

Local Housing Allowance Final Evaluation:

Implementation and delivery in Teignbridge

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Centre for Housing Policy, University of York

Steve Wilcox

Executive summary

Introduction

This report evaluates the impact of the introduction of LHA on Housing Benefit (HB) administration in the Teignbridge Pathfinder. The LHA regulations brought three key changes to the HB regulations for tenants in the private rented sector (PRS):

- the intention is that, unless exceptional circumstances pertain, LHA will be paid directly to the tenant;
- the allowance level is fixed wholly by household size and income, and bears no relation to the level of the rent charged by the landlord; where the contractual rent is below the level of LHA, then the tenant is able to keep the difference; and
- The Rent Service (TRS) sets the rent for various properties at the mid-point between the highest and lowest reasonable rents for such properties, excluding the extreme high and low rents.

Teignbridge was distinctive as a Pathfinder in having the smallest caseload within the Pathfinder group, and in relying on a relatively small staffing resource to deliver HB services.

The principal question asked of the administrative stream of the evaluation is whether the new regulations offered substantial administrative advantages. Whether this was the case was judged largely through the use of qualitative methods, including interviews with stakeholders within and outside the authority. The interviews, undertaken by Steve Wilcox from the University of York, were completed at the four main evaluation points: February 2004 (Baseline), August 2004 (Wave One), May 2005 (Wave Two) and February 2006 (Wave Three, or Final Wave).

The report begins by outlining the administrative and local contexts within which the LHA was introduced. Chapter three goes on to consider the introductory phase of the LHA, and reviews some issues that were critical in the short-term, but over the course of the evaluation receded in terms of importance. Chapter four reviews aspects of HB administration where, contrary to expectation, little impact was felt. Chapter five assesses the operation of the 'bedded in' LHA regulations. Longer-term, unresolved, issues are reviewed in Chapter six. The final chapter concludes by addressing some thematic questions relating to changes in administration.

National and local contexts

Teignbridge District Council, situated in South Devon, is a largely rural district centered on Newton Abbot, but with a substantial rural hinterland and a series of coastal communities that are dominated by seasonal holiday trade. The general population trend of the District is rapid growth. Unemployment is low in the area, but earnings are also low.

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In terms of housing, Teignbridge has a higher than average owner occupied sector, and a smaller than average social housing sector. A slightly higher than average proportion of households was in the PRS – 13.1 per cent, compared with a Great Britain average of 9.9 per cent at the 2001 census. A higher than average proportion of lets in the PRS is supported by HB. Conditions in the sector can be poor. The principal lettings relating to HB are concentrated in the central core Teign area: in Teignmouth East, a quarter of all households are in the PRS.

Overall, the administrative context for HB/LHA did not change during the course of the evaluation, and remained within the Revenues and Benefits Department, located in Newton Abbot. HB cases across all tenures were dealt with generically by the same assessment team, under the Benefits and Fraud Manager, although 'front desk' services were delivered under the Senior Revenue Officer. There were three principal officers under the Benefits and Fraud Manager: a Senior Fraud and Prosecution Officer, a Senior Benefits Officer and a Senior Benefits and Liaison Officer. Between May 2000 and August 2003, the PRS workload has tended to remain steady, at between 2000 and 2250 live cases.

Teignbridge chose a phased approach to introducing the LHA regulations, and by March 2005 had transferred all its qualifying caseload.

Issues arising from the early stages of implementing the LHA

The early stages of implementing the LHA were characterised by extensive preparation by Teignbridge, including detailed liaison with internal and external stakeholders. Training was provided where required, to agencies including Jobcentre Plus. Letters detailing the new arrangements were sent to tenants and landlords prior to the introduction of the changes.

Teignbridge used Civica software to administer LHA, and found some difficulties in securing adequate provision for split payments. Problems with this aspect of the software were evident immediately, and remained a minor but persistent issue through the course of the evaluation.

Responsibility for overall management of the LHA Pathfinder was given to the Senior Benefits and Liaison Officer, but day-to-day administration of the regulations, including the communication and the devising of ongoing protocols rested with two new appointments under that officer. The two Pathfinder Assistants (PAs) were central to the successful implementation of the LHA. They quickly took over the task of assessing representations under the safeguard regulations, a responsibility which remained with one of the PAs at end of the evaluation period. The processing of routine claims remained with the existing assessment staff.

A high proportion of claimants at Teignbridge were already in receipt of HB before the advent of the LHA regulations: at 60 per cent, this was the highest rate amongst the nine Pathfinders. Many claimants already had use of banking services and, pre-LHA, a tradition had already emerged of cheques being sent directly to claimant's banks. Over the LHA evaluation period Teignbridge introduced measures to make the great majority of payments to claimants through BACS, and before the end of the evaluation period they had arrangements in place for all new and renewed claims to be transferred to the BACS system.

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Difficulties with managing bank accounts had been anticipated before the introduction of the LHA, and the DWP had made resources available to fund money advice posts. At Teignbridge, this resource was lodged internally with the two PAs, who were trained to provide guidance on the opening of basic bank accounts. It was intended for any complex debt cases that emerged to be referred to the local Citizens Advice Bureau, but in the event only a handful of cases were transferred over.

The Rent Service reported few difficulties with the task of providing Local Housing Allowance levels, for the required number of rooms, in advance of the introduction of the LHA. The Broad Rental Market Areas (BRMA) were based on the six existing localities. Although the overwhelming majority of determinations related to the core Teign BRMA, the District of Teignbridge also includes parts of the small elements of the Exeter, Plymouth Environs, South Devon, Tiverton & Crediton and Torbay BRMAs around its peripheries. However altogether these accounted for less than 5% of all determinations.

Business as usual? Examples of the lack of impact of the LHA on HB delivery

The LHA comprised changes to elements of HB regulations, and did not constitute a wholly different way of administering and delivering the benefit. Some changes were anticipated with other parts of HB administration. At Teignbridge, little evidence emerged that the LHA had had an impact on fraud investigation, or the incidence of appeals. While there was no decline in the levels of Discretionary Housing Payments (DHP) following the introduction of the LHA it was considered to have helped to stabilise what would otherwise have been a rising trend of such payments.

Easing the administrative burden? Assessing impacts of the LHA on service delivery

There were three principal areas where it was anticipated that the LHA was intended to have an impact: on the speed of processing claims; on the ease of assisting claimants; and on the operation of TRS. In Teignbridge, there was some evidence of improving processing times, but it was difficult to isolate the LHA as a causal factor, compared to the impact of the ending of routine review periods, and the erratic impact of staff sickness within a small establishment.

Stakeholders were generally agreed that the transparency of the LHA had made advising claimants easier, but no clear evidence was available on any resource implications. Changes to staffing levels at TRS were in evidence, but had been masked to some degree by the ongoing shadow determination exercise, and the use of agency staff.

Delivering the LHA: some continuing issues

The work of the PAs was central to ensuring consistency in the development of appropriate protocols for assessing representations for payments to be made to landlords. Over time, the expertise of the PA

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responsible meant that flexibility could be introduced with regard to the written and oral evidence that was accepted in support of a decision. Ongoing difficulties remained with securing appropriate evidence from landlords of rent arrears. A process of review was in place quickly, since some decisions had been temporary in nature, and reflected short-term difficulties that claimants were having with the opening of bank accounts. By the end of the evaluation period, reviews were taking place routinely.

The incidence of overpayments was also likely to be affected by the LHA regulations, since the majority of payments would be made to the tenants. However as noted above there was already a substantial level of payments to claimants in Teignbridge in advance of the introduction of the LHA, so the change was less dramatic and the council staff were already familiar with the tasks involved in recovering overpayments from claimants. While there was some evidence that levels of unrecovered overpayment increased over the evaluation period, this was largely attributed to the slower rate of recovery from claimants, as compared to landlords. Even at the end of the evaluation period it was judged to early to reach a view on whether there would be any upward movement in levels of irrecoverable overpayments.

A further ongoing issue was assessment of the impact of LHA on the incidence of homelessness. Teignbridge is an area of high housing stress, and difficulties in the market place were considered to be a more telling factor in explaining the increased incidence in levels of homelessness. The local authority had leasing arrangements with private landlords to assist them in providing accommodation to homeless households, and the LHA was seen as being helpful in that context. It was also notable that a small new scheme for homeless households was now planned for development financed entirely through the LHA. This was being undertaken by a non profit organisation (but not a registered housing association), with funds raised on the strength of the anticipated rental income. It was felt that the greater clarity of the LHA scheme had contributed towards the confidence with which this scheme could be planned and funded.

TRS had continued the ongoing task of determining the LHA without substantial difficulties. Concerns relating to the inadvertent inclusion of LHA-supported rents in the market evidence database had begun to abate once the shadow determination exercise began. However, TRS voiced concerns as to the accuracy of its shadow determinations since no access could be secured to the properties involved.

Does the LHA carry significant administrative advantages

The LHA was seen to have considerable advantages in terms of simplicity and transparency, which made it easier to explain the scheme to claimants. It was not, however, considered to have made any significant difference to the wider administration of the housing benefit scheme. The ending of regular review periods, and the erratic impact of staff sickness on a very small staff section were seen as far more significant factors in terms of improvements and fluctuations in processing times.

Chapter 1: Introduction

About this report

This report evaluates the impact of the introduction of Local Housing Allowance (LHA) on Housing Benefit (HB) administration in the Teignbridge Pathfinder. The LHA regulations brought three essential changes to the HB regulations with regard to tenants in the private rented sector (PRS). First, the intention is that the benefit will be paid to the tenant, and that only in specially defined circumstances will the benefit be paid directly to the landlord. Second, the size and quality of the property being rented is not taken into account in deciding the level of payment: the benefit level is fixed wholly by household size and income. Where the contractual rent is below the level of LHA for a given household, they are able to keep the difference. Third, the LHA requires The Rent Service (TRS) to set LHA rates for various sizes of property at the mid-point between the lowest and highest reasonable rents for such properties in an area, excluding the extreme high and low rents.

Although HB regulations are standard across the country, models of administration differ substantially, as does the interpretation of discretionary aspects of the regulations. It is for this reason that the evaluation covers nine contrasting Pathfinder areas, to assess the significance of the introduction of LHA in a range of administrative contexts and so offer a broad basis from which to consider a national roll-out of the scheme. Teignbridge was distinctive in having the smallest caseload of the nine Pathfinders: there were 2,200 private deregulated cases in 2003. However, this number comprised a high proportion of the total HB caseload, at 39 per cent. Leeds, by contrast, had just 12 per cent of its HB caseload in the private deregulated sector.

Perhaps the single key question asked of this stream of the LHA evaluation is whether the new regulations offer substantial administrative advantages in the delivery of HB. In particular:

- Which, if any, aspects of the new regulations have had a substantial impact on administrative efficiency?
- Is the LHA an essentially equitable way of delivering assistance with housing costs?
- Has the hoped-for transparency been achieved with regard to LHA administration? and
- Were there any unforeseen administrative outcomes following the introduction of the LHA?

The evaluation has used largely qualitative methods in order to answer the above questions, in establishing a narrative of implementation from key stakeholders within and outside the local authority.

The structure of the report

This report assesses the introduction and impact of the LHA on HB administration in the Teignbridge Pathfinder. The remainder of this introductory chapter will outline the evaluation method. Chapter two considers three key contexts for the introduction of LHA in Teignbridge: the wider policy framework; housing and labour market demographics in the authority; and its existing HB administrative structure. Chapter

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three considers the introductory phase of the LHA Pathfinder and reviews some of the short-term measures that have reduced in significance over the longer evaluation period. Chapter four reviews aspects of HB administration where some impact had been anticipated, but where change was minimal; and Chapter five discusses the areas where specifically beneficial effects were anticipated. Chapter six reviews the issues that still pertain to LHA administration in the Teignbridge Pathfinder. Chapter Seven concludes by addressing the evaluation question laid out on page 7.

There are some issues relating to terminology that require clarification before proceeding further. The LHA comprises a series of regulations that falls within the existing HB structure, and relates to the benefit as delivered to PRS tenants in the nine Pathfinder areas. Payments to social housing tenants continue outside the LHA regulations, which have not – as yet – been extended to local authorities outside the Pathfinder locations. With the exception of a number of changes that will become evident in the course of this report, many of the existing HB regulations with regard to the administration of the benefit continue to apply. In order to introduce a degree of ‘shorthand’, this report refers to LHA as meaning ‘HB arrangements under the LHA regulations.’

Conducting the evaluation

A number of key groups were recognised as being relevant to the delivery of the LHA, and have been drawn into each wave of the evaluation. These include HB administration officers, other relevant local authority staff, welfare and housing advice organisations both within and outside the local authority, The Rent Service (TRS) and Jobcentre Plus. Administrative variation between each Pathfinder meant that the exact grouping of stakeholders differed, particularly with regard to the number of HB officials contacted. However, in each location, the tranche of respondents remained the same throughout the evaluation. In addition, informal contact was made with landlord groups throughout the three-year period, in order to gain a steer on local implementation issues that they might deem important to the ongoing evaluation. Findings from this part of the evaluation have been fed largely into the landlord stream.

Steve Wilcox, from the University of York, was responsible for conducting the interviews in Teignbridge as part of the broader administration stream of the evaluation, completed under Bruce Walker of the University of Birmingham. The interviews followed a set of topic guides designed for each type of stakeholder, but with some common evaluatory questions. The topic guides, see *Appendix*, were used across all nine Pathfinder areas. However, sufficient flexibility was built into the evaluation to ensure that issues of particular significance in a given area could be pursued.

The interviews were conducted at four stages in the evaluation period. Within Teignbridge, these took place in February 2004 (Baseline), July 2004 (Wave One), May 2005 (Wave Two) and February 2006 (Wave Three). Separate reports on the first three visits were prepared and submitted to local stakeholders for comment. Additional data were added to the Baseline report by the Department for Work and Pensions’ (DWP) own internal monitoring exercise. This final report is based on the three documents plus findings from the last, Wave Three, visit.

Chapter 2: National and local contexts

Introduction

This report considers the national and local contexts within which the LHA was implemented in Teignbridge. The broader benefit context includes changes to the delivery of Pension Credits and Jobseekers Allowance, in addition to non-LHA related changes to HB for PRS tenants. The chapter gives some socio-economic information on Teignbridge, and then considers in more detail its PRS. The chapter reviews HB administration prior to the introduction of the LHA. The chapter ends with a brief description of how the LHA was implemented in Teignbridge.

The wider welfare and housing policy context

This is a note of the main changes in HB and related areas of housing policy since 2003 that may have had an impact on developments in the Pathfinder Areas and its evaluation which began in 2003. This information has been provided centrally by the Department for Work and Pensions.

Changes in Housing Benefit Regulations

Building Choice and Responsibility: A Radical Agenda for Housing Benefit (DWP, 2002) announced the Government's intention to introduce the Local Housing Allowance in the de-regulated private rented sector in nine local authority Pathfinders and also introduced a wide range of measures aimed at improving the administration of HB and Council Tax Benefit (CTB). The rollout of these measures took place between 2002 and 2006 and included the following key changes to the administration of HB which, in the Pathfinders, were implemented alongside the introduction of the LHA:

- 'Benefit Periods' were abolished for Pensioners from October 2003 and for working age people from April 2004. This means that these HB claimants no longer need to reapply for the benefit yearly regardless of whether or not their circumstances have changed. Prior to this change, HB could generally be awarded only for a maximum of 60 weeks, and then had to be reclaimed. This measure was expected to reduce unnecessary form filling for claimants and to reduce the workload of HB administration.
- Entering work was, from April 2004, treated as a 'change of circumstances', and was part of the abolition of benefit periods for working age people. This change meant that a new benefit claim was not required for the vast majority of people moving into work. Instead, entering work was treated as a change of circumstances, requiring a much shorter and less complex administrative process.
- The CTB rule which restricted the benefit available to people in property in bands F, G and H to the benefit available for band E claimants was also abolished in April 2004.
- Alongside the end of review periods for those claiming Pension Credit, people who have reached the qualifying age for Pension Credit (60 years) can have their HB/CTB backdated for a year, or to the date

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at which they reached the age of 60, if that is less than a year, without having to demonstrate good cause for backdating.

- The HB 'run-on' for people starting work was widened in 2004 to include Incapacity Benefit and Severe Disability Allowance claimants. Broadly, the run-on means that people who qualify get their 'out of work' HB/CTB for the first four weeks in a new job. Previously only those on Income Support or on both Job Seekers Allowance and Incapacity Benefit qualified for run-on after starting work.
- Any Tax Credit arrears are treated as capital for benefit purposes from April 2003. Tax Credit awards from April 2005 are taken into account much more simply for HB/CTB purposes by being treated as current income rather than using complicated attribution/ retrospectation rules.
- From October 2002 rapid reclaim procedures were introduced for people returning to HB/CTB after twelve weeks or less. This means that a full new claim is no longer required.

In addition over the same period other changes were made to operation of Jobcentre Plus and in the prevention of HB fraud and error.

Changes in Jobcentre Plus

The Customer Management System (CMS) was first implemented in Scotland in July 2003 and through a dedicated rollout is now moving towards full national implementation alongside the full rollout of Jobcentre Plus services. The aim of CMS is to improve the way in which information is gathered and verified for benefit claims. The way local authorities receive 'passported' claims from the Jobcentre Plus (that is, claims from those entitled to claim JSA) changes under CMS. Any improvements in the speed of processing primary benefit, such as JSA, are expected to have a positive effect on the speed of processing HB/CTB claims. The CMS rollout programme included all, or in some cases only part, of the local authority areas involved in the LHA Pathfinder initiative over the course of the Evaluation period.

Strategies in place to prevent Housing Benefit fraud and error

The Verification Framework (VF) and the Security against Fraud and Error (SAFE) represent major strategies intended to prevent HB fraud and error. SAFE is an anti-fraud incentive scheme which offers subsidies to local authorities for identifying incorrect benefit claims, for correcting those claims and for administering sanctions and prosecutions where appropriate. It is one element of the anti-fraud and error schemes available to local authorities and complements the VF scheme. Together, the two schemes attempt to capture the end-to-end process of prevention, detection and deterrence, and reflect the Department for Work and Pensions' overall strategy of reducing errors and flaws in the administration HB/CTB.

Other administrative changes

There have also been a number of other initiatives aimed at improving the accuracy of HB administration and assessment. These include:

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- Moves to improve data sharing between local authorities and other agencies (Jobcentre Plus, Pension Service, Inland Revenue) to help them assess new claims more accurately and keep up to date with claimants' changes of circumstances.
- The rules on how local authorities take into account New Tax Credits have been simplified to minimise errors. At the same time, non-declarations of such Credits are being identified through data-match referrals to councils.
- Further improvements have been made in the quality of data matches and in the risk scoring processes so that fraud investigators can focus their efforts on those cases with the highest risk of committing fraud. More frequent (monthly) data matches have also been introduced since April 2004.

Homelessness Act 2002

The Homelessness Act 2002 provides greater protection to those in priority need for housing, such as families, and is intended to give people more choice in the housing they receive. This measure constitutes the main part of the government's strategy for tackling homelessness in England and Wales. The Act also extends the priority list to include 16 and 17 year olds, and 18 to 21 year olds leaving care, as well as those fleeing violence. It requires all local authorities to carry out a homelessness review, develop a homelessness strategy for their area to prevent homelessness, and provide accommodation and/or support for people who are, or may become, homeless. The Homelessness Scotland Act 2003 broadly mirrors these provisions for Scotland.

Other, wider, regulatory changes have been introduced through the Housing Act 2004. The provisions of this Act include:

- Powers for local housing authorities to licence Houses in Multiple Occupation (HMOs) with mandatory licensing for larger, higher-risk HMOs and discretionary powers to license smaller, multiple-occupied properties.
- Selective landlord licensing enabling local authorities to tackle low housing demand and the difficulties of anti-social behaviour, and powers to make management orders for PRS properties.
- New property and building regulations, including the new Housing Health and Safety Rating System (HHSRS) to replace the current housing fitness standard.

Considering each of these in turn, in respect of licensing of HMOs, the Scottish Executive initially took the lead in introducing the licensing of houses in multiple occupation (HMO) in Scotland with a rolling approach which is intended to eventually include all three bedroom and larger accommodation. The Housing Act 2004 introduced licensing of HMOs in England and Wales from April 2006 making it mandatory to license larger (three floors and greater), higher-risk HMOs. Local authorities will also have the discretion to extend licensing to other categories of HMOs in order to address particular problems that may exist in smaller properties. These licensing possibilities are reflected in the 'Mandatory' and 'Additional' Licensing Schemes available under the Act.

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The Act also provides for a new definition of an HMO, and limits the scope of licensing and enforcement action (other than in relation to action under the new Housing, Health and Safety Rating System) to certain types of HMOs within that definition.

The Act further extends local authorities' powers to licence and accredit landlords in areas of housing market failure, low demand or neighbourhood decline. Areas experiencing a significant and persistent problem of anti-social behaviour can also be included. Some local authorities have introduced voluntary landlord accreditation schemes to help bring property up to the decent home standards. Landlords who join such schemes are 'accredited' if they agree to meet specified management or property standards and if they abide by that agreement.

The Act also builds upon and extends recent policy changes affecting property and building regulations. These constitute a wide body of measures and interventions in respect of domestic and residential property, and include fire retardant upholstery in furniture in rented property, and tighter control of gas and, more recently, electrical fittings installation, maintenance and replacement.

Landlords operating in all sectors of the market are affected to a greater or lesser extent by these changes irrespective of whether they operate in a Pathfinder area or in the HB sub-sector of the local PRS. It would appear that for some landlords, the implications of the policy changes in respect of licensing in particular are of more concern than the impacts of the LHA.

Teignbridge: essential demographic and economic characteristics

The local authority district of Teignbridge is located in South Devon. It is a largely rural district, centred on the market town of Newton Abbot, and covers 260 square miles. The district lies between Exeter and Torquay, and encompasses the eastern part of Dartmoor and rural areas to the south and east of Exeter. In addition to Newton Abbot, main settlements include Ashburton, Buckfastleigh, Bovey Tracey and Kingsteignton. Parts of both the Exeter and Torbay suburban fringes are also included within the district boundary.

The population of Teignbridge at the 2001 census was around 124,000 individuals in 51,400 households, just over a third of which resided in Newton Abbot. The general trend in terms of population was rapid growth, with high levels of net inward migration, particularly by older households, more than outstripping the outward migration of younger people (aged 15 to 29).

Tourism is a major industry in Teignmouth, with employment opportunities concentrated along the coastal resorts of Dawlish Warren, Dawlish and Teignmouth. However, various public sector agencies are by far the largest employer, and account for 30 per cent of local employment. Teignmouth also has high levels of part time working, and self employment, compared to the averages for the south west and Great Britain as a whole. One in eight of the working age population were self employed, and just over two fifths of all employees' jobs were part time (NOMIS, 2005).

Claimant unemployment is low in the district: in March 2004 there were just 952 JSA claimants in the district, representing 1.4 per cent of the working age population. The comparable rate for the South West

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is 1.6 per cent, and for Great Britain 2.5 per cent. However, weekly earnings tend to be low. In 2003, full-time earnings averaged £366.90 in Teignbridge, compared with £440.60 for the South West and £475.80 for Great Britain.

It should also be noted that a proportion of the residents of Teignbridge are employed outside the district, particularly in the regional employment centres of Exeter, Plymouth and Torbay. In Exeter and Plymouth (but not Torbay) average earnings are markedly higher than in Teignmouth, and as a result the incomes for employees residing in Teignbridge tend to be higher than for those whose employment is located in the district, as shown in Table 2.1.

Table 2.1 Earnings for all adults in full time employment 2002 - 2005

Earnings in Teignbridge	2002 £pw	2003 £pw	2004 £pw	2005 £pw	Change %
Place of residence					
Lowest decile	195.90	204.80	198.20	213.50	9.0
Lower quartile	245.70	260.00	255.20	265.30	8.0
Median	340.60	346.70	346.20	367.40	7.9
Mean	381.00	392.90	405.50	423.30	11.1
Place of work					
Lowest decile	195.40	210.30	212.90	213.60	9.3
Lower quartile	254.00	262.90	254.70	259.50	2.2
Median	324.90	347.50	346.10	359.90	10.8
Mean	359.80	371.90	377.90	381.70	6.1

Source: Annual Survey of Hours and Earnings.

Note: Figures are for those in full time employment.

The housing market in Teignbridge

The housing market in Teignbridge is characterised by a very high rate of home ownership and private renting, and a very low level of social housing, relative to other areas in the south west, as well as for England as a whole, as can be seen from Table 2.2.

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Table 2.2 Proportion of tenures in Teignbridge in 2001

Tenure	Teignbridge	South West	Great Britain
Owner occupiers	76.9	74.7	69.6
Privately rented	13.1	11.4	9.9
Local authority	7.5	7.2	13.8
Housing association	2.5	6.7	6.7

Source: Census 2001 & ODPM.

While overall some one in eight dwellings in Teignbridge was in the private rented sector in 2001, a far higher proportion of smaller dwellings were located in the sector, as can be seen in Table 2.3.

Table 2.3 Dwelling size by tenure in 2001

Tenure	Number of Rooms						
	1 & 2	3	4	5	6	7	8 (+)
Owner occupiers	26.1	39.9	67.7	78.2	85.5	92.6	94.4
Local authority	8.7	18.6	11.2	8.3	5.8	1.7	0.5
Housing association	14.1	9.2	3.5	2.2	0.5	0.4	0.4
Private rented	51.2	32.3	17.7	11.3	8.2	5.4	4.7
Total (Percentage)	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total (Number)	1,173	3,867	11,351	12,986	9,451	5,300	7,298

Note: Private rented includes those living rent free.

Source: Census 2001.

Teignbridge, in common with much of the country, experienced rapid rises in house prices over the last decade. While house prices in Teignbridge are very similar to those in neighbouring Exeter and Torbay, and close to the regional average, the affordability issue is more acute in Teignbridge as a result of the lower levels of local earnings. A study based on 2004 house prices and earned incomes found Teignbridge to be the twentieth least affordable local authority area in Great Britain (Wilcox, 2005).

Table 2.4 shows how house prices for two and three bedroom dwellings in Teignbridge have increased over the years from 2003 to 2006.

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Table 2.4 House prices in Teignbridge

Year	2 Bedrooms Purchase price (£)			3 Bedrooms Purchase price (£)		
	Mean	Percentile 25	Percentile 10	Mean	Percentile 25	Percentile 10
2003	125,252	99,750	89,100	169,121	123,250	105,450
2004	143,920	116,750	95,000	187,489	144,000	123,300
2005	148,814	123,500	104,400	199,744	160,000	141,400
2006	160,600	132,000	122,800	210,090	164,475	143,000

Source: Survey of Mortgage Lenders/Regulated Mortgage Survey.

The private rented sector in Teignbridge

Table 2.5 illustrates the proportion of households in the PRS in the district's 25 wards. The table indicates that the PRS in Teignbridge is unevenly distributed within the district. Both Buckland & Milber and Ippleden wards have fewer than 5 per cent of households in the PRS, but a quarter of residents in Teignmouth East were renting privately. Nonetheless among the LHA areas, the private rented sector in Teignbridge was characterised as being relatively dispersed.

A high proportion of the private rented sector housing stock is in poor condition on a variety of measures. A 2002 stock condition survey commissioned by the local authority found that half of the dwellings in the private rented sector failed to meet the governments' 'decent homes' standard.

There is also a concentration of dwellings, many being houses in multiple occupation, with fire hazard issues in the Teignmouth area.

There were, however, very few reports of harassment or illegal eviction. The council relies on the PRS to provide accommodation to help meet housing needs, particularly through its Private Sector Leasing (PSL) and Rent Deposit schemes. The proportion of lettings in the PRS is supported by HB payments was broadly in line with the national average; although it was at the lower end of the range within the LHA areas.

The District's housing strategy aims to engage positively with private landlords, both through its PSL scheme, but also through its aim to launch a far wider voluntary Landlords Accreditation Scheme. As part of that approach it holds an annual Landlords' Conference, and routinely consults with landlord representatives. The primary local representative body for landlords (and their agents) is the South Devon Residential Landlords Association (SDRLA), although its members predominantly own and manage properties in neighbouring Torbay. Roughly a fifth of the properties owned or managed by SDRLA are located in Teignbridge. The SDRLA has an established and largely positive relationship with Teignbridge council, through its engagement in the PSL programme and other council initiatives, and this predates the discussions leading up to the Local Housing Allowance Pathfinder.

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Table 2.5 Households privately renting in Teignbridge by ward (2001)

Ward	All households	PRS households*	PRS as % of all households
Buckland & Milber	3,002	116	3.9
Ipplepen	1,039	51	4.9
Bishopsteignton	1,114	76	6.8
Kerswell with Combe	2,397	197	8.2
Ambrook	2,158	180	8.3
Haytor	1,130	97	8.6
Kingsteignton East	2,439	221	9.1
Teignmouth West	2,092	193	9.2
Bradley	2,095	200	9.5
Kingsteignton West	2,260	219	9.7
Kenn Valley	2,366	242	10.2
Teignbridge North	1,205	132	11.0
Teign Valley	1,049	116	11.1
Kenton with Starcross	1,310	149	11.4
Dawlish South West	2,164	249	11.5
Bovey	3,329	395	11.9
Chudleigh	2,244	284	12.7
Teignmouth Central	1,987	252	12.7
Shaldon & Stokeinteignhead	1,083	140	12.9
Ashburton & Buckfastleigh	3,230	470	14.6
Dawlish Central & North East	3,506	511	14.6
Moorland	1,190	195	16.4
Busheil	2,540	436	17.2
College	2,185	396	18.1
Teignmouth East	2,286	580	25.4
Teignbridge	51,402	6,097	11.9

* Excludes 'Rent Free'.

Source: Census 2001.

Pre-LHA Housing Benefit administration and workload

At the Baseline stage of the evaluation, the HB service was located within the Revenues and Benefits Department, which formed part of the wider Finance and Housing Division of Teignbridge District Council, and was based at the council offices at Forde House in Newton Abbot. This situation did not change during the course of the evaluation. The Benefits and Fraud Manager was responsible for most of the staff engaged in HB work, except for generic reception and interviewing staff who – under the Revenue Manager – deal with all customer enquiries for the Revenues and Benefits Department. Designated staff members within the interviewing team have responsibility for HB queries. A Welfare Visiting Officer, lodged under the Senior Fraud and Prosecution Officer, undertakes home visits if required by applicants.

Three senior HB officers reported to the Benefits and Fraud Manager. These were two Senior Benefits Officers, with responsibility for verification and assessment, and a Senior Fraud and Prosecution Officer, who oversaw fraud, welfare, and the 'Twilight' Team. This latter team was introduced just prior to the evaluation period, and operated after closing hours. Its task was to photocopy all new postal applications arriving that day. These applications were then placed on the desk of the appropriate Benefits Assessor for their attention on the following working day. The assessment workload was allocated on an alphabetical basis, without any tenure or geographical division. This method was regarded as a good way to ensure an even mix of cases for each assessor in terms of complexity. This method was also deemed appropriate given the relatively small size of the overall team. A broad skill base for all assessors made it easier to reassign work at times of peaks and troughs for individual assessors, or to cover holidays or illnesses.

In terms of staffing number, the Senior Fraud officer led a team of three Fraud investigation officers; 2.9 FTE Revenue and Benefits assistants and 1.4 FTE Administrative Assistants. Under the two Verification and Assessment Officers, there were 5 full-time Senior Assessors, 10.8 FTE Benefits Assessors and 2.4 FTE Benefits Assistants. It is evident that the use of part-time staff was extensive throughout HB administration, in particular with regard to the Twilight Team. In total, the Benefits and Fraud Manager oversaw 35.475 FTEs.

The Revenue and Benefits section, which dealt with generic enquiries including interviewing for HB cases, had 15.25 FTEs, but these dealt with both revenue and benefit matters.

In terms of workload, the HB section processed 7,266 new claims during 2002/3 and 11,600 repeat claims. A total of 24,758 changes in circumstance were also logged. A quarter of the new claims cases were from PRS tenants, as were 17.5 per cent of the repeat claims. Around five pre-tenancy determinations were dealt with each week. The PRS caseload has tended to be steady, and between May 2000 and August 2003 remained at between 2000 and 2250 cases at any one time.

Prior to the introduction of the LHA, it was estimated that 40 per cent of HB payments were being sent directly to the landlord. It was felt that this percentage reflected the preference of tenants, and of landlords who sometimes insisted that the payment be made to them. Officers generally felt that the tenant should be able to exercise some degree of choice, and that circumstances should not arise where the tenant had no clear link to the payment of their rent.

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Under the pre-LHA HB arrangements, the rents set by PRS landlords were referred to TRS for determination of the eligible rent. Rent officers would set a limit on the level of rent that would be met by HB, if it was deemed too large for the claimant's needs, or if the rent was above the Local Reference Rent (LRR) for the property size.

Introducing the LHA in Teignbridge

Under the LHA regulations, Pathfinder authorities could choose one of two approaches to introducing the new regime: a 'big bang' or a 'phased' approach. Under the big bang approach, the authorities set a date at which to transfer all their PRS claims onto rates as re-set under the LHA. A period up to six months was then taken to transfer payments to claimants: the shift took place on change of circumstances or review of a benefit claim. Under the phased approach, all new claimants were immediately assessed and paid according to the LHA regulations, and existing claims were transferred onto the scheme when a change of circumstances affected the claim, or when the claim was subject to the annual rent officer review.

Teignbridge chose to adopt a phased approach from 12th January 2004. The transfer of cases in the first few months was steady. By the end of June, 2004, 1,133 LHA claims had been processed, comprising 424 new claims, and 709 existing cases converted to the LHA scheme. Together, these claims account for around half the total Teignbridge PRS HB caseload. By March 2005, all the qualifying cases had been transferred to the LHA scheme, and the phasing project was deemed to be complete.

It should also be noted that the local housing stock in Teignbridge was transferred into the ownership of Teign Homes at the beginning of 2004. This change had a number of implications for the local council, and led to the re-organisation of the sections dealing with the 'retained' housing functions of the council. It also represented a major operational change for the housing benefit section in Teignbridge, that had to be addressed at the same time as the introduction of the LHA.

Shortfalls and excesses

One of the key characteristics of the LHA is that it is set at a flat rate level unconnected to the contractual rent paid by the claimant, and that as a consequence it could be either higher or lower than the contractual rent. Compared to the pre LHA regime it was also more generous; claimants would either get the same level of assistance (in cases where previously the eligible rent was only constrained by the Rent Service LRR or SRR determinations), or more generous assistance (in cases where the contractual rent was below the LHA, or the eligible rent might have been restricted by other Rent Service determinations).

Table 2.6 shows that prior to the LHA 55% of all PRS claimants received housing benefit based on an eligible rent lower than their contractual rent, and in those cases the average shortfall was £21 per week. Following the introduction of the LHA the proportion of claimants facing a shortfall fell to 45% at Wave 1, and to 37% by Wave 3. In those cases with a shortfall the average shortfall was also lower, at £16-17 over the three waves of the evaluation.

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Table 2.6 Shortfalls and excesses in Teignbridge

(Difference between contractual rents and LHA and eligible rent levels.)

Shortfall or Excess	Baseline	Wave 1	Wave 2	Wave 3
Shortfall (% of cases)	55	45	41	37
Shortfall (£ pw)	21	16	16	17
Excesses (% of cases)	-	53	58	62
Excesses (£ pw)	-	17	18	19

Excesses did not arise under the pre LHA regime, but at Wave 1 53% of all LHA claimants were receiving payments based on a LHA level in excess of their contractual rent, and by Wave 3 this applied to 62% of all claimants. The average level of excess in those cases rose slightly from £17 per week at Wave 1 to £19 per week at Wave 3.

LHA and Jobcentre Plus in Teignbridge

The local Jobcentre Plus service was located in Newton Abbot for almost all the evaluation period. The boundaries of the service are not quite co-terminus with the District boundary, but all Teignbridge cases fell under the Newton Abbot Office jurisdiction. The first point of contact for customers was a telephone contact centre in Torquay. Claim packs are sent from the centre, including housing benefit claim forms. The Newton Abbot office has 100 staff, half of which complete customer interviews. Staff members are expected to give initial advice on housing benefit eligibility, and to pass on cases and applications to the HB office. However, dealings with HB are not considered to be a central function of the Jobcentre Plus service, and staff members generally have no substantive training on the benefit.

Prior to the introduction of the LHA, new application forms had been circulated to the Jobcentre Plus office, and awareness sessions had been completed with Jobcentre Plus staff. There were concerns that the central Jobcentre Plus computer had not been modified to take the new regulations into account, but local staff had devised a procedure to work around that constraint. There were also concerns – that remained evident in the first two waves of the evaluation – that centralised Jobcentre Plus offices were unlikely to send out benefit application packages that were modified for Teignbridge customers needing LHA forms rather than more standard HB forms.

Nonetheless the local JobCentrePlus staff interviewed in Newton Abbot were very positive about the LHA, and the improved liaison with the local council housing benefit service that had resulted from the councils consultations and preparation for the introduction of the LHA. They were supportive of the principal of the LHA being paid to claimants, as this corresponded with their own objective to increase the proportion of claimants with bank accounts. Indeed they found the leaflets produced by Teignbridge about bank accounts very useful in their own work. They also appreciated the simplicity and relative transparency of the set LHA rates, and felt that this made it easier for them to explain the housing benefit scheme to claimants, and also made it easier for them to illustrate to claimants the potential financial advantages of taking up a job.

Chapter 3: Issues arising from the early stages of implementing the LHA

Introduction

This chapter considers the main issues arising during the early stages in implementing the LHA in Teignbridge. It is important to chart the early experiences during the implementation of new regulations, in order to assess how far alternative approaches may or may not ameliorate the impact of change. Aspects of initial implementation may also carry longer-term consequences for the success or failure of new initiatives.

Implementation of the LHA was expected to carry resource consequences for the Pathfinders, and so additional funding was made available to support the establishment of a dedicated Pathfinder Team in each location, working within HB administration. In addition, further resources were made available to fund the provision of money advice services – delivered by local Citizens Advice Bureaux (CABx) to boost the support that would be available to claimants who would be made responsible for paying the rent themselves. Thus, key early implementation issues included: liaison between Teignbridge District Council and other stakeholders; adapting IT to meet the new regulations; reviewing HB administration; increasing the availability of money advice; and preparations made by TRS.

Inter-agency liaison

At the beginning of the implementation process, Teignbridge District Council produced a detailed LHA Implementation Plan template, which broke down the various tasks to be undertaken (Appendix 1). The Plan included the scheduling of meetings with DWP centrally, the District's HB software provider, TRS, the local CAB, Jobcentre Plus, the Pension Service, local banks. Focus groups were also scheduled with landlords and tenants. In addition to the meetings, information leaflets were printed and circulated, and specific training sessions were offered to staff at JobCentre Plus and other relevant agencies. The stakeholder interviews that were completed with many of these agencies indicated that the meetings and training sessions were generally valued, and had taken place in the context of a good level of communication on the new regulations.

Letters were also drafted to all tenants and landlords in receipt of HB in the weeks prior to the introduction of the LHA. Full information was included on the safeguards that would be set up to prevent long-term rent arrears, and examples were included of circumstances in which an individual might be regarded as vulnerable, and where the option was then introduced of switching the payment to the landlord.

IT issues

The IT system used by Teignbridge through the course of the evaluation was provided by Civica, and had been in place since 1991. The system covered both housing and council tax benefits. At the Baseline stage, the system was considered to be user-friendly and easy to understand, but with some limitations. For example, the system did not readily generate management reports.

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Prior to the introduction of the LHA, it was felt that the software had been adequately adapted, with the exception of the processes relating to split payments between landlord and tenant. Split payments occur when the landlord is being paid directly, but there is an excess in the payment that has to be paid to the tenant. A workaround had been devised as a short-term measure, with each case being dealt with manually by a Senior Assessor.

However, by Wave One this issue had still not been resolved, and the IT system was still unable to make two payments – one to landlord and one to tenant – for a single claim. It was felt that the number of instances where split payments were an issue was relatively low, since where the landlord was in receipt of the LHA directly as a consequence of arrears, all the LHA was being paid to the landlord, in order to reduce the arrears. However at February 2006 67 split payments were being made, and it was not until shortly after the conclusion of the LHA evaluation period that this issue was finally resolved.

LHA and HB administration

The LHA was adopted within the existing HB administrative framework using a both existing staff and new appointments. By the time of the Baseline visit, one of the Senior Housing Benefit and Liaison Officers had been given lead responsibility for LHA implementation. Two Pathfinder Assistants (PAs) were appointed under this officer, specifically to deal with the development, implementation and operation of the Pathfinder. The PAs were given special training on money management advice. Where tenants were having difficulty, these officers would be able to offer some assistance, although more complex debt cases would be referred to the CAB. As the Pathfinder continued, the PAs developed the appropriate protocols for vulnerability and arrears safeguards, and maintained a strong position as a first port-of-call contact for queries relating to the new regulations.

The assessment of LHA applications was undertaken by the existing Benefit Assessment officers, who were given guidance on the initiation of vulnerability investigations, which were then passed to the PAs.

Payments to claimants

The presumption that tenants should take responsibility for paying their rent is a key feature of the LHA. It is thought that tenants with direct control of their rental payment are more able to 'shop around' the PRS for property to suit their purposes. The ability to keep any excess LHA above the contractual rent is an added incentive, intended to introduce stronger competition amongst housing suppliers and so drive up standards.

One consequence of the regulations is the requirement for claimants to arrange a method to accept the LHA payment. The preferred method, from an administrative perspective, is to make the LHA payment into a claimants' bank account. The greater use of bank accounts by claimants carries further advantages in terms of extending financial inclusion to this group, and offering opportunities to order weekly and monthly budgeting through the use of direct debits. However, many claimants face difficulties in opening accounts. First, banks are often unwilling to make available basic accounts, which is all that is required for

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benefit purposes; second, some tenants do not have the identification documents – for example, driving licenses and passports – as are now required by banking regulations; third, less settled tenants have frequent changes of address, and often live in HMOs where they are unlikely even to have a utility bill confirming their identity.

It should be noted that a high proportion of claimants in the District were already receiving the HB payment themselves, and many already had use of banking services. The Jobcentre Plus had also been running a programme of encouraging claimants to open bank accounts, and by June 2004 68% of their claimants had bank accounts (against 30% before they started their initiative). By May 2005 there had been a further substantial increase in the proportion of claimants with accounts, and they had met their internal target of 92 per cent of claimants with accounts.

The District had hoped to be able to make the majority of its LHA payments through BACS, but it had not been possible to set up arrangements in time for the LHA start date. By Wave Two, one of the two Pathfinder Assistants was taking principal responsibility for increasing the incidence of payments by BACS. By the end of April 2005, the phased transfer of cases to BACS payments had begun, initially involving some of the larger landlords. By the end of June in the same year, all new cases and cases coming up for review were automatically transferred to BACS payments.

It should be noted that at Teignbridge, before the advent of the LHA it had already been the case that cheques were often sent direct to the claimant's bank. By Wave Two it was reported that only five per cent of the total LHA caseload had payments that involved clients using cheque encashment services, receiving open cheques, or where clients were known not to have a bank account. In addition to moving towards more BACS payments, the Pathfinder Assistants continued to encourage claimants to open basic banking accounts.

The provision of additional money advice

At the Baseline stage, the Citizens Advice Bureau in Newton Abbot had recognised an increased potential for tenants being unable to manage their rent payments, compounding the levels of multiple debt cases, as well as increasing the number of simple rent arrears cases. However, the District Council took the decision to provide money advice services itself, centrally, through the appointment of two Pathfinder Assistants. These Assistants could offer help with the opening and management of bank accounts, in particular, to advise customers on the time it took for cheques to be cleared. The Assistants tended not to deal with more problematic debt cases. It was intended for these cases to be referred on to the Citizens Advice Bureau.

By Wave One of the Evaluation, it had become evident that little use would be made of the CAB referral service. By the end of February 2005, 28 claimants had been referred to the service, and only five had taken up the offer of advice. The CAB had itself run an advertisement in the local newspapers offering assistance to households facing difficulties with landlords 'owing to the Pathfinder Project', but had had no self-referred cases as a consequence.

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The Rent Service: Early preparations

The Rent Service team covering the Teignbridge area was based at the Exeter office. The office dealt with four adjoining district councils, and the Teignbridge work comprised around eighteen per cent of their workload. At the Baseline stage, the team had six Rent Officers and 4.4 FTE support staff. Prior to the introduction of the LHA, Teignbridge included six localities, and these formed the basis of the new Broad Rental Market Areas (BRMAs). The core Teign area accounted for over 95 per cent of the determinations, with a further 3.5 per cent related to the Exeter BRMA. The remaining BRMAs together comprised less than one per cent of the total.

By the time of the Baseline visit, TRS had established draft LHA levels for the different localities within Teignbridge. Immediately prior to the introduction of the LHA in January 2004, the draft amounts were updated. Table 3 gives the draft figures as set out in December 2003. Statistical data on determinations in the immediately preceding period were not available, but it was indicated by TRS that the LHA rates in each of the BRMAs corresponded with the previous LRR levels.

Table 3.1 Mid point weekly private rents in December 2003 (£pw)

Area	Shared	2 rooms	3 rooms	4 rooms	5 rooms	6 rooms
Teign	53.30	76.50	101.00	121.50	136.50	145.00
Exeter	55.50	89.50	114.00	136.50	141.00	170.50
Plymouth Environs	50.50	81.50	98.50	111.50	124.50	139.00
South Devon	51.50	85.00	104.00	123.00	130.00	153.50
Tiverton & Crediton	50.00	77.50	93.00	117.00	124.50	142.00
Torbay	54.00	82.50	115.50	125.50	143.00	162.50

Source: Exeter Rent Service.

As can be seen from Table 3.1 the rent levels in the Teign BRMA tended to be higher than those in some adjacent BRMAs (Plymouth Environs and Tiverton & Crediton), but lower than in other areas (Exeter). For some areas the relative position also varied by size of dwelling (South Devon and Torbay).

At the Baseline stage, TRS regularly reviewed rents in their areas. A great deal of effort was devoted in collecting information on rents for the sector as a whole, rather than for just the sub sector let to housing benefit claimants, from lettings agents, newspaper advertisements and individual landlords. The data informed both their views on individual determinations, and the levels at which they set local reference rents and single room rents for each locality. Their data on private market rents was updated continuously. While they undertook a comprehensive exercise to review the levels of LRRs and SRRs every three months, they could revise them on a monthly basis if their market data suggested that there had been a significant market shift in the intervening months.

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Individual determinations were usually made within five working days. In many cases they would already be familiar with the property from previous referrals. Property inspections would only be made if they were unfamiliar with the property, or equivalent properties in the immediate vicinity. The time and budgetary pressures under which TRS operates were also a constraint on the number of occasions that they could undertake a property inspection. As has been indicated, the team usually dealt with around five Pre-Tenancy Determinations each week from the Teignbridge area, and these were usually turned around within two days.

At the earliest stages, it was not thought to be likely that the LHA would have a substantial impact on the work of TRS at Exeter. The Teignbridge caseload formed less than twenty per cent of the work of the office. It was anticipated that ongoing assessment of shadow determinations, which would be undertaken as part of a monitoring process for the LHA, would replace the PTD tasks.

Chapter 4: Business as usual? Examples of the lack of impact of the LHA on HB delivery

Introduction

This chapter considers three areas of work where some change might be anticipated, but where in fact little alteration to existing practice took place: the incidence of fraud; Discretionary Housing Payments; and appeals. It also considers the slight rise in the number of claimants in the PRS over the evaluation period.

Fraud

At the Baseline stage, the main forms of fraud encountered related to tenant misreporting of employment and living circumstances. Substantial landlord fraud was rare. Detailed information on fraud cases was not kept prior to October 2003. It was not anticipated that the LHA would introduce any changes to the overall scale and character of fraudulent activity in Teignbridge. The District had introduced a 'no redirection' policy on letters it sent containing LHA cheques, although it had had only three returned as a consequence.

Even by Wave Two, no noticeable impacts had been felt on fraud investigation in the District. A more important development had been the cessation of review periods, and the introduction of more targeted interventions in respect of cases where fraud was deemed to be most likely.

While it was considered that the introduction of the LHA, with the levels of payment based on the size of the households, should logically reduce any incentive for households to fail to declare non dependent members of the household, there was no evidence to show that there had been any change in practice over the evaluation period.

Discretionary Housing Payments

At the Baseline stage, Teignbridge had clear procedures for dealing with Discretionary Housing Payments (DHPs). These procedures indicated the kinds of circumstances where a claim would be accepted, and the variety of factors that were to be taken into account. Expenditure on DHPs in 2002-3 was £33,679, which was 87.8 per cent of the available central government provided budget. Prior to the LHA, payments on DHPs had not been split by tenure, so it was not possible to offer categorical statements about payment patterns over time as they related to the PRS.

No immediate impact was felt on the process of administering DHPs in the first few months of the evaluation, although the majority of cases awarded related to LHA cases, reflecting the probable high number of PRS HB cases prior to the LHA. A typical case might be a household needing an additional room for health reasons. By the time of the Wave Two visit, the level of payments had remained unchanged, and no issues specific to the operation of DHPs emerged for the remainder of the evaluation period.

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In overall terms, however, the council officers took the view that without the introduction of the LHA numbers of DHPs would have been likely to rise over the LHA evaluation period, rather than remaining fairly steady. This view was based on a council initiative to increase the use of DHPs that preceded the introduction of the LHA.

Appeals

In theory, the introduction of the LHA should have a positive impact on the incidence of appeals, since the regulations should introduce a degree of transparency. Where claimants and landlords are aware of the levels of benefit payable, then appeals with regard to decisions on rent levels should reduce; in addition, appeals by landlords against overpayments would also drop substantially since the majority of payments would be made to claimants. In 2003 there were 111 appeals against benefit decisions, which represented – roughly – around one appeal for each 180 cases. The appeals led to 60 revisions to benefit decisions. A total of 55 cases proceeded to formal appeal to the independent tribunal; 23 of those cases were struck out.

By Wave One, it was noticed that there had been a reduction in the number of appeals, but it was commented that this trend downwards had become evident by October 2003, before the introduction of the LHA. In the first few months of the evaluation, only one case that clearly related to the LHA had gone through the appeal procedure, and related to the reduction of an LHA rate for a particular property type in one of the BRMAs. By the end of the evaluation period, the operation of the LHA had not indicated that any change needed to be made to the existing appeals procedure.

Housing benefit caseloads

Prior to the introduction of the LHA landlords' representatives in Teignbridge, as elsewhere, expressed strong concerns about the payment of the LHA to claimants, and suggested that some landlords and agents would consequently be less likely to let to claimants.

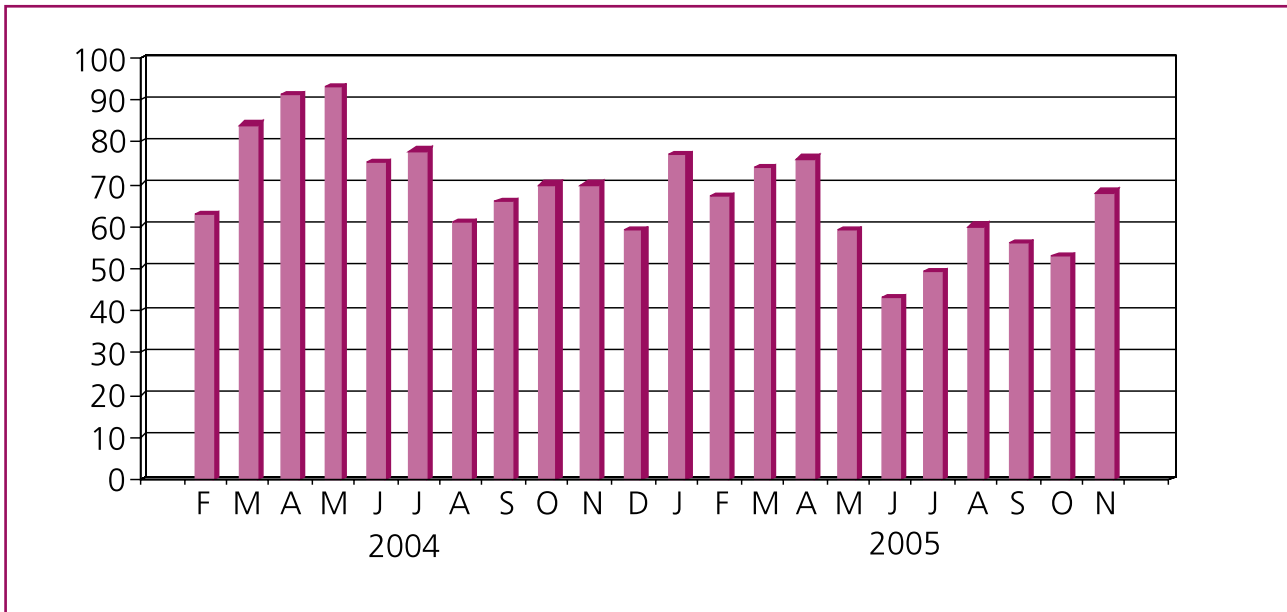
By the end of the Pathfinder period in January 2006, 3,227 LHA claims had been processed by Teignbridge, comprising 1,600 new claims, and 1,627 existing cases converted to the LHA scheme.

In overall terms there was a small increase in total PRS cases (both LHA and non LHA) in Teignbridge over the evaluation period from 2,400 in November 2003 to 2,600 in February 2006. More generally the number of PRS cases in the LHA areas as a whole grew by 18% over that period, compared to a rise of 16% for all areas in Great Britain. The rise in caseload levels in Teignbridge was, however, rather lower than the national average.

In that context Figure 4.1 shows that there was a small reduction in the number of 'new' cases being dealt with over the Pathfinder evaluation period. However in part this reduction reflects the changes in the rules defining 'new cases', and cannot be taken in isolation to suggest any impact of the LHA on the proportion of claimants able to secure accommodation in the PRS.

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Figure 4.1 Monthly flow of 'new' LHA cases



Note : Excludes January 2004 which was a 'half month' and December 2005 which was a 'one and a half' month.

While it is clear from local discussions, and the results from the landlord survey, that the lettings behaviour of a very small minority of local landlords and agents did change following the introduction of the LHA, this did not prevent an overall increase in the overall numbers of claimants able to secure and maintain tenancies in the PRS, albeit that the increase was proportionately lower than in all other Pathfinder areas except Conwy.

Chapter 5: Easing the administrative burden? Assessing the impacts of the LHA on service delivery

Introduction

This chapter considers a number of areas where it was anticipated that the introduction of the LHA would have a positive impact on the administration and delivery of HB. The chapter considers the processing of claims; assisting claimants with the LHA; and the staffing levels at TRS.

Processing claims

One intention of the new regulations was to 'streamline' the processing of LHA claims, principally by taking away the requirement of local authorities to pass each case to TRS for a rent determination. It was hoped that the introduction of the new regulations would reduce the amount of time required to process each claim.

In the case of Teignbridge, it is not easy to establish whether this improvement was evident. A number of changes took place to HB administration during the course of the evaluation, one of which was the ending of review periods for all cases from April 2004. One consequence of this change was a restructuring of the administration of LHA at Teignbridge. The assessment team was split into two teams, one dealing with new claims, update queries and fraud assessment, and the other concentrating on intervention activities. This change has created some difficulties in isolating the impact of the LHA on processing times over the evaluation period.

Prior to the introduction of the LHA, processing times at Teignbridge had tended to fluctuate. In the fifteen quarters from June 2000 to December 2003, the average number of days taken to process a new PRS claim varied from a low of 32 to a high of 53. The average processing time to deal with a change of circumstance was less varied over the same period, with averages between five days and eleven days. Prior to the LHA, Teignbridge was – according to performance scores collected and published by the DWP - above average in terms of its processing times. Slight dips in performance had been recorded, but were generally ascribed to staff sickness.

Table 5.1 indicates the distribution of processing times for all new LHA cases, from receipt of the HB claim form, over the quarters of the LHA evaluation. Figure 5.1 shows the change in average processing times over the same quarters, both in respect of new claims and changes of circumstance.

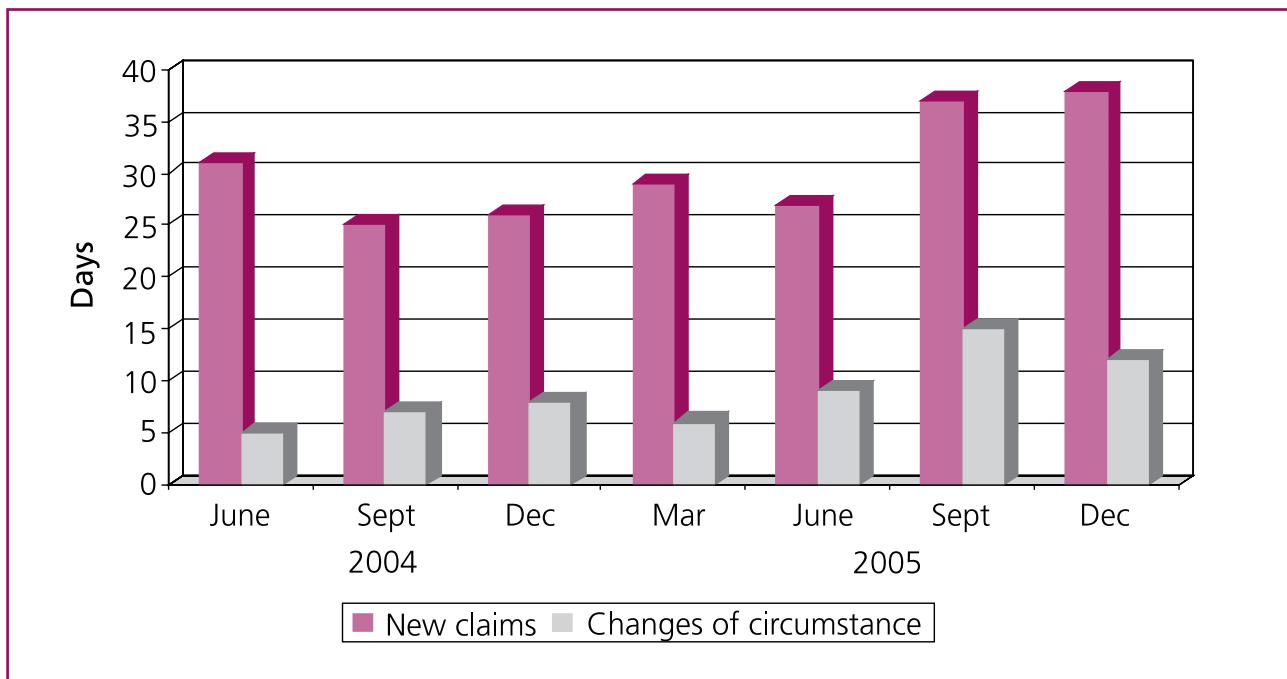
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Table 5.1 Processing times for new claims

Days taken to process new LHA claims, as percentage of claims (from receipt of claim form)				
	1-10 days	11-21 days	22-45 days	46+ days
May 2004	11%	12%	54%	23%
September 2004	17%	20%	48%	15%
April 2005	24%	22%	38%	16%
September 2004	15%	20%	48%	15%
January 2006	4%	13%	54%	29%

Source: Teignbridge District Council LHA monthly monitoring reports.

Figure 5.1 Changes in average processing time



Source: LHA Pathfinder Management Information System.

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Table 5.1 and Figure 5.1 both indicate some difficulties in effecting a consistent reduction in processing times. Teignbridge District Council is not a large local authority, and the number of staff dedicated to processing tasks is relatively small. As a consequence, the impact of long-term sickness can be disproportionate, and this has certainly been felt amongst the staff dealing with the LHA at Teignbridge. In addition, the transfer of social housing from the District Council to a transfer association has meant working with a new landlord to deliver HB to social tenants. At the very end of the evaluation period, an electronic document management system was introduced, which eased the process of case allocation.

By the end of the evaluation period it was uncertain how far the LHA itself had had a positive impact on processing times, and how far the changes in performance should be ascribed to other factors. The view of the officers is that the introduction of the LHA had not had any significant impact. While the LHA regime no longer required rent determinations to be obtained from The Rent Service this had not been a factor in delaying processing times, as other dimensions of the claim assessment were undertaken in parallel. The ending of review periods was considered to be a far more positive factor in assisting with the reduction in average processing times in 2004, while staff sickness was identified as the factor leading to the increase in processing times in 2005.

Assisting claimants with the LHA

One aspect of the LHA that was generally reviewed with favour was the fact that it introduced a degree of transparency and so became easier to explain to claimants. It was not possible to collect data on the staffing resource directed to the task of interviewing claimants for HB who came in person to the DWP offices at Newton Abbot, since the task tended to merge with other advice services. However, all the agencies that had responsibility for advising clients indicated that conveying information on the LHA was more straightforward in comparison with the previous system.

The Rent Service

The introduction of the LHA had seen a reduction in the workload of Rent Officers at TRS in Exeter with responsibility for Teignbridge cases. The reduction in workload had been offset by an increased activity in collecting market evidence, by reallocating work relating to other local authorities, and by staff shortages: there had been a centralised ban on recruiting new staff members. Locally, TRS considered that staffing expenditure had been increased by the need to use temporary staff, which would certainly be required once the shadow determination exercise began.

Once the shadow determination exercise got underway there was very little difference in the overall workload in connection with Teignbridge. While the shadow determinations were slightly less demanding of TRS time, those savings were offset by the additional work noted above. The local TRS managed the fluctuations in workload around the delays in the commencement of the shadow determination exercise by flexible working within their teams, which covered more than one local authority area, as well as through the use of temporary staff.

Chapter 6: Delivering the LHA: Some continuing issues

Introduction

This chapter considers some of the longer-term issues relating to the delivery of LHA. These included elements of the administration of the safeguards; the rising incidence of rent arrears; uncertainty with regard to the impact on overpayments; the role of the LHA in relation to homelessness and the homeless service; and issues relating to the setting of the LHA rates for the city.

Administering the safeguards

It has been indicated that the PAs retained the role of principal liaison with regard to the new regulations, and devised the working practices around the implementation of the safeguards relating to vulnerability and rent arrears. By Wave One of the evaluation, the vast majority of representations on payments to claimants related to either vulnerability or rent arrears, although even by Wave Two there were still a small number of cases where either landlord or claimant had misunderstood the regulations and had applied without grounds for so doing. One of the PAs assessed each representation. Again by Wave One, some concern was being expressed that a number of cases seeking a vulnerability decision were being forwarded without supporting evidence either from a care worker, GP or other source. Although the PA were proactive in seeking information, it was often found that clients were 'falling through the net' to reappear later as arrears cases.

One point of tension emerged with local GPs making a formal representation to the council indicating their unwillingness to co-operate with the provision of evidence to support vulnerability assessments. As a consequence, the PA simply stopped using this route to secure information. This situation had changed by the time of the Wave Two visit, and it became possible for the PA to approach some GPs, albeit on selected cases rather than routinely and to secure oral rather than written evidence. Jobcentre Plus reported positively on the ability to pass on information to the PA about the vulnerability of particular clients, which was accepted on the judgement of the Jobcentre Plus staff without need for further investigation.

In addition, it was not always straightforward to secure from landlords the kinds of information needed to support a claim for rent arrears. Steps were taken to disseminate information on the information needed, through the local small landlords association. Even by the Wave Two visit, difficulties were still being encountered on this issue. Letting agents were generally better able to produce rent account documentation for particular tenants, but some landlords were still unaware of the need to keep up-to-date rent books. In order to contain difficulties with excessive rent arrears building up, landlords were being encouraged to contact the local authority before arrears had reached eight weeks, in order for direct payments to the landlord to be introduced as soon as the eight week period had been reached. An early representation from the landlord also prompted the PA to contact the claimant to remind them to pay the rent. This contact could help the Pathfinder Assistant assess whether in fact the claimant could be deemed vulnerable.

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By the Second Wave of the evaluation, the PA had built up sufficient expertise and experience to judge cases on the basis of minimal supporting evidence. Often it was possible to confirm information through telephone contact with the claimant, or a home visit. Nevertheless, there remained a preference for obtaining written documentation where possible and where the process would not impose unacceptable delays. The principle had emerged of being flexible with regard to assessment, not drawing any rigid boundaries on the types of evidence that would be excluded from the decision-making process. It was also the case that by the Wave Two visit, the assessment process had started to identify cases where a tenant had a history of rent arrears.

There were generally high levels of satisfaction with the work of the PA. Both PAs had been introduced on the understanding that many of their tasks related to 'bedding in' and the development of appropriate protocols. However, by the end of the evaluation period, it had become clear that their work was central to the ongoing successful implementation of the new regulations. The PAs offered to both landlord and tenant the opportunity of better access to information on the progress of claims affected by the safeguard arrangements. At the end of the Pathfinder period, central revenue support would no longer be available to support these posts, and decisions would have to be made about staffing resources around the long-term delivery of the LHA. Even if resources could be found to continue at least one post, questions remain about the concentration of almost all LHA expertise – particularly relating to the operation of the safeguards – with one individual.

The rising incidence of rent arrears

Table 6.1 indicates the proportion of payments made to landlords over the course of the evaluation period. At the beginning of the evaluation period, it was estimated that 60 per cent of payments were made directly to the claimant. At the end of the evaluation, in February 2006, the figure was 92 per cent. However, there was evidence over the period of a modest upward trend in the proportion of payments being made to the landlord.

Table 6.1: Payments made to the landlord

	Vulnerability [no.]	Arrears [no.]	History of arrears [no.]	Total number	Proportion of LHA payments to landlord [%]
March 2004	8	4		12	Not available
May 2004	31	16		47	4.0
September 2004	67	30		97	5.0*
January 2005	104	24	6	134	7.1
April 2005	112	31	9	152	7.6
January 2006	120	33	22	175	8.4

* This figure is for August 2004, and is taken from an administrative data report supplied by the council at Wave One. Other data are taken from monthly reports.

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The figures indicate that the nature of payments to landlords is gradually shifting, and that as the proportion of payments due to vulnerability has declined from 78 per cent in January 2005 to 69 per cent in 2006, so the payments due to arrears and history of arrears has increased. Although the rent arrears proportion has remained roughly stable, shifting from 18 to 19 per cent between January 2005 and January 2006, the proportion of claimants with a history of rent arrears has risen substantially, from 5 per cent to 13 per cent in the same period.

While the HB section were rigorous in their interpretation of the 8 weeks rent arrears rule as a basis for making payments to landlords, at the same time when notified of rent arrears at an earlier stage they would consider whether there were grounds for making payments to landlords under the vulnerability and history of arrears provisions. In that context it is clear that the HB section became far more ready to apply the history of arrears provisions over the course of the evaluation period.

Payments to landlords as a consequence of arrears were being kept under review. By the First Wave of the evaluation, two or three reviews had already taken place, and procedures were in place to diarise all cases for review after a twelve month period although this period could be shorter if so requested by the claimant. Direct payments to landlords were suspended in cases where the payment of the full LHA over time had reduced the standing arrears to below the eight week arrears level. As expertise in the area of administering payments to landlords, it became more routine for written documentation to be sought in the weeks prior to a case review being due, in order to prevent undue delays to the process.

The review procedure had become routine by the time of the Wave Two visit, and some 15-20 reviews were taking place monthly. A tenth of the review exercises resulted in a termination of the arrangement to pay LHA to the landlord, often because the arrears amount had been reduced to below the eight-week level. In some cases, payments to landlords had been put in place as a temporary measure, in order for the claimant to have more time to open a bank account, and once that task had been settled, then the payment started to be made to the claimant.

All these measures would act to minimise the number of cases of arrears, since active steps were being taken to review and remove no longer valid cases of arrears from the system of payment to landlord. However, despite these measures, the arrears cases were increasing, as were the numbers of claimants who were being recognised as having a history of arrears.

Overpayments

At the Baseline stage, the only overpayments data that were available conflated both PRS and housing association tenancies. In the five quarters between September 2002 and September 2003, a total of 679 overpayments were detected in the HB caseload. Of these, 69 per cent were for overpayments of over £20 a week. It was considered that most overpayments were arising as a consequence of unreported or belatedly reported changes of tenant circumstances, rather than being due to deliberate fraud. However, overpayments were pursued vigorously. In 2002-3, just £10,746 of overpayments were written off, representing 5.8 per cent of the outstanding overpayment.

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Any impact of the LHA on the recovery of overpayments has been slow to be felt. In part, this is due to the fact that reporting on overpayments takes place quarterly. However, the increased proportion of overpayments cases relating to tenants has meant a change in procedures. At Wave One more proactive steps were being taken to recover overpayments from other DWP benefits, as well as making deductions from ongoing HB payments. It was noted that the incidence of overpayments might reduce, overall, since the possibility of overpayments being generated as claimants move from one address to another is reduced where the payment has been standardised according to household size.

By the time of the Wave Two visit, an audit had been taken, demonstrating an increase in the proportion of unrecovered overpayments. The first quarter of 2004/5 indicated a recovery rate of 66 per cent, compared with 75 per cent in the period immediately prior to the introduction of the LHA. However, the audit did not lead to any revision in practice. Although it is possible to take steps to recover overpayments from ongoing welfare payments to claimants, the processes is slower, since the weekly amounts recoverable are small, and the amount of time needed to recover large overpayments can be protracted.

Indeed the housing benefit staff attributed a large part of the increase in the levels of unrecovered overpayments to that slower rate of recovery from tenants, as opposed to recovery from landlords. The long term impact on the level of arrears written off as unrecoverable was not therefore expected to fully reflect the rise in levels of currently unrecovered overpayments.

At the same time the recovery officers still felt that even at the completion of the Pathfinder period it was early days in the operation of the LHA in terms of trying to assess the full potential long term impact of the LHA on recovery operations. They were, however, clear that they would be looking at this carefully as they did their regular quarterly monitoring over the coming years.

Homelessness and the LHA

In Teignbridge, the PRS constitutes both a cause of housing problems and a solution to difficulties in accessing social housing. At the 2001 census, social housing accommodated around ten per cent of households, compared with a national average of 21 per cent. Many households in the PRS would prefer to rent from the council: prior to the introduction of the LHA, a high proportion of the households on the council housing register were private tenants. Difficulties in sustaining PRS tenancies were evident. Well over 40 per cent of all homeless applications to the council followed the termination of shorthold tenancies. One causal factor may be that conditions in the PRS in Teignbridge are poor relative to the other tenures. At the Baseline stage, the District was considering the introduction of a landlord accreditation scheme. At the same time, the District was actively pursuing Private Sector Leasing (PSL) as a way of alleviating local housing need.

Homelessness services in the District were subject to some change immediately prior to the Pathfinder, and from January 2004 have been delivered from a merged Housing and Environmental Health Department. The Pre-Tenancy Services team dealt with homelessness, operating a generic service split geographically – East and West. The Pre-Tenancy Services team had been briefed on the introduction of the LHA, but had anticipated that the impact of the regulation change would be minimal. However, there was some concern that the regulations would reduce the number of landlords willing to let property to the District under its PSL scheme. Overall, it was felt that the LHA carried some advantages to tenants, in promoting financial literacy.

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Welfare advice agencies in Teignbridge were unable to point to any direct consequences of LHA with regard to homelessness, beyond mentioning rare anecdotal instances of difficulties. For example, one tenant had approached the CAB because their landlord had issued a notice to quit as a consequence of rent arrears. The arrear had arisen because the account into which it had been paid had an overdraft.

There are some difficulties in isolating the possible impacts of LHA on homelessness in Teignbridge as a consequence of a number of changes, including the transfer of all social housing stock in February 2004 to Teign Housing, a transfer association. By the time of the Wave Two visit in May 2005, pressures on homelessness services were deemed to have increased. Factors leading to the increase included wider housing market pressures and rising house prices leading to some landlords selling their property.

However the local authority housing department did not itself view the LHA as a contributory factor to more pronounced problems with homelessness in the area. On the contrary, it was generally considered that the LHA had made it easier for claimants to undertake searches for appropriate property. It was also notable that a small new scheme for homeless households was now planned for development financed entirely through the LHA. This was being undertaken by a non profit organisation (but not a registered housing association), with funds raised on the strength of the anticipated rental income. It was felt that the greater clarity of the LHA scheme had contributed towards the confidence with which this scheme could be planned and funded.

While the local authority staff were very positive in their views of the LHA there are some concerns relating to the lack of any informed external review on the impact of the LHA on the incidence of homelessness, particularly given the highly pressurised nature of the local housing market.

Determining the LHA

The Rent Service had continued the task of reassessing the LHA for all property types in each of the six BRMAs, and some shifts in rent levels were evident over the LHA evaluation period, as seen in Table 6.2, which shows the changes for the Teign BRMA that forms the dominant part of the Teignbridge local authority areas.

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Table 6.2 Weekly LHA levels, and increases in LHA levels, in the Teign BRMA from December 2003 to January 2006

	Shared	Two rooms	Three rooms	Four rooms	Five rooms	Six rooms
LHA Levels (£ per week)						
December 2003	53.00	76.25	101.00	121.50	136.50	145.00
January 2005	60.00	82.00	109.00	131.00	148.00	160.00
January 2006	62.00	90.00	116.00	131.00	150.00	160.00
Increase in LHA levels between December 2003 and January 2005						
£ pw increase	9.00	13.75	15.00	9.50	13.50	15.00
Percentage increase	17.0%	18.0%	14.9%	7.8%	9.9%	10.3%

While in some cases, and especially for smaller dwellings, the increases were substantial, the TRS indicated that the increases reflected wider market trends, and not any specific impact of the LHA. While TRS and council officers were aware of a small number of individual cases where landlords had moved their rents towards the published LHA levels, there was no evidence of any substantial change, or any wider impact on overall market rents.

Moreover it was also the case that there were broadly similar levels of increase in the LHA rates in the BRMA areas that extended into the peripheries of Teignbridge, but that predominantly covered areas outside of Teignbridge, and where the LHA would not have been a factor. This can be seen in Table 6.3 below, which sets out the percentage increase in LHA levels over the evaluation period in the peripheral BRMAs. It is nonetheless noticeable that the increase in LHA levels in the Teign area was higher than the other BRMAs in respect of the one and two room dwellings, where HB claimants are a higher proportion of the total market.

Table 6.3 Percentage increase in weekly rental costs, January 2006 compared with December 2003 (%)

	Shared	Two rooms	Three rooms	Four rooms	Five rooms	Six rooms
Teign	17.0%	18.0%	14.9%	7.8%	9.9%	10.3%
Exeter	16.2%	16.2%	14.0%	8.4%	19.1%	22.0%
Plymouth Environs	14.9%	9.2%	5.6%	11.2%	11.6%	12.2%
South Devon	16.5%	10.6%	14.4%	7.7%	17.7%	5.5%
Tiverton & Crediton	16.0%	11.0%	20.4%	13.7%	20.5%	18.3%
Torbay	14.1%	15.2%	3.9%	8.4%	7.7%	5.2%

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TRS expressed some concern at the loss of access to individual property referrals, although they had increased the pursuit of market information from letting agents, and from newspaper and shop window advertisements. One difficulty remained, which was the lack of information on whether a particular rent was being supported by HB. In the majority of cases, without actual evidence one way or another, Rent Officers had to make a judgement themselves. The shadow determination exercise was delayed because of IT difficulties relating to the transfer of cases, but once it started it became evident that the market database had not been overly distorted by LHA-supported cases. There was some concern relating to the accuracy of the shadow determination exercise, since the officers could make no internal inspection of properties, and in particular were hampered in judgements made about multi-occupation properties.

There is also a question about the complexities arising from having six BRMA areas in respect of one local authority area, especially given that five of them only relate to the peripheries of the district, and only account for less than 5% of the total LHA caseload in Teignbridge.

Without in any way questioning the judgement of The Rent Service in drawing the BRMA boundaries on the basis of their judgment of housing markets, there is a clear administrative and policy case for considering some alignment with BRMA boundaries with local authority boundaries where this would not have any significant market consequences. The delivery of the LHA in Teignbridge would have been far simpler and transparent if they had only to deal with a single set of LHA rates for their whole area.

Chapter 7: Does the LHA carry significant administrative advantages

There are a number of dimensions to the administrative arrangements of the LHA that need to be considered to assess whether or not the LHA regime carried significant administrative advantages, and these have all been discussed in the preceding three chapters. This chapter draws those discussions together and focuses on the key questions set for the evaluation exercise.

Which, if any, aspects of the new regulations have had the greatest impact on the way in which the benefit is administered in terms of key areas such as the speed of claim processing, the detection of fraud and the incidence of overpayment?

While overall the LHA was considered to have some administrative advantages in relation to claim processing they were not considered substantial. It was also difficult to reach firm conclusions on this in Teignbridge due to the way the housing benefit section was organised, with caseloads initially distributed alphabetically, and then on a daily basis, rather than on the basis of either tenure or geography. Beyond the specialist pathfinder assistants the administration of LHA cases was effectively merged with the wider administration of housing benefit for claimants in all tenures.

Nonetheless the transparency and simplicity of the LHA regime was considered to be a positive factor in the administration of the scheme, both in making it easier to explain the scheme to claimants, and reducing queries from claimants around the level of payment they would receive. This benefit was seen to extend beyond the direct administration of the scheme, and was also appreciated by the local authority homeless staff, and the JobCentrePlus staff.

The cessation of the requirement to refer cases to The Rent Service was also seen as a bonus, albeit that during the course of the evaluation period shadow referrals were required for the purpose of the evaluation. In the case of Teignbridge this was not, however, seen as a factor that would have a significant impact on overall processing times, as in virtually all cases the time taken by the Rent Service to make determinations did not impact on the overall processing time; rather it removed one processing task that ran in parallel with other processing tasks that typically took longer to conclude.

The variations in performance in terms of processing time in Teignbridge over the evaluation period were seen to be primarily related to the positive impact of the cessation of regular review periods, and the irregular impact of staff sickness, which was difficult to manage within a very small establishment; the LHA was not considered to have had any significant impact.

Clearly the change to make payments predominantly to claimants rather than landlords led to a major change in the administration of payments, and involved the new tasks relating to vulnerability and rent arrears, and the decisions as to whether and when payments should be made to landlords. While these new tasks were time consuming and challenging they were not seen as a negative in terms of the speed of processing. These issues only arose in a minority of cases, and did not cause delays to payments being made, even if in a very small number of cases it took some time to reach a decision on whether it would be appropriate to make the future payments to the landlord.

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The housing benefit staff did not consider that the introduction of the LHA had had any noticeable impact on the detection of fraud, and at the end of the evaluation period felt it was still too early to reach a judgement on issues relating to the recovery of over payments. While the recovery process from tenants was considered to be slower, they were not clear that there would be any long term impact on levels of irrecoverable over payments.

Is the LHA in practice essentially equitable (fairer) as a way of delivering assistance with housing costs?

This question is essentially seeking a philosophical value judgement from the local authority staff and other involved parties. The clear view from the housing benefit, and other local authority staff, was that it was a fairer system, and supported both the key elements of the LHA scheme – the flat rate payments, and the presumption that payments should normally be made to claimants.

Against that there was some disquiet about the minority of cases where claimants received payments that were very substantially higher than the level of their contractual rent. There was also seen to be very little difference between the LHA and mainstream regimes in terms of the more restricted level of assistance provided to single people under 25.

Will it be possible to replicate practices relating to the setting of the LHA across all types of market?

Teignbridge is a relatively pressured housing market, with both house prices and rents at relatively high levels compared to local incomes. It is also an area where the housing benefit sub sector is a relatively small and dispersed part of the wider private rented sector. The local staff felt that the scheme worked well in Teignbridge. There were some concerns expressed, however, that landlord responses to the LHA could be more problematic in areas where the housing benefit sub sector dominated the local market.

Had the hoped for transparency with regard to the LHA administration been achieved, and have any administrative consequences that were unforeseen come to light during the evaluation period?

As indicated above the relative simplicity and transparency of the LHA regime, and the relative ease with which it could be explained to claimants was seen as a major advantage of the scheme, and one that was successfully delivered. It would have been that much easier still if only a single LHA rate had applied across the whole of the local authority area.

There were no major unforeseen administrative consequences that came to light during the evaluation period. It had not been fully anticipated that there would be difficulties associated with obtaining doctors views on vulnerability. Nor had it been anticipated that it would take so long to resolve the IT issues in respect of split payments.



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