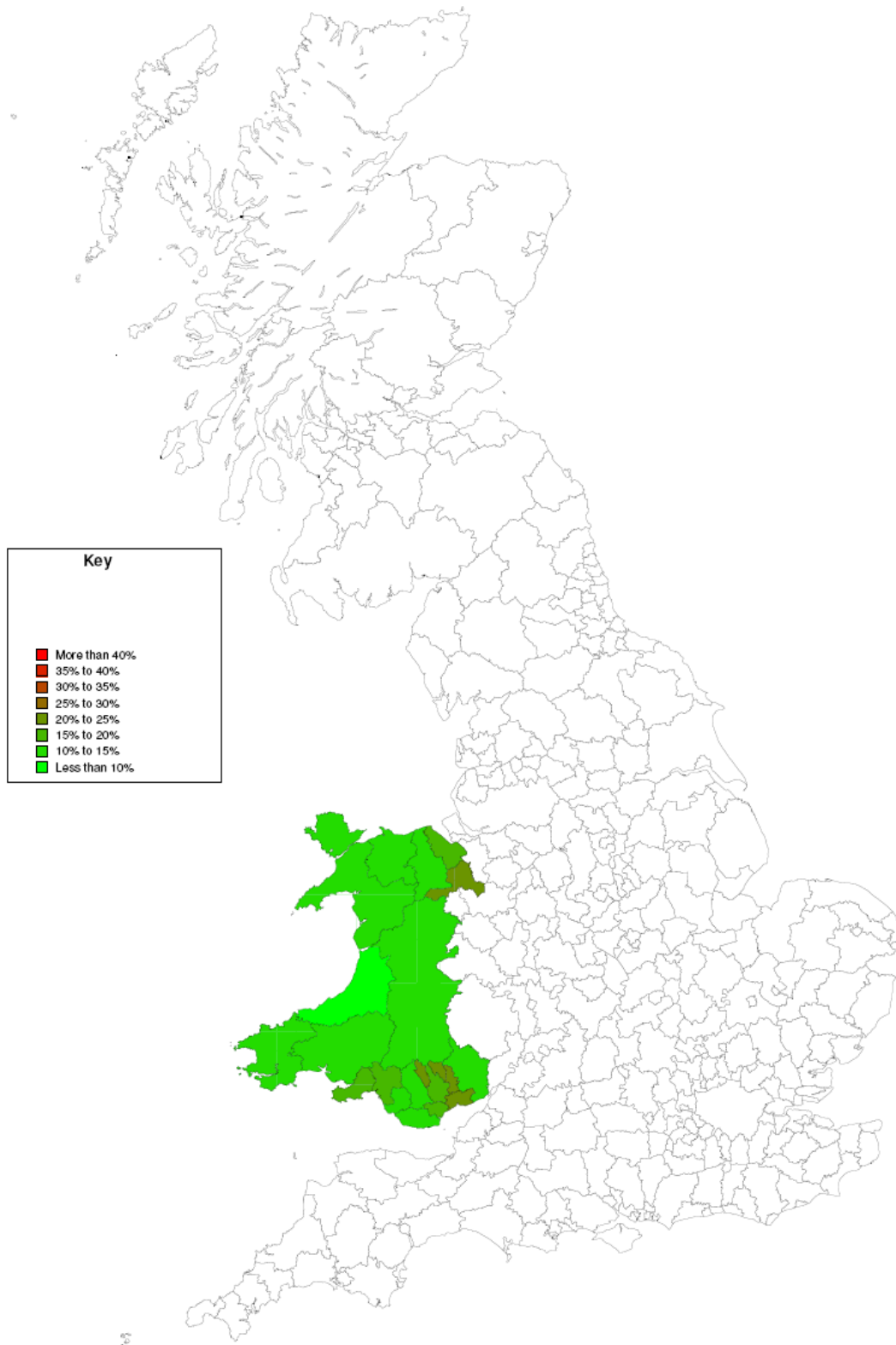
Social Rented Sector as a % of All Dwellings

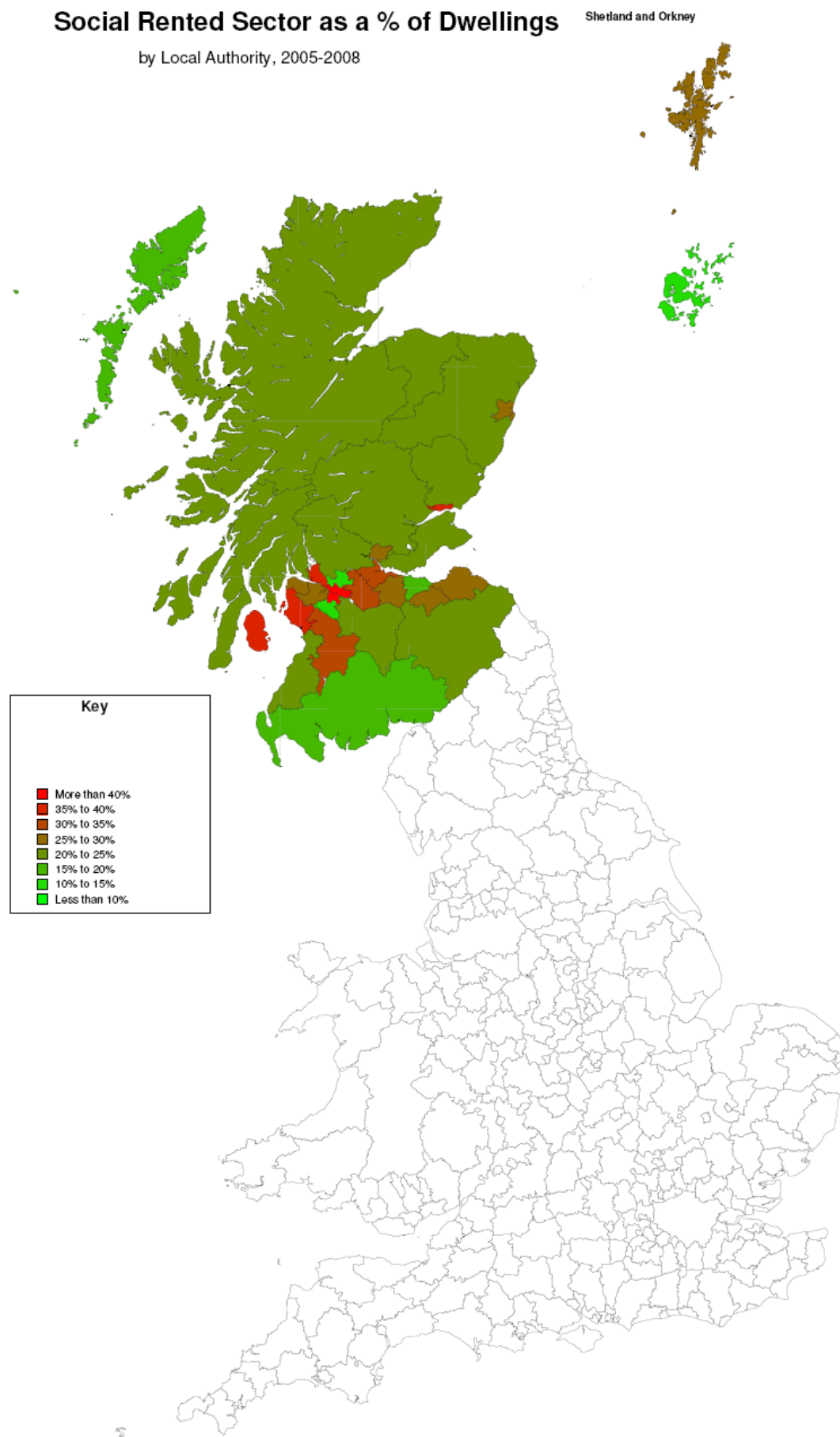
by Local Authority, 2009



Social Rented Sector as a % of Dwellings

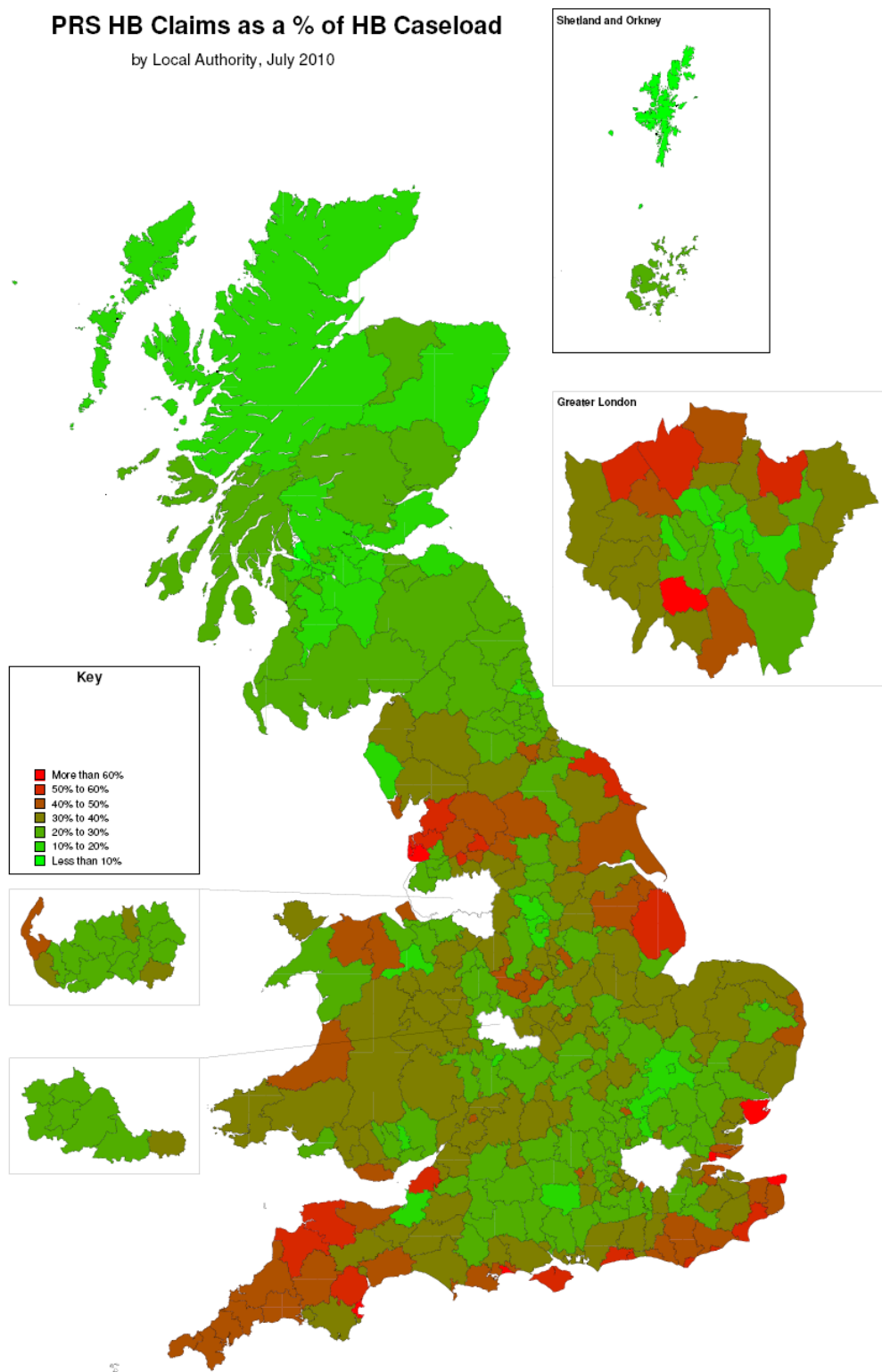
by Local Authority, 2009





PRS HB Claims as a % of HB Caseload

by Local Authority, July 2010



3. Impacts

The tables that follow display various breakdowns of the impact of the LHA reforms on different groups of the people, by combined and individual policy measures and at both national and regional level.

Impact of LHA reforms, by policy and affected groups

		Measures : Caps, reduction to 30th percentile, loss of £15 excess		Measures : Caps, reduction to 30th percentile*		Measure: Caps only*	
	HB / LHA caseload (March 2010)	losing out	loss £/ week	losing out	loss £/ week	losing out	loss £/ week
National							
overall	939,000	937,000	-12	642,000	-10	21,000	-74
on IS/ESA	309,000	308,000	-13	229,442	-11	9,000	-79
with children	451,000	451,000	-14	324,000	-12	17,000	-72
in work	242,000	242,000	-13	161,000	-11	7,000	-67
London							
overall	159,000	159,000	-22	104,000	-23	17,000	-81
on IS/ESA	45,000	45,000	-28	35,000	-29	7,000	-88
with children	79,000	79,000	-28	79,000	-21	13,000	-80
in work	53000	53,000	-22	32,000	-23	6,000	-71

Source: <http://www.dwp.gov.uk/docs/impacts-of-hb-proposals.pdf>

WPSC inquiry: analytical supplement – 3 November 2010

			Estimate of number of losers		Losers (% of total)		Average loss per loser (£ per week)	
	Average maximum HB (March 2010), £/week	Analysis based on an LHA caseload of:	Emergency Budget measures from 2011	Capping from 2013	Emergency Budget measures from 2011	Capping from 2013	Emergency Budget measures from 2011	Capping from 2013
	£ / week	households	households	households	percent	percent	£ / week	£ / week
National	126	939,220	936,960	42,780	100	5	-12	-65
0.Shared Room	69	74,690	73,610	-	99	0	-7	0
1.1-bedroom	107	387,740	386,560	-	100	0	-11	0
2.2-bedroom	139	328,250	328,250	10,600	100	3	-12	-28
3.3-bedroom	164	112,550	112,550	12,910	100	11	-15	-55
4.4+ -bedroom	214	36,000	36,000	19,260	100	54	-30	-92
1.on PCGC	110	51,820	51,660	720	100	1	-11	-57
2.on IS/ESA(IR)	132	308,540	308,050	16,260	100	5	-13	-66
3.on JSA(IB)	109	206,470	205,520	4,850	100	2	-11	-65
4.others	133	372,390	371,730	20,950	100	6	-12	-65
East Midlands	99	59,100	58,680	830	99	1	-10	-41
East of England	124	71,010	70,970	1,670	100	2	-10	-55
London	204	159,370	159,370	29,890	100	19	-22	-71
North East	96	45,160	45,160	460	100	1	-9	-40
North West	102	131,180	130,900	1,700	100	1	-10	-44
Scotland	106	51,060	49,730	710	97	1	-10	-55
South East	138	123,000	123,000	3,870	100	3	-12	-64
South West	117	83,180	83,180	1,120	100	1	-10	-57
Wales	95	48,710	48,530	460	100	1	-9	-41
West Midlands	107	80,140	80,140	1,430	100	2	-10	-42
Yorkshire and the Humber	93	87,310	87,310	640	100	1	-9	-35

Impact of measures announced in the March 2010 Budget National level

	Analysis based on an LHA caseload of:	Average maximum HB (March 2010), £/week	Estimate of number of losers	Estimate of percent of losers	Average loss per loser, £/week
National	939,220	126	460,570	49	-12
With dependants	450,650	151	227,650	51	-13
Without dependants	488,570	103	232,920	48	-12
On PCGC	51,820	110	21,730	42	-12
On IS/ESA(IR)	308,540	132	142,720	46	-12
On JSA(IB)	206,470	109	106,630	52	-12
Others	372,390	133	189,490	51	-13

Source: Impacts of Housing Benefit proposals: Changes to the Local Housing Allowance to be introduced in 2011-12
<http://www.dwp.gov.uk/docs/impacts-of-hb-proposals.pdf>

Impact of measures announced in the March 2010 Budget- by Government Office Region (GOR)

	Analysis based on an LHA caseload of:	Average maximum HB (March 2010), £/week	Estimate of number of losers	Estimate of percent of losers	Average loss per loser, £/week
National	939,220	126	460,570	49	-12
Shared Room	74,690	69	22,110	30	-9
1-bedroom	387,740	107	195,970	51	-12
2-bedroom	328,250	139	151,440	46	-12
3-bedroom	112,550	164	61,540	55	-15
4-bedroom	27,900	201	22,620	81	-16
5-bedroom	8,100	260	6,880	85	-17
On PCGC	51,820	110	21,730	42	-12
On IS/ESA(IR)	308,540	132	142,720	46	-12
On JSA(IB)	206,470	109	106,630	52	-12
Others	372,390	133	189,490	51	-13
East Midlands	59,100	99	25,620	43	-11
East of England	71,010	124	30,430	43	-12
London	159,370	204	101,770	64	-17
North East	45,160	96	20,650	46	-10
North West	131,180	102	64,580	49	-11
Scotland	51,060	106	26,040	51	-12
South East	123,000	138	61,810	50	-12
South West	83,180	117	36,700	44	-11
Wales	48,710	95	19,070	39	-10
West Midlands	80,140	107	38,190	48	-11
Yorkshire and the Humber	87,310	93	35,710	41	-10
Not losing	478,640	117	-	-	-
Losses of £0-£5	74,760	131	74,760		-3
Losses of £5-£10	72,650	128	72,650		-7
Losses of £10-£15	299,610	129	299,610	100, by definition	-14
Losses of £15-£20	4,600	159	4,600		-15
Losses of £20-£30	2,490	349	2,490		-22
Losses of £30-£40	740	391	740		-35

Source: Impacts of Housing Benefit proposals: Changes to the Local Housing Allowance to be introduced in 2011-12
<http://www.dwp.gov.uk/docs/impacts-of-hb-proposals.pdf>

Impact on Pensioners of Caps and 30th Percentile measures:

Claimant aged 60 or over (Mar 2010)	Nationally (GB)	London
caseload	67,600	8,800
Losing out (caps and 30 th percentile only)	47,700	5,700
Not losing out	20,000	3,100
Shortfall of under £5	12,800	700
Shortfall of £5-10	26,500	2,600
Shortfall of £10-20	6,800	900
Shortfall of £20-30	900	800
Shortfall over £30	800	700

Source: Single Housing Benefit Extract

Impact on Pensioners of Removal of £15 excess, Caps and 30th Percentile measures

Claimant aged 60 or over (Mar 2010)	Nationally (GB)	London
caseload	67,600	8,800
Losing out (removal of excess, caps and 30 th percentile)	67,400	8,800
Not losing out	200	0
Shortfall of under £5	8,800	300
Shortfall of £5-10	30,400	2,800
Shortfall of £10-20	26,400	4,000
Shortfall of £20-30	1,000	900
Shortfall over £30	800	800

Source: Single Housing Benefit Extract

Disabled people

At February 2010, for recipients aged under 60, we estimate that:

- 36% (1.1m recipients) had a disability or long term illness
- 30% (0.9m recipients) were lone parents
- 18% (0.6m recipients) were unemployed
- 16% (0.5m recipients) were 'Others' - mostly in work, carers, widows, or had a short term illness.

Source: internal DWP analysis of local authority and DWP statistical data.

Private rented sector: data on middle or higher rates of DLA and AA:

DLA or AA (middle or higher rates), Mar 2010	Nationally (GB)	London
Caseload	26,700	2,600
Losing out (excess removal, caps and 30 th percentile only)	26,700	2,600
Not losing out	100	0
Shortfall of under £5	2,900	100
Shortfall of £5-10	11,800	800
Shortfall of £10-20	11,300	1,300
Shortfall of £20-30	400	300
Shortfall over £30	300	200

Source: Single Housing Benefit Extract

Tenancy type:

	PRS	RSL	LA	All SRS	All
Disabled	26% (0.3m)	43% (0.5m)	42% (0.4m)	42% (0.8m)	36% (1.1m)
Lone Parents	32% (0.4m)	29% (0.3m)	29% (0.3m)	29% (0.6m)	30% (0.9m)
Unemployed	23% (0.3m)	14% (0.2m)	15% (0.1m)	15% (0.3m)	18% (0.6m)
Other	20% (0.2m)	14% (0.1m)	14% (0.1m)	14% (0.3m)	16% (0.5m)
All working age	1.2m	1.1m	0.9m	1.9m	3.1m

Source: internal DWP analysis of local authority and DWP statistical data.

Work Status

Impact of package, by in-work status (March 2010)

	In-work	Out-of-work
Caseload	242,000	697,000
Losing out (excess removal, caps and 30 th percentile) - package	242,000	695,000
Shortfall of under £5	12,000 (5%)	72,000 (10%)
Shortfall of £5-10	73,000 (30%)	257,000 (37%)
Shortfall of £10-20	142,000 (59%)	336,000 (48%)
Shortfall of £20-30	8,000 (3%)	16,000 (2%)
Shortfall over £30	7,000 (3%)	14,000 (2%)

Source: Impacts of Housing Benefit proposals: Changes to the Local Housing Allowance to be introduced in 2011-12
<http://www.dwp.gov.uk/docs/impacts-of-hb-proposals.pdf>

4. Rents, shortfalls and affordability

Distribution of Rents in Specific Areas

The table below provides the distribution of rents in selected areas before and after the measure to set rents at the 30th percentile:

(excluding caps)

Indicative LHA rates, by BRMA	current 50th percentile, £ / week		Proposed 30th percentile, £ / week	
Area	1 Bed	2 Bed	1 Bed	2 Bed
Birmingham	104	127	98	115
Bradford & South Dales	86	104	81	97
Brighton and Hove	150	190	138	173
Bristol	115	144	109	132
Cambridge	144	163	127	138
Central London	350	480	310	415
Central Norfolk & Norwich	96	121	90	112
Derby	86	106	75	98
Dover-Shepway	96	127	89	115
East Thames Valley	150	193	138	178
Inner South West London	231	300	210	276
North Cumbria	86	101	81	94
North Devon	97	121	91	114
Outer South East London	150	184	144	173
Solihull	115	149	114	137
Tyneside	92	106	86	98

Source: Single Housing Benefit Extract

The 1-bed and 2-bedroom LHA rates are the most common, with 75% of claimants receiving them:

- For the 1-bedroom rate, the difference between the 50th percentile and the 30th percentile is £6 or less in over half the areas in England;
- For the 2-bedroom rate, the difference between the 50th percentile and the 30th percentile is £9 or less in around half the areas in England.

The £6 or £9 amount to only around 5% of the average LHA rate. So, we observe 20% of properties (those between the 50 percentile and 30 percentile) clustered within 5% of the median rent.

The table below shows the distribution of the difference between contractual rents (CR) and the LHA over time, in cumulative bands³.

³ It should be noted that these figures may be subject to change as ongoing quality assurance of these variables is taking place, and estimates will be published again as part of the Two Year Review.

There has been a modest tendency for rents to get closer to LHA rates. For instance:

- the proportion of rents which were at or up to £10 **above** the LHA rate rose from 14% in April 2009 to 17% in August 2010.
- the proportion of rents which were at or up to £10 **below** the LHA rate rose at a much slower pace from around 14% in April 2009 to around 15% in August 2010.

Cumulative distribution of rents within +/-£30 of the LHA rate, by % of caseload

Contractual rent – LHA:	April 2009	August 2009	April 2010	August 2010
£25 to £30	34%	37%	38%	39%
£20 to £25	31%	34%	35%	36%
£15 to £20	26%	29%	30%	31%
£10 to £15	21%	23%	25%	25%
£5 to £10	14%	16%	17%	17%
£0 to £5	6%	7%	8%	8%
=LHA rate	7%	8%	8%	9%
£0 to -£5	7%	8%	7%	8%
- £5 to -£10	14%	16%	15%	15%
-£10 to -£15	21%	23%	23%	23%
-£15 to -£20	25%	27%	27%	26%
-£20 to -£25	29%	31%	30%	30%
-£25 to -£30	31%	33%	32%	32%

Source: internal DWP analysis of the Single Housing Benefit Extract

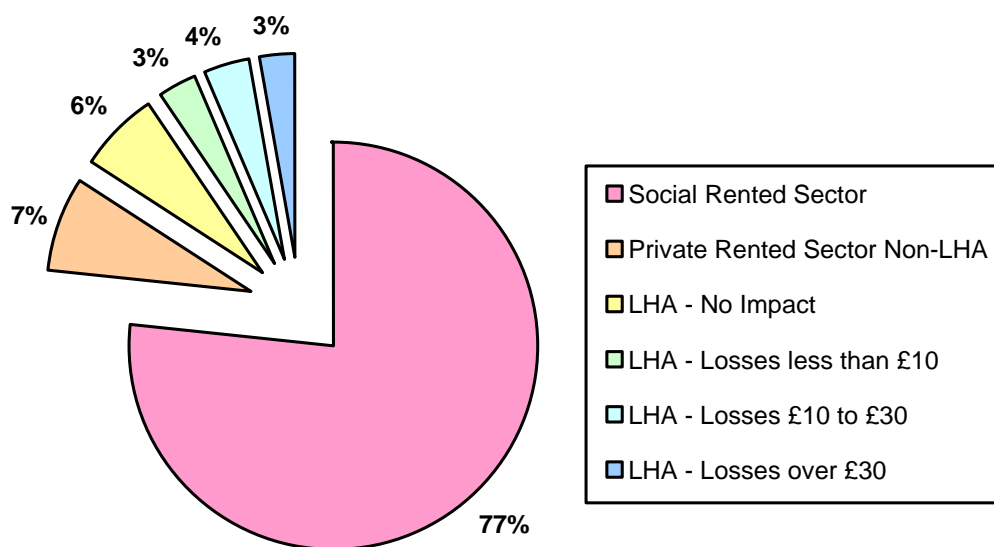
The percentage of rents in the region of £5 excess to £5 shortfall in rent is slightly increasing over time, from 20% of cases in April 2009 to 25% in August 2010.

Percentage of rents within +£5/-£5 of LHA level

Contractual rent – LHA:	April 09	August 09	April 10	August 10
£0 to £5 shortfall in rent	6%	7%	8%	8%
0 (CR=LHA rate)	7%	8%	8%	9%
£0 to £5 excess in rent	7%	8%	7%	8%

Source: internal DWP analysis of the Single Housing Benefit Extract

Impact of changes on all HB claimants living in Inner London



Tenure/Loss	Caseload	%
Social Rented Sector	313,270	77%
Private Rented Sector Non-LHA	30,670	7%
LHA - No Impact	25,210	6%
LHA - Losses less than £10	12,430	3%
LHA - Losses £10 to £30	15,210	4%
LHA - Losses over £30	11,340	3%
Total	409,470	100%

Source: internal DWP analysis based on National Statistics for March 2010.

Shortfalls

We estimate that measures that affect customer's ability to pay the rent (i.e. excluding the measure which removes the £15 excess) will lead to the following shortfalls:

Change in rent shortfalls:	Nationally (GB)	Nationally (GB)	London	London
No Shortfall	297,100	32 %	55,800	35 %
Shortfall of any size	642,200	68 %	103,600	65 %
Shortfall of under £5	156,000	17 %	11,600	7 %
Shortfall of £5-10	292,700	31 %	31,300	20 %
Shortfall of £10-20	156,500	17 %	29,700	19 %
Shortfall of £20-30	17,600	2 %	15,400	10 %
Shortfall over £30	17,600	2 %	15,600	10 %

Source: Impacts of Housing Benefit proposals: Changes to the Local Housing Allowance to be introduced in 2011-12
<http://www.dwp.gov.uk/docs/impacts-of-hb-proposals.pdf>

The table below presents (for the combined impact of the caps, reduction to the 30th percentile and restricting bedroom entitlement to the 4-bedroom rate) estimates of the average affordability of private rented sector (PRS) accommodation in London Broad Rental Market Areas.

Broad rental market area boundaries are subject to modifications and have changed over time.

The table below was calculated by looking at the list of rents used to calculate the LHA rates for April 2009 and calculating, for all bedroom sizes combined, the proportion of properties in the dataset that are cheaper than the LHA rate pre- and post- reform.

Affordability of accommodation in London before and after reform is expected to be as follows:

Affordability of accommodation:	Current average estimate of affordability of PRS accommodation	Post-reform average affordability of PRS accommodation
Broad Rental Market Area		
Central London	52%	7%
Inner East London	51%	31%
Inner North & West London	51%	25%
Inner South West London	51%	29%
North West London	53%	34%
West London	51%	32%
Outer East London	54%	32%
Outer North East London	56%	39%
Outer North London	53%	30%
Outer South East London	54%	37%
Outer South London	55%	35%
Outer South West London	51%	33%

Source: Impacts of Housing Benefit proposals: Changes to the Local Housing Allowance to be introduced in 2011-12 <http://www.dwp.gov.uk/docs/impacts-of-hb-proposals.pdf> This is based on April 2009 market evidence dataset information, and April 2009 BRMA boundaries.

5. Overcrowding and under-occupation

England

The table below shows the figures from CLG for 2008/09 for England only, based upon the combined results of the English Housing Survey and the Labour Force Survey:

	Overcrowded	At Bedroom Standard	One bedroom above Bedroom Standard	Two or more bedrooms above Bedroom Standard
Social Rented Sector	258,000 (6.7%)	2,034,000 (52.9%)	1,121,000 (29.2%)	429,000 (11.2%)
Private Rented Sector	166,000 (5.4%)	1,316,000 (42.9%)	1,094,000 (35.4%)	491,000 (16.0%)

Source: EHS-LFS combined dataset for 2008/09

Wales

The table below shows the figures from the Local Government Data Unit - Wales for 2007 for England only, based upon the results of the Living in Wales survey 2007:

	Overcrowded	At Bedroom Standard	One bedroom above Bedroom Standard	Two or more bedrooms above Bedroom Standard
Social Rented Sector	7,000 (3.6%)		192,000 (96.4%)	
Private Rented Sector	5,000 (3.9%)		130,000 (96.1%)	

Source: Living in Wales survey 2007

Scotland

We are not aware of any recently published figures on overcrowding for tenants in the Social Rented Sector and the Private Rented Sector in Scotland.

Great Britain

Figures for overcrowding in the Social and Private Rented Sectors for the whole of Great Britain are available from the General Lifestyle Survey 2008

	Overcrowded	At Bedroom Standard	One bedroom above Bedroom Standard	Two or more bedrooms above Bedroom Standard
Social Rented Sector	6%	53%	29%	12%
Private Rented Sector	4%	39%	40%	17%

Source: General Lifestyle Survey 2008

London

There are about 170,000 overcrowded households in London. 103,000 in the social rented sector; 68,000 in the private rented sector.

LONDON ONLY	Overcrowded	At Bedroom Standard	One bedroom above Bedroom Standard	Two or more bedrooms above Bedroom Standard
Social Rented Sector	103,000 (13.5%)	435,000 (57.2%)	158,000 (20.8%)	64,000 (8.4%)
Private Rented Sector	68,000 (10.1%)	384,000 (56.8%)	163,000 (24.2%)	60,000 (8.9%)

Source: EHS-LFS combined dataset for 2008/09

6. Low income working households

Our primary research found that most LIWH pay a rent which is slightly lower than the LHA rate set for the property they occupy. The table below compares the rents tenants in receipt of HB/LHA pay compared to those that the research suggests a similar LIWH would pay in a BRMA in the survey areas.

Hypothetical comparison: Rents as a percentage of the October 2010 LHA Rates for the property, by bedroom size and area

London/Brighton & Hove	HB tenant	LIW tenant	Elsewhere	HB tenant	LIW tenant
One bedroom	100%	93%	One bedroom	100%	90%
Two bedrooms	100%	94%	Two bedrooms	100%	93%
Three bedrooms	100%	92%	Three bedrooms	100%	97%
Four bedrooms	100%	79%	Four bedrooms	100%	65%

LB Lewisham (Inner SE London BRMA)

LHA Rate	HB tenant	LIW tenant
One bedroom property	£185	£172
Two bedroom property	£242	£227
Three bedroom property	£299	£275
Four bedroom property	£403	£318

City of Coventry (Coventry BRMA)

LHA Rate	HB tenant	LIW tenant
One bedroom property	£104	£93
Two bedroom property	£113	£105
Three bedroom property	£127	£123
Four bedroom property	£173	£112

LB Islington (Inner London North BRMA)

LHA Rate	HB tenant	LIW tenant
One bedroom property	£250	£233
Two bedroom property	£330	£310
Three bedroom property	£435	£400
Four bedroom property	£580	£458

Leeds (Leeds BRMA)

LHA Rate	HB tenant	LIW tenant
One bedroom property	£109	£98
Two bedroom property	£127	£118
Three bedroom property	£150	£145
Four bedroom property	£207	£134

LB Hounslow (Outer South West London BRMA)

LHA Rate	HB tenant	LIW tenant
One bedroom property	£196	£182
Two bedroom property	£253	£238
Three bedroom property	£306	£281
Four bedroom property	£414	£327

North East Lincolnshire (Grimsby BRMA)

LHA Rate	HB tenant	LIW tenant
One bedroom property	£75	£68
Two bedroom property	£92	£86
Three bedroom property	£98	£95
Four bedroom property	£140	£91

LB Waltham Forest (Outer North East London BRMA)

LHA Rate	HB tenant	LIW tenant
One bedroom property	£150	£139
Two bedroom property	£190	£178
Three bedroom property	£230	£212
Four bedroom property	£311	£245

Teignbridge (South Devon BRMA)

LHA Rate	HB tenant	LIW tenant
One bedroom property	£100	£90
Two bedroom property	£130	£121
Three bedroom property	£155	£151
Four bedroom property	£199	£130

Brighton and Hove (Brighton and Hove BRMA)

LHA Rate	HB tenant	LIW tenant
One bedroom property	£150	£139
Two bedroom property	£190	£178
Three bedroom property	£253	£232
Four bedroom property	£322	£255

Source: DWP Report 698, Table 4.9, p56 & LHA-Direct.voa.gov.uk.

7. Schools

London School Capacity

Table 1 shows the numbers of local authority maintained schools in the London area that have surplus places and those that do not.

School type	Total in London	With surplus places	National % equivalent	Full or exceeding capacity	National equivalent
Primary	1804	1341 (74.3%)	80.2%	463 (25.7%)	19.8%
Secondary	383	252 (65.8%)	71.2%	131 (34.2%)	28.8%

Source: Department for Education. Figures from 2008/09 academic year

Table 2 shows the number of places overall and the number of surplus places and, for those schools that have reached capacity, the number of places that are in excess of capacity.

School type	Total places	Surplus places	National % equivalent	Places in excess of capacity	National equivalent
Primary	612,400	50,500 (8.2%)	11.4%	7,800 (1.3%)	1%
Secondary	430,500	31,000 (7.2%)	9.1%	11,700 (2.7%)	1.7 %

Source: Department for Education. Figures from 2008/09 academic year

The following tables show surplus places at primary and secondary schools in London.

PRIMARY SURPLUS PLACES 1 January 2009							
Local Authority	Total number of primary school Places	Number of Surplus Places	Surplus as a % of total places	Total number of primary schools	Number of schools with 25% or more surplus	Schools with 25% or more surplus as a % of total schools	Number of rural schools maintained by the LA as a %
Barking & Dagenham	17,751	886	5	48	1	2	0
Barnet	25,421	1,758	7	87	8	9	0
Bexley	19,377	1,024	5	58	2	3	0
Brent	22,173	1,353	6	59	2	3	0
Bromley	24,515	2,046	8	76	14	18	4
Camden	10,996	825	8	41	1	2	0
Corporation of London	210	1	0	1	0	0	0
Croydon	28,521	1,959	7	88	5	6	0
Ealing	25,314	1,661	7	64	1	2	0
Enfield	26,712	1,251	5	65	3	5	2
Greenwich	21,037	2,700	13	65	10	15	0
Hackney	17,464	1,851	11	53	5	9	0
Hammersmith & Fulham	9,157	734	8	34	3	9	0
Haringey	20,911	1,649	8	63	2	3	0
Harrow	21,005	2,584	12	53	8	15	0
Havering	20,038	1,942	10	62	9	15	0
Hillingdon	24,212	2,525	10	65	8	12	3
Hounslow	18,494	1,774	10	58	6	10	0
Islington	14,049	2,040	15	44	7	16	0
Kensington & Chelsea	6,898	672	10	26	3	12	0
Kingston upon Thames	10,921	479	4	43	1	3	0
Lambeth	20,020	1,728	9	61	1	2	0
Lewisham	20,913	2,131	10	67	7	10	0
Merton	14,786	1,690	11	43	5	12	0
Newham	29,093	2,126	7	66	0	0	0
Redbridge	23,629	1,399	6	52	3	6	0
Richmond upon Thames	13,596	899	7	41	2	5	0
Southwark	23,025	3,511	15	70	9	13	0
Sutton	13,601	555	4	41	1	2	0
Tower Hamlets	21,351	1,483	7	69	4	6	0
Waltham Forest	20,355	852	4	54	0	0	0
Wandsworth	16,905	1,474	9	56	3	5	0
Westminster	9,931	702	7	40	2	5	0
TOTAL	612,381	50264	265	1813	136	235	9

Notes: Surplus is defined as the difference between capacity and number on roll for all schools where capacity exceeds number on roll. Where the number of pupils on roll exceeds net capacity, this is indicated by a zero. Schools with fewer than 30 places are not included.

Source: Department for Education, who are due to publish figures for 2010 at the end of November.

SECONDARY SURPLUS PLACES 1 January 2009							
Local Authority	Total number of primary school Places	Number of Surplus Places	Surplus as a % of total places	Total number of primary schools	Number of schools with 25% or more surplus	Schools with 25% or more surplus as a % of total schools	Number of rural schools maintained by the LA as a %
Barking & Dagenham	13,854	1,234	9	9	0	0	0
Barnet	21,247	2,112	10	19	4	21	0
Bexley	18,209	964	5	14	1	7	0
Brent	17,089	927	5	13	1	8	0
Bromley	22,681	837	4	17	0	0	6
Camden	10,178	449	4	9	0	0	0
Corporation of London	0	0	0	0	0	0	0
Croydon	18,640	1,866	10	18	2	11	0
Ealing	15,777	192	1	12	0	0	0
Enfield	22,888	1,174	5	17	0	0	0
Greenwich	15,817	2,483	16	13	1	8	0
Hackney	7,332	1,158	16	8	2	25	0
Hammersmith & Fulham	6,449	987	15	8	2	25	0
Haringey	12,868	727	6	11	0	0	0
Harrow	9,243	194	2	10	0	0	0
Havering	17,242	960	6	18	1	6	0
Hillingdon	18,891	2,269	12	16	4	25	0
Hounslow	17,232	803	5	14	0	0	0
Islington	7,661	1,044	14	8	2	25	0
Kensington & Chelsea	3,671	275	7	4	0	0	0
Kingston upon Thames	10,189	574	6	10	0	0	0
Lambeth	9,173	969	11	11	0	0	0
Lewisham	10,688	970	9	11	0	0	0
Merton	7,531	654	9	6	0	0	0
Newham	19,836	1,696	9	15	1	7	0
Redbridge	20,703	398	2	17	1	6	0
Richmond upon Thames	7,922	1,232	16	8	3	38	0
Southwark	5,330	79	1	7	0	0	0
Sutton	16,822	406	2	14	0	0	0
Tower Hamlets	15,410	1,172	8	15	1	7	0
Waltham Forest	13,342	667	5	15	0	0	0
Wandsworth	11,749	1,436	12	10	3	30	0
Westminster	4,863	48	1	6	0	0	0
TOTAL	430,527	30,956	243	383	29	249	6

Notes: Surplus is defined as the difference between capacity and number on roll for all schools where capacity exceeds number on roll. Where the number of pupils on roll exceeds net capacity, this is indicated by a zero.

Schools with fewer than 30 places are not included.

Source: Department for Education, who are due to publish figures for 2010 at the end of November.

8. Population movements

The movement of people into and out of individual local authorities during 2008/2009 has been compared with ONS mid-year population estimates for 2008. This provides an indication of the mobility of the population, and the extent to which the population moves across LA boundaries. This is before any potential impact of the LHA changes.

This data does not capture moves within individual local authorities, only from one LA to another. This means that local authorities with larger populations, or local authorities covering larger areas, would on average be expected to show lower levels of inward and outward migration.

Data has been compiled for 326 English authorities. This includes the authorities that merged from April 2009 to form new unitary authorities, and the Isles of Scilly.

Based upon this data:

- The median inflow to a local authority during the course of the year was 4.6% of the overall population based upon mid-2008 population estimates. The median outflow was 4.4%.
- In Outer London, the median inflow was the equivalent of 5.9% of the local authority's population. For Inner London, this rose to 9.1%.
- The corresponding data for outflows from a LA was 6.6% for Outer London, and 10.0% for Inner London.
- In London, 26 out of the 33 boroughs had inflows to the LA which were greater than the English median. 25 LAs had outflows which were greater than the median for England.
- Over 250,000 people moved out of, or between, Inner London authorities during the course of 2008/2009. Nearly 270,000 people moved in to these LAs from elsewhere, or from other inner London LAs.
- In Inner London, 1 in 11 people moved to a different LA during the course of the year. The equivalent for Outer London and the rest of England was 1 in 16, and 1 in 23, respectively.
- People living in inner London were twice as likely to move across LA boundaries during the course of the year, compared with those living outside of London.

In the private rented sector, the English Housing Survey for 2007/2008 indicates that for England as a whole:

- 40% of tenants had lived at their current address for less than one year;
- 70% had lived at their current address for less than three years.

9. Labour market

Off flow rates for customers on JSA

	Duration on JSA
Up to 3 months	40%
Three months up to half a year	23%
Half a year up to one year	19%
One year up to two years	13%
Two years up to five years	4%
Over five years	1%

Department for Work and Pensions, Information Directorate, 5% sample, February 2010.

Estimated earnings required to be able to afford rent equivalent to the caps, assuming 22% of gross income spent on housing:

	HB caps per week	HB caps per annum	Average % of income spend on housing (excl out of work HB)	Gross income required, rounded to nearest £1,000
1-bedroom	250	13,000	22%	59,000
2-bedroom	290	15,080	22%	69,000
3-bedroom	340	17,680	22%	80,000
4-bedroom	400	20,800	22%	95,000

Note: The above estimates should be taken as illustrative. Data from the Family Resources Survey (2008-09) suggests that the average proportion of total household income spent on housing costs by households not on full Housing Benefit in the private rented sector is 22%.

The table below displays figures for employment, unemployment, inactivity and vacancies in London, for the period April 2009 to March 2010:

Local Authority	Employed	Employment rate (%)	Unemployed	Unemployment Rate (ILO)	Vacancies	Inactive Rate (%)
Barking and Dagenham	67,100	61.9	10,300	13.3	869	28.4
Barnet	147,600	67.0	8,800	5.6	932	28.9
Bexley	103,500	70.7	8,600	7.7	652	23.3
Brent	128,400	67.7	12,600	8.9	1,455	25.5
Bromley	149,200	76.5	9,100	5.7	1,122	18.7
Camden	122,300	67.8	12,800	9.5	1,779	24.9
City of London	4,400	-	-	-	865	-
Croydon	167,500	71.6	17,500	9.5	2,282	20.7
Ealing	141,400	64.5	18,900	11.8	1,345	26.7
Enfield	118,400	62.9	13,300	10.1	1,693	29.8
Greenwich	100,100	66.5	12,000	10.7	786	25.4
Hackney	103,900	68.5	11,500	10.0	650	23.8
Hammersmith and Fulham	82,000	64.6	9,800	10.7	1,220	27.4
Haringey	96,100	59.4	13,000	11.9	803	32.4
Harrow	101,600	71.1	9,800	8.8	812	21.9
Havering	107,000	71.0	7,700	6.7	1,038	23.8
Hillingdon	124,700	73.6	11,200	8.2	1,900	19.5
Hounslow	110,400	70.2	10,900	9.0	1,219	22.7
Islington	97,700	67.1	10,200	9.5	1,013	25.7
Kensington and Chelsea	81,400	61.9	6,200	7.1	490	33.2
Kingston upon Thames	81,800	71.8	5,800	6.6	743	23.0
Lambeth	151,900	74.1	16,600	9.9	1,027	17.7
Lewisham	126,300	66.6	15,700	11.1	610	25.0
Merton	104,400	73.1	7,100	6.4	860	21.8
Newham	96,100	56.1	15,900	14.2	1,608	34.2
Redbridge	112,300	64.4	10,100	8.3	784	29.7
Richmond upon Thames	90,700	75.0	6,500	6.7	700	19.5
Southwark	139,600	67.5	18,300	11.6	1,457	23.5
Sutton	98,800	78.4	5,500	5.3	808	17.1
Tower Hamlets	97,800	59.4	17,200	15.0	1,407	29.9
Waltham Forest	97,400	63.9	10,900	10.1	792	28.8
Wandsworth	163,700	76.0	13,200	7.5	1,028	17.8
Westminster	113,300	63.8	10,800	8.7	2,766	29.6
London	3,628,500	68.0	368,800	9.2	37,515	25.0

Source: Annual Population Survey, NOMIS. '-' denotes figures not available.

The following table displays figures for the distribution by age of the in-work population in London aged between 16 and 64:

Local Authority	All Working age	Working age and in work				
		16-64	16-24	25-34	35-49	50-64
Barking and Dagenham	109,344	67,100	8,800	19,000	27,400	11,900
Barnet	221,405	147,600	18,000	37,000	60,900	31,700
Bexley	147,130	103,500	17,500	19,700	39,000	27,400
Brent	191,232	128,400	9,200	43,100	49,200	26,800
Bromley	196,204	149,200	13,000	33,800	64,100	38,300
Camden	182,356	122,300	10,700	48,500	40,700	22,400
City of London	-	4,400	-	3,500	-	-
Croydon	236,163	167,500	18,600	42,800	60,000	46,000
Ealing	220,621	141,400	16,300	35,900	59,400	29,800
Enfield	190,066	118,400	11,300	27,800	52,000	27,400
Greenwich	151,463	100,100	11,300	30,500	38,100	20,200
Hackney	152,428	103,900	7,500	40,000	42,200	14,200
Hammersmith and Fulham	128,195	82,000	6,100	30,500	31,000	14,400
Haringey	162,574	96,100	11,100	31,600	39,000	14,400
Harrow	143,792	101,600	9,300	27,200	47,000	18,100
Havering	151,916	107,000	15,000	23,100	43,100	25,800
Hillingdon	171,382	124,700	18,100	35,800	41,700	29,100
Hounslow	158,498	110,400	12,700	34,500	36,000	27,100
Islington	146,690	97,700	7,500	38,300	33,300	18,600
Kensington and Chelsea	131,959	81,400	5,500	26,800	32,700	16,400
Kingston upon Thames	114,821	81,800	10,800	21,000	29,700	20,300
Lambeth	206,111	151,900	15,800	58,700	53,400	23,900
Lewisham	190,188	126,300	9,300	41,000	55,100	20,800
Merton	143,839	104,400	12,200	35,500	39,800	17,000
Newham	172,878	96,100	11,800	36,700	37,000	10,600
Redbridge	175,257	112,300	9,700	29,600	44,900	28,100
Richmond upon Thames	121,782	90,700	9,100	20,300	40,800	20,500
Southwark	208,436	139,600	16,900	51,100	49,500	22,100
Sutton	126,892	98,800	10,300	22,900	43,500	22,200
Tower Hamlets	166,081	97,800	13,100	44,200	28,300	12,200
Waltham Forest	153,266	97,400	13,200	25,500	38,300	20,300
Wandsworth	216,511	163,700	10,600	81,700	56,700	14,700
Westminster	180,438	113,300	10,900	49,800	36,700	15,900
London	5,337,000	3,628,500	381,200	1,147,500	1,391,300	708,500

Source: Annual Population Survey, NOMIS. '-' denotes figures not available.

10. LHA rates in London

Valid from 1 November – 30 November 2010

BRMA	LOCAL AUTHORITIES COVERED	SHARED ROOM		1 BED		2 BEDS		3 BEDS		4 BEDS		5 BEDS	
		M £	30% £	M £	30% £	M £	30% £	M £	30%	M £	30%	M £	30 %
CENTRAL LONDON	Westminster, Camden, City of London, Kensington and Chelsea, Hackney, Hammersmith and Fulham, Islington, Tower Hamlets	140.94	137.50	360.00	250.00	513.30	290.00	750.00	340.00	1000.00	400.00	2000.00	-
INNER NORTH LONDON	Westminster, Barnet, Brent, Camden, Ealing, Hackney, Hammersmith and Fulham, Haringey, Islington, Kensington and Chelsea	111.24	91.10	250.00	195.00	330.00	290.00	440.00	340.00	580.00	400.00	700.00	-
INNER WEST LONDON	Hounslow, Brent, Ealing, Hammersmith and Fulham,	107.50	97.50	241.64	195.62	312.00	285.00	391.23	335.00	550.00	400.00	916.50	-
INNER SOUTH WEST LONDON	Lambeth, Merton, Richmond-upon-Thames, Wandsworth	116.10	103.10	245.00	210.00	315.00	287.44	391.23	335.00	552.33	400.00	775.00	-
INNER SOUTH EAST LONDON	Bromley, Croydon, Greenwich, Lambeth, Lewisham, Southwark	90.00	83.50	188.71	166.85	242.31	212.88	299.18	270.00	402.74	345.21	525.00	-
INNER EAST LONDON	Hackney, Islington, Tower Hamlets,	100.00	90.00	240.00	210.00	<u>300.00</u>	270.00	<u>350.00</u>	320.00	450.00	400.00	570.00	-
NORTH WEST	Barnet, Brent, Ealing, Harrow, Hillingdon	87.53	82.50	172.60	160.90	218.63	207.12	287.67	264.66	345.21	322.19	460.14	-

WPSC inquiry: analytical supplement – 3 November 2010

BRMA	LOCAL AUTHORITIES COVERED	SHARED ROOM		1 BED		2 BEDS		3 BEDS		4 BEDS		5 BEDS	
		M £	30% £	M £	30% £	M £	30% £	M £	30%	M £	30%	M £	30 %
LONDON													
OUTER NORTH EAST LONDON	Barking and Dagenham, Havering, Redbridge, Waltham Forest	74.99	67.50	149.59	140.00	189.86	179.51	241.64	218.63	316.44	276.16	425.75	-
OUTER NORTH LONDON	Barnet, Enfield, Haringey, Islington,	89.75	74.30	179.26	155.34	230.14	220.00	299.18	276.16	376.98	345.21	549.00	-
OUTER SOUTH EAST LONDON	Bexley, Bromley, Greenwich, Lewisham	79.59	70.08	149.59	138.08	184.11	172.60	218.63	207.12	298.61	264.66	391.23	-
OUTER SOUTH LONDON	Croydon, Kingston-upon-Thames, Merton, Sutton	81.70	75.00	155.34	143.84	195.62	184.11	241.64	225.53	327.95	299.18	402.74	-
OUTER SOUTH WEST LONDON	Hounslow, Kingston-upon Thames, Merton, Richmond-upon-Thames, Sutton, Wandsworth,	89.43	80.55	195.62	172.60	253.15	230.14	310.68	276.16	416.13	368.22	630.00	-
OUTER EAST LONDON	Newham, Redbridge, Waltham Forest,	79.55	69.04	166.85	154.19	207.12	195.62	253.15	230.14	299.18	280.00	360.00	-
OUTER WEST LONDON	Hounslow, Ealing, Hillingdon, Richmond-upon-Thames,	85.72	77.50	166.85	149.59	207.12	195.62	253.15	235.89	299.18	276.16	345.21	-

- Rate amounts **in Bold** are affected by the property size rate caps
- £250.00 for 1 bedroom
- £290.00 for 2 bedroom
- £340.00 for 3 bedroom
- £400.00 for 4 bedroom or larger
- London local authorities generally cover more than one Broad Rental Market Area.