

Supporting households affected by the Benefit Cap: Impact on Local Authorities, local services and social landlords

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DWP ad hoc research report no. 12

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Summary

This report is one of a series of outputs from the evaluation of the Benefit Cap. It highlights the key findings from work in ten case study local authorities, including: interviews with local authority staff, local agencies and Housing Associations; a nationwide survey of social landlords; and consultation with major lenders to the Housing Association sector. It provides information on how local agencies have been affected by the Benefit Cap and how they are working with capped claimants.

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Glossary of terms

The Benefit Cap The Cap, introduced from April 2013, limits the total amount of benefits that most out of work working age households can receive to £500 a week for couples and families, and £350 a week for single people without dependent children.

Discretionary Housing Payments (DHP)

Payments awarded by local authorities when they consider that a claimant requires further financial assistance towards housing costs. The DWP allocates funding for DHP to local authorities, who decide how to allocate it and may also choose to top up the funding from their own resources.

Housing Benefit Financial support paid to tenants (or to landlords on their behalf) for those who are out of work or on low incomes to help pay their rent. It can cover up to the entire value of the rent, depending on the claimant's circumstances and income.

Housing Options Services provided by local authorities assisting people with finding housing from a range of options including social housing and the private rented sector.

Mayor's Fund Additional funding given to London boroughs to supplement Discretionary Housing Payments and provide funding for families affected by the Benefit Cap living in temporary homeless accommodation.

Social landlord Landlords who manage social housing, including local authorities, Housing Associations and other Registered Providers.

Abbreviations

ALMO	Arms Length Management Organisation, managing council-owned housing
CAB	Citizens Advice Bureau
CML	Council of Mortgage Lenders
DCLG	Department for Communities and Local Government
DHP	Discretionary Housing Payment
DLA	Disability Living Allowance
DWP	Department for Work and Pensions
ESA	Employment and Support Allowance
HA	Housing Association
HB	Housing Benefit
JCP	Jobcentre Plus
LA	Local authority
LHA	Local Housing Allowance
LSVT	Large Scale Voluntary Transfers (of local authority stock to a Registered Provider)
PRS	Private Rented Sector
RP	Registered Provider (Housing Associations and other providers of social housing registered with the Homes and Communities Agency, but excluding local authorities)
RSRS	Removal of the Spare Room Subsidy (Housing Benefit reductions for under-occupiers of social sector housing who are of working age)

Key findings

This report presents findings from research commissioned by the DWP into Housing Benefit reforms, undertaken by the Cambridge Centre for Housing and Planning Research (CCHPR)¹.

The objectives of this project were to report on the effects of and responses to the Benefit Cap by:

- Local authorities, including preparation, delivery and how the Cap has affected their housing function, notably on homelessness;
- Local agencies - voluntary and statutory organisations and advice services who work with households affected by the Cap; and
- Social landlords.

The research was based on ten case study local authorities including: interviews with local authority staff, local agencies and Housing Associations; a nationwide survey of social landlords; and consultation with major lenders to the Housing Association sector.

The key findings were:

The impact on local authorities

Implementation

- After initial difficulties in identifying who would be affected by the Cap (prior to implementation), the Cap appeared to be operating as intended across the ten case study areas covered. Households appeared to have been correctly identified and their Housing Benefit reduced accordingly.
- The numbers of households affected by the Benefit Cap were considerably lower than anticipated, owing to problems with early data scans from the DWP, and households being identified as exempt. Overall impact was therefore lower than anticipated.

¹ The originally commissioned research primarily focussed on the evaluation of the Removal of the Spare Room Subsidy (RSRS), with some elements of the research focussed on the Benefit Cap. It was undertaken jointly by Ipsos MORI and CCHPR. Findings related to the Benefit Cap are presented in this report. An interim report on early findings from the wider RSRS evaluation was published in July 2014. The final report will be published on this element in late 2015.

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- Only three of the ten case study areas had seen more than 100 people affected by the Benefit Cap. Three areas had seen fewer than 20 households affected. The Benefit Cap was therefore not a major concern to social landlords or local authorities in most of the case study areas.

Supported capped households

- All local authority case study areas sought to identify and contact affected households when the Cap was first introduced in 2013. Since then, support has been provided by a range of local agencies, depending on whether the household affected was trying to move, budget on a lower income, or find work or claim additional benefits to which they were entitled.

Local authorities' role in helping capped households to find work

- Most local authorities were aware of some capped households who had moved into work, and their own figures suggested that many moved in and out of work, with similar numbers starting to be affected by the Benefit Cap as ceasing to be affected overall each month. Local authorities generally reported that the role of supporting capped households into work was that of Jobcentre Plus, and would refer people to them for support as required.
- One local authority had introduced a new scheme using employment mentors to target the families who were losing the most money through the Cap with intensive one-to-one support and reported a 35 per cent success rate in getting them back to work.

Local authorities' support with budgeting to pay the shortfall

- In the lower rent areas outside of London, and where known, it was reported that all or nearly all capped households were paying their rent. It was widely believed that most could afford to do so with some adjustments to their budgeting.
- In London, paying the shortfall was not considered viable for those who were capped by the larger amounts.

The impact on homelessness and housing options services

- In the case study areas outside of London, the Cap had had very little, if any, impact on homelessness services.
- All eight non-London case study local authorities believed there to be little potential for moving private rented tenants into cheaper properties

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within the Private Rented Sector (PRS), either locally or further afield. This was not a focus of their efforts to support capped households.

- The impact of the Cap on homelessness and Housing Options services in the two London case study areas was much more of a concern than in the other eight case study areas.
- Neither of the two London case study boroughs reported substantial numbers of people who had been made homeless as a result of the Cap at the time of the research. Both, however, were experiencing additional difficulties in moving households on from temporary accommodation because they could not find permanent housing for them affordable within the Cap.
- Only limited numbers of people had been assisted by local authorities to move out of London to new areas, but larger numbers were known to have moved independently.
- One case study area outside London had been concerned previously about people from London moving into the PRS in their area to avoid the Benefit Cap. They had, however, seen a reduction in people on Housing Benefit moving into their area in the past year, which they attributed to the success of the policy efforts of trying to stem migration from London into their district. They were, however, seeing considerable movement of people on Housing Benefit from neighbouring (higher rent) districts.

Using Discretionary Housing Payments (DHP) to support capped households

- As would be expected, the ways in which local authorities were using DHP for capped households varied between the ten case study areas. Most local authorities awarded DHP to some of their capped households, after assessing their incomes and outgoings.
- DHP, topped up by the Mayor's Fund, had been a significant source of support to capped households in London. There was, however, concern over how capped households would pay their rent in the longer term once their DHP award ended.
- Some local authorities in lower rent areas had assessed most of their capped households as having sufficient income to afford their rental shortfalls and therefore were judged ineligible for DHP.
- In some case study areas, receiving DHP was conditional on engaging with employment mentors to assist members of the household in getting into work.

The impact on local agencies

Support for capped households

- Support available to capped households differs considerably between areas and between tenures. Those in the social rented sector or in areas where larger numbers were affected by the Benefit Cap were more likely to be able to access support specifically targeted at capped households.
- Those in the PRS were more likely to be reliant on existing support to help find work, such as that provided by JCP.
- Additional help with job-seeking was offered by some JCPs in the case study areas to those not on Jobseeker's Allowance (JSA), such as lone parents with children under five, or people in receipt of Employment and Support Allowance (ESA) who would not otherwise be visiting JCP regularly. Take-up, however, was generally reported to be low. Dedicated schemes offering mentoring and home visits operating in some case study areas reported a greater degree of engagement.
- Barriers to employment for capped households reported by agencies included the difficulties of fitting work around childcare and complicated school runs, having very young children or babies, a lack of English language skills, a lack of qualifications and ill health. Some agencies reported that people affected by the Benefit Cap who came to them for assistance were often struggling with other issues that made finding work difficult, such as drug problems.
- Local agencies, both in London and the rest of the country, were aware that the presence of DHP was delaying the time at which some of the implications of the Cap would be fully felt.

The impact on social landlords

- For the vast majority of social landlords responding to the survey, the Cap was a minor concern, compared to other elements of welfare reform.

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- The average rental shortfall reported was £37.57², though the average for individual organisations varied hugely from £7 to over £150.
- In Autumn 2013, landlords answering the survey reported that 33 per cent of capped households had paid their entire rental shortfall arising from the Cap, 55 per cent had paid some of it, and 12 per cent had paid none.
- By Autumn 2013, 9 per cent of landlords had initiated eviction proceedings against tenants with arrears arising solely from the Cap, but none had yet been evicted.
- A year later, in Autumn 2014, the case study landlords still reported very low numbers of evictions of capped households, if any.
- Some landlords had concerns about letting properties to households on benefits who would be unable to claim Housing Benefit for their full rent because of the Cap. This was a bigger issue in high rent areas, and for housing let at Affordable Rents.
- None of the case study authorities were giving any additional priority in their allocations schemes to those affected by the Benefit Cap unless they had actually been made homeless.

Impact of the Cap on lenders to the social housing sector

- Lenders to the Housing Association sector were not concerned about the immediate impact of the Benefit Cap on the finances of the social landlords they lent to, because it affected a very small proportion of their tenants.
- They were concerned in a more general sense about the principle of capping benefit levels. Some voiced concern that there might be continued reductions to the Cap in the future, lower caps in some regions, or a failure to uprate it in line with wages or rent levels. These would mean that it would gradually affect larger numbers of households.
- These concerns were giving rise to some degree of caution when lending to the Housing Association sector because of the long lengths of time over which such loans are typically repaid (often 30 years).

² This is a true average rather than an “average of averages” as it was calculated by multiplying the average per landlord by the number of capped tenants and dividing by the total number of capped tenants.

1 Introduction

In 2013, the Government introduced a Cap on the total amount of benefit that most working-age households (between 16 and the female state pension age³) can receive so that, broadly, households on out-of-work benefits will no longer receive more in welfare payments than the average weekly wage (after tax) for working households. The Cap limits the combined sum that a household may receive in benefits to £500 per week for families or couples and £350 per week for single people without dependent children. Details of the benefits to which the Cap applies, and exemptions, can be found in Appendix 4. In practice very few single people or childless couples have been affected and those affected are mainly larger families and/or those with high rents. In total 25,508 were capped by the time the Cap was fully operational (October 2013), rising slightly to 27,019 by May 2014, the time of this research⁴. This represents just 1.5 per cent of all Housing Benefit claimants in London, and between 0.2 and 0.5 per cent in other regions of Britain⁵.

The reduction needed to bring their benefits within the Cap limit is taken from the household's Housing Benefit claim.

An additional £65m of funding for Discretionary Housing Payments (DHP) was made available to local authorities in 2013/14, and a further £45m in 2014/15 so that they could assist some of those affected by the Cap who were not able to change their circumstances immediately, by topping up their Housing Benefit payments for a fixed period of time.

These payments are intended to support people who need extra help in making the transition to the new system, whilst they look to find work, increase their hours of work or move to alternative accommodation.

This qualitative research feeds into a wider evaluation of the Benefit Cap, including a survey of capped households, ad-hoc analysis of administrative data and interviews with capped claimants. All will be published as part of the suite of evaluation publications informing the Benefit Cap Review following the Cap's first year of operation. Further details can be found in Appendix 5 of this report.

The focus of the evaluation is Great Britain (England, Scotland and Wales).

³ Currently 62.5 years of age.

⁴ The latest available data shows little change – up to 27,232 by August 2014. See www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-august-2014.

⁵ A breakdown of numbers capped can be found at www.gov.uk/government/collections/benefit-cap-statistics.

1.1 Aims

This report presents findings from research commissioned by the DWP into Housing Benefit reforms, undertaken by the Cambridge Centre for Housing and Planning Research (CCHPR)⁶.

The objectives of this project were to report on the effects of and responses to the Benefit Cap by:

- Local authorities, including preparation, delivery and how the Cap has affected their housing function, notably on homelessness;
- Local agencies - voluntary and statutory organisations and advice services who work with households affected by the Cap; and
- Social landlords.

Those involved in working with households affected by the Cap were asked about how the Cap has affected the people they work with, including the impact on vulnerable households.

1.2 Research Methods

The research methods for this strand of work comprised:

- Case study work in ten local authority areas.
- A survey of social landlords throughout Britain.
- Consultation with the major lenders to the Housing Association sector.

This report has drawn upon all these sources of information and used triangulation methods which involve drawing on information from more than one source wherever possible, in order to cross-check and increase the validity of the conclusions drawn.

⁶ The originally commissioned research primarily focussed on the evaluation of the Removal of the Spare Room Subsidy (RSRS), with some elements of the research focussed on the Benefit Cap. It was undertaken jointly by Ipsos MORI and CCHPR. Findings related to the Benefit Cap are presented in this report. An interim report on early findings from the wider RSRS evaluation was published in July 2014. The final report will be published on this element in late 2015.

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Case study work in ten local authority areas

The ten case study local authorities were chosen to reflect the range of housing market circumstances, ensuring a range of housing pressures (e.g. homelessness and overcrowding), tenure patterns, regions, rurality and expected numbers affected by the Cap and the Removal of the Spare Room Subsidy (RSRS). In total, two were in London (one of which was involved in the early roll out of the Cap from July 2013), five elsewhere in England, two in Scotland and one in Wales. Group interviews were held over two phases; first between May and August 2013 in each location, with between two and ten local authority staff (including Housing Benefit administrators and housing staff) in attendance at each group interview. In the second phase, the same people were re-interviewed by phone in September 2014. The first contact was during the phased implementation stage of the Cap, therefore capturing preparedness for the Cap and early impacts in the one London case study authority in which the Cap was first phased in. The second contact was one year after completion of implementation of the Cap.

In addition, a total of 26 social landlords were interviewed by phone in Summer 2013 and again in Autumn 2014 to explore the impact of the Benefit Cap on social landlords and their tenants.

Interviews were also conducted in November 2013 and again in October 2014 with a total of 47 local agencies and local authority departments across the ten areas, including Children's Services, the Citizens Advice Bureau, Jobcentre Plus and local voluntary organisations, in order to explore the impact both on their organisations and on the households affected by the Cap with whom they worked. The questions included in the topic guides used are listed in Appendix 1.

A survey of social landlords throughout Britain

The survey ran between 16th October and 8th November 2013, and whilst its primary focus was the Removal of the Spare Room Subsidy (RSRS), some questions were also included on the Cap in order to explore the impact of the Cap on social landlords and their tenants. A total of 750 landlords were invited to take part in each survey, comprising all stock-owning local authorities and Housing Associations with over 1000 properties, as well as a sample of smaller social landlords throughout Britain, where contact details were available. A total of 312 landlords replied and answered most or all of the survey questions. The landlords who replied were representative of all social landlords in terms of their spread between England, Scotland and Wales. For further details on survey methodology, see Appendix 2.

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Consultation with the major lenders to the Housing Association sector

Eight interviews were conducted during October 2013, and six lenders provided written responses to questions in October 2014. In 2013 the six largest lenders were all included, along with two others both of whom were selected because they were recent entrants to the sector lending to Housing Associations. In 2014 the same lenders were contacted again, along with others by open invitation via the Council of Mortgage Lenders' Social Housing Panel. This panel includes most of the lenders to the Housing Association sector in the UK. Thus although it is not a full survey of the market the coverage does provide a useful snapshot of views in October 2014.

Analysis

The landlords' survey data was analysed using Statistical Package for the Social Sciences (SPSS) software, and the interviews were analysed inductively using Nvivo qualitative data analysis software. This allowed new themes to emerge from the analysis as well as exploring existing areas of interest.

2 The impact on local authorities

2.1 Implementation

The Cap came into effect over the Summer and Autumn of 2013, with numbers of households gradually increasing as it became fully operational. Prior to introduction, the DWP had produced initial lists of households who might be affected, which had been subject to some inaccuracy⁷. This caused concern initially in the case study local authorities regarding whether the right households would eventually be capped:

We started out doing visits, but out of the list of 120 people DWP said were affected, the first 13 we visited turned out not to be, so we stopped that and did our own analysis and found 87 people, but mostly not on the DWP list.

(Local authority, outside London, 2013)

The letters [that the DWP sent out]... created confusion among people... People came saying 'I don't understand - how am I affected?' and we couldn't help because we did not have the correct information at that time.

(Local authority, London, 2013)

The case study local authorities did however use this time before implementation to work with those identified as being potentially affected to help people identify solutions:

At first it identified many who were in fact working, had disabled children or whose circumstances had changed. Nevertheless we found this a useful process in getting us thinking about how to help households, training visiting officers, etc. We were grateful for having the information early, even though some of it was wrong.

(Local authority, outside London, 2013)

Some of the households identified were reported as having a child who was eligible for Disability Living Allowance, and claims were made for this, thereby exempting the household from the Cap. Others were supported to find work or move to cheaper housing in advance of implementation:

For those in work, we've been encouraging them to get more hours..... Some have talked about self employment such as cleaning. Some are moving out of borough. They are mainly in the PRS.... They are more

⁷ The DWP had to combine multiple benefit records with HMRC data on tax credits, and by nature the time taken to collect and combine this data meant it would not always reflect current circumstances. This meant all potentially capped cases were subject to full checking before the Cap was actually applied.

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used to making decisions about their housing [than social tenants]; much more pragmatic. They can be very emotional, but it means that they do understand the problem.

(Local authority, London, 2013)

By the time of implementation, however, the initial difficulties appeared to have been largely ironed out and there were very few complaints about households having been incorrectly capped in the second round of interviews in Autumn 2014.

The other main change that had occurred as the Cap became fully operational was that the numbers affected were considerably lower in most authorities than had been expected. Whether this is the result of households being incorrectly identified in the earlier data scans, or a result of the preventative actions undertaken by claimants or those supporting them is unclear from this research. It did mean, however, that the impact on the case study local authorities, their services, housing systems and Discretionary Housing Payments (DHP) fund, whilst not insignificant, was not as great as had been anticipated.

Since introduction, the numbers of households affected at any one time fluctuated in some case study areas, but broadly remained similar.

2.2 Supporting Capped households

All case study local authorities sought to identify and contact affected households when the Cap was first introduced. Since then, support has been provided by a range of agencies, depending on whether the household affected was trying to move, budget on a lower income, find work or claim additional benefits to which they were entitled.

Support in areas with larger numbers capped

It was clear that experiences of the Cap were very different in London from most of the rest of the country. The two London areas, and one other case study area (a large city in the north of England) had larger numbers affected – between 400 and 800 in each area. By the first phase of interviews with local authority staff in the Autumn of 2013, council housing services in these three most affected areas had been heavily engaged in identifying and supporting affected tenants before and after implementation. Some felt that there was a lack of expertise around welfare benefits in many agencies – both statutory and voluntary sector – now having to deal with more complex cases including those involving the Cap.

In the first round of case study interviews in 2013, some case study local authorities reported difficulties in engaging people who had not yet been

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affected by the Cap. Despite the widespread media coverage it had received, some did not really believe it would affect them:

The majority failed to engage until they were visited... There was a general assumption that even if they were affected, someone will help them. These are not vulnerable or disabled people or with mental problems, they are just used to having their hands held.

(Local authority, outside London, 2014)

In the two London case studies, budgeting on a lower income was not felt to be a viable option for those who had lost the largest amounts, whereas moving to a cheaper area was an option for some.

Support in areas with only small numbers affected

Seven of the eight non-London case study areas, including the two in the East and South East of England reported only small or very small numbers of capped households, and felt that the Cap was a much smaller concern than other aspects of welfare reforms. All seven of these areas had seen fewer than 100 households affected by the Cap, and three areas had seen fewer than 20 affected. The Cap was therefore not a major concern to social landlords or local authorities in most of the case study areas. Most of the case study local authorities had initially identified and sought to make contact with the capped households early on, but by the time of the 2014 interviews, the authorities were not seeking to maintain an ongoing relationship with them, and were instead providing advice and assistance on request:

We do some work around budgeting with them [capped households] – if they're social tenants the housing providers will deliver that themselves. If they're in the PRS we'll deliver that if they come to us, but not if they don't.

(Local authority, outside London, 2014)

We don't know whether they've been paying or not. None have been evicted as far as I know. We contacted them initially to discuss things.

(Local authority, outside London, 2014)

In part this reduced level of activity may reflect the lower than anticipated numbers of capped households. However, the research also found that there is no one organisation with a remit to keep track of how capped households are responding. Instead capped households who were struggling to pay their rent could look to a range of agencies to assist them as appropriate.

Overall, case study local authorities in the areas where only small numbers were affected by the Cap had not seen a significant demand on their services

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as a result. They were aware of the numbers of households affected but would seek to refer them to the appropriate local agency for support in finding work or managing their budgets as required.

Where capped households were being offered support, the focus in the eight areas outside of London was generally around finding work, budgeting, applying for DHP or establishing whether there were any other benefits to which the household was entitled.

Local authorities' role in helping capped households to find work

Most authorities were aware of some capped households who had moved into work. Their self-reported figures suggested that many households had dropped in and out of being affected by the Cap, which they thought was most likely because they were in and out of work. Overall there were similar numbers of households starting to be affected by the Benefit Cap as ceasing to be affected overall each month.

Case study local authorities generally reported that the role of supporting capped households into work was that of JCP. Their role, unless they were their landlord, would normally entail referral to JCP's services. Most areas did report however that at least some capped households were known to be looking for work and that small numbers had moved into work.

One area reported large numbers of people having moved into work, and attributed this to the work of their employment mentors. A project targeting the 74 families who were losing the most money through the Cap had offered intensive one-to-one support and reported a 35 per cent success rate in getting them back to work. However, it is difficult to know the extent to which this could be attributed to different households moving in and out of work, or whether there were additional moves into work, as there had been no net fall in the number of people who were capped in this authority.

In areas where only small numbers of households were affected by the Cap, the case study local authorities generally encouraged those who needed support in finding work to join existing services and programmes to help them find work rather than having any specific service for capped households.

Local authorities' support with budgeting to pay the shortfall

Local authorities in case study areas had only limited information on households' responses to the Cap, especially for those living in the Private Rented Sector (PRS) and most were not aware of whether they were paying the shortfall or not.

In the lower rent areas, those who did have information reported that all or nearly all of their capped households were paying their rental shortfall and it was widely believed that most households could afford to do so with some

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adjustments to their budgeting. In London paying the shortfall was not considered viable for those who were capped by the larger amounts and they were instead reliant on DHP whilst they sought a more permanent solution.

The case study local authorities had only a limited role in providing budgeting support to capped households, but did often refer to existing services, such as money advice services, and those provided by social landlords or the Citizens Advice Bureau (CAB).

This work usually focussed on ensuring that households had claimed all the benefits to which they were entitled, and negotiating arrears repayment agreements with landlords. One of the London case study authorities mentioned that they were aware of significant financial support between extended family members and non-dependent children within a household helping to make up shortfalls in Housing Benefit payments.

2.3 Homelessness and Housing Options services

Outside London

In the case study areas outside London, the Cap had had very little, if any, impact on homelessness services, even in the one non-London area with significant numbers of capped households. Staff in these areas reported that the impact had not been as bad as they had feared.

All eight non-London case study local authorities believed there to be little potential for moving private rented tenants into cheaper properties within the PRS, either locally or further afield, and this was not a focus of their efforts to support capped households. Nor was there any evidence of capped households in these areas moving voluntarily.

Housing Options services too were not generally engaged in working with capped households, as it was widely reported in most non-London case study areas that most capped households were already living in the cheapest available accommodation, so would not solve their problems by moving house.

Most authorities did not report having been involved in negotiations with private landlords to persuade them to reduce rents, and were not aware of tenants having successfully negotiated rent reductions themselves.

Small numbers of larger families were reported to have enquired about moving to cheaper housing, and in a few cases had been directed to social rather than private rented housing in order to find accommodation they could afford within the Cap. Two areas reported some difficulties in accommodating large families in Housing Association accommodation because of their strict

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rules about allocating properties to people who would be overcrowded. They reported a few cases where the family concerned would not be statutorily overcrowded, was willing to accept the property, and was not able to afford anything else, but was still refused on the grounds that the property was not large enough according to the Housing Association's own rules⁸:

They want social housing. The allocation system however currently prevents people bidding for homes that would be considered too small, which means some of the families affected by the Cap find there is nothing they can bid for, even if they would be happy to move to a smaller property in the social sector.

(Local authority, outside London, 2013)

None of the eight non-London case study local authorities had any homeless households in temporary accommodation who were affected by the Cap at the time of the research.

One case study local authority outside London had been concerned previously about people from London moving into the private rented sector (PRS) in their district to avoid the Benefit Cap. They had however seen a reduction in people on Housing Benefit moving into their area in the past year, which they attributed to the success of the policy efforts to stem migration from London into their district. They were, however, seeing considerable migration of people on Housing Benefit from neighbouring (higher rent) districts.

London

The impact of the Cap on homelessness and Housing Options services in the two London case study areas was much more significant than in the other eight case study areas. Neither local authority reported substantial numbers of people who had been made homeless as a result of the Cap. Both reported that they would generally not consider such households to be intentionally homeless if their arrears were solely due to the Cap. In practice, the only people affected by the Cap who had been evicted so far (three, in one case study area) all had other reasons too for their rent arrears, and all had failed to engage with the support offered, meaning that they were considered intentionally homeless.

Both London case study local authorities, however, were concerned about the difficulties they were encountering in finding longer term housing for homeless

⁸ Statutory overcrowding rules differ from those in use by most social housing providers in several respects, but most notably they allow living rooms and dining rooms to be used as bedrooms, and hence it is often possible for a household to be overcrowded according to the social housing allocation rules, whilst not being statutorily overcrowded.

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families dependent on benefits to whom they had accepted a duty to re-house. Both reported that they had increased difficulties in finding accommodation for this group in the PRS that could be afforded below the Cap. This was reported to have put a strain on the local authorities' emergency accommodation budgets.

Both case study local authorities were making use of accommodation outside of their borough in order to find homes that were affordable to those affected by the Cap. Both reported fairly low numbers having moved as yet, as they were working with families affected and trying to find them accommodation in an area where they wanted to live, and/or had connections and support.

One case study local authority felt that there was potential for more of this kind of work in the future, particularly for those who were left eligible for a modest amount of Housing Benefit (such as £50-£80 a week). This kind of income might come close to renting somewhere in cheaper areas, but was insufficient in London.

The other case study local authority, however, considered it a limited option because people were not keen to move out of London, and there was a lack of political support for forcing them. They acknowledged, however, that finding affordable accommodation within the borough was almost impossible. Ensuring that people could afford their accommodation was a key focus of work in facilitating moves out of the borough, and affordability checks were carried out.

Some of those affected in the London case study areas had arranged moves for themselves to cheaper properties, believed most likely to be out of London:

Some are moving out of borough....There is a much greater level of co-operation and sacrifice to deal with the problem from PRS tenants. They are more used to making decisions about their housing, much more pragmatic. They can be very emotional though, but it means that they do understand the problem. They are engaging well, even though they don't like it...They will probably have to move to a more affordable area outside the borough.

(Local authority, London, 2013)

In one of the London case study areas this amounted to 120 households who were known to have moved away by Autumn 2014, four times as many as had had moves arranged for them by the local authority⁹.

⁹ Official statistics show that to August 2014, 1 per cent of households (278 households) who were no longer capped had moved to a new local authority but did not reduce their Housing Benefit claim and instead ceased to be capped for some other reason. A further 13 per cent (3,070 households) were no longer capped because their Housing Benefit claim had reduced,

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Particular issues were also raised in London in relation to temporary accommodation. The costs for this were met by Housing Benefit that in many cases had been capped. Yet the council retained an obligation to house the capped households. The case study local authorities reported that anyone evicted for rent arrears arising solely from the Cap would be treated as unintentionally homeless, meaning that there would be little point in evicting those in temporary accommodation if they failed to make up their rental shortfall. Discretionary Housing Payments (DHP) offered the only short-term solution here, alongside out of borough placements. One case study local authority also reported that there was a lot of competition between local authorities for temporary accommodation – which might be in a neighboring borough, thus pushing up the costs. They hoped that a London-wide protocol on the use of temporary accommodation would help address this issue, but this was proving difficult to achieve.

2.4 Using Discretionary Housing Payments to support capped households

Substantially higher funding for DHP was made available to local authorities by the DWP in 2013/14, with some of it intended to assist those affected by the Cap. Guidance was issued to local authorities around how to allocate the funding, but the final decisions were theirs, and it was for local authorities to determine whom to prioritise and what lengths of awards to make.

As would be expected, the ways in which local authorities were using DHP for capped households varied across the ten case study areas. Most case study local authorities awarded DHP to some of their capped households, after assessing their incomes and outgoings.

Areas with larger numbers had more developed systems to ensure that funding was allocated fairly between capped households. For instance, one area had an across the board policy of expecting capped households to make up the first £50 of their shortfall, but using DHP to cover the remainder. In London, the Mayor's Fund was reported by both case study local authorities to have helped ensure that DHP was available for substantial numbers of capped households who engage with the local authorities, reducing the impact of the Cap so far. One of the London case study authorities reported that 80 per cent of their capped households were currently in receipt of DHP.

but published statistics do not show whether these households had moved to a new local authority or not, the actual number who ceased to be capped by moving to a new local authority and thereby reducing their Housing Benefit claim, or who moved and remained capped. For further information please see DWP (2014) *Benefit Cap: GB Households capped to August 2014*, DWP, London.

www.gov.uk/government/uploads/system/uploads/attachment_data/file/370587/benefit-cap-statistics-to-aug-2014.pdf

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The other said that all applicants for DHP were assessed through the same means testing process, and that the funding had had to be restricted in order to last the year.

The case study areas with few households affected had less developed policies, instead assessing each case that applied on their individual circumstances, in line with their overall policies for assessing financial need for DHP. In the cheaper areas outside London, capped households were generally large families with higher benefit income after paying their rent. Local authority staff in some lower rent case study areas outside London reported that they believed most of their capped households had sufficient income to afford their rental shortfalls, and were therefore ineligible for DHP, a view supported also by some Housing Associations.

Very few have claimed DHP. Most have high incomes and their main issues are budgeting. They are used to going out twice a week to eat, they just need budgeting advice.

(Local authority, outside London, 2014)

None of our capped households have received DHP. The local authority say they've got plenty of income. They're right, they have.

(Housing Association, outside London, 2014)

Overall, DHP was appreciated for cushioning the impact of the Benefit Cap, though case study local authorities with higher numbers of capped households were concerned that they would struggle to find a longer term solution without it for most of those households who were still capped. These were thought to be predominately the households who were some distance from the workforce and faced multiple barriers to finding work.

Discretionary Housing Payments (DHP), topped up by the Mayor's Fund, had been a significant source of support to capped households in London. There was, however, concern from case study local authorities and local agencies over how capped households would pay their rent in the longer term once DHP ran out. In an effort to address this concern, authorities in some case study areas had made DHP conditional on engaging with employment mentors to assist the household in getting into work.

All customers [in receipt of DHP] have an action plan which identifies and makes clear what is expected of them. This is reviewed on a monthly basis.

(Local authority, London, 2014)

Capped households can use the employment mentors. The visiting has worked well – it helps us to understand their needs and the support they need. We need them to understand what we can do to help them. Not tell them what to do. If they fail to engage then they can't get DHP.

(Local authority, outside London, 2014)

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Specifically with those affected by the Cap, the council would be checking to see what the client is doing to change their circumstances, for example finding part time work...[or]... finding a cheaper home.

(CAB, active in one of the London case study areas, 2014)

Other local authorities were offering assistance to capped households but the receipt of DHP was not directly linked to taking up the assistance offered.

We had a specific Benefit Cap project which has recently finished. Through this, employment case workers offered a range of services for residents losing 50 per cent of their rent in Housing Benefit through the Benefit Cap. It involved intensive one-to-one support around financial inclusion and finding work. Residents have been helped with a range of things such as budgeting skills (consolidating debts), applying for the DHP, accessing the hardship fund, claiming disability benefits, as well as getting into employment.

(Local authority, London, 2014)

3 The impact on local agencies

The Cap has had little impact on services in some of the case study areas outside London. In some areas, most local agencies interviewed in 2013 were unable to recall any capped households who had sought assistance. It was also widely acknowledged to be quite early on to have a firm sense of the impact at the time of interviews.

By the time of the second round of interviews, carried out during Autumn 2014, most local agencies were aware of roughly how many households had been capped in their area, but some were still not aware of having had direct contact with any of them, usually because the numbers were very low.

Support available to capped households differs considerably between areas and between tenures. Those in the social sector or in areas where larger numbers were affected by the Benefit Cap were more likely to be able to access support specifically targeted at capped households, whilst those in PRS housing were more likely to be reliant on existing support to help find work, such as that provided by JCP.

Supporting capped households outside London

Those affected by the Cap outside London were mainly larger families. Agencies had mixed views on how well households were coping in these areas. Whilst some were very concerned about mounting debts and impending evictions, others reported that those affected were often successful in finding jobs or managing on lower budgets, as the amounts capped were often not high, as a proportion of their weekly budget.

The focus of support to capped households in the case study areas outside London was on finding work and budgeting, as moving to cheaper accommodation was not generally considered to be feasible.

Some JCPs were aware which of their clients were capped and had offered them additional support, though they reported little take-up. Others were not aware which clients were capped and hence did not offer additional support routinely, unless requested. Jobcentre Plus considered that their role was to assist with job-seeking. If their clients needed advice on rehousing, avoiding eviction or budgeting they would refer them to either the local authority or the CAB.

Additional help with job-seeking was offered by some JCPs to those not on JSA (such as lone parents with children under five, or people in receipt of Employment and Support Allowance) who would not otherwise be visiting the Jobcentre regularly but uptake was generally reported to be low. Dedicated schemes offering mentoring and home visits operating in some case study areas reported a greater degree of engagement.

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One of the London case study areas reported employment-related successes in working across the whole family, including the adult children still living at home, as part time earnings by adult children could contribute towards the household's bills and rent.

Barriers to employment for capped households reported by local agencies included: having lots of children; having very young children or babies; a lack of English language skills; a lack of qualifications; and ill health. Some agencies reported that people affected by the Cap who came to them for assistance were often struggling with other issues that made finding work difficult, such as drug problems.

A few specific issues were raised in the 2013 interviews with local agencies. The women's refuge in one area was concerned about meeting the high costs of the refuge's supported housing within the Cap. However, the staff member interviewed appeared unclear on the details of the policy or of whether their accommodation would be exempt. They had also found that the Removal of the Spare Room Subsidy had caused a higher turnover of larger properties meaning that they had, thus far, been able to move families on faster than before and thereby avoid lengthy stays in supported accommodation for this group.

In another area, an issue was identified regarding travellers who claim Housing Benefit for both the rental of their trailer and pitch fees. These costs do not come within Local Housing Allowance (LHA) and were commonly much higher than other rents eligible for Housing Benefit in the authority, meaning that some travellers were more likely to be affected by the Cap.

London

The Cap was a major concern to most of the local agencies in both the London case study areas. Some had been involved early in 2013 in working with the local authority to identify and support households in advance of implementation. Some local agencies felt that there was a lack of expertise around welfare benefits in many of the agencies who were now having to deal with more complex cases, including those involving the Cap. There was also some degree of confusion between the Cap introduced in 2013 (and affecting only those not in work), and the LHA caps introduced from 2011 which capped rents at different levels for different sized properties and affected all PRS Housing Benefit claimants, mainly in higher priced London boroughs.

Agencies in both London case study areas reported that some affected tenants had managed to move into work and avoid the Cap in advance of implementation, or had declared previously undeclared earnings. Some local agencies expressed concern about the high numbers of people who had been encouraged to register as self-employed (so as to claim in-work benefits, not

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limited by the Cap) and some of whom they believed not to be actually earning any money.

Despite this, there were still large numbers of tenants affected by the Cap, and of people in need of housing who could find nothing to rent locally within the limits the Cap permits. Agencies were realistic that most of these people would need to move away to areas where rents were lower.

Advice agencies reported being under severe strain in 2013 – welfare benefits being a large and growing part of their workload, though debt issues and general poverty relating to high rents and costs of living were bigger factors than the Cap. They were appreciative of having DHP available to support many capped households, but were concerned that the conditions attached to it in some areas meant that some vulnerable households – such as single parents with young babies – sometimes failed to meet these criteria, though they did believe that the most vulnerable tenants were generally being helped once they applied.

By 2014, agencies in one of the London case study areas were less concerned about the Cap, for then at least, because DHP – topped up by the Mayor's Fund – had cushioned most households from the immediate effect:

Because of [the local authority's] generous DHP and the Mayor's Fund we see very few capped households coming to us. When they do come for this reason, they have slipped through the net, and they will then be supported in claiming DHP.

(Food bank, active in one of the London case study areas, 2014)

Nevertheless, some were concerned that not all households affected by the Cap had received DHP, and that some were being evicted from private rented housing:

With the Cap, more and more people are falling into rent arrears because rents are going up. Landlords think nothing of serving notices to quit and even if the courts won't evict them, there is an additional £100 a month to pay back the arrears, on top of an increase in rents that the tenant already cannot afford to pay.

(CAB, London Case study, 2014)

The JCP too had seen an increase in people looking to work at least 16 hours as the Cap came into effect – thought to be mostly single parents who would meet their requirements for in-work benefits and thereby avoid the Cap if they worked 16 hours. One of the London JCPs had responded to the Cap, and other welfare changes, by starting to focus more on broader lifestyle issues than simply job-hunting, such as debt, childcare, health and housing. This had entailed closer working arrangements with other services. However, none of the JCPs interviewed had services which were targeted specifically at capped

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households. Instead, they were treated as any other claimants who needed to find work.

Agencies working with the homeless in London were also concerned that moving people into the PRS had become much more difficult since the introduction of the Cap. Availability of housing was also affected by competition between local authorities, driving up rents and costs to local authorities. Finding accommodation for homeless households within the PRS was still very difficult:

I had a student and I got her to phone all 86 letting agents in the borough asking whether they would let to tenants on LHA, if they said yes they would go on the CAB list and if not, she had to ask the reason, which was mainly that LHA did not meet the market rent or that it was not a certain enough payment, could be delays etc. Only two out of 86 said yes.

(CAB, London Case study, 2014)

Finding longer term solutions

Agencies, both in London and the rest of the country, were aware that the use of DHP was helping a lot of households in the short term, but were concerned that it could be delaying the time at which some of the implications of the Cap would be fully felt. One JCP interviewed did note that the availability of DHP had reduced the incentive for capped households to look for work:

With the Benefit Cap we did a lot of work initially with a lot of lone parents, went out and looked at how to reduce the numbers. We got some into work. But then DHP kicked in and has helped people. Before DHP came in it did make them think a bit about whether they should get a job. It might have incentivised them.

(JCP, outside London, 2014)

In contrast, some agencies were concerned that some vulnerable people affected by the Cap would be unable to find a solution to their difficulties and therefore struggle once DHP stopped:

The worst case related to the Cap who came to us had escaped from [nearby city] fleeing domestic violence and has seven children. The youngest is five. She has language barriers. She's in private rented in a property that's got significant damp and disrepair. She had her DHP renewed until July and she reapplied. She has been told that it was highly unlikely to be renewed.

(Local Advice Agency, outside London, 2014)

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Others were concerned more widely that tenants were unprepared as yet for DHP being reduced in the future:

We have major concerns about what happens next year when the Mayor's Fund runs out – tenants are not yet engaged and [the council] and landlords are finding it hard to get them to take notice. We need to ensure that a realistic message is got over to clients – which needs to start now.

(JCP, London, 2014)

4 The impact on social landlords

The survey of social landlords carried out in Autumn 2013 showed clearly that for the vast majority of landlords, the Cap affected only a very small proportion of their tenants.

Numbers affected

Overall, 95 per cent of landlords who answered the survey in October and November 2013 were able to supply figures for the number of their tenants affected by the Cap. Between them, these landlords managed 2.2 million tenancies out of a total of 4.7 million in Britain. They reported a total of 11,338 capped tenants. However, the DWP's own figures for November 2013 suggest there were 12,842 social housing tenants capped at this time, so it would be expected that the actual number of capped tenants of landlords answering the survey would be around 6,000.¹⁰ This suggests that some landlords may have overstated their number of capped households, possibly by using figures based on early data scans.

The number of capped households reported varied considerably between landlords. Fifteen per cent of landlords reported no capped households, and a further 39 per cent had ten or fewer affected. At the other end of the spectrum, two landlords reported over 1,000 tenants affected, and a further two around 700 each. No other landlords reported more than 300 affected tenants. Two small landlords, however, each with around 300 properties, both reported that they had more than 20 per cent of their tenancies affected by the Cap. This may well be because these landlords specialised in a particular type of accommodation such as houses with four or more bedrooms.

Housing Benefit reductions from the Cap

The average rental shortfall reported was £37.57¹¹, though the average for individual organisations varied hugely from £7 to £400¹².

¹⁰ <https://www.gov.uk/government/collections/benefit-cap-statistics>

¹¹ This is a true average rather than an "average of averages" as it was calculated by multiplying the average per landlord by the number of capped tenants and dividing by the total number of capped tenants.

¹² The landlord who reported a £400 average rental shortfall had 25 tenants capped and was based in London and the South East. This may have been an outlier as the next highest average amount capped reported was £180. The landlord with an average of £7 rental shortfall had 159 tenants capped and was based in Wales.

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Paying the shortfall

Landlords were asked whether they were able to identify which of their capped tenants had paid their rental shortfall, and the number of tenants that had paid their rental shortfalls as shown in Table 1:

Table 1: Are you able to identify the number of your tenants affected by the Cap who have paid their rental shortfall?

	Number of social landlords		Number of capped tenants of landlords giving each answer	
	Number	%	Number	%
Yes	122	47%	10,646	64%
Not precisely, but can estimate	48	18%	1,335	8%
No - we cannot attribute the source of rental shortfalls	92	35%	4,707	28%
TOTAL	262	100%	16,688	100%

Source: Social landlords' survey October-November 2013

This would suggest that around two thirds of landlords could at least estimate the level of arrears resulting from the Cap in late 2013.

Of those that were able to supply figures, the table below shows the proportion of their tenants who had paid their shortfall:

Table 2: Proportion of capped tenants who have paid their rental shortfall

	Number of tenants	%
Paid all of shortfall	1,635	33%
Paid some of shortfall	2,745	55%
Paid none of shortfall	613	12%
TOTAL KNOWN	4,993	100%

Source: Social landlords' survey October-November 2013

Many of the social landlords were involved in advising and assisting households who were struggling financially to improve their budgeting and save money in order to be able to afford their rental shortfalls:

We found that whilst residents have a good understanding of budgets they are not aware of the many things they could be doing to reduce their outgoings, such as energy saving techniques.

(Housing Association, outside London, 2014)

We found that many of those who have a Benefit Cap have actually got a lot of money coming into their households, so the focus has been around supporting them with budgeting and managing them to pay the rent with the shortfall.

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(Housing Association, outside London, 2014)

Arrears recovery

Landlords in the 2013 survey were asked whether they had initiated any eviction proceedings against tenants in arrears solely as a result of the Cap (Table 3).

Table 3: Have you initiated any eviction proceedings against tenants with arrears arising solely from the Cap?

	Number of social landlords	%
Yes	23	9%
No	207	83%
Not known	18	7%
TOTAL	248	100%

Source: Social landlords' survey October-November 2013

Only a small number of landlords had initiated any eviction proceedings by the time of the survey, and those that had were generally in the early stages of such processes. No evictions were reported of tenants with arrears arising solely from the Cap at this point in time.

By the time of the 2014 case study interviews, a few of the social landlords interviewed reported that they had begun possession proceedings on some capped households who were in arrears. Only one, however, said that they had actually evicted any – a total of three households – all of whom, they reported, had failed to engage with the support offered and also had arrears which predated the Cap.

Allocation policies

Some landlords had concerns about letting properties to households on benefits who would be unable to claim Housing Benefit for their full rent because of the Cap. This was a bigger issue in high rent areas, and for housing let at Affordable Rents.

Landlords were asked whether they would let accommodation to households who would be unable to claim Housing Benefit for the full rent, because of the Cap (Table 4).

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Table 4: Will you let properties to households affected by the Household Benefit Cap, who would be unable to claim the full Housing Benefit because of the Cap?

	Number of social landlords		Total size of stock (self reported) managed by landlords giving each answer	
	Number	%	Number	%
Yes	36	13%	334,624	17%
Yes, if they are confident they can afford the rent	31	12%	181,236	9%
Yes, if they and we are confident they can afford the rent	76	28%	807,732	41%
In certain circumstances ¹³	5	2%	31,511	2%
No	24	9%	162,902	8%
Don't know	10	4%	25,334	1%
This hasn't arisen / no capped households have applied	85	32%	438,692	22%
TOTAL	267	100%	1,982,031	100%

Source: Social landlords' survey October-November 2013

Housing Associations were more likely than local authorities or Arms Length Management Organisations (ALMOs) to say that they would consider not letting to capped households, or only doing so after ensuring they could afford the rent. This could be in part because of the development of Affordable Rented housing (which is managed largely by Housing Associations) with higher rents, or because local authorities face statutory duties in respect to homeless applicants (Table 5).

Table 5: Will you let properties to households affected by the Household Benefit Cap, who would be unable to claim the full Housing Benefit because of the Cap?

Type of landlord	Local authority landlords	ALMOs	Housing Associations	Not known	TOTAL
Base	44	9	212	2	267
Yes	36%	33%	8%	0%	13%
Yes, if they are confident they can afford the rent	9%	44%	11%	0%	12%
Yes, if they and we are confident they can afford the rent	11%	22%	33%	0%	28%

¹³ Respondents were asked to give details: One replied that they would seek out of borough placements if possible; one that they would allocate only after setting up direct debit for rent payments; one in emergency cases only (such as fleeing domestic violence); one after ensuring adequate support was in place; and one only on a discretionary basis after discussion.

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In certain circumstances	2%	0%	2%	0%	2%
No	5%	0%	10%	0%	9%
Don't know	9%	0%	2%	50%	4%
This hasn't arisen / no capped households have applied	27%	0%	34%	50%	32%
%	100%	100%	100%	100%	100%

Source: Social landlords' survey October-November 2013

There were also regional differences in the policies reported: London-based landlords were the most likely to say that they would not let to capped households (18 per cent of them said this). More than half of London-based landlords said that they would only do so if both they and the prospective tenant were confident they could afford the rent (54 per cent). Landlords whose stock was located mainly in Scotland, Wales and the Midlands, in contrast, were more likely to report that they did not know or that this had not yet arisen, reflecting the smaller number of capped households in these areas (Table 6).

Table 6: Will you let properties to households affected by the Household Benefit Cap, who would be unable to claim the full Housing Benefit because of the Cap?

	Base	Yes	Yes, if they are confident they can afford the rent	Yes, if they and we are confident they can afford the rent	In certain circumstances	No	Don't know	This hasn't arisen / no capped households have applied	%
Scotland	55	15%	7%	9%	0%	2%	7%	60%	100%
Wales	23	17%	9%	26%	0%	13%	0%	35%	100%
North of England ¹⁴	60	7%	21%	31%	0%	10%	3%	28%	100%
Midlands	30	19%	6%	32%	3%	0%	6%	32%	100%
South and East of England ¹⁵	62	17%	17%	24%	3%	13%	3%	22%	100%
London	28	11%	0%	54%	7%	18%	0%	11%	100%
Majority in no one region or not known	9	0%	0%	78%	0%	11%	0%	11%	100%
TOTAL	267	13%	12%	28%	2%	9%	4%	32%	100%

Source: Social landlords' survey 2013

¹⁴ North East, North West and Yorkshire and the Humber

¹⁵ South East, South West and East of England

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The case study interviews, carried out a year later in 2014, still suggested that the majority of social landlords had had no experience of capped households applying for housing, though many said that they now routinely tested whether applicants could afford the rent, in response to the Removal of the Spare Room Subsidy. They would ensure that the applicant could either afford the rent themselves, or was eligible for Housing Benefit to meet the rent. Most said that they would follow these same procedures to ensure an applicant who would potentially be affected by the Cap in their new home could afford to pay the rent, before allowing them to sign a tenancy. Some mentioned that they would negotiate with the local authority to establish that DHP would plug a shortfall if necessary.

The case study interviews also explored the issue of whether households affected by the Cap in the PRS would be able to move into social housing in some areas, in order to enjoy lower rents and thereby reduce or eliminate their Cap. Overall, it would appear that such moves have been only on a very small scale, with most areas not aware of any capped households having moved into social housing.

One case study local authority stated that they had an ample supply of larger (4+ bedroom homes) so could accommodate capped households within social housing if required, but that there was little price differential between social and private housing locally, so capped households would still be capped even in social housing. In other areas, the demands on social housing were such that capped households were not considered a priority. None of the case study local authorities were giving any additional priority in their allocations schemes to those affected by the Cap, though all would consider them if homeless:

Lots [of capped households] have asked about social housing, but they can only do so if they are in a priority category and none are. Band Three people would wait a long time.

(Local authority, London, 2013)

One London-based Housing Association said that they could no longer house people on benefits in need of larger homes, and would instead seek to rent them to working families unaffected by the Cap:

A combination of the Cap and Affordable Rents at 80 per cent [of market rents] means that we cannot house people on benefits in three and four bed homes in the region.... So if they come to us from the local authority, we say they can't afford the rent. Find someone else.

(Housing Association, London, 2013)

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Rent setting and development

The case study interviews carried out in 2013 and 2014 found no social landlords who had reduced the rent on existing properties in response to the Benefit Cap.

Landlords developing larger housing or in more expensive areas were aware of the challenges of building homes at Affordable Rent levels which could be afforded by people in receipt of Housing Benefit. Some were ensuring that the larger homes they built had rents set at lower proportions of market rent to avoid this issue, and were avoiding conversions of four or more bedroom existing dwellings to Affordable Rent. Others were avoiding building larger homes (four or more bedrooms) because they were no longer deemed affordable.

4.1 Impact of the Cap on lenders to the social housing sector

Lenders to the Housing Association sector were not concerned about the immediate impact of the Benefit Cap on the finances of the social landlords they lent to, because it affected a very small proportion of their tenants. Lenders were generally keeping a watching brief on the Cap but it was felt that major impact was unlikely. Even in London and the South East the impact had been limited.

They were concerned, in a more general sense, about the principle of capping benefit levels. Some voiced concerns that there might be continued reductions to the Cap in the future, lower caps in some regions, or a failure to uprate it in line with wages or rent levels, which would mean that it would gradually affect larger numbers of households. If the Cap were reduced further below the current limit of £26,000 a year, lenders were concerned that its impact could become more significant and would need close monitoring. One lender noted this had political support and could become a serious issue, and so had begun to ask Housing Associations to undertake analysis on this.

These concerns were giving rise to some degree of caution currently, because of the long lengths of time over which loans to the Housing Association sector are typically repaid (often 30 years).

Lenders also felt that it was difficult to consider the impact of any one element of welfare reform alone. Their concerns were rather about the overall and cumulative impact of reforms and hence a potential threat to income collection:

“You cannot look at any welfare reform in isolation. The Removal of the Spare Room Subsidy, Benefit Cap and direct payment all have an adverse impact”

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(Lender, 2014)

Overall, lenders considered that most associations are sufficiently robust to withstand the impact of the Cap at present, though aware that it does divert resources (both finances and people) away from development to income collection.

5 Conclusions

The early difficulties associated with identifying who would be capped prior to implementation appear to have been ironed out successfully, and the Cap has been fully operational since late 2013.

The impact of the Cap on local authorities, local agencies and social housing providers has clearly differed considerably across the different parts of Britain, as illustrated by the differing impacts on across the ten case study areas. Whilst some areas outside London have seen several hundred families affected, most have seen only a handful affected, meaning the impact of the Cap on local agencies has been limited in many areas.

The impact of the Cap on the families affected has also often been less severe in terms of the amount of money lost in the lower rent areas. It was widely believed that larger families in lower rent areas could often afford to make up their rent if they were capped by a relatively small amount. There were, nevertheless, some individual families, albeit not a large number, outside London who were losing very large amounts in ten case study areas. Their welfare caused concern for the agencies who worked with them.

In London, the impact of the Cap on local authorities and local agencies working with affected households has been more substantial. Some successes have been reported in terms of helping people into work, and some households have made the decision for themselves to move to cheaper areas, but the overall numbers affected have changed little. This may be because some of this movement was in fact 'churn' (as households moved between areas, or in and out of work anyway). Or it may be that there have been other drivers (such as rent increases) which have been increasing the numbers capped and thereby counterbalancing the successes of capped households in finding employment or other solutions.

Overall the impact of the Cap which was of most concern to the agencies involved was the difficulty associated with homeless households in temporary accommodation in London. These households were unable to afford the costs of the temporary accommodation because of the Cap, and were also unable to find housing in the locality, or even elsewhere in or near to London, because of a shortage of social housing and the high rents of private housing. Unless they can find work, their only option was to move to a new area.

Housing Associations have had limited exposure to the effects of the Cap, because of social rents being significantly lower than private rents, as well as having relatively small numbers of larger homes. However, those active in the higher rent areas of the country were concerned about how to build for larger families within the Affordable Rent regime. One option was to build only for working households, though this was considered risky if they were to lose

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their jobs and need to depend on benefits in the future. Nevertheless, the Cap would appear to pose no major threat to the income streams of most associations at present. Lenders were not concerned about the impact of the Cap in its present form on borrowers' finances, though they remained concerned as to how the policy might evolve.

Discretionary Housing Payments (DHPs), along with the additional funding supplied by the Mayor's Fund has been widely appreciated, and was felt to have cushioned the impact so far. There nevertheless remained widespread concerns among local agencies working with capped households that DHP was not intended to be a permanent solution for this group but that long-term solutions for those unable to afford to pay the shortfall were difficult to achieve.

Appendix 1: Topic guides for case study work and lender interviews

Questions relating to the Cap included in topic guide for local authority case study interviews

- 1) Are you now aware of which households in your LA are affected by the Benefit Cap?
- 2) How many are affected in total in [local area]?
 - a. Are you able to break this down by tenure (including Affordable Rent, and Temporary Accommodation)?
 - b. If not, can you give an estimate?
- 3) Has this number changed since the Benefit Cap was fully implemented?
 - a. What are the main reasons for the change?
- 4) Do you have figures for the number who have moved to cheaper accommodation?
 - a. From what tenure to what tenure?
 - b. Within the LA or elsewhere?
 - i. What locations have they moved to?
- 5) Can you tell me how many affected tenants currently in the PRS have registered for social housing but not yet accessed it?
 - a. What has prevented them from moving?
 - b. How are they prioritised relative to others with housing need and why?
- 6) Do you know how many tenants have found work or increased their hours and so ceased to be affected by the Benefit Cap?
 - a. Are others looking for work? Why/why not?
 - b. Do you know of other reasons why households in your area are moving off the Benefit Cap? Have you supported them to do this (e.g. through rent negotiations)?
- 7) What help is available to capped households seeking work?
 - a. How have households responded to the support offered?
 - b. Have any failed to engage, and if so how have these cases been handled?

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- c. Are households willing to move within the PRS if affordable accommodation is available for them?
- 8) What have you been doing in order to make people aware of DHP?
 - a. How well has this worked?
- 9) What lessons have you learned for how you will manage the fund this year?
 - a. Do you expect to make any changes to the length of awards made?
 - b. Do you expect to make any changes to who you award it to?
- 10) Are there any conditions placed on those who receive DHP?
 - a. What are these?
 - b. Have you found they work in helping people to address their situation?
- 11) Have you made any changes to your allocations policy since the introduction of the RSRS and the Benefit Cap?
 - a. What are the changes?
 - b. Are these in response to the RSRS or the Benefit Cap or both?
- 12) Has the RSRS or the Benefit Cap changed the way you are able to fulfil your homelessness functions?
- 13) Have the RSRS or the Benefit Cap caused any difficulties in making nominations to RPs?
- 14) Have the RSRS or the Benefit Cap caused any other changes in the ways you work with RPs locally?
- 15) Have the RSRS or Cap changed the way in which you work with other LAs?
 - a. Have you needed to refer any households out of borough/district to find accommodation that capped households can afford?
 - i. What kinds of households were these?
 - b. Is there potential to help those affected by the RSRS or the Benefit Cap by facilitating moves to other areas?
 - c. Was this happening prior to these policies? Are there any wider factors affecting this?

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Questions relating to the Cap included in topic guide for social landlord case study interviews

- 1) When tenants' circumstances change, so that they start to be affected by RSRS or the Benefit Cap, are you aware of this?
 - a. How do you become aware?
- 2) How have tenants responded to the Benefit Cap?
 - a. Can they move to cheaper accommodation within your housing stock, or elsewhere?
 - b. Have they been looking for work?
 - i. Has this been successful? Why/why not?
- 3) What have you done to support tenants affected by the Benefit Cap?
- 4) Have there been any changes made to your allocations policy since we last spoke?
 - a. What were the changes?
 - b. Are these changes in response to the RSRS or the Benefit Cap (if so, which policy) or for some other reason?
- 5) Do you ever allocate accommodation to people who will be immediately affected by the Benefit Cap in their new home?
 - a. In what circumstances would you do this?
- 6) Do you develop new housing? If yes
 - a. Have you altered your development plans as a result of the RSRS or Cap? How does this compare with business as usual for you? Have your development plans changed as a result of the policy?
 - b. Do you intend to alter development plans in future as a result of RSRS or Cap? (Please give details)
- 7) What assistance have you been giving tenants with applying for DHP? Why have you done this?
- 8) Which groups have been assisted?
 - a. Have any capped households received DHP?
- 9) Are there any conditions placed on those who receive DHP?
 - a. What are these?

Have you found they work in getting people to address their situation?

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Questions relating to the Cap in topic guide for case study voluntary organisations, advice and support services

1. What role do you have in working with tenants affected by the RSRS or the Cap?
 - a. Do these tenants come to you with a wide set of issues or just about the RSRS / the Cap?
 - b. Do you have records of the number of tenants you advise who come to you about the Cap? If yes, how many have you seen over the last year? How has this changed across the year?
2. What are the main ways in which people are affected by the Cap?
3. What kinds of support do affected tenants seek from you?
4. How has the level of demand for your service changed over the last year?
 - a. Can you quantify this at all?
 - b. How much of this change is because of the RSRS or Benefit Cap? How do you know this?
 - c. Have you been working with any groups in particular with regard to the RSRS or Benefit Cap?
5. Are you aware of Discretionary Housing Payments?
 - a. Are you aware of who is likely to be helped by DHP?
 - i. Why/why not?
 - ii. Have you tried to find out?
 - b. Who is being helped by DHP?
 - c. Are there other groups whom you think could benefit from DHPs?
 - d. Are you involved in helping people apply or reapply for DHP?
 - i. How does this work?
6. Have you worked with any who are going through eviction proceedings?
 - a. Did these cases relate to the RSRS or the Cap?
 - b. Were there other factors too? (eg pre-existing rent arrears, breach of tenancy?)
 - c. Did the landlord offer assistance with rehousing in these cases? If so, what kind of assistance?
 - d. Have these households approached the LA for assistance as homeless? Why/why not?
 - i. What help has been provided by the LA?

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- e. Have other agencies been involved? Which ones? What have they done?
 - f. Have any of the households you've worked with been to court for reasons related to the RSRS or the Cap? Was this the sole reason?
 - g. What have been the eventual outcomes in the cases you're aware of?
7. How else has the RSRS and the Cap affected your work?

Questions relating to the Cap in topic guide for lenders

- 1. To what extent are you involved in lending to the social housing sector?
- 2. In your regular review meetings with borrower landlords, how have you planned for welfare reforms as they bed in, e.g. specific reporting, varying key ratios, closer tracking of performance?
- 3. Are you aware of Discretionary Housing Payments?
 - a. To what extent do you think these have helped to ensure the flow of rental incomes to your landlords?
- 4. The main focus on this interview has been on the RSRS. We'd also like to know whether you think the Benefit Cap has had any impact on your lending to the housing sector? Why?

Appendix 2: Landlord survey methods

The survey of social landlords ran between 16th October and 8th November 2013. A total of 750 landlords were invited to take part in the survey, comprising all social landlords and Housing Associations with over 1,000 properties, as well as a sample of smaller landlords throughout Britain. Contacts were supplied from:

- The Department for Communities and Local Government (English stock-owning local authorities);
- The Homes and Communities Agency (English Registered Providers);
- The Scottish Government (Scottish stock-owning local authorities);
- The Scottish Social Housing Regulator¹⁶ (Scottish Registered Social Landlords); and
- The Welsh Government (Welsh stock-owning local authorities and Registered Providers).

A total of 312 responded to the survey completing most or all of the questions. A small number of responses from those completing only a small part of the survey, or which appeared to be duplications of existing (fuller) responses were excluded from analysis. The survey asked for substantial numerical and financial data on households, as well as more qualitative elements such as changes to policies or development programmes. Many landlords therefore did not complete every question. Analysis and percentages given throughout this report relate to those who did respond to the specific question and do not always sum to 312 landlords for this reason.

Table 12.1 shows the size profile of landlords responding to the survey.

¹⁶Please see: www.esystems.scottishhousingregulator.gov.uk/register/reg_pub_dsp.home

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Table 12.1: The size of landlords responding to the survey

		Number	%
Number of general needs social rented properties managed	1,000 or fewer	58	19%
	1,001-10,000	185	59%
	10,001-50,000	67	21%
	50,001 or more	2	1%
Number of LAs where the landlord manages social rented general needs properties	1	161	52%
	2-10	88	28%
	11 or more	60	19%
	Not known	3	1%
TOTAL		312	100%

Table 12.2 shows the types of landlord and the regions/countries where most of their stock was located.

Table 12.2: Profile of social landlords responding to survey

		Number	%	
Type of landlord	Stock owning local authority	53	17%	
	Arms Length Management Organisation	16	5%	
	Registered Provider/Registered Social Landlord	237	76%	
	Private Registered Provider	4	1%	
	Not known	2	1%	
Location of the majority of social rented (general needs) housing	England	North East	14	4%
		North West	39	13%
		Yorkshire and the Humber	15	5%
		East Midlands	13	4%
		West Midlands	24	8%
		South East	23	7%
		South West	24	8%
		East of England	25	8%
		London	33	11%
	England (total)	210	67%	
	Scotland	68	22%	
	Wales	24	8%	
	Majority of stock not in any one region/country	9	3%	
Not known	1	*		
TOTAL		312	100%	

The landlords who replied were representative of those polled in terms of their spread between England, Scotland and Wales. They also had an average of 11.1 per cent of their stock occupied by tenants affected by the RSRS (the main focus of the survey), which is precisely the national average as of August 2013. It was therefore unnecessary to weight the data for analysis.

To increase robustness, some English regions were combined with neighbouring regions for analysis. Table 12.3 gives the stock size by broader

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geographical regions, and shows comparable figures for all social housing in Britain.

Table 12.3: Social rented dwellings managed by location of landlord, and location of social rented stock in Britain

Country	Broad region	Regions included	Owned by landlords responding to survey		Owned by all social landlords	
England	'North'	North East, North West, Yorkshire and Humber	627,556	28.0%	1,466,747	31.1%
	'Midlands'	East Midlands, West Midlands	296,615	13.2%	809,987	17.2%
	'South and East'	South East, South West, East of England	418,005	18.6%	1,224,163	26.0%
	London	London	368,376	16.4%	402,653	8.5%
England (total)			1,710,552	76.3%	3,903,550	82.8%
Scotland			216,296	9.6%	594,976	12.6%
Wales			102,176	4.6%	214,911	4.6%
Majority not in any one region/country or not known			213,942	9.5%	-	-
TOTAL			2,242,966	100%	4,713,437	100%

Sources: Landlords' survey, October- November 2013, and 2011 Census (for size of the social sector)

It should be noted here that the classification of landlords' stock into regions is based on the region where the majority of stock is located and as such is only an approximation to the actual location of the stock held.

Appendix 3: Online survey text

DWP Survey on Removal of the Spare Room Subsidy and Benefit Cap

Welcome to the survey on the Removal of the Spare Room Subsidy ('the RSRS') and Household Benefit Cap ('the Cap'). The survey is being undertaken by the Cambridge Centre for Housing and Planning Research and is part of the evaluation commissioned by the Department for Work and Pensions to evaluate the two policies. The evaluation will enable the DWP to understand better how the policies are working in practice and what impact they are having on you and your tenants. You can stop the survey part-way though if you wish, and re-enter it at a later time to finish it off. Your answers will be saved. You may also share the survey with colleagues who, by using the link sent in the email you received, will be able to edit the same version of the survey. However, if you also require a PDF of the survey to share with colleagues, please email [XXXX] to request this. Where numeric answers are requested, please draw on any data you hold wherever possible, but give us your best estimate if not. Please leave blank any questions where you do not know the answer, and cannot provide a good estimate either. We realise that not all landlords will be able to answer all the questions. All questions relate to the stock that you manage, regardless of whether you own it or manage it on behalf of another landlord. If you are a local authority, please answer the questions just in relation to tenants in the stock that you manage, not those who live in your area in housing managed by Registered Providers; separate questions have been added to the DWP's LA Insight survey to cover your local authority's role in the administration of Housing Benefit and Discretionary Housing Payments. Any information you provide will be held in the strictest of confidence and will be handled securely throughout the study in line with the requirements of the Data Protection Act (1998). The information you provide will be used only for research purposes and the research findings will not identify you or your organisation.¹⁷

This first section is about you and where you work

1. Please indicate what type of landlord you are:

- Stock owning local authority
- Arms Length Management Organisation managing council-owned stock
- Registered Provider/Registered Social Landlord
- Private Registered Provider

¹⁷ The Survey has been reproduced here in Word format with the filtering displayed as 'If X, please go to Question Y'. This was fully automated on the web-based version with respondents only displayed the questions they were eligible to answer.

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2. In which of these regions/countries do you manage general needs stock? (Please include social rented, and Affordable Rented stock, but not shared ownership or sheltered housing)

	All of our stock	Most of our stock (over 50%)	Some of our stock (under 50% but more than 1%)	None / very little of our stock (under 1%)
Scotland	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wales	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
NW England	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
NE England	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yorkshire and the Humber	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
West Midlands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
East Midlands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
East of England	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
South East England	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
South West England	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
London	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. In how many local authorities in Britain do you manage social housing stock? (Please include social rented and Affordable Rented stock, but not shared ownership or sheltered housing)

4. And how many general needs properties do you manage in Britain? (Please include social rented and Affordable Rented stock, but not shared ownership, supported or sheltered housing)

This section is about identifying tenants who are affected by the Removal of the Spare Room Subsidy (RSRS) or the Cap

5. Please choose one of the following statements that best describes how confident you are that you are able to identify tenants affected by the RSRS:

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- We think we know which of our tenants are affected by the RSRS in all or nearly all cases (95%+)
- We think we know which of our tenants are affected by the RSRS in most cases, but there at least 5% of cases where we don't know
- We think we know which of our tenants are affected by the RSRS in a minority of cases, but do know at least 5% of them
- We know which of our tenants are affected by the RSRS in none or very few cases (under 5%)
- Other (please explain) _____

6. To the best of your knowledge, how many of your tenancies are currently affected by the RSRS?

7. Please provide figures (if available) for the number of your tenants who have been allowed an extra room because they are:

- a. Foster carers, or approved for fostering within the last 12 months
- b. Have a child in the armed forces
- c. Have disabled children unable to share a room

8. Thinking about tenants whose circumstances change so that they start to be affected by the RSRS or cease to be, which of the following best describes how you become aware when tenants start or cease to be affected?

- We have access to the local authority HB database so we can see for ourselves
- The local authority informs us on a case by case basis when people start or cease to be affected
- The local authority informs us on a regular basis (at least monthly)
- The local authority informs us but less often than monthly
- We do not get informed by the LA reliably so rely on the tenant telling us directly
- Other (please explain) _____
- A mixture of the above

9. Please estimate the proportion of your tenants affected by the RSRS who have received at least one face to face visit or phone call from one of your

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staff in about the RSRS? (Do not include those you tried but failed to contact – eg because the tenant was not in or did not answer)

	0-9%	10-19%	20-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-89%	90-99%	100%
At least one face to face visit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
At least one phone call	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. How many of your tenants are affected by the Cap? (IF ANSWER = 0, PLEASE GO TO Q12)

11. What is the average amount of their weekly shortfall?

This section is about making alterations to your stock or reclassifying the size of properties, in response to the RSRS

12. Have you physically altered any of your stock to change the number of bedrooms in direct response to the RSRS (eg knocked down walls)

- Yes
- No (PLEASE GO TO Q13)
- Not yet but are planning to do so within the next 12 months
- Not known (PLEASE GO TO Q13)

12a. How many have you altered so far?

12b. How much was the average cost, per property altered?

12c. Please briefly explain what these alterations involve(d)?

12d. How many are you planning to alter within the next 12 months?

12e. Why did you decide to do this?

13. Have you reclassified the number of bedrooms in any stock in response to the RSRS? (Please do NOT include cases where you did this solely because

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you discovered that your records were incorrect , for instance because of adaptations that had taken place previously which reduced the actual number of rooms)

- Yes
- No (PLEASE GO TO Q14)
- Not yet, but are planning to do so within the next 12 months
- Not known (PLEASE GO TO Q14)

13a. How many properties have you reclassified in response to the RSRS?

13b. And of these, how many:

Were originally classed as having 2 bedrooms

Were originally classed as having 3 bedrooms

Were originally classed as having 4 or more bedrooms

13c. Please briefly explain why you decided reclassify these homes?

13d. Have you lowered the rent on those properties that were reclassified as a result of reclassifying them?

- Yes, on all of them
- On some of them
- No, none of them
- Not known

13e. Why/why not?

13f. Which of the following best describes your approach to reclassifying?

- We reclassified all properties of a similar type, regardless of who is living in them
- We reclassified only properties occupied by tenants affected by the RSRR
- We reclassified only on request or on an individual basis
- A mixture of the above
- In some other way (please explain) _____

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This section asks about the response of tenants affected by the RSRS

14. How many of your RSRS-affected tenants have registered for downsizing since 1 January 2013?(Please leave blank if not known)

Via Mutual exchange

Via the transfer list (either yours or one held by your LA)

Not registered for either

15. How many of your RSRS-affected tenants have downsized within the social sector to date?

16. How many of your RSRS-affected tenants have moved to the private rented sector to date (Please provide an estimate if possible, or leave blank if the number is not known)

16a. Is this figure (for moves to the private rented sector) based on an estimate or figures that you have available?

Estimate

Figures

17. Do your tenants need to ask your permission to take a lodger?

Usually yes

Usually no (PLEASE GO TO Q18)

Not known (PLEASE GO TO Q18)

17a. Do you have figures for the number who have applied for permission to take a lodger since 1 January 2013?

Yes. How many? _____

No, these figures are not available

This section is about arrears and relates to tenants affected by both the RSRS and the Cap

18. What was the total amount of arrears outstanding (from all your tenants, whether affected by any of the welfare reforms or not): * For 'Most comparable recent date',

On 31 December 2012?

On 31 March 2013?

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On the most comparable recent date? (Please give the figure for as recent a date as possible that can be best compared to 31 March, bearing in mind your rent collection cycle and Housing Benefit payment dates.)

What date is this latest figure for?

19. Are you able to identify the number of your tenants affected by the RSRS or the Cap who have paid all, some or none of their shortfall?(The shortfall, in this context, refers to the rental shortfall after HB and DHP have both been paid)(IF YOUR ANSWER IS NO TO THIS QUESTION, PLEASE SKIP AFTERWARDS TO Q20)

	Yes	Not precisely, but can estimate	No - we cannot attribute the source of rental shortfalls
For the RSRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For the Cap	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

19a. At the current time, what proportion of your tenants who are affected by the RSRS:

Have paid all their shortfall

Have paid some but not all of their shortfall

Have paid none of their shortfall

Have paid an unknown amount of their shortfall

19b. And for comparison, what proportion of your tenants currently affected by the RSRS were in arrears on 31 March 2013?

19c. Of those affected by the RSRS and in arrears:

What proportion are in arrears solely as a result of failing to pay the RSRS shortfall?

What proportion are in arrears for other reasons as well as failing to pay the RSRS shortfall?

19d. At the current time, what proportion of your tenants who are affected by the Cap:

Have paid all their rental shortfall

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Have paid some but not all of their rental shortfall

Have paid none of their rental shortfall

Have paid an unknown amount of their rental shortfall

19e. And for comparison, what percentage of your tenants affected by the Cap were in arrears on 31 March 2013?

20. Of those affected by the Cap and in arrears:

What proportion are in arrears solely as a result of failing to pay the shortfall caused by the Cap?

What proportion are in arrears for other reasons, as well as failing to pay the shortfall caused by the Cap?

21. Have you initiated any possession proceedings against any tenants in arrears solely as a result of failing to pay the shortfall resulting from:

	Yes	No	Not known
The RSRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Cap	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

22. Thinking only about tenants whose arrears are due solely to either the RSRS or the Cap:(Please leave blank if not known)

	RSRS-related arrears	Cap-related arrears
How many tenants have been issued with a formal warning letter?		
How many tenants have been issued with an intention to seek possession (NOSP)?		
How many tenancies have you applied for possession for?		
And how many of these were mandatory possession applications (Ground 8)?		
How many tenants have had court cases heard?		
How many tenants have been issued with a suspended possession order		

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How many tenants have been issued with a possession order (not suspended)?

How many tenants have been evicted?

23. Which of the following best describes your policy towards possession proceedings on tenants who fall into arrears?

	a. We offer our usual support, but follow our usual possession proceedings if this fails to resolve the situation	b. We offer support that goes substantially above the level we'd usually offer, but will then follow possession proceedings if this fails to resolve the situation	c. We will not evict tenants who are working with us, even if this has failed to solve their problems and their arrears are still growing.	d. We will not evict certain groups of tenants (eg vulnerable, or with children) even if they repeatedly fail to pay	e. We will not evict any tenants even if they repeatedly fail to pay
RSR-related arrears	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cap-related arrears	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Arrears for other reasons	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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This section is about your tenants' experiences of applying for Discretionary Housing Payments (DHP).

24. In how many of the local authorities in which you work are you familiar enough with the policy on DHP to advise tenants affected by the RSRs or Cap as to whether they might be eligible?

- All
- Most
- Around half
- A minority
- None

25. Which of the following processes of applying for DHP apply for your tenants:

	Always	Usually	Sometimes	Rarely	Never
a. The tenant applies direct to the LA and we have no involvement in the process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. We advise the tenant on whether they are likely to be eligible for DHP and provide assistance if required, but the tenant applies themselves	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. We assist tenants with filling in the DHP application, and the LA encourages us to do this. Tenants are allowed but not encouraged to apply without our assistance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Tenants must apply through us. The LA will not accept their applications without our backing.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. We have been allocated a DHP sum from the LA to decide how to allocate to our tenants ourselves	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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26. Which of the following best describes the system used most often for assessing eligibility for DHP for your tenants?

- Tenants need to be in a priority group
- Tenants need to be found to be unable to afford the shortfall
- Tenants need to be in a priority group, and ALSO to be found to be unable to afford the shortfall
- Some other system (please explain) _____
- Not known

27. Which of the following groups are receiving priority for DHP:

	Always	Usually	Sometimes	Rarely	Never	Don't know
a. Disabled people in significantly adapted properties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Others who are sick or disabled	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Couples unable to share a room	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Foster carers who require more than one spare room	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. Prospective special guardians and adopters, not yet approved so not yet eligible for an extra room	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f. Non-resident parents with regular overnight care of a child	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g. People with mental health difficulties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h. Those who are engaged with the LA or RP in trying to move	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
i. Those who are engaged in looking for work/increasing income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
j. Those who will soon be exempt because they will	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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reach retirement age, or their requirements will increase (eg child will turn 10/16)						
k. Anyone whose income is inadequate to afford the shortfall	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
m. Households affected by the household benefit Cap with children at a critical point in their education	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
n. Households affected by the Cap which include vulnerable people dependent on local services or support networks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
o. Households affected by the Cap in local authority temporary accommodation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
p. People affected by the Cap who are unable to move somewhere cheaper	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
l. Other groups affected by the RSRs (please give details)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

28. Do you have any other comments about DHP?

This section is about allocations

29. Do you have your own allocations policy covering at least some of your stock?

- a. Yes
- b. No – all allocations are made via LA-wide policy/policies/via a common housing register and we do not design the allocations policy (PLEASE GO TO Q30)

29a. Have you altered your allocations policy to increase the priority given to downsizers in response to the RSRs?

- a. Yes, for all potential downsizers
- b. Yes, just for those affected by the RSRs
- c. No – they were already Band A (or equivalent if using points system)

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- d. No – they were, and still are, Band B (or equivalent if using points system) or below

29b. Have you altered the way in which you determine the size of home an applicant needs so that your criteria match the DWP's size criteria used in determining who is under-occupying for the purposes of the RSRS?

- a. Yes
- b. No – we are more generous in the size of home we allow than the DWP's size criteria
- c. No – we were already allocating in line with the DWP's criteria
- d. No – we were already allocating more strictly than the DWP's criteria
- e. Not known

30. Which of the following groups would you consider for properties that are technically larger than the DWP's size criteria?

- All applicants, including those affected by the RSRS
- All applicants, including those affected by the RSRS, after having ensured they are aware of the implications of the RSRS and believe they can afford the shortfall
- Applicants affected by the RSRS who we consider can afford the shortfall
- People affected by the RSRS in the short term but anticipating a change in family circumstances (eg baby being born) which will cause them to cease to be affected
- Pensioners
- Working age people who are working and not currently claiming Housing Benefit
- None of the above

31. Do you allow tenants affected by the RSRS and with arrears to downsize?

- Usually yes
- Yes if they are below a certain level and/or the tenant is trying to pay them off
- Usually no
- Not known

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32. Is there a financial incentive available to your tenants who wish to downsize?

- Yes
- Yes in specific circumstances (please explain) _____
- No
- Not known

33. How much would downsizers typically be offered?

34. Will you let properties to households affected by the Household Benefit Cap, who would be unable to claim the full HB because of the Cap?

- a. Yes
- b. Yes, if they are confident they can afford the rent
- c. Yes, if they and we are confident they can afford the rent
- d. In certain circumstances (please explain) _____
- e. No
- f. Don't know
- g. This hasn't arisen / no capped households have applied

This section is about difficulties letting properties

35. Have you experienced any difficulties in letting properties as a result of the RSRS or the Cap?

- Yes
- No (PLEASE GO TO Q36)
- Not known (PLEASE GO TO Q36)

35a. Which types of properties have proved harder to let?

- Homes with 5 or more bedrooms
- 4 bedroom homes
- 3 bedroom houses
- 3 bedroom flats
- 2 bedroom houses
- 2 bedroom flats
- 1 bedroom homes

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35b. How many properties were void on 31 March 2013?

35c. And how many were void on the most recent comparable date, for which data is available? (Please choose a comparable date, taking into account your letting cycle - eg the same day of the week/month)

35d. What date is this for?

This last section is about development plans

36. As a landlord, are you involved in developing new housing?

- Yes
- No / Not currently (PLEASE GO TO Q37)

36a. Have you altered your development plans in response to the RSRS or the Cap and their consequences in order to build:

	Building fewer	No change	Building more
1 bedroom properties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2 bedroom houses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2 bedroom flats	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3 bedroom houses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3 bedroom flats	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4 bedroom properties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5 or more bedroom properties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

37. Do you have any other comments about the operation of the RSRS or the Cap and their impact on your organisation or your tenants?

Appendix 4: Policy information

The Benefit Cap limits the total amount of benefit that may be received by people in a single household from the following benefits:

- Bereavement Allowance
- Carer's Allowance
- Child Benefit
- Child Tax Credit
- Employment and Support Allowance (contribution-based and income-related), except where the support component has been awarded
- Guardian's Allowance
- Housing Benefit
- Incapacity Benefit
- Income Support
- Jobseeker's Allowance (contribution-based and income-based)
- Maternity Allowance
- Severe Disablement Allowance
- Widowed Parent's Allowance (or Widowed Mother's Allowance or Widows Pension if received before 9 April 2001)
- Widows Pension Age-Related

Any income the individual may receive that is not included in the above list is not taken into account when calculating the level of the cap.

The amount of benefits a household can receive is restricted to £500 per week for couples (with or without children living with them), £500 for single parents whose children live at home, and £350 per week for single adults with no children or whose children live away from home.

Households are exempt from the Benefit Cap if anyone in the household receives Working Tax Credits or receives any of the following benefits:

- Disability Living Allowance
- Personal Independence Payment
- Attendance Allowance
- Industrial Injuries Benefits (and equivalent payments as part of a war disablement pension or the Armed Forces Compensation Scheme)
- Armed Forces Compensation Scheme
- Armed Forces Independence Payment
- Employment and Support Allowance (the support component)
- War Widow's or War Widower's Pension

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Where a claimant or their partner has worked for 12 months prior to becoming unemployed, the household is awarded a 39 week grace period during which the Cap will not be applied.

The Benefit Cap applied from 15 April 2013 in Bromley, Croydon, Enfield and Haringey local authorities. Remaining local authorities applied the Cap between 15 July 2013 and the end of September. As such all households identified as being appropriate to be capped were capped by the end of September 2013. The Benefit Cap is currently administered through Housing Benefit, and as such a household which is not in receipt of Housing Benefit will not currently be in scope for the cap.

Further information and official statistics for the Benefit Cap can be found at www.gov.uk/government/collections/benefit-cap-statistics.

Appendix 5: Review and evaluation of the Benefit Cap

This document is published as part of the suite of evaluation material on the household benefit cap. It should be read in conjunction with the other reports. These are:

1. **The Benefit Cap Review.** The review is published in line with the statement by the Minister for Employment, 1st February 2012. This document draws on the suite of evaluation material published alongside it. It also makes reference to the Official statistics: <https://www.gov.uk/government/collections/benefit-cap-statistics> and evidence previously published by the department: <https://www.gov.uk/government/publications/benefit-cap-public-attitudes-before-and-after-its-introduction>
2. **Benefit Cap: Analysis of outcomes for capped claimants.** Analysis of administrative data carried out by departmental analysts and peer reviewed by the Institute for Fiscal Studies. This document examines the historical estimates of those in scope for the Cap and effects of the Benefit Cap by comparison of outcomes of capped claimants and comparable groups. Evidence is presented on movement into work (proxied by Working Tax Credit exemption), moving house and movement out of scope for the cap.
3. **Post-implementation effects of the Benefit Cap.** An Ipsos MORI longitudinal telephone survey of capped households identified from the October 2013 Single Housing Benefit Extract (SHBE). The first wave of the survey was carried out with 1,200 claimants in February 2014, and the second in August/September 2014 with 468 of the same claimants. This work examines the behavioural change over time on employment, finances and housing.
4. **In-depth interviews with people affected by the Benefit Cap.** A Cambridge Centre for Housing and Planning Research (CCHPR) report based on interviews with 50 households affected by the Benefit Cap. These households were identified from the same source as the Ipsos MORI surveyed claimants. This work explores coping strategies of households and changes in behaviour around work and wellbeing, mobility and household structure, income and wellbeing, and beliefs and expectations. It provides contextual information around themes explored in the survey.