

6 Removal of the spare room subsidy and introduction of the benefit cap

6.1 Introduction and summary

On 1 April 2013 the Government removed the spare room subsidy in Housing Benefit (HB) for those who are of working age and renting from a local authority (LA), a housing association (HA) or other registered social landlord (RSL). The removal of the spare room subsidy restricts the size of accommodation that a claimant can receive HB for, based on their household size. If a claimant is assessed under these rules as having more bedrooms than is necessary for their household, they will be considered to be under-occupying that property and a percentage reduction of 14 per cent for one spare bedroom or 25 per cent for two or more spare bedrooms will be applied to their eligible rent.

Additionally in April 2013, a cap for the total amount of benefit that working-age people can receive was also introduced. This means that workless households no longer receive more benefits than the average earnings of working households. In the first instance, the cap is administered jointly by the Department for Work and Pensions (DWP) and LAs through deductions from HB payments. In the longer term it will form part of the new Universal Credit system.

It is important to note that the measures had not yet been implemented at the time that the survey was conducted. This section, therefore, reports on the processes that LAs were carrying out to identify cases affected by the new rules and the support they required to assist them in doing so.

The key findings based on all LAs answering are summarised in this section. These are followed by the main findings, which include charts plus commentary highlighting the key statistically significant sub-group differences. We have not commented on differences that are not significant. Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of 'don't know' or 'other' categories, or multiple answers.

At the time that the survey was conducted in autumn 2012, greater numbers of LAs said they were finding the process of identifying cases affected by the removal of the spare room subsidy difficult (44 per cent) than were finding it easy (32 per cent). Difficulty obtaining the required information and lack of resources to carry out the extra tasks were cited as reasons explaining why LAs said they were not finding the process of identification of these cases easy.

The majority of LAs said that they thought they would be able to identify at least some cases affected by the removal of the spare room subsidy electronically. Approximately four in five (78 per cent) of LAs said that they currently hold information which allowed some (49 per

cent) or all (29 per cent) of HB claimants in supported 'exempt' accommodation to be easily identified. When the group of LAs that said they did not hold sufficient information to allow them to identify all of their HB claimants in supported 'exempt' accommodation were asked how they intended to identify those claimants, the majority (81 per cent) said they would use local knowledge/other resources available to them.

A wide range of work was being done by LAs to alert current claimants to the removal of the spare room subsidy. The most frequently reported activities of this type were:

- sending letters to claimants (86 per cent);
- putting information on websites (79 per cent); and
- alerting current claimants through stakeholders (77 per cent).

Similarly, a wide range of work was also being done by LAs to alert current claimants about the forthcoming benefit cap. Two thirds of LAs (67 per cent) had put information about it on their websites, 64 per cent had been alerting current claimants through stakeholders, and 56 per cent had sent letters direct to claimants.

The vast majority (84 per cent) of LAs said that they were engaging with the process of reviewing their Discretionary Housing Payment (DHP) allocation in anticipation of the removal of the spare room subsidy. A fifth (20 per cent) of LAs have already reviewed their DHP allocation criteria in anticipation of the benefit cap, and a further three in five (60 per cent) said that they intended to review it.

Almost all (96 per cent) LAs found the circulars regarding the removal of the spare room subsidy helpful, and the findings for the circulars regard the benefit cap were similar in that the vast majority of LAs surveyed (91 per cent) found them helpful.

Half (50 per cent) of LAs said they either definitely need more support to implement the removal of the spare room subsidy (15 per cent), or that more support would be useful even if it is not essential (35 per cent). Slightly more than a half (53 per cent) of LAs said they either definitely needed more support or that more support would be useful even if it is not essential to help implement the benefit cap.

Additional information or online tools were the most frequently cited (mentioned by 46 per cent) type of extra support for aiding LAs with the removal of the spare room subsidy, and the same finding was recorded for the preferred form of additional help with implementing the benefit cap.

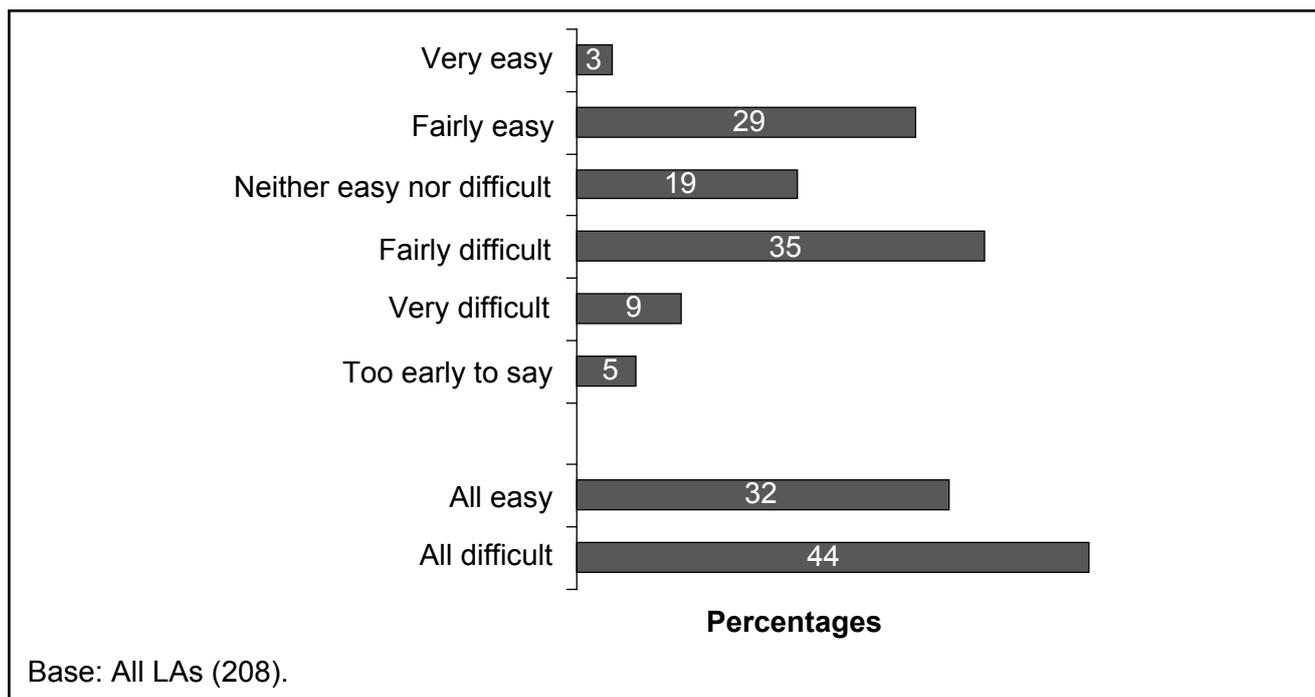
One in eight LAs (12 per cent) said that they were producing tools to help support the removal of the spare room subsidy. One in ten LAs (10 per cent) said that they were producing tools to help support the delivery of benefit cap changes. The kinds of things LAs were producing to support the delivery of these changes were:

- leaflets
- letters to claimants
- videos/presentations to landlords.

6.2 Main findings

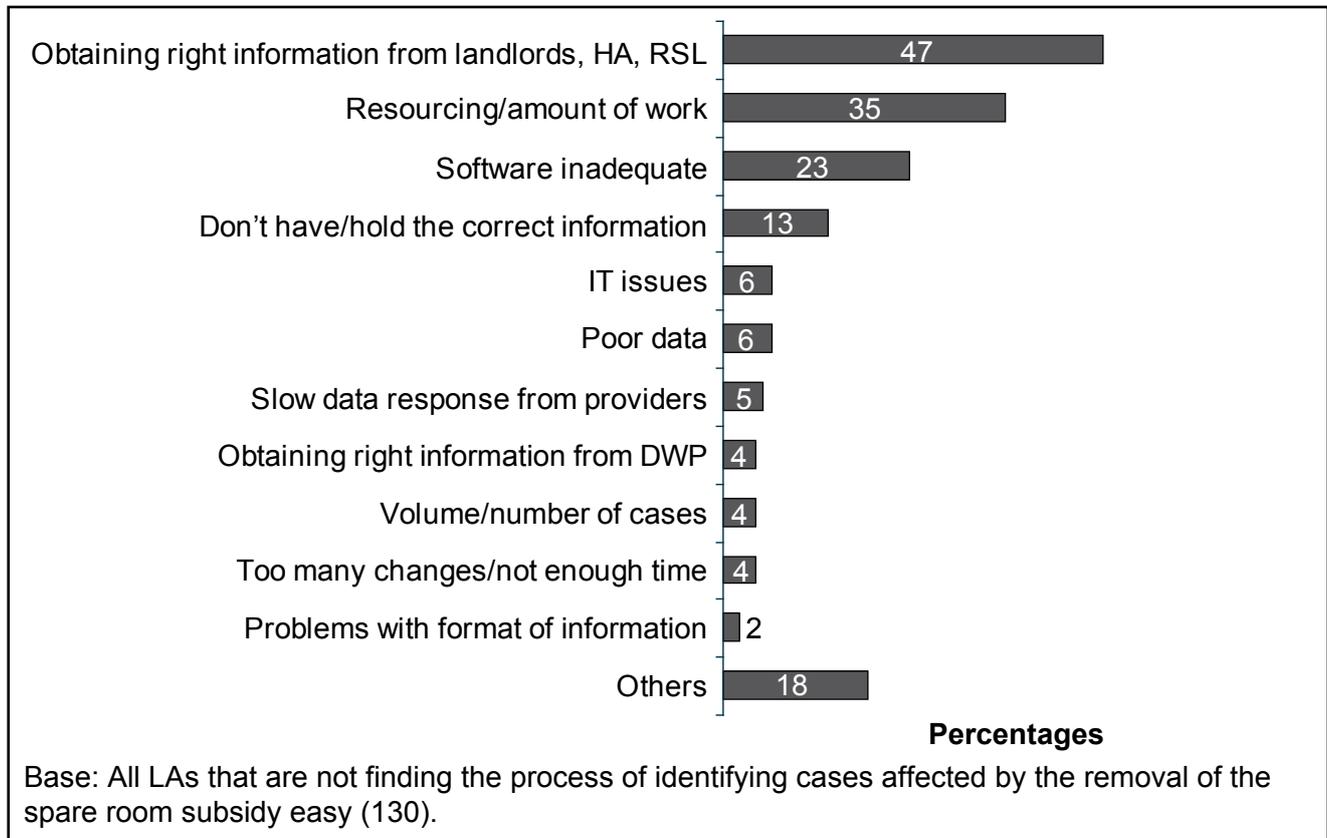
This section details the main findings and includes charts for all questions plus commentary highlighting the key sub-group differences.

Figure 6.1 LAs are currently in the process of identifying cases affected by the Removal of the Spare Room Subsidy. How is your LA finding this process?



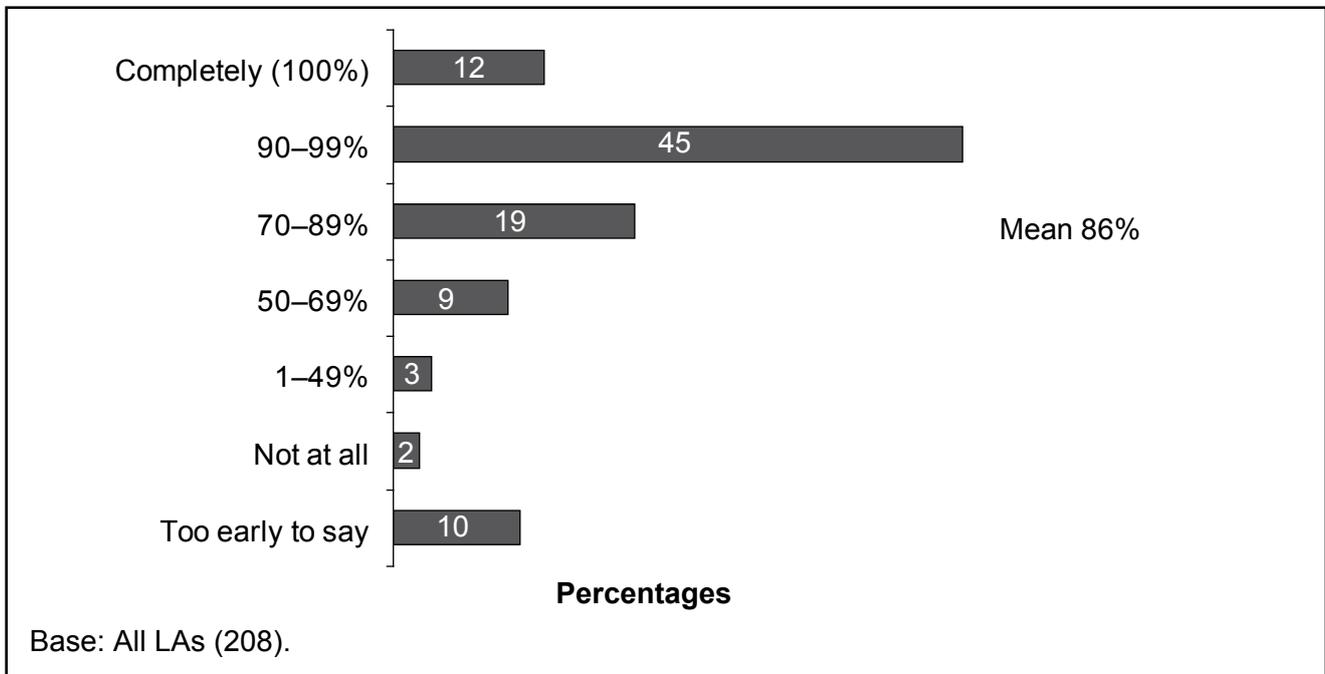
Opinion was divided among LAs as to whether they were finding the process of identifying cases affected by the removal of the spare room subsidy easy or difficult; greater numbers (44 per cent) said they were finding it difficult than easy (32 per cent). English Metropolitan Districts were significantly more likely to have said that they were finding the identification of these cases difficult. Slightly higher than three in five (62 per cent) of English Metropolitan Districts said they were experiencing difficulty compared to 22 per cent of Welsh LAs, 38 per cent of English Unitary authorities and 42 per cent of English Districts.

Figure 6.2 Why do you say that the process of identifying cases affected by the Removal of the Spare Room Subsidy is not easy?



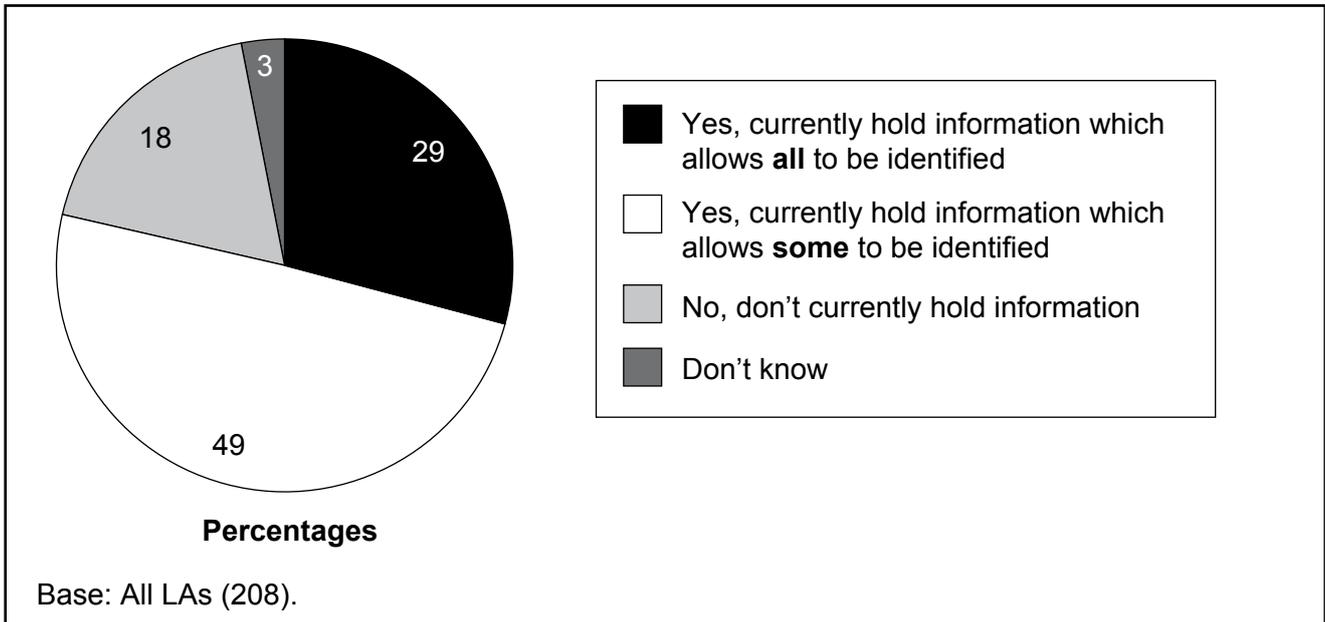
It is clear from Figure 6.2 that not being able to obtain the required information from a range of different sources in order to identify cases affected by the removal of the spare room subsidy was key reason proffered by the group of LAs to explain why they said they were not finding the process of identification of these cases easy. Obtaining information from landlords, RSLs and HAs was mentioned by approximately half (47 per cent). Obtaining information from DWP was also mentioned as a difficulty but at a very low level (four per cent). Approximately a third (35 per cent) gave the reason for this not being easy as being to do with lacking the resources/time/labour needed to carry out the work involved. Resources were mentioned with greater frequency by LAs in Scotland (70 per cent) and Wales (67 per cent) than, for instance, in London Boroughs (13 per cent). Approximately a quarter (23 per cent) said that their software was inadequate and LAs in Scotland (50 per cent) and London Boroughs (40 per cent) displayed greater numbers stating this was a factor preventing the easy identification of cases affected by the removal of the spare room subsidy, in comparison to 12 per cent of English Districts that said software inadequacies were a problem.

Figure 6.3 For the Removal of the Spare Room Subsidy, under-occupation will be calculated from bedroom entitlement based on household composition information already held by local authorities and property size information to be received from landlords.



The vast majority of LAs said that they thought they would be able to identify at least half of the cases affected by the removal of the spare room subsidy electronically, but the proportions that LAs estimated would be identifiable in this way varied widely. One in eight (12 per cent) said all cases could be identified electronically and this rose to a third (32 per cent) of LAs in the North West region. Nationally a further 45 per cent said 90-99 per cent could be identified in this way, and approximately one in five said 70-89 per cent of cases in their LA could be identified electronically.

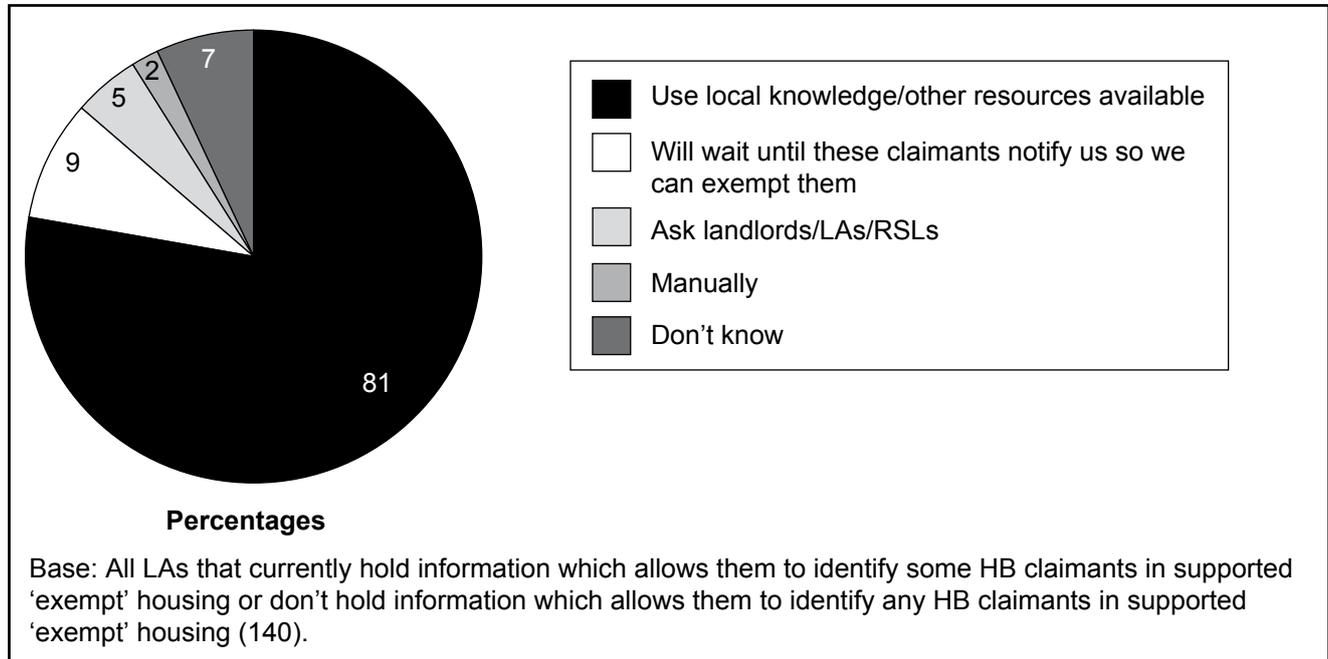
Figure 6.4 Do you currently hold information which allows you to easily identify HB claimants in Supported ‘Exempt’ Housing?



Approximately four in five (78 per cent) of LAs said that they currently hold information which allowed some (49 per cent) or all (29 per cent) of HB claimants in supported ‘exempt’ accommodation to be easily identified. None of the Welsh LAs said that they could easily identify all of these types of claimants, in contrast to 41 per cent of Scottish LAs, 32 per cent of English Districts and 29 per cent of London Boroughs.

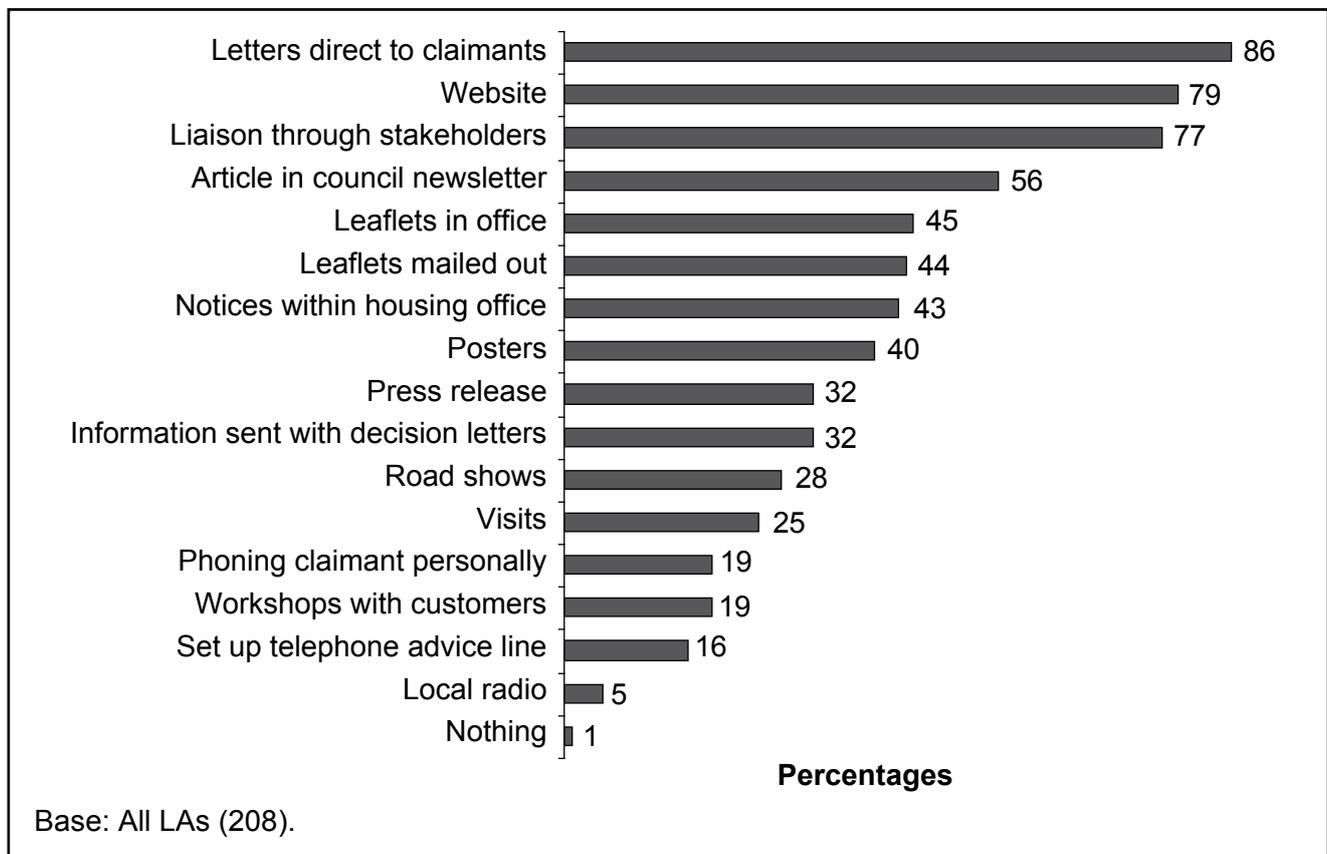
Across all LAs slightly fewer than one in five (18 per cent) said that they did not currently hold the information to easily identify any HB claimants in supported ‘exempt’ accommodation. This ranges from just four per cent of LAs in the East of England to 29 per cent in Scotland, 25 per cent in Yorkshire and Humberside, 24 per cent in the South West and London Boroughs, and 22 per cent in the West Midlands.

Figure 6.5 How do you intend to identify those HB claimants in ‘Exempt’ Supported Housing who will be excluded from the Removal of the Spare Room Subsidy but you don’t currently hold information on?



When the group of LAs that said they did not hold sufficient information to allow them to identify all of their HB claimants in supported 'exempt' accommodation were asked how they intended to identify those claimants, the majority (81 per cent) said they would use local knowledge/other resources available to them. Among English Metropolitan Districts this intention was significantly higher (100 per cent) compared to, for example, London LAs, where slightly fewer than seven in ten (69 per cent) said they intended to use local knowledge/other resources available to identify HB claimants in supported 'exempt' accommodation.

Figure 6.6 What work, if any, is your LA doing to alert current claimants of the upcoming Removal of the Spare Room Subsidy rules? (main answers)



As Figure 6.6 illustrates, a wide range of work was being done by LAs to alert current claimants to the coming removal of the spare room subsidy. The most frequently reported activities of this type were sending letters to claimants (86 per cent); putting information on websites (79 per cent) and alerting current claimants through stakeholders (77 per cent).

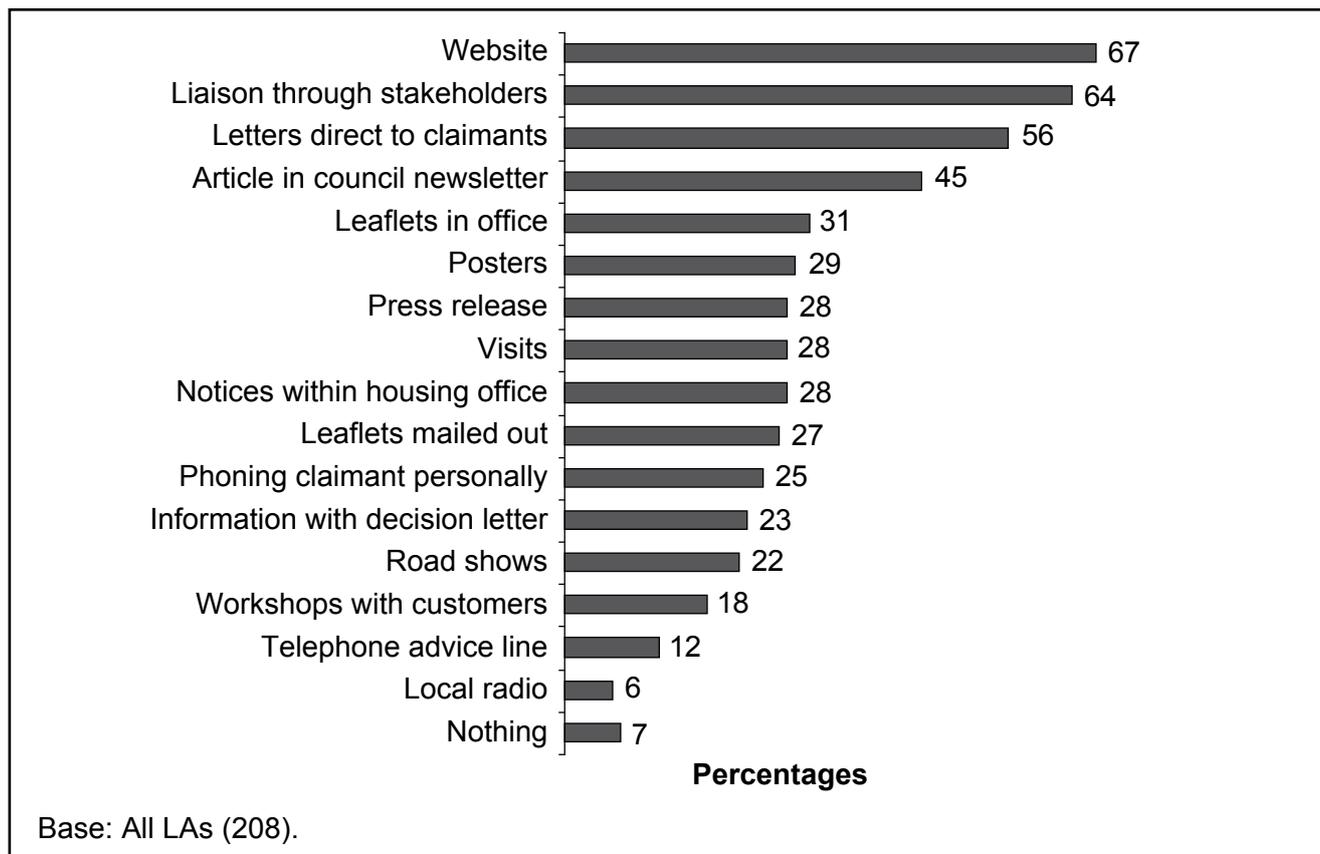
In addition to the activities shown in Figure 6.6, smaller proportions of LAs were engaging in the following activities to alert current claimants to the removal of the spare room subsidy:

Two per cent each were: working with RSLs; working with landlords/landlords visiting customers etc; said DWP were writing letters to customers. One per cent each said they were sending texts and using automated telephone calls to alert current claimants about the removal of the spare room subsidy.

Levels of specific types of activity to alert current claimants to the removal of the spare room subsidy varied by region. London LAs were significantly more likely to conduct workshops with customers to this end (38 per cent London compared to none engaging in this activity in each of the following regions: Yorkshire and Humberside, South West and Wales). Road shows were more likely to be undertaken by Welsh LAs (56 per cent), English Unitary authorities (41 per cent) and English Metropolitan authorities (38 per cent), compared to a lower incidence of this kind of activity among English Districts (19 per cent). All (100 per cent) of LAs in Scotland said they were sending letters directly to claimants, which was a significantly higher proportion than the equivalent finding for direct mailings to claimants by Welsh LAs (78 per cent), English Unitary authorities (78 per cent), and English Districts (83 per cent). LAs in the North East region were significantly more likely to have said they were

carrying out the following activities: mailing-out printed leaflets (86 per cent); putting notices within the housing office (86 per cent); using posters (71 per cent); and posting an article in the council newsletter (86 per cent) in contrast to, for example, LAs in the North West region (where 21 per cent said they were mailing-out printed leaflets; 32 per cent said they were putting notices within the housing office; 26 per cent were using posters; and 37 per cent were posting an article in the council newsletter).

Figure 6.7 What work, if any, is your LA doing to alert current claimants of the upcoming Benefit Cap? (main answers)



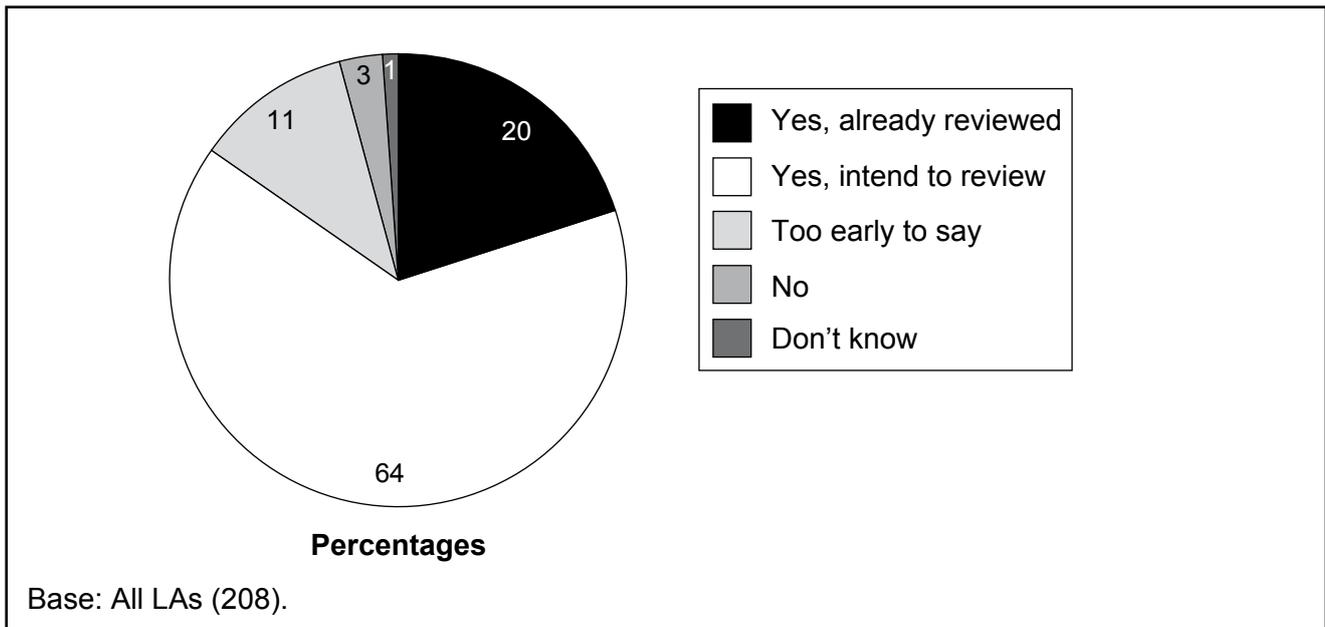
With regard to the work being done by LAs to alert current claimants about the forthcoming benefit cap, a multitude of activity was reported. Two thirds of LAs (67 per cent) have put information about it on their websites, 64 per cent have been alerting current claimants through stakeholders, and 56 per cent have sent letters direct to claimants.

In addition to the activities shown in Figure 6.7, smaller proportions of LAs were engaging in the following to alert current claimants to the benefit cap: two per cent each were working with RSLs; working with landlords/landlords visiting customers etc; DWP writing letters to customers. One per cent were sending texts to their customers.

Levels of specific types of activity alerting current claimants to the upcoming benefit cap varied by region. London LAs were significantly more likely to conduct workshops with customers to this end (38 per cent London compared to none engaging in this activity in each of the following regions: Yorkshire and Humberside, and the North West). LAs in the North East region were significantly more likely to have said they were carrying out the

following activities: mailing-out printed leaflets (71 per cent); placing printed leaflets within the office (71 per cent); using notices within the housing office (71 per cent); and using posters (57 per cent), in contrast to, for example, LAs in the North West region (five per cent said they were mailing-out printed leaflets; 16 per cent said they were using notices within the housing office; 16 per cent were using posters).

Figure 6.8 Has your LA already reviewed, or does your LA intend to review, your DHP allocation criteria in anticipation of Size Criteria rules?

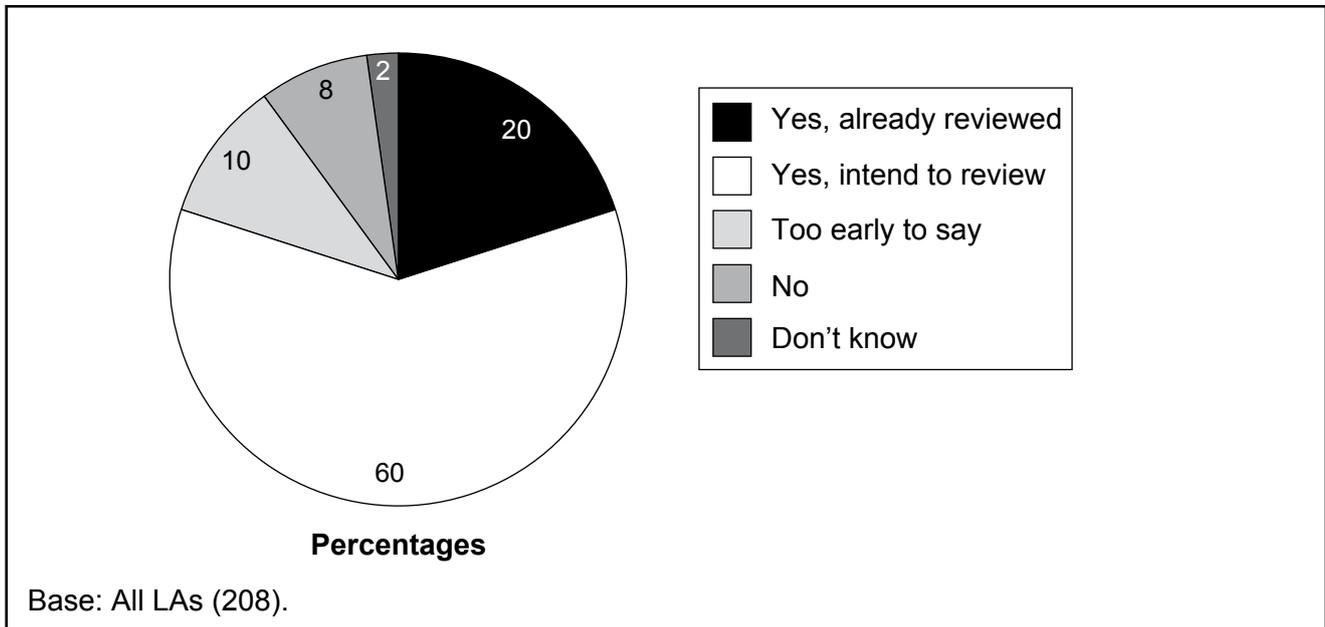


The majority of LAs said that they were engaging with the process of reviewing their DHP allocation in anticipation of the removal of the spare room subsidy. A fifth (20 per cent) have already reviewed their criteria and approximately two thirds (64 per cent) said that they intended to review it.

LAs with high caseloads were significantly more likely to have said that they have already reviewed their DHP allocation in anticipation of the removal of the spare room subsidy (29 per cent of LAs with a high caseload compared to 15 per cent of LAs with a low caseload).

Just three per cent of LAs said they had not reviewed their DHP allocation criteria at all in anticipation of the removal of the spare room subsidy. However, this was significantly higher among LAs from the South West (19 per cent), the North East (14 per cent) and Wales (11 per cent), in comparison to LAs in Scotland, Yorkshire and Humberside, the North West, East Midlands, the South East, London and the East of England, all of which are regions where none of the LAs responded in this way.

Figure 6.9 Has your LA already reviewed, or does your LA intend to review, your DHP allocation criteria in anticipation of the Benefit Cap?

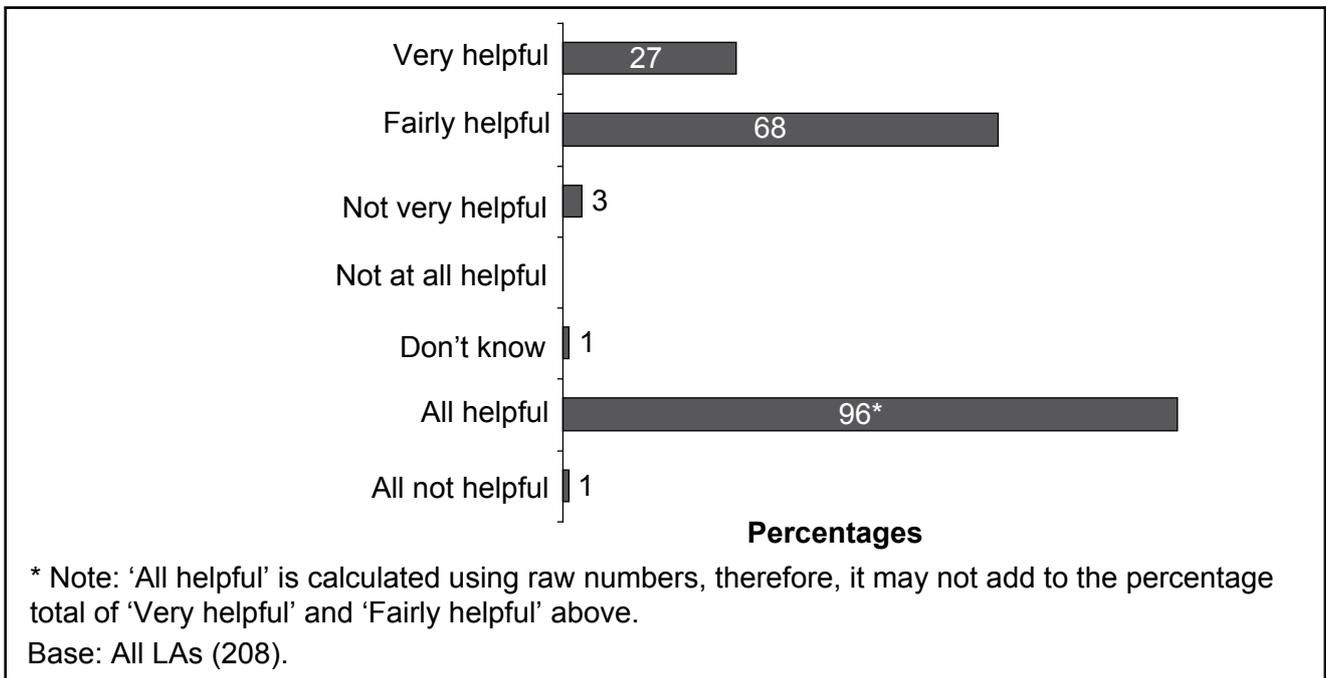


As Figure 6.9 illustrates, a fifth (20 per cent) of LAs have already reviewed their DHP allocation criteria in anticipation of the benefit cap, and a further three in five (60 per cent) said that they intended to review it.

LAs with high caseloads were significantly more likely to have said that they have already reviewed their DHP allocation in anticipation of the benefit cap (29 per cent of LAs with a high caseload compared to 15 per cent of LAs with a low caseload).

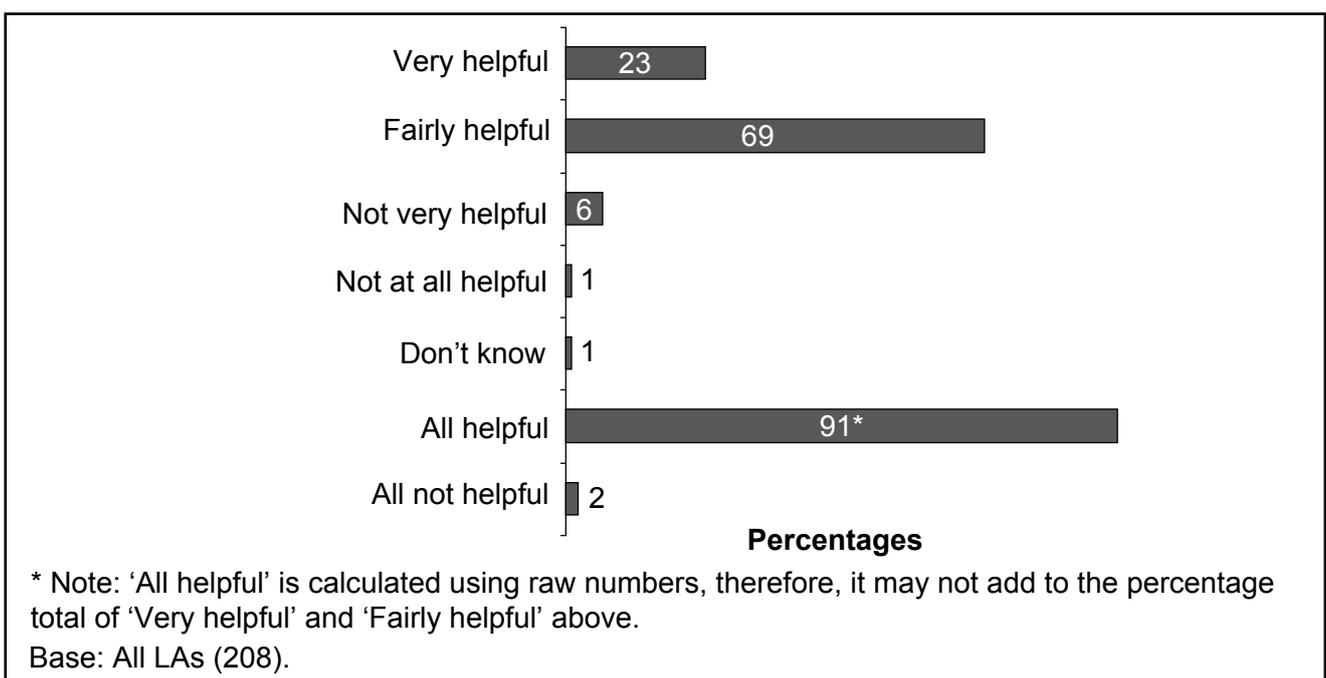
Just eight per cent of LAs said they had not reviewed their DHP allocation criteria at all in relation to anticipation of the benefit cap. However, the frequency of LAs that had not reviewed their criteria in this context was significantly higher among LAs from Yorkshire and Humberside (25 per cent), the South West (19 per cent), the North East (14 per cent), the East Midlands (12 per cent), the North West (11 per cent) and Wales (11 per cent); in comparison to LAs in Scotland, the North West, the South East, and London, all of which are regions where none of the LAs responded in this way.

Figure 6.10 How useful were the Circulars sent to your LA regarding the Removal of the Spare Room Subsidy?



Nearly all (96 per cent) LAs found the circulars about the removal of the spare room subsidy helpful: in fact, a little more than a quarter (27 per cent) found them very helpful. LAs with low and medium caseloads were significantly more likely to have said that they found the circulars about the removal of the spare room subsidy helpful; 98 per cent for both LAs with small and medium caseloads compared to 90 per cent for LAs with high caseloads (either very or fairly helpful).

Figure 6.11 How useful were the Circulars sent to your LA regarding the Benefit Cap?

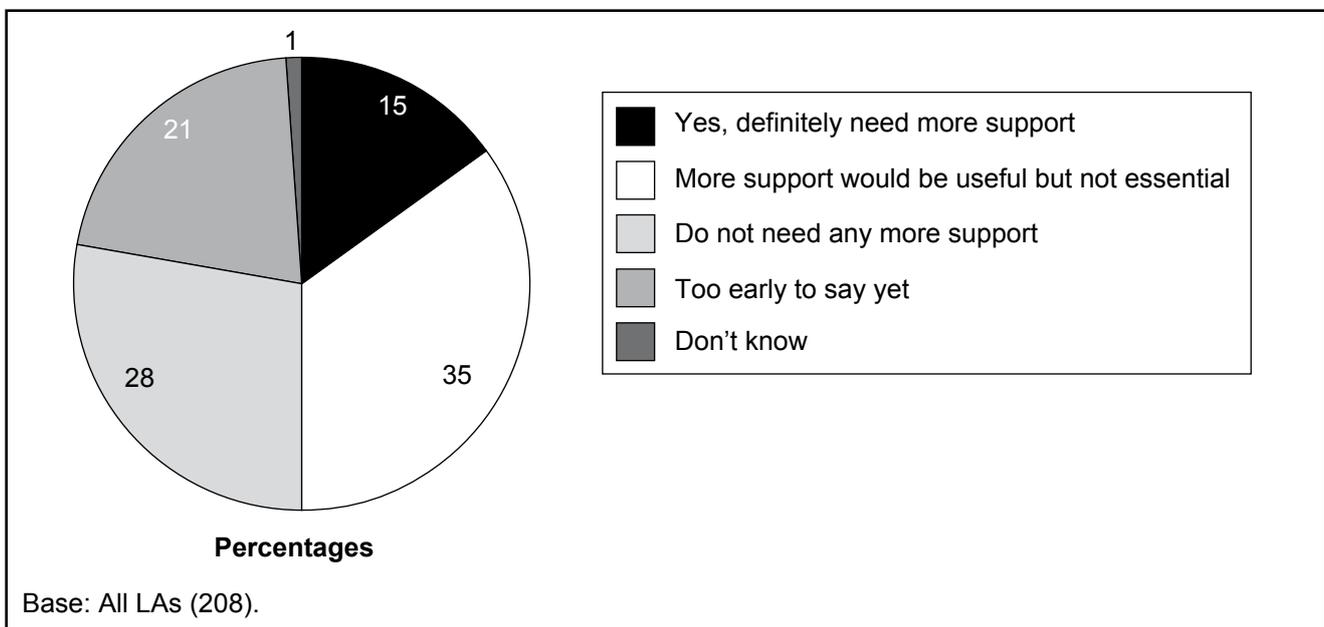


Local Authority Insight Survey – Wave 24

The findings for the circulars about the benefit cap were similar to those for the removal of the spare room subsidy, in that the vast majority (91 per cent) found them helpful (23 per cent found them very helpful).

LAs with low and medium caseloads were significantly more likely to have said that they found the Circulars about the benefit cap helpful; 98 per cent for LAs with small caseloads, 92 per cent for those with medium caseloads compared to 81 per cent for LAs with high caseloads (either very or fairly helpful). English Metropolitan Districts were significantly less likely to have said that they found the benefit cap circulars helpful (71 per cent) compared to, for example, English Unitary authorities, among which 97 per cent found these circulars helpful.

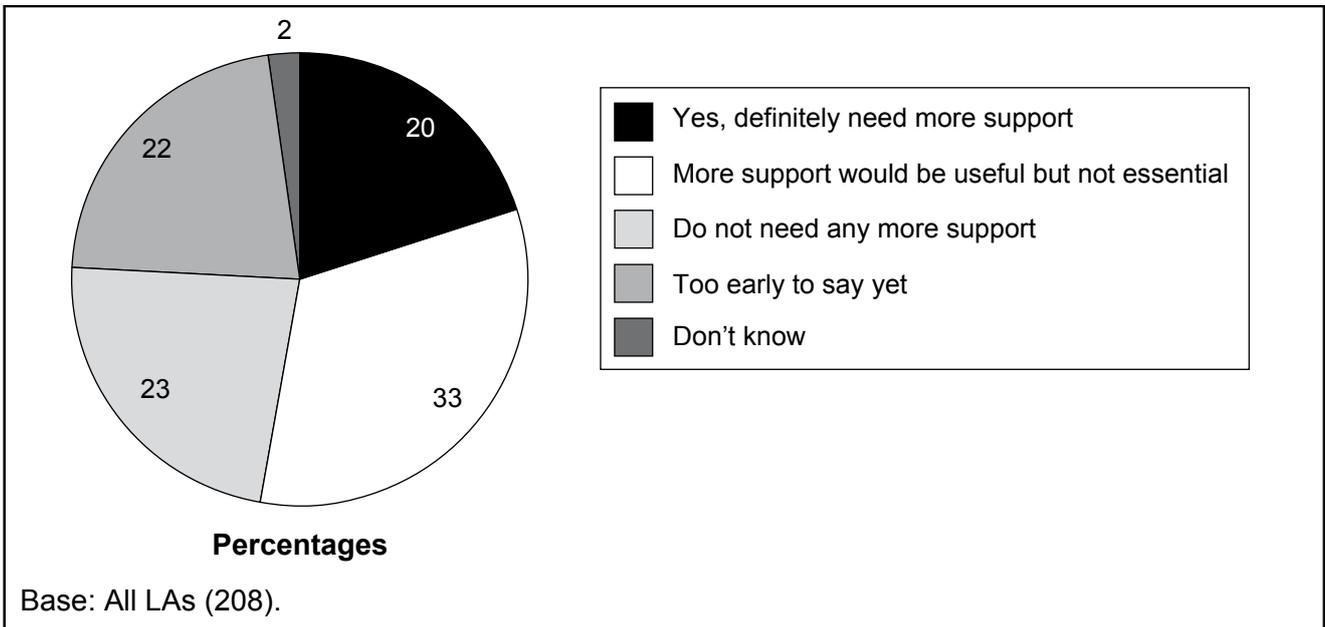
Figure 6.12 Do you think that your LA needs further support to implement the Removal of the Spare Room Subsidy?



As Figure 6.12 illustrates, half (50 per cent) of LAs said that they either definitely needed more support to implement the removal of the spare room subsidy (15 per cent), or that more support would be useful even if it was not essential (35 per cent). London Boroughs (33 per cent) and English Metropolitan Districts (24 per cent) were significantly more likely to have said that they definitely needed more support with implementation of the removal of the spare room subsidy than were English Districts (nine per cent).

Slightly fewer than three in ten (28 per cent) said that they did not need any more support but this rose to slightly more than half (53 per cent) among LAs in the North West region, in contrast with 11 per cent of LAs in Wales.

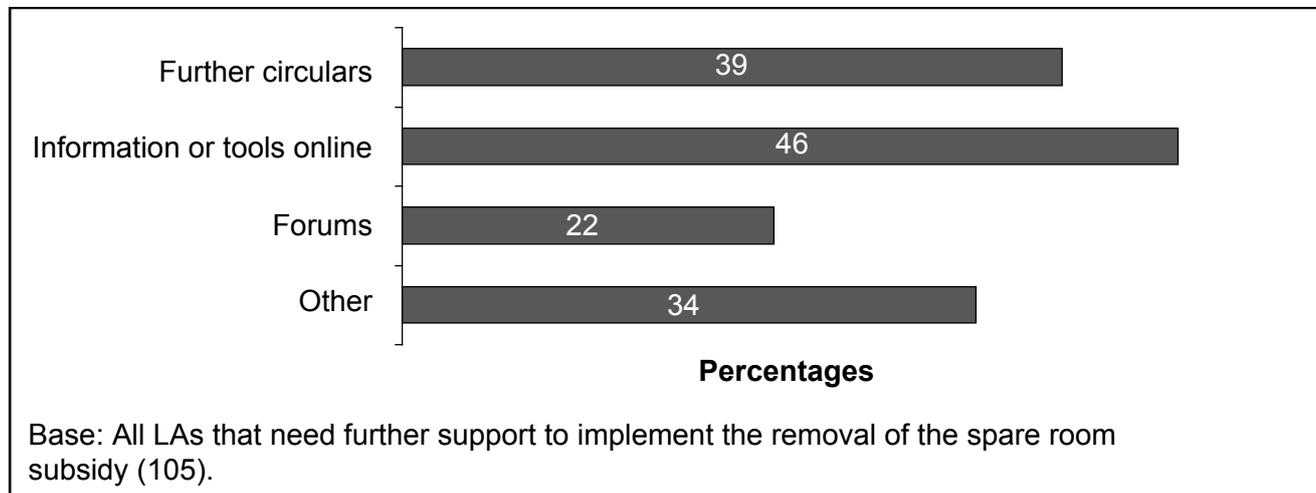
Figure 6.13 Do you think that your LA needs further support to implement the Benefit Cap?



LAs were asked if they thought they needed further support to implement the benefit cap. The consequent findings were similar to those recorded for needs for additional support for the implementation of the removal of the spare room subsidy. Slightly more than a half (53 per cent) of LAs said they either definitely needed more support or that more support would be useful even if it is not essential to help implement the benefit cap.

Slightly fewer than a quarter (23 per cent) said that they did not need any more support to implement the benefit cap but this was significantly higher among LAs in the North West region where 53 per cent said that they did not need any further support for this, contrasting with 11 per cent in both the West Midlands and Wales.

Figure 6.14 Which of these types of additional support would you like? Please tick the box for the type of additional support you would like for the Removal of the Spare Room Subsidy as appropriate and specify (on the dotted lines) what topics you would like it to cover

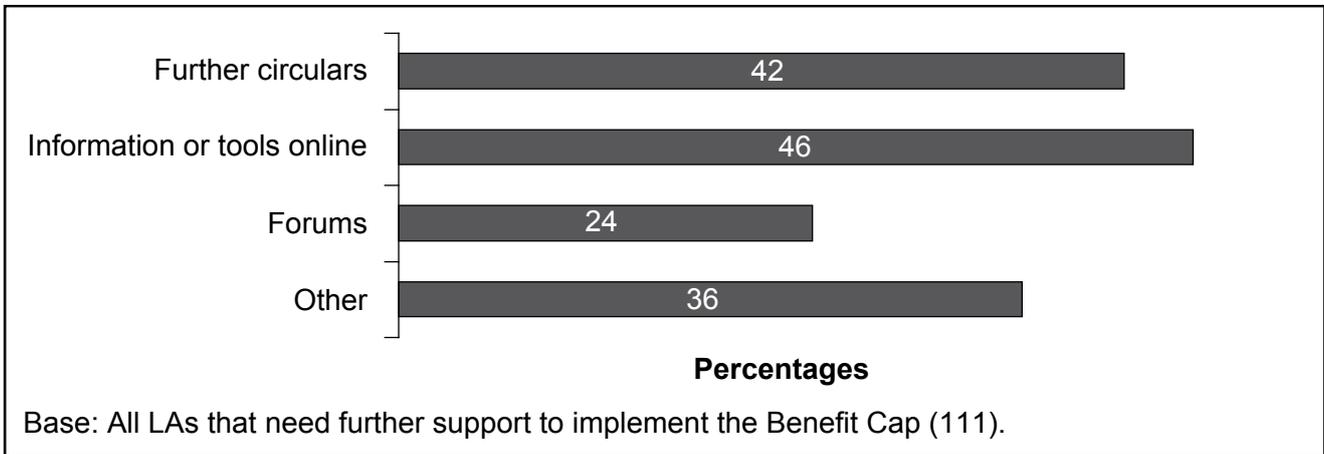


As Figure 6.14 shows, the most frequently cited type of extra support for aiding LAs with the implementation of the removal of the spare room subsidy was additional information or tools online, mentioned by 46 per cent (rising to 58 per cent among LAs with high caseloads compared to 33 per cent of LAs with medium caseloads). The LAs that stated that they would like additional information or tools online were then asked to give details of the topics they would like covered by them. The responses given include five LAs that mentioned greater advice/guidance, three LAs mentioned better/more accurate/up-to-date information and three LAs mentioned a calculation tool.

Approximately two in five (39 per cent) of LAs said they would like to be provided with further circulars as a means of additional support to help them implement the removal of the spare room subsidy. LAs in Scotland (67 per cent), the West Midlands (67 per cent) and the South West (75 per cent) were significantly more likely to have said that more circulars of this type would be helpful to them, in contrast to none of the LAs in the North East region. When asked about the topics that LAs would like coverage of in further circulars, the responses were very sparse and disparate, and 71 per cent of LAs could not provide a specific topic as a response. Forums were mentioned by 22 per cent of LAs as a type of additional support they would like to have to help implement the removal of the spare room subsidy. When asked about the topics LAs would like these forums to focus on, three LAs mentioned discussions/sharing of good practice.

A third (34 per cent) said they would like to receive ‘other’ forms of support. When asked about the topics they would like these ‘other’ forms of support to take, the suggestions provided by LAs included additional financial support to LAs (17 LAs) and the possibility of additional resources (four LAs).

Figure 6.15 Which of these types of additional support would you like? Please tick the box for the type of additional support you would like for the Benefit Cap as appropriate and specify (on the dotted lines) what topics you would like it to cover

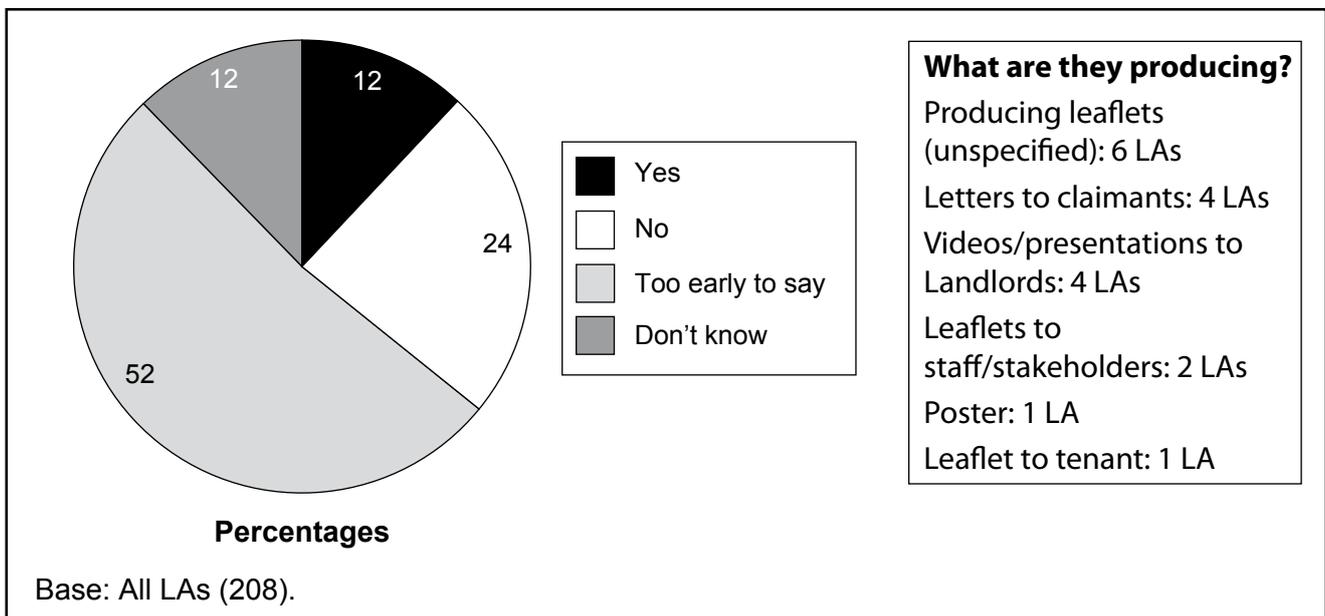


As Figure 6.15 shows, the most frequently cited type of extra support for aiding LAs with the implementation of the benefit cap was additional information or tools online, mentioned by 46 per cent although this was significantly higher among LAs in the East of England where nine in ten (90 per cent) said this would be helpful, in contrast to the North East region where none of the LAs said this would be helpful. When asked about the topics that LAs would like coverage of by additional information or tools online, responses included five LAs that mentioned greater advice/guidance, three LAs that said ‘everything’, three LAs that mentioned better/more accurate/up-to-date information and three LAs that mentioned improved/more up to date FAQs. Approximately two in five (42 per cent) of LAs said they would like to be provided with further circulars as a means of additional support to help them implement the benefit cap. LAs in Scotland (80 per cent), the West Midlands (67 per cent) and the South West (60 per cent) were significantly more likely to have said that more circulars of this type would be helpful to them, compared to none of the LAs in Wales or the North East. When asked about the topics that LAs would like coverage of in further circulars, the responses were very sparse and 70 per cent of LAs could not provide a specific topic as a response to this question.

Forums were mentioned by approximately a quarter (24 per cent) of LAs as a type of additional support they would like to have to help with implementing the benefit cap. When asked about the topics LAs would like these forums to consist of, among those who provided a response, two LAs mentioned discussions/sharing of good practice.

Thirty-six per cent of LAs said that there were ‘other’ forms of support that would be useful. The additional suggestions included additional financial support (ten LAs); greater clarity (four LAs); more/better information (four LAs) and additional resources (three LAs). When the LAs that had said other types of support would be useful were asked about the topics that they would like to see covered by them, the suggestions provided included additional funding/financial support to LAs (ten LAs), greater clarity/explanation (four LAs), improved information (four LAs), and the possibility of additional resources (three LAs).

Figure 6.16 Is your LA producing anything to help support the Removal of the Spare Room Subsidy that might be of value/use to other LAs?

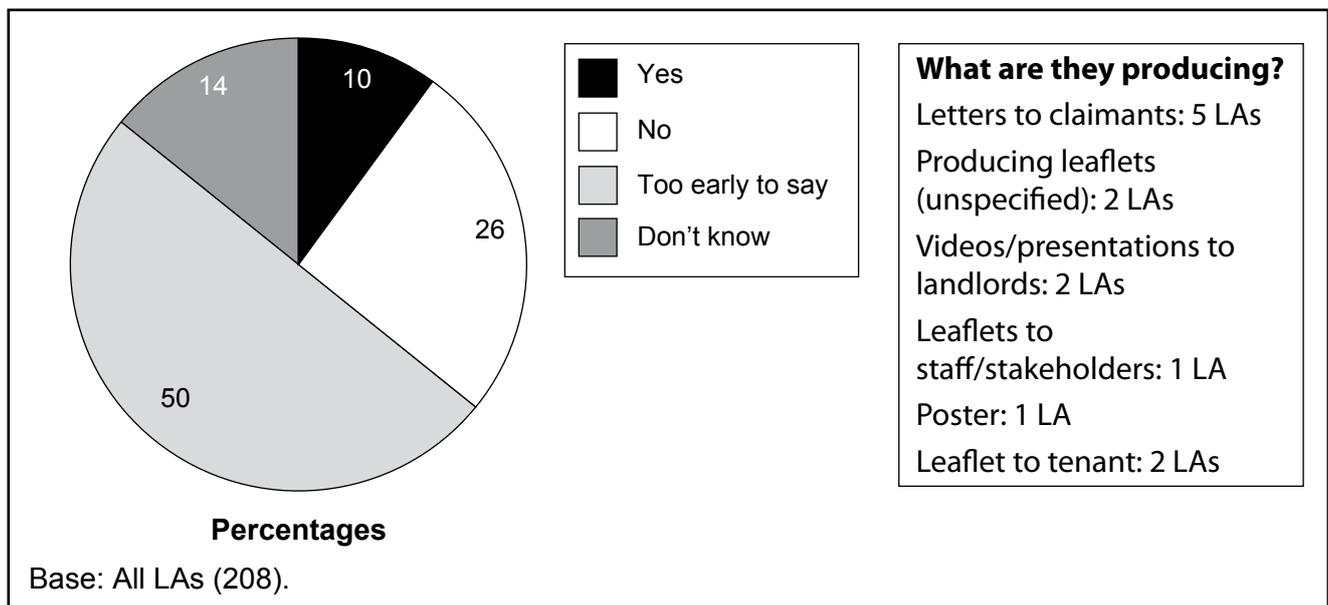


One in eight LAs (12 per cent) said that they were producing something to help support the delivery of the removal of the spare room subsidy. Scottish LAs (24 per cent), London Boroughs (24 per cent) and English Unitary authorities were significantly more likely to have reported independently producing material to support the removal of the spare room subsidy, compared to six per cent of English Districts that were doing so.

Approximately half of all LAs overall (52 per cent) said that it was too early to say and a quarter (24 per cent) said that they were not producing anything of their own to help support the removal of the spare room subsidy.

When the group of LAs that said they were producing something internally to help support the removal of the spare room subsidy, the detail of items they were producing included leaflets (six LAs), letters to claimants (four LAs), and videos/presentations to landlords (four LAs).

Figure 6.17 Is your LA producing anything to help support the delivery of Benefit Cap changes that might be of value/use to other LAs?



One in ten LAs (10 per cent) said that they were producing something to help support the delivery of benefit cap changes. English Unitary authorities (22 per cent) and London Boroughs (19 per cent) were significantly more likely to have reported independently producing material to support the benefit cap changes, in contrast to six per cent of English Districts that were active in this way.

Half of all LAs (50 per cent) said that it was too early to say and a quarter (26 per cent) said that they were not producing anything of their own to help support the benefit cap changes.

When the group of LAs that said they were producing something internally to help support the delivery of the benefit cap, the detail of items they were producing included: letters to claimants (five LAs); leaflets (two LAs); and videos/presentations to landlords (two LAs).