

4 Arrears and safeguards

4.1 Introduction and summary

In April 2011 the Department for Work and Pensions introduced a new temporary safeguard provision which was included in the Housing Benefit (Amendment) Regulations 2010. Subsequent to these changes, local authorities (LAs) have been able to make payments direct to the landlord where they have considered that it would assist the claimant in securing or retaining a tenancy. This section reports on the findings of LAs' experience of arrears and safeguards since the introduction of this provision.

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 statistically significant sub-group differences. We have not commented on differences that are not significant. When possible, comparisons are made with the findings from the previous wave of the survey which was conducted in the autumn of 2011. Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of 'don't know' or 'other' categories, or multiple answers.

There has been a significant rise between autumn 2011 (60 per cent) and autumn 2012 (67 per cent) in the percentage of LAs that have seen an increase in the number of requests for direct payments by landlords on the grounds of arrears. Among the 140 LAs that had seen an increase in such requests, four in five (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 have observed an increase in requests for direct payment on grounds of claimants being unlikely to pay (47 per cent in autumn 2011 and 52 per cent in autumn 2012). Among the 109 LAs that said they had observed an increase in requests of this nature, approximately four in five (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 safeguard that 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, representing a rise of 11 per cent on the previous year's findings.

4.2 Main findings

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

Figure 4.1 Would you say that since the regulations changed in April 2011 requests for direct payments by landlords on grounds of arrears has increased, decreased or stayed the same?

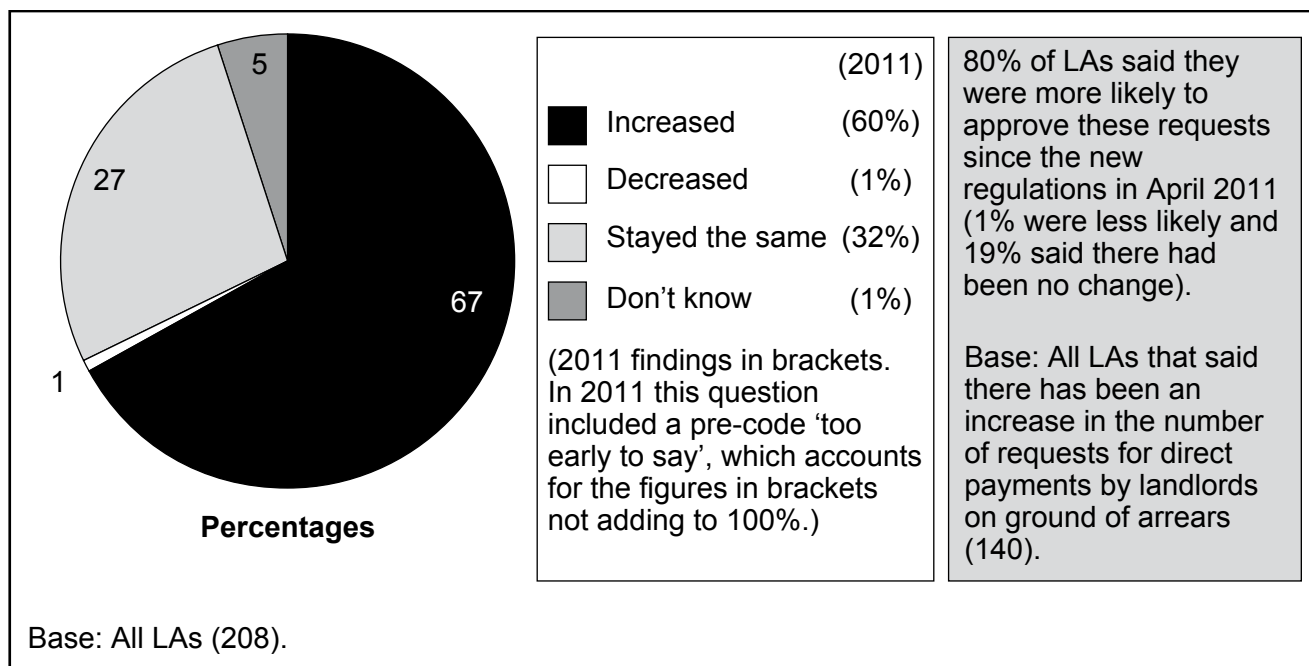


Figure 4.1 illustrates the main answers to these questions. There has been a significant rise between autumn 2011 (60 per cent) and autumn 2012 (67 per cent) in the percentage of LAs that have seen an increase in the number of requests for direct payments by landlords on the grounds of arrears. The autumn 2012 data shows that the amount of requests of this nature was significantly higher within the English Metropolitan Districts (81 per cent) compared to Scottish local authorities (53 per cent).

Among the 140 LAs that had seen an increase in such requests, four in five (80 per cent) said they were more likely to approve these requests following the change to regulations in April 2011. The survey findings for this measure have not shown significant change between the levels recorded in autumn 2011 and autumn 2012.

Looking solely at the findings for autumn 2012, the English Metropolitan Districts were significantly more likely to have said they were more likely to approve such requests (100 per cent) compared to all other LA types (e.g. just 67 per cent of Welsh LAs said they were more likely to approve requests of this kind).

Figure 4.2 Would you say that since the regulations changed in April 2011 requests by landlords for direct payments on grounds of claimants being unlikely to pay has increased, decreased or stayed the same?

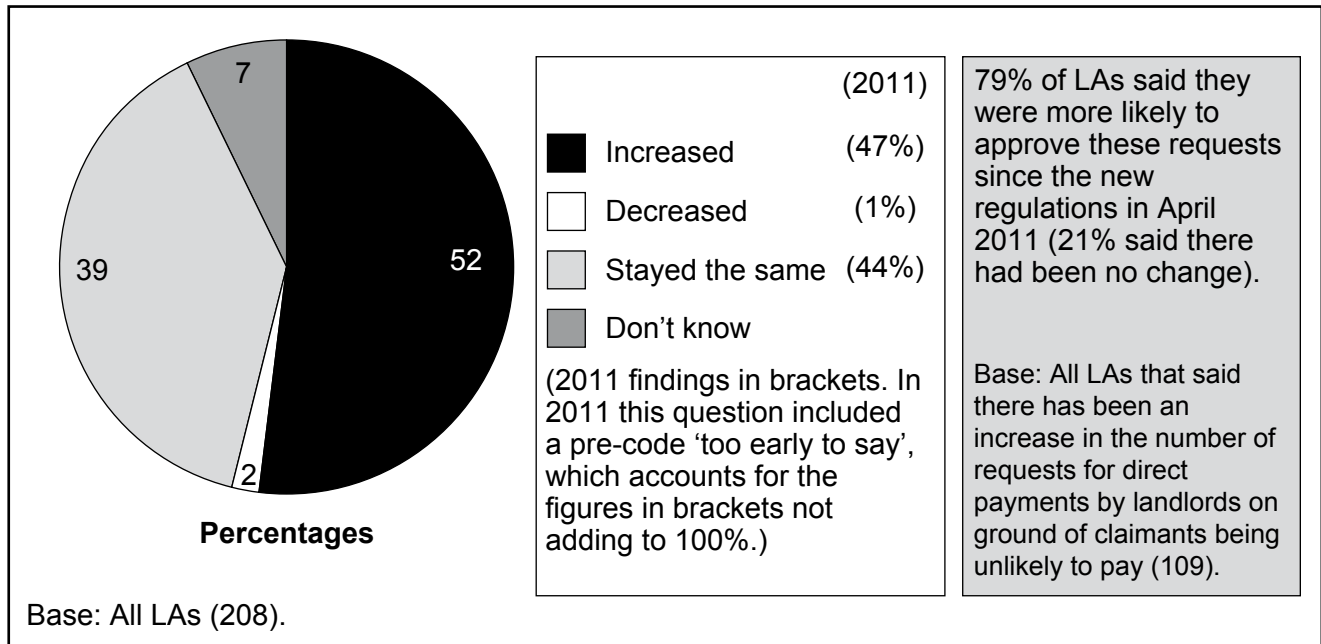


Figure 4.2 shows responses to these questions concerning the change in the number of requests for direct payments by landlords on the grounds of claimants being unlikely to pay. There has been a significant rise in the number of LAs that have observed an increase in such requests between autumn 2011 (47 per cent) and autumn 2012 (52 per cent). Looking at the 2012 responses in more detail, the English Metropolitan Districts had significantly higher numbers experiencing an increase in these kinds of requests when compared with English Districts (71 per cent versus 51 per cent respectively).

Among the 109 LAs that said they had observed an increase in requests of this nature, approximately four in five (79 per cent) said that they were more likely to approve these requests subsequent to the changes to regulations in April 2011. This represents a significant decrease from the equivalent finding for this measure from the autumn 2011 data when 85 per cent said they were more likely to approve requests for direct payments by landlords on the grounds of claimants being unlikely to pay.

In 2012 the following regions had significantly higher proportions of LAs that said they were more likely to approve these requests: North West (100 per cent); London (91 per cent); South West (90 per cent); South East (89 per cent) in comparison to 50 per cent of LAs in the North East and 56 per cent in the East of England.

Figure 4.3 Since the regulations changed in April 2011 has your LA made use of the new safeguard that 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?

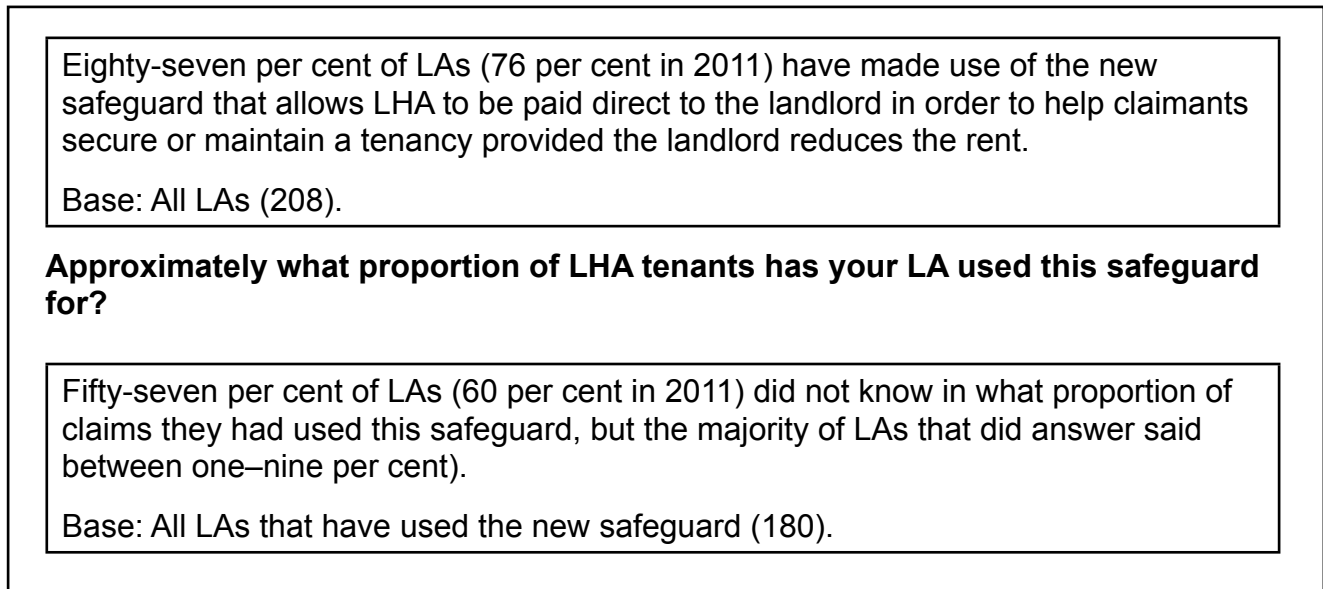


Figure 4.3 shows that the majority of LAs have made use of the safeguard that allows LHA to be paid direct to the landlord in order to help claimants secure or maintain a tenancy provided the landlord reduces the rent. The proportion recorded for autumn 2012 (87 per cent) represents a significant increase to the equivalent finding for autumn 2011 (76 per cent). In 2012 the use of this safeguard was significantly higher among English Metropolitan Districts (100 per cent using it). It was also higher among LAs with medium (90 per cent) or high (97 per cent) caseloads, compared to LAs with low caseloads (77 per cent using). London Boroughs were more likely to answer ‘don’t know’ to this question (14 per cent of London Boroughs) compared to none of the English Metropolitan Districts and just three per cent of English Districts that said ‘don’t know’ at this question.

In terms of the proportion of claims where LAs had used this safeguard, among the LAs that answered with a figure, the trend is for increased proportions from those recorded in 2011 to those recorded in 2012 as Table 4.1 illustrates.

Table 4.1 Comparative proportions of claims using safeguards

Proportion of claims using safeguard	2012 (%)	2011 (%)
1–9%	23	28
19–19%	9	3
20–29%	6	3
30–39%	2	1
40–49%	-	-
50–69%	3	2
Don’t know	57	60