

2 Housing Benefit advice

2.1 Introduction and summary

This section of the survey aimed to assess whether the changes to the Local Housing Allowance (LHA) system of Housing Benefit (HB) that were introduced in April 2011 have had an effect on the need for advice by HB claimants.

The changes to HB announced in the June 2010 Budget and the Comprehensive Spending Review of 2010 included:

- changing the basis for setting LHA) rates from the median (50th percentile) to the 30th percentile of local market rents;
- capping LHA rates by property size in 2012:
 - £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 rate;
- capping the annual increases in most working-age benefits at one per cent in cash terms in 2014–15 and 2015–16, in addition to the one per cent cap on increases already confirmed for 2013–14.

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-dependant deduction to HB and Council Tax Benefit (CTB) was also implemented in stages from April 2011 onwards⁹.

Two further measures were announced in October 2010. The first of these measures involved raising the age at which the Shared Accommodation Rate (formerly the Single Room Rate) 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 (with a lower rate for single people), to be introduced in four London Boroughs from April 2013, and more widely from autumn 2013.

The key findings based on all local authorities (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

⁹ When there is an existing HB/CTB claim and the customer or the customer's partner has attained the age of 65, a non-dependant moves into the customer's home or an existing non-dependant has an increase in income, that would increase the non-dependant deduction, the deduction or increase in the existing deduction will not take effect until 26 weeks after the change happened.

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.

Respondents were asked whether or not they thought there had been a change in the overall level of need for advice from HB claimants since the new regulations in April 2011. A high of 94 per cent of LAs said that the level of need had increased – 51 per cent said a lot and 43 per cent a little. This is a significant increase on last year when a similar question was asked and 57 per cent said there had been an increase.

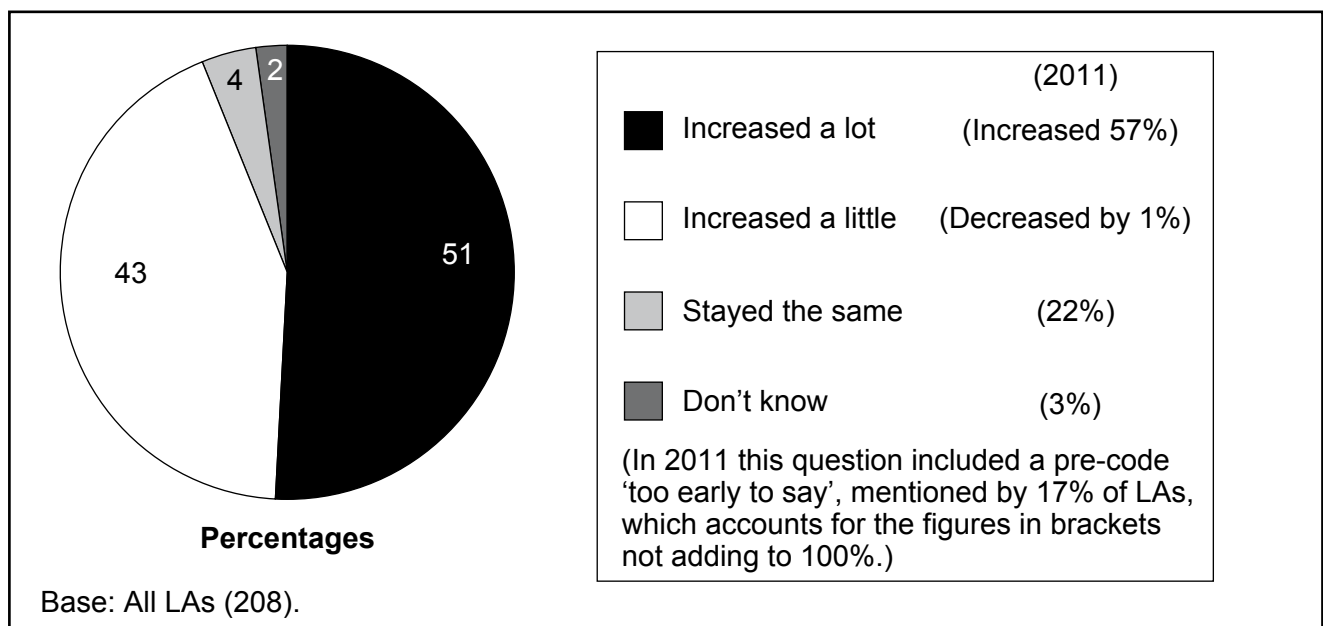
There has also been a significant increase in the proportion of LAs supporting tenants in rent negotiation; from 49 per cent in 2011 to 65 per cent in 2012. All those LAs that said demand for them to support tenants in rent negotiation had increased were asked what proportion of LHA tenants had been involved in rent negotiation. Overall this group of 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 (note, however, that around half of LAs were unable to answer this question).

Finally in this section on HB advice, LAs were asked if they 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 (63 per cent) said that they had been able to offer the same level of service, which is virtually the same proportion as in 2011. 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.

2.2 Main findings

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

Figure 2.1 Would you say that since the regulations changed in April 2011 the overall level of need for advice by HB claimants has increased, decreased or stayed the same?



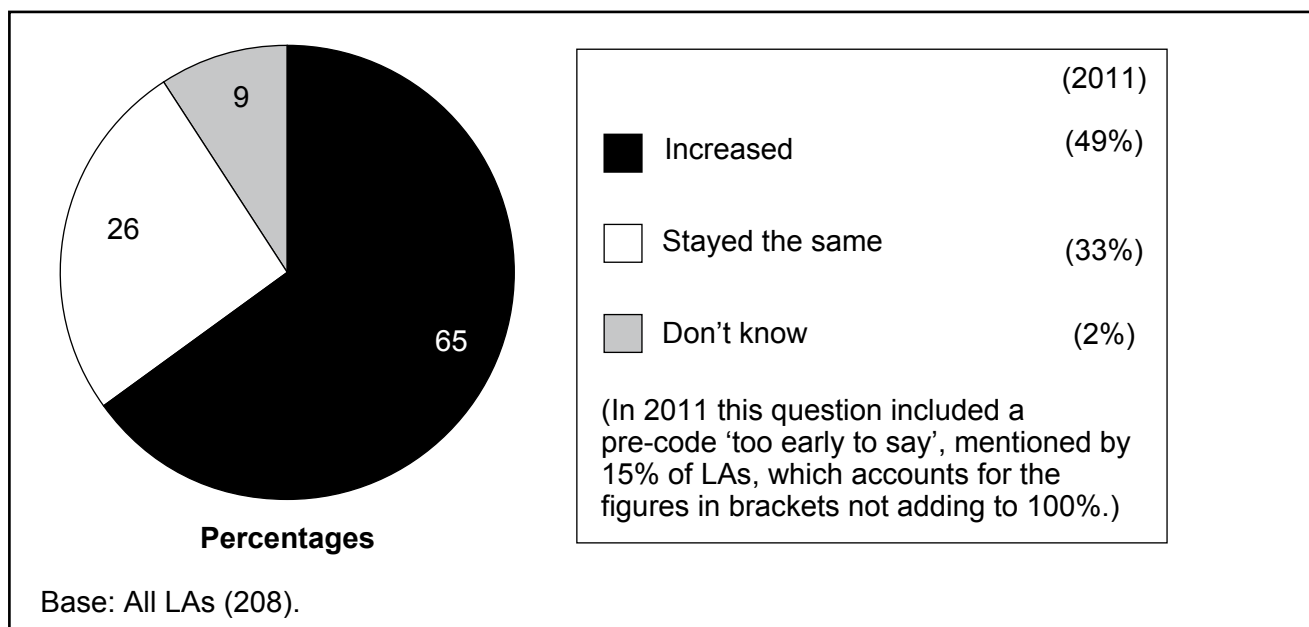
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Respondents were asked whether or not they thought there had been a change in the overall level of need for advice from HB claimants since the new regulations in April 2011.

Almost all LAs (94 per cent) said that the level of need had increased – 51 per cent said a lot and 43 per cent a little. This is a significant increase on last year when a similar question was asked specifically about the need for advice from HB Advisers and 57 per cent said that there had been an increase. Just four per cent (eight LAs) said the level of need had stayed the same, (two English Unitary authorities, five English Districts and one London Borough, with half in the South East), although this level was higher among LAs in the South East at 12 per cent (in comparison to none of the LAs in the East of England). Just one English Unitary authority said it had decreased.

Scottish LAs were the only authority type that were more likely to have said that the level of need had increased a little (76 per cent) rather than a lot (18 per cent). Four in five (81 per cent) English Metropolitan authorities said the level of need has increased a lot which, along with the equivalent findings for Wales (67 per cent), London Boroughs (62 per cent), English Districts (50 per cent) and English Unitary authorities (44 per cent), contrasts to the equivalent finding for Scottish LAs (18 per cent). There were also some significant differences by region with higher levels of LAs saying that the need for advice had increased a lot in the West Midlands (83 per cent), the North West (79 per cent), Yorkshire and Humberside (75 per cent), the North East (71 per cent), Wales (67 per cent), London (62 per cent), in contrast to lower levels in Scotland (18 per cent) and the East of England (31 per cent).

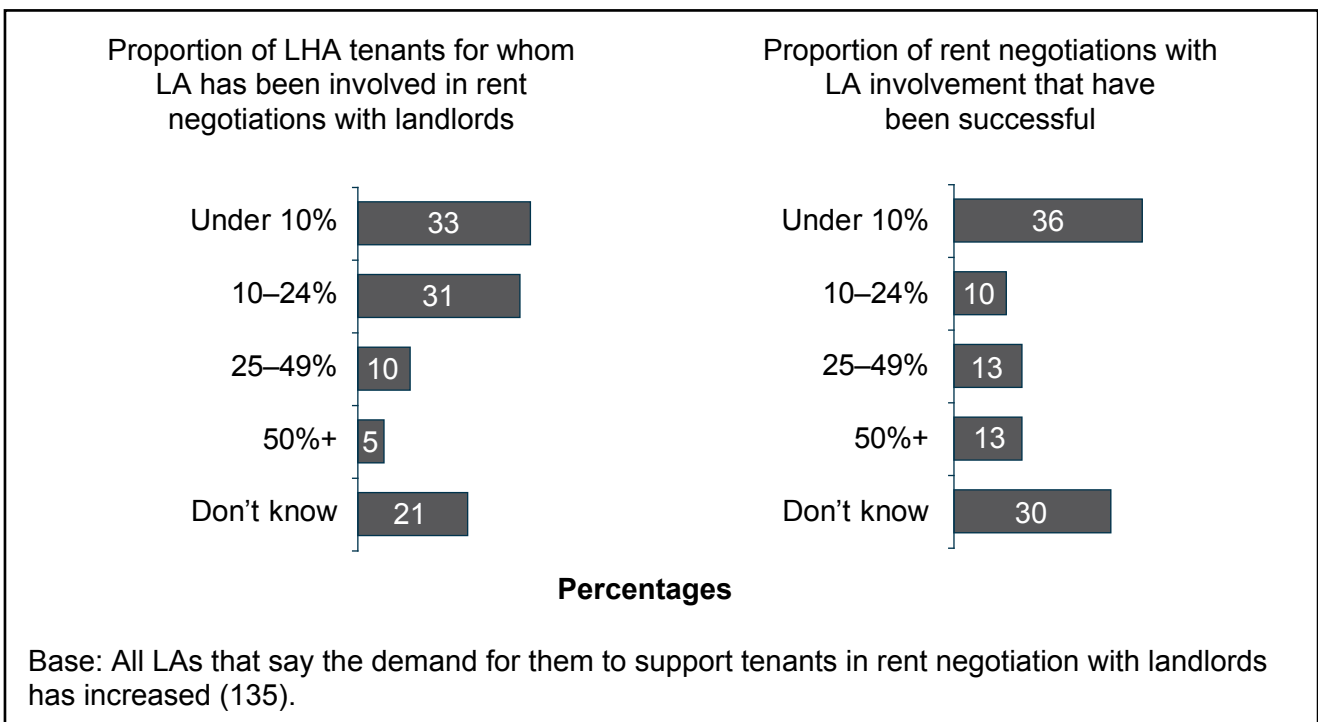
Figure 2.2 Would you say that since the regulations changed in April 2011 the demand for your LA to support tenants in rent negotiation with landlords has increased, decreased or stayed the same?



There has been a significant increase in the proportion of LAs supporting tenants in rent negotiation from 49 per cent in 2011 to 65 per cent in 2012. Once again, no LAs said that there had been a decrease and roughly a quarter (26 per cent) said it had stayed the same (33 per cent at the previous wave).

London Boroughs were particularly likely to have seen an increase in the need for them to participate in rent negotiation (95 per cent) which is significantly higher than Scottish LAs, English Unitary authorities and English Districts (41 per cent, 69 per cent and 57 per cent respectively). High and medium caseload authorities were also much more likely than low caseload authorities to have been involved in rent negotiations (78 per cent, 70 per cent and 52 per cent respectively).

Figure 2.3 For what proportion of the total number of LHA tenants in your LA has your LA been involved in rent negotiations with landlords? What proportion of these rent negotiations that your LA has been involved in have been successful?



All of the LAs that had said that demand for them to support tenants in rent negotiation had increased were asked what proportion of LHA tenants had been involved in rent negotiation (left-hand side of Figure 2.3). It is important to note that one in five (21 per cent) were not able to give an answer and half (53 per cent) of those that gave an answer had to give an estimate. A third of this group of LAs said that under 10 per cent of LHA tenants had been supported, three in ten said between 10 per cent and 24 per cent, and one in ten said between 25 per cent and 49 per cent. Just five per cent said 50 per cent and over had been supported.

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Overall, LAs where the demand to support tenants in rent negotiation had increased said that they had supported an average of 18 per cent of LHA tenants¹⁰, with this rising to an average of 24 per cent in London Boroughs and 21 per cent in English Districts (significantly higher than English Unitary authorities and English Metropolitan Districts, both with an average of 11 per cent). Interestingly, the proportion of LHA tenants that negotiated over rent with the support of the LA was higher in low caseload authorities than it was in high caseload authorities (averages of 22 per cent and 15 per cent respectively). There was a similarly high average percentage of LHA tenants involved in rent negotiations with authorities in the East of England (32 per cent).

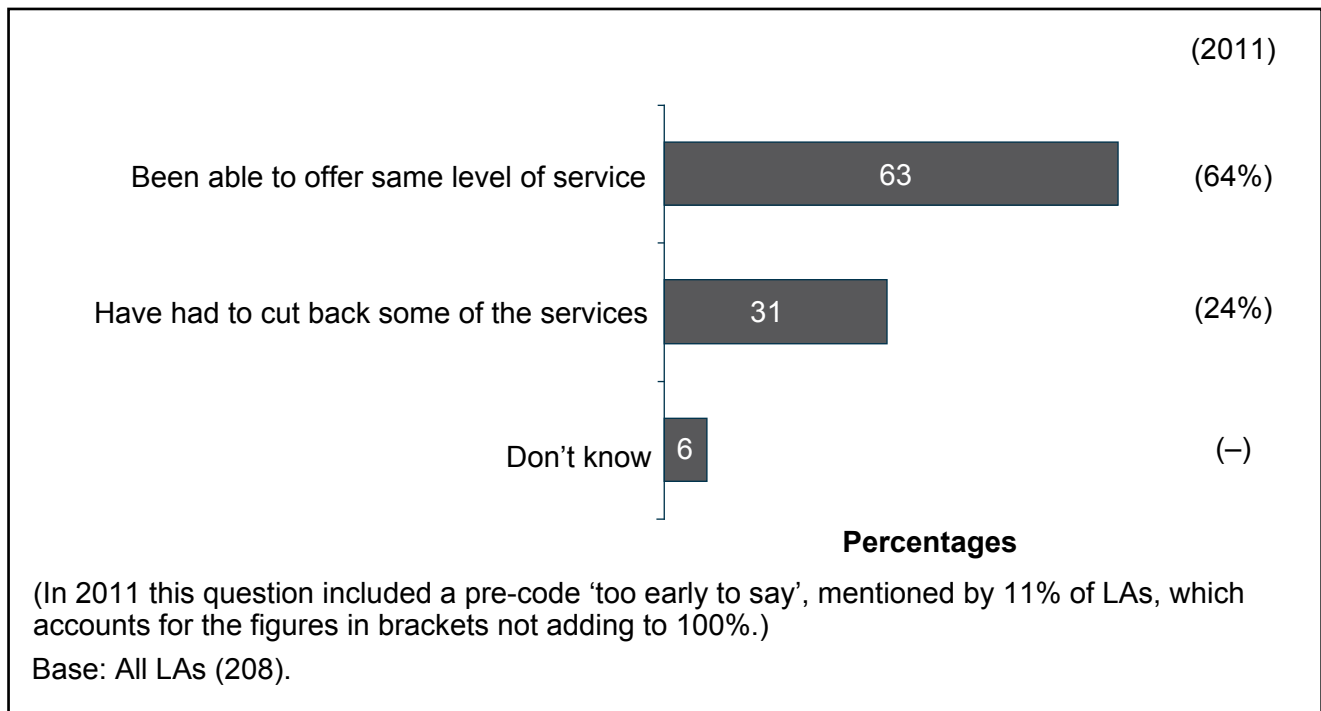
The right-hand side of Figure 2.3 shows the proportion of rent negotiations where the LA was involved that had been successful.¹¹ In the majority of LAs fewer than half were successful, with more than a third saying that fewer than 10 per cent of negotiations were successful. Again half (51 per cent) estimated their answer.

Overall, LAs said that an average of 25 per cent of their rent negotiations had been successful, with some variation by sub-group. Those with a low caseload said that on average 36 per cent of rent negotiations had been successful compared with 19 per cent of high and medium caseload authorities. The overall average for successful negotiations was also higher for LAs without contracted-out administration (27 per cent) compared with 11 per cent for LAs that had contracted-out administration).

¹⁰ Note that this is out of LHA tenants in LAs where the demand to support tenants in rent negotiation had increased and doesn't provide an indication of negotiation without LA support.

¹¹ It does not provide an indication of the success of negotiation without LA support.

Figure 2.4 In general, would you say that, as a result of the regulation changes 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 advice, 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 (63 per cent) said that they had been able to offer the same level of service, which is virtually the same figure as in 2011. However, 31 per cent said that they have had to cut back some of their services and this is significantly up from 24 per cent in 2011.

Findings were consistent across the different sub-groups of the sample.