

Local Authority Insight Survey – Wave 23

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The Local Authority (LA) Insight Survey is conducted every six months among managers with responsibility for the administration of Housing Benefit (HB) and Council Tax Benefit (CTB).¹ It aims to provide the Department with a regular means of finding out how 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 23 of the Survey, which was conducted between 17 October and 16 December 2011. More detailed findings from these and other sections are given in the full report, which is available free of charge on the Department for Work and Pensions (DWP) website http://research.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_834.asp.

Wave 23 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.
- Broken HB claims.
- Temporary accommodation.

Discretionary Housing Payments

When asked to identify the full range of situations where a DHP was awarded, the use mentioned most frequently by LAs was where the rent could not be met in full, either due to the LHA rate (i.e.

¹ Please note that the Local Authority Insight survey was previously known as the Local Authority Omnibus Survey.

claimants had a shortfall between their rent and the amount of HB they were receiving) or the Rent Officer's determination² (99 per cent). The next most common response was where family circumstances meant that claimants could not meet the rent commitment (93 per cent).³

In response to the question of whether their use of DHPs had changed since the new regulations came into effect in April 2011, 63 per cent of LAs said that they were either not more likely to award DHPs to specific groups or claimants, or that it was simply too early to notice a change in the pattern of DHP awards. Amongst the LAs that had observed a change in the specific groups that were more likely to be awarded DHPs, the most frequently mentioned included single people (21 per cent) and people under the age of 25 (19 per cent).

As a consequence of the changes to the Shared Accommodation Rate (which were yet to commence at the time fieldwork was undertaken), 43 per cent of LAs had already reviewed their DHP allocation criteria for persons under 35 and a further 37 per cent intended to review them.

Twenty-eight per cent of LAs said that the number of DHPs awarded for short terms of three months or less had increased since the new regulations, and 64 per cent of LAs said that they expected to spend their full DHP allocation in the financial year.

² Note: Rent Officers determine the LHA rate for every LA in England.

³ Note: Percentages will not sum to 100 as LAs were asked to 'tick all that apply' from a list of options. 99 per cent therefore reflects 99 per cent of LAs awarding DHPs due to the LHA rate or the Rent Officer's determination, and not 99 per cent of total DHP funds.

Housing Benefit advice since the new regulations in April 2011

Nearly all LAs (98 per cent) had alerted claimants about the changes to LHA by post, with 88 per cent having sent a letter out to claimants specifically about the changes. Other measures used to inform claimants included putting up posters about the changes (60 per cent), placing an article in the council newsletter (49 per cent), making information leaflets available in council offices (48 per cent), putting notices within housing offices (44 per cent), issuing a press release (26 per cent) and one in five had held workshops. 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.

Over half of LAs (57 per cent) said that they had noticed an increase in the overall level of need for advice from HB advisers, while 22 per cent thought there had been no change and 17 per cent said that it was too early to say. These figures were very similar when LAs were asked about change in the level of need for advice from LHA tenants. Almost half of LAs (49 per cent) also 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.

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

Opinion was divided on whether or not the new April 2011 regulations had caused landlords to leave the HB sub-market in their area: 27 per cent said that they believed it had caused landlords to leave and 26 per cent said it had not. Where LAs said that they believed landlords had left the HB sub-market, it is not clear whether these landlords have been replaced by other landlords or whether the overall number has fallen.

Just over two in five LAs (42 per cent) thought that there had been an increase in homelessness among PRS tenants since the new regulations. Among

these, the most reported reasons for homelessness were loss of accommodation due to rent arrears (55 per cent), relationship breakdown (49 per cent), family dispute (33 per cent), a lack of suitable accommodation (26 per cent), domestic violence (24 per cent), a reduction in the number of PRS properties and the wider economic situation (both 21 per cent).

Overall, twenty-one per cent (and 50 per cent in London Boroughs) said that there had been an increase in the number of claimants moving into their area since the new regulations. Just three per cent said that there had been a decrease, although this increases to 21 per cent among London Boroughs. Around two in five LAs said that claimants had come from neighbouring LA areas or Greater London areas (42 per cent and 38 per cent), while a third said that the increase was caused by claimants coming from the same region (nearby LA area, but not neighbouring).

Three in five LAs (60 per cent) said that there had been no change in the number of claimants moving **out of** their area. Just ten LAs (four per cent) said that there had been an increase – six English districts and four London Boroughs. Eight out of the ten LAs that reported an increase in the number of claimants moving out of the area, said that there had been an increase in the number moving to find cheaper accommodation.

A quarter of LAs reported an increase in the number of claimants moving **within** the LA area (i.e. moving from one property to another, but staying in their LA area).

Arrears and safeguards

While 60 per cent of LAs had seen an increase in the number of requests for direct payments by landlords because of arrears, 32 per cent thought there had been no change. Among the LAs that had seen an increase, 81 per cent said they were more likely to approve these requests since the new regulations in April 2011.

Almost half of LAs (47 per cent) claimed to have seen an increase in the number of requests for direct payments on the grounds of claimants being unlikely to pay, while 44 per cent said there had been no

change and six per cent thought it was too early to say. Among the 108 LAs that had seen an increase, 85 per cent said they were more likely to approve these requests since the new regulations in April 2011.

Around three-quarters of all LAs (76 per cent) had already made use of the new safeguard, which allows LHA to be paid directly to the landlord in order to help claimants secure or maintain a tenancy provided the landlord reduces the rent. When LAs were asked approximately what proportion of claims their LA had used this safeguard, 60 per cent did not know. However, among those providing a percentage, 32 per cent said that it was used in between one and ten per cent of claims.

Broken HB claims

Just one in ten LAs had seen cases where claimants had moved from Incapacity Benefit to the Employment and Support Allowance and there had been a broken claim and a move to the new LHA rules, although this increased to 26 per cent of Scottish LAs.

On the other hand, around three in ten LAs (31 per cent) said that before April 2011 they had claimants who broke their HB claim for a week then reclaimed prior to the end of March in order to maximise their transitional protection. This figure increases significantly, however, among London Boroughs (75 per cent), LAs with a high caseload (47 per cent) and those in the North West (50 per cent).

Temporary accommodation⁴

PSL and LA licensed temporary accommodation

Thirty-nine per cent of LAs held or had access to private sector leased (PSL) properties (where the LA is the immediate landlord, but the property itself is leased by the LA from a private sector landlord)

⁴ Although LAs were asked to pass this section of the questionnaire to their Homelessness team, there was still a relatively high proportion of LAs that were unable to provide answers and, therefore, these findings should be treated with caution. Consequently, there has been limited opportunity to make meaningful comparisons with the answers from Wave 19 and Wave 21.

and 47 per cent held or had access to LA licensed properties (the LA is the landlord).

When LAs with self-contained units of PSL and LA licensed accommodation were asked to state approximately what percentage of those households contained at least one member in either full or part-time employment⁵, approximately 12 per cent said 'none'; compared with just five per cent who thought that more than 40 per cent of these kinds of households contained someone in employment.

In terms of the property sizes of self-contained PSL and LA licensed temporary accommodation, LAs were most likely to hold properties with two bedrooms (88 per cent of LAs), followed by three bedrooms (81 per cent) and one bedroom (79 per cent). When asked about the suitability of the size of these properties in relation to the size of the household, LAs seemed more able to estimate what proportion were about the right size, with approximately half (48 per cent) saying that between 81 and 100 per cent of properties were about the right size.

When LAs were asked to think of the total cases in PSL and LA licensed accommodation (both self-contained and non-self-contained) in April 2010 and April 2011, and state approximately what percentage were placed to discharge a homelessness duty, and what percentage were placed in order to prevent homelessness⁶, it is clear

⁵ They were asked to provide an estimate if necessary.

⁶ 'Main homelessness duty' is owed where the authority is satisfied that the applicant is eligible for assistance, unintentionally homeless and falls within a specified priority need group. Such statutorily homeless households are referred to as 'acceptances'. Under the Homelessness Act 2002, local housing authorities must have a strategy for preventing homelessness in their district. The strategy must apply to everyone at risk of homelessness, not just people who may fall within a priority need group for the purposes of Part 7 of the Housing Act 1996. Authorities are also encouraged to take steps to relieve homelessness in cases where someone has been found to be homeless, but is not owed a duty to secure accommodation under the homelessness legislation. 'Homelessness prevention' means providing people with the ways and means to address their housing and other needs to avoid homelessness.

from the findings that, in both 2010 and 2011, the majority of this accommodation was placed to discharge a homelessness duty. In April 2010, 46 per cent of LAs said 81–100 per cent of their PSL and LA licensed temporary accommodation units were placed to discharge a homelessness duty and, in April 2011, the equivalent finding was 43 per cent.

Housing Association leased and Housing Association licensed self-contained accommodation

Thirty-six per cent of LAs had access to Housing Association (HA) leased properties (the HA is the landlord) and 26 per cent held or had access to HA licensed properties (where the HA is the landlord).

When asked approximately what percentage of self-contained units of PSL and LA licensed accommodation contained at least one member of the household in either full or part-time employment, slightly more than half (55 per cent) did not know; one in eight LAs (12 per cent) said that they did not have any households of this type with someone in employment and just one per cent said 41 per cent or more.

Although there was relatively low awareness on this issue, overall, LAs were most likely to have self-contained HA leased and HA licensed properties with two or three bedrooms. As with PSL and LA licensed self-contained accommodation, there were also high levels of ‘don’t know’ answers for the question

about the suitability of the size of self-contained HA leased and HA licensed properties in relation to the size of the household, with LAs seeming most able to estimate what proportion of properties were about the right size.

In terms of the proportions of HA leased and HA licensed temporary accommodation that were used to discharge a homeless duty, the findings suggest that in both 2010 and 2011, this type of accommodation was more frequently used to discharge a homelessness **duty** than for homelessness **prevention**. In **both** April 2010 and April 2011, just over a third of LAs said that the vast majority (i.e. 81–100 per cent) of their HA leased and HA licensed temporary accommodation units were placed to discharge a homelessness duty (compared to 11 per cent that said this proportion of properties were placed for homelessness prevention).

About the survey

One manager from all LAs in England, Scotland and Wales was invited to take part in Wave 23 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 235 LAs participated in the survey and this includes some LAs that did not complete every section of the questionnaire. Overall, 170 filled in the questionnaire on the web, 50 on paper and 15 on the telephone, between 17 October and 16 December 2011.

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The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 909532 31 1. Research Report 834. April 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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