



# Local Authority Insight Survey – Wave 25

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The Local Authority (LA) Insight Survey is conducted approximately every six to 12 months among managers with responsibility for the administration of Housing Benefit (HB). It aims to provide the Department with a regular means of finding out how LAs organise their benefit administration and their views on the implications of current and future policy.

This summary presents the findings of key sections of Wave 25 of the Survey, which was conducted between the 14 October and 7 December 2013. More detailed findings from these and other sections are given in the full report, which is available free of charge on the Department for Work and Pensions (DWP) website.

Wave 25 of the survey covered the following areas:

- Discretionary Housing Payments (DHPs);
- Universal Credit (UC);
- Risk Based Verification (RBV);
- the benefit cap;
- Automated Transfers to Local Authority System (ATLAS);
- HB advice and wider issues;
- Shared Accommodation Rate (SAR);
- Supported Accommodation.

## DHPs

The Department was interested in finding out more about how DHPs are initiated and processed. LAs said that an average of 35 per cent of people applying for a DHP initiated this themselves, while 30 per cent have their claim initiated by the LA. Almost all LAs (98 per cent) carry out affordability tests before issuing DHPs. In terms of guidance that LAs provide: advice on the LA's website is the most popular form of guidance before a claim has been approved (89 per cent), followed by liaison with other parts of the LA (78 per cent). London Boroughs are the most active overall in their communications around DHPs. Once a DHP has been approved the most common type of guidance is sending a letter to the claimant (92 per cent) which is followed by liaison with other parts of the LA (64 per cent).

LAs were asked to indicate all situations where they had awarded DHPs using a pre-coded list. Virtually every LA had awarded DHPs because of changes to Local Housing Allowance (LHA) and Removal of Spare Room Subsidy (RSRS) (99 per cent and 98 per cent respectively). However, a roughly equal proportion of LAs indicated that they had awarded DHPs to claimants for reasons unrelated to policy changes – for example, help with moving costs, emergencies, or changes in family circumstances (99 per cent). Fewer have awarded DHPs for reasons related to benefit cap (86 per cent).

Fourteen per cent of LAs said that they had already topped up the Government DHP contribution and 17 per cent said that they have not topped it up yet but intend to do so. The majority of LAs do not intend to top up the Government DHP contribution (56 per cent).

## **Universal Credit**

When asked about preparations for UC, 63 per cent of LAs said that they are in the process of preparing for UC; 33 per cent said that had not yet begun preparations and three per cent described their authority as completely prepared for the switch to UC. These results show that LAs are taking the initiative to prepare their staff and systems for UC at a time when there is minimal information about when UC will be rolled out the areas. In terms of preparing staff and systems for UC, 61 per cent said that they have already attended workshops, while around half (53 per cent) have met with voluntary groups, 52 per cent have had awareness training and held meetings, 50 per cent sent out generic information and 46 per cent formed a working group.

Ninety-one per cent of LAs said that they had plans to prepare claimants for UC. This was most likely to include developing information on their website (53 per cent), providing help with computer use (46 per cent) and advising claimants specifically that UC payments will include housing costs and be paid direct to claimants (45 per cent). In terms of what LAs are planning to do to prepare private landlords for UC, 72 per cent are planning to arrange landlord forums, 49 per cent will include articles in the newspapers aimed at private landlords and 40 per cent will send them information direct. Overall, 87 per cent of LAs have or are planning to prepare private landlords.

## **Risk Based Verification**

A quarter of LAs (24 per cent) are currently applying RBV which is significantly higher than at the same time last year (14 per cent). More than half of those LAs that are not currently applying

RBV (56 per cent) said that it is not a priority at the moment and 41 per cent mentioned cost as a reason for why they were not applying RBV. There are very high levels of satisfaction among LAs with the approach they are currently using to risk profile HB claimants (86 per cent). When LAs that are currently applying RBV were asked about the effectiveness of it, the highest percentage of LAs rated RBV as effective at improving processing times (80 per cent), compared with 70 per cent for freeing up time/resources to do other work and 63 per cent for reducing fraud and error.

## **Benefit cap**

Almost all LAs surveyed had written to claimants who are affected by the benefit cap (91 per cent). Slightly fewer said that they responded to queries (85 per cent) and put information on their website (79 per cent). London Boroughs have been most active, reflecting that around half of the capped caseload is in London. Other than putting information on their website (57 per cent) and placing articles in the newspapers (a third) aimed at both private and social landlords, LAs are generally more likely to have had direct communication with social, rather than private, landlords about the benefit cap. In particular they are more likely to have conducted awareness training, sent letters and held meetings/had visits with social landlords.

When asked what actions claimants had taken to prevent being capped, 34 per cent of LAs said that claimants have moved into work in advance of the benefit cap being applied and 20 per cent said that households have started claims for exempt benefit. Just six per cent of LAs said that their claimants have moved to another area in advance of benefit cap being applied but this rises to 26 per cent of London Boroughs. When asked what actions claimants had taken after the cap had been applied, 37 per cent of LAs said that claimants had moved into work. In addition 19 per cent said that households had started claims for exempt benefit and taken

budgeting advice and 17 per cent that claimants had moved to cheaper properties. Once again, London Boroughs are significantly more likely to have said that their claimants have taken the major action of moving to another area (30 per cent compared with six per cent overall).

## **ATLAS**

The benefits software used most often by LAs is Northgate (42 per cent) and Capita Academy (38 per cent). Over half of all LAs (56 per cent) said that ATLAS has improved their processing performance – 14 per cent described it as a big improvement (26 per cent in London) and 42 per cent as a small improvement.

## **HB advice and wider issues**

The vast majority of LAs (86 per cent) said they could meet the need for benefit advice either fairly well (60 per cent) or very well (26 per cent) in their LA, but one in ten (11 per cent) said they could not meet that need well. Changes such as the RSRS appear to have had an impact on types of advice needed: nine in ten (90 per cent) LAs said RSRS advice was needed (highest at 100 per cent in the West Midlands region). Eighty-five per cent said advice was needed for issues to do with the benefit cap.

When asked about causes of rent arrears, this was most commonly attributed to reasons other than the recent policy changes (67 per cent). Issues to do with RSRS were mentioned by around two in three LAs (65 per cent), changes to do with LHA were mentioned by 45 per cent of LAs and the benefit cap was mentioned by 27 per cent of LAs as reasons causing rent arrears and perhaps unsurprisingly, given the distribution of claimants affected by it, the benefit cap was a much bigger factor affecting rent arrears in London (59 per cent) than elsewhere.

Four-fifths (82 per cent) of LAs mentioned issues other than those to do directly with recent HB policy changes as being the main reason for homelessness acceptances in their LA. Changes

related to LHA were mentioned by 15 per cent of LAs, RSRS was mentioned by nine per cent and the Benefit Cap was mentioned by seven per cent of LAs as main reasons for homelessness acceptances.

Approximately half (46 per cent) of LAs said that they did not place claimants out of borough in order to discharge a homeless duty. Where claimants had been placed out of the borough to discharge a homeless duty, the most common location was to a neighbouring LA (20 per cent), followed by the same region (but not neighbouring LA) (11 per cent) and then further afield (five per cent). Among LAs that did place claimants out of borough, the household types most likely to be placed were single, under 35; and single, parent with children (both 18 per cent).

Forty-five per cent of LAs said they were finding it more difficult to source temporary accommodation (rising to 82 per cent in London and 71 per cent in the South East). Four in five (80 per cent) LAs said they were very aware, in general terms, of homeless hostels in their area and a further nine per cent said they were fairly aware.

## **Shared Accommodation Rate**

Approximately one in five (21 per cent) LAs said the incidence of landlords letting properties which were previously let to families, or as self-contained accommodation as shared housing/ House in Occupation (HMO), had increased.

Amongst those LAs that could provide an answer, the mean proportion of claimants who could apply for homeless hostel exemptions that were successful was 64 per cent. When asked for the most important reason for claimants being rejected from homeless hostel exemptions, 26 per cent of LAs responded that there were no hostels in the area, 22 per cent said it was because there was not enough evidence provided by the claimant.

## Removal of the Spare Room Subsidy

Sixty-four per cent of LAs said that the number affected by RSRS had decreased since April 2013. This was most frequently attributed to downsizing (77 per cent), household change (68 per cent) and identifying exempt households (67 per cent).

Over a third (38 per cent) of LAs have revised their allocation policy to bring definitions of the size of property applicants require to be in line with DWP's size criteria, and a further 13 per cent plan to do so. Ten per cent were already in line. Among LAs that held housing stock, a third (34 per cent) LAs showed a positive intent or action towards building smaller houses or converting existing units; nine per cent had already started this and 25 per cent said that although they had not started this yet, they planned to. Of LAs that held housing stock, the most common reason for why they did not have plans to build or convert was that the LA did not have housing stock that could be converted (39 per cent).

## Supported Exempt Accommodation

The main difficulties LAs said they experienced in identifying supported exempt housing were identifying the level of care (70 per cent) and establishing that the minimum level of care was provided (61 per cent).

Three in ten (30 per cent) of LAs said they had experienced the practice of landlords using 'not for profit organisations' they had created to increase their income through artificially increasing the volume of Support Exempt Accommodation claims to Housing Benefit (and, therefore, leaving LAs to pick up the shortfall in Subsidy).

## About the survey

One manager from each LA in England, Scotland and Wales was invited to take part in Wave 25 of the survey. Each received an advance letter that included a copy of the questionnaire, so that they could, if necessary, consult other managers.

A total of 238 LAs participated in the survey and this includes some LAs that did not complete every section of the questionnaire. Overall, 176 filled in the questionnaire on the web, 51 on paper and 11 on the telephone between the 14 October and 7 December 2013.

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The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 909532 70 0. Research Report 849. June 2014).

You can download the full report free from: <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

Other report summaries in the research series are also available from the website above.

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