

# Housing Benefit and the Emergency Budget of June 2010

**A summary of measures with analysis**

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*Several months before the general election the Building and Social Housing Foundation (BSHF) planned a meeting to be held from 22 – 24 June at St George’s House, Windsor Castle, which brought together practitioners and academics from a wide range of housing-related backgrounds to examine the subject of support with housing costs. This meeting proved to be more timely than could have been expected, with an emergency budget being presented on the first day of the meeting, containing a substantial focus on housing benefit. The full findings of that meeting will be available in due course, but this interim paper has been produced to disseminate some of the emerging conclusions that are particularly related to those budget measures.*

## Executive summary

There is a clear need for long term reform of housing benefit and the wider system of support with housing costs. The emergency budget of 22 June 2010 announced several changes to housing benefit:

- Local housing allowance (LHA) rates set at the 30<sup>th</sup> percentile of local rents;
- Maximum LHA rates capped for each property size;
- Index linking of LHA;
- Non-dependant deductions to increase;
- Social sector benefits to match household size;
- Housing benefit to be cut after 12 months claiming Jobseeker's Allowance;
- Entitlement to space for a carer;
- Local authority Discretionary Housing Payment fund increased.

The government's aspirations to undertake the important task of reforming the UK's unduly complex system for support with housing costs are commendable. However, several of the mechanisms adopted in the budget give cause for concern. There is a risk they will:

- Have unintended consequences that act to minimise the public expenditure savings that are expected;
- Fail to meet one of the stated aims of the budget which was to support the most vulnerable;
- Undermine the core purposes of housing benefit, of providing access to affordable housing and protecting residual income (the amount of money people have left to live on).

There is an urgent need for the government to:

- Define the purposes of housing benefit. Will it be used to ensure that everyone has access to housing and enough money to live on (residual income), even though rents vary hugely across different areas?
- Ensure that both short and long term changes to housing benefit are designed to achieve this objective and are part of a coherent housing strategy that will ensure decent and affordable housing for everyone.
- Monitor the impact of changes to the current housing benefit system to ensure that they do not:

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- Increase homelessness, a priority that the new cross-departmental Homelessness Working Group chaired by the Minister for Housing, Grant Shapps MP will be keen to address;
  - Make worse the situation that the Secretary of State for Work and Pensions, Iain Duncan Smith MP has highlighted where the “housing system has ghettoised poverty”<sup>1</sup>;
  - Increase public spending, both elsewhere in the housing system (such as through increased homelessness provision) and in other areas where housing outcomes are known to have an impact (such as health and education).

## Background

There is little doubt that the UK's system of providing support with housing costs warrants significant attention, both to ensure that it is meeting housing need and that the long-term cost is managed. Housing benefit accounts for a large proportion of the expenditure on this support: in 2008/09 the total amount spent on it by the UK government was approximately £17.2 billion<sup>2</sup>; this is expected to increase to over £20 billion in 2009/10.

Largely in an effort to control these costs, the budget introduced several measures in relation to housing benefit<sup>3</sup>:

- **LHA rates set at the 30<sup>th</sup> percentile.** From October 2011, local housing allowance rates will be set at the 30<sup>th</sup> percentile of local rents. At present they are set at the median (i.e. 50<sup>th</sup> percentile) of market rents.
- **LHA rate caps.** From April 2011, local housing allowance rates will be capped at £250 per week for a one bedroom property, £290 per week for a two bedroom property, £340 per week for a three bedroom property and £400 per week for four bedrooms or more.
- **Index linking of LHA.** From 2013-14, local housing allowance rates will be uprated in line with the consumer price index (CPI). Currently LHA rates are recalculated monthly based on actual market rents in the area.
- **Non-dependant deductions to increase.** Deductions for non-dependants will be uprated in April 2011 on the basis of prices. This will reverse the freeze in these rates since 2001-02<sup>4</sup>.
- **Social sector benefits to match household size.** From April 2013, housing entitlements for working age people in the social sector will reflect family size.
- **Housing benefit to be cut after 12 months claiming Jobseeker's Allowance.** Housing benefit awards will be reduced to 90 per cent of the initial award after 12 months for claimants receiving Jobseeker's Allowance. This will be introduced in April 2013.
- **Entitlement to space for a carer.** From April 2011, housing benefit claimants with a disability and a non-resident carer will be entitled to funding for an extra bedroom.

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- **Discretionary Housing Payment fund increased.** The government contribution to Discretionary Housing Payments will be increased by £10 million in 2011-12 and £40 million in each year from 2012-13.

The budget announcement identified the expected savings (and costs) from these various measures<sup>5</sup>. In 2013-14, the first year when all of the measures will be in place, the most significant savings are expected to be from limiting social sector benefits to match household size (£490 million) and lowering the LHA rate to the 30<sup>th</sup> percentile (£415 million). The uprating of the non-dependant deduction is expected to save £320 million and the index-linking of LHA £300 million. The cut to housing benefit after 12 months claiming JSA and the caps on LHA are expected to save smaller amounts (£100 million and £70 million, respectively). The increased budget for Discretionary Housing Payments will cost £40 million and the additional bedroom eligibility for carers will cost £15 million. The overall savings from the measures are predicted to be £1.64 billion in 2013-14 and £1.765 billion in 2014-15 (at which point the contribution from the indexation of LHA will have grown to £390 million, with the other costs varying by smaller amounts).

More broadly, the Institute for Fiscal Studies (IFS) has announced that it is likely that the overall impact of the emergency budget was regressive, affecting the poor more than the rich<sup>6</sup>. The IFS further noted that its analysis excluded housing benefit, which is likely to hit the poorest half of the population more than the richest half, deepening the regressive nature of the budget. Given the underlying regressive nature of the budget, particularly close attention must be paid to the reforms to housing benefit if one of the stated aims of the budget, to protect the most vulnerable, is to be met.

## The purpose of housing benefit

The Council of Europe's guidelines<sup>7</sup> on the effective use of housing allowances<sup>8</sup> state:

*The goals for a housing allowance system should be to improve access to decent, affordable housing for all households on low incomes and to function as a safety net for these households against increases in housing expenditure or decreases in income.*

Further analysis is necessary to assess whether that guideline covers accurately, and in full, the objectives that would suit a housing benefit system in the UK's context; however as a broad principle there are many merits in adopting a narrow purpose for housing benefit, and not attempting to use it to passport other policies into place (i.e., not trying to achieve policy objectives that are non-core for the benefit). Housing benefit is more likely to be successful if it is only trying to do one or two jobs and is doing them well, than if it is used to achieve multiple (potentially conflicting) policy objectives.

A clearer and tighter focus for housing benefit does not mean that other objectives should be allowed to fall by the wayside; those objectives that are deemed not to be the core purposes of housing benefit will need to be addressed in alternative ways. For example, in the past it has been suggested that housing benefit might be asked to play a role in improving the standard of accommodation in the private rented sector; if those standards are felt to be a policy priority, a specific measure, perhaps around regulation, should be introduced instead. Another role, which housing benefit does serve at present, is supporting the balance sheets of social rented landlords by providing a known income stream from government that helps them to borrow at preferential rates. At a time of widespread housing shortages, it also stimulates the continuing supply of private dwellings for rent.

Conversely, whilst the housing benefit system should not be asked to directly achieve too many things, care should also be taken in its construction to ensure that it does no harm to other areas of policy. For example, whilst it should not be used to directly incentivise movement into work, it should not pose excessive barriers to work. The likely long term social impacts of a housing benefit system that fails in its objectives, and their effects on other policy areas, could include greater marginalisation of the poor, with potential for increased crime and anti-social behaviour.

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## Housing benefit rates

Whilst efforts to manage overall housing benefit expenditure are appropriate, care must be taken not to create significant adverse effects in the process. At their worst, negative impacts could undo any public expenditure savings made, by resulting in the need for additional expenditure on homelessness provision, health, education and other service areas.

### Local housing allowance rates and the cap

The chancellor announced in the budget a move from the local housing allowance (LHA) for each area being calculated on the median (50<sup>th</sup> percentile) rental level in the area to the 30<sup>th</sup> percentile. This has a significant impact on LHA levels. In the Greater Glasgow Broad Rental Market Area (BRMA), for example, indicative figures show the LHA for a three-bedroom home will drop from £160.38 per week to £138.46 per week; the rate for a four-bedroom home in the same area will drop from £230.77 per week to £196.15 per week. The Valuation Office Agency has published indicative figures online showing how the planned changes announced in the budget could affect LHA rates in each of the BRMAs in England<sup>9</sup>.

The move to the 30<sup>th</sup> percentile is being combined with a total cap on LHA rates of £400 per week (and lower caps for smaller properties), irrespective of the market conditions in an area. Prior to these changes there have been instances of a small number of households receiving housing benefit of around £100,000 per year which have received media attention. These exceptional instances should be addressed, but should not form the basis of a policy that will have a major impact on those receiving much lower levels of housing benefit.

Whilst recognising that those in receipt of housing benefit should, and indeed already do, have to make choices about their housing, in the same way that others do, the move to an LHA rate at the 30<sup>th</sup> percentile and the cap on LHA rates has at least two potential problems.

In the short term there is a risk that households will simply be unable to find accommodation available to them below the new lower LHA rate for the area; only a minority of private rented sector landlords are willing to let to housing benefit recipients. In some areas the proportion of tenants claiming housing benefit is in excess of 30 percent, making it an impossibility for all housing benefit recipients to obtain accommodation costing below the 30<sup>th</sup> percentile. The impact of the cap will create particular challenges in securing accommodation in the most expensive areas like London. Larger families in

particular will face a significant change and may struggle to source suitably sized, reasonably priced properties, especially in the initial period of the new regulations.

In the longer term, concerns will centre on the potential for the creation of Parisian-style *banlieues*, areas on the outskirts of the city with concentrations of deprivation, while the city centre becomes exclusively for the very well off. Further analysis will need to be undertaken to establish what is likely to happen in the UK's spatio-economic context, but the potential for the total exclusion of the poor from large areas is clearly present in the measures announced in the budget.

Many housing benefit recipients already have to make tough choices within the current system without these restrictions. Nearly half face a shortfall at present, which has to be made up from an income that can be very limited; the average shortfall is £23 per week<sup>10</sup>. These changes will potentially impact most upon an already-disadvantaged group.

Caps on housing benefit rates in the private rented sector can also have a knock-on effect on the social rented sector. If private rented accommodation becomes harder to access for those on low incomes, demand for social rented accommodation may increase further, at a time when social housing waiting lists already stand at nearly 1.8 million households.

## Geographical differences

Going back as far as the Beveridge Report of 1942<sup>11</sup> the issue of “Benefit Rates and the Problem of Rent” has been identified as a significant concern in the design of social welfare systems. Rents vary substantially around the country and are generally the largest item of expenditure for households. The current LHA rate for a three-bedroom house in Central London is £700 per week, compared to £92.31 per week for a similar property in Blaenau Gwent. Therefore it is vital that policies take local rent levels into consideration if they are to have similar outcomes for people in similar circumstances in different parts of the country.

The primary effect of crude caps on local housing allowance rates will probably be to make certain areas of central London inaccessible to housing benefit recipients, especially for larger households. Indicative figures released by the Valuation Office Agency indicate that the caps are likely to have an impact on LHA rates for four bed properties in four of the London BRMAs, with Inner North London also experiencing an impact on three bed properties and Central London seeing an effect across all property sizes except single rooms<sup>12</sup>.

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Supporters of the policy will argue that most of those not receiving housing subsidies are unable to access housing in some high price areas, and many choose to travel into central London for work from areas some distance away. If the intention of the policy is to reflect the choices that (unsubsidised) housing consumers active in the market make, then a less crude mechanism might involve the redrawing of the Broad Rental Market Areas, for example by re-examining the guidance given to Rent Officers to ensure it reflects an acceptance of longer travel to work times in high-value areas<sup>13</sup>. This may not be desirable, for the spatio-economic reasons identified above, but it would at least honestly reflect the decisions being taken, rather than obfuscating them behind crude caps.

As noted above, there are also variations in the proportion of private rented sector tenants receiving housing benefit. The application of a blanket 30<sup>th</sup> percentile LHA rate will have a much more significant impact in some areas than others. By setting LHA rates at a percentile in each area that reflected the proportion of tenants receiving the benefit, many of the savings in public expenditure could be achieved whilst avoiding the most intolerable pressures on local housing markets. If, for example, it was decided to select the 20<sup>th</sup> percentile above the local proportion of tenants receiving the benefit, then an area with only five percent of tenants receiving housing benefit would see its LHA set at the 25<sup>th</sup> percentile, whilst one with 30 percent receiving housing benefit would have its rate remain at the median.

As well as the overall cap on LHA rates, detailed above, other budget announcements are in danger of failing to address the important regional variations in rental prices. These include the non-dependant deductions, which display no regional variation, and the decision to link LHA levels to the Consumer Price Index (CPI). In the long term, the linking of LHA to an index instead of actual rent levels will inevitably lead to situations where the value of LHA available will not reflect changes in the relative rent levels between areas. Two areas having similar rent levels in 2013 (when the link is due to be introduced), but which diverge due to the popularity of one increasing, will find that their LHA levels stay in step while actual rents vary.

Whilst the direct impact of many of the changes will be felt most keenly in high rent areas, these have potential knock-on effects in other areas. If people react by moving into lower rent areas there will be an impact on the areas that they move to, potentially putting a strain on those local authorities (including on homelessness budgets). Since many low-rent areas are also high-unemployment areas, it is also possible that people will move to secure cheaper accommodation, but then find their ability to secure employment reduced.

Further potential impacts include effects on social cohesion, both of the areas that people have left and of the areas they move into.

## Impact on young and old people

The budget announcements risk further exacerbation of a tension that already exists within the housing benefit system, specifically between the effects of non-dependant deductions and the single room rent. In some cases these lead to major difficulties for young people, particularly those on low incomes, who are seeking accommodation.

Non-dependant deductions are a disincentive for young people to stay at home; if they stay their parents may find their housing benefit significantly reduced. The increases in these deductions announced in the budget will mean that they significantly reduce the housing benefit of some households. However the single room rent, a special low rate of housing benefit paid to under-25s, is generally so low that it makes finding decent accommodation very difficult. The data show that the shared room rate does not meet the cost of accommodation in approximately 70 percent of cases.<sup>14</sup> This means that young people will significantly decrease the income of their family household if they stay at home but cannot find decent accommodation if they leave. The challenges young people face are heightened by the limited availability of suitable accommodation in many areas, especially in the social rented sector.

It also appears that the non-dependant deduction has a major financial impact on many older people. It appears that non-dependants frequently do not pay the householder for the benefit they are losing through the deduction. Even if they are willing to pay, householders are put in the difficult position of having to find out financial information about family members. Many of those affected by this are pensioners.

There is a risk of increasing public expenditure if non-dependant deductions are set too high. At a certain point non-dependants (if they are paying the householder) will decide that it is better to go out and rent somewhere of their own. If the non-dependant is out of work they may be able to claim housing benefit in their own right, adding to public expenditure.

Making better use of the existing stock can play a part towards addressing the shortfall of housing supply in the UK. There is clearly potential here for the system to incentivise more creative use of space. Restructuring the housing benefit system to share the savings in separate housing benefit claims between

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the state and the individual could encourage more households to, for example, encourage their children to stay at home for longer.

## Transitional effects

Previous changes in the housing benefit system have resulted in recipients being allowed to continue receiving their benefits on the older (more generous) bases indefinitely. Whilst this ongoing approach to retaining existing schemes is expensive, adds complexity to the system and can be perceived as being unfair (with tenants in identical properties and circumstances receiving different levels of housing benefit), there is an argument for allowing some form of transitional arrangements, to phase in significant changes for existing claimants over a period of time.

Whilst examples of tenants receiving £2,000 per week in housing benefit are rare, there will be many more who receive, say, £600 per week; for these households the drop to a capped LHA of £400 per week will represent a sudden and huge shock. The budget announcement contains no transitional protection. It will take effect from the anniversary of housing benefit recipients' claims. So when the regulations come in (in April 2011) it will happen to some claimants the next day (if their claim was a year earlier) and for others there will be nearly a year's grace.

At the least it will be important to ensure clear information is provided in relation to these changes. Ordinary changes in LHA rates typically happen to people without any notice; local authorities are not generally in a position to give notice as the rates are reviewed on a monthly basis, so the rate that will be in effect on the anniversary of their claim is not known far in advance. This approach would not be satisfactory in the case of the substantial changes announced in the budget. Making people aware of what is going to happen, the approximate change that they are likely to see in their circumstances and giving them plenty of time to move if necessary, will be vital. It takes time to find property and move and for families in central London whose children are in school, for example, there will be many adjustments to make.

It is not feasible to expect everyone affected by this change to relocate immediately or to renegotiate their rent, so information and protection will need to be put in place. Part of that protection may involve discretionary housing payments (DHP). DHP policies may need to take particular note of the period between the change affecting the tenant's housing benefit period and the date at which they can reasonably move.

## Work incentives and conditionality

### Conditionality and homelessness

As noted above, there are advantages in allowing housing benefit to focus on its core function rather than attempting to address additional problems like worklessness. Plans from the government to reduce housing benefit by ten per cent for recipients who have been claiming Jobseeker's Allowance (JSA) for more than 12 months risk undermining the core purpose of housing benefit and may not provide an effective work incentive.

This increased conditionality will leave some households having to choose between reducing their housing costs, making up the shortfall from their other income (and lowering their general standard of living) or falling into rent arrears if they are unable to secure employment. Landlords, whether private or social, will not be able to accept rent arrears indefinitely, so the potential for households to be evicted, and ultimately become homeless, is clear.

One group that may be particularly susceptible to the impact of this policy is people who have moved off Employment and Support Allowance / Incapacity Benefit onto JSA under the stricter medical tests. These people may have poor health or disabilities and therefore be disadvantaged in the labour market and may take longer to get jobs.

Although this measure is not due to be introduced until April 2013 as it requires primary legislation, there are still concerns about the supply of work available at that time. The Chartered Institute for Personal Development identified earlier this month that deficit reduction measures announced by the coalition government might see unemployment rise to nearly three million in late 2012 and remain near to that level until 2015<sup>15</sup>. The government will need to closely monitor the employment market to ensure that it is not penalising people who are genuinely seeking work in a difficult economic climate.

Even if the government wishes to create work incentives through the withdrawal of benefits (as opposed to, or in combination with, positive methods such as enhanced support for the long-term unemployed), there seems to be little logic for applying the cuts to housing benefit in particular. Using housing benefit to address worklessness issues risks an increase in the incidence of homelessness presentations, creating a greater impact on public expenditure in the medium term.

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## Property size restrictions in the social rented sector

The budget announced plans to restrict housing benefit payments to working-aged social tenants based on the size of accommodation that they are deemed to need. This has the potential to effectively end security of tenure for some tenants; although their legal security of tenure will be retained, the result would be that if they are unable to afford their rent once the benefit level is reduced they would have to leave the property. Generally, allocations policies will prevent social tenancies being granted for properties that are 'too large' in the first instance, so this policy will affect those households whose circumstances change.

For many households experiencing a change of circumstance it will not be easy to move to a smaller property as there is a shortage of accommodation in the social rented sector. The housing benefit system cannot require social landlords to make offers on allocations, so the tenant may be faced with a shortfall in housing benefit with no viable option to move to another social rented property to resolve their situation.

Social rented tenancies are a scarce resource (and will remain so, until and unless there is a substantial investment in new stock), so it is inevitable that government will seek to make the best use of them. However the details of this particular proposal risk ending security of tenure for some tenants without providing a realistic alternative. Significant work will be necessary to resolve these problems.

The impact of the restrictions should also be considered in the light of the budget announcements on non-dependant deductions. If the increase in the non-dependant deduction causes a non-dependant to leave a working-age household, the household could experience this restriction. The interaction of these two policies will create further tensions and complexity for families seeking to make decisions about their housing.

The property size restrictions will also have an impact on separated parents (usually fathers) who have access to children at weekends. Eligibility for a property with sufficient rooms can already be a significant barrier for fathers who are not living with their children. The introduction of this reduction in housing benefit will make it harder for these fathers to be able to stay living in accommodation which enables them to retain access to their children. This may undercut other policy objectives, given the importance of the continued involvement of fathers in their children's lives if relationships end.

## Previous proposals

There are several proposals for changes to the housing benefit system that have been made previously, some of which were consulted on by the Department for Work and Pensions earlier this year, which were not present in the budget announcement but are worthy of continued consideration.

Alterations to the current system, such as adjusting the taper rate so that the withdrawal rate as households enter work is not so high, have been proposed with the aim of minimising the work disincentives of housing benefit without significantly affecting its main purposes. Although there are convincing arguments that adjusting the taper would create savings in the medium and long term, through addressing the poverty trap, it would undoubtedly require extra expenditure in the short term. In the current context of a government that has committed to reducing expenditure quickly the prospects of seeing adjustments to the taper seem unlikely. Alternative proposals, such as fixed awards and run-ons when people move into work, are less expensive and should still be considered now, as should adjusting the taper if and when the government decides that it is possible to take a longer term view.

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## Supply-side implications

The amendments to the housing benefit system announced in the budget largely fall under the remit of the Department for Work and Pensions (DWP).

Responsibility for the bulk of housing policy, however, sits with the Department for Communities and Local Government (CLG) in England and is devolved in both Scotland and Wales. The impacts of changes to housing benefit on the supply of accommodation (in both the private and social rented sectors) should be of particular concern to ministers responsible for housing, and close working between the departments in the respective governments will be essential.

In the private rented sector, the proportion of landlords who are willing to let to households receiving housing benefit may fall further. As tenants' benefits payments seem even more uncertain than they were previously, the ability of private landlords to finance the acquisition and improvement of homes may be hindered. Private landlords may decide to stop renting to housing benefit recipients altogether, if they can find alternative tenants, making it harder still for benefit recipients to secure accommodation.

The impact on the private rented sector will be further affected, albeit to different amounts across the country, by the decision to peg LHA rates to CPI. In the areas that experience the highest rent increases following the indexation, there is likely to be a substantial increase in the number of people experiencing a shortfall between their actual rent and the amount permitted under the LHA. This in turn is likely to lead to increasing rent arrears and tensions between landlords and tenants, probably with the long term effect of further reducing the supply of properties that landlords are willing to rent to housing benefit claimants.

Similar effects, albeit frequently on a larger scale, will also face social landlords, whose business plans and financial strength are reliant to a large extent on tenants receiving housing benefit. Two elements of the budget will affect social landlords' anticipated income streams: the under-occupation provisions and the 10 percent reduction for tenants who have been claiming Jobseeker's Allowance (JSA) for a year. In both cases the assumed income streams will not now be what was expected. More often than not landlords will have borrowed against their income streams substantial amounts of money from bankers who will be keen to get that money back or to see it re-priced.

## Monitoring and research

The changes to housing benefit that have been announced in the budget are substantial and will have a significant impact on both households and communities. Some of the effects will be the direct cost savings that the government hopes to achieve; however the changes are likely to have other, unintended, consequences. It is essential that the outcomes of the changes are monitored, both in terms of checking whether they meet their expected aims and whether they create unforeseen problems.

The government will need to closely monitor the impact of changes in several areas. The first is homelessness, which the coalition government has promised to “tackle head-on”<sup>16</sup> through a new cross-departmental Homelessness Working Group. As a devolved area, homelessness policies vary throughout the UK, so the coalition government announcements relate to England. The Scottish Government, for example, has been committed to dealing with homelessness since 2005, when a ministerial statement was issued on the aim of “abolishing priority need by 2012”<sup>17</sup>. The devolved administrations will similarly need to monitor the effects of the changes.

Secondly, the Secretary of State for Work and Pensions has highlighted the problems of the ghettoisation of poverty.

Thirdly, other areas of public spending, such as health, education and criminal justice will need to be closely monitored to ensure that the changes to housing benefit are not leading to increased expenditure in these areas.

Monitoring of the discretionary housing payment (DHP) could help detect potentially harmful situations arising. DHP is typically paid by local authorities to help households at risk of homelessness. Rapid increases in the use of this payment, or changes in its pattern of use, could indicate incidents of homelessness that are only narrowly being avoided. At present, local authorities are not required to give a breakdown of how DHP is used; requiring this information to be collected and reported would provide important data for researchers seeking to track the impact of changes to the system.

Monitoring must be undertaken directly by government departments, but also external researchers will need to have access to data to support the government in identifying emerging trends.

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*This paper draws on the discussions held at St George's House, Windsor Castle. Whilst it aims to focus on those areas where broad agreement existed between the participants, who came from a wide range of backgrounds, it does not claim to represent the settled view of every participant on every point. BSHF is very grateful to all those who contributed to those discussions and hence the formation of this paper. Any errors within this paper remain, of course, the responsibility of the authors.*

## Notes

- <sup>1</sup> Duncan Smith, I (2008) preface to Housing Poverty, page 5,  
<http://www.centreforsocialjustice.org.uk/client/downloads/housingpoverty2.pdf>.
- <sup>2</sup> The Guardian and Institute for Fiscal Studies (2010) What has happened to our political system?  
<http://www.guardian.co.uk/uk/datablog/2010/apr/30/factfile-uk-politics#zoomed-picture>
- <sup>3</sup> HM Treasury (2010) Budget 2010, page 48,  
[http://www.direct.gov.uk/prod\\_consum\\_dg/groups/dg\\_digitalassets/@dg/@en/documents/digitalasset/dg\\_188581.pdf](http://www.direct.gov.uk/prod_consum_dg/groups/dg_digitalassets/@dg/@en/documents/digitalasset/dg_188581.pdf).
- <sup>4</sup> The rates were first frozen in 2001-02 but at 2000-01 rates.
- <sup>5</sup> HM Treasury (2010) Budget 2010, table 2.1, page 40. Link as above.
- <sup>6</sup> Browne, J. (2010) Personal taxes and distributional impact of budget measures,  
<http://www.ifs.org.uk/budgets/budgetjune2010/browne.pdf>
- <sup>7</sup> Council of Europe (2008) Housing policy and vulnerable social groups, page 88,  
[http://book.coe.int/EN/ficheouvrage.php?PAGEID=36&lang=EN&produit\\_aliasid=2321](http://book.coe.int/EN/ficheouvrage.php?PAGEID=36&lang=EN&produit_aliasid=2321)
- <sup>8</sup> Housing benefit is the UK's housing allowance for tenants.
- <sup>9</sup> Valuation Office Agency (2010) Emergency Budget 22 June 2010 <http://www.voa.gov.uk/LHADirect/LHA-emergency-budget-news-2010.htm>
- <sup>10</sup> Goodman, H. (2010) Answer to Parliamentary question on 5th March 2010,  
<http://services.parliament.uk/hansard/Commons/ByDate/20100305/writtenanswers/part003.html>
- <sup>11</sup> Beveridge, W. (1942) Social Insurance and Allied Services,  
[http://www.nationalarchives.gov.uk/pathways/citizenship/brave\\_new\\_world/transcripts/bev\\_report.htm](http://www.nationalarchives.gov.uk/pathways/citizenship/brave_new_world/transcripts/bev_report.htm)
- <sup>12</sup> Valuation Office Agency (2010) Emergency Budget 22 June 2010 <http://www.voa.gov.uk/LHADirect/LHA-emergency-budget-news-2010.htm>
- <sup>13</sup> Current legislation requires Rent Officers to take into account reasonable travel time to various facilities e.g. hospitals, schools, shopping. It does not, however, allow Rent Officers to take into account travel to work times which, if they could, may have the effect of making some BRMAs smaller, undermining the concept of "broad" rental market areas. Care would need to be taken in amending legislation to avoid unintended consequences.

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- <sup>14</sup> Harvey, J and Houston, D. (2005) Research into the Single Room Rent regulations, <http://campaigns.dwp.gov.uk/asd/asd5/rports2005-2006/rrep243.pdf>
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