



Department
for Work &
Pensions

Removal of the Spare Room Subsidy

Analysis of changes in numbers subject to a
reduction in Housing Benefit award

July 2014

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Introduction

1. In April 2013 the removal of the spare room subsidy (RSRS) came into effect. This policy applies to working age social rented sector (SRS) housing benefit (HB) claimants (pensioner households are exempt). Where claimants are deemed to occupy more bedrooms than they need, as defined by the social sector size criteria, they are subject to a weekly reduction in their housing benefit.

2. The latest HB data released in May 2014 showed the numbers subject to a reduction in their HB award due to the removal of the spare room subsidy policy continued to decline. Over the period from May 2013 to December 2013, the numbers subject to an RSRS reduction have fallen by an average of around 8,000 each month, although there is some variability around this. This reflects a typical monthly 'off-flow' from the RSRS (claimants no longer subject to a reduction in their Housing Benefit award or claimants leaving HB entirely) of around 25,000 – 30,000, offset by a monthly 'on-flow' of 15,000 – 20,000 (existing claimants becoming subject to a reduction, or new claimants coming onto HB and subject to RSRS).

3. This analysis was carried out to help inform the debate on the RSRS policy. It has been released as an ad hoc statistic given the high profile nature of the information and therefore publication has been deemed to be in the public interest. **These management information have not been quality assured with the same rigour as those denoted as official statistics or National statistics.**

Contact details

Queries about the content of this document

Please direct any queries to:

David Evans

Department for Work and Pensions

3rd Floor Caxton House

Tothill Street

London

SW1H 9NA

Phone: 020 7245 3898

Email: david.evans1@dwp.gsi.gov.uk

Background

4. Data on the number of claimants with an RSRS reduction applied showed a steady downward trend, declining by 13% from 547,000 in May 2013 to 478,000 in the latest data for February 2014. This decline is the net result of more claimants no longer being subject to a reduction compared to claimants who have become subject to a reduction.

Methodology

5. This analysis investigates the reasons behind the downward trend in the number receiving a reduction in their HB award due to RSRS. It focuses mainly on those who were affected by the policy and subsequently come off RSRS, but remain on housing benefit, although some analysis of those affected who leave HB entirely is also included. Analysis of data after December 2013 yielded unexpected results which require further quality assurance. For this reason data relating to January and February 2014 has not been included in this publication.

6. The decrease in the numbers affected by the RSRS is likely to be due to a combination of factors, some of which may be attributable to the policy and others which would have occurred regardless because of claimants' natural life events. This analysis cannot determine the reasons behind changes in circumstance and therefore makes no attempt to draw conclusions on whether changes in circumstance are as a result of the policy.

7. Although claimants can have multiple changes of circumstance that result in no longer being subject to a reduction, for the purposes of this analysis only the most likely reason has been attributed to each claimant making each category mutually exclusive. To determine which reason was recorded the categories were ranked by the likelihood of a reason having an impact on the claimants' liability to have a reduction. For instance, if a housing benefit recipient moved to the private rented sector (PRS) and had a non-dependant joining the household at the same time, the reason recorded is having moved to the PRS (as this definitely excludes them from the policy).

8. As data is not collected once a claimant has left HB entirely, it is not possible to identify the change in circumstance that caused this. Therefore only by linking to other administrative datasets can any further analysis of those who left HB altogether be conducted. This analysis therefore linked with Working Tax Credit (WTC) data and identified those who were subject to a reduction due to the policy, left housing benefit and subsequently started a WTC claim. This is likely to be an undercount of the number of claimants who leave HB and subsequently find work, given

that many jobs would not qualify for WTC. For the purpose of this section of the analysis an off-flow was only recorded where the claimant was not recorded in two subsequent HB scans (two months). This was to ensure only longer term off-flows were matched with WTC records.

9. The changes of circumstance were classified using the following categories:

- moving to PRS;
- downsizing within the SRS;
- increase in bedroom entitlement;
- decrease in number of bedrooms recorded;
- other;
- missing information (of a critical nature);
- unknown reason.

Results

10. The results are summarised in Tables 1 and 2. Table 1 shows the numbers moving off and onto the RSRS, including the reasons why they are no longer subject to a reduction in their Housing Benefit award; Tables 2a and 2b express these numbers as percentages of the total off-flows and of the RSRS caseload in each month respectively. An excel version of the summary tables is available on the DWP website:

<https://www.gov.uk/government/collections/ad-hoc-statistical-analysis-2014-quarter-3>

Alice Gambarin

Department for Work and Pensions

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Table 1: Summary of RSRS off-flows and on-flows, and reasons for off-flows, between May 2013 and December 2013 (Frequency)

	May-Jun	Jun-Jul	Jul-Aug	Aug-Sep	Sep-Oct	Oct-Nov	Nov-Dec	Total
Number of claimants subject to a reduction in month1	547,341	542,223	530,378	522,905	513,237	508,073	498,174	n/a
Number of claimants subject to a reduction in month2	542,223	530,378	522,905	513,237	508,073	498,174	491,741	n/a
NET CHANGE	- 5,118	- 11,845	- 7,473	- 9,668	- 5,164	- 9,899	- 6,433	n/a
Total on-flows	29,010	17,160	18,390	18,370	17,310	19,080	17,990	137,300
Total off-flows	34,420	29,280	26,330	28,170	22,910	29,160	24,850	195,120
..of which remaining on HB	21,400	17,140	14,590	14,530	11,700	14,670	11,460	105,470
..of which leaving HB	13,020	12,150	11,750	13,650	11,210	14,490	13,390	89,650
Reasons for off-flow for those remaining on HB:								
Moving to PRS	600	540	520	560	440	530	420	3,600
Downsizing within the SRS	3,470	3,010	3,040	2,960	1,970	2,380	1,910	18,740
Increase in bedroom entitlement	13,770	9,940	8,670	7,870	6,740	8,060	6,470	61,510
Decrease in number of bedrooms recorded	1,380	1,080	830	640	570	770	650	5,900
	290	210	160	120	90	160	90	1,110
Data issue	730	1,320	490	1,420	920	1,750	1,240	7,860
Other Unknown Reason	1,170	1,030	890	970	980	1,030	680	6,750
Off-flows from HB for at least two months	10,380	9,490	9,420	11,240	9,290	11,410	10,640	71,850
of which with a subsequent working tax credit (WTC)								
Frequency	820	760	720	1,030	910	1,140	820	6,190
Number of claimants continuously subject to a reduction from May 2013 to...	512,190	485,060	462,230	439,460	422,190	401,680	384,960	n/a

Notes

See 'Notes' and 'Assumptions' tabs on excel spreadsheet for reasons' definitions and assumptions

Figures in bold obtained from Stat Xplore – may not exactly match figures obtained from admin data (used to identify off/on-flows and reasons for flowing off)

Figures produced from admin data are rounded to nearest 10

The total column contains the sum of the off-flows, so may include the same claimant more than once

Table 2a: Summary of reasons for RSRS off-flows between May 2013 and December 2013 (Percentage of total off-flows)

	May-Jun	Jun-Jul	Jul-Aug	Aug-Sep	Sep-Oct	Oct-Nov	Nov-Dec	Total
Total off-flows	34,420	29,280	26,330	28,170	22,910	29,160	24,850	195,120
Reasons for off-flow for those remaining on HB:								
Moving to PRS	2%	2%	2%	2%	2%	2%	2%	2%
Downsizing within the SRS	10%	10%	12%	11%	9%	8%	8%	10%
Increase in bedroom entitlement	40%	34%	33%	28%	29%	28%	26%	32%
Decrease in number of bedrooms recorded	4%	4%	3%	2%	2%	3%	3%	3%
Other	1%	1%	1%	0%	0%	1%	0%	1%
Data issue	2%	5%	2%	5%	4%	6%	5%	4%
Unknown Reason	3%	4%	3%	3%	4%	4%	3%	3%
Left HB altogether for at least 1 month	38%	41%	45%	48%	49%	50%	54%	46%
Off-flows from HB for at least two months	10,380	9,490	9,420	11,240	9,290	11,410	10,640	71,850
of which with a subsequent working tax credit (WTC)								
Percentage of total off-flows (> 2 months)	8%	8%	8%	9%	10%	10%	8%	9%

Table 2b: Summary of reasons for RSRS off-flows between May 2013 and December 2013 (Percentage of RSRS caseload)

	May-Jun	Jun-Jul	Jul-Aug	Aug-Sep	Sep-Oct	Oct-Nov	Nov-Dec	Total
Reasons for off-flow for those remaining on HB:								
Moving to PRS	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	n/a
Downsizing within the SRS	0.6%	0.6%	0.6%	0.6%	0.4%	0.5%	0.4%	n/a
Increase in bedroom entitlement	2.5%	1.8%	1.6%	1.5%	1.3%	1.6%	1.3%	n/a
Decrease in number of bedrooms recorded	0.3%	0.2%	0.2%	0.1%	0.1%	0.2%	0.1%	n/a
Other	0.1%	n/a
Data issue	0.1%	0.2%	0.1%	0.3%	0.2%	0.3%	0.3%	n/a
Unknown Reason	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	n/a
Off-flows from HB for at least two months	10,380	9,490	9,420	11,240	9,290	11,410	10,640	71,850
of which with a subsequent working tax credit (WTC)								
Percentage of the RSRS caseload	0.2%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	n/a

Notes:

Cumulative percentages of RSRS caseload cannot be computed due to the dynamic nature of the caseload figure.

.. negligible <0.05%