HOUSE OF COMMONS
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BRIEFING PAPER

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Housing Benefit measures announced since 2010

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Summary

After coming into power in 2010 the Coalition Government announced a package of welfare reforms aimed at reducing public expenditure as part of its deficit reduction programme. Housing Benefit was targeted as a key area for reform due to 'ballooning' expenditure in this area:

> Housing Benefit expenditure has ballooned in the past 10 years, from £11 billion in 1999/2000 to £20 billion in 2009/10, in cash terms. Within this total, expenditure on working age recipients has increased from £7 billion to over £14 billion. Without reform, total expenditure is forecast to reach £25 billion by 2015/16, a further rise of 24 per cent. This is unsustainable in any economic climate, but the need to tackle the record deficit makes reform even more pressing.

The June 2010 Budget announced changes to the way in which Local Housing Allowance (LHA) rates are calculated for Housing Benefit claimants in the private rented sector (PRS) and also the under-occupation deduction for working age claimants living in social rented housing with spare bedrooms (also referred to as the bedroom tax/Removal of the Spare Room Subsidy). The Government said that the measures would "provide a fairer and more sustainable Housing Benefit scheme by taking steps to ensure that people on benefit are not living in accommodation that would be out of the reach of most people in work, creating a fairer system for low-income working families and for the taxpayer."

Further measures were announced as part of the October 2010 Spending Review, including the household benefit cap and the extension of the Shared Accommodation Rate (SAR) to most single Housing Benefit claimants in the private rented sector under the age of 35 – previously the SAR had applied to claimants under the age of 25.

The measures proved to be highly controversial, particularly the under-occupation deduction applicable to working age claimants in the social rented sector. Commentators argued that claimants would face hardship and possible eviction if they could not meet the shortfall between the rent due and their Housing Benefit entitlement. Social landlords said that they did not have sufficient smaller accommodation to offer to tenants affected by the change who wanted to move. In regard to the PRS, both landlord organisations and commentators such as Shelter and Crisis argued that restricting LHA and extending SAR would make it difficult for claimants to access the PRS, particularly in areas of high housing demand.

Following the 2015 General Election the new elected Conservative Government announced further Housing Benefit changes as part of the July 2015 Budget. These changes included the freezing of LHA rates from April 2016 for four years, the removal (with some exceptions) of entitlement to Housing Benefit from people aged 18 to 21 from April 2017, and a reduction in the household benefit cap from £26,000 to £23,000 in London and £20,000 elsewhere. The household benefit cap is not strictly a Housing Benefit measure but it does result in reduced HB entitlement where a household has a benefit income above the threshold.

The Autumn Statement and Spending Review 2015 (November) brought the announcement that LHA rates would be applied to new claimants entering into tenancies after April 2016 with their Housing Benefit entitlement affected in April 2018 (implementation has now been delayed until April 2019). The Government said that these steps would, with those announced in July 2015: "ensure fairness between those receiving Housing Benefit and those paying for the system."

The main way in which the Government has sought to mitigate the impacts of these changes for claimants is by increasing funding for Discretionary Housing Payments (DHPs). Local authorities can use DHPs to assist claimants experiencing a shortfall between the rent due and their HB entitlement.

Just under two thirds (63%) of social renting households were in receipt of Housing Benefit in 2014/15, according to the English Housing Survey. Around 54% of all social sector tenants had their rent entirely covered by their Housing Benefit, compared to around 64% in 2008/09. This means that HB forms a significant proportion of social landlords' revenue stream which, in turn, funds the day-to-day management of the stock and reinvestment in the development of new-build housing. The various HB changes, together with wider welfare reforms, have been flagged up as a risk to the sector; it may become harder to raise private finance if lenders believe that landlords' revenue stream is unstable. The National Housing Federation reacted to the announcement of further restrictions in the Autumn Statement and Spending Review 2015 by saying "Our belief remains that the best way to tackle the housing benefit bill is to build homes for social and affordable rent."

The difficulties HB claimants are experiencing in accessing private rented housing in areas of high housing demand are well documented. The Residential Landlords Association surveyed over 1,000 landlords earlier in 2016 and found that 76% "will be reluctant to rent accommodation to this age group [18-21] because they fear that they may not have enough money to pay the rent."

This briefing paper brings together details all of the main Housing Benefit changes that have been announced since 2010. Not all of the measures announced in 2015 have been introduced yet. There are several Library Papers which provide more detailed information on specific HB measures, including:

Impact of the under-occupation deduction from Housing Benefit (social rented housing) (06896)

Under-occupying social housing: Housing Benefit entitlement (06272)

Housing Benefit: Shared Accommodation Rate (05889)

The Benefit Cap (06294)

Housing Benefit: withdrawing entitlement from 18-21 year olds (06473)

Discretionary Housing Payments (06899)

1. Housing Benefit: overview

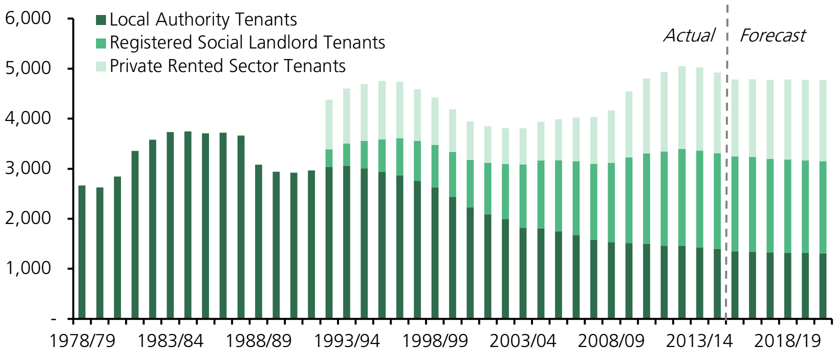
Following the passage of the *Social Security Act 1986* the current Housing Benefit (HB) scheme was introduced in April 1988 along with the new Income Support and Family Credit Schemes. This scheme applies to social sector tenants and private sector tenants who were in receipt of HB on 7 April 2008 and who have not changed their accommodation or had a break in their claim since that date.

Caseload statistics

HB is a means tested benefit that is administered by local authorities and is paid to eligible tenants who live in the social and private rented sectors. In 2016/17, there are forecast to be around 4.8 million households in receipt of Housing Benefit in Great Britain. Of these, 28% are local authority tenants, 40% are registered social landlord (housing association) tenants and 33% are private sector tenants.

Housing Benefit caseload 1978/79 to 2020/21, by tenancy type

Thousands



Notes
Data forecast from 2015/16 onwards
Source
DWP Benefit Expenditure and Caseload tables, March Budget 2016, "Housing Benefit" table

The lowest number of HB claimants, under current arrangements, was 3.8 million in 2002/03, rising to a peak of 5.1 million claimants in 2012/13. The total number of HB claimants in 2016/17 is forecast to be roughly the same as in 2010/11. The number of local authority tenants has, however, fallen by 11%, while the number of housing association tenants has risen by 5% and private tenants by 4%.

Calculating entitlement

The structure of the HB scheme is closely linked to that of the Income Support scheme. The basic level of personal allowances for the two schemes (and that of Jobseeker's Allowance) are the same (with some exceptions); these allowances vary depending on the age and composition of the household concerned.

Entitlement to HB is calculated by comparing the needs and resources of the household, taking their liability for rent payments into account. In calculating household net incomes the HB scheme provides for the disregard of some types of income (or a proportion of that income). Households in receipt of Income Support or income-based Jobseeker's Allowance, or who have an assessed net income at or below the Income Support threshold generally receive maximum assistance. This may be equal to 100% of their eligible rent, less any deductions that have been made for non-dependants living in the household or in respect of any spare bedrooms if the claimant is of working age.

Average weekly HB payment was, across Great Britain in February 2016, £99.77, or £109.71 for private rented tenants and £89.20 for social rented tenants. London has the highest average weekly HB awards (£188.11 for private tenants, £123.74 for social tenants) of any area of Great Britain; Wales has the lowest average weekly award for private tenants (£81.01), while Scotland has the lowest average weekly award for social tenants (£68.32).[1]

Limiting awards and HB expenditure

Provisions have been in place for some time to limit the HB entitlement of claimants in private rented housing; for example, where they are living in accommodation that is deemed to be too large for their needs[2] or if their rent level is above the Local Reference Rent for the area in which they live. These restrictions were introduced in recognition of the fact that deregulation of private sector rents by the *Housing Act 1988* [3] was likely to exert upward pressure on HB expenditure. At that time the Minister for Housing, Sir George Young, responded to concerns expressed about the impact of increased rent levels in all tenures with reassurances that Housing Benefit "would take the strain:"

> **Mr. Soley:** Tenants of housing associations, councils and the private sector face a disgraceful position. Did not rents in the housing association sector go up by about 25 per cent. the other year? Is not it also true that council rents will go up dramatically in the next couple of weeks and that private sector rents are out of the reach of many people? In those three examples housing benefit does not meet the needs of many people, particularly pensioners with small occupational pensions. What will the Government do about rents that are increasingly unaffordable in a rented sector has suffered a collapse, with the loss of 1.5 million properties in the past 10 years? There must be an answer that produces affordable rents in affordable properties.
>
> **Sir George Young:** I do not accept the premise on which the hon. Gentleman based his question. Housing benefit will underpin market rents-- we have made that absolutely clear. If people cannot afford to pay that market rent, housing benefit will take the strain.[4]

Local Housing Allowance (LHA) was introduced on 7 April 2008 for new claimants living in the deregulated private rented sector. In addition to applying only to claimants in private rented accommodation, the LHA has two other key features:

- it is a flat rate allowance for different sizes of properties within a Broad Market Rental Area (BMRA);[5] and

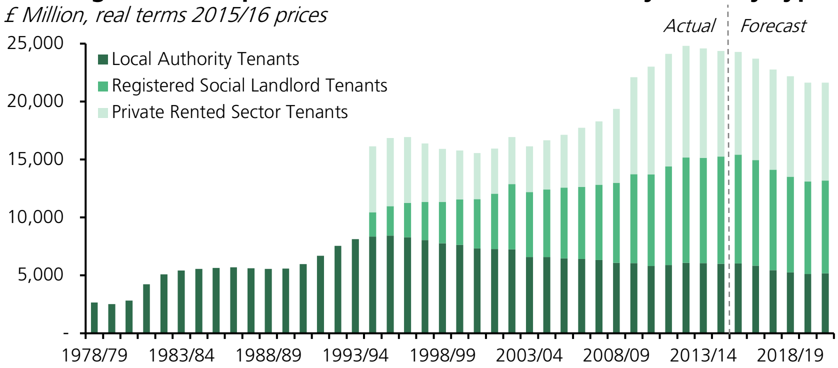
1 DWP Stat Xplore, Housing Benefit claimants dataset (mean of weekly award amount) February 2016
2 Size restrictions for private sector claimants have been in place since 1989.
3 Applicable to new private sector tenancies created after 15 January 1989.
4 HC Deb 30 January 1991 cc939-40
5 An individual's actual entitlement will depend on a number of factors, including their income and capital.

- as a general rule LHA is payable direct to claimants and not their landlords.

Expenditure on HB in 2016/17 is forecast to be, in real terms 2015/16 prices, £23.7 billion. In 2016/17 expenditure on local authority tenants will comprise 25% of HB expenditure, expenditure on housing association tenants 38% and expenditure on private tenants 37%.

Housing Benefit expenditure 1978/79 to 2020/21, by tenancy type

£ Million, real terms 2015/16 prices



Notes
Data forecast from 2015/16 onwards
Source
DWP Benefit Expenditure and Caseload tables, March Budget 2016, "Housing Benefit" table

Savings measures since 2010

The 2010 Coalition Government introduced a number of measures aimed at reducing Housing Benefit expenditure as part of a wider package of welfare reform and deficit reduction activities. The Conservative Government has continued to introduce measures to bear down on HB expenditure. The 2015 Spending Review and Autumn Statement notes:

> Between 1999-00 and 2010-11, spending on Housing Benefit increased by 46% in real terms, reaching £21.4 billion. The government has already announced significant changes to Housing Benefit at Summer Budget. This Spending Review and Autumn Statement takes further steps to ensure fairness between those receiving Housing Benefit and those paying for the system.[6]

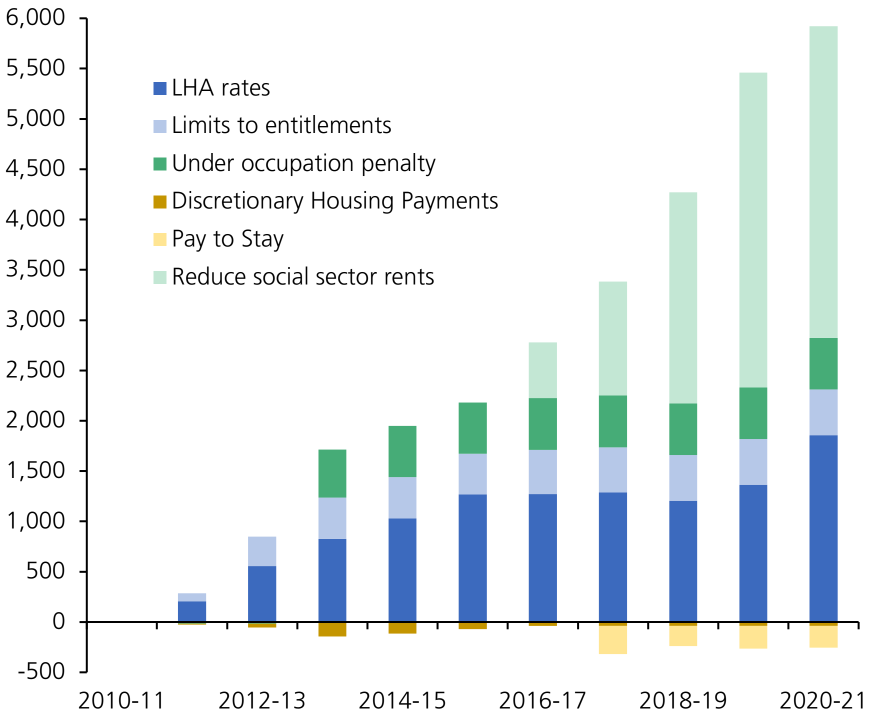
The chart below summarises additional savings from and expenditure on Housing Benefit announced between June Budget 2010 and March Budget 2016. Figures are based on forecasts published when a measure was first announced and, in some cases, subsequently updated by HM Treasury or the Office for Budget Responsibility. The chart has been updated to take account of the delayed implementation of Local Housing Allowance rates in the social rented sector and the Government's decision not to implement a mandatory 'pay to stay' scheme.[7]

In 2016/17 around £2.7 billion (nominal terms) net saving will be made from Housing Benefit expenditure from measures announced since 2010 (should savings as initially announced by the then Chancellor be realised in full as forecast).

6 Cm 9162, November 2015, para 1.125
7 This would have required social housing tenants with an income of £31,000 outside of London and £40,000 in Greater London to have paid a higher rent level.

To date, the largest savings have come from changes to Local Housing Allowances for private sector tenants, comprising 46% of savings made in 2016/17. Net savings from Housing Benefit will, however, double between 2016/17 and 2020/21 to reach £5.6 billion (nominal terms). This is due to the Government's plans to reduce social sector rents by 1% a year for four years from 2016-17.

Additional savings from and expenditure on Housing Benefit announced since June 2010
£ millions (nominal terms)



Additional savings from and expenditure on Housing Benefit announced since June 2010
£ millions (nominal terms)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
LHA rates	0	205	555	825	1,030	1,268	1,270	1,287	1,205	1,365	1,858
Limits to entitlements	0	80	295	410	410	405	440	449	454	453	452
Under occupation penalty	0	-15	-15	480	510	509	514	513	513	512	511
Discretionary Housing Payments	0	-10	-40	-145	-115	-70	-40	-40	-40	-40	-40
Pay to Stay	0	0	0	0	0	0	0	-280	-200	-225	-215
Reduce social sector rents	0	0	0	0	0	0	555	1,135	2,100	3,130	3,100
Total	**0**	**260**	**795**	**1,570**	**1,835**	**2,112**	**2,739**	**3,065**	**4,032**	**5,195**	**5,667**

Notes
Positive figures indicates savings to the Exchequer, negative figures additional expenditure
Excludes savings from limiting HB, Universal Credit and tax credits support to two children and savings from 'general' measures applicable to most working age benefits, such as changes to uprating
Excludes limiting HB paid to unemployed claimants, reversed
Source
House of Commons Library Welfare Expenditure and Savings Tool *(WEST)*

The following sections provide information on all the main Housing Benefit changes announced and implemented since 2010.

2. June 2010 Budget

The June 2010 Budget announced several measures aimed at reducing Housing Benefit expenditure. The package of reforms was aimed at saving £1,765 million by 2014/15 (7% of total expenditure).[8]

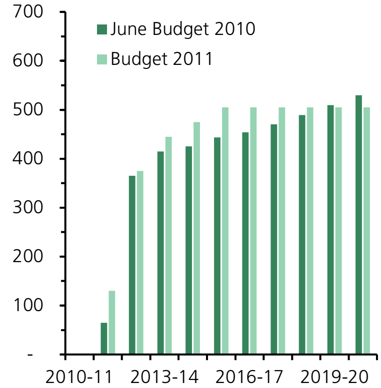
2.1 Local Housing Allowance

Basing LHA rates on the 30th percentile of market rents

The Budget announced that the basis on which LHA rates would be set would change from the median to the 30th percentile of market rents within a Broad Market Rental Area (BMRA). Officers within the Valuation Office Agency are responsible for determining BMRAs.

This measure was introduced in April 2011.[9] It was originally due to be introduced from October 2011 but was brought forward in order to reduce complexities around introducing changes in both April and October.

Forecast savings from basing LHA rates on 30th percentile of market rents
£ millions (nominal terms)
Source: HC Library Welfare Expenditure & Savings Tool



National caps for LHA rates

From April 2011 LHA rates became subject to national caps[10] of:

- £250 per week for a 1 bedroom property (or room in a shared home);
- £290 per week for a 2 bedroom property;
- £340 per week for a 3 bedroom property; and
- £400 per week for all properties with 4 bedrooms or more.

These caps have subsequently been uprated. The five room LHA rate was abolished.

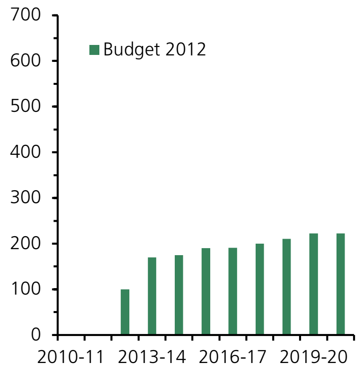
Caps on LHA uprating

The Coalition Government announced an intention to up-rate LHA rates annually by the Consumer Price Index (CPI) from April 2013. Measures were included in the *Welfare Reform Act 2012* to allow for this.[11]

During the social security uprating statement on 6 December 2011 the Minister, Steve Webb, announced that LHA rates would be frozen from April 2012 in preparation for the move to annual uprating:

> On local housing allowance, at the emergency Budget in June 2010, the Government announced that from 2013, local housing allowance rates will be calculated annually by using the lower of the rent at the 30th percentile of local rents or the previous year's rate uprated by reference to CPI. This will end the monthly

Forecast savings from caps on LHA uprating
£ millions (nominal terms)
Source: HC Library Welfare Expenditure & Savings Tool



[8] The expected savings were subsequently reduced as a proposal to reduce Housing Benefit entitlement by 10% for JSA claimants who had been unemployed for over 12 months was dropped and some limited exemptions from certain measures were introduced.

[9] *Housing Benefit (Amendment) Regulations 2010* (SI 2010/2835) and the *Rent Officers (Housing Benefit Functions) Amendment Order 2010* (SI 2010/2836)

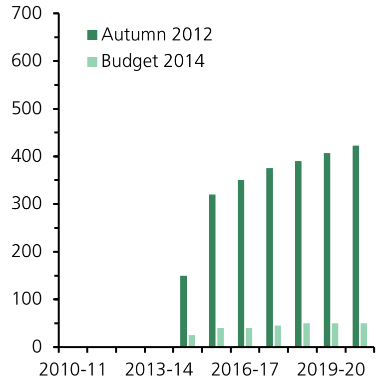
[10] Ibid.

[11] See Library Research Paper 11/23

> uprating of LHA rates and bring the system into line with the uprating of other pensions and benefits.
>
> As part of the preparation for this change, we need to fix LHA rates, to establish a baseline from which they will be uprated in future. As the new cycle for uprating LHA will be annual, we have decided that the baseline should be one year ahead of the first uprating event. Therefore, LHA rates will be fixed from April 2012. This approach means that there will be no reductions in ongoing awards as a result of this change.[12]

The Government had intended that LHA rates would be set annually on a common date from April 2013 and that increases would be restricted to the maximum of any change in the CPI. During the Autumn Statement 2012 the Chancellor announced that increases in LHA rates would be capped at a maximum of 1% in 2014 and 2015 except for those areas with the highest rent increases.

Forecast savings from LHA 1% uprating cap
£ millions (Nominal terms)
Source: HC Library Welfare Expenditure & Savings Tool



The end of 'keeping the difference'

The Coalition Government implemented (in April 2011) the Labour Government's plan to remove a provision that had allowed LHA claimants to keep up to £15 of the difference between the LHA rate and their actual rent level.

Issues and concerns

As a result of a recommendation from the Work and Pension Select Committee as part of an inquiry into [Changes to Housing Benefit announced in the June 2010 Budget](), the Government agreed to commission independent external research into the impact of the Housing Benefit reforms announced in 2010. The findings from this research, led by Ian Cole, professor of housing studies at Sheffield Hallam University, were published in 2014.[13] The research found:

- the LHA reforms had reduced existing claimants' maximum entitlements;
- there was a 9% growth in the overall private rented sector HB caseload from January/March 2011 to June/August 2013. However, caseload declined by 14% in London Centre, possibly indicating the lack of availability of private rented housing within the LHA caps;
- reductions in day-to-day spending to make up shortfalls on rent were more common than housing-related responses; and
- the number of landlords saying they would let to out-of-work benefit claimants fell, particularly in Inner London.[14]

The Residential Landlords Association (RLA) described the CPI measure as "one of the most detrimental of all these proposals"[15] while the

12 HC Deb 6 December 2011 c164
13 Monitoring the impact of changes to the Local Housing Allowance system of Housing Benefit, 2014
14 Ibid.
15 HC 469, Work and Pensions Committee, Second Report of 2010-11, Changes to Housing Benefit announced in the June 2010 Budget, December 2010, Ev103, para 125

British Property Federation said that it was the "most severe aspect" of the Housing Benefit reforms.[16]

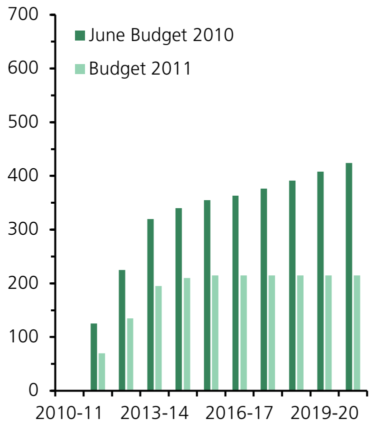
Richard Lambert, chief executive of the National Landlords Association, reportedly said that the 1% cap "could render private accommodation unaffordable for many tenants in receipt of housing benefit and will deter landlords from investing in much needed housing for those receiving support."[17]

There is ongoing concern in the sector that LHA rates are failing to keep pace with actual rent levels, particularly in London. London Councils welcomed the announcement that LHA rates in 35 London areas would increase by 4% in 2014 but expressed concern that the national LHA caps "leave a real gap between what is actually 'affordable' and what help is offered."[18]

A freeze on the uprating of LHA rates was announced in the July 2015 Budget; more information can be found in section 4.1 of this paper.

2.2 Non-dependant deductions

Forecast savings from non-dependant deductions
£ millions (nominal terms)
Source: HC Library Welfare Expenditure & Savings Tool



The Government announced that non-dependant deductions would be increased to the level at which they would be had they not been frozen since 2001/02. This impacted on claimants with non-dependants living with them in both the social and private rented sectors.

A non-dependant is someone who normally lives with the Housing Benefit claimant such as an adult son, daughter, relative or friend.[19] The pre-April 2011 rates of non-dependant deductions were:

Non-dependant aged 18 or over and in remunerative work:

- gross income less than £120.00 = £7.40
- gross income £120 - £177.99 = £17.00
- gross income £178 - £230.99 = £23.35
- gross income £231 - £305.99 = £38.20
- gross income £306 - £381.99 = £43.50
- gross income greater than £382 = £47.75
- Aged 25 or over and on Income Support, Job Seekers Allowance or Employment Support Allowance (IR), or aged 18 or over and not in remunerative work = £7.40
- In receipt of Pension Credit or not in receipt of main phase ESA(IR) rate = Nil

Non-dependant deductions are taken from the claimant's entitlement to Housing Benefit irrespective of whether the non-dependant actually pays this to the claimant or not.

16 Ibid., Ev41
17 *Inside Housing*, "Benefit cuts raise homelessness fears", 7 December 2012
18 *Inside Housing*, "DWP allows £45m LHA increase," 4 December 2013
19 There are certain circumstances in which a non-dependant deduction is not made.

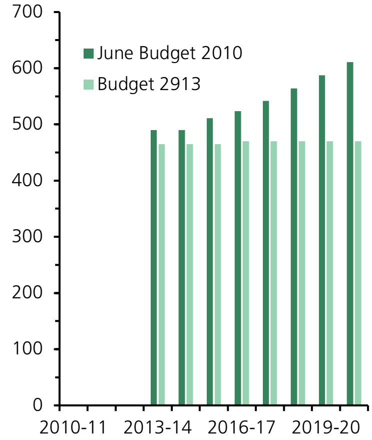
The current rates of non-dependant deductions are set out in appendices A and B of DWP Housing Benefit Circular A13/2015 (revised).

2.3 Deductions for under-occupation in social rented housing

Forecast savings from under-occupancy penalty

£ millions (nominal terms)

Source: HC Library Welfare Expenditure & Savings Tool



The June 2010 Budget announced that Housing Benefit for social housing tenants of working age occupying a larger property than their family size warrants would face deductions from 1 April 2013.[20] Deductions from Housing Benefit for under-occupying tenants in private rented housing have been in place since 1989.

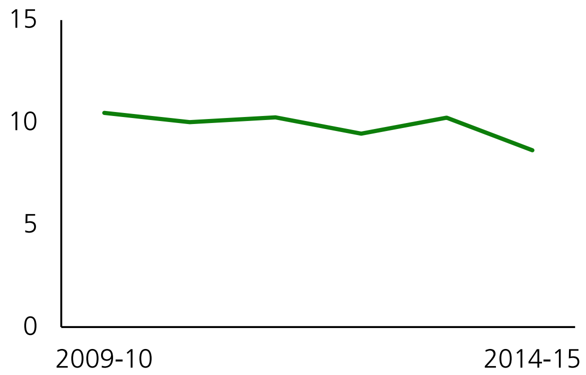
Since April 2013 affected social housing tenants with one spare bedroom have experienced a deduction in eligible rent for Housing Benefit purposes of 14% while those with two or more spare bedrooms experience a deduction of 25%.

For more information see Library Briefing Papers 06896: Impact of the under-occupation deduction from Housing Benefit (social rented housing) and 06272: Under-occupying social housing: Housing Benefit entitlement.

The English Housing Survey (EHS) provides an indication of the extent to which property is under-occupied in England, although the definition used by the EHS is slightly different from the one used in determining Housing Benefit entitlement.[21]

Proportion of households in the social rented sector under-occupying property (%)

England, 2009-10 to 2014-15



Proportion of households under-occupying property by tenure group

England, 2014-15

Owner-occupied	50.7%
Private rented	13.1%
Social rented	8.6%

Source: English Housing Survey Headline Report 2014-15, Annex Table 1.19

Some data is also available on the extent to which social housing tenants are relocating due to Housing Benefit deductions for under-occupation. The Department for Communities and Local Government

20 There is a detailed briefing paper on this measure: Under-occupation of social housing – Housing Benefit entitlement, CBP06272

21 While both measures expect children aged 10 or over to share a room if they are the same gender, they differ on the age at which someone is considered an adult. The EHS also does not account for any of the exemptions made in determining Housing Benefit allocation (e.g. allowing room for an overnight carer).

(DCLG) collects data on new social lettings made in each year, including the tenant's reason for moving into a new property.

Providers of general needs social lettings were asked whether their new tenants had left their last property "as a direct result of the removal of the spare room subsidy or benefit cap introduced from 2013". The answer was 'yes' for 3% of tenants, 'no' for 76% and 'don't know' for 21%[22]. This data covers tenants new to the social rented sector as well as those moving from previous social tenancies.

For more detailed information on the under-occupation deduction see Library Briefing Paper 06272: Under-occupying social housing: Housing Benefit entitlement and 06896: Impact of the under-occupation deduction from Housing Benefit (social rented housing).

2.4 Amendments to the size criteria applied to private rented housing

This was not a cost saving measure. The Government said it would amend the size criteria applicable to claimants living in the private rented sector to allow an additional bedroom for disabled claimants with a non-resident carer from April 2011. This change was made by the *Housing Benefit Amendment Regulations 2010* and the *Rent Officers (Housing Benefit Functions) Amendment Order 2010.*

[22] DCLG, CORE summary tables: 2014 to 2015, Table 3j

3. October 2010 Spending Review

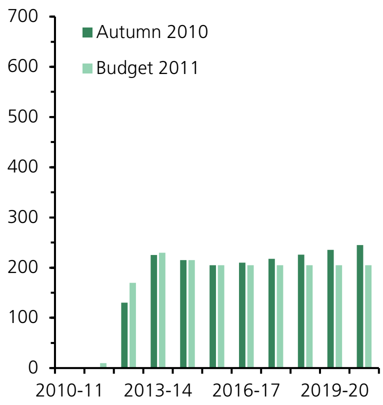
As part of the October 2010 Spending Review two further Housing Benefit measures were announced. These measures were aimed at ensuring "Housing Benefit rules reflect the housing expectations of people of a similar age not on benefits" and "ensuring that no family can receive more in welfare than median after tax earnings for working households."[23]

3.1 Shared Accommodation Rate – extended age range

Forecast savings from changes to the shared accommodation rate

£ millions (nominal terms)

Source: HC Library Welfare Expenditure & Analaysis Tool



The Shared Accommodation Rate was introduced in 1996 "to ensure that Housing Benefit does not encourage young people to leave the parental home unnecessarily or to take on higher priced accommodation at the taxpayers' expense than they could afford from their own earnings."[24]

The SAR limited the amount of HB or LHA a claimant aged 25 or under could receive to the average Local Reference Rent (for pre-April 2008 claimants in private rented housing) or the LHA (for post April 2008 claimants) for a room in a shared house or flat. Some categories of claimant are exempt from the SAR.

The October Spending Review announced that the age at which the SAR applies would be increased from 25 to 35 from January 2012.

The Housing Benefit (Amendment) Regulations 2011 (SI 2011/1736) extended the SAR so that since 1 January 2012 it has applied to claimants in private rented housing who are aged 35 or under. The SAR applied to new claimants in the extended age group since January 2012 and to existing claimants on their first review after January 2012.[25]

Government-sponsored research into the impact of the Housing Benefit changes announced in 2010, which was led by Ian Cole, professor of housing studies at Sheffield Hallam University, found a significant decrease in HB caseloads for those in the 25-34 age group in London Centre, London Cosmopolitan areas and London Suburbs in 2012 and 2013.[26] The researchers reported an increase in landlords in inner London saying that they would no longer let to the under 35s.[27]

3.2 Capping household benefits

The Government said it would cap household benefits at £500 per week for a family (£350 for single person) from 2013. In the event, the

[23] Treasury, Spending Review 2010, October 2010, p68
[24] Department of Social Security Press Notice, 96/09, 2 April 1996
[25] For additional information see Library briefing paper, Housing Benefit: Shared Accommodation Rate, 05889
[26] Monitoring the impact of changes to the Local Housing Allowance system of Housing Benefit, 2014
[27] Ibid.

measure was phased in and has applied nationwide since September 2013.[28]

The cap is calculated by adding together all the included benefits that an individual, their partner, and any children they are responsible for and who live with them, are entitled to. The calculation does not include the benefits of non-dependants.[29]

The following benefits **are** currently taken into account when calculating the cap:

- Bereavement Allowance/ Widowed Parent's/Mother's Allowance
- Child Benefit
- Child Tax Credit
- Employment and Support Allowance (ESA) (contribution-based and income-related) except where the Support Component has been awarded
- Housing Benefit
- Incapacity Benefit
- Income Support
- Jobseeker's Allowance (contribution-based and income-based)
- Maternity Allowance
- Severe Disablement Allowance (SDA)
- Widow's Pension

Any benefits or other income that are not included in the above list are **not** taken into account when calculating the level of the cap.

The following benefits and payments are **disregarded** when calculating the cap:

- Bereavement payment
- Council Tax Benefit or the replacement localised support for Council Tax
- Discretionary Housing Payments
- Social Fund Payments – all one off payments:
- Budgeting Loans
- Cold Weather Payments
- Community Care Grants
- Crisis Loans
- Funeral Payments
- Sure Start Maternity Grants

[28] DWP Press Release, 27 September 2013
[29] A non-dependant is someone who normally lives with the benefit claimant such as an adult son, daughter, relative or friend

- Pension Credit
- Residency order payments
- Statutory Adoption Pay – Paid by employers.
- Statutory Maternity Pay – Paid by employers.
- Statutory Paternity Pay – Paid by employers.
- Statutory Sick Pay - Paid by employers.
- Winter Fuel Payment.

In December 2012 the Government announced that Housing Benefit paid to households in supported exempt accommodation (S(E)A) would be disregarded from the benefit cap.

Claimants in receipt of certain benefits and payments are **exempt** from the cap:

- **Entitlement to Working Tax Credit:** In order to increase the incentive to find a job or increase hours worked, all benefit households which are entitled to Working Tax Credit (WTC) will be excluded from the cap. This includes households who are working sufficient hours to qualify for WTC but whose earnings are so great that they have been awarded a "nil entitlement."
- **Receipt of Disability Living Allowance, Personal Independence Payment, Attendance Allowance, Industrial Injuries Benefits (and equivalent payments made as part of a war disablement pension or the Armed Forces Compensation Scheme) or the Support Component of Employment and Support Allowance:** This is in recognition of the additional financial costs that can arise from disability and that disabled people will have less scope to alter their spending patterns or reduce their housing costs.
- **War Widows and Widowers:** An exemption will apply to any war widow or widower who is in receipt of a pension paid under the relevant parts of the War Pension Scheme, Armed Forces Compensation Scheme or analogous schemes. This supports the aim of the Armed Forces Covenant to recognise sacrifice of those seriously injured or killed in the service of their country.[30]

Households receiving Carer's Allowance, the carer element of Universal Credit or Guardian's Allowance have been **exempted** from the benefit cap since 7 November 2016.

A nine-month "grace period" operates during which the cap does not apply to claimants who have been in work for the previous 12 months and who lose their job through no fault of their own.

The benefit cap is not, strictly speaking, a Housing Benefit measure. However, in the first instance it is being administered by local authorities and operates by reducing the claimant's Housing Benefit entitlement where the total amount of benefit entitlement (excluding certain specified benefits) exceeds the cap threshold(s). Section 4.6 of this

30 DWP, Explanatory memorandum, June 2012

paper provides information on reductions in the cap threshold which have applied since 7 November 2016.

Once households have been transferred to Universal Credit, the cap will apply to their combined income from Universal Credit and benefits.

Provisions to enable implementation of the cap were included in the *Welfare Reform Act 2012*. The *Housing Benefit (Benefit Cap) Regulations 2012* came into force on 15 April 2013.

Detailed information and comment on the operation of the cap can be found in Library Briefing Paper 06294, The Benefit Cap.

4. July 2015 Budget

During the July 2015 Budget the Chancellor announced additional measures to reduce Housing Benefit expenditure, not all of which have been implemented at this point. These measures formed part of the Chancellor's programme to reduce welfare spending by £12 billion by 2019-20.

4.1 Freezing working age benefit rates

The Government announced that most working age benefits would be frozen for 4 years from 2016, including applicable amounts for Housing Benefit and Local Housing Allowance rates, with some separate provision for high rent areas:

> Since the financial crisis began in 2008, average earnings have risen by 11%, whereas most benefits, such as Jobseeker's Allowance, have risen by 21%. To ensure that it always pays to work, and that earnings growth overtakes the growth in benefits, **the government will legislate to freeze working age benefits, including tax credits and the Local Housing Allowances, for 4 years from 2016-17 to 2019-20.** This is forecast to save £4 billion a year by 2019-20.[31]

Measures to allow for the suspension of annual uprating were included in the *Welfare Reform and Work Act 2016.*

The Rent Officers (Housing Benefit and Universal Credit Functions) (Local Housing Allowance Amendments) Order 2015 (SI 2015/1753) provides that LHA rates will remain at their April 2015 levels (or be set at the 30th percentile point for local market rents, if this is lower).

The intention is that around 30% of the potential savings per year from this measure will be used for Targeted Affordability Funding to support areas where higher rent increases are causing a shortage of affordable accommodation. The amounts of Targeted Affordability Funding available each year will be announced "in due course."[32]

Cumulative estimated cash savings to the Government and tax-payers from this measure are around £655 million for Great Britain over the four year period.[33]

As with the imposition of national caps and basing LHA rates on the lowest 30% of market rents (by bedroom size),[34] there are concerns that LHA rates will become ever more divorced from actual rent levels, thus making it harder for tenants to access private rented housing. Research conducted and published by the Chartered Institute of Housing (May 2016) found that since 2012 in some areas of the UK prospective tenants are only able to afford to rent in the bottom 5 or 10% of the PRS:

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31 HC 264, July 2015, paras 1.137
32 Explanatory memorandum to SI 2015/1753
33 Ibid.
34 See section 2.1 of this paper.

> The cash shortfall affects tenants across the UK, the study has found. In Aberdeen, Scotland, there are very severe cash shortfalls in every LHA category, and in Northern Ireland, 80 per cent of LHA rates have already fallen below the bottom 30 per cent of the market - second only to England. In Newport, South Wales, the LHA shared accommodation rate would need to be set at £29 per week more for people under 35 to be able to afford the whole of the lowest 30 per cent of the market. In England, the LHA rate for Chesterfield's broad rental market area is even lower than the lowest rent that the rent officer could find in their market evidence data - in other words, there's no shared accommodation available at the LHA rate.[35]

The impact of freezing LHA rates

The scatter plots overleaf compare LHA rates in each BMRA with the 30th percentile market rents reported for the 12 months to the previous September. Trends for the LHA rates for 2016-17 are compared with a projection for 2019-20. The projection assumes that LHA rates remain identical and that rents increase in line with average earnings (see notes for further discussion).

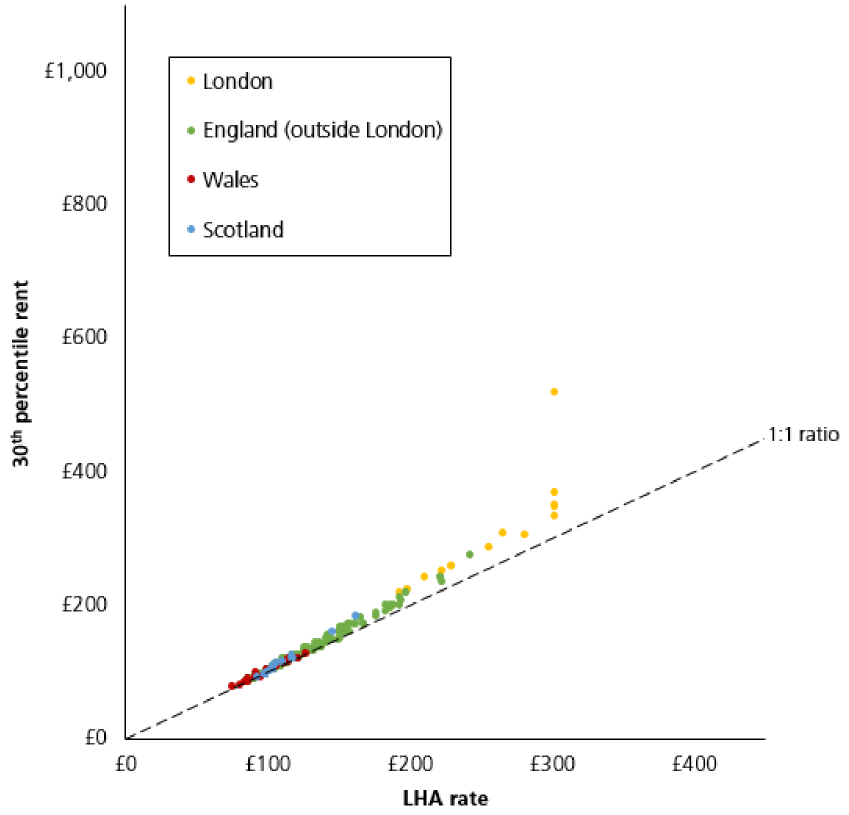
LHA rates for 2-bed and 4-bed properties are shown. Larger discrepancies between LHA rates and market rents are seen for 4-bed properties and properties in London and parts of the rest of England.

On the following page, the first table identifies the BMRAs with the current highest discrepancies between LHA rates and market rents for 2-bed properties. The second summarises the Library's projections for the number of BMRAs with LHA rates covering 100% of 30th percentile market rents, 95% and so on.

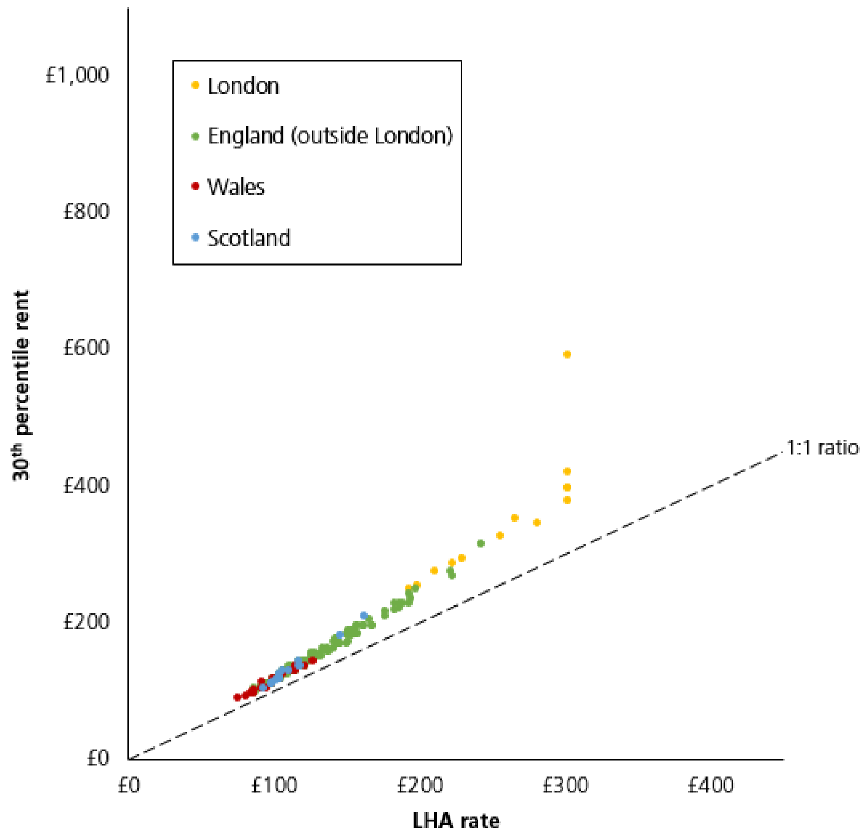
[35] CIH, Mind the gap: the growing shortfall between private rents and help with housing costs, May 2016

LHA rates compared to 30th percentile market rents (BMRAs colour-coded by region)

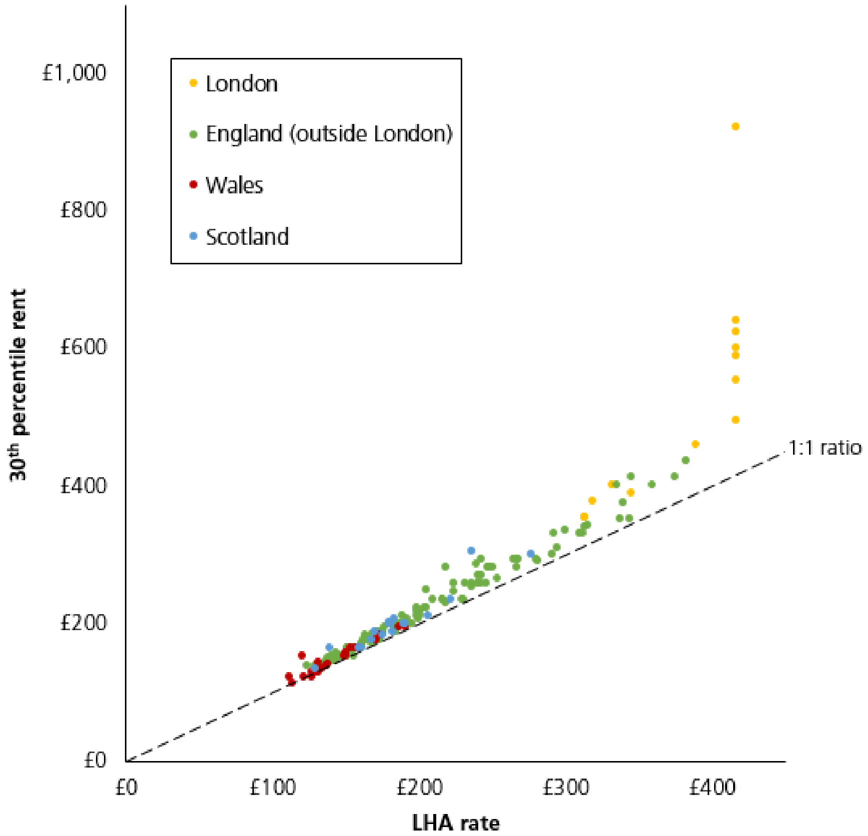
2-bed properties, 2016-17 rents



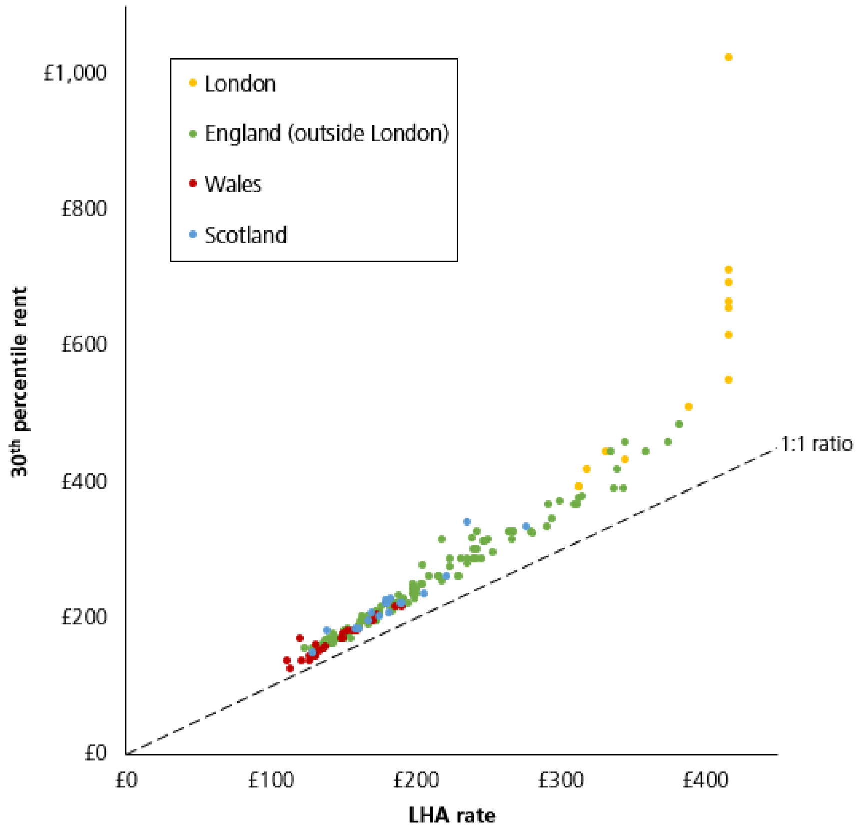
2-bed properties, projected 2019-20 rents



4-bed properties, 2016-17 rents



4-bed properties, projected 2019-20 rents



Fifteen largest discrepancies between LHA rates and 30th percentile market rents
Great Britain, 2016/17 LHA rates for 2-bed properties

	Broad Market Rental Area	LHA rate	30th percentile rent	**LHA rate as % of rent**
1	Central London	£302.33	£533.52	**56.7%**
2	Inner North London	£302.33	£379.62	**79.6%**
3	Inner South East London	£265.29	£317.19	**83.6%**
4	Inner East London	£302.33	£359.10	**84.2%**
5	Inner South West London	£302.33	£357.73	**84.5%**
6	Outer South London	£210.57	£247.92	**84.9%**
7	North West London	£242.33	£283.34	**85.5%**
8	Outer West London	£222.96	£259.73	**85.8%**
9	Outer North East London	£192.62	£224.31	**85.9%**
10	Aberdeen and Shire	£162.24	£188.90	**85.9%**
11	Outer South East London	£198.11	£230.21	**86.1%**
12	Outer East London	£229.58	£265.63	**86.4%**
13	Outer North London	£255.34	£295.15	**86.5%**
14	South West Herts	£196.96	£224.31	**87.8%**
15	Brighton and Hove	£192.48	£218.41	**88.1%**

Individual LHA rates' coverage of 30th percentile market rents
Great Britain, 2014-14 to 2019-20

Proportion of market rent covered by LHA rate	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
100% or more	480	316	188	16	0	0	0
95% to 99%	416	552	419	349	32	5	0
90% to 94%	42	61	254	407	504	244	17
Less than 90%	27	36	104	193	429	716	948
Total	965	965	965	965	965	965	965

Notes

Comparison is between LHA rates as at April of a given year and average 30th percentile market rents for the 12 months to September of the previous year (e.g. LHA rates for April 2016 - April 2017 are compared to rents for September 2014 - September 2015).

Comparisons from 2017-18 onwards are based on projected 30th percentile rents, uprated according to projected increase in annual earnings. The same uprating has been applied to all BRMAs and does not account for different rates of change in different regions. As such, it should be taken as an approximate projection rather than a prediction.

Each of the 193 BRMAs in Great Britain has 5 separate LHA rates for accommodation of different sizes, so there are 965 individual LHA rates in total.

Sources

LHA rates and 30th percentile rents:
England Valuation Office Agency, Local Housing Allowance rates, various years
Scotland Scottish Government, Local Housing Allowance Figures, various years
Wales Welsh Government, Local Housing Allowance Rates, various years

Average earnings for rent uprating:
Office for Budget Responsibility, Annual Projections for Average Earnings (Table 3.8), *Economic and Fiscal Outlook March 2016*

4.2 Limiting support to two children

The Chancellor said that "those in receipt of tax credits should face the same financial choices about having children as those supporting themselves solely through work." He went on to announce that support provided to families through tax credits would be limited to 2 children:

> …so that any subsequent children born after April 2017 will not be eligible for further support. An equivalent change will be made in Housing Benefit to ensure consistency between both benefits. This will also apply in Universal Credit to families who make a new claim from April 2017.
>
> In addition, those starting a family after April 2017 will no longer be eligible for the Family Element in tax credits. The equivalent in Universal Credit, known as the first child premium, will also not be available for new claims after April 2017. In Housing Benefit, the family premium will be withdrawn for new claims from April 2016, to ensure fairness between those who receive Housing Benefit and those who do not.[36]

The Housing Benefit (Abolition of the Family Premium and limiting backdating) (Amendment) Regulations 2015 (SI 2015/1857) abolished the family premium for all new Housing Benefit entitlements after 30 April 2016 and for those who cease to have responsibility for any children or young people after 30 April 2016.

4.3 Limiting backdating of HB claims

Claimants who could establish good cause for a late Housing Benefit claim could apply to have their claim backdated for up to six months. The Chancellor announced that, from April 2016, Housing Benefit claims would be backdated for a maximum of 4 weeks.[37] In addition to achieving savings, this change was proposed to "bring forward aspects of Universal Credit into Housing Benefit to provide some alignment between the two benefits as claimants start to transition from Housing Benefit on to Universal Credit."[38]

The Housing Benefit (Abolition of the Family Premium and limiting backdating) (Amendment) Regulations 2015 (SI 2015/1857) implemented the reduced backdating period for new working age claims after 30 April 2016.

The backdating period for persons who have newly attained the qualifying age for state pension credit has remained at three months.

4.4 Severe disability premium (SDP)

The Universal Credit and Miscellaneous Amendments Regulations 2015 (SI 2015/1754) have amended the *Housing Benefit Regulations 2006* and the *Housing Benefit (persons who have attained the qualifying age*

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36 HC 264, July 2015, paras 1.146-7
37 HC 264, July 2015, para 2.110
38 Social Security Advisory Committee report on the Housing Benefit (Abolition of the Family Premium and date of Claim) (Amendment) Regulations 2015, November 2015

for state pension credit) Regulations 2006 so that, if a Universal Credit carer element is awarded to a Universal Credit claimant who is caring for an HB claimant, that person may not receive an SDP.[39]

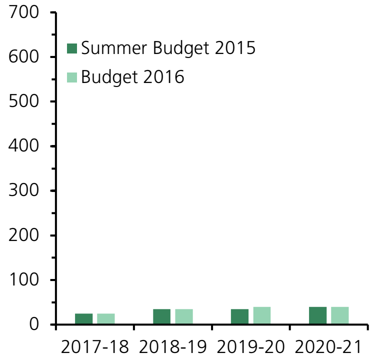
4.5 Restricting HB claims for young people

The Chancellor announced that new restrictions would be placed on claimants aged 18 to 21:

> **Restricting Housing Benefit entitlement for young people** – From April 2017, those out of work aged 18 to 21 making new claims to Universal Credit will no longer be automatically entitled to the housing element. Parents whose children live with them, vulnerable groups, and those who were living independantly and working continuously for the preceding 6 months will be exempt from this measure.[40]

Measures to give effect to this have not yet been introduced. The issue is covered in more detail in Library Briefing Paper 06473: Housing Benefit: withdrawing entitlement from 18-21 year olds.

Forecast savings from ending automatic entitlement
£ millions (nominal terms)
Source: HC Library Welfare Expenditure & Savings Tool



4.6 Lowering the household benefit cap

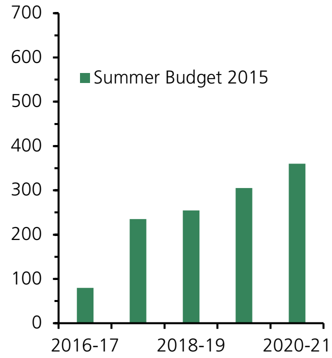
Section 3.2 of this paper provides background on the introduction of the benefit cap. The Chancellor announced an intention to reduce the cap and vary the threshold between Greater London and elsewhere:

> **Lowering the household benefit cap** – The government will lower the household benefit cap, which caps the amount of benefits out-of-work working age families can receive, to £20,000, except in Greater London where the cap will be £23,000. The current exemptions to the cap will continue to apply.[41]

Measures to achieve this were included in the *Welfare Reform and Work Act 2016*. More detailed information can be found in Library Briefing Paper 06294: The Benefit Cap.

Households affected by the benefit cap reductions started to have their claims reassessed over a 12 week period starting from 7 November 2016.

Forecast savings from reducing the household benefit cap
£ millions (nominal terms)
Source: HC Library Welfare Expenditure & Analysis Tool

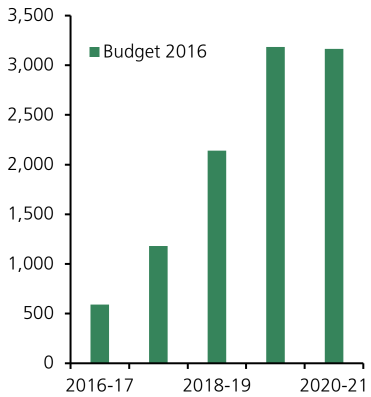


4.7 Reducing social housing rent levels

As part of the Summer Budget 2015 the Chancellor also announced that rents in social housing would be reduced by 1% a year for four years resulting in a 12% reduction in average rents by 2020-21:

> Alongside the freeze in working age benefits, the government will reduce rents in social housing in England by 1% a year for 4 years, requiring Housing Associations and Local Authorities to deliver efficiency savings, making better use of the £13 billion annual subsidy they receive from the taxpayer. Rents in the social sector increased by 20% over the 3 years from 2010-11. This will allow social landlords to play their part in reducing the welfare

Forecast savings from reducing social housing rents
£ millions (nominal terms)
Source: HC Library Welfare Expenditure & Savings Tool



[39] HB Circular A3/2016
[40] HC 264, July 2015, para 2.111
[41] HC 264, July 2015, para 2.112

> bill. This will mean a 12% reduction in average rents by 2020-21 compared to current forecasts.[42]

Although this is not a Housing Benefit measure, the aim is to reduce Housing Benefit expenditure by securing a fall in social sector rent levels. Measures were included in the *Welfare Reform and Work Act 2016* to require social landlords to reduce the rents payable by individual tenants by 1% each year between 2016 and 2019. A one-year delay in implementation applies to certain supported housing.[43]

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42 Summer Budget 2015, HC 264, July 2015, para 1.140

43 See Library Briefing Papers 01090: Rent setting: social housing (England) and Paying for Supported Housing (06080) for more information.

5. November 2015 Spending Review and Autumn Statement

In the 2015 Spending Review and Autumn Statement the Government made reference to already having announced significant changes to Housing Benefit at Summer Budget, and went on to announce that "This Spending Review and Autumn Statement takes further steps to ensure fairness between those receiving Housing Benefit and those paying for the system."[44]

5.1 Capping HB for social housing tenants at Local Housing Allowance (LHA) rates

Unlike claimants living in private rented housing, Housing Benefit claimants living in the social rented sector have generally not faced restrictions on the level of rent that can be considered as eligible rent for Housing Benefit purposes.[45]

During the 2015 Spending Review and Autumn Statement the Chancellor announced an intention to apply LHA rates to claimants living in the social rented sector:

> The government will:
>
> cap the amount of rent that Housing Benefit will cover in the social sector to the relevant Local Housing Allowance, which is the rate paid to private renters on Housing Benefit. This will include the Shared Accommodation Rate for single claimants under 35 who do not have dependant children. This reform will mean that Housing Benefit will no longer fully subsidise families to live in social houses that many working families cannot afford, and will better align the rules in the private and social rented sectors. It will also ensure that Housing Benefit costs are better controlled and will help prevent social landlords from charging inflated rent for their properties. This will apply to tenancies signed after 1 April 2016, with Housing Benefit entitlement changing from 1 April 2018.[46]

Legislation to implement this measure has not been introduced at this point. However, following concerns about the impact on supported housing providers, where rents tend to be higher, the Government initially announced a one-year delay in implementation pending the outcome of an evidence review into the supported housing sector.[47] Implementation in the supported housing sector has now been delayed until 2019, but when introduced it will apply to all supported housing residents in receipt of Housing Benefit.

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44 Cm 9162, November 2015, para 1.125

45 An exception to this would be the introduction of deductions for under-occupying tenants in April 2013.

46 Cm 9162, November 2015, para 1.125

47 See Library Briefing Paper 06080: Paying for supported housing for more information.

Implementation has also been delayed to April 2019 in respect of general needs housing. The intention is to apply LHA caps from April 2019 for all tenants on Universal Credit, and to Housing Benefit tenants whose tenancies began or have been renewed since April 2016.[48]

In addition to the potential impact on supported housing schemes, landlords are concerned that new social tenants after 1 April 2016 who are aged under 35 in April 2019 will only be entitled to Housing Benefit at the Shared Room Rate (SAR).[49] A survey of 180 of the largest housing associations conducted by *Inside Housing* found that based on 47 responses, 13% had already made changes to their allocation policies while 60% said they planned to make changes to limit access for under-35s. The sort of policy changes include:

- Younger tenants to be given assured shorthold tenancies, or two-year tenancies, rather than more secure tenancy agreements.
- Blocking under-35s from renting in certain blocks of flats or certain buildings.
- Blocking under-35s from renting new build homes, as these will be rented under affordable rents set at up to 80% of market level, leaving an even larger gap between housing benefit entitlement and rent.
- Only accepting the youngest tenants, under the age of 21, if the council agrees it will pay their full rent.
- Additional affordability assessments.[50]

The table below provides information on the savings expected to arise from this measure following the changed implementation dates and the wider categories of claimant who will, from April 2019, be affected:

Savings from applying LHA rates to most social sector tenants in receipt of Housing Benefit

£ millions, nominal terms

	2017-18	2018-19	2019-20	2020-21	2021-22
Apply LHA rates to social sector tenants[a]	0	205	310	375	
Adjusted roll-out: implement for new tenancies from April 2017[b]	0	-60	-25	-15	
Adjusted roll-out and supported housing: implement from April 2019[c]	0	-305	-265	160	125
Total	**0**	**-160**	**20**	**520**	

Notes and Sources
Positive figures indicate a saving to the Exchequer
a - Announced Autumn Statement 2015, costings updated at Budget 2016
b - Budget 2016
c - Autumn Statement 2016

Impact of capping HB at LHA rates for social housing tenants

It is possible to make an approximate comparison between rents set for social housing tenants and recent LHA rates covering the same local authority area. Rent data is produced at local authority level and LHA

48 For more information see Library briefing paper 07833: Local Housing Allowance and the social rented sector
49 Section 3.1 of this paper explains the SAR.
50 *Inside Housing*, "Under 35, on housing benefit and impossible to house?", 16 June 2016

rates are set for Broad Market Rental Areas (BMRAs). Most local authority areas overlap with several BMRAs, so a direct comparison is not possible.

The table overleaf shows the results of a comparison between average affordable rents and the range of LHA rates set in each local authority in England[51]. It shows that there are a number of local authorities where the average affordable rent is lower than at least one of the LHA rates set for that property size in the same area.

Affordable rents for local authority properties and housing association properties are considered separately. In most areas, average affordable rents for local authority properties are lower than LHA rates. However, in 39% of local authorities the average affordable rent for housing association properties was higher than at least one of the LHA rates in that area.

This is an indicative comparison only. The discrepancies identified may, in reality, apply to few or no properties within a local authority. However, they suggest that housing association tenants paying affordable rents are most likely to find that their housing benefit no longer covers their full rent if an LHA rate cap is applied.

Number of local authorities where at least one LHA rate is lower than the average affordable rent

England, 2014/15

Proportion of rent covered by LHA rate	Local authority rents		Housing association rents (general needs only)[a b]	
	Number of LAs	*% of all LAs*	Number of LAs	*% of all LAs*
95% to 99%	10	*3%*	109	*33%*
90% to 94%	9	*3%*	57	*17%*
Less than 90%	5	*2%*	34	*10%*
Any under 100%	14	*4%*	128	*39%*

[a] General needs lettings make up 95% of England's housing association stock

[b] Housing association rents are calculated as a weighted average of the rents reported in the Homes & Communities Agency's Statistical Data Return. Service charges are not included.

Local authorities are counted if there is a discrepancy between an LHA rate and the average affordable rent for any property size. Bedsits and rooms in shared houses are excluded from the analysis due to limitations in the available data.

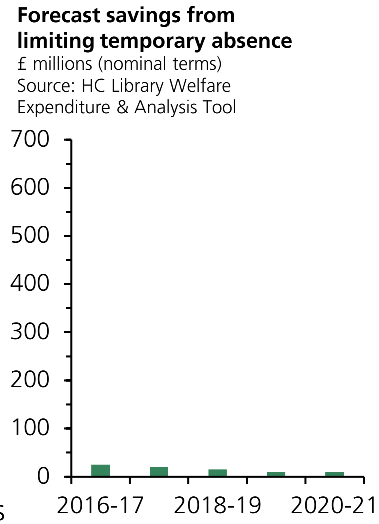
Sources: DCLG, *Local authority housing statistics data returns for 2014 to 2015*, Table H; Homes & Communities Agency, *Statistical Data Return 2014 to 2015*, additional tables; VOA, *LHA rates 2014 to 2015*; House of Commons Library calculations.

51 This analysis focuses on affordable rather than social rents. Affordable rents tend to be higher. A similar analysis looking at social rents for local authority properties found no discrepancies.

5.2 Limit HB payments for persons outside of Great Britain

The Chancellor announced that HB claims would be limited to 4 weeks for claimants who are outside of Great Britain (previously 13 weeks):

> The benefit system should not subsidise those on benefits to go abroad for extended periods: this reform will ensure the benefit system is not paying the rent of people who go abroad for more than 4 weeks at a time.[52]



The Government consulted on *The Housing Benefit and State Pension Credit (Temporary Absence) (Amendment) Regulations 2016* (SI 2016/624) resulting in a revised implementation date of 30 May.[53] This was further delayed until 28 July 2016. As a general rule, claimants can be absent from Great Britain without impacting on their HB entitlement for up to 4 weeks as long as they continue to meet the rules for absences from their main dwelling.

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52 Cm 9162, November 2015, para 1.125
53 DWP HB Bulletin G3/2016, 17 March 2016

6. Discretionary housing payments

One option for HB claimants who experience a shortfall between the rent due and their Housing Benefit entitlement is to apply to their local authority for a Discretionary Housing Payment (DHP). To qualify for a DHP the only requirement is that there must be a shortfall between HB entitlement and the rent; the council will usually take into account special circumstances contributing to financial difficulties.

Local authorities are not under any duty to make a DHP and they are generally not paid in perpetuity. The Discretionary Housing Payments Guidance Manual and good practice guide for local authorities was updated and reissued in December 2016.

DHP funding is one of the main ways in which the Coalition and current Government have sought to mitigate against the impact of reductions in HB entitlement since 2010. Government funding for DHPs has increased:

	2012/13	**2013/14**	**2014/15**	**2015/16**	**2016/17**
Baseline funding	£20m	£20m	£20m	£15m	£20m
LHA reforms	£40m	£40m	£40m	£25m	£30m
Social size criteria		£30m (increased to £55m)	£30m (increased to £60m)	£60m	£60m
Benefit cap		(Up to) £65m	(Up to) £35m (increased to £45m)	£25m	£40m
Total	**£60m**	**£155m (increased to £180m)**	**£125m (increased to £165m)**	**£125m**	**£150m**

Local authorities are permitted to contribute two and a half times the Government contribution to DHPs.[54]

The 2015 Summer Budget Red Book announced the level of DHP funding that will apply over the five years from 2016/17:

[54] Note that this 'cap' no longer applies in Scotland.

- 2016/17 £150m
- 2017/18 £185m
- 2018/19 £170m
- 2019/20 £155m
- 2020/21 £140m[55]

More information can be found in Library Briefing Paper Discretionary Housing Payments (06899).

7. Further reading

Both the Social Security Advisory Committee (SSAC) and the Work and Pensions Select Committee carried out consultation exercises in relation to the changes announced in June 2010. Commentators submitted a substantial body of evidence to these inquiries. The SSAC produced a report on the LHA changes in November 2010: Housing Benefit Regulations 2010: SSAC report.

The Work and Pensions Committee published: Changes to Housing Benefit announced in the June 2010 Budget in December 2010.

The Government agreed to commission independent external research into the impact of the Housing Benefit reforms announced in 2010 (June and October). The findings from this research, led by Ian Cole, professor of housing studies at Sheffield Hallam University, were published in 2014: Monitoring the impact of changes to the Local Housing Allowance system of Housing Benefit.

The SSAC also published a report on the extension of the Shared Accommodation Rate (SAR) to single people aged 35 in July 2011.

In November 2012 the National Audit Office (NAO) published Managing the impact of Housing Benefit reform while the Communities and Local Government Select Committee published the findings of its inquiry into The Implementation of Welfare Reform by Local Authorities in April 2013. Following on from the NAO's report, the Public Accounts Committee took evidence on how the impact of Housing Benefit reform was being managed and published its findings in March 2013.

Housing Benefit and Universal Credit (Size Criteria) (Miscellaneous Amendments) Regulations 2013: SSAC report, November 2013

The Work and Pensions Select Committee published the findings of its inquiry into support for housing costs in the reformed welfare system in April 2014.

SSAC Occasional Paper 12: The cumulative impact of welfare reform: a commentary, July 2014. Government response: SSAC report on the cumulative impact of welfare reform, July 2014

In December 2015 the DWP published an Evaluation of Removal of the Spare Room Subsidy: final report the research for which was undertaken

55 HC 264, July 2015, p74

over 20 months up to November 2014 by Ipsos MORI and the Cambridge Centre for Housing and Planning Research.

SSAC Housing Benefit (Abolition of the Family Premium and date of claim) (Amendment) Regulations 2015: SSAC report and government statement, November 2015

SSAC Housing Benefit and Pension Credit: temporary absences from Great Britain, February 2016 and Government response July 2016.

There are several Library Papers which provide more detailed information on specific HB measures, including:

Impact of the under-occupation deduction from Housing Benefit (social rented housing) (06896)

Under-occupying social housing: Housing Benefit entitlement (06272)

Housing Benefit: Shared Accommodation Rate (05889)

The Benefit Cap (06294)

Housing Benefit: withdrawing entitlement from 18-21 year olds (06473)

Discretionary Housing Payments (06899)

BRIEFING PAPER
Number 05638
29 December 2016