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**Living with the LHA:
Claimants experiences after fifteen
months of the LHA in the nine
Pathfinder Areas**

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Glossary

In this report the following terminology is used:

List of Terms used in this report

Automated Credit Transfer (ACT) – A method of paying money directly from the Local Authority to the recipient’s bank or building society account.

Appropriately-occupy – Claimants whose accommodation matches the DWP size criteria (see **size criteria** below).

Contractual rent – The rent charged to the tenant by the landlord for a property.

Deficit – Claimants have a ‘deficit’ if their Housing Benefit amount (i.e. the amount they receive after adjustments for income or non-dependents) is less than their contractual rent.

Direct payments/paid direct – Refer to payments made to the claimant (not the landlord).

Eligible rent – the maximum amount of Housing Benefit (see below) a claimant could receive based on the circumstances of the tenant, the locality in which they live and a range of restrictions applied by a Rent Officer (i.e. before adjustments for income or non-dependents). In the Pathfinders the LHA is equal to maximum eligible rent.

Excess – When LHA (i.e. the maximum eligible rent before income and non-dependent based adjustments) is more than contractual rent a claimant is said to have an excess.

Gain/Gainers – Gainers are claimants whose eligible rent is higher under the LHA assessment than it would have been under the non-LHA assessment of eligible rent. The size of the gain is the difference between the two assessments.

Housing Benefit – Sometimes called rent rebate or rent allowance. It is a benefit that is paid by local authorities to assist people to pay their rent. The amount that claimants receive depends on their financial and personal circumstances. It may not cover all of their rent. In Pathfinder areas, claimants are paid the reformed benefit i.e. LHA.

Housing Benefit amount – Refers to the amount of LHA or Housing Benefit that claimants receive after adjustments for income or non-dependents.

Housing Benefit in Payment – This is the amount of Housing Benefit received by the claimant after Income and Non-Dependent Deductions have been made from Eligible Rent.

Local Housing Allowance rate (LHA) – This is a flat-rate allowance towards rent costs that is calculated on the basis of the circumstances of the tenant and the broad area in which they live. It is the maximum amount of Housing Benefit a claimant could receive, before any income or non-dependent based adjustments are made. Set at maximum eligible rent in the Pathfinders.

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Management Information (MI) – Statistics collected by DWP from Local Authorities for LHA evaluation.

New first-time claimants – Claimants who claimed Housing Benefit under LHA for the first time.

New repeat claimants – Claimants who were not receiving Housing Benefit immediately before being switched to LHA, but who had received Housing Benefit in the past.

No gainer – A claimant is a ‘no gainer’ if their eligible rent is the same under the LHA and non-LHA assessments.

Notional loss/losers – A claimant has a ‘notional loss’ if their eligible rent is lower under the LHA assessment than it would have been under the non-LHA assessment of eligible rent. The size of the notional loss is the difference between the two amounts. These claimants are described as notional losers. Existing claimants who would have lost when the LHA was introduced are transitionally protected and continue to be entitled to the higher amount of eligible rent, frozen at the time of introduction of the LHA.

Over-occupy – Claimants who live in property that is deemed to be smaller than their entitlement under the DWP size criteria (see size criteria, below).

Rooms – The number of ‘rooms’ is the number of habitable rooms in the property (excluding kitchens, bathrooms and toilets) that the tenant has access to. In cases of shared accommodation, this does not include rooms that are used solely by the other tenants.

Shortfall – When LHA (i.e. the maximum eligible rent before income and non-dependent based adjustments) is less than contractual rent, a claimant is said to have a ‘shortfall’.

Size criteria – The ‘size criteria’ are applied by the Rent Officers to calculate the number of bedrooms and living rooms that a claimant is entitled to. LHA rates are based on this entitlement.

The conditions are as follows. One room is allowed as a bedroom, for:

- a married couple;
- a single person aged 16 or more;
- two children of the same sex under the age of 16;
- two children (of the same or opposite sex) under the age of 10;
- a child under the age of 16.

In addition, living rooms are allocated as follows:

- one, if there are one to three occupiers;
- two, if there are four to six occupiers;
- three, if there are seven or more occupiers.

Surplus – Claimants have a ‘surplus’ if their Housing Benefit amount is more than their rent.

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Top up – A rent ‘top up’ is paid by a claimant whose Housing Benefit amount is less than their rent.

Transitionally Protected – A Transitionally Protected HB claimant is a person whose eligible rent under the LHA assessment would have been less than under the non-LHA assessment when the LHA was introduced. They continue to be entitled to the higher amount of eligible rent, frozen at the time of introduction of the LHA.

Under-occupy – Claimants who live in property that is deemed to be larger than their entitlement under the DWP size criteria (see size criteria, above).

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Executive summary

Introduction

As part of its reform of Housing Benefit, the Government has introduced, in selected local authority areas, a Local Housing Allowance (LHA). This is payable to low income tenants in the private rented sector. The overall aim of LHA is to empower tenants by giving them more choice over, and responsibility for, their housing decisions. Associated with this, LHA aims to promote fairness, transparency and simplicity and to increase work incentives. The Department for Work and Pensions has commissioned an evaluation of LHA in nine local authorities, or Pathfinder areas. The evaluation design includes surveys which track claimants on LHA over a period of two years after its introduction in each Pathfinder area. This report presents findings from administrative data, the survey baseline and the first two waves of interviews with claimants, and covers the period up to fifteen months after the start of LHA in each Pathfinder area. The report draws on contributions by researchers from the Centre for Research in Social Policy and the National Centre for Social Research as well as analysts from the Department for Work and Pensions.

The survey data compares the nine Pathfinder areas with the three Control areas. The DWP administrative data compares the nine Pathfinder areas with the three Control areas and a further six areas. These nine areas (the three Control areas and six additional areas) are referred to as Comparator areas.

Claimant Profile

- The profiles of the groups of respondents surveyed in the Pathfinder and Control areas were reassuringly similar although Pathfinder claimants tended to be more highly qualified and were more likely to be in paid work. That these very modest differences stand out shows that the survey samples provide not only useful descriptive data on the characteristics of Housing Benefit/LHA claimants but, importantly, a stable basis to assess the effects of the introduction of LHA.

Accommodation Characteristics

- Pathfinder claimants were generally living in slightly smaller homes (measured by number of rooms per person) than their counterparts in Control areas. In both areas, moving home between Wave 1 and Wave 2 was associated with an increase in the average number of rooms per person. In Pathfinder and Control areas alike, movers tended to think that their new home was more suitable than their old accommodation in terms of number of rooms, number of bedrooms, and (to a lesser extent) the size of the rooms. Movers were also more likely to say that no repairs were needed to their current property, with this response being more common in the Pathfinder areas than the Control areas.
- The findings suggest that, in general, Pathfinder claimants were not choosing to move to smaller, less suitable properties in order to keep some of their Housing Benefit amount for other purposes.

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Moving History

- At Wave 1 and Wave 2 the percentage of claimants who moved was similar in Pathfinder and Control areas. As yet, there is no evidence to suggest that LHA has impacted on the number of housing moves.
- Younger claimants were more likely to have moved between Waves 1 and Wave 2 than older claimants. Couples with children were most likely to move and single people and those in other multi-person households least likely to.
- There was no evidence that claimants in Pathfinder areas were looking to find accommodation at a level set by their LHA allowance. The reasons given for moving were similar in both Pathfinder and Control areas. Where claimants had moved between Wave 1 and Wave 2, there was no difference in the proportions who felt '*amount of rent was a factor in moving out*' between Pathfinder and Control areas at Wave 1.
- The findings suggest that LHA has not impacted on the perceived supply of good housing choices.
- Within Pathfinders, the 60 per cent reporting contracts of six months or less at Wave 2 (and the 61 per cent at Wave 1) represented a notable increase relative to the Baseline (49 per cent). This was balanced by a reduction in the percentages who did not have a fixed-term contract and those with a fixed-term contract of over 6 months. Within the Control areas, the tenancy agreements remained stable over the Baseline and survey waves.

Payment and Arrears

- Over four-fifths of Pathfinder claimants had direct payments at Wave 2; however, this level is slightly lower than at Wave 1. This may reflect the direct payments moving towards equilibrium.
- Most claimants who received landlord payments preferred that option while most of those who received direct payment preferred direct payment. The most common reason for preferring the landlord payments was that claimants did not want the responsibility of handling the rent themselves. Conversely, the most common reason for preferring direct payments was to have more responsibility or control over their finances. Younger claimants were more likely to have asked for landlord payments.
- The survey data showed that nearly all (91 per cent) Pathfinder claimants had access to a bank or building society current account by Wave 2. Pathfinder claimants who had opened one since Wave 1 were roughly twice as likely as Control claimants to have opened it to receive their Housing Benefit. This suggests that the efforts of the Money Advice Service to persuade Pathfinder claimants to open bank and building society accounts had a positive effect. In Pathfinder areas, there was an increase in claimants receiving direct payments into their bank or building society account between Wave 1 and Wave 2. In Control areas, this had remained stable over the two waves.
- Overall, very few survey claimants had been at least two weeks in arrears during the survey. When the payment method is taken into account, claimants who receive direct payments are more likely to have been up to date with their rent than claimants who have landlord payments. Claimants who were in arrears most commonly attributed their situation to problems relating to LHA/Housing Benefit, although this had reduced by Wave 2, particularly in Pathfinder area. Unemployment was also commonly cited as a reason for rent arrears. Again, by Wave 2, it was cited less frequently by claimants.

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- The most common way to pay landlords was using cash, followed by direct debits or standing orders, and cheques. Given the high percentage of claimants that received direct payments into their bank or building society accounts, cash seems an unusually popular choice to pay the landlord. It is possible that this was driven by the landlords' preferences, not that of the claimants. It could also be the case that claimants need support to encourage them to use the facilities of bank accounts if they have no previous experience of using them. This has implications for the financial inclusion agenda and may have consequences beyond the introduction of LHA because recipients of other benefits may be experiencing similar barriers to accessing the full range of modern financial services.

Future Decisions

- There was little change between waves among claimants in Pathfinder and Control areas in their desire to move and the likelihood that they will move. However, movers in both areas were much less likely to say they would like to, or need to move at Wave 2.
- At Wave 2, Pathfinder movers were less likely to want to move to larger accommodation than they were at Wave 1.
- Work expectations also appear to have stabilised among both Pathfinder and Control claimants in paid work in that they both became more likely to expect to work for the same employer. The largest increase occurred in the Control areas.

Household Finance and Financial Well-Being

- Claimants became relatively better off in both Pathfinder and Control areas between the two waves.
- Income Support, Council Tax Benefit and Child Benefit were, by a considerable margin, the three most commonly claimed benefits and tax credits claimed at both waves. Council Tax Benefit showed the biggest increase in take up between the two waves. Control claimants were more likely to claim Council Tax Benefit than their counterparts in the Pathfinder areas, particularly at Baseline and Wave 1.
- The level of indebtedness rose and then stabilised in Pathfinder areas between Baseline and Wave 2. The pattern was more volatile in the Control areas during the same period. At Wave 2, Control claimants were more likely to be in arrears than Pathfinder claimants. This was also the case for the subset of claimants who had not moved between Wave 1 and Wave 2.
- Pathfinder claimants were more likely to have credit, charge or store cards than those in Control areas at each wave.
- Non-movers in both areas were less likely to take out loans than claimants who had moved. They were also more likely to be able to repay the loans that they had taken out. Pathfinder claimants were generally more likely to be able to repay the loans they had taken out than their Control counterparts.
- The likelihood of having savings accounts, assets or investments fell and then rose again between Baseline and Wave 2 in Pathfinder and Control areas. In the mover and non-mover groups, the number of claimants having savings accounts, assets or investments increased considerably between Wave 1 and Wave 2.

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- In both Waves, more Pathfinder claimants felt better off compared with a year ago than their Control counterparts. Pathfinder claimants were more likely at both waves to cite a change in LHA/HB as a reason for making them feel better off and less likely to cite this as a reason for making them worse off.

Eligible and Contractual Rents, and HB Amounts in Payment

- LHA has had a substantial impact on Housing Benefit amount, particularly immediately after its introduction in the nine Pathfinder areas.
- LHA substantially increased average eligible rent and Housing Benefit payment amounts. The two data sources (survey data and administrative data) showed that average weekly eligible rents increased by over one-quarter between Baseline and Wave 2 in the Pathfinder areas, compared to around five per cent in Comparator areas. There was, however, no evidence of an impact on contractual rent. By Wave 2, these had increased by approximately five per cent since Baseline in both Pathfinder and Comparator Local Authorities.
- There was some evidence that claimants were increasingly occupying accommodation appropriate to their LHA room entitlement.
- The proportion of claimants with a shortfall between their eligible and contractual rent fell from 58 per cent to 39 per cent. However, over one-third of LHA claimants were still subject to shortfalls averaging £7 a week at Wave 2.
- Approximately, seventy two per cent of claimants gained as a consequence of the introduction of LHA. For claimants with children, at least 80 per cent gained.

Conclusions

Claimants appear to be increasingly occupying accommodation appropriate to their LHA room entitlement. In general, they are not moving into less suitable accommodation in order to keep part of the Housing Benefit amount for other purposes. Overall, claimants appear to be managing to cope with budgeting and paying their rent themselves while at the same time gaining access to modern banking services. However, the impact of LHA on work incentives is, as yet, unclear.

Chapter 1: Introduction

As part of its reform of Housing Benefit (see Glossary for description of terms used in this report), the Government has introduced, in selected local authority areas, a Local Housing Allowance (LHA). This is payable to low-income tenants in the private rented sector. The Department for Work and Pensions (DWP) has commissioned an evaluation of LHA in nine local authorities, or Pathfinder areas. The evaluation design includes a longitudinal study of a cohort of LHA claimants over a period of two years after the start of LHA in each Pathfinder. This report presents findings from administrative data and the first two waves of interviews with claimants, and covers the period up to fifteen months after the start of LHA in each Pathfinder¹. This report draws on contributions by researchers from the Centre for Research in Social Policy and the National Centre for Social Research and analysts from the Department.

The Aims of the Evaluation

The overall evaluation has three main aims:

- To test the extent to which LHA fulfils its objectives;
- To identify any unintended consequences of LHA; and
- To identify any major operational issues and so inform the design of any national scheme.

Policy Context

The background

Housing Benefit is a payment that provides help to low-income families with their rent. Local authorities administer the benefit. However, the Housing Benefit scheme has been criticised for a number of reasons, including: being too complex; for wide variations in administration of the benefit; for limiting claimants' choice of housing; and undermining work incentives. The Government outlined its intention to reform Housing Benefit in the April 2000 Housing Green Paper, *Quality and Choice: A Decent Home for All*: This was followed up with detailed proposals in October 2002 with *Building choice and responsibility: a radical agenda for Housing Benefit* in which the Government announced its intention to introduce the LHA in the de-regulated private rented sector in the nine local authority Pathfinders and also introduced a wide range of other measures aimed at improving the administration of HB and Council Tax Benefit.

The LHA is designed to pay the same amount to private tenants with similar circumstances residing in the same area (the Broad Rental Market Area). In most cases, LHA will be paid to the tenant, instead of to the landlord. Only when tenants are deemed to be too vulnerable to manage their own finances or are unlikely to pay their rent to their landlord or have fallen into arrears of at least eight weeks, is their LHA paid direct to the landlord.

¹ Previous reports of the Pathfinder claimants are *Claiming Housing Benefit in the Private Rented Sector: the baseline experience of claimants in the nine LHA Pathfinder areas*, Anderson, T.; Stafford, B.; and Woodland S. (2005), *DWP and Receiving the LHA: Claimants' early experiences of the LHA in the nine Pathfinder areas*, Roberts, S.; Beckhelling, J.; Hill, K.; Phung, V.; Stafford, B.; Stratford, N. and Anderson, T. (2005), DWP.

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The objectives of LHA

The overall aim of LHA is to empower tenants by enabling them to exercise more choice and take more responsibility over their housing decisions. The six key objectives are:

- **Fairness:** Tenants with similar circumstances living in the same area will get the same amount of Housing Benefit. Under the current arrangements the amount of benefit is set according to the rent that is actually paid.
- **Choice:** Tenants will be able to choose the quality and price of their accommodation. For example, tenants could choose to pay more than the allowance they receive for accommodation that is larger than they qualify for. Alternatively, they could move to a less expensive house and keep the difference.
- **Transparency:** The scheme makes it easier to find out how much rent could be covered by Housing Benefit.
- **Personal responsibility:** Paying the allowance to tenants encourages them to take responsibility for budgeting and paying their rent themselves.
- **Increased work incentives:** Greater certainty about what in-work benefit they could receive is expected to help tenants bridge the gap between being out of work and taking a job.
- **Simplicity:** LHA removes the complex rent restrictions and the need for individual claims to be referred to a rent officer before a decision is made. LHA will be paid to the tenant based on how many people live with them and the area they want to live in. This will speed up the decision-making process which will benefit both tenants and landlords.

LHA was implemented in the nine Pathfinder local authorities between 17th November 2003 and 9th February 2004 (Table 1.1). The local authorities could choose to introduce LHA using either a 'phased' or a 'big bang' approach (Table 1.1). The phased approach involved putting all new claimants directly onto LHA after the 'go live' date and transferring existing claimants when their claim was either renewed or reviewed. This would occur as a result of a change in their circumstances or prior to a change of regulations in April 2004 when their claim would have been routinely reviewed after 52 weeks. Under the big bang approach all existing claimants were transferred onto LHA at the start date. However, authorities who decided to use the big bang had up to six months to transfer those existing claimants whose benefit was paid to their landlord to direct payments. The transfer happened about four months after LHA went live in Brighton & Hove and at six months in Edinburgh and NE Lincolnshire.

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Table 1.1 Start Date and Method of Introduction of LHA

Start Date	Pathfinder	Method
17 November 2003	Blackpool	Phased
1 December 2003	Lewisham	Phased
12 January 2004	Coventry	Phased
12 January 2004	Teignbridge	Phased
2 February 2004	Brighton & Hove	Big Bang
9 February 2004	Edinburgh	Big Bang
9 February 2004	North East Lincolnshire	Big Bang
9 February 2004	Conwy	Phased
9 February 2004	Leeds	Phased

The Evaluation

A consortium led by Birmingham University is conducting the evaluation, which includes a stream of research with claimants. Other components - on landlords and the operational aspects of LHA - have been published by the Department for Work and Pensions.

The Claimant Stream

The objectives of the research with claimants

In addition to the aims outlined in Section 1.1, the claimant component of the evaluation addresses the following research questions:

- To what extent does LHA give tenants an incentive to find accommodation at the levels set by the allowance?
- How far does LHA increase post-housing cost incomes of claimants where their rent falls below the allowance level?
- Does LHA impact on work incentives, in introducing a more transparent system and reducing delays in re-assessing claims?

This report draws upon data from two sources:

- The first two waves of telephone interviews with a cohort of LHA claimants; and
- Management Information provided by the local authorities.

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The telephone survey

The report outlines key findings from the first two of three waves of telephone interviews with claimants on LHA, designed to track their experiences. To get representative estimates for LHA claimants in each Pathfinder area, a sample of 1,300 was randomly selected from the deregulated private rented sector in each area, after excluding cases that had previously been selected for the Baseline survey of Housing Benefit claimants. A sub-sample of 920 claimants was then randomly drawn from the initial 1,300 to form the main sample, with the remaining claimants forming a second stage sample.² It was necessary to conduct some, or all, of the second stage sample in every Pathfinder, due to the difficulty in making contact with named claimants by telephone. An opt-out letter was sent from DWP to all named claimants, with one per cent replying to say that they did not want to take part in the study during the designated opt-out period. This opt-out rate was evenly spread across Pathfinder area.

In some cases, claimants who were renting outside the de-regulated private rental sector were found to have been included in the original sample. These cases were removed through a series of eligibility questions at the start of the interview. For these reasons, claimants whose tenancy agreements began prior to 1989 and those living in Almshouses and caravans were also excluded from the analysis.

The main fieldwork for Baseline began in October 2003 and ended in April 2004. Wave 1 fieldwork commenced in mid-July 2004 and continued until late January 2005. For Wave 2, fieldwork started in early June 2005 and carried on until mid October 2005 (this included a ground tracing exercise to locate claimants from early August to early September). The figures are based on the total of 10,415 productive interviews, divided across the Pathfinder and control areas and survey waves as follows:

² In some of the areas with small caseloads and phased implementation of LHA, notably Teignbridge and Conwy, it was not possible to draw a sample of 1300 due to insufficient numbers of eligible claimants. These areas had no second stage sample, and, as a result, the number of achieved productive interviews is smaller.

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	Productive interviews		
	Baseline	Wave 1	Wave 2
Pathfinder areas			
Blackpool	-	409	282
Brighton & Hove	388	426	317
Conwy	392	265	198
Coventry	262	400	280
Edinburgh	-	-	-
Leeds	321	388	278
Lewisham	342	435	279
North East Lincolnshire	-	396	309
Teignbridge	359	322	246
Total	2,064	3,041	2,189
Control areas			
Cardiff	259	398	292
Wakefield	361	467	363
Wolverhampton	244	418	319
Total	864	1,283	974
Total interviews each Wave	2928	4324	3163

Note that, due to delays in receiving the caseload information, Edinburgh has been excluded from the analysis. All total figures in tables are, therefore, based on claimants in the remaining eight Pathfinders. Fieldwork in Edinburgh will be completed at a later stage. Baseline data has also been excluded from North East Lincolnshire and Blackpool. This is because the Baseline sample from these areas was not comparable with the other areas being drawn from claimants whose landlords received the Housing Benefit. Claimants who received direct payments were excluded.

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Weighting

The Survey Data in this report has been weighted for two reasons. First, to take account of the fact that claimants who had been continuously on Housing Benefit had a lower probability of being selected than newer claimants. Secondly, for variation in response rates between some key demographic sub-groups. However, in practice this detailed weighting scheme has only a modest effect on estimates. Results for each area can be interpreted as representative of LHA claimants within the Pathfinder. The figures in total columns are representative of all LHA claimants in the eight Pathfinders. As a result, areas with large caseloads have a disproportionate effect on determining the estimates for all LHA claimants.

The analysis of the DWP administrative data weights all observations by the distribution of Housing Benefit claimants at Wave 2. This effectively constructs a hypothetical past. It is done to ensure that all changes over time reflect changes in the contractual or eligible rent for properties of a given size and not changes in the overall proportion of the caseload that lives in a property of that size.

Management information

Management information data were collected from local authorities by DWP specifically for the evaluation of LHA. These data are collected quarterly at regular intervals (February, May, August and November) and contain information on all claimants receiving LHA at that point in time. The DWP data reported here were collected in November 2004 (equivalent to Wave 1) and May 2005 (equivalent to Wave 2). The picture before the introduction of LHA (equivalent to Baseline) uses data from Rent Officer referrals which runs from 2003 to 2004. These datasets include information on all successful new Housing Benefit (HB) claims during that quarter.

Economic evaluation (tables 1-9)

	Pathfinder LAs	Comparator LAs
Baseline	Rent Officer Referrals, 2003/04	Rent Officer Referrals, 2003/04
Wave 1	Pathfinder data, Nov 2004	Rent Officer Referrals, Nov 2004
Wave 2	Pathfinder data, May 2005	Rent Officer Referrals, May 2005

Operational evaluation (tables 10-11)

	Pathfinder LAs	Comparator LAs
Baseline	Provided by individual LA	Not available
Wave 1	Pathfinder data, August 2004	HBSD/IAD 100% Scan, Sept-Oct 2004
Wave 2	Pathfinder data, May 2005	HBSD/IAD 100% Scan, May-June 2005

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While the survey data compares the nine Pathfinder areas with the three Control areas, the DWP administrative data compares the nine Pathfinder areas with the three Control areas as well as a further six areas. The tables and commentary that relate to the DWP administrative data refer to the three Control areas and six additional areas as Comparator areas (Table 1.2).

Table 1.2: Pathfinder and Comparator local authorities in the DWP administrative data

Pathfinder Local Authorities	Control Local Authorities	Additional Local Authorities	Comparator Local Authorities
Blackpool	Cardiff	Bristol	Bristol
Brighton & Hove	Wakefield	Haringey	Cardiff
Conwy	Wolverhampton	Hartlepool	Haringey
Coventry		North Devon	Hartlepool
Edinburgh		Scarborough	North Devon
Leeds		Swansea	Scarborough
Lewisham			Swansea
North East Lincs.			Wakefield
Teignbridge			Wolverhampton

Report Structure

Chapter 2 presents the claimants' profiles; Chapter 3 the characteristics of their current accommodation; while their moving history is examined in Chapter 4. Chapter 5 discusses the payment of LHA, the use of bank, building society or Post Office accounts and arrears; while future intentions concerning moving and employment are explored in Chapter 6. Chapter 7 assesses claimants' financial well-being and Chapter 8 examines eligible, contractual rent and Housing Benefit amount payments. Conclusions based on the emerging findings in each chapter are drawn together in Chapter 9.

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Conventions used

The following conventions are used in tables.

1 Conventions regarding percentages in tables:

* less than 0.5 per cent

0 no observations

- category not applicable

.. data not available

[] numbers in square brackets are percentages based on between 30 and 49 unweighted cases, and should, therefore, be treated with caution as they may be unreliable. Blank spaces in tables indicate that the unweighted base is under 30, and figures have therefore not been reported.

Due to rounding, percentage figures may not add up to exactly 100 per cent, but may total between 98 and 102 per cent

Chapter 2: Claimant profile

Introduction

The main purpose of this chapter is to compare the samples of claimants from the Pathfinder and Control areas in the survey data and to examine whether these have changed over time. Ideally respondents in Pathfinder and Control areas should have similar characteristics. This makes it easier to determine whether any changes over time in behaviour, attitudes or characteristics may be due to the introduction of LHA. If the characteristics of claimants in the two types of areas are very different, then this complicates the evaluation of LHA. However, since the main focus on the report is on behavioural and attitudinal change over time, it is not crucial that the profile of respondents in Pathfinder and Control areas is similar in all respects.

This chapter is divided into three sections, covering: demographic characteristics (Section 2.2) (including qualifications); paid work (Section 2.3); and health status (Section 2.4).

Demographic Characteristics

The gender, age and ethnicity of claimants were very similar in Pathfinder and Control areas. There was little change in the profile of gender, age or ethnicity over time in either the Pathfinder or Control areas (Tables 2.1, 2.3, 2.5).

Gender

Claimants were more likely to be female (between 53 per cent and 56 per cent). Women were even more clearly in the majority among those respondents who had moved home between Wave 1 and Wave 2 interviews (61 per cent in both Pathfinder and Control areas) (Tables 2.1 and 2.2).

Table 2.1: Gender, by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Gender						
Male	44	47	46	44	46	46
Female	56	53	54	56	54	54
<i>Unweighted base</i>	<i>2,064</i>	<i>3,041</i>	<i>2,189</i>	<i>864</i>	<i>1,283</i>	<i>973</i>

Base: All survey claimants.

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Table 2.2: Gender, by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Gender								
Male	39	39	39	39	47	47	47	47
Female	61	61	61	61	53	53	53	53
<i>Unweighted base</i>	325	325	143	143	1,862	1,862	828	828

Base: All survey claimants present at Wave 1 and Wave 2.

Age

The majority of claimants were aged 25-49 (63 per cent to 65 per cent). In addition, as one might expect, younger respondents were over-represented among those who moved home (18 and 21 per cent of movers in Pathfinder and Control areas were aged under 25 at Wave 1; in comparison only eight and ten per cent of non-movers were in this age group) (Tables 2.3 and 2.4).

Table 2.3: Age, by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Age						
Under 25	9	10	8	12	12	10
Working age: 25 – 49	65	65	65	63	63	63
Other working age	15	16	17	15	16	16
Pensionable age	11	10	11	10	9	11
<i>Unweighted base</i>	2,062	3,041	2,189	864	1,283	973

Base: All survey claimants.

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Table 2.4: Age, by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Age								
Under 25	18	13	21	18	8	7	10	9
Working age: 25 – 49	67	71	67	66	64	64	62	63
Other working age	11	12	10	13	17	18	18	17
Pensionable age	5	5	2	3	11	12	11	12
<i>Unweighted base</i>	<i>325</i>	<i>325</i>	<i>143</i>	<i>143</i>	<i>1,862</i>	<i>1,862</i>	<i>828</i>	<i>828</i>

Base: All survey claimants present at Wave 1 and Wave 2.

Ethnicity

Most of the claimants belonged to white ethnic groups (87 per cent to 90 per cent). The percentages of other ethnic groups were similar in Pathfinder and Control areas and among movers and non-movers (Tables 2.5 and 2.6).

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Table 2.5: Ethnicity, by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Ethnicity						
Asian or Asian British	5	3	3	5	5	5
Black or Black British	5	5	4	2	4	3
White	87	90	90	89	87	88
of mixed origin	3	2	2	3	4	3
of other origin	0	1	0	-	1	1
<i>Unweighted base</i>	<i>2,053</i>	<i>3,020</i>	<i>2,180</i>	<i>861</i>	<i>1,278</i>	<i>972</i>

Base: All survey claimants.

Table 2.6: Ethnicity, by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Ethnicity								
Asian or Asian British	3	3	3	3	3	3	5	5
Black or Black British	6	6	5	5	4	4	3	3
White	87	87	90	90	91	91	88	88
of mixed origin	2	2	1	1	3	3	3	3
of other origin	1	1	1	1	0	0	1	1
<i>Unweighted base</i>	<i>323</i>	<i>323</i>	<i>143</i>	<i>143</i>	<i>1,855</i>	<i>1,855</i>	<i>827</i>	<i>827</i>

Base: All survey claimants present at Wave 1 and Wave 2.

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Household type and size

The size of households was also notably similar in Pathfinder and Control areas (Table 2.7). A little under one-half of respondents lived in one person households (ranging from 38 per cent of Wave 2 Control area respondents to 45 per cent among Wave 1 Pathfinder area claimants). Only a small minority of claimants lived in large households of four or more people (13 to 16 per cent). There was relatively little association between household size and moving home, although by Wave 2 relatively few movers (32 and 33 per cent) were living in one person households (Table 2.8).

Table 2.7: Household size, by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Household size (grouped)						
1	44	45	43	41	41	38
2	26	27	28	26	28	30
3	16	15	15	18	17	15
4 or more	14	13	14	14	14	16
<i>Unweighted base</i>	<i>2,064</i>	<i>3,041</i>	<i>2,189</i>	<i>864</i>	<i>1,283</i>	<i>972</i>

Base: All survey claimants.

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Table 2.8: Household size, by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Household size (grouped)								
1	37	33	38	32	45	44	41	39
2	31	32	28	31	27	27	30	30
3	21	19	17	14	15	15	16	15
4 or more	11	16	17	23	14	14	13	15
<i>Unweighted base</i>	325	325	143	143	1,862	1,862	828	827

Base: All survey claimants present at Wave 1 and Wave 2.

After single person households (around 40 per cent), lone parent households were most frequent (29 to 32 per cent) (Table 2.9). Couples, either with children (eight to 11 per cent), or without (six to eight per cent), were less numerous. Again, household structure was not strongly associated with moving. However, other multi-person households were more prevalent among movers (Table 2.10).

Table 2.9: Household structure, by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Household structure						
Couple, no dependent children	6	6	6	7	7	8
Couple with children	10	10	11	8	9	10
Lone parent	30	29	30	32	32	32
Other multi-person household	11	10	10	12	11	11
Single person	44	45	43	41	41	38
<i>Unweighted base</i>	2,064	3,041	2,189	864	1,283	972

Base: All survey claimants.

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Table 2.10: Household structure, by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Household structure								
Couple, no dependent children	4	5	5	9	6	6	8	8
Couple with children	10	15	7	9	10	11	9	10
Lone parent	34	32	34	33	30	29	32	32
Other multi-person household	14	16	17	16	10	10	10	10
Single person	37	33	38	32	45	44	41	39
<i>Unweighted base</i>	325	325	143	143	1,862	1,862	828	827

Base: All survey claimants present at Wave 1 and Wave 2.

Educational qualifications

Modest differences in educational qualifications were observed between claimants in Pathfinder and Control areas. The former group were more likely to be highly qualified. At Baseline, 27 per cent had an 'A' level or higher qualification compared with 21 per cent of the Control sample. They were also less likely to have no qualifications, (46 per cent compared with 53 per cent) (Figure 2.1, Table 2.11). There was minimal change in levels of qualifications in Pathfinder or Control areas over time. There was an indication that those without qualifications were less mobile in the housing market. However, there was no evidence that this was related to LHA (41 and 50 per cent of movers in the Pathfinder and Control areas had no qualifications, compared with 47 and 58 per cent among non-movers) (Table 2.12).

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Figure 2.1: Qualifications by area and survey wave

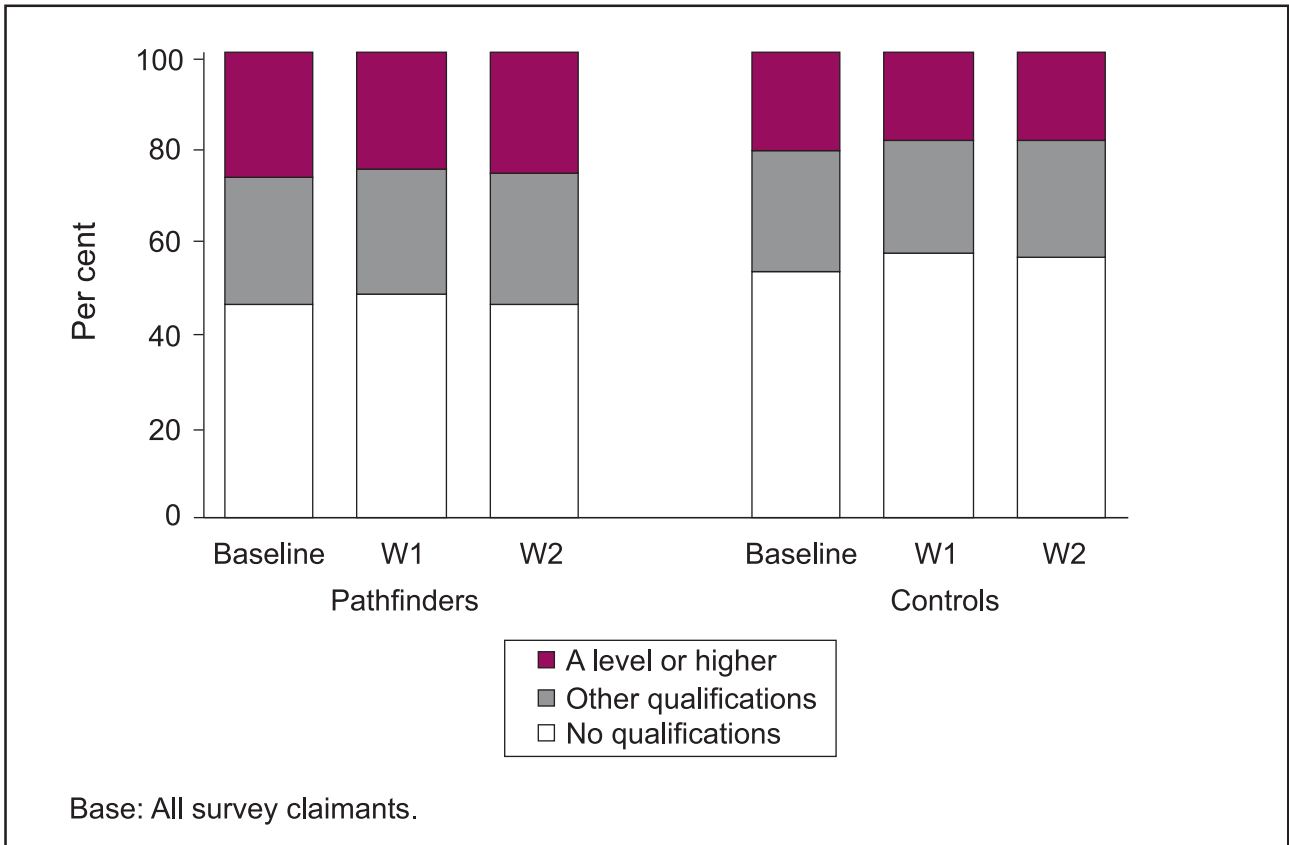


Table 2.11: Qualifications, by area and survey wave

Qualifications	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
A-level or higher	27	25	26	21	19	19
GCSE or higher	7	7	8	8	6	6
Some other qualification	20	19	20	18	19	19
None	46	48	46	53	57	56
<i>Unweighted base</i>	<i>1,980</i>	<i>2,904</i>	<i>2,098</i>	<i>833</i>	<i>1,230</i>	<i>938</i>

Base: All survey claimants.

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Table 2.12: Qualifications, by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Qualifications								
A-level or higher	26	26	28	28	25	25	17	17
GCSE or higher	9	9	2	2	8	8	6	6
Some other qualification	23	23	19	19	20	20	19	19
None	41	41	50	50	47	47	58	58
<i>Unweighted base</i>	<i>314</i>	<i>314</i>	<i>140</i>	<i>140</i>	<i>1,782</i>	<i>1,782</i>	<i>796</i>	<i>796</i>

Base: All survey claimants present at Wave 1 and Wave 2.

Paid Work

Claimants in Pathfinder areas were more likely than those in Control areas to have been in paid work. At the time of the Baseline interviews, 20 per cent of claimants in Pathfinder areas were in work compared with just 14 per cent in Control areas (Table 2.13). Almost identical figures were recorded at Wave 1. Between Wave 1 and Wave 2, there was net movement into work, principally from being unemployed and looking for work (22 and 19 per cent in work at Wave 2 in the Pathfinder and Control areas). This trend was pronounced among movers, with the percentage in work increasing by ten points between Wave 1 and Wave 2 in both Pathfinder and Control areas (Table 2.14).³

However, although there was net movement into work, this was seen in both Pathfinder and Control areas, and cannot, therefore, be attributed to the introduction of LHA.

³ Given that only a minority of claimants were in paid work, the numbers of movers within this group is particularly small: 54 Wave 1 respondents in Pathfinder and 17 in Control areas. Hence, tables of movers vs non-movers are not presented for the worker sub-sample.

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Table 2.13: Summary of current work status, by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline	W1	W2	Baseline	W1	W2
	%	%	%	%	%	%
Current work status						
In paid work	20	19	22	14	14	19
Unemployed and looking for work	18	17	13	20	18	14
Looking after the home or family	20	21	21	21	22	24
Long-term sick/disabled	26	28	29	29	31	28
Retired	10	10	11	9	10	11
Doing something else	6	5	3	6	5	3
<i>Unweighted base</i>	2,060	3,019	2,179	860	1,276	970

Base: All survey claimants.

Table 2.14: Summary of current work status, by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1	W2	W1	W2	W1	W2	W1	W2
	%	%	%	%	%	%	%	%
Current work status								
In paid work	16	26	11	21	20	22	15	19
Unemployed and looking for work	21	18	28	16	16	13	17	14
Looking after the home or family	28	26	25	31	20	20	21	23
Long-term sick/disabled	25	25	26	25	29	30	31	28
Retired	3	4	5	4	11	12	11	12
Doing something else	6	2	5	3	4	3	5	3
<i>Unweighted base</i>	321	325	143	143	1,853	1,852	823	825

Base: All survey claimants present at Wave 1 and Wave 2.

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The data on employment status and occupations indicate minor differences between the Pathfinder and Control area labour markets. Given the modest numbers of sample members in work, especially in Control areas, these figures need to be interpreted with caution. Nevertheless, self-employment among these populations does seem to have been much more common in the Pathfinders (for example, 14 per cent of workers at Baseline compared with just six per cent in Control areas) (Table 2.15). Conversely, working in Elementary occupations was more common in the Control areas in the Baseline and Wave 1. However, by Wave 2, the differences in the proportions in this and other occupational categories were much smaller (Table 2.16).

Table 2.15: Summary of employment status, by area and survey wave

	Column percentages					
	Baseline	Pathfinders		Baseline	Controls	
	%	W1	W2	%	W1	W2
		%	%		%	%
Employment status						
Employee	86	83	81	94	93	87
Self-employed	14	17	19	6	7	13
<i>Unweighted base</i>	383	518	465	109	196	195

Base: All survey claimants who currently work.

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Table 2.16: Summary of occupation, by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Occupation						
Managers	3	4	5	3	1	1
Professionals	4	4	3	3	4	6
Associate professionals	10	10	14	4	5	9
Administrative	12	10	12	16	11	11
Skilled trades	6	6	6	3	4	9
Personal service	15	18	19	11	17	21
Sales	18	16	13	19	22	16
Process, plant & machine operatives	5	7	6	2	4	4
Elementary	27	24	21	38	31	23
<i>Unweighted base</i>	383	517	464	109	196	195

Base: All survey claimants who currently work.

At the time of the Baseline, one-half of respondents – both Pathfinder and Control – were working for between 16 and 29 hours a week (Table 2.17). Substantially fewer respondents (29 and 24 per cent in Pathfinder and Control areas) had been working for at least 30 hours a week. By Wave 2 there was a move towards longer hours of work. However, still under one-half of working respondents were in this category (41 per cent Pathfinder, 38 per cent Control areas).

There was also a move over time away from hourly pay at, or near to, the legal minimum wage. By Wave 2 only 18 per cent of both Pathfinder and Control area workers earned £4.50 per hour or less. At Baseline, this had been as high as 30 and 40 per cent respectively in the two groups (Table 2.18).

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Table 2.17: Numbers of hours worked a week, by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Hours of work						
Less than 16hrs	21	18	12	26	26	20
16 to 29hrs	50	47	47	50	55	42
30hrs or more	29	35	41	24	19	38
<i>Unweighted base</i>	360	491	437	104	192	187

Base: All survey claimants who currently work.

Table 2.18: Summary of hourly pay, by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Hourly pay						
£4.50 or lower	30	26	18	40	33	18
£4.51 to less than £6.50	41	53	54	45	45	53
£6.50 or more	28	20	28	15	22	29
<i>Unweighted base</i>	306	413	356	98	178	167

Base: All survey claimants who currently work.

Health Status

The proportion of claimants who reported that they were registered as a disabled person was very stable across time and areas (12 to 16 per cent, (Table 2.19). This measure was not associated with moving home between Wave 1 and Wave 2 (Table 2.20).

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Table 2.19: Summary of Health status, by area and survey wave

	Cell percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Registered disabled	12	13	12	13	16	12
<i>Unweighted base</i>	<i>2,054</i>	<i>3,013</i>	<i>2,165</i>	<i>860</i>	<i>1,271</i>	<i>953</i>

Base: All survey claimants.

Table 2.20: Summary of Health status, by moving history, area and survey wave

	Cell percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Registered disabled	13	10	14	12	13	12	16	12
<i>Unweighted base</i>	<i>322</i>	<i>320</i>	<i>143</i>	<i>141</i>	<i>1,856</i>	<i>1,844</i>	<i>820</i>	<i>810</i>

Base: All survey claimants present at Wave 1 and Wave 2.

Experiencing a limiting long-standing illness is much more prevalent than being registered as a disabled person. However, the trend was equally stable across time and between areas. All the estimates fell within the narrow range 43 to 47 per cent of claimants (Table 2.21). There was no difference in levels of limiting long-standing illness between movers and non-movers over time (Table 2.22).

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Table 2.21: Longstanding illness, by area and survey wave

	Cell percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Limiting long-standing illness	43	43	45	44	47	46
<i>Unweighted base</i>	2,062	3,028	2,180	861	1,275	969

Base: All survey claimants.

Table 2.22: Long-standing illness, by moving history, area and survey wave

	Cell percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Limiting long-standing illness	43	37	47	42	44	46	47	46
<i>Unweighted base</i>	325	324	143	143	1,860	1,854	825	824

Base: All survey claimants present at Wave 1 and Wave 2.

Conclusions

The profiles of the groups of respondents surveyed in the Pathfinder and Control areas are reassuringly similar. While slightly more Pathfinder claimants were more highly qualified and working more hours in better paid jobs, this is a reflection of the types of areas. Indeed, that this very modest difference stands out shows that the survey samples provide not only useful descriptive data on the characteristics of HB/LHA claimants but, importantly, also a stable basis for assessing the effects of the introduction of LHA.

Chapter 3: Accommodation characteristics

Introduction

This chapter looks at the accommodation rented by claimants in the Pathfinder and Control areas. It compares how claimants' accommodation has changed over time. It also considers the potential effect of LHA on the choices made by claimants who have moved. This chapter is divided into three sections which focus on: the type of accommodation, including the number of rooms (Section 3.2); the state of repair of the property (Section 3.3); and claimants' satisfaction with their housing (Section 3.4). There are two sources for the data in this chapter: the claimant survey and DWP administration data. The source of information is identified for each section, chart and table.

Type of Accommodation

Accommodation type

In the survey Control areas over twice as many claimants lived in houses or bungalows (Baseline – 63 per cent; Wave 1 – 67 per cent; Wave 2 – 68 per cent) as flats or maisonettes (Baseline – 30 per cent; Wave 1 and Wave 2 – 28 per cent) (Table 3.1). However, in Pathfinder areas, a similar percentage of claimants lived in houses/bungalows (Wave 1 – 46 per cent; Baseline and Wave 2 – 47 per cent) and flats/maisonettes (Baseline – 45 per cent; Wave 1 – 49 per cent; Wave 2 - 48 per cent). It is not possible to determine the extent to which this reflects claimants' preferences or the housing stock available. However, as this difference was present at baseline, it is not an effect that can be attributed to the introduction of LHA.

Table 3.1: Accommodation type by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
House or bungalow	47	46	47	63	67	68
Flat or maisonette	45	49	48	30	28	28
Room/rooms	8	5	5	7	5	5
Something else	1	*	*	0	*	*
<i>Unweighted base</i>	2,064	3,041	2,189	864	1,283	972

Base: All survey claimants.

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The percentages of movers who lived in each type of accommodation was the same in Wave 1 and Wave 2. This indicates that claimants who moved between Wave 1 and Wave 2 generally moved into the same type of accommodation as they had rented at Wave 1 (Table 3.2). Movers in Pathfinder and Control areas were slightly less likely to live in a house or bungalow than their equivalent non-movers.

Table 3.2: Accommodation type by moving history, area and survey wave

	Column percentages							
	Movers				Non-Movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1	W2	W1	W2	W1	W2	W1	W2
	%	%	%	%	%	%	%	%
House or bungalow	42	42	64	64	48	48	68	68
Flat or maisonette	52	52	29	29	47	47	27	27
Room/rooms	6	6	7	7	5	5	4	4
Something else	1	1	0	0	*	*	*	*
<i>Unweighted base</i>	325	325	143	143	1,862	1,862	828	827

Base: All survey claimants present at Wave 1 and Wave 2.

Size of accommodation

The survey found that in Pathfinder areas, claimants had an average of 2.28 rooms per person in Wave 1. By Wave 2, this had increased slightly to 2.33 rooms per person. Claimants in Control areas had between 2.46 (Wave 1) and 2.50 (Wave 2) rooms per person (Table 3.3). Therefore, claimants in Pathfinder areas tended to live in smaller accommodation (adjusting for household size) than claimants in Control areas. This may be related to the differences in accommodation type in each area (Section 3.2.1).

Table 3.3: Average number of rooms per person by area and survey wave

	Mean					
	Baseline	Pathfinders		Controls		
		W1	W2	Baseline	W1	
Average number of rooms per person	2.36	2.28	2.33	2.56	2.46	2.50
<i>Unweighted base</i>	2,063	3,041	2,185	864	1,282	968

Base: All survey claimants.

Note: The average number of rooms was calculated using the room definition used in the Survey of English Housing (ODPM).

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In Pathfinder areas, movers had a lower average number of rooms per person (2.15) than non-movers (2.30) at Wave 1. This indicates that they tended to live in smaller accommodation than non-movers (adjusting for household size). By Wave 2, movers in Pathfinder areas had increased to an average of 2.48 rooms per person while obviously the average number of rooms per person remained stable among non-movers. Consequently, by Wave 2, movers were likely to be living in larger accommodation than non-movers (adjusting for household size). Some claimants in Pathfinder areas may be “trading up” to larger accommodation. If they are, they are not, in general, moving to accommodation larger than they need, as Section 8.4.3 shows an increase in claimants who are occupying property that is appropriate for their household size at Wave 2.

Despite this, the average number of rooms per person in Pathfinder areas was lower than the comparable average in Control areas for both movers and non-movers. For example, at Wave 2, the average for movers in Pathfinder areas was 2.48 rooms per person, but in Control areas it was 2.55 (for non-movers the averages were 2.30 in Pathfinder areas and 2.49 in Control Areas). So even when Pathfinder claimants moved, their accommodation generally remained smaller (adjusting for household size) than movers in Control areas. However, it was similar to non-movers in Control areas, possibly because claimants in Pathfinder areas were more likely to live in flats or maisonettes than Control claimants (Section 3.2.1). As accommodation in Pathfinder areas seems generally smaller than in Control areas, this may offer at least a partial explanation as to why at Wave 1 and Wave 2, claimants who wanted, or needed, to move in Pathfinder areas, were more likely than their equivalents in Control areas to say that in future moves they wanted larger accommodation (Section 6.4).

As there were similar percentages of each household size in Pathfinder and Control areas in the survey (Section 3.2) the difference in the average number of rooms is not due to a different distribution of household sizes in the different areas. Instead, it seems more likely to reflect the available housing stock.

These findings suggest that, on the whole, Pathfinder claimants are not choosing to move to smaller, cheaper accommodation so that they can acquire, or increase, a surplus of Housing Benefit amount over rent. This is corroborated by Section 8.4.3, which reports that the percentage of claimants who were appropriately occupying a property (living in a property that meets but does not exceed their room entitlement) increased between Wave 1 and Wave 2.

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Figure 3.1: Rooms per person by moving history, area and survey wave

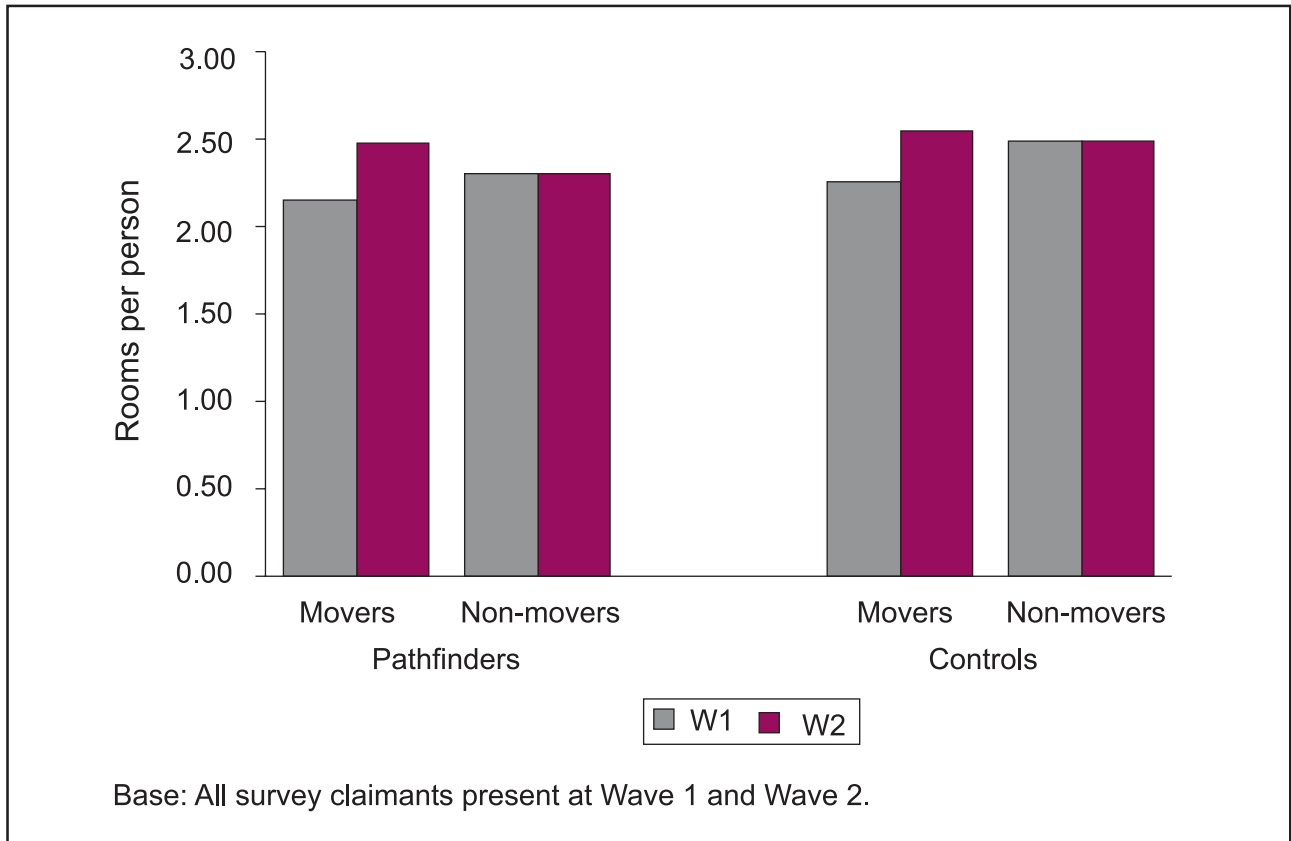


Table 3.4: Average number of rooms per person by moving history, area and survey wave

	Movers		Non-Movers		Movers		Non-Movers		Mean
	Pathfinders	Controls	Pathfinders	Controls	Pathfinders	Controls	Pathfinders	Controls	
	W1	W2	W1	W2	W1	W2	W1	W2	
Average number of rooms per person	2.15	2.48	2.26	2.55	2.30	2.30	2.49	2.49	
<i>Unweighted base</i>	325	323	143	141	1,862	1,862	828	827	

Base: All survey claimants present at Wave 1 and Wave 2.

Note: The average number of rooms was calculated using the room definition used in the Survey of English Housing (ODPM).

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The DWP administrative data show that there have been changes in the composition of LHA/Housing Benefit cases in both Pathfinder and Comparator areas (Table 3.5). This is most notable among claimants in the Pathfinders with one habitable room which has increased from ten per cent to 16 per cent between the Baseline and Wave 2. It seems unlikely that this is due to people moving into smaller accommodation because the survey data found that the average number of rooms per person had increased after Pathfinder claimants had moved (Table 3.4). (Figures for individual areas in Baselines and Wave 2 are shown in Annex Table A3).

Table 3.5: LHA/Housing Benefit claimants by number of habitable rooms

	Column percentages			
	Pathfinders		Comparators	
	Baseline %	May 2005 %	Baseline %	May 2005 %
1	10	16	10	10
2	33	33	30	32
3	29	27	27	27
4	17	15	19	19
5	8	8	10	10
6+	2	2	3	3

Source: DWP administrative data for Pathfinders, May 2005 and Rent Officer referrals data for Comparators, May 2005.

Rent Officer referrals data 2003/04 for Pathfinders and Comparators in the Baseline.

Whether accommodation is furnished

Similar proportions of claimants in the survey Control areas rented unfurnished accommodation in Baseline, Wave 1 and Wave 2 (between 46 per cent and 48 per cent). In Pathfinder areas, 47 per cent rented unfurnished accommodation at Baseline. By Wave 1 and Wave 2, this had risen to 59 per cent (Table 3.6, Figure 3.2). This can not be attributed to the exclusion of the Baseline data from North East Lincolnshire and Blackpool. Excluding the Wave 1 and 2 data from these areas leaves the percentages virtually unchanged from Table 3.6. However, in Brighton and Hove there was a large increase in the percentage of claimants who rented unfurnished accommodation between Baseline (54 per cent) Waves 1 (71 per cent) and 2 (69 per cent) (Annex Table A2). Teignbridge and Leeds also showed smaller increases in the percentage of claimants renting unfurnished accommodation between Baseline and Wave 1. Unfortunately, the survey data cannot provide any explanation concerning this difference. If it is due to LHA, the effect will vary between areas.

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Figure 3.2: Whether accommodation is furnished by area and survey wave

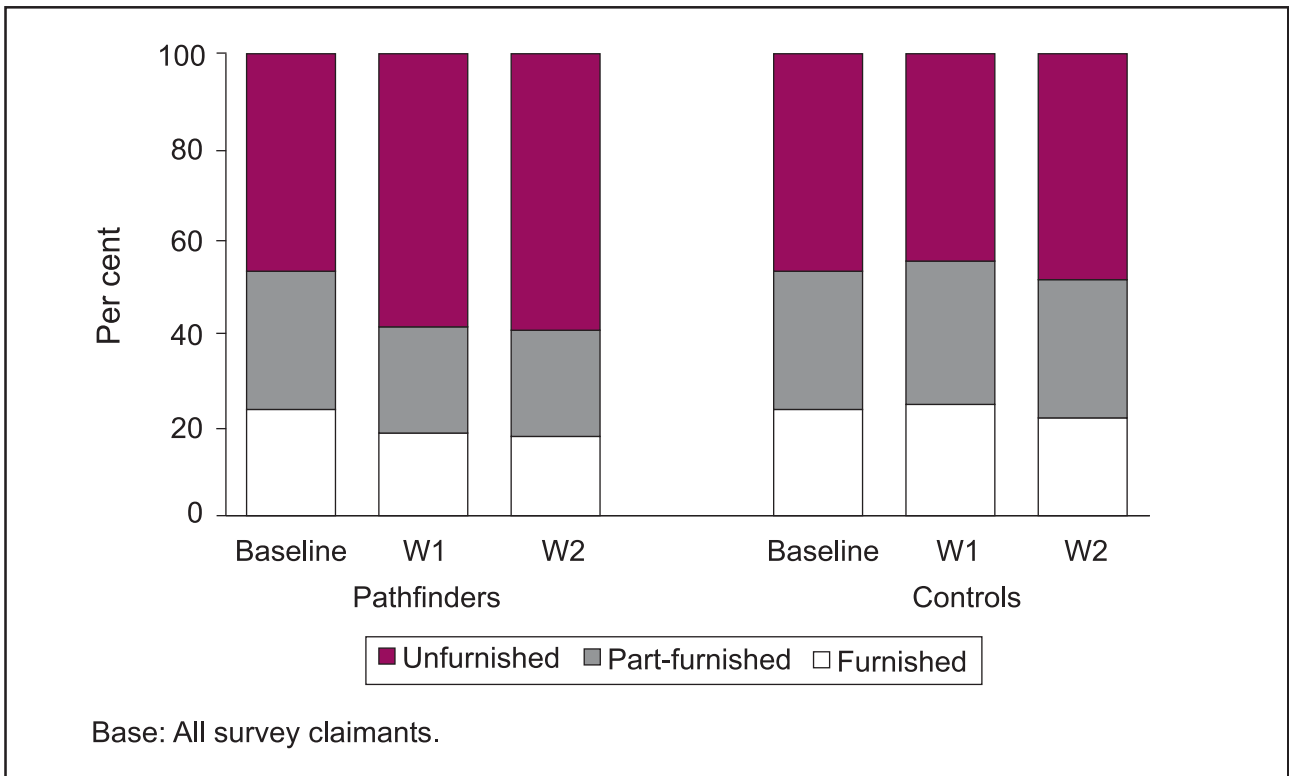


Table 3.6: Whether accommodation is furnished by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline	W1	W2	Baseline	W1	W2
	%	%	%	%	%	%
Furnished	23	18	17	23	24	21
Part-furnished	30	23	23	30	31	30
Unfurnished	47	59	59	47	46	48
<i>Unweighted base</i>	<i>2,064</i>	<i>3,037</i>	<i>2,186</i>	<i>864</i>	<i>1,282</i>	<i>972</i>

Base: All survey claimants.

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Fewer Pathfinder movers rented unfurnished accommodation (53 per cent in both Waves) than Pathfinder non-movers (60 per cent in both Waves) (Table 3.7). By contrast, in Control areas, a similar percentage of movers (Wave 1 - 51 per cent; Wave 2 – 53 per cent) and non-movers (48 per cent in both Waves) rented unfurnished property. Movers in Pathfinder areas were slightly more likely to choose furnished accommodation (Wave 1 - 22 per cent; Wave 2 – 20 per cent) than their non-moving counterparts (17 per cent in both Waves). However, in Control areas, the preferences were similar (between 19 and 20 per cent for movers in Wave 1 and Wave 2 and 21 per cent for non-movers in both Waves).

That movers preferences do not alter greatly between waves in both areas is possibly because their preference reflects their material circumstances, e.g. claimants who rent furnished accommodation are unlikely to have their own furnishings and therefore prefer to move to other furnished accommodation.

Table 3.7: Whether accommodation is furnished by moving history, area and survey wave

	Column percentages							
	Movers				Non-Movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1	W2	W1	W2	W1	W2	W1	W2
	%	%	%	%	%	%	%	%
Furnished	22	20	19	20	17	17	21	21
Part-furnished	25	26	30	27	23	23	31	31
Unfurnished	53	53	51	53	60	60	48	48
<i>Unweighted base</i>	<i>324</i>	<i>324</i>	<i>143</i>	<i>143</i>	<i>1,860</i>	<i>1,860</i>	<i>827</i>	<i>827</i>

Base: All survey claimants present at Wave 1 and Wave 2.

Condition of Property

This section reports movers and non-movers separately. Movers described two different properties when they responded to the condition of property questions in Wave 1 and Wave 2, whereas non-movers were describing the same property.

Condition of property

Among non-mover claimants in the survey, perceptions of the condition of their housing were very similar in both Pathfinder and Control areas in both Waves of the survey. In Pathfinder areas, there was a five percentage point fall in claimants who thought nothing needed doing to their housing (Wave 1 – 33 per cent; Wave 2 – 28 per cent). There was a similar pattern in Control areas.

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The percentage changes were small. This makes it difficult to draw any firm conclusions about whether the condition of claimants' accommodation deteriorated between Wave 1 and Wave 2. It is clear that, in general, landlords have done little, if anything, to improve the condition of claimants' accommodation. As the responses were similar in Control and Pathfinder areas, this does not appear to be related to the introduction of LHA in Pathfinder area (Table 3.8). However, it might have been anticipated that one effect of LHA claimants having more choice in the private rented housing market would be that landlords would maintain and improve their properties to compete for custom.

Table 3.8: Condition of property of non-movers by area and survey wave

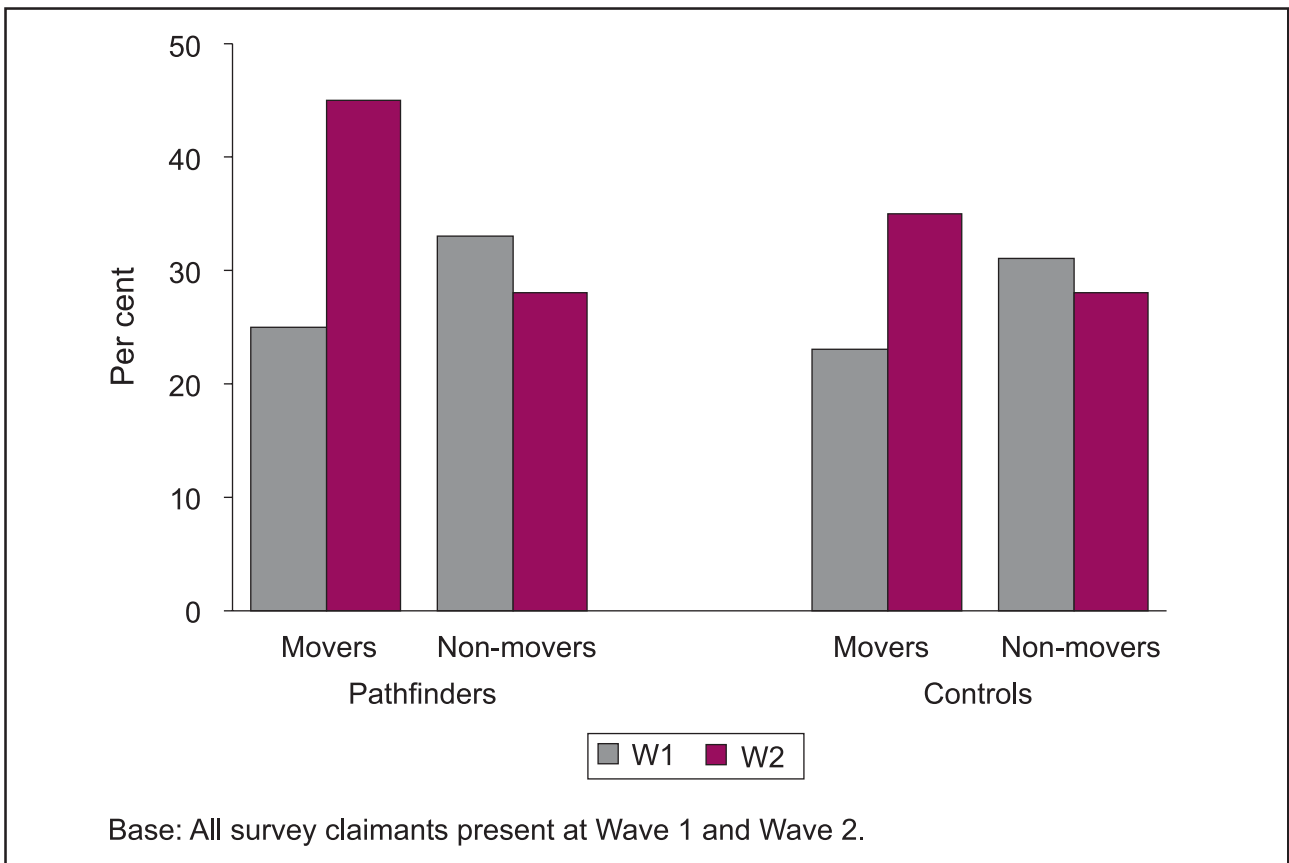
	Column percentages			
	Non-Movers			
	W1		W2	
	How would you rate your accommodation's state of repair?		How would you now rate your accommodation's state of repair?	
	Pathfinders	Controls	Pathfinders	Controls
	%	%	%	%
Nothing needs doing	33	31	28	28
It has only minor problems	51	49	53	48
It has quite a lot of problems	11	13	13	13
It has a lot of major problems	3	5	4	9
None of these	1	1	2	1
<i>Unweighted base</i>	<i>1,857</i>	<i>827</i>	<i>1,862</i>	<i>828</i>

Base: All survey claimants present at Wave 1 and Wave 2 who did not move.

In Pathfinder areas, the percentage of mover claimants who thought nothing needed doing to their housing increased by twenty percentage points (Wave 1 – 25 per cent; Wave 2 – 45 per cent). There was a smaller equivalent increase in Control areas from 23 per cent to 35 per cent (Table 3.9).

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Figure 3.3: No repairs needed to accommodation by moving history, area and survey wave



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Table 3.9: Condition of property of movers by area and survey wave

	Column percentages			
	Movers			
	W1		W2	
	How would you rate your accommodation's state of repair?		How would you rate your current accommodation's state of repair?	
	Pathfinders	Controls	Pathfinders	Controls
	%	%	%	%
Nothing needs doing	25	23	45	35
It has only minor problems	46	45	42	50
It has quite a lot of problems	17	17	9	12
It has a lot of major problems	11	14	2	1
None of these	1	0	3	2
<i>Unweighted base</i>	325	143	324	140

Base: All survey claimants present at Wave 1 and Wave 2 who moved.

In Wave 1, movers in Control and Pathfinder areas were more likely to live in accommodation which needed repairs than their non-moving counterparts. However, that situation was reversed by Wave 2, particularly in Pathfinder area. It appears that, in general, claimants were able to find property in good condition in their respective areas, particularly in Pathfinder areas. Notwithstanding this, it needs to be borne in mind that claimants who have moved between Wave 1 and Wave 2 may not have lived in their new homes long enough for some problems to become apparent. It remains unclear the extent to which the condition of the accommodation represented a factor in claimants' decision to move. Section 4.3 does not cite the condition of accommodation as one of the reasons why claimants decided to move. Comments relating to the condition of the property could be included in the category 'other change of accommodation'. However, it is clear from Section 4.3 that family or personal reasons and possibly requiring larger accommodation are stronger motivators in the decision to move than is the condition of the property.

Repairs needed to property

Survey claimants were asked whether any of six different types of repairs were needed to their accommodation. Among movers, there was a decrease in all six types of problems. The decreases were of a similar level in Pathfinder and Control areas. Among non-movers, there was a small increase between Wave 1 and Wave 2 in the proportion citing rising damp and/or plumbing as a problem in their accommodation (Table 3.10).

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Table 3.10: Repairs needed to property by moving history, area and survey wave

	Multiple responses							
	Movers				Non-Movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Rising damp	23	7	23	8	13	16	16	20
Water getting in from roof, gutters or windows	25	8	26	6	17	17	16	17
Condensation	27	7	24	9	19	20	20	21
Problems with electrical wiring	15	11	19	7	10	12	12	16
Plumbing	24	14	32	20	16	21	15	17
Problems with draughts?	28	11	40	14	23	23	25	22
None of these	39	69	42	61	54	50	53	52
<i>Unweighted base</i>	325	317	143	137	1,862	1,824	828	815

Base: All survey claimants present at Wave 1 and Wave 2.

Whether landlord has carried out any repairs in the previous three months

At both Waves, among non-movers in the survey, landlords in Pathfinder areas were more likely to have carried out repairs than landlords in the Control areas (Table 3.11). In both areas, a higher percentage of repairs was carried out by Wave 2 of the survey than had been undertaken by Wave 1. However, the percentage increases were small: four percentage points in Pathfinder areas (from 44 per cent in Wave 1 to 48 per cent in Wave 2) and six percentage points in Control areas (from 37 per cent in Wave 1 to 43 per cent in Wave 2).

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Table 3.11: If Landlord has carried out repairs for non-movers by area and survey wave

	Column percentages			
	Non-Movers			
	W1		W2	
	Pathfinders %	Controls %	Pathfinders %	Controls %
Yes	44	37	48	43
No	55	62	52	57
<i>Unweighted base</i>	899	412	1,264	586

Base: All survey claimants present at Wave 1 and Wave 2 who did not move and reported problems with the condition of their accommodation.

Among the claimants who had moved, the percentage of landlords who had carried out repairs increased in Pathfinder areas, from 48 per cent to 56 per cent (Table 3.12). In Control areas, it doubled between Wave 1 and Wave 2, (Wave 1 – 35 per cent; Wave 2 – 71 per cent). However, this should be interpreted with caution, as it is based on a very small number of claimants.

Table 3.12: If Landlord has carried out repairs for movers by area and survey wave

	Column percentages			
	Movers			
	W1		W2	
	Pathfinders %	Controls %	Pathfinders %	Controls %
Yes	48	35	56	[71]
No	52	65	44	[29]
<i>Unweighted base</i>	202	87	100	41

Base: All survey claimants present at Wave 1 and Wave 2 who moved and reported problems with their accommodation.

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Satisfaction with Accommodation

Satisfaction with the number of rooms

As was seen earlier in this Chapter, size of accommodation seemed to be a factor influencing whether people had moved. Where people moved to a different sized property, it tended to be one with a higher number of rooms per person. Therefore, we would expect to see a similar pattern in relation to satisfaction with the number of rooms. Indeed, this is the case.

At Wave 1 of the survey, movers in Pathfinder areas were less satisfied with the number of rooms than their non-moving counterparts. This difference had disappeared by Wave 2 (Tables 3.13 and 3.14). In Pathfinder areas, 69 per cent of movers at Wave 1 thought that the number of rooms was about right and this increased to 84 per cent at Wave 2. The equivalent figures for non-movers in Pathfinder areas were 83 per cent and 81 per cent.

Movers in both areas were more likely to have considered the number of rooms was about right at Wave 2 than at Wave 1. The difference was more marked in Pathfinder area. This could be linked to the increased percentage of Pathfinder claimants who were appropriately-occupying at Wave 2 (Table 8.12). It may be an effect of the increased transparency of LHA making claimants more aware of the size of accommodation to which they are entitled.

Table 3.13: Satisfaction with the number of rooms among non-movers by area and survey wave

	Column percentages			
	Non-Movers			
	W1		W2	
	Pathfinders	Controls	Pathfinders	Controls
	%	%	%	%
Too few	15	14	16	16
Too many	2	4	3	5
About right	83	81	81	78
<i>Unweighted base</i>	<i>1,860</i>	<i>827</i>	<i>1,860</i>	<i>827</i>

Base: All survey claimants present at Wave 1 and Wave 2 who did not move.

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Table 3.14: Satisfaction with the number of rooms among movers by area and survey wave

	Column percentages			
	Movers			
	W1		W2	
	Pathfinders %	Controls %	Pathfinders %	Controls %
Too few	26	16	14	15
Too many	6	6	2	2
About right	69	78	84	84
<i>Unweighted base</i>	<i>325</i>	<i>142</i>	<i>323</i>	<i>142</i>

Base: All survey claimants present at Wave 1 and Wave 2 who moved.

Satisfaction with the size of rooms

In addition to the number of rooms, size of rooms also affected survey claimants' desire to move to different accommodation (Tables 3.15 and 3.16). At Wave 1, movers were less satisfied with the size of rooms than non-movers. This difference had disappeared by Wave 2. The relationship was similar in both Pathfinder and Control areas. For example, in Pathfinder areas, 68 per cent of movers felt that the size of rooms was about right at Wave 1 compared with 80 per cent of non-movers. The equivalent figures at Wave 2 were 82 per cent and 76 per cent.

Movers in both areas were more likely to think that the size of the rooms in their accommodation was about right at Wave 2 compared to Wave 1. The difference was larger for the Pathfinder claimants than for the Control claimants. This (along with the findings in Section 3.4.1) gives further support to the suggestion in Section 3.2.2 that Pathfinder claimants who move were not choosing to move to smaller, less suitable properties in order to accrue, or increase, a surplus of housing benefit amount over rent.

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Table 3.15: Satisfaction with the size of rooms among non-movers by area and survey wave

	Column percentages			
	Non-Movers			
	W1		W2	
	Pathfinders %	Controls %	Pathfinders %	Controls %
Too small	13	14	16	13
Too big	1	2	1	3
About right	80	81	76	78
Some too big, some too small	6	4	7	6
No opinion	*	0	0	0
<i>Unweighted base</i>	<i>1,860</i>	<i>827</i>	<i>1,862</i>	<i>828</i>

Base: All survey claimants present at Wave 1 and Wave 2 who did not move.

Table 3.16: Satisfaction with the size of rooms among movers by area and survey wave

	Column percentages			
	Movers			
	W1		W2	
	Pathfinders %	Controls %	Pathfinders %	Controls %
Too small	24	19	14	10
Too big	1	1	*	0
About right	68	71	82	81
Some too small, some too big	7	8	3	9
No opinion	0	0	1	0
<i>Unweighted base</i>	<i>325</i>	<i>143</i>	<i>324</i>	<i>142</i>

Base: All survey claimants present at Wave 1 and Wave 2 who moved.

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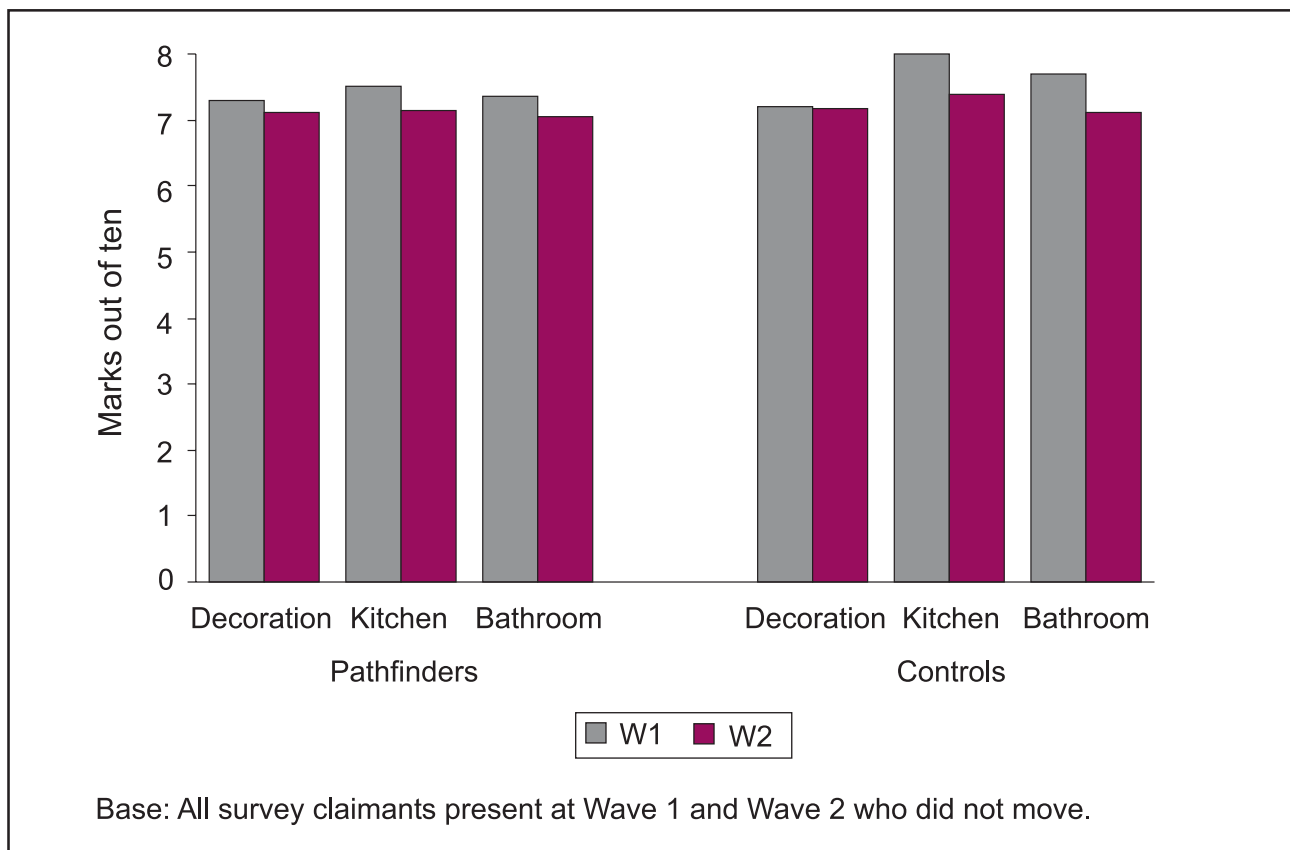
Satisfaction with other aspects of the accommodation

Non-moving claimants from the survey were asked to give marks out of ten (where ten was the best score and 0 the worst) for the condition of the kitchen, the bathroom and the general decoration of the accommodation. Most claimants gave a relatively high score, and the average scores were all between seven and eight out of ten.

Broadly, satisfaction with all three aspects decreased slightly between Wave 1 and Wave 2 in both Pathfinder and Control areas. This may be linked to earlier findings presented in the chapter related to factors such as the state of repair of accommodation deteriorating over time.

In Pathfinder areas, satisfaction with decoration decreased from 7.30 marks out of ten to 7.11, satisfaction with the kitchen decreased from 7.51 to 7.14, and for the bathroom from 7.37 to 7.04. There were similar decreases in Control areas for satisfaction with the kitchen and bathroom. However, satisfaction with decoration was similar in Wave 1 and Wave 2 (Table 3.17, Figure 3.4).

Figure 3.4: Satisfaction with accommodation by area and survey wave



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Table 3.17: Non-movers' satisfaction with other aspects of the accommodation by area and survey wave

Marks out of 10 for...	Pathfinders		Controls		Non-Movers
	W1	W2	W1	W2	
...Decoration	7.30	7.11	7.20	7.16	
...Kitchen	7.51	7.14	7.99	7.38	
...Bathroom	7.37	7.04	7.69	7.10	
<i>Unweighted base</i>	<i>1,856</i>	<i>825</i>	<i>1,858</i>	<i>827</i>	

Base: All survey claimants present at Wave 1 and Wave 2 who did not move.

Claimants who had moved also gave marks out of ten in Wave 1. However, in Wave 2 they merely indicated whether they thought various aspects of their accommodation were better than in Wave 1. These two sets of data are, therefore, not directly comparable. Thus the marks out of ten will not be presented for the claimants who moved.

In addition, claimants who moved assessed whether the following aspects of their accommodation were more suitable for their needs following the move: the number of bedrooms; kitchen; and the number of rooms. They also assessed whether the size of rooms was generally bigger, smaller or about the same. These questions were analysed by looking at the net improvement on each of these aspects (i.e. the proportion of those who thought the aspect was better minus the proportion who thought it was worse).

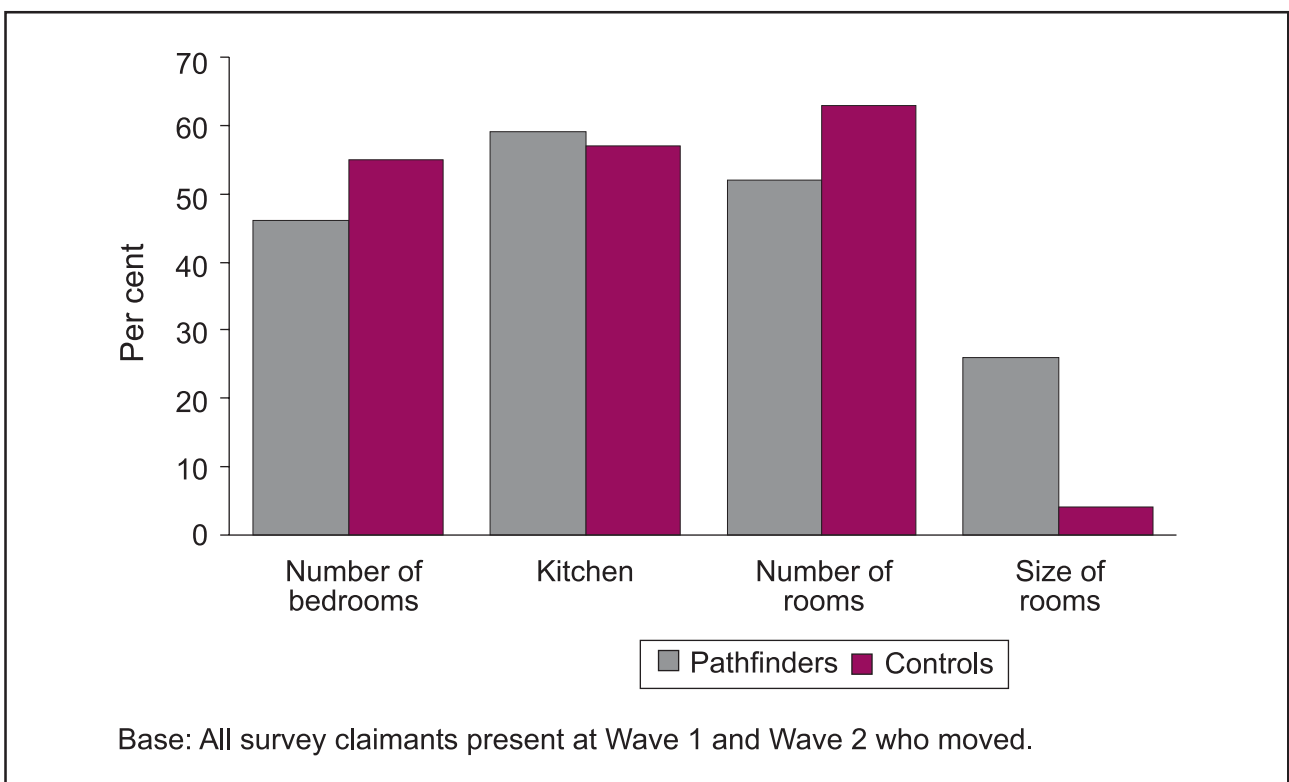
The majority of claimants thought these aspects of their new homes were more suitable for their needs than their accommodation in Wave 1. In terms of the number of rooms and bedrooms, movers in Control areas were more positive about the change than those in Pathfinder areas. For example the net improvement in suitability of the total number of rooms was 55 per cent in Control areas compared with 46 per cent in Pathfinder areas. The net improvement in the kitchen ratings was similar across areas at 59 per cent in Pathfinder areas and 57 per cent in Control areas. The lower net improvement in the suitability of the number of rooms in Pathfinder areas suggests that although claimants in Pathfinder areas were able to find larger accommodation, it was less likely to be large enough to meet their needs compared to the accommodation in Control areas. This is consistent with the finding in Chapter 6 that Pathfinder claimants were more likely to say that they wanted or needed to move to larger accommodation in the future (Section 6.3). It is also consistent with Section 3.2.2, which found that Pathfinder claimants lived in smaller accommodation (measured by average number of rooms per person) than their equivalents in Control areas. This is more likely to be due to the available housing stock in the areas than to LHA.

Views concerning the improvement in the size of rooms remained less positive, than the views of the number of rooms, number of bedrooms and the kitchen (Table 3.18, Figure 3.5). However, the net improvement in the size of rooms was 26 per cent in Pathfinder areas, but only four per cent in Control

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areas. This may reflect the housing stock available in the respective areas. The comments in section 3.4.2 regarding the increased satisfaction with the number of rooms are equally relevant here.

Figure 3.5: Net improvement in accommodation between Wave 1 and Wave 2 by area and survey wave



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Table 3.18: Comparison of aspects of the new accommodation with the accommodation in Wave 1 among movers by area

Aspect compared with accommodation in Wave 1	Column percentages	
	Pathfinders	Movers W2
	%	Controls %
Number of bedrooms		
More suitable	62	69
Less suitable	16	14
About the same	23	16
<i>Unweighted base</i>	<i>277</i>	<i>123</i>
Kitchen		
More suitable	73	73
Less suitable	14	16
About the same	14	10
<i>Unweighted base</i>	<i>273</i>	<i>123</i>
Number of rooms		
More suitable	65	72
Less suitable	13	9
About the same	22	20
<i>Unweighted base</i>	<i>277</i>	<i>123</i>
Size of rooms		
Generally bigger	50	38
Generally smaller	24	34
About the same	27	28
<i>Unweighted base</i>	<i>275</i>	<i>121</i>

Base: All survey claimants present at Wave 1 and Wave 2 who moved.

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Conclusions

In Pathfinder areas, claimants were generally living in smaller homes (measured by number of rooms per person) than claimants in Control areas. Those who had moved between Wave 1 and Wave 2 tended to have found larger accommodation but still lived in smaller accommodation than movers in Control areas. Claimants who moved became more satisfied with their property. They thought their new houses were more suitable in terms of number of rooms, number of bedrooms, and the size of the rooms. At Wave 2, they were also more likely to say that no repairs were needed to their properties than their Control counterparts. The findings suggest that in general Pathfinder claimants were not choosing to move to small, less suitable properties in order to be able to acquire, or increase, a surplus of Housing Benefit amount over rent.

Chapter 4: Moving History

Introduction

This chapter examines the history of claimants in terms of moving to different accommodation over the two-year period of LHA evaluation. This includes: moving to their current accommodation (Section 4.2), including the reasons for their move (Section 4.3); and their experience of looking for accommodation (Section 4.4). It also looks at: the rental agreements that claimants have made with their landlords (Section 4.5); and the length of time they have lived in their current accommodation (Section 4.6). In all cases, the analysis compares the trend among claimants in Pathfinder and Control areas between Baseline, Wave 1 and Wave 2. In addition, it also considers changes between Wave 1 and Wave 2 among movers and non-movers in each of these areas.

Moving History

LHA aims to empower claimants by enabling them to choose between the price and quality of accommodation they rent within a particular location. This section examines the differences in the number of accommodation moves during the preceding years between Pathfinder and Control areas by wave and mover status.

Table 4.1 shows that there were noticeable differences in the number of accommodation moves in the past years by wave and area. At both Baseline and Wave 1 claimants were asked about the number of previous properties they had lived in during the past two years. Among the Pathfinders, claimants in the Baseline were less likely to have moved compared to their counterparts in Wave 1: 63 per cent of claimants at the Baseline had not moved in this period compared to 56 per cent of Wave 1 respondents. Though relatively few respondents had moved more than once, it is notable that more Wave 1 (15 per cent) than Baseline (nine per cent) respondents had done so.

In contrast to Pathfinders, the breakdown of claimants in the Control areas who had and had not moved remained stable between the Baseline and Wave 1. This resulted in very similar Wave 1 figures for Pathfinder and Control areas.

At Wave 2, claimants were asked about number of accommodation moves they had made since Wave 1. Hence, given the shorter time period, the percentage of claimants who had never moved sharply increased by 30 percentage points to 86 per cent in Pathfinder areas (Figure 4.1). Only one per cent of claimants moved more than once between Wave 1 and Wave 2. The key point, however, is that at Wave 2, these percentages were identical for Pathfinder and Control areas.

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Figure 4.1: Number of accommodation moves in past years by area and survey wave

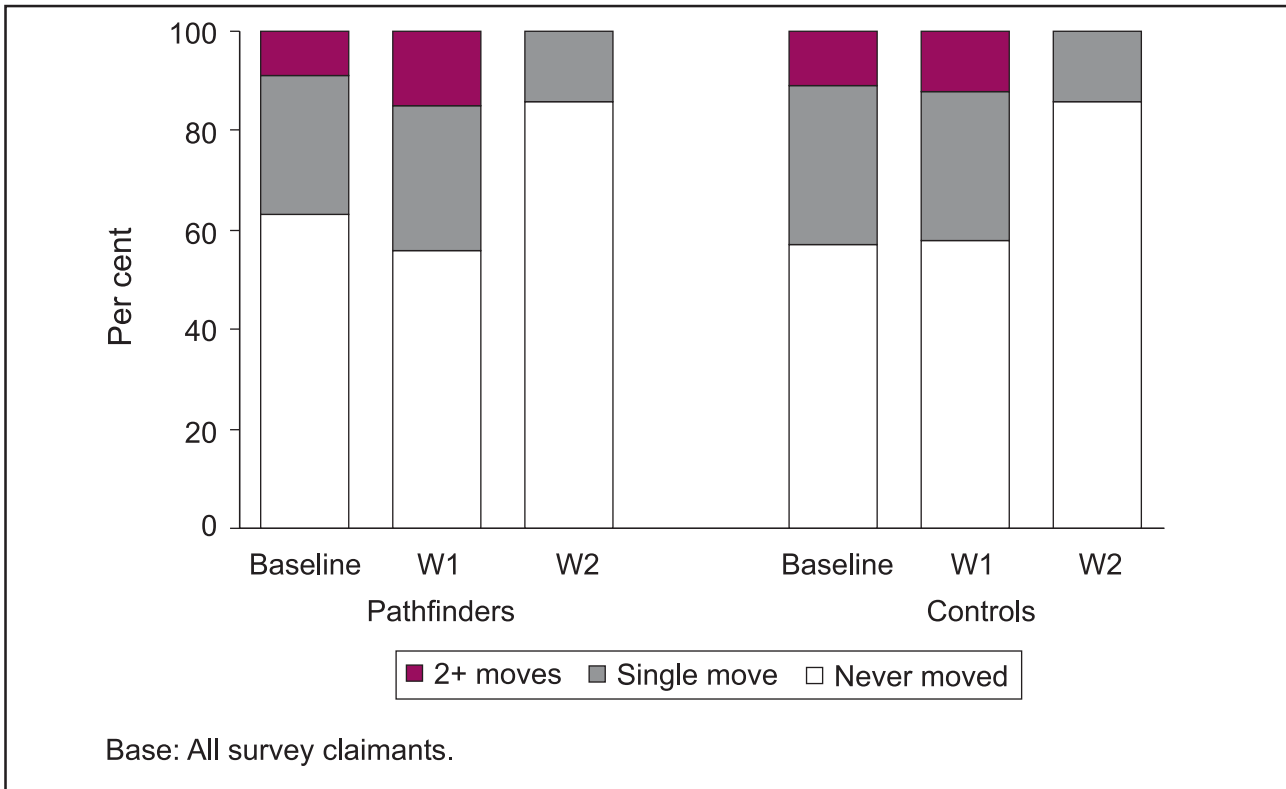


Table 4.1: Number of accommodation moves in past years by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline in past two years %	W1 since W1 %	W2 %	Baseline in past two years %	W1 since W1 %	W2 %
Never moved	63	56	86	57	58	86
Single move	28	29	14	32	30	14
Two or more	9	15	1	11	12	1
<i>Unweighted base</i>	<i>2,052</i>	<i>3,016</i>	<i>2,187</i>	<i>854</i>	<i>1,274</i>	<i>972</i>

Base: All survey claimants.

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Table 4.2 suggests that within the movers' group, there were differences in the number of accommodation moves between Pathfinder and Control areas in the two years preceding Wave 1. Claimants in Pathfinder areas were more likely to have moved than their counterparts in Control areas. This was reflected in the finding that 33 per cent of Pathfinder claimants had not moved in this period compared to 41 per cent in Control areas. Among Pathfinder claimants, 28 per cent had moved twice or more, compared to 21 per cent of claimants in Control areas. It is possible that within this relatively mobile minority, there were some additional moves related to the introduction of LHA in Pathfinder areas. However, there is no evidence of further moves after Wave 1, as in both Pathfinder and Control areas only six per cent of respondents moved more than once between Wave 1 and Wave 2.

Table 4.2: Number of movers' accommodation moves in past years, by area and survey wave

	Column percentages			
	Movers			
	W1 in past two years		W2 since W1	
	Pathfinders %	Controls %	Pathfinders %	Controls %
Never moved	33	41	*	*
Single move	39	38	94	94
Two or more	28	21	6	6
<i>Unweighted base</i>	<i>321</i>	<i>141</i>	<i>323</i>	<i>142</i>

Base: All survey claimants present at Wave 1 and Wave 2 who moved.

In contrast, among non-movers, the percentages of claimants who had or had not moved hardly differed between Pathfinder and Control areas (Table 4.3). As the responses were very similar between Pathfinder and Control areas, this does not appear to be related to the impact of LHA in Pathfinders. This does underline that, overall, the study finds little evidence, as yet, that LHA impacts greatly on the number of accommodation moves.

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Table 4.3: Number of non-movers' accommodation moves in past years, by area and survey wave

	Column percentages			
	Non-Movers			
	W1		W2	
	Number of previous properties in past two years		Number of previous properties since W1	
	Pathfinders	Controls	Pathfinders	Controls
	%	%	%	%
Never moved	62	63	100	100
Single move	27	28	*	*
Two or more	12	10	*	*
<i>Unweighted base</i>	<i>1,851</i>	<i>823</i>	<i>1,862</i>	<i>828</i>

Base: All survey claimants present at Wave 1 and Wave 2 who did not move.

Younger claimants were more likely to have moved between W1 and W2 than older claimants. In Pathfinder areas, 24 per cent of those aged under 25 had moved compared with six per cent of those of pensionable age. The pattern was similar in Control areas (Table 4.4).

Table 4.4: Moved between W1 and W2, by age

	Cell percentages			
	Age			
	Under 25	25-49	M:49-64 W:49-59	M:65+ W:60+
	%	%	%	%
% movers in Pathfinders	24	16	10	6
% movers in Controls	26	15	11	4
Unweighted bases				
Pathfinders	160	1,360	397	270
<i>Controls</i>	<i>111</i>	<i>629</i>	<i>139</i>	<i>92</i>

Base: All survey claimants present at Wave 2 who moved.

In terms of household type, the group who were most likely to move were couples with no dependent children (24 per cent in Pathfinder areas) and the least likely were those in single person households or in other multi-person households (both six per cent in Pathfinder areas). There was no difference between Pathfinder and Control areas (Table 4.5).

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Table 4.5: Moved between W1 and W2, by household type

	Cell percentages				
	Household type				
	Couple, no dependent children %	Couple with children %	Lone parent %	Other multi-person household %	Single person %
% movers in Pathfinders	24	16	10	6	6
% movers in Controls	26	15	11	4	4
Unweighted bases					
Pathfinders	160	1,360	397	270	270
Controls	111	629	139	92	92

Base: All survey claimants present at Wave 2 who moved.

Reasons for Moving

Claimants were asked about their reasons for leaving their previous accommodation. There were similar patterns in given reasons for moving in Pathfinder and Control areas (Table 4.6). Where there were changes over time (e.g. wanted to move to a better area), changes occurred in both Pathfinder and Control areas.

Among both Pathfinder and Control areas, the reason most commonly given for having moved was always *'personal or family reasons'*. This was cited by 33 per cent of Pathfinder claimants at both Wave 1 and Wave 2. The corresponding figure for Wave 1 in the Control areas was slightly higher (38 per cent) though the difference had reduced by Wave 2 (34 per cent).

Three further reasons were cited by very similar proportions of respondents (*'Wanted larger accommodation'*, 14 to 16 per cent; *'other change of accommodation'*, 15 to 17 per cent; and *'live in a better area'*, 14 to 18 per cent). Slightly fewer respondents had moved because *'their landlord was selling or developing the property'* (nine to 13 per cent). Control area respondents were slightly less likely to give this reason (nine to ten per cent compared with 12 to 13 per cent). However, this difference had also been observed in the Baseline survey (14 per cent and ten per cent respectively) (Table 4.6).

Only a small minority of Claimants in both Pathfinder and Control areas said that they had moved because of rent or finance-related reason(s). Five per cent of Pathfinder claimants at Wave 1 did so. This had slightly increased to seven per cent at Wave 2. An increase between Wave 1 (four per cent) and Wave 2 (seven per cent) was also apparent in Control areas (Table 4.6 and Figure 4.2).

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Table 4.6: Reasons for leaving previous address by area and survey wave

	Pathfinders		Controls		Multiple Responses		
	Baseline	W1	W2	Baseline	W1	W2	
	%	%	%	%	%	%	
Reasons for leaving previous address							
Personal/family reasons	28	33	33	38	38	34	
Larger accommodation	15	14	16	12	14	14	
Landlord selling/developing property	14	12	13	10	9	10	
Other change of accommodation	12	15	16	9	15	17	
Better area	11	14	16	12	17	18	
Rent/finance related reasons	4	5	7	3	4	7	
Other	28*	15	15	30*	13	12	
<i>Unweighted base</i>	<i>2,056</i>	<i>3,036</i>	<i>2,186</i>	<i>857</i>	<i>1,279</i>	<i>969</i>	

Base: All survey claimants.

* The high percentage of respondents for 'other' can be explained by the fact that the pre-codes in Baseline questionnaire were different to Wave 1 and Wave 2, which might have impacted on the percentage of responses.

Table 4.7 shows that, within movers, considerable differences in reasons for having moved were observed between Wave 1 and Wave 2 in both Pathfinder and Control areas. Among Pathfinders, 'Personal or family reasons' was still the most commonly given reason for leaving previous accommodation. However, it had fallen by three percentage points between Wave 1 (33 per cent) and Wave 2 (30 per cent). A much greater fall was observed within Control areas (Wave 1 – 41 per cent, Wave 2 – 25 per cent) (Table 4.5). This is despite the fact that movers in Wave 2 gave more responses than their counterparts in Wave 1. This could perhaps be because all the moves being recalled were relatively recent.

There were consistent increases between Wave 1 and Wave 2 in the proportions of Pathfinder claimants citing other reasons for having moved. For example, 14 per cent of claimants at Wave 1 said they had moved because of wanting larger accommodation. This had increased by nine percentage points to 23 per cent at Wave 2. In contrast, there was a fall of five percentage points within Control areas between Wave 1 (19 per cent) and Wave 2 (14 per cent) (Table 4.7). However, responses for other reasons did increase in line with the results among Pathfinder claimants.

Within the movers' group, the comparison between Wave 1 and Wave 2 in both Pathfinder and Control areas also suggests that there was an increase in the proportion of claimants who said that they had moved because of rent or finance-related reasons (Table 4.7). Only five per cent of Pathfinder Claimants at Wave 1 did so, compared to 14 per cent of their counterparts at Wave 2. The increase between Wave 1 (five per cent) and Wave 2 (20 per cent) was greater in Control areas. However, the modest size of this group of movers needs to be borne in mind when interpreting these figures. A more detailed examination of rent as a reason for moving is contained in the remainder of this section.

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There were also increases in both areas in the proportion of claimants who said that their landlord had wanted to sell or develop the property, which had resulted in their decision to move. Again, the increase between the two waves was smaller in Pathfinders (Wave 1 – 11 per cent, Wave 2 – 18 per cent) than in Control areas (Wave 1 – six per cent, Wave 2 – 21 per cent) (Table 4.7), and thus is not attributable to LHA. Unfortunately it is not possible to say whether the Houses in Multiple Occupation licensing has impacted on these figures.

Table 4.7: Reasons for leaving previous address, by moving history, area and survey wave

	Movers		Multiple responses			
			Pathfinders		Non-movers	
	Pathfinders	Controls	Pathfinders	Controls	W1	W1
	W1	W2	W1	W2	W1	W1
	%	%	%	%	%	%
Reasons for leaving previous address						
Personal/family reasons	33	30	41	25	34	36
Larger accommodation	14	23	19	14	15	13
Other change of accommodation	14	22	14	22	15	16
Better area	11	18	12	17	15	18
Landlord selling/developing property	11	18	6	21	12	8
Rent/finance related reasons	5	14	5	20	6	5
Other	18	14	16	9	15	13
<i>Unweighted base</i>	325	325	143	143	1,859	824

Base: All survey claimants present at Wave 1 and Wave 2.

All claimants who did not cite 'rent or finance related reasons' as one of the reasons for moving were prompted with an additional question which explored whether the amount of rent paid had been a factor in their most recent move. There was an increase between Wave 1 and Wave 2 in the total (spontaneous and prompted) response giving rent as a reason for moving in both Pathfinder and Control areas (Table 4.8 and Figure 4.2). Within Pathfinder groups, 11 per cent of claimants at Wave 1 agreed that the amount of rent was a factor in their move. This rose to 13 per cent for claimants at Wave 2. The increase between the two waves was also seen in Control areas (Wave 1 – ten per cent, Wave 2 – 14 per cent). So there is no evidence that LHA led to claimants leaving previous accommodation.

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Figure 4.2: Amount of rent a factor in moving out by area and survey wave

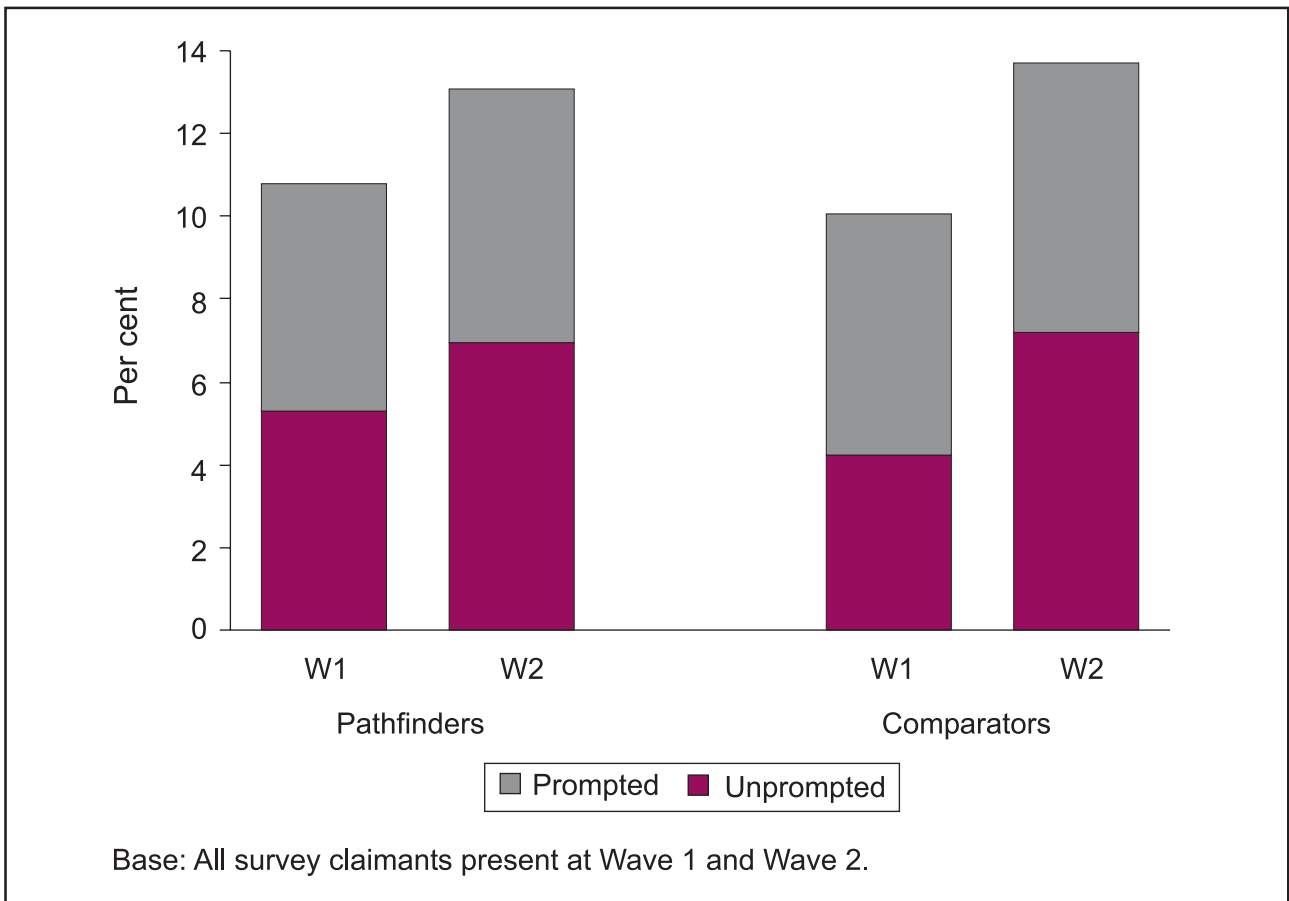


Table 4.8: Amount of rent as a factor in moving out, by area and survey wave

	Pathfinders		Column percentages Controls	
	W1 %	W2 %	W1 %	W2 %
Yes, rent is a factor (spontaneous)	5	7	4	7
Yes, rent is a factor (prompted)	6	6	6	7
No, rent is not a factor	89	87	90	86
<i>Unweighted base</i>	3,025	2,182	1,275	965

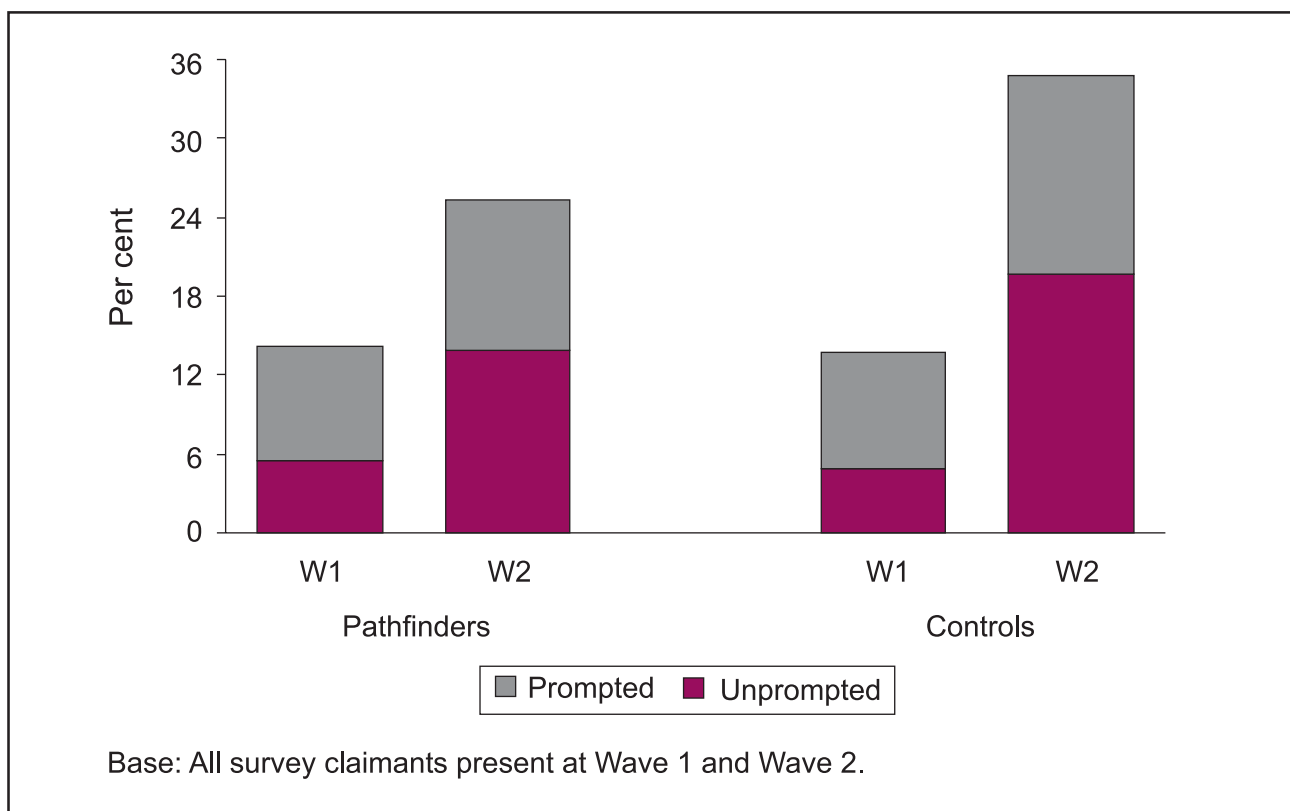
Base: All survey claimants present at Wave 1 and Wave 2.

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Where claimants had moved, there was no difference in the proportion of claimants who felt ‘*amount of rent was a factor in moving out*’ between Pathfinder and Control areas at Wave 1 (14 per cent). These proportions increased in both areas at Wave 2 to the extent that claimants in Control areas were more likely to say that rent was a factor in moving (35 per cent) than those in Pathfinder areas (25 per cent). As LHA should result in an improvement in claimants’ financial situations, this may explain why claimants in Pathfinder areas were less likely to cite rent as a reason for moving from their Wave 1 address (Table 4.9 and Figure 4.3).

This is assuming that claimants who cited rent as a reason for moving did so because they could not afford their rent. The reason for this assumption is that claimants who moved because they could afford more rent were extremely unlikely to do so in order to pay more rent per se. It was far more likely that they moved to improve their accommodation in some way and they cited their desired improvements as the reason for moving.

Figure 4.3: Amount of rent a factor in moving out by area and survey wave



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Table 4.9: Amount of rent as a factor in moving out, by moving history, area and survey wave

	Column percentages					
	Movers			Non-movers		
	Pathfinders	Controls	Pathfinders	Controls	W1	W1
	W1	W2	W1	W2	W1	W1
	%	%	%	%	%	%
Yes, rent is a factor (spontaneous)	5	14	5	20	6	5
Yes, rent is a factor (prompted)	9	11	9	15	5	5
No, rent is not a factor	86	75	86	65	89	90
<i>Unweighted base</i>	323	325	143	143	1,855	820

Base: All survey claimants present at Wave 1 and Wave 2.

Claimants' Experience of Looking for Current Accommodation

A key consideration in the evaluation of LHA is to gauge the extent to which claimants who moved perceived themselves as having better choice under LHA. Claimants were asked whether they felt they had a good choice of housing available when they were looking for their current accommodation.

Table 4.10 shows that there was a difference between Pathfinder and Control areas in the percentage of claimants who felt they had a good choice of housing available in the area when looking for their current accommodation. Pathfinder claimants (34 per cent) in Wave 1 were more likely to say that they had a good choice, compared to their counterparts in Control areas (28 per cent). These proportions did not change at Wave 2, although the question wording was altered to focus upon affordable housing.

Figure 4.4 illustrates that at Baseline fewer Pathfinder claimants reported a good choice of housing (26 per cent). This difference was not evident in the Control areas (again, 28 per cent at Baseline). However, it is not possible to conclude from this that choice had improved due to LHA in Pathfinders by Wave 1. Many of the moves would have pre-dated LHA.

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Figure 4.4: Good choice of housing by area and survey wave

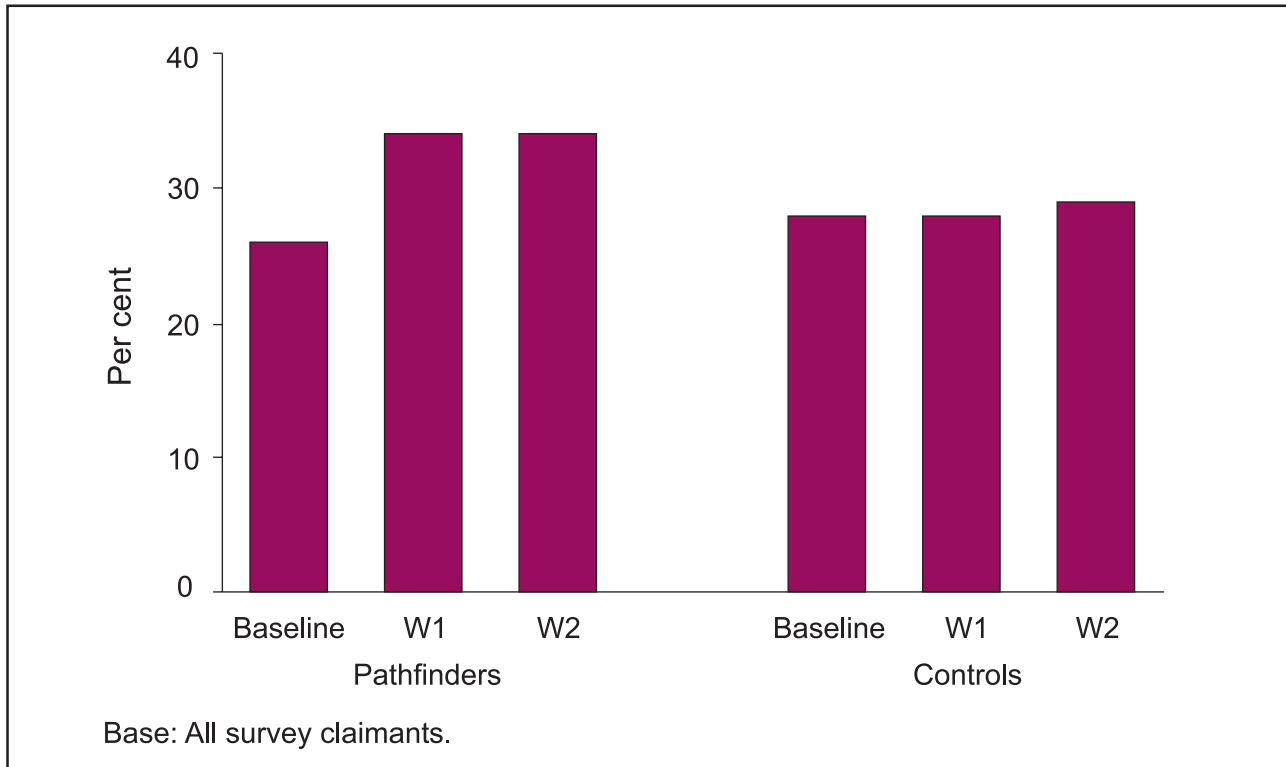


Table 4.10: Good choice of housing when looking for current accommodation by area and survey wave

	Cell percentages					
	Pathfinders			Controls		
	Baseline	W1	W2	Baseline	W1	W2
	Housing		Affordable housing	Housing		Affordable housing
	%	%	%	%	%	%
Yes	26	34	34	28	28	29
<i>Unweighted base</i>	1,870	2,686	1,920	762	1,129	857

Base: All survey claimants.

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Moreover, at both Waves, similar proportions of Pathfinder and Control area claimants reported having had a good choice of accommodation available when moving (Table 4.11). So it is perhaps more accurate to conclude, at this stage, that the evidence suggests that LHA did not increase or decrease the supply of good housing.

Table 4.11: Good choice of housing when looking for current accommodation, by moving history, area and survey wave

	Cell percentages				
	Movers				
	W1		W2		
	Pathfinders	Controls	Pathfinders	Controls	
	Housing		Affordable housing		
	%	%	%	%	%
Yes	34	34	37	35	
<i>Unweighted base</i>	298	136	293	135	

Base: All survey claimants present at Wave 1 and Wave 2 who moved.

Table 4.12 shows that between the Pathfinder and Control areas there was a difference in the proportion of claimants paying a returnable deposit to cover damages when they first moved into their current accommodation. At both Wave 1 and Wave 2, 69 per cent of Pathfinders cited paying a deposit when moving into their current accommodation, compared to 57 per cent of claimants who did so in Control areas. Among Pathfinders, 64 per cent of claimants at the Baseline had paid a deposit; so this increased by five percentage points at both Wave 1 and Wave 2 (to 69 per cent in both waves).

Table 4.12: Paying deposit when moving into current accommodation, by area and survey wave

	Cell percentages					
	Pathfinders			Controls		
	Baseline	W1	W2	Baseline	W1	W2
	%	%	%	%	%	%
Paying deposit						
Yes	64	69	69	60	57	57
<i>Unweighted base</i>	2,032	3,000	2,163	846	1,275	969

Base: All survey claimants.

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Table 4.13 shows that movers and non-movers in the Pathfinders were more likely to have paid deposits. Among Pathfinder claimants, 73 per cent paid a deposit for the accommodation they moved to between Wave 1 and Wave 2, compared with 65 per cent in Control areas. However, in both areas, movers were slightly less likely to have paid a deposit this time than they had previously (Pathfinders – 76 per cent of claimants at Wave 1, Control areas – 71 per cent).

Table 4.13: Paying deposit, by moving history, area and survey wave

	Cell percentages					
	Movers				Non-movers	
	Pathfinders		Controls		Pathfinders	Controls
	W1	W2	W1	W2	W1	W1
	%	%	%	%	%	%
Paying deposit						
Yes	76	73	71	65	68	56
<i>Unweighted base</i>	325	324	140	141	1,837	826

Base: All survey claimants present at Wave 1 and Wave 2.

Tenancy Arrangements

A majority of claimants in both areas had a fixed-term contract. Table 4.14 shows there were noticeable variations between waves and areas. Claimants in Control areas were less likely to have a fixed term tenancy agreement when they moved into their current accommodation than their Pathfinder counterparts. For example, in Wave 2, 22 per cent of claimants in Control areas said they had no fixed-term contracts. Only 14 per cent of Pathfinder claimants at the same period did so.

Among those who had a fixed-term tenancy agreement, Pathfinder claimants were more likely to have shorter duration contracts than claimants in Control areas. For example, 60 per cent of Pathfinder claimants at Wave 2 had contracts lasting up to six months. In Control areas, a lower percentage of claimants (43 per cent) said that they had contracts of a similar duration (Table 4.14 and Figure 4.5).

Within Pathfinders, the 60 per cent reporting contracts of six months or less at Wave 2 (and the 61 per cent at Wave 1) represented a notable increase relative to the Baseline (49 per cent) (Table 4.14 and Figure 4.5). This was balanced by a reduction in the percentages who did not have a fixed-term contract and those with a fixed-term contract of over 6 months. For example, at Baseline, 21 per cent of Pathfinder claimants did not have a fixed-term contract. This figure declined by six or seven percentage points at Waves 1 (15 per cent) and 2 (14 per cent).

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Figure 4.5: Tenancy agreement by area and survey wave

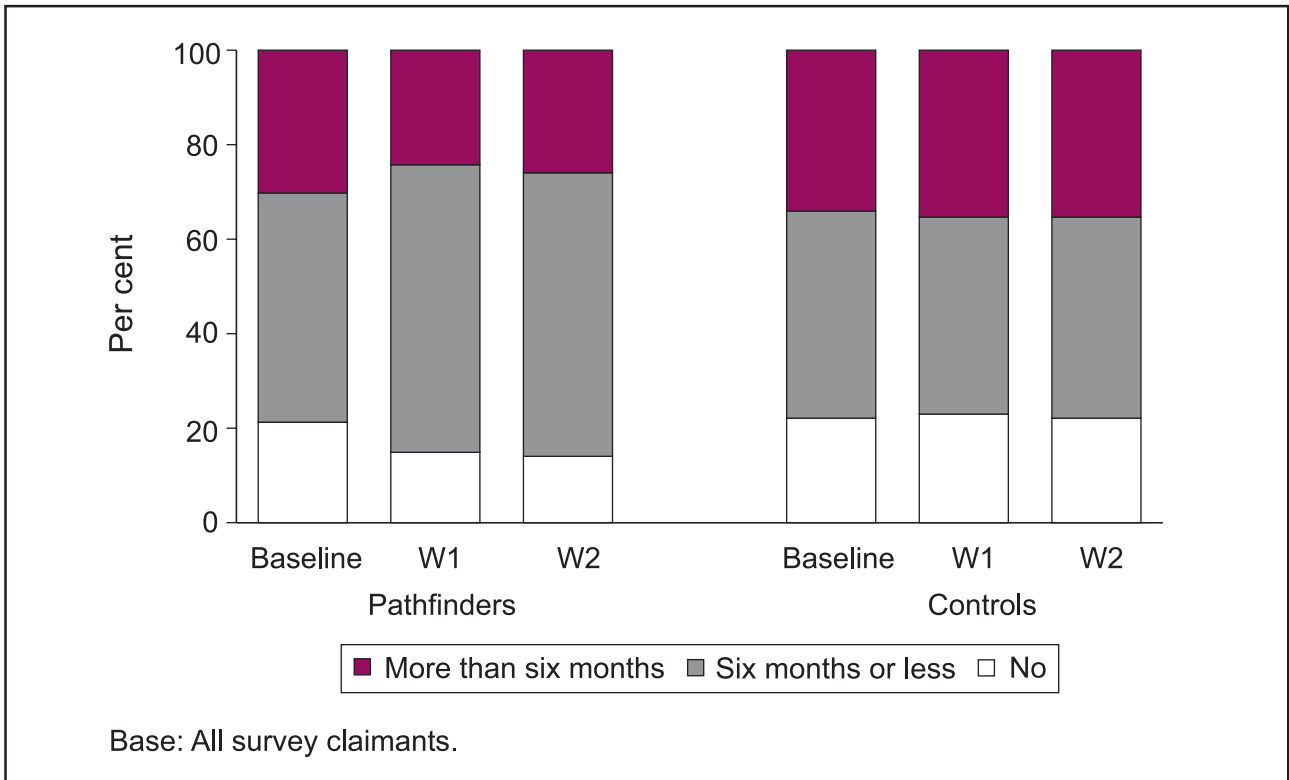


Table 4.14: Tenancy agreement by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Tenancy agreement						
No	21	15	14	22	23	22
Yes, less than six months	2	7	6	2	2	2
Yes, six months	47	54	54	42	40	41
Yes, over 6 months, up to one year	23	18	19	25	25	24
Yes, over one year	7	7	7	9	11	10
<i>Unweighted base</i>	2,033	3,005	2,158	847	1,261	958

Base: All survey claimants.

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Table 4.15 shows there was a difference between movers and non-movers in terms of the duration of tenancy agreements. Overall, movers were more likely to have a fixed-term contract than non-movers. For example, nine per cent and six per cent of Pathfinders at Wave 1 and Wave 2 respectively said they did not have a fixed-term contract, compared to 15 per cent of non-movers who were asked at Wave 1.

Within the movers' group, there were noticeable variations in the duration of tenancy agreements by area and waves. In Pathfinders, the proportion reporting no fixed-term tenancy agreements fell three percentage points at Wave 2 to just six per cent. The pattern was similar in Control areas, with a fall from 14 per cent to nine per cent. However, Pathfinders were more likely to have a contract lasting for six months compared with their counterparts in Control areas. For example, 62 per cent and 63 per cent of claimants at Wave 1 and Wave 2 respectively cited having a six-month contract. This compared to 47 per cent and 54 per cent of claimants in Control areas at Wave 1 and Wave 2. For contracts lasting for between six months and one year, there was a different trend between the two waves in Pathfinder and Control areas. There was a four percentage point increase at Wave 2 (23 per cent) among Pathfinder movers, while a three percentage point fall was observed at the same wave within Control areas (Table 4.15).

Table 4.15: Tenancy agreement, by moving history, area and survey wave

	Movers				Non-movers	
	Pathfinders		Controls		Pathfinders	Controls
	W1	W2	W1	W2	W1	W1
	%	%	%	%	%	%
Tenancy agreement						
No	9	6	14	9	15	24
Yes, less than six months	6	5	1	2	7	2
Yes, six months	62	63	47	54	53	39
Yes, over 6 months, up to one year	19	23	31	28	18	24
Yes, over one year	4	3	7	6	7	11
<i>Unweighted base</i>	323	322	142	143	1,834	813

Base: All survey claimants present at Wave 1 and Wave 2.

Length of Time in Current Property

Table 4.16 shows that, overall, the majority of claimants in both Pathfinder and Control areas had been in their current accommodation for 25 months or more. However, in Pathfinder areas, the proportion of claimants who had been in their current accommodation for 12 months or less was highest at Wave 1 (30 per cent) compared with 18 per cent in Baseline and Wave 2 (Table 3.14). This reflects the findings in

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Section 4.2 that claimants at Wave 1 were more likely to have moved recently compared to claimants in Baseline and Wave 2. It might also be explained by local housing market trends. DWP administrative data suggested there was some acceleration in the growth of the Private Rented Sector (PRS) as a whole between 2003/2004 and 2004/2005 compared to earlier years. More importantly, there was a sharp rise in the numbers of PRS claimants in 2004. By contrast, there was very little growth in 2003, and a more modest growth in 2005. The findings suggest a heightened degree of movement around the time LHA was introduced. However, since the pattern is also evident in Control areas and in national claimant counts, this is unlikely to be an effect of LHA.

Table 4.16: Length of residency at current address, by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Length of residency at current address						
0-12 months	18	30	18	23	28	17
13-24 months	20	17	22	21	19	22
25+ months	62	53	60	56	53	60
<i>Unweighted base</i>	<i>2,053</i>	<i>3,028</i>	<i>2,185</i>	<i>855</i>	<i>1,272</i>	<i>969</i>

Base: All survey claimants.

Conclusions

Claimants in Pathfinder areas were slightly more likely to have moved in the two years preceding Baseline than their counterparts in Control areas. However, in Wave 1 and Wave 2 the percentages of Pathfinder and Control claimants who moved were similar.

As yet, there is little evidence that LHA has impacted greatly on the number of housing moves. Younger claimants were more likely to have moved between W1 and W2 than older claimants. Couples with children were most likely to move, while single people and those in other multi-person households were least likely to.

There was no evidence that claimants in Pathfinder areas were specifically looking for accommodation at a level set by their LHA allowance. This is because the reasons for moving were similar in Pathfinder and Control areas.

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Where claimants had moved between Wave 1 and Wave 2, there was no difference in the proportion of claimants who felt *'amount of rent was a factor in moving out'* between Pathfinder and Control areas at Wave 1 (14 per cent in both). By Wave 2, 25 per cent of Pathfinder claimants reported this was a reason for moving and 35 per cent said it was a reason for moving in the Control areas. As LHA should result in an improvement in claimants' financial situations, this may explain why claimants in Pathfinder areas were less likely to cite rent as a reason for moving from their Wave 1 address.

At Baseline, the percentage of claimants reporting a good choice of housing was similar in Pathfinder (26 per cent) and Control areas (28 per cent). In Wave 1, Pathfinder claimants were more likely to say that they had a good choice (34 per cent) compared to their counterparts in Control areas (28 per cent). These proportions did not change at Wave 2, although the question wording was altered to focus upon affordable housing. Many of these moves will have pre-dated LHA, so it would not be wise, on this evidence, to conclude that LHA improves choice. However, the findings suggest that LHA has not impacted on the perceived supply of good housing choices.

Within Pathfinders, the 60 per cent reporting contracts of six months or less at Wave 2 (and the 61 per cent at Wave 1) represented a notable increase relative to the Baseline (49 per cent). This was balanced by a reduction in the percentages who did not have a fixed-term contract and those with a fixed-term contract of over six months. Within the Control areas, the tenancy agreements remained stable over the Baseline and survey waves.

Chapter 5: Payment and arrears

Introduction

This chapter examines the payment methods used to pay Housing Benefit amount to claimants. It explores claimants' opinions about the payment method and its effect on arrears. The chapter also investigates the effect of the drive to encourage Pathfinder claimants to open bank, building society or Post Office accounts to receive their Housing Benefit amount. It is divided into four sections: a focus on how Housing Benefit amount is paid to claimants and their preferences about who should receive payment (Section 5.2); how claimants who receive direct payments pay their rent and whether direct payments have caused problems between claimants and their landlords (Section 5.3); access to bank, building society or Post Office accounts (Section 5.4), and finally; claimants who were in arrears (Section 5.5). This chapter includes survey data and DWP administrative data. The sub-sections, figures and tables indicate which data source is used.

Payment of Housing Benefit

One of the features of LHA is the presumption that claimants should receive the payments themselves. Under the current Housing Benefit system, it is the landlord who generally receives the payment. This is to enable claimants to take responsibility for budgeting and paying their landlord themselves. However, if a claimant satisfies certain requirements, they can be classed as 'vulnerable' and their local authority will make the benefit payments to the landlord on their behalf. Payment will also revert to the landlord if a claimant falls into arrears of at least eight weeks.

Who receives the Housing Benefit Payment?

Given this policy aim, it is not surprising that the introduction of LHA led to a substantial increase in the proportion of claimants in the survey who received direct payments. This rose from 49 per cent at Baseline to 88 per cent at Wave 1, but then fell slightly to 83 per cent at Wave 2. In Control areas, there was a gradual reduction in the percentage who received direct payments from 41 per cent at Baseline to 34 per cent at Wave 1 and 29 per cent at Wave 2 (Figure 5.1, Table 5.1, and Annex Table A4 for individual areas). Similar results were found in the analysis of the DWP administrative data. Between the Baseline and Wave 2, the proportion of claimants responsible for paying their rent to their landlord increased by three quarters, from 50 per cent to 87 per cent (Table 5.2). This proportion (at Wave 2) ranged from 76 per cent to 94 per cent across the individual Pathfinders areas (Annex Table A5). The reduction in the proportion of claimants who received direct payment between Wave 1 and Wave 2 in Pathfinder areas could reflect the effect of the system to identify vulnerable claimants and revert payments to landlords due to arrears moving towards their steady state.

At Wave 2, the DWP administrative data showed that Pathfinder local authorities paid Housing Benefit directly to the landlords of 13 per cent of LHA claimants compared to 63 per cent in the Comparator local authorities. There had been no change in the proportion of claimants receiving direct payments in the Comparator local authorities. In the Pathfinders, 80 per cent of the claimants had landlord payments because they had been identified as vulnerable, and the remaining 20 per cent were because the tenant

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had accrued eight weeks of rent arrears. However, the majority of Pathfinder claimants received direct payments. Therefore when based on all Pathfinder claimants, 10 per cent received landlord payments due to vulnerability and three per cent received landlord payments due to accruing eight weeks of rent arrears.

Figure 5.1: Respondent/partner received benefit by area and survey wave

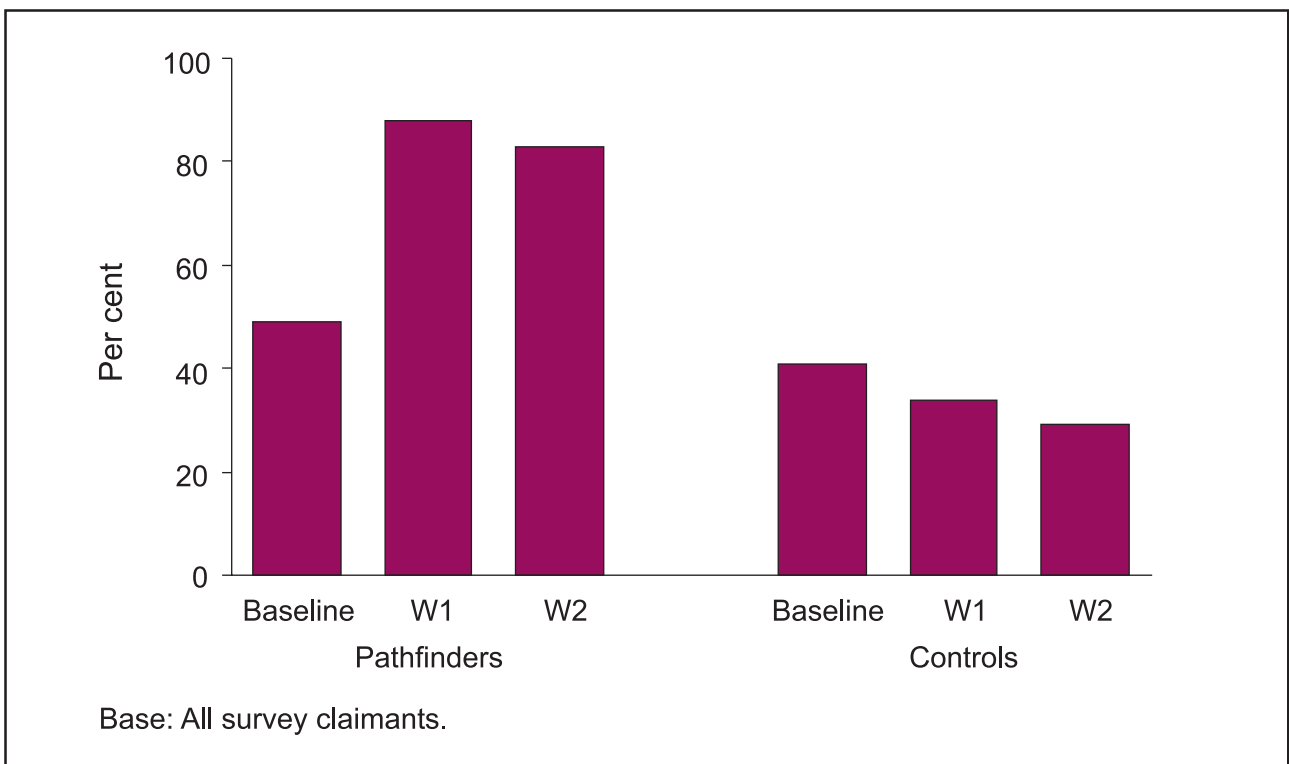


Table 5.1: Who receives Housing Benefit amount? by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Landlord or letting agent	51	11	16	59	65	70
Respondent or partner	49	88	83	41	34	29
Other	0	1	1	0	*	*
<i>Unweighted base</i>	<i>2,064</i>	<i>3,040</i>	<i>1,982</i>	<i>862</i>	<i>1,283</i>	<i>853</i>

Base: All survey claimants.

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Table 5.2: Who receives Housing Benefit amount? by area and survey wave

	Column percentages					
	Pathfinders			Comparators		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Landlord	50	9	13	-	63	63
Claimant	50	91	87	-	37	37

Source: DWP administrative data.

Notes: - data not available. Figures exclude split payment cases where they can be identified.

There was a decrease in the proportion of claimants who received direct payments between Wave 1 and Wave 2 among Pathfinder and Control movers. However, there was no decrease among non-movers. Among movers, the proportion who received direct payments decreased from 85 per cent to 70 per cent in Pathfinder areas, and from 40 per cent to 24 per cent in Control areas (Figure 5.2, Table 5.3).

It is not clear why there was a large drop in the percentage of movers from the survey who received direct payments between Wave 1 and Wave 2. In Pathfinder areas, landlord payments can be made either if the claimant is classified as vulnerable (at risk of not paying their rent if they receive direct payments) or if they fall into arrears of at least eight weeks. Although movers were slightly less likely than the equivalent non-movers to have been up to date with their rent over the last year (Table 5.27), the difference in Pathfinder areas between movers and non-movers was small and constant over the two waves. This would not be the case if Pathfinder movers were reverting to landlord payments because of arrears. Unfortunately, the survey provides no direct data about vulnerability, but very few claimants switched payment methods from direct payments to landlord payments or vice versa. (Section 5.3.3). Thus, it seems unlikely that many claimants were re-classified as vulnerable between Wave 1 and Wave 2. Whatever the cause of the drop in the percentage of movers who received direct payments, it seems unlikely that this is due to the introduction of LHA since there was a very similar trend in the Control areas.

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Figure 5.2: Respondent/partner received benefit by moving history area and survey wave

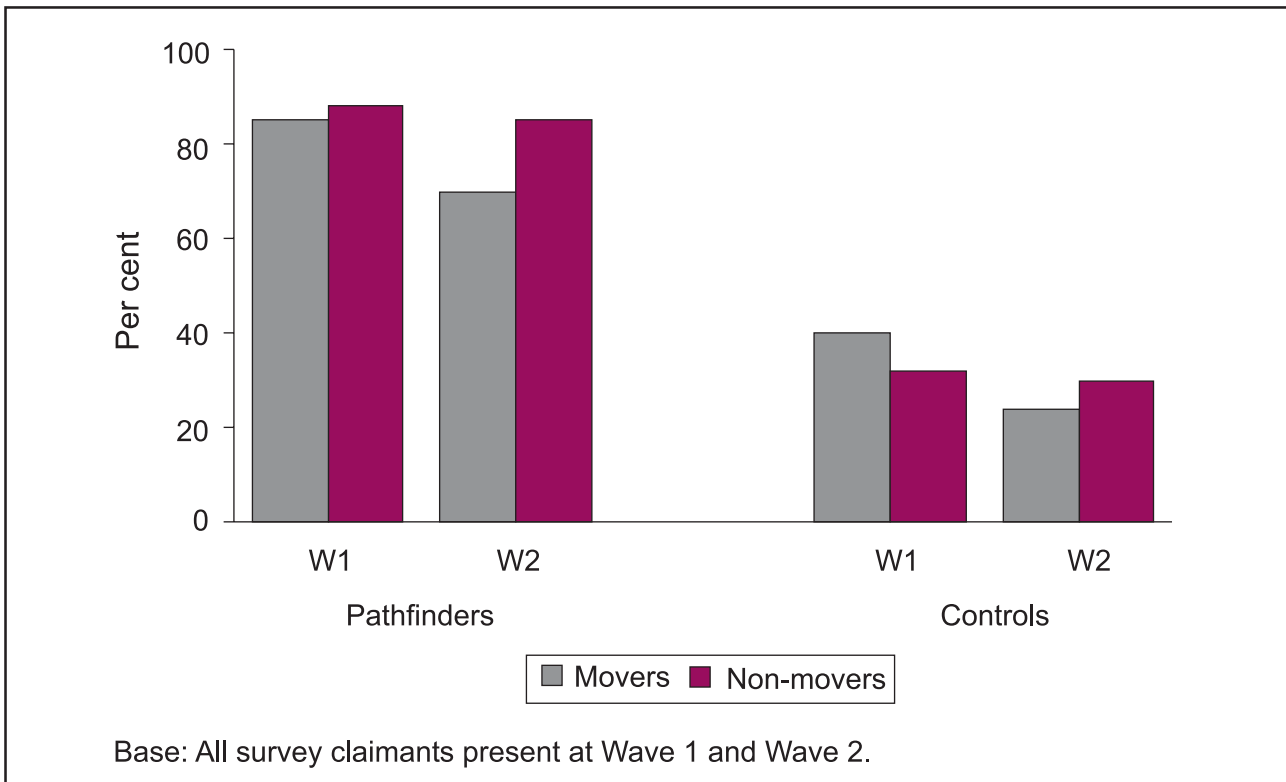


Table 5.3: Who receives Housing Benefit payment? by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1	W2	W1	W2	W1	W2	W1	W2
	%	%	%	%	%	%	%	%
Landlord or letting agent	15	29	59	72	11	15	68	70
Respondent or partner	85	70	40	24	88	85	32	30
Other	*	1	1	1	*	*	0	0
<i>Unweighted base</i>	<i>325</i>	<i>239</i>	<i>143</i>	<i>104</i>	<i>1,862</i>	<i>1,743</i>	<i>828</i>	<i>749</i>

Base: All survey claimants present at Wave 1 and Wave 2.

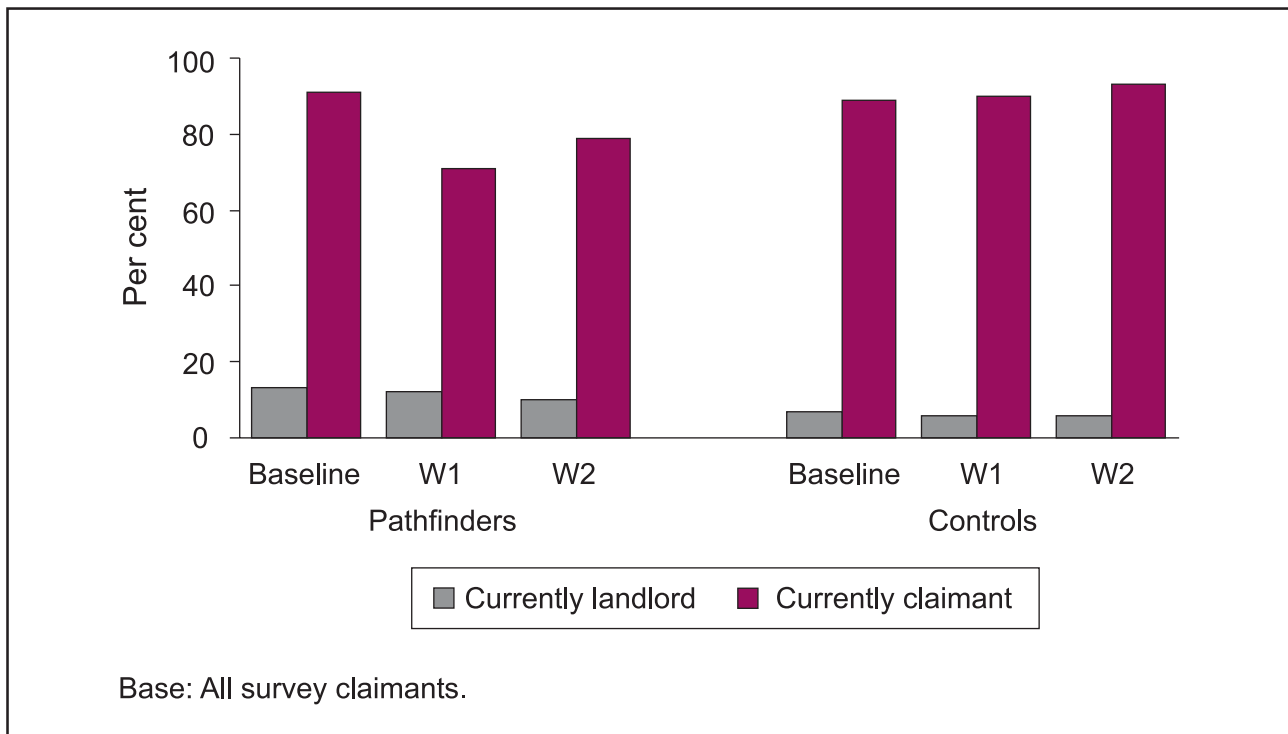
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Claimants' preferences for who receives Housing Benefit

The payment preference among survey claimants who have landlord payments remained fairly steady during the survey in both Pathfinder and Control areas. The overwhelming preference was for landlord payments (between 87 and 90 per cent for Pathfinder areas and from 93 to 94 per cent in Control areas).

Among claimants who received direct payments, the majority preferred that arrangement. In Pathfinder areas, the preference dropped by 20 percentage points between Baseline and Wave 1 as many claimants who had landlord payments in the Baseline were moved into direct payments under the LHA. However, the percentage preferring to receive direct payments increased by eight percentage points by Wave 2 (from 71 per cent to 79 per cent). There could be two reasons for this. It is possible that a disproportionate number of claimants who preferred landlord payments reverted back to this method. Thus their preferences were not included in this group in Wave 2. It could also be possible that claimants realised that there were benefits to them receiving direct payments and they increasingly preferred this option (Figure 5.3, Table 5.4).

Figure 5.3: Prefer direct payment by area and survey wave



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Table 5.4: Claimants' preferences for who receives Housing Benefit payment by area and survey wave

Payment Receipt	Claimants' Preferences	Column percentages					
		Pathfinders			Controls		
		Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Landlord	Respondent or partner	13	12	10	7	6	6
	Landlord or letting agent	87	88	90	93	94	94
<i>Unweighted base</i>		965	274	284	562	830	590
Claimant or partner	Respondent or partner	91	71	79	89	90	93
	Landlord or letting agent	9	29	21	11	10	7
<i>Unweighted base</i>		1,031	2,516	1,637	288	399	249

Base: All survey claimants who expressed a preference.

Comparisons of claimants' preferences were not possible in the movers sub-group due to low numbers of claimants with landlord payments in Pathfinder area and low numbers of claimants receiving direct payments in Control areas (Table 5.5).

Among Pathfinder non-movers, the preference for receiving direct payment increased between Wave 1 and Wave 2 among claimants who received direct payments. However, it decreased slightly among claimants who had landlord payments. In Control areas, the claimants' preferences remained fairly steady.

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Table 5.5: Claimants' preferences for who receives Housing Benefit by moving history, area and survey wave

Payment receipt	Claimants' preferences	Column percentages							
		Movers				Non-movers			
		Pathfinders		Controls		Pathfinders		Controls	
		W1	W2	W1	W2	W1	W2	W1	W2
		%	%	%	%	%	%	%	%
Landlord	Respondent or partner	[11]	10	15	3	14	10	4	7
	Landlord or letting agent	[89]	90	85	97	86	90	96	93
<i>Unweighted base</i>		34	74	88	75	160	210	545	515
Claimant or partner	Respondent or partner	71	78	[81]		72	79	90	92
	Landlord or letting agent	29	22	[19]		28	21	10	8
<i>Unweighted base</i>		265	159	45		1,549	1478	254	226

Base: All survey claimants who expressed a preference.

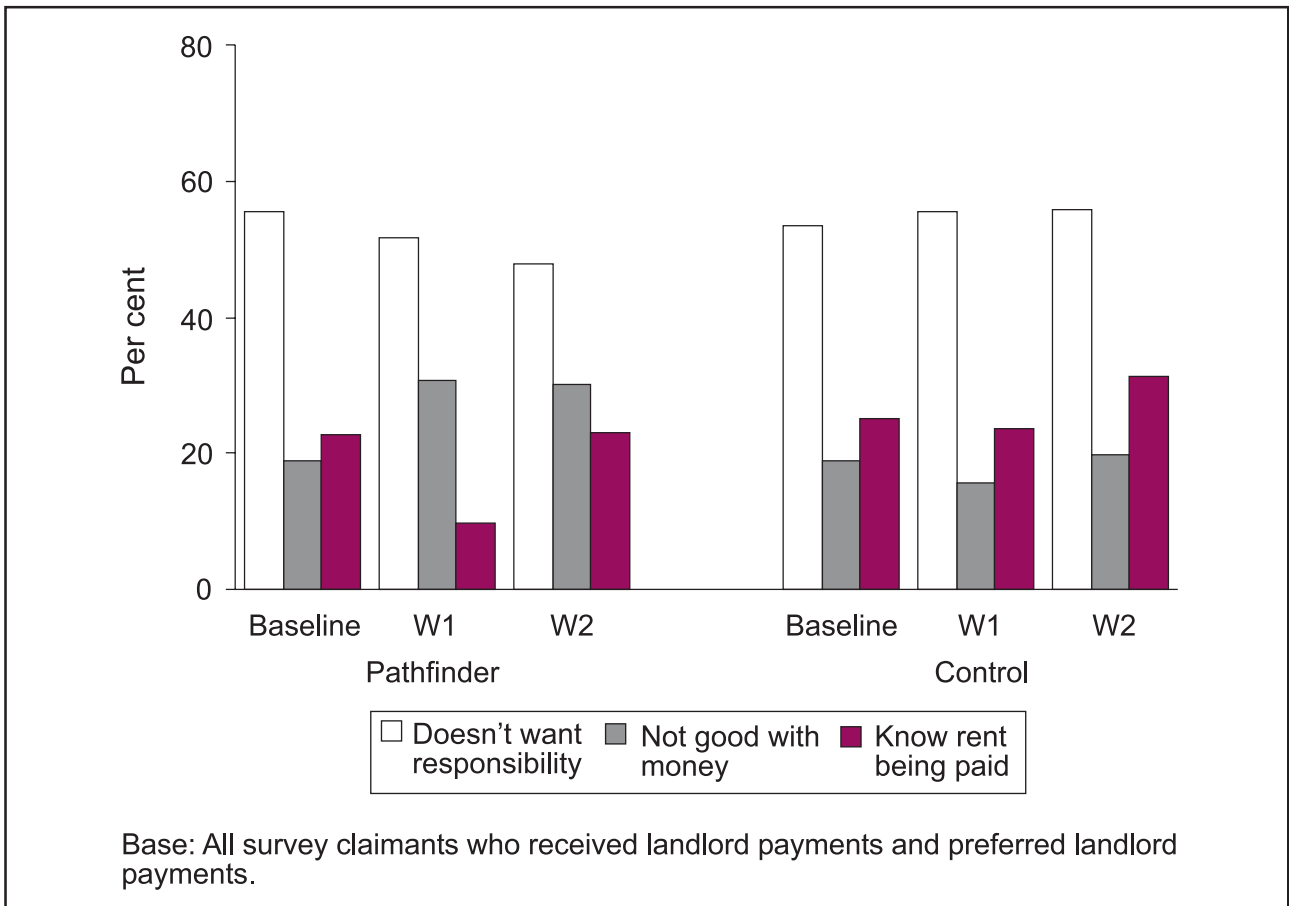
Why claimants prefer landlord payments

As noted above, one facet of LHA is the presumption of direct payment to the claimant, unless there is a compelling reason not to do so. The intention is to encourage claimants to take responsibility for budgeting, and to reduce reliance on the state. However, among the survey claimants who had landlord payments, the main reason given by claimants in both Pathfinder and Control areas was that they did not want the responsibility of receiving it themselves. In Pathfinder areas, there was a slight drop in the percentage of claimants who gave this reason between Wave 1 and Wave 2 (from 52 per cent to 48 per cent). However, in Control areas, the percentage remained the same at 56 per cent for both waves.

The next most common reasons for wanting landlord payments were: claimants perceiving themselves as not being good with money and in order to know that the rent would be paid. Those in Pathfinder areas were more likely to mention that they were not good with money – for example, 30 per cent compared with 20 per cent in Control areas at Wave 2. The proportion of claimants who preferred landlord payment because they wanted to know that the rent was paid increased between Wave 1 and Wave 2 in both Pathfinder and Control areas. This reason was more likely to be mentioned in Control areas. In Wave 2, 31 per cent in Control areas felt that 'knowing the rent would be paid' constituted a reason for landlord payments compared with 23 per cent in Pathfinder areas. This had increased from 24 per cent and ten per cent respectively in Wave 1 (Figure 5.4, Table 5.6).

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Figure 5.4: Why prefer landlord payments by area and survey wave



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Table 5.6 Why claimants who have landlord payments prefer it that way by area and survey wave

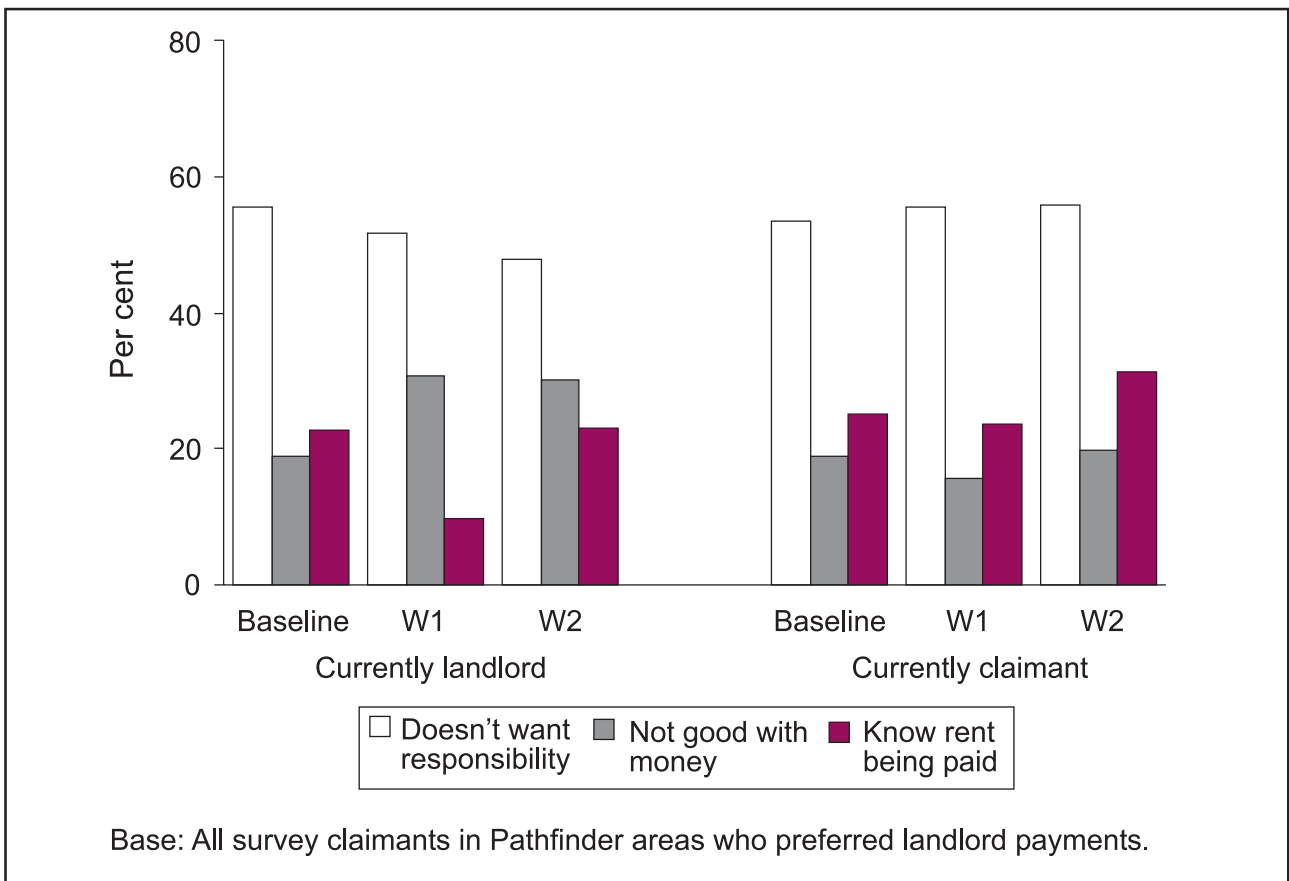
	Multiple responses					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Doesn't want responsibility	55	52	48	53	56	56
Not good with money	19	31	30	19	16	20
Know rent being paid	23	10	23	25	24	31
Happy with existing system	10	4	7	10	5	6
It's landlords money	3	1	1	4	3	3
Landlord prefers it	2	4	1	2	1	5
Other	4	16	8	5	6	3
<i>Unweighted base</i>	815	233	261	505	775	552

Base: All survey claimants who received landlord payments and preferred landlord payments.

In Pathfinder areas, the most common reason for wanting landlord payments among claimants who currently received payment themselves was not wanting the responsibility for handling the benefit payment themselves. This was also the main reason cited by claimants who had landlord payments. It was, however, a view that was held more strongly by those claimants who received direct payments (67 per cent compared with 48 per cent at Wave 2) (Figure 5.5, Table 5.7).

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Figure 5.5: Why prefer landlord payments by who currently receives payment, area and survey wave



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Table 5.7: Why Pathfinder claimants prefer landlord payments, by who receives payment and survey wave

	Multiple responses					
	Currently landlord			Currently claimant		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Doesn't want responsibility	55	52	48	65	72	67
Not good with money	19	31	30	13	14	21
Know rent being paid	23	10	23	18	12	20
Happy with existing system	10	4	7	-	1	1
It's landlords money	3	1	1	-	1	2
Landlord prefers it	2	4	1	-	2	3
Other	4	16	8	17	8	5
<i>Unweighted base</i>	<i>815</i>	<i>233</i>	<i>261</i>	<i>96</i>	<i>752</i>	<i>361</i>

Base: All survey claimants in Pathfinder areas who preferred landlord payments.

Why claimants prefer Direct Payments

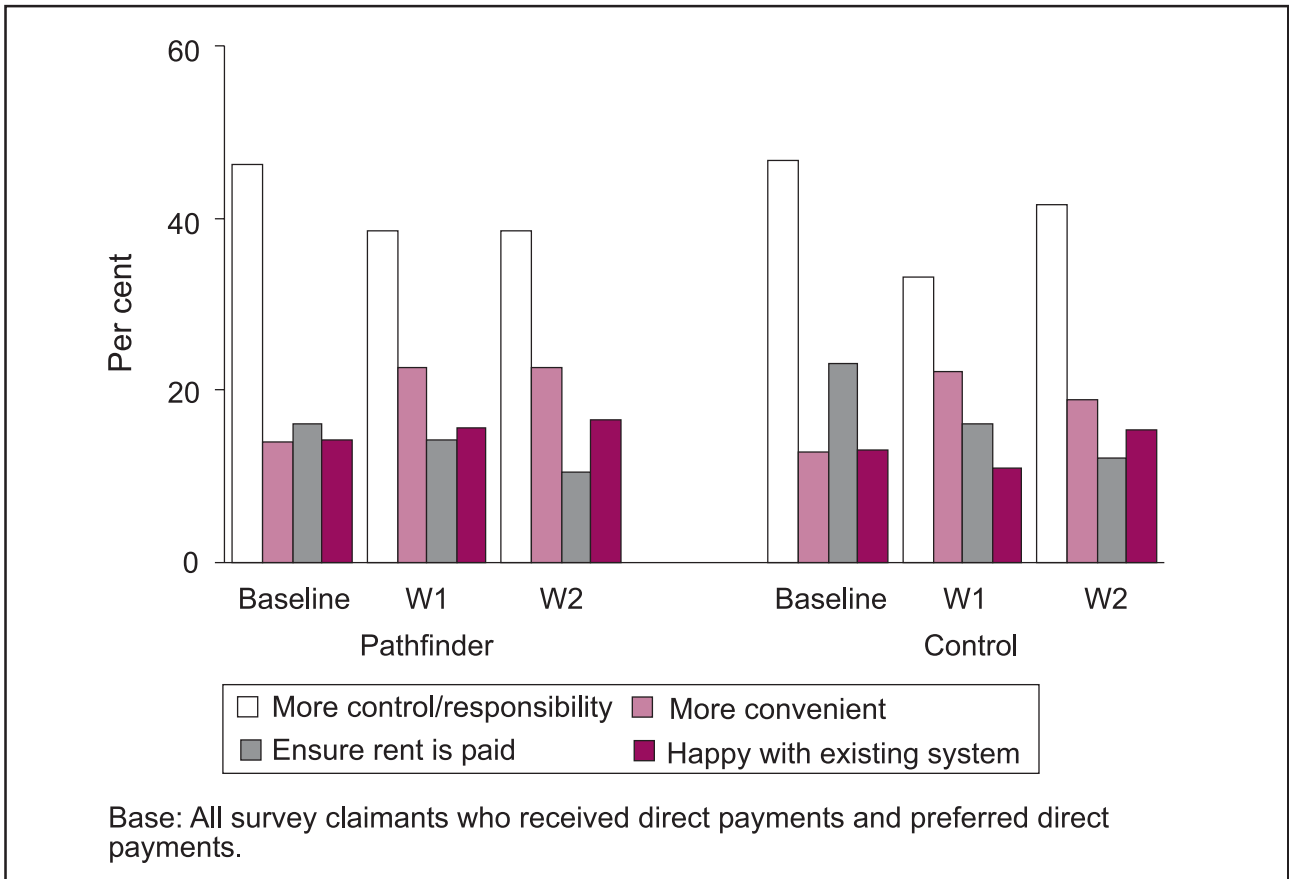
Among survey claimants who received direct payments, the most common reason for preferring this arrangement was that it increased personal responsibility or that it allowed them to manage their own finances (Table 5.8). This reason was stable in the Pathfinders group over the study waves (Wave 1 - 38 per cent, Wave 2 - 39 per cent), but increased in Control areas (Wave 1 - 32 per cent, Wave 2 - 38 per cent). Approximately one-fifth of claimants maintained that it was more convenient for them to receive direct payments in both Pathfinder (Wave 1 - 23 per cent; Wave 2 - 23 per cent) and Control areas (Wave 1 - 21 per cent; Wave 2 - 18 per cent).

The third most common reason for preferring to receive direct payments was that it allowed claimants to ensure that their rent was paid on time or to enable them to monitor their rent. This was given by similar percentages of claimants in Pathfinder (Wave 1 - 14 per cent Wave 2 - ten per cent) and Control areas (Wave 1 - 16 per cent, Wave 2 - 13 per cent).

Claimants also preferred direct payments because they said they were happy with it and saw no reason to change it. This preference was reasonably stable in Pathfinder (Wave 1 - 15 per cent, Wave 2 - 16 per cent) and Control areas (Wave 1 - ten per cent, Wave 2 - 14 per cent).

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Figure 5.6: Claimants who prefer direct payments by area and survey wave



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Table 5.8: Reasons why claimants who receive direct payments prefer it that way by area and survey wave

	Multiple responses					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
More control/responsibility	46	38	39	44	32	38
Ensure rent is paid	16	14	10	23	16	13
More convenient	14	23	23	14	21	18
Happy with existing system	13	15	16	12	10	14
Don't know claimant is on HB/LHA	8	7	5	2	8	9
Landlord prefers it	6	3	4	8	4	5
Use rent as leverage with landlord	8	6	8	6	10	10
Other	3	6	7	5	7	4
<i>Unweighted base</i>	<i>1,005</i>	<i>1,792</i>	<i>1,299</i>	<i>272</i>	<i>409</i>	<i>266</i>

Base: All survey claimants who received direct payments and preferred direct payments.

Requests to change payment methods

This sub-section is based on survey Pathfinder areas only. Fourteen per cent of claimants in Pathfinder areas had asked for landlord payments by Wave 1, and five per cent between Wave 1 and Wave 2 (Table 5.9). There appears to be a trend in the age of claimants asking for the payment method to revert to landlord payments (Table 5.10). Those under 25 were most likely to ask for this, and those of pensionable age, the least likely. There could be various reasons for this, and without knowing why claimants have asked for payments to revert to landlords, it is not possible to draw any firm conclusions why this trend is observed. There were no trends in the in the percentage of each household type that asked for landlord payments to be made to the landlord (Table 5.11). There appears to be no difference in the percentage of requests between movers and non-movers (Table 5.12).

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Table 5.9: Whether Pathfinder claimants have asked for landlord payments by survey wave

Have you asked for your payments to go to your landlord...	Pathfinders		Column percentages
	...since being on LHA?	...since the last interview?	
	W1 %	W2 %	
Yes	14	5	
No	86	95	
<i>Unweighted base</i>	2,717	1,689	

Base: All survey claimants present at Wave 1 and Wave 2 in Pathfinder areas who received direct payments.

Table 5.10: Whether Pathfinder claimants have asked for landlord payments by age

Have you asked for your payments to go to your landlord...	Pathfinders								Column percentages
	...since being on LHA? W1				...since the last interview? W2				
	<25 yrs	Working age 25-49	Other working age	Pensionable age	<25 yrs	Working age 25-49	Other working age	Pensionable age	
Yes	19	14	13	10	9	5	5	2	
No	81	86	87	90	91	95	95	98	
<i>Unweighted base</i>	270	1707	457	283	112	1022	318	237	

Base: All survey claimants present at Wave 1 and Wave 2 in Pathfinder areas who received direct payments.

Table 5.11: Whether Pathfinder claimants have asked for landlord payments by household type

Have you asked for your payments to go to your landlord...	Column percentages									
	Pathfinders									
	...since being on LHA? W1					...since the last interview? W2				
	Lone Parent	Couple with children	Couple no children	Other multi-person household	Single person	Lone Parent	Couple with children	Couple no children	Other multi-person household	Single Person
Yes	16	16	10	12	13	7	4	8	2	4
No	84	84	90	88	87	93	96	92	98	96
<i>Unweighted base</i>	<i>901</i>	<i>311</i>	<i>186</i>	<i>271</i>	<i>1048</i>	<i>598</i>	<i>199</i>	<i>111</i>	<i>150</i>	<i>631</i>

Base: All survey claimants present at Wave 1 and Wave 2 in Pathfinder areas who received direct payments.

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Table 5.12: Whether Pathfinder claimants have asked for payments to be made to Landlord by moving history and survey wave

Have you asked for your payments to go to your landlord...	Column percentages				
	Pathfinders				
	...since being on LHA? W1		...since the last interview? W2		
	Mover	Non-mover	Mover	Non-mover	
	%	%	%	%	
Yes	13	14	7	5	
No	87	86	93	95	
<i>Unweighted base</i>	286	1,674	162	1,527	

Base: All survey claimants present at Wave 1 and Wave 2 in Pathfinder areas who received direct payments

Landlords' awareness of Housing Benefit receipt

Most survey claimants thought that their landlords were aware that they (claimants) were in receipt of LHA/ Housing Benefit (Table 5.13). In both waves, around nine-tenths of Pathfinder and Control area claimants thought that their landlords knew of this arrangement. The claimants who had moved between Wave 1 and Wave 2 in Pathfinder areas thought their landlords were slightly less likely to be aware that they (claimants) were in receipt of LHA compared to the non-mover Pathfinder group (Table 5.14). However, the claimants thought their new landlords were just as likely to know that they (claimants) were in receipt of LHA as their previous landlord had been. It is not possible to compare the Control groups due to low numbers in the movers Control group.

Table 5.13: Landlords' awareness of claimants receipt of Housing Benefit by area and survey wave

Is landlord/letting agency aware claimant receives Housing Benefit?	Column percentages				
	Pathfinders		Controls		
	W1	W2	W1	W2	
	%	%	%	%	
Yes	90	90	89	89	
No	10	10	11	11	
<i>Unweighted base</i>	2,620	1,607	417	242	

Base: All survey claimants present at Wave 1 and Wave 2 who received direct payments.

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Table 5.14: Landlords awareness of claimants receipt of Housing Benefit by moving history, area and survey wave

Is landlord/letting agency aware claimant receives Housing Benefit?	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Yes	85	87	[90]		91	91	89	90
No	15	13	[10]		9	9	11	10
<i>Unweighted base</i>	274	155	50		1,617	1,452	261	219

Base: All survey claimants present at Wave 1 and Wave 2 who received direct payments.

Direct Payment of Housing Benefit amount to Claimants

This section concentrates on claimants from both areas who received direct payments. It examines how they received their Housing Benefit amount and how they paid their rent. It also examines whether the change to direct payment caused any problems with landlords.

How claimants are paid Housing Benefit

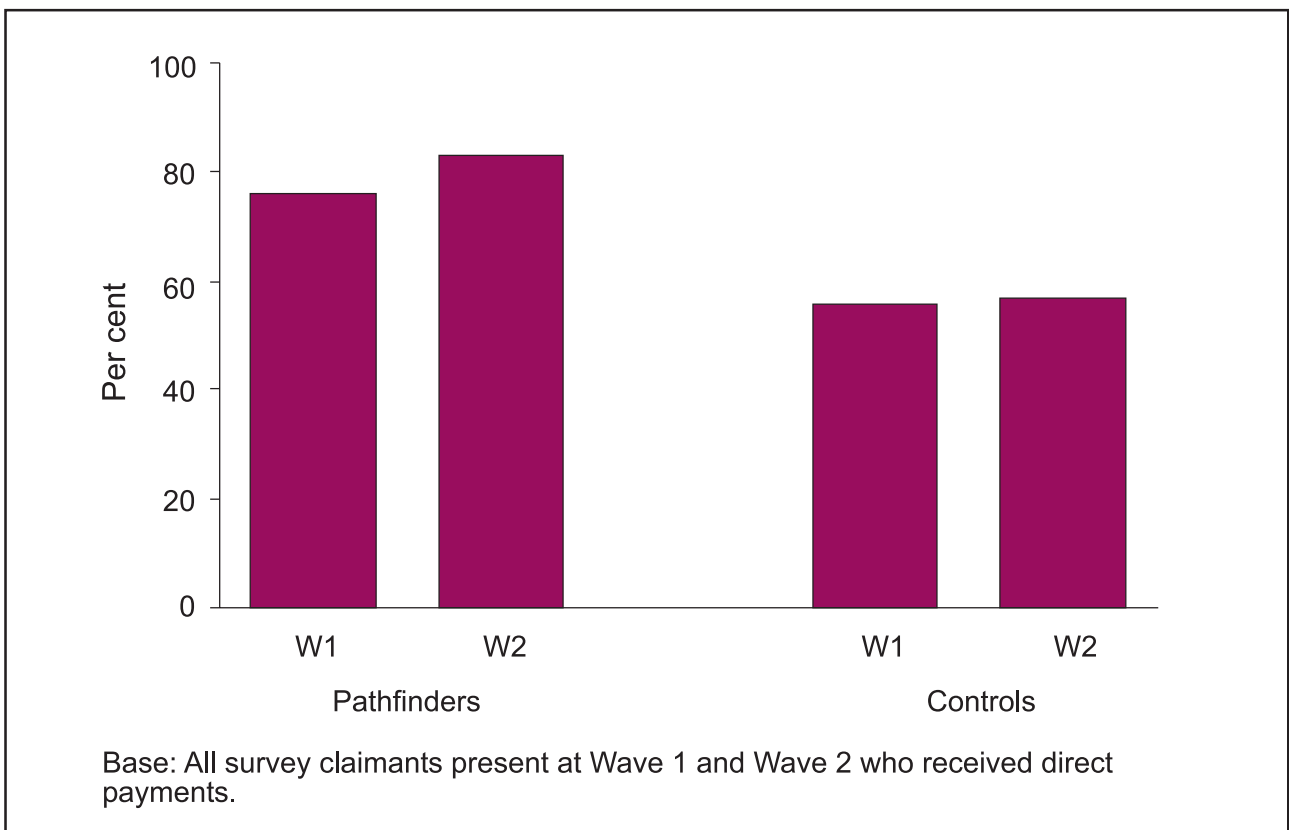
As a result of the introduction of LHA and increased levels of direct payments to claimants, the Money Advice Service encouraged claimants to open bank or building society accounts and for direct payments to be made into accounts in Pathfinder area. The survey and DWP administrative data found that claimants in Pathfinder areas were more likely to have direct payments into accounts than those in Control (survey) or Comparator (DWP administrative) areas. This could suggest that the drive was successful.

The survey found that in Pathfinder areas in Wave 1, 76 per cent of claimants who received direct payments had it paid into an account and this increased to 83 per cent in Wave 2 (Figure 5.7, Table 5.15). Excluding Teignbridge (because they did not use Automated Credit Transfer (ACT) payments before the start of LHA) made virtually no difference to the percentages. Levels of direct payment into an account were lower in Control areas and stable over time at 56 per cent in Wave 1 and 57 per cent in Wave 2. This is similar to the administrative data which found a ten percentage point increase in claimants' use of ACT, from 61 per cent at Wave 1 to 71 per cent at Wave 2 (the administrative and survey data use slightly different sources, so the small percentage point differences in findings are expected) (Table 5.16). Clearly, both sources of information show an increase in the use of direct payment into an account in Pathfinder areas. It remains stable in Control or Comparator areas. The proportion of claimants being paid via ACT ranged from 27 per cent in Teignbridge to 92 per cent in Brighton (Annex Table A6). This may at least partially reflect that ACT was introduced at different points in time in different local authorities.

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These findings suggest that, in general, the drive to pay Housing Benefit amount electronically has been successful. Therefore, LHA appears able to support the payment modernisation objective (a general objective across all benefits).

Figure 5.7: Direct payment into an account by area and survey wave



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Table 5.15: How claimants are paid LHA by area and survey wave

How do you receive Housing Benefit?	Pathfinders		Controls	
	W1	W2	W1	W2
	%	%	%	%
Directly into an account	76 (77)	83 (84)	56	57
By cheque	24 (23)	16 (15)	44	41
Some other way	0 (0)	1 (1)	0	1
<i>Unweighted base</i>	2,730	1,685	432	253

Base: All survey claimants present at Wave 1 and Wave 2 who received direct payments.

Note: the figures in brackets shown the analysis excluding Teignbridge.

Table 5.16: How Pathfinder claimants are paid LHA by area and survey wave

	Baseline	Pathfinders	
		W1	W2
		%	%
ACT	-	61	71
By cheque	-	39	29

Source: DWP administrative data.

Note: - data not available.

In Wave 1, movers in Pathfinder areas were slightly less likely to receive direct payments into an account than non-movers (73 per cent compared to 78 per cent). However, by Wave 2 the percentage of movers and non-movers receiving direct payments into their account had risen to a similar percentage (81 per cent for movers, 83 per cent for non-movers) (Table 5.17).

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Table 5.17: How claimants are paid Housing Benefit by moving history, area and survey wave

How do you receive Housing Benefit?	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Directly into an account	73	81	[61]	[67]	78	83	60	56
By cheque	27	17	[39]	[33]	22	16	40	42
Some other way	0	2	[0]	[0]	*	1	0	1
<i>Unweighted base</i>	<i>287</i>	<i>162</i>	<i>50</i>	<i>21</i>	<i>1,680</i>	<i>1,523</i>	<i>271</i>	<i>232</i>

Base: All survey claimants present at Wave 1 and Wave 2 who received direct payments.

How claimants pay their landlord

The methods used to pay landlords remained stable over the two survey waves (Table 5.18). The most common way to pay landlords was using cash, followed by direct debits/standing orders and cheques. Given the high percentage of claimants that received direct payments into their accounts, cash seems an unusually popular choice to pay the landlord. Payment by cheques or direct debit/standing orders would be more convenient for the claimants as it would mean that they would not have to make arrangements to draw out the cash. It is possible that these payment methods were driven by the landlords' preferences, not that of the claimants. It could also be the case that claimants who opened an account since the start of LHA were paying by the method they used before opening the account. Alternatively claimants could have been worried about potential charges if they paid by other methods such as standing orders, direct debits or cheques. This has implications for the financial inclusion agenda, and suggests that even if claimants have bank or building society accounts, they may be experiencing barriers to using the associated financial services. This finding may have consequences beyond the introduction of LHA because recipients of other benefits may be experiencing similar barriers to accessing the full range of modern financial services. Claimants may possibly need support to encourage them to use the facilities of bank and building society accounts if they have no previous experience of using them.

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Table 5.18: How claimants pay their landlord by area and survey wave

	Pathfinders		Multiple responses Controls	
	W1	W2	W1	W2
	%	%	%	%
Direct debit/standing order	32	37	26	29
Transfer money to landlord's account	7	4	5	3
By cheque	21	23	34	33
By cash	42	39	38	36
Other ways	0	0	0	1
<i>Unweighted base</i>	<i>2,730</i>	<i>1,686</i>	<i>432</i>	<i>255</i>

Base: All survey claimants present at Wave 1 and Wave 2 who received direct payments.

Among movers in Pathfinder areas, payment (to the landlord) by direct debit/standing order increased in popularity between Waves One and 2 (Wave 1 - 29 per cent; Wave 2 - 46 per cent) with corresponding slight decreases in the percentage paying by other methods (Table 5.19). The payment preferences for the non-movers in Pathfinder areas remained stable over the survey waves.

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Table 5.19: How claimants pay their landlord by moving history, area and survey wave

	Multiple responses							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Direct debit/standing order	29	46	[31]	[32]	34	36	30	29
Transfer money to landlord's account	7	2	[5]	[5]	6	4	4	3
By cheque	19	14	[31]	[30]	23	24	34	33
By cash	47	41	[33]	[39]	39	39	36	36
Other ways	*	1	*	*	0	0	0	1
<i>Unweighted base</i>	287	162	50	23	1,681	1,524	271	232

Base: All survey claimants present at Wave 1 and Wave 2 who received direct payments.

Between 82 and 87 per cent of the claimants who receive their Housing Benefit amount by cheque, then draw the cash out to pay their landlord (Table 5.20). Annex Table A4 suggests that many of the claimants who receive Housing Benefit amount by cheque had access to bank or building society accounts. They could have paid their landlord with cheques or through direct debits or standing orders (assuming the landlords had accounts). The comments concerning Table 5.18 are equally relevant here.

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Table 5.20: How claimants cash their cheques by area and survey wave

	Pathfinders		Multiple responses Controls	
	W1	W2	W1	W2
	%	%	%	%
Pay it into account first and then draw the cash out	82	86	87	[93]
Use a cheque cashing shop or service	11	8	3	[0]
Some other way	4	5	0	[4]
Spontaneous: don't cash the cheque at all	2	0	8	[3]
Cash it through family or friends	2	1	3	[0]
Take it to the post office	0	5	0	[0]
<i>Unweighted base</i>	427	161	82	45

Base: All survey claimants present at Wave 1 and Wave 2 who were paid Housing Benefit by cheque but paid rent to their landlord in cash.

There were insufficient numbers of claimants who receive a cheque but paid the landlord in cash for these data to be tabulated by moving history and survey wave. Only 63 claimants used a cheque cashing service, 50 of whom paid commission. Due to the low numbers, it is not possible to provide more detailed information.

Did the switch to direct payment cause problems with the landlords?

In Wave 1, among survey claimants in Pathfinder areas who switched from landlord payments to direct payments, 15 per cent (of 1,255 claimants) reported experiencing difficulties with the landlord as a result. Of the 189 claimants who had experienced problems, 21 per cent had been threatened with eviction as a result. In Wave 2, only 34 claimants answered this question, as very few claimants switched payments since Wave 1. Thus it is not possible to analyse whether switching payment methods caused problems with landlords in Wave 2.

Claimants' Access to Bank or Building Society Accounts

This section is based on all survey claimants, and examines their access to bank, or building society accounts. Due to the wording of the question, which asked about bank, building society and Post Office Card accounts in the Baseline and Wave 1, it is not possible to analyse bank, building society and Post Office Card accounts individually in initial waves. This section uses the term account(s) in the analysis and it is based on the responses to the question that asked about all types of account unless otherwise stated.

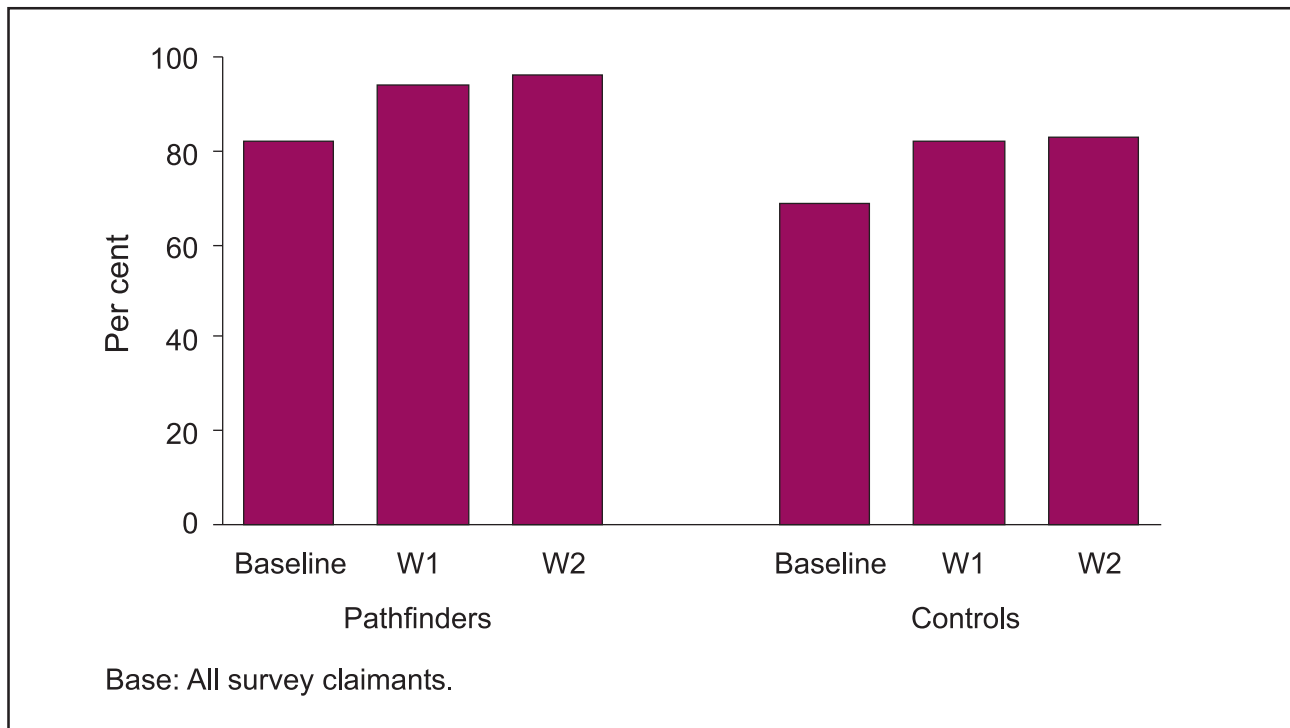
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Access to accounts

Nearly all claimants in Pathfinder areas (96 per cent) had access to an account by Wave 2, an increase of 14 percentage points from Baseline (Table 5.21). There was also an increase of 14 percentage points between Baseline and Wave 2 in the Control areas. However, because the baselines were lower in Control areas, only 83 per cent of Control claimants had access to an account by Wave 2.

It is not possible to identify what type of account claimants had before Wave 2. However, at Wave 2, 91 per cent of Pathfinder claimants had access to a bank or building society current account, compared with 74 per cent of Control claimants (Annex Table A4).

Figure 5.8: Access to accounts by area and survey wave



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Table 5.21: Do claimants have an account that they have used within the last 12 months? by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Yes	82	94	96	69	82	83
No	18	6	4	31	18	17
<i>Unweighted base</i>	1,237	3,025	2,186	757	1,276	969

Base: All survey claimants.

Table 5.22: Do claimants have an account that they have used within the last 12 months? by moving history, area and survey wave

	Multiple responses							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Yes	93	95	88	85	95	96	82	82
No	7	5	12	15	5	4	18	18
<i>Unweighted base</i>	324	324	143	143	1,862	1,860	825	824

Base: All survey claimants present at Wave 1 and Wave 2.

The survey found that in both areas, claimants who opened their account between Wave 1 and Wave 2 were around twice as likely to have opened it specifically for Housing Benefit compared to those who had opened their account before Wave 1 (Figure 5.9, Table 5.23). A similar difference was seen for claimants who had opened either a bank or building society current account between Wave 1 and Wave 2 (Annex Table A8).

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Figure 5.9: Opened an account for LHA/IB payments by area and survey wave

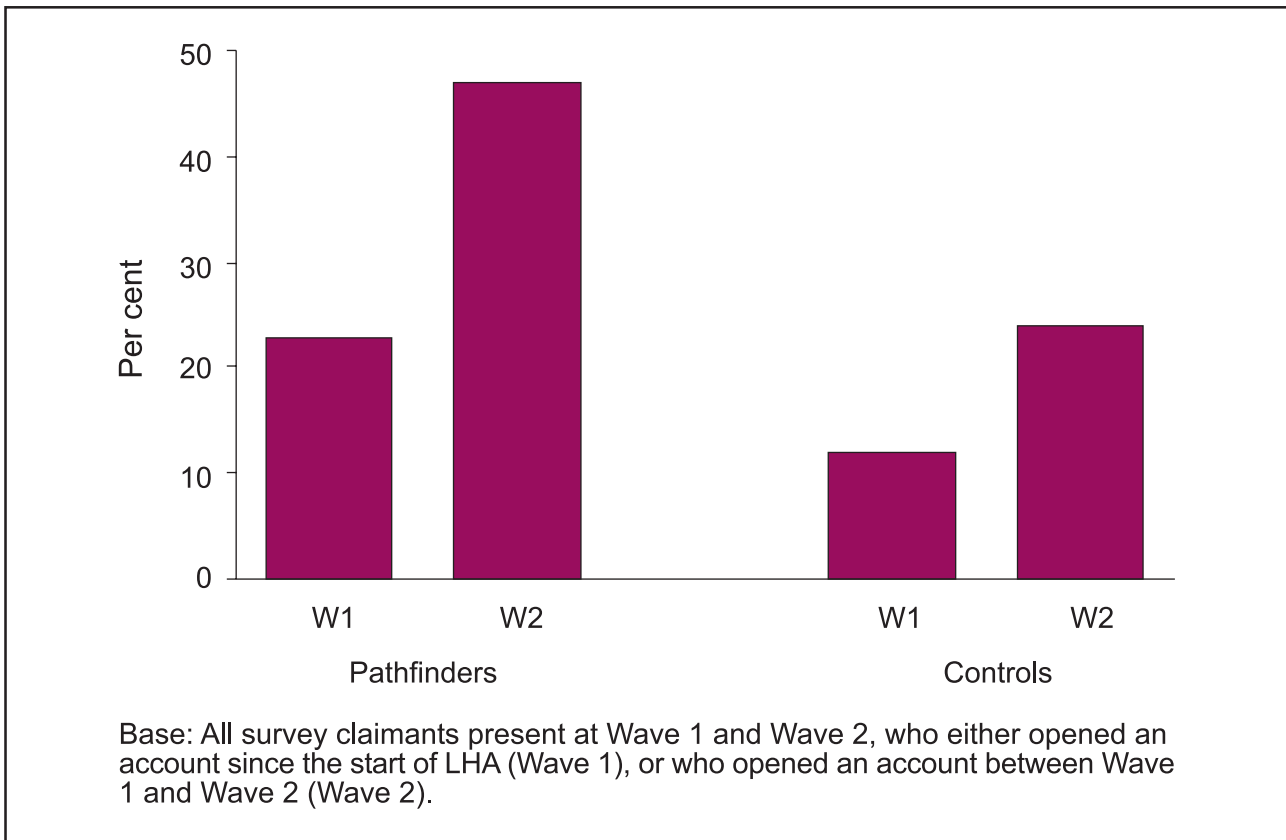


Table 5.23: Did claimants open their account especially for HB? by area and survey wave

	Column percentages			
	Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %
Yes	23	47	12	24
No	77	53	88	76
That was one of the reasons	*	*	*	0
<i>Unweighted base</i>	2,828	196	1,061	82

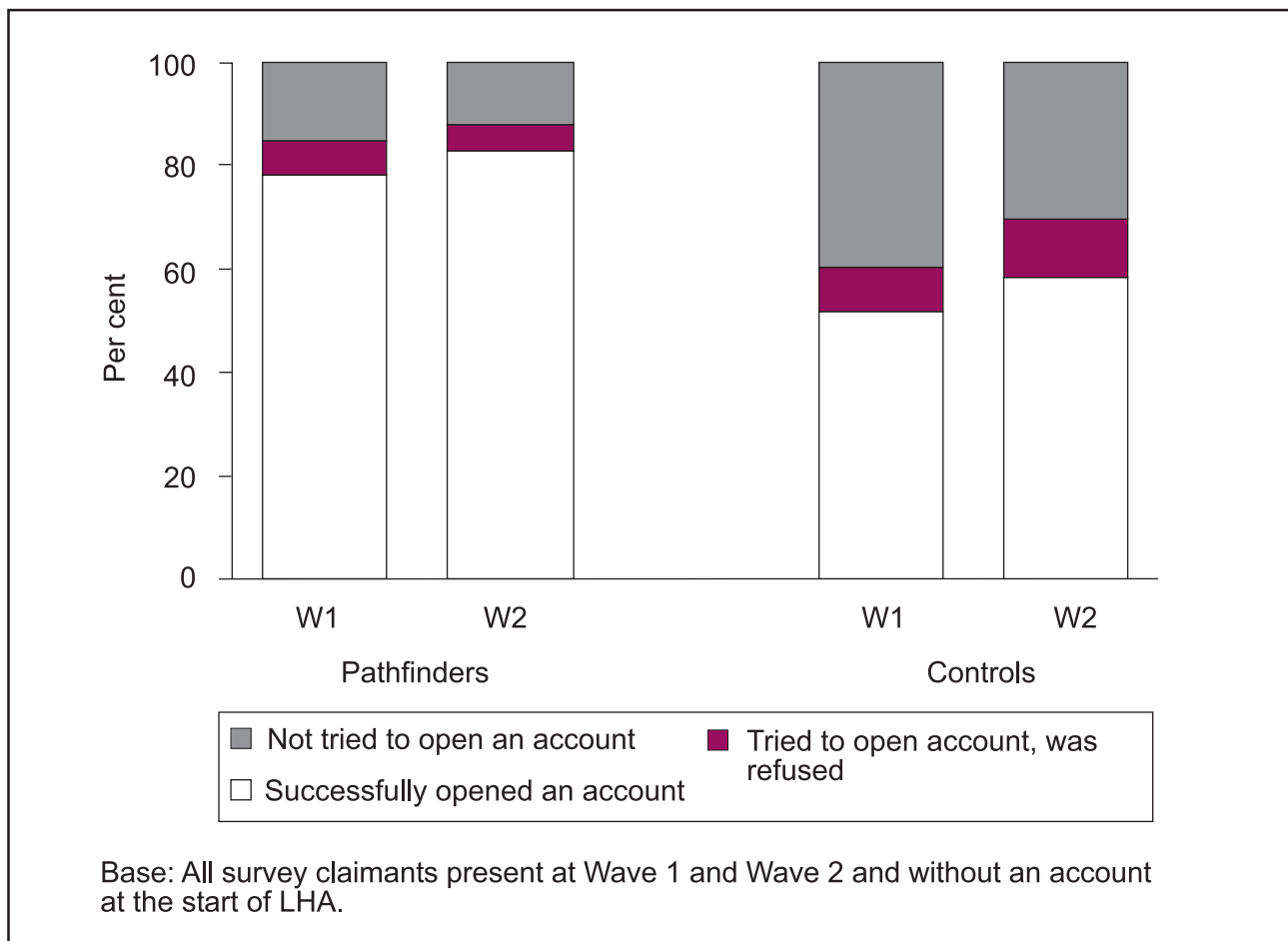
Base: All survey claimants present at Wave 1 and Wave 2, who either opened an account since the start of LHA (Wave 1), or who opened an account between Wave 1 & Wave 2 (Wave 2).

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Survey claimants who did not have accounts prior to the start of LHA were more likely than not to attempt to open one. Those in Pathfinder areas were more likely to attempt this than those in Control areas. At Wave 1, 84 per cent of claimants in Pathfinder areas previously without an account had attempted to open one, compared with 60 per cent in Control areas. These figures increased to 88 per cent and 69 per cent respectively by Wave 2 (Table 5.24).

The survey found that the vast majority of claimants who tried to open an account were successful (Figure 5.10, Table 5.24). Furthermore, Pathfinder claimants were about one-and-a-half times as likely as their Control counterparts to have successfully opened an account. This may be due to the Money Advice Service working with banks and building societies to provide Pathfinder claimants with the information they need to open accounts. Claimants in Control areas were less likely to have opened an account since Baseline. However, their access to accounts has increased as much as in Pathfinder areas. It seems that this increased access must have come through starting to use accounts that they had opened, but had not used in the 12 months before the Baseline.

Figure 5.10: Whether attempted to open an account by area and survey wave



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Table 5.24: Whether tried to open an account since start of LHA, by area and survey wave

Tried to open an account...	Column percentages			
	Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %
Not tried to open an account	15	12	40	30
Tried to open account, was refused	6	5	8	11
Successfully opened an account	78	83	52	58
<i>Unweighted base</i>	922	622	462	341

Base: All survey claimants present at Wave 1 and Wave 2 and without an account at the start of LHA.

Rent Arrears

This section is based on all claimants in the survey, and examines rent arrears of at least two weeks.

Claimants at least two weeks in arrears

Overall, very few survey claimants had been at least two weeks in arrears during the survey (Table 5.25). However, when the payment method is taken into account, claimants who receive direct payments are more likely to have been up to date with their rent than claimants who have landlord payments (Table 5.26). The percentage of claimants who have been up to date with their rent and receive direct payments was very similar in Pathfinder and Control areas. However, in Pathfinder areas, there was a drop in the percentage of claimants who received landlord payments and who had been up to date with their rent between Baseline and Wave 1. The exclusion of North East Lincolnshire and Blackpool from the baseline data had a slight effect on these data. However, even when they are excluded from the analyses, there is still a seven percentage point drop from Baseline to Wave 1. It is not possible to analyse the data for the individual Pathfinder areas as there are too few claimants who receive landlord payments. However, it is clear from the data that, on the whole, claimants were coping with direct payments.

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Table 5.25: Have you been up to date with the rent? by survey wave and area

Have you been up to date with the rent...	Column percentages					
	Pathfinders			Controls		
	... during the last 12 months?		...since the last interview?	...during the last 12 months?		...since the last interview?
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Yes	87	87	90	83	85	86
No	13	13	10	17	15	14
<i>Unweighted base</i>	<i>2,060</i>	<i>3,028</i>	<i>1,977</i>	<i>856</i>	<i>1,281</i>	<i>852</i>

Base: All survey claimants.

Note: Claimants were regarded as being in arrears if a minimum of a fortnight's rent had been owed over the relevant periods.

Table 5.26: Have you been up to date with the rent? by survey wave, area and payment method

Have you been up to date with the rent...	Column percentages					
	Pathfinders			Controls		
	... during the last 12 months?		...since the last interview?	...during the last 12 months?		...since the last interview?
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Direct payment						
Yes	88	88	92	86	86	91
No	12	12	8	14	14	9
<i>Unweighted base</i>	<i>1065</i>	<i>2724</i>	<i>1682</i>	<i>292</i>	<i>432</i>	<i>255</i>
Payment to landlord						
Yes	86	76	77	80	84	85
No	14	24	23	20	16	15
<i>Unweighted base</i>	<i>995</i>	<i>283</i>	<i>287</i>	<i>561</i>	<i>847</i>	<i>592</i>

Base: All survey claimants.

Note: Claimants were regarded as being in arrears if a minimum of a fortnight's rent had been owed over the relevant periods.

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In Wave 1, movers in Pathfinder areas were less likely to be in arrears than movers in Control areas (Pathfinder areas – 16 per cent; Control areas – 23 per cent) (Table 5.27). However, at Wave 2 the arrears time-frame was shorter (i.e. since the previous interview, not over the previous year), so the data are not directly comparable to the Wave 1 figures. At Wave 2, the percentage of movers in arrears was similar in Pathfinder and Control areas (Pathfinders – 14 per cent; Control – 15 per cent). This was because the percentage of Control movers in arrears had fallen from Wave 1, and remained stable for Pathfinder movers. The percentage of non-moving Pathfinder and Control claimants who were in arrears was similar in Waves 1 (Pathfinder – 12 per cent; Control – 14 per cent) and 2 (Pathfinder – ten per cent; Control – 13 per cent) (Table 5.27).

The percentages of claimants in arrears split by payment method are shown in Table 5.28. Non-mover claimants who received direct payments had similar percentages of claimants who had been up to date with their rent in Pathfinder and Control areas at Waves 1 (89 per cent for both areas) and 2 (92 per cent in Pathfinder areas and 90 per cent in Control). Non-mover claimants who had had landlord payments in Pathfinder areas were less likely to be up to date with their rent at Wave 1 and Wave 2 (80 per cent at Wave 1 and 77 per cent at Wave 2) than Control claimants (85 per cent at both waves). Comparisons of mover claimants were not possible due to the low number of claimants in some of the sub-groups.

Table 5.27: Have you been up to date with the rent? by survey wave, moving history, area and payment type

Have you been up to date with the rent...	Column percentages							
	...during the previous year?				...since the previous interview?			
	Wave1				Wave 2			
	Movers		Non-movers		Movers		Non-movers	
P/F	Cont	P/F	Cont	P/F	Cont	P/F	Cont	
%	%	%	%	%	%	%	%	
Yes	84	77	88	86	86	85	90	87
No	16	23	12	14	14	15	10	13
<i>Unweighted base</i>	324	142	1,855	827	238	104	1,739	748

Base: All survey claimants present at Wave 1 and Wave 2

Note: P/F = Pathfinder; Cont = Control areas.

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Table 5.28: Have you been up to date with the rent? by survey wave, moving history and area

Have you been up to date with the rent	Column percentages							
during the previous year?				...since the previous interview?			
	Wave 1				Wave 2			
	Movers		Non-movers		Movers		Non-movers	
P/F %	Cont %	P/F %	Cont %	P/F %	Cont %	P/F %	Cont %	
Direct payment								
Yes	86	[79]	89	89	89	a	92	90
No	14	[21]	11	11	11	a	8	10
<i>Unweighted base</i>	286	50	1678	271	162	23	1520	232
Landlord payment								
Yes	[69]	76	80	85	78	81	77	85
No	[31]	24	20	15	22	19	23	15
<i>Unweighted base</i>	36	91	166	555	75	76	212	516

Base: All survey claimants present at Wave 1 and Wave 2

Note: P/F = Pathfinder; Cont = Control areas.

a – bases too small to tabulate percentages

Reasons for being two weeks or more in arrears

The most common reason for being in arrears was problems with LHA/Housing Benefit. Pathfinder and Control survey claimants were equally likely to experience problems with LHA/Housing Benefit at Wave 1 (51 per cent) but by Wave 2, 37 per cent of claimants in Pathfinder areas reported this compared to 47 per cent in Control areas (Table 5.29). This suggests that there may have been ‘teething problems’ with the administration of LHA at Wave 1, but they are being, or have been, resolved by Wave 2. As a result, the percentage of problems with LHA in Pathfinder areas causing arrears (of two weeks or more) has reverted to a similar level to Baseline. Unfortunately, it is not possible to investigate what problems with LHA/Housing Benefit caused claimants to fall into arrears, which could have made this situation clearer.

Problems due to unemployment were more common in Pathfinder than Control areas at Wave 1 (Pathfinder – 29 per cent; Control – 19 per cent) and Wave 2 (Pathfinder – 19 per cent; Control – 15 per cent). The data have not been tabulated by moving history due to low numbers of claimants who have moved and have been in arrears.

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Table 5.29: Reasons for being in arrears by area and survey wave

	Multiple responses					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Problems in connection with HB/LHA	49	51	37	65	51	47
Unemployment	28	29	19	18	19	15
Other debts/responsibilities	26	21	21	14	21	17
Illness	13	13	15	7	10	8
Domestic problems	7	6	9	6	3	8
Increases in the rent	9	5	10	2	8	11
Working fewer hours/less overtime	8	5	1	4	2	2
None of these	7	13	22	11	13	23
<i>Unweighted base</i>	<i>266</i>	<i>438</i>	<i>215</i>	<i>151</i>	<i>207</i>	<i>120</i>

Base: All survey claimants who had been in arrears.

Note: Claimants could provide more than one reason.

Conclusions

More than four-fifths of Pathfinder claimants received direct payments at Wave 2 (the survey reported 83 per cent of claimants received direct payments and the DWP administrative data, 87 per cent). Both data sets recorded a slight drop in the percentage of Pathfinder claimants who received direct payments since Wave 1. This suggests that, on the whole, claimants were coping with direct payment. Overall, very few survey claimants had been at least two weeks in arrears during the survey. When the payment method is taken into account, claimants who receive direct payments are more likely to have been up to date with their rent than claimants who have landlord payments. Those who were in arrears most commonly attributed their situation to problems relating to LHA/Housing Benefit. However this had reduced by Wave 2, particularly in Pathfinder area. Unemployment was also commonly cited as a reason for rent arrears although, again, by Wave 2, it was cited less frequently by claimants.

LHA appears to be supporting the general aims of modernising benefit payments and encouraging claimants to open bank accounts. Nearly all (91 per cent) of Pathfinder claimants had access to a bank or building society by Wave 2 and 71 per cent of claimants received their Housing Benefit into their bank or building society current account by ACT. The survey data showed that Pathfinder claimants who were without a bank, building society or Post Office Card Account were approximately one-and-a-half times

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more likely to try to open an account (and succeed) than claimants in Control areas. They were around twice as likely to say that they opened it to receive their Housing Benefit amount. In Pathfinder areas, there was an increase in claimants receiving direct payments into their bank or building society account between Wave 1 and Wave 2 (the survey reported a seven percentage point increase, and the DWP administrative data, ten percentage points). However, many claimants still paid their landlords in cash, suggesting that possibly further support may be needed to encourage them to use modern banking services.

Most claimants who received landlord payments preferred that option while most of those who received direct payment preferred direct payment. The most common reason for preferring the landlord payments was that claimants did not want the responsibility of handling the rent themselves. Similarly, the most common reason for preferring direct payments was to have more responsibility/control over their finances. Younger claimants were more likely to have asked for landlord payments.

Chapter 6: Future decisions

Introduction

This chapter focuses on the influence of LHA on the decision making of claimants, particularly with respect to their future expectations of moving and working. Section 6.2 examines claimants' orientation to moving to different accommodation. The likelihood that they would rent or buy when they move is explored in Section 6.3. Section 6.4 focuses on claimants' reasons for moving. Finally, work expectations and incentives are explored in Section 6.5. In all cases, the analysis compares the trend among claimants in Pathfinder and Control areas between Wave 1 and Wave 2. In addition, the analysis also compares the trend among movers and non-movers in each of these areas between Wave 1 and Wave 2.

Future Moving Intentions and Expectations

This section examines the desire of claimants to move and whether they anticipate that it is likely that they will move in the near future. The introduction of LHA does not appear to have affected claimants' future moving intentions. These were similar in Pathfinder and Control areas, and did not change between the Baseline, Wave 1 and Wave 2. In Pathfinder areas in Wave 2, 31 per cent said they would like to move and 14 per cent that they needed to move. The equivalent figures for Control areas were 30 per cent and 16 per cent (Table 6.1). Control claimants (18 per cent) were more likely to need to move at Wave 1 than Pathfinder claimants (12 per cent). The findings suggest that LHA has had little impact on the desire of claimants to move as there is a similar pattern in Pathfinders and Controls.

Table 6.1: Whether claimants want, or need, to move by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Yes, like to	30	31	31	31	29	30
Yes, need to	15	12	14	15	18	16
No	54	57	55	55	53	54
<i>Unweighted base</i>	<i>2,044</i>	<i>3,011</i>	<i>2,152</i>	<i>857</i>	<i>1,283</i>	<i>963</i>

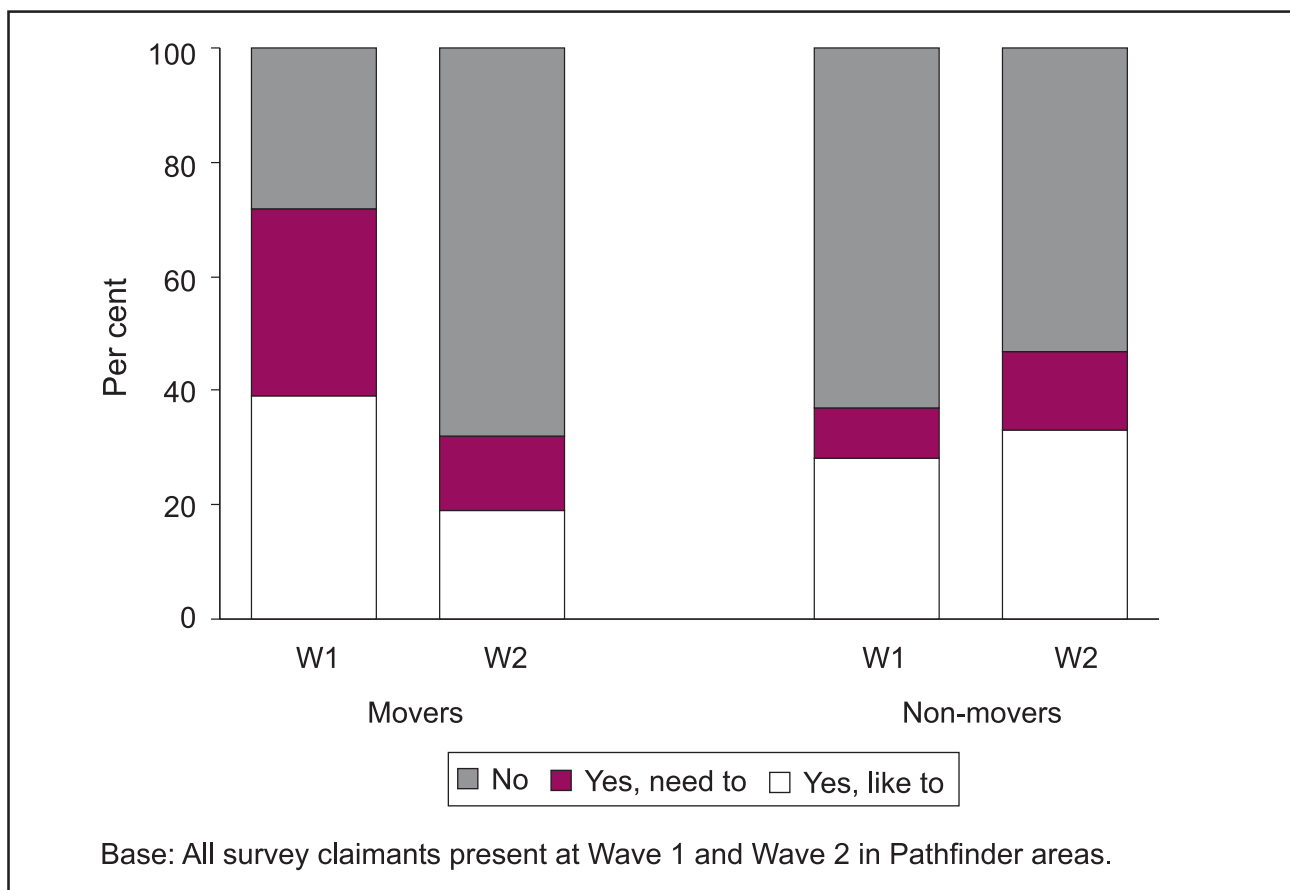
Base: All survey claimants.

Movers were much less likely to want or need to move at Wave 2 than at Wave 1. By contrast, among non-movers, there was an increase in the proportion who wanted or needed to move between Wave 1 and Wave 2. Among movers in Pathfinder areas, 39 per cent expressed a desire to move at Wave 1 and 33 per cent needed to move. These decreased to 19 per cent and 13 per cent at Wave 2 (after movers had moved). In contrast, among non-movers in Pathfinder areas, the proportion who would like to move increased from

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28 per cent to 32 per cent between Wave 1 and Wave 2. The proportion who needed to move increased from 12 per cent to 16 per cent over the same period. At Wave 1, Control movers (43 per cent) were more likely to need to move than their Pathfinder counterparts (33 per cent). Control non-movers (12 per cent) were also more likely to need to move than their counterparts in Pathfinder areas (nine per cent) (Figure 6.1, Table 6.2).

Figure 6.1: Like or need to move among Pathfinder claimants by moving history and survey wave



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Table 6.2: Whether claimants want, or need, to move by moving history, area and survey wave

	Column percentages							
	Movers				Non-Movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Yes, like to	39	19	36	19	28	33	28	32
Yes, need to	33	13	43	17	9	14	12	16
No	28	68	22	64	63	53	60	53
<i>Unweighted base</i>	<i>321</i>	<i>319</i>	<i>143</i>	<i>142</i>	<i>1,846</i>	<i>1,831</i>	<i>822</i>	<i>819</i>

Base: All survey claimants present at Wave 1 and Wave 2.

All claimants who said they would like, or needed, to move from their current accommodation within the next few years were then asked about the likelihood that they would move within the next six months. Pathfinder claimants became less likely to feel that they would move between the Baseline Survey and the two subsequent waves. For example, 41 per cent of Pathfinder claimants were very or fairly likely to move at Wave 1. By Wave 2, this had fallen to 38 per cent (Table 6.3). There was a corresponding rise in the proportion of Pathfinder claimants who were not very or not at all likely to move between the two waves. As with claimants' desire to move, it appears that LHA has had little impact on the likelihood that they will move. This is because the pattern is similar between waves in both Pathfinder and Control areas.

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Table 6.3: How likely are claimants to move in the next six months? by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Very likely	23	22	20	22	22	22
Fairly likely	17	19	18	19	18	17
Not very likely	34	34	35	34	37	32
Not at all likely	22	21	24	19	19	23
Don't know	4	4	3	6	5	7
<i>Unweighted base</i>	<i>902</i>	<i>1,338</i>	<i>975</i>	<i>389</i>	<i>608</i>	<i>455</i>

Base: All survey claimants who would like to, or need to, move in the next six months.

By contrast, there were considerable differences between movers and non-movers across the different survey waves. In both Pathfinders and Controls, movers were less likely to say that they would probably move within the next six months at Wave 2 than they were in Wave 1. Among Pathfinder movers, the percentage who said they were very or fairly likely to move fell by 10 percentage points from 67 per cent to 57 per cent between the waves. Among Control movers, almost three-fifths (57 per cent) of movers were very or fairly likely to move in the next six months in Wave 1. By Wave 2, this had fallen by eight percentage points to 49 per cent (Table 6.4). This appears to be consistent with the findings in Tables 3.13 and 3.15, which showed that movers in both Pathfinders and Controls became much more satisfied with the number and size of rooms between the two waves. An increase in satisfaction with the number and size of rooms may consequently reduce the need to, and likelihood of, moving.

In contrast to the movers, the non-movers in both types of area were more likely to say that they would move within the next six months in Wave 2 than Wave 1. Among Pathfinder claimants, 30 per cent stated that they were very or fairly likely to move in Wave 1. By Wave 2, this had risen to 36 per cent. There was a similar trend among Control claimants. These findings should be interpreted cautiously since the numbers of movers in Control areas at Wave 2 were very small.

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Table 6.4: How likely is it that claimants are likely to move in the next six months by moving history, area and survey wave

	Column percentages							
	Movers				Non-Movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Very likely	43	36	42	[25]	12	18	13	21
Fairly likely	24	21	15	[24]	18	18	16	16
Not very likely	19	25	25	[19]	39	38	44	34
Not at all likely	9	12	14	[21]	27	26	23	23
Don't know	5	6	6	[11]	6	2	4	6
<i>Unweighted base</i>	236	112	113	48	692	862	335	405

Base: All survey claimants present at Wave 1 and Wave 2 who would like to, or need to, move in the next six months.

Based on all claimants, between 17 and 19 per cent of claimants said they were very or fairly likely to move in the next six months. There was very little variation between waves and areas (Table 6.5). Once the analysis was expanded to include all claimants, Pathfinder and Control claimants appeared to be as likely to move at Wave 2 as they were at Baseline. There was also little area difference at each wave.

Table 6.5: How likely are claimants to move in the next six months? by area and survey wave

	Column percentages					
	Baseline %	Pathfinders		Baseline %	Controls	
		W1 %	W2 %		W1 %	W2 %
Likely to move						
Very/fairly likely	18	18	17	19	19	18
Not very/not at all likely	26	24	27	25	27	26
Don't want/need to move	56	58	56	56	54	56
<i>Unweighted base</i>	2,004	2,961	2,112	837	1,247	933

Base: All survey claimants.

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The pattern of being likely to move in the next six months among movers and non-movers mirrored the pattern for wanting or needing to move. Among those who had moved in Pathfinder areas, 18 per cent said that they were very or fairly likely to move in the next six months at Wave 2. This was a substantial decrease from 50 per cent at Wave 1. In Pathfinder areas, the proportion of non-movers who were very or fairly likely to move increased from 11 per cent at Wave 1 to 17 per cent at Wave 2. Patterns for claimants in Control areas were similar (Table 6.6). As expected, claimants who moved – in both area types – were less likely to want to move in the next six months. This is arguably associated with the findings in Tables 3.14 and 3.16, which showed that movers were considerably more satisfied with the number and size of rooms at Wave 2 than they were at Wave 1. This could also be associated with the findings in Table 3.9, which show that Pathfinder movers were almost twice as likely at Wave 2 to say that nothing needs doing than they were at Wave 1.

Table 6.6: How likely are claimants to move in the next six months? by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Likely to move								
Very/fairly likely	50	18	46	18	11	17	12	18
Not very/not at all likely	21	12	31	15	25	30	27	28
Don't want/need to move	29	70	23	66	64	54	61	54
<i>Unweighted base</i>	<i>312</i>	<i>313</i>	<i>136</i>	<i>137</i>	<i>1,819</i>	<i>1,797</i>	<i>809</i>	<i>795</i>

Base: All survey claimants present at Wave 1 and Wave 2.

Renting or Buying

Claimants who were very or fairly likely to move were then asked whether they would rent or buy when they moved. Although the vast majority said that they would rent (largely over 90 per cent), there was a growing proportion among Pathfinder claimants who said that they would be more likely to buy (four per cent at Baseline, five per cent at Wave 1, nine per cent at Wave 2). In contrast, levels of interest in buying among claimants in Control areas remained relatively stable over time. (Figure 6.2, Table 6.7). This may suggest that LHA have made claimants in Pathfinder areas sufficiently better off for them to show a stronger aspiration to buy rather than rent. It could also suggest that claimants were generally optimistic about the state of the local housing market. This could be consistent with the findings that show that claimants in Wave 2 were relatively better off than those in Wave 1 (Section 7.2 – Table 7.1) and the fact that more claimants in both area types had higher hourly earnings at Wave 2 than they did at Wave 1 (Table 2.18).

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Work-related factors could also influence the decision to buy instead of renting property. Claimants in both Pathfinder and Control areas were more likely to expect to work for the same employer by Wave 2 (Table 6.13). The table also showed that very few claimants expected not to be working. This may suggest that their work expectations were stable and that this stability may also explain a stronger aspiration to buy than rent.

It was also the case that Pathfinder claimants were much less likely to attribute being better off to a change in LHA at Wave 2 than they were at Wave 1. They were also more likely, at Wave 2, to cite a change in employment status as a reason for being better off than they were at Wave 1. This could be a reflection of the positive state of the local labour market. This, along with the more stable work expectations, could mutually reinforce each other to make Pathfinder claimants feel better off (Section 6.5 – Table 6.13). This, in turn, may effect a stronger desire to buy rather than rent.

The stronger inclination to buy rather than rent at Wave 2 than Wave 1 might arguably also be a reflection of a positive local housing market, with a good range of affordable housing. Associated with this, Tables 3.14 and 3.16 show that movers became considerably more satisfied with both the number and size of their rooms between the two waves.

However, in reality, there appears to have been a general rise in house prices in Pathfinder areas. Apart from Brighton & Hove and Lewisham, house prices in Pathfinder areas experienced double digit percentage increases between the introduction of LHA, in 2004, and 2005. Terraced house prices in Conwy rose by 40 per cent during this period. North East Lincolnshire had the lowest average terraced house prices of all Pathfinder area in 2005 (£67,000), while Brighton & Hove had the most expensive average terraced house prices (£243,000). The substantial upward trend in house prices is likely to benefit home-owners more than potential buyers. The fact that at Wave 2, only around one-fifth of claimants had gross annual household incomes of at least £15,000, would restrict the choice of homes that they could realistically afford to buy. So there appears to be a considerable disjuncture between the stronger aspiration of claimants to buy rather than rent and the realistic possibility that they could afford to do so.

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Figure 6.2: Plans to rent or buy when next move by area and survey wave

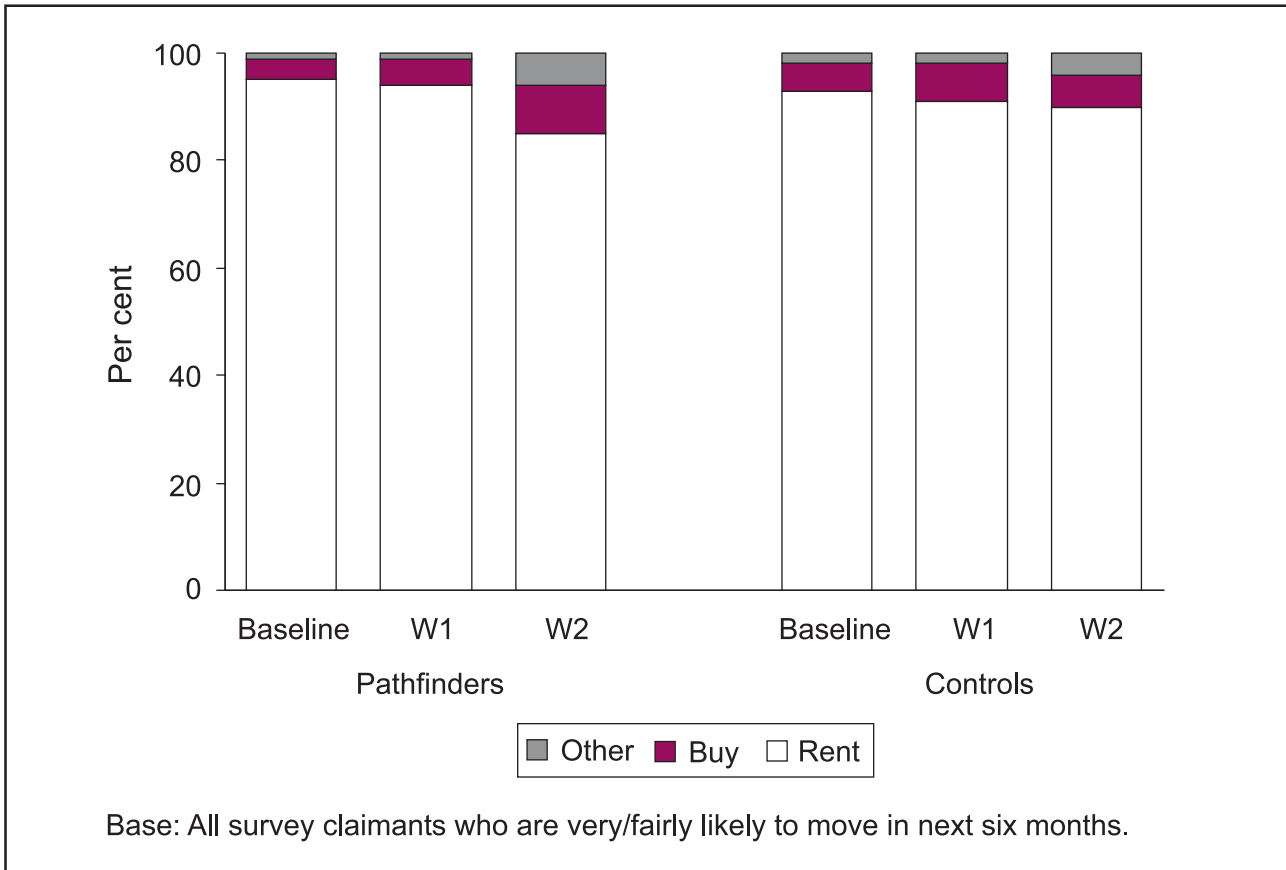


Table 6.7: When moving, are claimants more likely to rent or buy? by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline	W1	W2	Baseline	W1	W2
	%	%	%	%	%	%
Rent	95	94	85	93	91	90
Buy	4	5	9	5	7	6
Part rent part buy	1	*	2	1	0	3
Other	1	1	3	2	3	1
<i>Unweighted base</i>	332	564	374	156	248	179

Base: All survey claimants who are very or fairly likely to move in the next six months.

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There was no relationship between likelihood of buying or renting and whether claimants were movers or non-movers once the area difference was taken into account (Table 6.8). The sample sizes, especially among the movers, make it difficult to draw any meaningful conclusions from these results.

Table 6.8: When moving, are claimants more likely to rent or buy? by moving history, area and survey wave

	Column percentages							
	Movers				Non-Movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1	W2	W1	W2	W1	W2	W1	W2
	%	%	%	%	%	%	%	%
Rent	95	86	94	[89]	95	86	91	90
Buy	4	5	3	[5]	6	9	8	6
Part rent part buy	*	1	0	[6]	0	3	0	2
Other	1	8	3	[0]	0	2	2	2
<i>Unweighted base</i>	<i>157</i>	<i>61</i>	<i>63</i>	<i>24</i>	<i>206</i>	<i>313</i>	<i>105</i>	<i>154</i>

Base: All survey claimants present at Wave 1 and Wave 2 who are very or fairly likely to move within the next six months.

Reasons for Moving

Claimants who expressed a desire or need to move in the next few years were asked about their motivations. The most common reasons for wanting to move in the future were: moving to larger accommodation; other changes to accommodation; for personal or family reasons; and to move to a better area (mentioned by 20 per cent or more in Pathfinder and Control areas at Wave 2). There was minimal difference between reasons for future moves between Wave 1 and Wave 2, apart from an increase in moving for personal reasons. This increased from 15 per cent to 24 per cent among Pathfinder claimants and from 19 per cent to 26 per cent in Control areas.

Claimants in Pathfinder areas were more likely to want to move to larger accommodation. This could at least partly be explained by the relatively higher LHA levels compared to Housing Benefit. Among those who wanted to move at Wave 2, 35 per cent in Pathfinder areas wanted larger accommodation compared with 28 per cent in Control areas. At Wave 1, the gap was more marked with 37 per cent of Pathfinder claimants wanting to move to larger accommodation compared to just 22 per cent of Control claimants. Between the two waves, Pathfinder claimants became slightly less likely to want to move to larger accommodation, while the opposite was true of their counterparts in Control areas. This appears to be consistent with the findings in Section 3.4. This showed an increase in satisfaction among Pathfinder movers with both the size and number of their rooms between the two waves (Tables 3.14 and 3.16).

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Consequently, these claimants may already have satisfied their need for larger accommodation. The relatively more generous LHA may be a factor in enabling claimants to obtain larger accommodation. It could also be the case that as the rates are published, claimants may have a clearer idea of what type of accommodation is appropriate for their needs. This is supported in Table 8.11, which showed a strong majority of claimants living in appropriately sized accommodation.

Rent or finance-related reasons were not among the most common reasons for wanting a future move. However, those in Control areas (Wave 1 – 13 per cent; Wave 2 – 15 per cent) were more likely to give this as a reason for moving than those in Pathfinder areas (nine per cent at each wave) (Figure 6.3, Table 6.9).

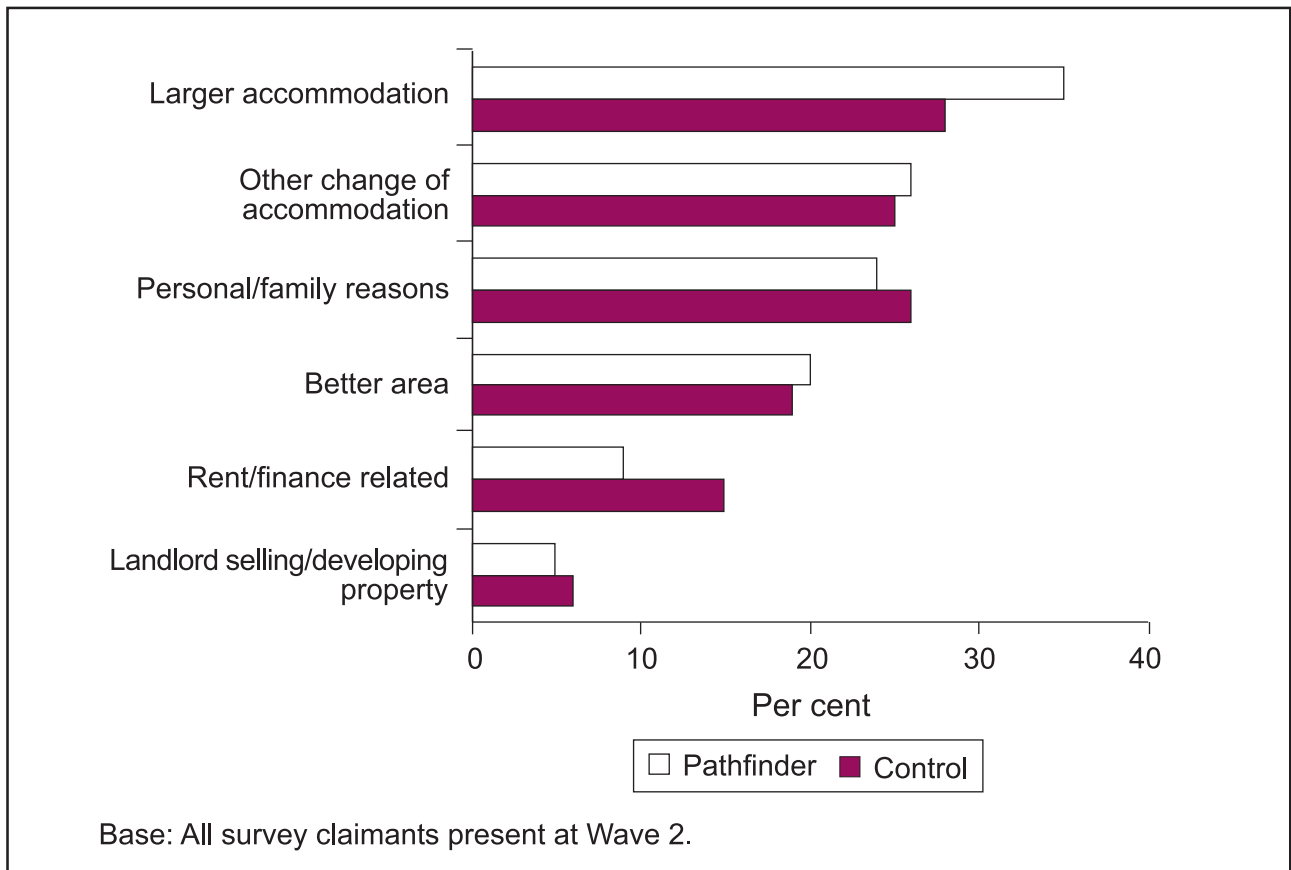
These findings coincide with those in Chapter 7, where claimants in Pathfinder areas perceived themselves to be in a more positive financial situation than those in Control areas, in terms of being less likely to be in arrears with bills (Section 7.3 – Table 7.5). They were less likely to feel worse off financially than a year ago (Section 7.5 – Table 7.17).

The trend in the proportion of claimants who wanted to move in future in order to look for larger accommodation or for personal and family reasons contrasts with the reasons given for moving from a previous property. In both Pathfinder and Control areas, claimants most commonly said that they moved from their previous property for personal or family reasons (Table 4.6). By contrast, the most commonly given reason for wanting to move in future would be to find larger accommodation. Pathfinder claimants appeared to be as likely to have moved to find a better area or for other reasons as they were to have moved to find larger accommodation. By contrast, Pathfinder claimants were more likely to say that they would want to move in future in order to find larger accommodation at Wave 1 and Wave 2 (Table 6.9). This could suggest an LHA effect over time which was initially strong but had decreased by Wave 2.

At Wave 2, Control claimants (15 per cent) were more likely to cite rent-related reasons for wanting to move than Pathfinder claimants (nine per cent). This could suggest that the LHA may have made Pathfinder claimants sufficiently better off to be able to consider moving to larger accommodation. As such, rent-related factors may have become less influential as a reason for wanting to move. This appears to be consistent with the findings in Table 8.8 which shows that 57 per cent of Pathfinder claimants had an excess on their LHA.

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Figure 6.3: Reasons for wanting a future move at Wave 2, by area



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Table 6.9: Reasons for wanting to move by area and survey wave

	Multiple responses					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Reasons for wanting to move						
Larger accommodation	40	37	35	39	22	28
Other change of accommodation	18	27	26	18	28	25
Personal/family reasons	18	15	24	19	19	26
Better area	21	22	20	22	22	19
Rent/finance related reasons	22	9	9	17	13	15
Landlord selling/developing property	6	4	5	6	5	6
Other	6	9	6	8	12	9
<i>Unweighted base</i>	<i>657</i>	<i>1,338</i>	<i>976</i>	<i>276</i>	<i>608</i>	<i>455</i>

Base: All survey claimants who would like to, or need to, move in the next few years.

Pathfinder movers were more likely than Control movers at Wave 1 to want to move to find larger accommodation. The same pattern also occurred with non-movers at Wave 1. The gap between Pathfinder and Control movers and non-movers who mentioned larger accommodation as a reason for wanting to move narrowed at Wave 2. This could suggest that the effect of LHA stabilised over time.

Control non-movers (15 per cent) were more likely, at Wave 1, to cite rent-related reasons for wanting to move than Pathfinder non-movers (nine per cent) (Table 6.10). This could suggest that LHA may have made Pathfinder non-movers sufficiently better off relative to their Control counterparts and make rent-related reasons less influential as a factor in wanting to move. This appears to be consistent with the findings in Table 8.8, which shows that around three-fifths (57 per cent) of Pathfinder claimants at Wave 1 had excesses on their LHA. We make the assumption that if people can afford more, they will not cite rent-related reasons for moving. Instead, if they can afford to pay more rent, they are likely to cite larger property or better area than to pay more rent.

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Table 6.10: Reasons for wanting to move by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Reasons for wanting to move								
Larger accommodation	35	28	22	[18]	37	35	22	30
Other change of accommodation	27	27	24	[25]	28	26	28	25
Personal/family reasons	16	27	18	[23]	16	24	18	26
Better area	22	14	20	[11]	22	21	23	20
Rent/finance related reasons	12	5	15	[11]	9	10	15	15
Landlord selling/ developing property	9	5	7	[8]	2	5	4	6
Other	9	11	12	[12]	7	5	9	8
<i>Unweighted base</i>	236	112	113	48	692	863	335	405

Base: All survey claimants present at Wave 1 and Wave 2 who would like to, or need to, move in the next few years.

Work Expectations and Incentives

All claimants were asked about their expectations of work in the next couple of years. Claimants in Pathfinder areas (Wave 1 – 45 per cent; Wave 2 – 47 per cent) were more likely to think that they would be working at least 16 hours a week in the next couple of years than those in Control areas (Wave 1 – 41 per cent; Wave 2 – 43 per cent). However, this difference was seen at Wave 1 and at the Baseline, so would appear to be a difference between area types, rather than because of the introduction of LHA (Table 6.11).

At both waves, Control claimants (Wave 1 – 50 per cent; Wave 2 – 49 per cent) were more likely than their Pathfinder counterparts (Wave 1 – 44 per cent; Wave 2 – 45 per cent) to be not working (Table 6.11). This could suggest that the LHA has had a positive impact on work expectations since LHA claimants were less likely to expect to be out of work could also reflect the state of the local labour market.

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Table 6.11: What will be the most likely work situation of claimants in the next couple of years? by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Work at least 16 hours a week	45	45	47	41	41	43
Work <16 hours a week	11	11	8	10	9	8
Not working	45	44	45	49	50	49
<i>Unweighted base</i>	<i>1,938</i>	<i>3,040</i>	<i>2,040</i>	<i>792</i>	<i>1,282</i>	<i>912</i>

Base: All survey claimants

Movers were more likely to think that they would be working at least 16 hours a week in the next couple of years than non-movers in each wave and area type (Table 6.12). For example, 54 per cent of Pathfinder movers in Wave 2, thought they would be working at least 16 hours a week compared with 46 per cent of non-movers. A similar pattern also emerged among these two groups at Wave 1. Movers and non-movers were both more likely to expect to work at least 16 hours a week at Wave 2 than they were at Wave 1. There was a considerable drop in the proportion of Control movers who expected not to be working in the next two years between the two waves. This is arguably at least partly explained by the findings in Section 2.3, which showed that movers in Control areas were much less likely to be unemployed at Wave 2 than they were at Wave 1 (Table 2.14).

At Wave 1, Pathfinder movers (37 per cent) were less likely than Control movers (47 per cent) to expect to be out of work.

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Table 6.12: What will be the most likely work situation of claimants in the next couple of years? by moving history, area and survey wave

	Column percentages							
	Movers				Non-Movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Work at least 16 hours a week	50	54	44	48	42	46	40	42
Work <16 hours a week	13	10	8	13	11	8	10	8
Not working	37	37	47	39	47	46	50	50
<i>Unweighted base</i>	<i>325</i>	<i>303</i>	<i>143</i>	<i>132</i>	<i>1,862</i>	<i>1,736</i>	<i>828</i>	<i>779</i>

Base: All survey claimants present at Wave 1 and Wave 2.

Claimants who were currently in work were asked about their work expectations in one year's time. In both Pathfinder and Control areas, claimants in Wave 2 work expectations appear to have stabilised. There was a greater increase in the proportion who expected to work for the same employer among Control claimants (70 per cent to 83 per cent) than their Pathfinder counterparts (75 per cent to 81 per cent) (Table 6.13). This is arguably consistent with Table 4.14, which showed a general trend towards longer-term tenancies among Pathfinder and Control claimants between the two waves. However, it is open to question whether stable work expectations influence the preference for longer-term tenancies or vice-versa.

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Table 6.13: Work expectations by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Work for same employer	78	75	81	70	70	83
Work for different employer	20	23	18	26	26	16
Not working	2	2	1	4	4	1
<i>Unweighted base</i>	346	468	426	97	180	184

Base: All survey claimants currently in work.

Table 6.14 shows that Pathfinder claimants who had a surplus at Wave 2 were more likely to expect not to be working than they were to expect to be working at least 16 hours a week. Pathfinder claimants who did not have a surplus (45 per cent) were more likely than those that did to expect to work at least 16 hours a week and less likely to expect not to work (51 per cent). There could be two possible explanations for this. The first is that the extent of the surplus could be such that it makes claimants sufficiently better off to not have to work. Alternatively, claimants with a surplus might not work because they may feel that if they work longer hours, the tapering rate could penalise them, i.e. the higher their earnings the less LHA they receive. However, claimants may expect to work longer hours because they currently do so. It could be the case that if they work longer hours they are less likely to have a surplus because of the tapering effect of the LHA.

Table 6.14: What will be the most likely work situation of claimants in the next couple of years? by whether or not they had a surplus

	Column percentages	
	Whether has a surplus or not	
	Yes %	No %
Work at least 16 hours a week	40	45
Work < 16 hours a week	8	9
Not working	51	46
<i>Unweighted base</i>	1,144	576

Base: All survey claimants present at Wave 2 in the Pathfinders.

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Conclusions

There was little change between waves among claimants in Pathfinders and Control areas in their desire to move and the likelihood that they will move. However, at Wave 1, Control claimants (18 per cent) were more likely to need to move than Pathfinder claimants (12 per cent).

Pathfinder claimants also became much less likely to rent and slightly more likely to buy between the two waves. By contrast, the likelihood of renting or buying remained constant between the two waves among Control claimants. This could suggest that LHA has made claimants sufficiently better off to consider buying. However, rising house prices appear to limit what they can actually afford in reality.

There were considerable changes in the factors that could influence future house moves. Pathfinder and Control claimants were considerably more likely to cite personal or family reasons between the two waves. This was also the case for movers and non-movers in each area type between the two waves. However, the findings for Control movers at Wave 2 have to be interpreted with caution as the base for this group is very small. Pathfinder movers became much less likely to want to move to larger accommodation between the two waves. At Wave 2, Control claimants (15 per cent) were more likely to cite rent-related reasons for wanting to move than Pathfinder claimants (nine per cent).

In terms of work expectations and incentives, movers and non-movers in both area types became more likely to expect to work longer hours in Wave 2 than they did at Wave 1.

Work expectations appear to have stabilised as both Pathfinder and Control claimants who were in work became more likely to expect to work for the same employer. However, the largest difference was seen in the Control areas. Pathfinder claimants who did not have a surplus at Wave 2 were more likely to be expecting to work at least 16 hours a week.

Chapter 7: Household finance and financial well being

Introduction

This chapter focuses on how well claimants are managing their finances and how they perceive their financial situation. Section 7.2 looks at the income profile of claimants between the waves. Section 7.3 explores the extent of arrears among claimants as an indicator of how well they manage their finances. Section 7.4 looks at the extent to which claimants save money from their income. Chapter Seven concludes with Section 7.5, which examines the self-reported perceptions of claimants about their financial situation and the reasons behind them.

Gross Annual Household Income

Income profile

This section focuses on the trend in income profiles of claimants between waves. There were noticeable variations in claimants' gross annual household incomes by wave, area and mover status. In Pathfinder areas, 53 per cent of claimants lived in households with annual gross incomes of under £10,000 at Wave 1 and 43 per cent at Wave 2. In Control areas, 65 per cent of claimants at Wave 1 and 54 per cent of claimants at Wave 2, lived in households with gross incomes of under £10,000 per annum (Table 7.1). Pathfinder claimants were more likely than those in Control areas to have gross annual household incomes of £10,000 or more at Wave 1 and 2. However, they were also likely to be in the top income group at Baseline. Work-related factors, such as longer hours, higher earnings and being in paid work were likely to have had a greater impact on rising incomes than LHA.

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Table 7.1: Gross annual household income by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Less than 5K per year	16	10	6	17	13	8
£5K to less than £10K per year	46	43	37	50	52	46
£10K to less than £15K	27	33	36	25	26	32
£15K or more	12	15	21	8	9	14
<i>Unweighted base</i>	1,876	2,876	2,103	802	1,229	928

Base: All survey claimants.

Across movers and non-movers, the proportion of claimants in the bottom two income groups declined over the two waves. By contrast, the proportion of those in the two highest income groups increased during the same period (Table 7.2). Non-movers were also more likely to be in the two highest income groups in both areas and at each wave. As non-movers do not face the potentially substantial costs from moving, they may be in a better financial situation than movers. This may at least partly explain why they are more likely to be in the two highest income groups at each wave.

Pathfinder movers were more likely to be in the two highest income groups than Control movers at each wave, although the gap had narrowed by Wave 2. Furthermore, among non-movers, Pathfinder claimants were more likely to be in the two highest income groups at each wave and the gap between the areas was the same in both waves (Table 7.2).

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Table 7.2: Gross annual household income by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Less than 5K per year	11	11	12	14	9	5	12	8
£5K to less than £10K per year	46	41	60	43	42	36	52	46
£10K to less than £15K	30	27	22	28	34	38	27	32
£15K or more	13	21	7	16	15	21	9	14
<i>Unweighted base</i>	<i>309</i>	<i>308</i>	<i>139</i>	<i>136</i>	<i>1,769</i>	<i>1,793</i>	<i>803</i>	<i>790</i>

Base: All survey claimants present at Wave 1 and Wave 2.

The most commonly received benefits were Council Tax Benefit, Income Support and Child Benefit. The percentage receiving Council Tax Benefit went up from 43 per cent to 62 per cent among Pathfinder claimants and from 51 per cent to 63 per cent among Control claimants. Control claimants were more likely to claim Council Tax Benefit than Pathfinder claimants at both Baseline and Wave 1, although the gap between the two areas had narrowed by Wave 2. This appears to be evidence of better publicity and awareness. This may be due to the activities of the Money Advice Service in Pathfinder area. However, it appears to be contrary to trends outlined in Chapter Two. These showed that Pathfinder and Control claimants became more likely to be in paid work (Table 2.13), work longer hours (Table 2.17) and be on higher hourly rates (Table 2.18) between the two waves. These trends would increase claimants' incomes (Table 7.1), which in turn would be likely to see their Council Tax Benefit reduced, as income forms an important part of the eligibility criteria.

Pathfinder claimants were more likely to be receiving the Child Tax Credit than their Control counterparts at Baseline and both waves (Table 7.3). A similar pattern occurred over the waves with respect to the proportion of claimants who received the Working Tax Credit. Again, this could be evidence of better publicity and awareness. These findings could suggest that the effect of LHA has stabilised over the waves.

Table 7.3: The benefits and tax credits that claimants received by area and survey wave

	Multiple responses					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Income Support	44	42	42	49	48	46
Council Tax Benefit	36	43	62	45	51	63
Child Benefit	36	36	40	37	38	41
Disability Living Allowance	17	14	16	17	16	20
Incapacity Benefit	14	16	21	18	18	20
Jobseeker's Allowance	14	13	12	14	16	12
Child Tax Credit	10	16	22	7	14	19
Working Tax Credit	10	10	12	6	8	10
State Retirement Pension	10	9	10	8	8	11
None	10	8	7	9	5	6
Some other state benefit or tax credit	5	5	3	4	6	5
Pension Credit	3	5	7	3	4	8
Severe Disablement Allowance	2	2	2	2	2	2
Another sickness or disability benefit	2	2	2	1	2	3
Social Fund Loan or Community Care Grant	1	1	2	2	1	2
National Insurance credits	1	1	1	1	1	1
Statutory Sick Pay	*	*	*	1	*	0
Savings credit	0	0	*	0	0	0
<i>Unweighted base</i>	<i>2,057</i>	<i>3,012</i>	<i>2,184</i>	<i>859</i>	<i>1,278</i>	<i>970</i>

Base: All survey claimants.

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A higher percentage of non-movers than movers were receiving Council Tax Benefit in Pathfinder areas and Control areas at both waves (Table 7.4). Among movers, Control claimants were more likely to claim Council Tax Benefit at Wave 1 than Pathfinder claimants. The same pattern occurred among non-movers in both areas during the same period. This could be seen as evidence of better publicity and awareness. Again, it may be due to the activities of the Money Advice Service in Pathfinder area.

At Wave 1, Control non-movers (49 per cent) were more likely to receive Income Support than Pathfinder non-movers (40 per cent). This gap became smaller by Wave 2. This, again, suggests that the effect of LHA has stabilised over time. It could also be seen as evidence of better publicity and awareness in Pathfinder areas, which could be effected by the activities of the Money Advice Service.

Table 7.4: The benefits and tax credits that claimants received by moving history, area and survey wave

	Multiple responses							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1	W2	W1	W2	W1	W2	W1	W2
	%	%	%	%	%	%	%	%
Council Tax Benefit	36	51	48	55	43	64	52	65
Income Support	48	43	50	50	40	42	49	46
Child Benefit	41	47	40	44	36	39	38	41
Incapacity Benefit	12	16	18	18	18	22	18	20
Child Tax Credit	17	29	15	23	17	21	14	18
Disability Living Allowance	11	13	17	19	14	17	17	20
Jobseeker's Allowance	16	14	25	15	13	11	14	12
Working Tax Credit	6	13	5	9	10	12	8	11
State Retirement Pension	3	4	3	5	9	11	10	12
None	9	10	4	11	8	6	4	5
Pension Credit	3	4	3	4	6	8	4	9
Some other state benefit or tax credit	6	1	5	3	5	3	7	6
Severe Disablement Allowance	5	4	*	1	2	2	3	2
Another sickness or disability benefit	3	2	2	2	2	2	2	3
Social Fund Loan or Community Care Grant	1	4	0	1	1	2	1	2
National Insurance credits	1	*	0	0	1	1	1	2
Statutory Sick Pay	1	0	0	0	*	*	*	0
Savings credit	0	0	0	0	0	*	0	0
<i>Unweighted base</i>	324	324	143	143	1,855	1,858	827	825

Base: All survey claimants present at Wave 1 and Wave 2.

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Arrears on Household Bills, Budgeting and the Use of Credit

Number of household bills in arrears by wave and area

This section focuses on the level of indebtedness of claimants between waves. In general, there was no difference in the level of indebtedness among Pathfinder (Baseline – 36 per cent; Wave 1 – 30 per cent) and Control (Baseline – 34 per cent; Wave 1 – 30 per cent) claimants at Baseline and Wave 1. However, by Wave 2, Control claimants (38 per cent) were more likely to be in arrears with household bills than Pathfinder claimants (31 per cent) (Table 7.5). Overall, the findings could suggest that in Pathfinder areas, there was a steady reduction and stabilisation in levels of indebtedness between the Baseline Survey and the two subsequent waves. The LHA could have influenced this trend to some extent, by impacting on incomes. A clearer picture may emerge from Wave 3. In contrast to the trend in Pathfinder areas, the level of indebtedness appears to have been altogether more volatile in Control areas over the same period. Again, a clearer picture may emerge from Wave 3.

Table 7.5: Number of household bills in arrears by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
None	64	70	69	66	70	62
One	16	16	17	18	15	20
Two	9	7	8	9	8	9
Three	6	4	4	4	5	5
Four or more	4	3	2	3	3	3
<i>Unweighted base</i>	<i>2,053</i>	<i>3,019</i>	<i>2,183</i>	<i>861</i>	<i>1,276</i>	<i>968</i>

Base: All survey claimants.

In Pathfinder areas, movers were more likely to be in arrears than non-movers at each wave. At Wave 1, over one-third (35 per cent) of movers in Pathfinder areas were behind with at least one bill compared to just over one-quarter of non-movers in Pathfinder areas (28 per cent). By Wave 2, the gap had narrowed slightly with the corresponding figures being 36 per cent and 30 per cent respectively. This could be a result of movers incurring substantial costs from moving, which may have a knock-on effect on their ability to pay other bills (Section 7.2).

At Wave 1, the pattern in Control areas was similar to that in Pathfinder areas, with movers more likely to have arrears than non-movers. Movers in Control areas (40 per cent) in this wave were considerably more

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likely to be behind with at least one bill than their non-mover counterparts (28 per cent). Again, this could be a result of movers incurring substantial costs from moving, which may impact on their ability to meet other outstanding bills. However, by Wave 2, there was no difference between Control movers and non-movers in the number of bills, which were in arrears (Table 7.6). Also at Wave 2, Control non-movers (38 per cent) were more likely to be in arrears with household bills than Pathfinder non-movers (30 per cent). This could suggest that the impact of LHA on indebtedness was greater among non-movers than movers. The relatively generous LHA could have made Pathfinder non-movers sufficiently better off such that they were not in arrears with any household bills. However, the cost of moving could be more influential than LHA.

Table 7.6: Number of household bills in arrears by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
None	65	64	60	63	72	70	72	62
One	17	20	21	17	16	16	13	20
Two	9	7	7	14	7	8	8	9
Three	4	6	9	2	4	3	5	6
Four or more	4	3	4	4	2	2	2	3
<i>Unweighted base</i>	324	324	143	142	1,860	1,857	827	824

Base: All survey claimants present at Wave 1 and Wave 2.

The use of credit

Claimants in Pathfinder areas (Baseline – 30 per cent; Wave 1 – 31 per cent; Wave 2 – 36 per cent) were more likely to have credit, charge or store cards than claimants in Control areas at each wave (Baseline – 21 per cent; Wave 1 – 22 per cent; Wave 2 – 27 per cent) (Table 7.7). This appears to be consistent with the findings in Table 5.21, which showed that Pathfinder claimants were much more likely to have used a bank or building society account within the last year. To have such cards, claimants would need to have a bank or building society current account from which payments could be made. Due to the wording of the question, it was not possible to analyse credit card, charge card or store card usage individually.

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Table 7.7: Card ownership by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Yes	30	31	36	21	22	27
No	70	69	64	79	78	73
<i>Unweighted base</i>	<i>2,062</i>	<i>3,019</i>	<i>2,183</i>	<i>862</i>	<i>1,278</i>	<i>969</i>

Base: All survey claimants.

There were differences in card ownership between areas among movers and non-movers. Pathfinder movers (32 per cent) were more likely to own cards at Wave 1 than Control movers (21 per cent). By Wave 2, the difference between movers in the two different areas became smaller. Pathfinder claimants were more likely to have accounts, which are necessary to have such cards. Among non-movers, Pathfinder claimants (Wave 1 – 35 per cent; Wave 2 – 36 per cent) were more likely to own cards than Control claimants (Wave 1 - 24 per cent; Wave 2 – 27 per cent) at both waves.

Table 7.8: Card ownership by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Yes	32	32	21	24	35	36	24	27
No	68	68	79	76	65	64	76	73
<i>Unweighted base</i>	<i>323</i>	<i>325</i>	<i>143</i>	<i>143</i>	<i>1,860</i>	<i>1,856</i>	<i>827</i>	<i>824</i>

Base: All survey claimants present at Wave 1 and Wave 2.

More than five-sixths of claimants said they were able to manage their minimum card repayments at Wave 1 (Pathfinders – 85 per cent; Control areas – 84 per cent). This rose somewhat by Wave 2 (Pathfinders – 91 per cent; Control areas – 88 per cent) (Table 7.9). This could be at least partly explained by a shift towards rising incomes among claimants in both Pathfinder and Control areas between the two waves (Table 7.1). Other factors could include a rise in the proportion of claimants in both areas who were in paid work (Table 2.13), those who were working longer hours (Table 2.17) and those on higher hourly wages (Table 2.18). Rising incomes may put claimants in a better position to afford their card repayments. However, the difference between Pathfinder and Control claimants at each wave was very small.

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Table 7.9: Managing minimum re-payments by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Yes	85	85	91	79	84	88
No	15	15	9	21	16	12
<i>Unweighted base</i>	638	886	734	172	274	261

Base: All survey claimants who owned a credit, charge or store card.

Non-movers were more likely to say they were up to date with their card payments than movers, controlling by wave and area (Table 7.10). The differences between movers and non-movers were somewhat smaller in Control areas than in Pathfinders at each wave. Movers could incur substantial costs by moving house (Section 7.2). This could have a knock-on effect on their ability to keep up to date with other household bills. Consequently, they may find it more difficult to keep up with their card repayments. The base for Control movers is small at both waves, so these findings have to be interpreted with caution.

Table 7.10: Managing re-payments by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Yes	81	84	[82]	[84]	88	92	85	88
No	19	16	[18]	[16]	12	8	15	12
<i>Unweighted base</i>	93	97	30	37	626	637	198	223

Base: All survey claimants present at Wave 1 and Wave 2 who owned a credit, charge or store card.

Loans

Over two-fifths of Pathfinder and Control claimants had at least one loan at Wave 2, with virtually no difference between them. There was also no major difference in the type of loans entered into by claimants from the two areas (Table 7.11).

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Table 7.11: Type of loans the claimants have at Wave 2 by area

	Multiple responses	
	Pathfinders %	Controls %
None	57	58
Bank overdraft/loan	27	24
Friends/family	13	14
Other organisation	10	12
Other individual	2	1
<i>Unweighted base</i>	<i>2,181</i>	<i>968</i>

Base: All survey claimants present at Wave 2.

However, movers were much more likely than non-movers to have at least one loan at Wave 2 in both area types (Table 7.12). In Pathfinder areas, one-half (51 per cent) of movers had at least one loan compared to just over two-fifths of non-movers (42 per cent). A similar pattern occurred in Control areas. There were no differences between Pathfinder and Control claimants among either movers or non-movers. This could suggest that the costs incurred in moving property may have caused claimants to take out loans in order to finance that or other household bills (Section 7.2).

Table 7.12: Type of loans the claimants have at Wave 2 by moving history and area

	Multiple responses			
	Movers		Non-movers	
	Pathfinders %	Controls %	Pathfinders %	Controls %
None	49	48	58	59
Bank overdraft/loan	31	26	27	24
Friends/family	19	23	12	12
Other organisation	13	15	10	12
Other individual	2	0	2	2
<i>Unweighted base</i>	<i>324</i>	<i>143</i>	<i>1,855</i>	<i>823</i>

Base: All survey claimants present at Wave 2.

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Although at Wave 2, Pathfinder and Control claimants were equally likely to have taken out loans (Table 7.11), Pathfinder claimants (72 per cent) were slightly more likely to feel that they were able to manage the repayments on them than their Control counterparts (68 per cent) (Table 7.13). This appears to be consistent with the findings set out in Table 7.17, which showed that Pathfinder claimants were more likely to feel better off at both waves than those from Control areas.

Table 7.13: Managing to repay the loans at Wave 2 by area

	Column percentages	
	Pathfinders %	Controls %
Yes	72	68
No	20	26
Not applicable	8	6
<i>Unweighted base</i>	912	404

Base: All survey claimants present at Wave 2 who had loans.

As with the likelihood of having loans, non-movers were also more likely to feel they were able to manage the repayments on the loans at Wave 2. For example, 70 per cent of non-movers in Control areas felt able to manage the repayments on their loans compared to 62 per cent of movers in Control areas (Table 7.14). At Wave 2, Pathfinder movers (69 per cent) were more likely to be able to manage their repayments than their counterparts in Control areas (62 per cent). As with the likelihood of having loans that was mentioned in Section 6.3.1, the ability to repay loans could also be negatively impacted on by the potentially substantial costs of moving house. It could also be the case that the costs of moving have affected Control movers more than their Pathfinder counterparts. A clearer picture concerning the influence of LHA on this group's ability to repay loans may emerge from Wave 3.

Table 7.14: Managing to repay the loans by movers and non-movers at Wave 2 by moving history and area

	Column percentages			
	Pathfinders %	Movers	Non-movers	
		Controls %	Pathfinders %	Controls %
Yes	69	62	73	70
No	23	28	20	25
Not applicable	8	10	8	5
<i>Unweighted base</i>	160	71	751	332

Base: All survey claimants present at Wave 2 who had loans.

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Savings

Pathfinder claimants (Baseline – 14 per cent; Wave 1 – ten per cent; Wave 2 – 19 per cent) were more likely to have savings accounts, assets or investments at each wave than those in Control areas (Baseline – ten per cent; Wave 1 – eight per cent; Wave 2 – 15 per cent) (Table 7.15). There was a similar trend in each area between Baseline and Wave 2. This could be linked to claimants becoming relatively better off between waves shown in Table 7.1. It could also be linked to the fact that claimants in both area types became more likely to work longer hours (Table 2.17) and be in receipt of higher hourly earnings (Table 2.18).

Table 7.15: Having savings accounts, assets or investments by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Yes	14	10	19	10	8	15
No	86	90	81	90	92	85
<i>Unweighted base</i>	2,062	3,015	2,182	862	1,277	968

Base: All survey claimants.

Controlling for wave and area, non-movers were more likely to have savings than movers. The potentially substantial costs incurred through moving house may at least partly explain why this was the case (Section 7.2). Control movers (18 per cent) were more likely to have savings accounts, assets or investments than their Pathfinder counterparts (14 per cent) at Wave 2. However, Pathfinder non-movers (Wave 1 – 12 per cent; Wave 2 - 20 per cent) were more likely to have savings accounts, assets or investments than their Control counterparts (Wave 1 – nine per cent; Wave 2 – 14 per cent) (Table 7.16).

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Table 7.16: Having savings accounts, assets or investments by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Yes	7	14	7	18	12	20	9	14
No	93	86	93	82	88	80	91	86
<i>Unweighted base</i>	<i>322</i>	<i>325</i>	<i>143</i>	<i>142</i>	<i>1,858</i>	<i>1,855</i>	<i>826</i>	<i>824</i>

Base: All survey claimants present at Wave 1 and Wave 2.

Perceptions of Financial Well-Being

Claimants were asked whether they felt better or worse off than a year ago and why this was the case. They were also asked about their perceptions of their current financial situation and the impact of LHA/Housing Benefit on their financial well-being.

Better or worse off

In Pathfinder areas, a higher percentage of claimants said they felt better off at Wave 1 (19 per cent) than at Wave 2 (16 per cent). In Control areas, the differences between the two waves remained stable between the two waves – 12 per cent at Wave 1 and 13 per cent at Wave 2. Overall, claimants in Pathfinder areas were more likely to report feeling better off than their Control counterparts at each wave (Table 7.17). This could suggest that LHA had, at least to some extent, a positive impact on the financial perceptions of Pathfinder claimants. These claimants were more likely to be in the two higher income groups than their Control counterparts (Table 7.1). However, work-related factors are likely to be more influential than LHA. The reduction in the proportions reporting themselves to be worse off over the two waves in each area may at least partly be linked to an increase in likelihood of being in paid work (Table 2.13), working longer hours (Table 2.17), higher wages (Table 2.18) and a general rise in gross annual household incomes (Table 7.1).

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Table 7.17: Perceptions of financial well-being by area and survey wave

	Column percentages			
	Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %
Better off	19	16	12	13
Worse off	27	22	29	24
About the same	54	63	59	64
<i>Unweighted base</i>	<i>3,000</i>	<i>2,174</i>	<i>1,270</i>	<i>968</i>

Base: All survey claimants present at Wave 1 and Wave 2.

Control movers were twice as likely to say they were better off than a year ago at Wave 2 (26 per cent) than they were at Wave 1 (13 per cent). Non-movers in Control areas were equally likely to say they were better off at Wave 1 and Wave 2 (11 per cent). The trend was different in Pathfinders. While Pathfinder movers were more likely to be better off at Wave 2 (20 per cent) than at Wave 1 (16 per cent), non-movers were more likely to feel better off at Wave 1 (21 per cent) than they were at Wave 2 (15 per cent) (Table 7.18). Movers were more likely to report feeling better off between waves. The reduction in movers reporting themselves as worse off was generally greater than the equivalent reduction among non-movers. These developments also appear to be consistent with Table 2.14, which showed that movers became much more likely to be in paid work at Wave 2 than at Wave 1. There were more modest increases among non-movers.

At Wave 1, Control movers (46 per cent) were more likely to report feeling worse off than Pathfinder movers (36 per cent). The gap became smaller by Wave 2. Pathfinder non-movers (Wave 1 – 21 per cent; Wave 2 – 15 per cent) were more likely to report feeling better off than their Control counterparts (Wave 1 – 11 per cent; Wave 2 – 11 per cent) at both waves.

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Table 7.18: Perceptions of financial well-being by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Better off	16	20	13	26	21	15	11	11
Worse off	36	29	46	25	25	20	26	23
About the same	48	51	41	49	54	64	63	66
<i>Unweighted base</i>	<i>321</i>	<i>322</i>	<i>143</i>	<i>141</i>	<i>1,849</i>	<i>1,850</i>	<i>823</i>	<i>825</i>

Base: All survey claimants present at Wave 1 and Wave 2.

As well as being asked about whether they felt better or worse off, claimants were also asked to identify the reasons for the way they felt. At both waves, Pathfinder claimants (Wave 1 – 29 per cent; Wave 2 – 19 per cent) were more likely to give a change to LHA/HB as a reason for being better off than Control claimants (Wave 1 – seven per cent; Wave 2 – nine per cent) (Table 7.19). This could suggest that LHA was a factor in influencing why claimants felt better off at both waves.

At Wave 2, this became much less of a factor for making claimants feel better off. A change in employment status assumed greater importance (19 per cent). At Wave 1, Pathfinder claimants were almost three times as likely to cite a change to LHA as a reason for being better off compared to a change in employment status. However, by Wave 2, they were equally likely to mention the two factors. In Control areas, a change in some other state benefit was the most commonly quoted reason at Wave 1 (14 per cent) for being better off. Control claimants were more likely to cite this as a reason for feeling better off than those in Pathfinder areas (10 per cent) at Wave 1. As in Pathfinder areas, a change in employment status assumed much greater importance in making claimants feel better off at Wave 2 than at Wave 1 (19 per cent). As expected, a change in LHA/Housing Benefit did not appear to be a very important factor in making Control claimants feel better off (Table 7.19). This could suggest that a change in job status may have become a much better predictor of why claimants felt better off in Wave 2 than it did in Wave 1 in both area types.

By contrast, a change in LHA became much less influential between waves in making claimants feel better off in Pathfinder areas. A change in Housing Benefit was never a major factor in Control areas. This appears to be consistent with the findings in Table 2.13, which showed that Pathfinder and Control claimants were both more likely to be in paid work at Wave 2 than at Wave 1. By Wave 2, the one-off effect of LHA has been supplemented by work-related factors.

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Table 7.19: Reasons for being better off by area and survey wave

	Pathfinders		Multiple responses Controls	
	W1	W2	W1	W2
	%	%	%	%
None	50	46	66	52
Change to HB/LHA	29	19	7	9
Change in employment status	11	19	9	19
Change in some other state benefit	10	15	14	17
Other change in personal/family circumstances	9	10	8	14
Change in health condition	4	7	3	7
<i>Unweighted base</i>	<i>1,416</i>	<i>809</i>	<i>561</i>	<i>348</i>

Base: All survey claimants present at Wave 1 and Wave 2.

A change in LHA was the most common reason given by Pathfinder movers (16 per cent) and non-movers (32 per cent) for being better off at Wave 1. This reason became a less important factor in explaining why these claimants were better off at Wave 2. A one-off change in income had a one-off change on their perception, unlike between Baseline and Wave 1. Their Housing Benefit had not changed much between the two waves. This could be due to the fact that a one-off change in income had an impact on their perception of being better off. However, whereas it still remained the most commonly given factor at Wave 2 for Pathfinder non-movers (22 per cent), it became the least commonly given factor for Pathfinder movers (six per cent). Claimants may be using any surplus to pay extra rent on new properties. At both waves, Pathfinder non-movers were more likely to cite a change to LHA/HB as a reason for feeling better off.

A change in employment status increased substantially as a reason for claimants feeling better off over the same period. This appears to be consistent with Table 2.18, which showed that claimants were more likely to have higher wages at Wave 2 than they were at Wave 1. It could suggest that the monetary gains from a change in employment became more influential in them feeling better off than any such gains from LHA.

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Table 7.20: Reasons for being better off by moving history, area and survey wave

	Multiple responses							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
None	58	48	68	48	48	46	69	53
Change to HB/LHA	16	6	6	13	32	22	7	8
Change in employment status	10	24	10	23	11	18	8	18
Change in some other state benefit	7	8	15	10	11	17	13	18
Other change in personal/family circumstances	13	17	8	26	7	8	5	11
Change in health condition	7	12	8	10	3	5	3	6
<i>Unweighted base</i>	<i>166</i>	<i>160</i>	<i>85</i>	<i>73</i>	<i>855</i>	<i>649</i>	<i>339</i>	<i>275</i>

Base: All survey claimants present at Wave 1 and Wave 2.

In contrast to the reasons given by claimants in each area for being better off, a change in employment status became much less important in making claimants worse off. For example, in both areas, the proportion who said that a change in employment status was a reason for them feeling worse off approximately halved from 23 per cent in Wave 1 to 12 per cent in Wave 2 (Table 7.21). This could be consistent with the findings in Table 5.29, which showed that claimants were less likely to cite unemployment as a reason for being in arrears at Wave 2 than they were at Wave 1.

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Table 7.21: Reasons for being worse off by area and survey wave

	Pathfinders		Controls		Multiple responses
	W1	W2	W1	W2	
	%	%	%	%	
None	46	49	39	47	
Change in employment status	23	12	23	12	
Other change in personal/family circumstances	17	15	20	20	
Change in health condition	14	18	15	16	
Change to HB/LHA	11	13	14	19	
Change in some other state benefit	8	13	9	15	
<i>Unweighted base</i>	<i>1,413</i>	<i>809</i>	<i>561</i>	<i>347</i>	

Base: All survey claimants present at Wave 1 and Wave 2.

Movers were more likely to cite a change in LHA/Housing Benefit as a reason for being worse off, controlling for wave and area. The percentage gap was largest in Control areas at Wave 2. Among movers, 26 per cent cited a change in LHA/Housing Benefit as a reason for being worse off compared to just 18 per cent among their non-moving counterparts in Control areas (Table 7.22). Control claimants were much more likely at Wave 2 (26 per cent) to say that a change to Housing Benefit was a factor in making them feel worse off than they were at Wave 1 (15 per cent). The differences within both the Control groups between waves was larger relative to the corresponding increases within Pathfinder groups. Again, this could be at least partly attributable to the relative transparency of LHA compared to Housing Benefit.

Pathfinder claimants are clearer about how much benefit they will get, which may help them plan accordingly. Control claimants do not know what level of benefit they will receive until they have signed a Tenancy Agreement. This could mean their financial circumstances may be more at risk of sudden changes due to moving than LHA claimants.

A change to employment status declined in influence as a reason for making claimants feel worse off. The reduction was more pronounced among movers than non-movers. This appears to be consistent with Table 2.14, which showed that there was a bigger increase in the likelihood of Pathfinder and Control area movers being in paid work relative to their non-moving counterparts between the two waves.

Control movers were more likely to cite a change in family circumstances as a reason for being worse off at Wave 2 than movers in Pathfinder areas. This could suggest that the increase in income could have tempered the severity of the financial impact of a change in family circumstances among movers.

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Table 7.22: Reasons for being worse off by moving history, area and survey wave

	Multiple responses							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
None	35	49	33	50	49	49	41	46
Other change in personal/ family circumstances	21	10	27	25	17	17	17	19
Change in employment status	33	15	29	4	19	11	21	14
Change in health condition	13	16	21	17	14	18	14	16
Change to your HB/LHA	13	16	15	26	11	12	12	18
Change in some other state benefit	3	13	10	9	8	13	10	16
<i>Unweighted base</i>	<i>166</i>	<i>160</i>	<i>85</i>	<i>73</i>	<i>855</i>	<i>649</i>	<i>339</i>	<i>274</i>

Base: All survey claimants present at Wave 1 and Wave 2.

Impact of LHA/Housing Benefit on financial well-being

At Wave 2, claimants in Pathfinder areas (22 per cent) were more likely to state that LHA/Housing Benefit played a part in changing their financial situation than Control claimants (15 per cent) (Table 7.23). However, the impact of LHA/Housing Benefit was a one-off. This suggests that while LHA and Housing Benefit had a greater effect on financial well-being among Pathfinder claimants at Wave 2, its overall influence has been superseded by other factors between the waves. Other factors, such as a change in employment status, may have assumed greater importance in determining financial well-being over time (Section 7.5.1).

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Table 7.23: Has LHA impacted on financial well-being? by area and survey wave

	Column percentages			
	Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %
Yes	38	22	35	15
No	62	78	65	85
<i>Unweighted base</i>	880	571	435	241

Base: All survey claimants present at Wave 1 and Wave 2.

A higher proportion of movers than non-movers stated that LHA/Housing Benefit played a part in changing their financial situation. There was a gap of nine percentage points at Wave 1 within Pathfinder areas and Control areas alike. At Wave 2, over one-quarter of movers responded positively (28 per cent) in Pathfinder areas and 17 per cent in Control areas. This compared to 20 per cent of Pathfinder non-movers and 15 per cent of non-movers in Control areas (Table 7.24). Among movers and non-movers in each area, LHA/Housing Benefit became less influential in affecting financial well-being across waves. This supports the notion that other factors assumed greater importance over time (Section 7.5.1). The base for Control movers at Wave 2 is small, therefore, has to be interpreted with caution.

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Table 7.24: Has LHA impacted on financial well-being? by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %	W1 %	W2 %
Yes	45	28	42	[17]	36	20	33	15
No	55	72	58	[83]	64	80	67	85
<i>Unweighted base</i>	114	122	66	42	498	449	270	199

Base: All survey claimants present at Wave 1 and Wave 2.

Claimants' perceptions of current financial situation

There was little change between the two waves in Pathfinder and Control claimants' perceptions of how well they are coping financially (Table 7.25). The only noticeable difference being that Control claimants (17 per cent) were more likely to report some financial difficulties at Wave 1 than their counterparts in Pathfinder areas (14 per cent).

Table 7.25: Perceptions of current financial situation by area and survey wave

	Column percentages					
	Pathfinders			Controls		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %
Managing very well	3	4	4	3	3	4
Managing quite well	13	13	15	14	11	14
Getting by alright	54	56	57	53	56	57
Not managing very well	10	10	8	10	11	7
Have some financial difficulties	18	14	14	17	17	16
In deep financial trouble	3	3	3	4	2	3
<i>Unweighted base</i>	2,060	3,022	2,184	860	1,274	969

Base: All survey claimants.

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The claimants' perceptions of their current financial situation were very similar. The biggest difference was that at Wave 1, Control non-movers (18 per cent) were more likely to have some financial difficulties than Pathfinder non-movers (14 per cent) (Table 7.26).

Table 7.26: Perceptions of current financial situation by moving history, area and survey wave

	Column percentages							
	Movers				Non-movers			
	Pathfinders		Controls		Pathfinders		Controls	
	W1	W2	W1	W2	W1	W2	W1	W2
	%	%	%	%	%	%	%	%
Managing very well	2	3	2	2	5	4	3	4
Managing quite well	10	13	9	17	13	15	11	13
Getting by alright	49	52	50	53	57	57	58	57
Not managing very well	13	10	18	7	9	7	10	7
Have some financial difficulties	18	19	17	15	14	13	18	16
In deep financial trouble	8	3	4	6	3	3	2	3
<i>Unweighted base</i>	<i>325</i>	<i>325</i>	<i>143</i>	<i>143</i>	<i>1,862</i>	<i>1,857</i>	<i>825</i>	<i>824</i>

Base: All survey claimants present at Wave 1 and Wave 2.

Conclusions

There appeared to be a shift towards rising incomes between the two waves. This was the case in both area types and among movers and non-movers.

In terms of the benefits and tax credits claimed, Income Support, Council Tax Benefit and Child Benefit were, by a considerable margin, the three most commonly claimed at both waves. Council Tax Benefit showed the biggest increase between the two waves.

The level of indebtedness rose and then stabilised in Pathfinder areas between Baseline and Wave 2. The pattern was more volatile in Control areas during the same period. At Wave 2, Control claimants were more likely to be in arrears, as were Control non-movers. Pathfinder claimants were more likely to own credit, charge or store cards than those in Control areas at each wave. Non-movers were less likely to take out loans than claimants who had moved and were more likely to be able to repay the loans that they had taken out. This could suggest that the costs of moving may at least be partly responsible for a rise in indebtedness.

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The likelihood of having savings accounts, assets or investments fell and then rose again between Baseline and Wave 2 in Pathfinders and Controls. Among movers and non-movers, the likelihood of having savings accounts, assets or investments increased considerably between Wave 1 and Wave 2.

Pathfinder claimants were more likely to feel better off at both waves than their Control counterparts. Claimants in Pathfinder areas were more likely at both waves to cite a change to LHA/HB as a reason for feeling better off. Claimants in both Pathfinder and Control areas became much more likely between the two Waves to cite a change in their employment status as a reason for feeling better off. In terms of making claimants feel worse off, a change in employment status became much less of a factor at Wave 2 among both Pathfinder and Control claimants.

At Wave 2, Pathfinder claimants were more likely to report that LHA/HB had an impact on their financial well-being. However, between the two waves, LHA/HB declined as an influence on claimants' financial well-being in both Pathfinders and Controls.

Chapter 8: Eligible and contractual rents and HB amounts in payment

Introduction

This chapter compares Pathfinder and Control or Comparator areas over the period of time between Baseline (six months before the introduction of LHA) and Wave 2 (fifteen months after the introduction of LHA) to examine both the initial impact and sustained effects of the introduction of LHA on eligible rents, contractual rents and HB amounts in payment. In doing so, it outlines the sources used (Section 8.2); and focuses on eligible and contractual rents (Section 8.3), excesses and shortfalls (Section 8.4) and payments after means testing (Section 8.6).

Data Sources in this Chapter

Some caution should be exercised in comparing and interpreting the reported figures in this chapter, as there are several different data sources used. The source of the figures commented on in the chapter is made clear at the appropriate table.

There are three main DWP Management Information data sources used to compare changes in the nine Pathfinder local authorities⁴ to changes in nine Comparator areas (the three Control local authorities,⁵ and in an additional six local authorities⁶) between Baseline and Wave 2. These are, firstly, Rent Officer referrals data (provides Baseline data and data for the Comparators at Wave 1 and Wave 2), DWP Pathfinder data (used for Pathfinders at Wave 1 and Wave 2) and, lastly, Quarterly Returns data. The first two data sources are at an individual level. The averages reported are based on data for individual cases, while the Quarterly Returns data are at a local authority rather than individual level.⁷

The survey data compares the Pathfinders to the three Control areas for the Baseline and Wave 2 only.⁸

There are also different weighting strategies applied to the DWP and survey data used in this chapter. All the DWP Management Information data sources are weighted by the distribution of HB claimants at Wave 2 (fifteen months after the implementation of LHA in Pathfinder area). This weighting effectively creates a hypothetical past, where the distribution of claimants at the Baseline and Wave 1 stages reflects that at Wave 2. It ensures observed changes in, for instance, average contractual rents between waves are not simply a reflection of changes in the overall proportion of the caseload that live in properties of a given size.

⁴ Blackpool, Brighton & Hove, Conwy, Coventry, Edinburgh, Leeds, Lewisham, North East Lincolnshire and Teignbridge.

⁵ Cardiff, Wakefield and Wolverhampton (the claimant survey was also carried out in these areas).

⁶ Bristol, Haringey, Hartlepool, North Devon, Scarborough and Swansea (where the claimant survey was not carried out). The nine non-Pathfinder Local Authorities are collectively referred to as Comparator Local Authorities throughout the chapter. The Comparators were initially chosen to broadly match the Pathfinders administratively, geographically and in terms of their private rental markets and HB caseloads at the start of the evaluation.

⁷ Additionally, the initial analysis on gainers under LHA is based on a Rent Officer Shadow Determinations dataset merged with DWP Pathfinder data and Income Support, Jobseekers Allowance and Pension Credit 100 per cent data for May and August 2004. This is also an individual level dataset.

⁸ The figures collected for rent and benefit amounts during the Wave 1 survey are known to be biased by the way the questions were structured and have been excluded from the analysis presented in this chapter.

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Table 8.1 shows that the proportion of HB claimants in the deregulated private rented sector with one habitable room in Pathfinder local authorities has indeed increased. So, if the average rent for a one roomed property is less than the rent for properties with two or more rooms and the average rent per room type does not change, using an unweighted average would have resulted in a lower average rent in the Pathfinders at Wave 2 than had occurred at the Baseline.

Table 8.1: HB claimants by number of habitable rooms

		Row percentages						
		Number of habitable rooms - May 2005						
		1	2	3	4	5	6+	All
Pathfinders	%	16	33	27	15	8	2	100
Comparators	%	10	32	27	19	10	3	100
		Number of habitable rooms – Baseline						
		1	2	3	4	5	6+	All
Pathfinders	%	10	33	29	17	8	2	100
Comparators	%	10	30	27	19	10	3	100

Source: DWP administrative data for Pathfinders, May 2005 and Rent Officer referrals data for Comparators, May 2005. Rent Officer referrals data for Pathfinders and Comparators in the Baseline

In contrast, the Baseline survey data is weighted by the distribution of the HB caseload at that stage. The Wave 1 and Wave 2 figures are weighted by the distribution of the caseload at Wave 1, when the longitudinal sample was drawn (approximately seven to nine months after the implementation of LHA). This accounts for attrition in the longitudinal sample between Wave 1 and Wave 2.

Generally speaking, the DWP management information data is the more accurate measurement of contractual rents and HB amounts in payment. However, the survey data is reported where the same patterns are observed, and can provide additional detail outside the scope of the management data.

Eligible and Contractual Rent Under HB and LHA Rules

Contractual rent is the rent charged to the tenant by the landlord for a property. Eligible rent is the maximum amount of Housing Benefit a claimant could hope to receive, before any deductions for non-dependents and income.

Under the non-LHA assessment of eligible rent in HB (the old system), Rent Officers calculate a claimant's maximum eligible rent based on their contractual rent, their personal circumstances (such as the age and number of any children they have) and a range of property - and location-specific restrictions.

Living with the LHA: Claimants experiences after fifteen months of the LHA in the nine Pathfinder Areas

In the Pathfinders, eligible rent is now calculated under the LHA assessment. This offers a flat-rate allowance based on the circumstances of the tenant. This is calculated in terms of the size of property for which their household qualifies and the broad area in which they live. Eligible rent is set equal to the Local Reference Rent (LRR). The LRR determines typical rents for different accommodation sizes in that particular area.⁹

Gainers under LHA

The extent of the difference between the non-LHA assessment of eligible rent in HB (the old system) and the LHA assessment is demonstrated by rent officer shadow referrals data. Rent officers undertook 'shadow referrals' of individual LHA cases in the Pathfinders to determine what their eligible rent would have been under the non-LHA assessment.¹⁰

All claimants who had a larger eligible rent under the LHA assessment were defined as *gainers*. Their gain is the amount by which their eligible rent was larger under the LHA assessment than would have occurred under the non-LHA assessment. A claimant was a *no gainer* if their eligible rent under the LHA assessment was the same as their eligible rent under the non-LHA assessment. In addition, there were some *notional losers*. They came on to HB since the introduction of the LHA, in an area subject to a boundary change at the time of the introduction of this measure. As a result, they may have received less eligible rent in comparison to what they would have received had they always been in receipt of HB (although in practice they experienced no monetary reduction in the amount of HB they received).¹¹

In the English Pathfinders, approximately 72 per cent of claimants gained under LHA (Table 8.2), while 25 per cent were no gainers and the remainder (three per cent) were notional losers. The average gain per LHA claimant in England was £16 per week, while the average gain per gainer was £23 per week.

Table 8.2 also indicates that claimants under the age of 60 *with children* were more likely to be gainers under the LHA assessment. This was the case both for those who were single (80 per cent) and those in a couple (86 per cent). The figures for other claimants ranged between 59 per cent and 71 per cent. It may be that claimants with children are more likely to need larger and more expensive accommodation. As a result, they display a greater likelihood of having a rent officer determined rent restriction under the non-LHA assessment of eligible rent. It is also the case that the proportion who gained is broadly similar to the proportion of claimants who were subject to a rent officer determined rent restriction at Baseline.

⁹ In the Pathfinders, the eligible rent to which a claimant is entitled under the LHA is always at least as much as the eligible rent under the non-LHA assessment. This is because a claimant whose eligible rent under the LHA assessment would have been less than under the non-LHA assessment when the LHA was introduced continues to be entitled to the higher amount of eligible rent, frozen at the time of introduction of the LHA. This is known as transitional protection and claimants with transitional protection are excluded from all analysis in this chapter.

¹⁰ Data available for most claimants in the English Pathfinders up until August 2004 (although not currently available for Scotland and Wales). This was a desk based exercise and therefore did not include visits to the accommodation of claimants.

¹¹ There were also some cases that were transitionally protected because boundary changes mean that their eligible rent under the LHA was less than the eligible rent they were previously entitled to. Data constraints mean that these latter cases are excluded from this analysis.

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Table 8.2: Proportion of gainers by presence of children and age of claimant

	Cell percentages							
	Couple under 60 with children %	Couple under 60 no children %	Single under 60 children %	Single under 60 no children %	Single pensioner no children %	Couple pensioner no children %	All under 25s %	All %
% who Gained	86	59	80	67	71	60	69	72

Source: Rent Officer shadow referrals, Pathfinder, Income Support, Jobseekers Allowance and Pension Credit data May & August 2004

Notes: Table does not report figures for single pensioner with children and couple pensioner with children due to low numbers in groups, although they are included in the total column. The all under 25s column is separate, and the claimants in that base will also be represented in the under 60s columns.

The fact that around three-quarters of claimants gained under the LHA assessment of eligible rent implies that the average eligible rent will be higher under the LHA than the non-LHA assessment.

Average weekly eligible rent

Figure 8.1 illustrates the DWP and rent officer referrals data in Table 8.3 to summarise the average weekly eligible rents in the Pathfinder and Comparator Local Authorities. Average weekly eligible rents in the Comparators have increased approximately three per cent between Baseline and Wave 2 (from £92 to £95), while increasing by more than 30 per cent (from £81 to £106) in the Pathfinders. The majority of the increase in the Pathfinders was seen between Baseline and Wave 1. This implies that it was a direct result of the implementation of LHA. Average eligible rent in the Pathfinders has subsequently stabilised. The figures for individual areas are shown in Annex Table A9.

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Figure 8.1: Average weekly eligible rent by area and survey wave

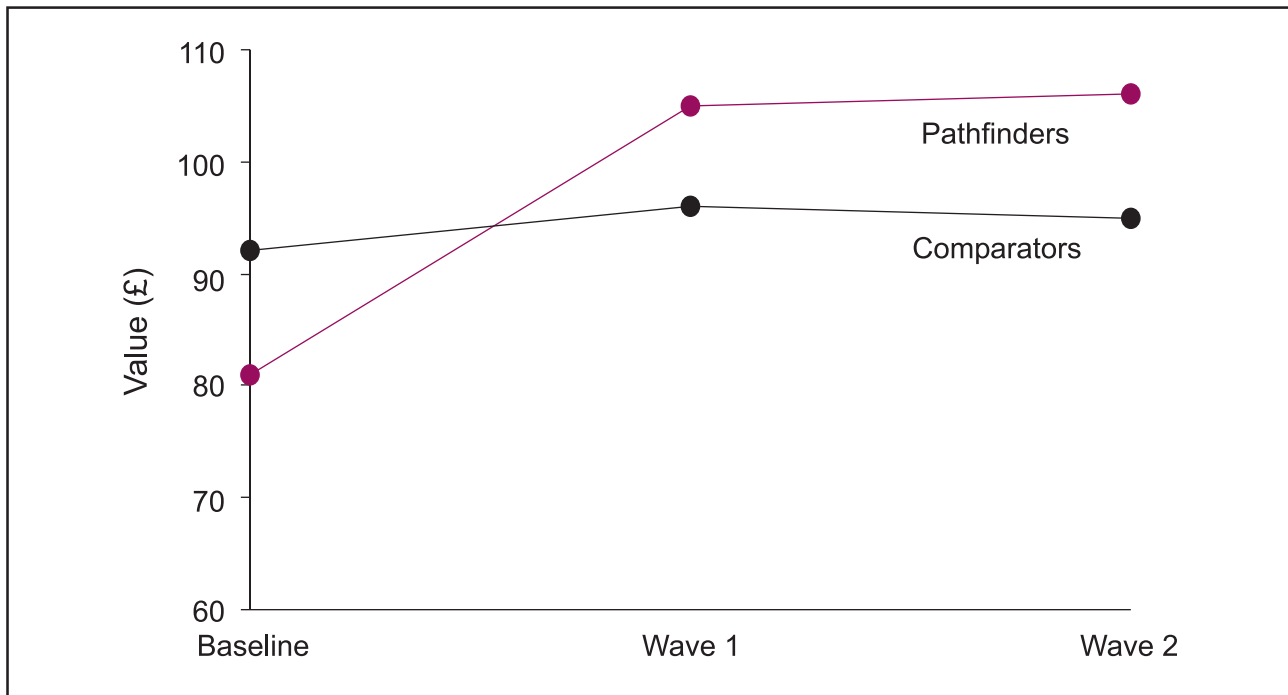


Table 8.3a: Average weekly eligible rent by area and survey wave

	Pathfinders			Comparators			Mean
	Baseline	W1	W2	Baseline	W1	W2	
Weekly eligible rent	£81	£105	£106	£92	£96	£95	

Sources: For both Baseline figures and W1/W2 Comparators – Rent officer referrals data 2002/3, Nov 2004 & May 2005. For Pathfinders W1/W2 figures – DWP Pathfinder data Nov 2004 & May 2005.

Notes: Comparator figures are for English local authorities only (i.e. exclude Cardiff and Swansea). Figures rounded to the nearest pound.

The single source, local authority level, 100 per cent Quarterly returns data in Table 8.3b also showed a larger increase in eligible rent in the Pathfinders (from £80 at Baseline to £101 at Wave 2, or 26 per cent) than in the Comparators (£82 to £88, or seven per cent). Again, most of the increase occurred between Baseline and Wave 1.

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Table 8.3b: Average weekly eligible rent by area and survey wave

	Mean					
	Pathfinders			Comparators		
	Baseline	W1	W2	Baseline	W1	W2
Weekly eligible rent	£80	£91	£101	£82	£86	£88

Source: DWP 100 per cent Quarterly returns data 2002/3, Nov 2004 & May 2005

Note: Figures rounded to the nearest pound.

The rise in average eligible rent in the Pathfinders, reflected in the high proportion of gainers under the LHA, is likely to be directly attributable to the simplification of the eligible rent calculation through the removal of Rent Officer-determined restrictions.

Average weekly contractual rent

As the LHA rates for different property sizes are publicly available, an increase in average eligible rents in the region of 30 per cent might, in turn, have been expected to influence the average contractual rent being charged by landlords in the Pathfinders. However, there is little evidence from either DWP or survey data that contractual rents in those areas have increased systematically between Baseline and Wave 2 at anywhere near the same rate as average eligible rent. Figure 8.2 uses the DWP data in Table 8.4a to show that contractual rents have only increased in both groups of local authorities by approximately five per cent between the Baseline and Wave 2 (see Annex Table A10 for the figures for individual areas).

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Figure 8.2: Average weekly contractual rent by area and survey wave

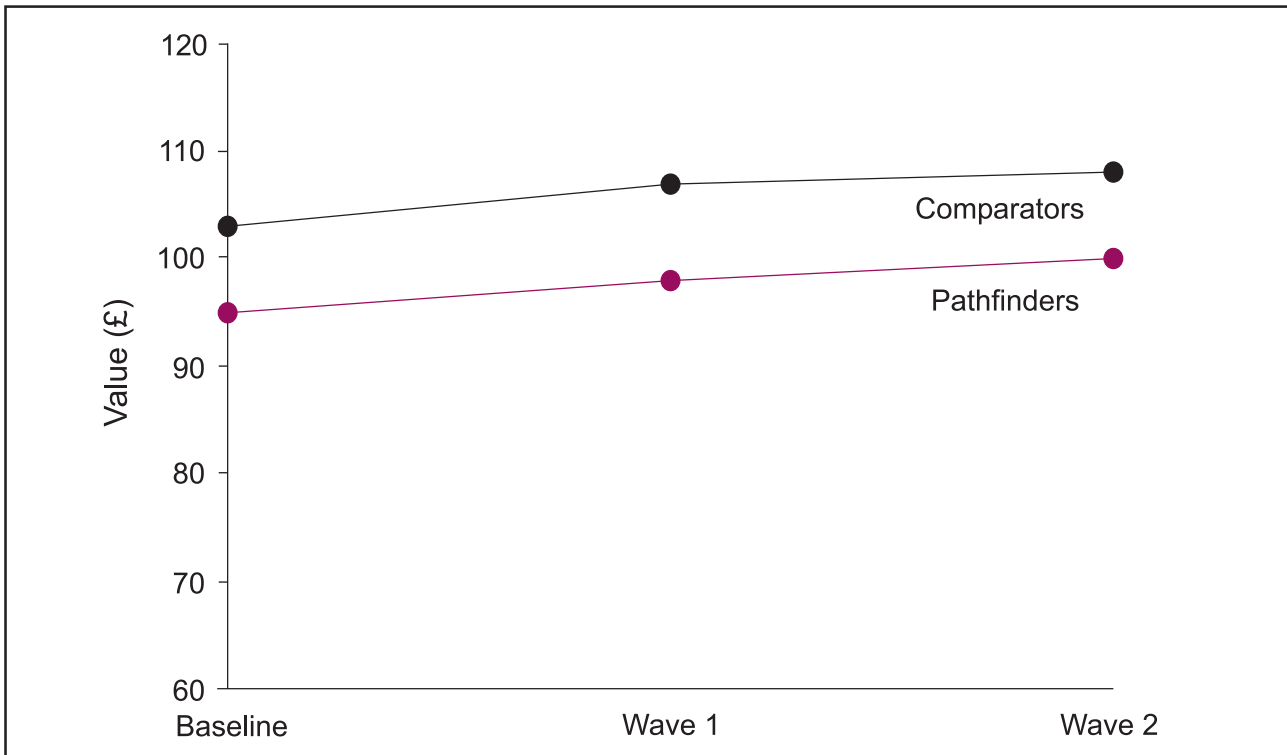


Table 8.4a: Average weekly contractual rent by area and survey wave

	Pathfinders			Comparators			Mean
	Baseline	W1	W2	Baseline	W1	W2	
Weekly contractual rent	£95	£98	£100	£103	£107	£108	

Sources: For Baseline and W1/W2 Comparators – Rent officer referrals data 2002/3, Nov 2004 & May 2005. For Pathfinders W1/W2 figures – DWP Pathfinder data Nov 2004 & May 2005

Note: Comparator figures are for English Local Authorities only (i.e. exclude Cardiff and Swansea).

Although it is not possible to measure eligible rent in the claimant survey, Table 8.4b shows that similar scale increases in contractual rent were reported between the Baseline and Wave 2 surveys. There was a rise of approximately six per cent in the Pathfinders and four per cent in the Controls over approximately the same period of time.

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Table 8.4b: Average weekly contractual rent by area at Baseline and Wave 2

	Mean			
	Pathfinders		Controls	
	Baseline	W2	Baseline	W2
Weekly contractual rent	£101	£107	£81	£84
<i>Unweighted base*</i>	2,104	2,034	779	878

Base: All survey claimants present at Baseline and Wave 2 who were able to give a meaningful rent amount.

Excess and Shortfalls

One of the criticisms of the eligible rent rules under the non-LHA assessment in HB is their lack of transparency. Claimants were often unaware of their eligible rent prior to committing to paying certain levels of contractual rent under their tenancy agreements. After all, the eligible rent is the maximum amount they can expect to get towards their rent from HB. This lack of transparency makes it more likely for claimants to end up with an unanticipated *shortfall*. In this situation their contractual rent will exceed their eligible rent (or maximum HB amount), even before any deductions are made for income and non-dependents in the household.

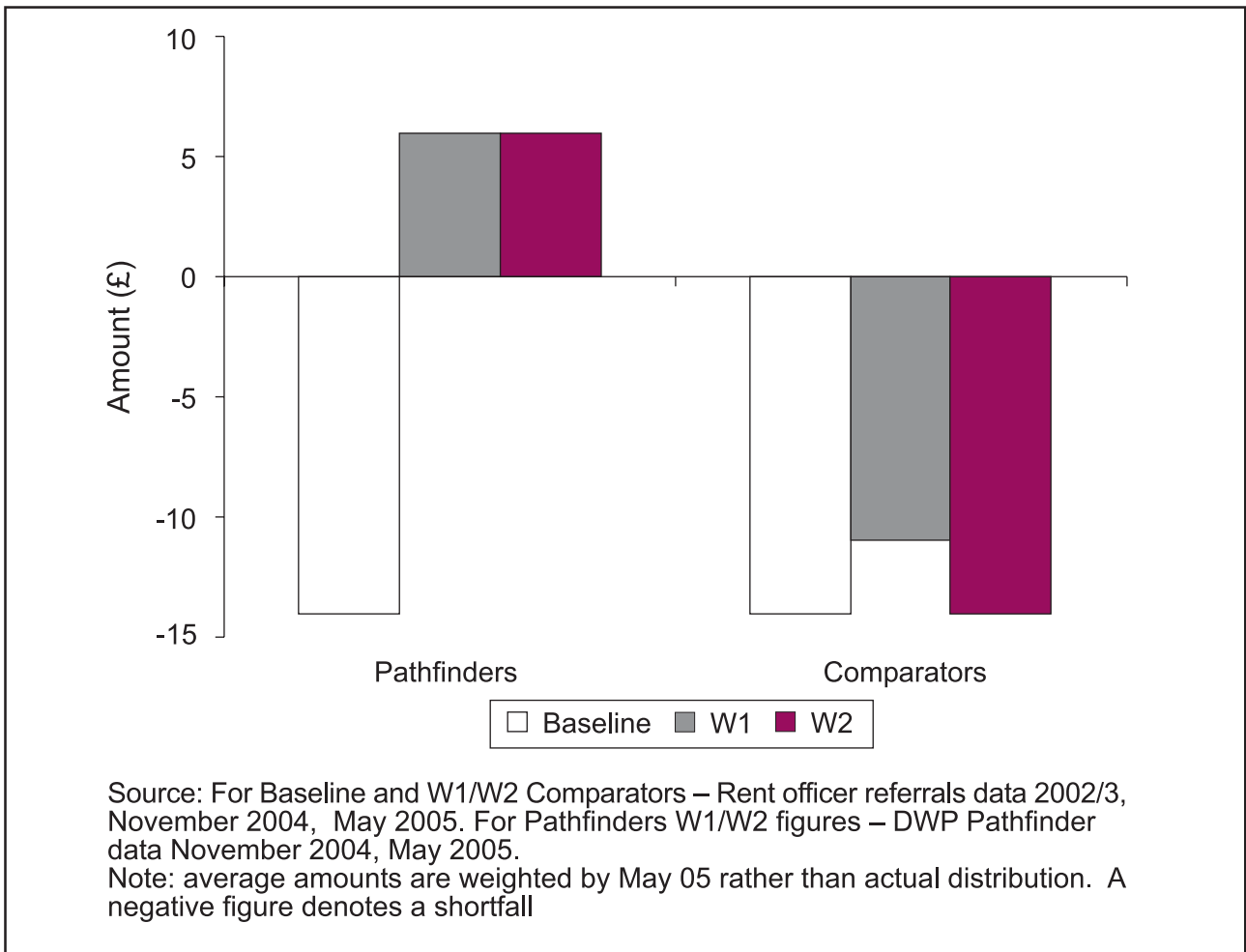
The flat rate allowances under the LHA assessment are published in order to provide additional clarity concerning the eligible rent, and therefore maximum HB, a claimant can expect to receive before they enter a tenancy agreement. This should theoretically allow claimants to trade more accurately between the price and quality of their accommodation. The incentive to consider the affordability of accommodation is emphasised by the fact that it is possible to have an *excess* (where eligible rent exceeds contractual rent) under the LHA assessment.

One measure of the impact of the LHA, both on eligible rents and choice of accommodation, is therefore the extent of shortfalls and excesses over time.

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Net average shortfall/excess

Figure 8.3: Average weekly excess/shortfall between eligible and contractual rent by area and survey wave



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Table 8.5: Overall average weekly shortfall/excess by area and survey wave

	Pathfinders			Comparators			Mean
	Baseline	W1~	W2~	Baseline	W1	W2	
Average weekly shortfall/excess	-£14	£6	£6	-£14	-£11*	-£14*	

Source: For Baseline and W1/W2 Comparators – Rent Officer referrals data 2002/3, Nov 2004 & May 2005. For Pathfinders W1/W2 figures – DWP Pathfinder data Nov 2004 & May 2005,

Notes: average amounts are weighted by May 05 rather than actual distribution. A negative figure denotes a shortfall.

~ eligible rent calculated under the LHA.

* figures exclude Cardiff and Swansea.

Figure 8.3 uses the DWP management data in Table 8.5 to show that in the Baseline. The average shortfall between contractual and eligible rent was similar in the Pathfinder and Comparator local authorities, at £14 and £12 per week respectively. After the introduction of the LHA, HB claimants in the Pathfinders received an average excess of £6 per week at both Wave 1 and Wave 2. The shortfall faced by HB claimants in the Comparators fluctuated from £11 at Wave 1 to £14 at Wave 2.

The average excess of £6 under LHA across the Pathfinders does not mean that there is necessarily an average excess in each individual Pathfinder area. Indeed, there continued to be an average shortfall in Blackpool, Conwy and North-East Lincolnshire at Wave 2. This was outweighed by the average excesses in other areas. However, in all three areas this was smaller than the Baseline shortfall (Table 8.6). The differing experience of individual Pathfinders is likely to be linked to the nature of the local rental markets in those areas.

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Table 8.6: Average weekly shortfall/excess between contractual and eligible rent, by local authority

Pathfinders				Comparators				Mean
	Baseline	W1~	W2~		Baseline	W1*	W2*	
Blackpool	-£15	-£4	-£4	Bristol	-£11	-£11	-£14	
Brighton	-£11	£8	£10	Cardiff	-£16	-	-	
Conwy	-£27	-£5	-£6	Haringey	-£15	-£15	-£21	
Coventry	-£10	£6	£6	Hartlepool	-£9	-£7	-£9	
Edinburgh	-£13	£11	£14	North Devon	-£11	-£9	-£10	
Leeds	-£16	£7	£6	Scarborough	-£10	-£9	-£9	
Lewisham	-£17	£23	£24	Swansea	-£11	-	-	
NE Lincs	-£11	-	-£5	Wakefield	-£11	-£11	-£11	
Teignbridge	-£12	£2	£4	Wolverhampton	-£11	-£8	-£9	
All	-£14	£6	£6	All	-£14	-£11	-£14	

Source: For Baseline and W1/W2 Comparators – Rent Officer referrals data 2002/03, Nov 2004 & May 2005. For Pathfinders W1/W2 figures – DWP Pathfinder data Nov 2004 & May 2005,

Notes: Average amounts are weighted by May 05 rather than actual distribution. A negative figure denotes a shortfall.

~ eligible rent calculated under the LHA.

- denotes figure not available.

* Welsh Rent Officer data not available.

The overall average excess for Pathfinders also obscures differences by accommodation size (Table 8.7 and Annex Table A11). Although on average, claimants receive an excess of £6 per week, claimants with one habitable room faced substantially smaller excesses (or larger shortfalls) than those with two or more rooms. Overall, they had an average shortfall of £1 per week. The reason for this is that entitlement to one room under the LHA assessment is calculated on the cost of a single room in shared accommodation. It is directed specifically at single people under the age of twenty-five. The lower rate is intended to reflect the fact that single people under 25 are more likely to live in shared accommodation and in lower rental value properties. The intention is that out of work adults are not provided with better housing than their working peers could afford. Single adults aged over twenty five are not subject to this restriction and are entitled to two habitable rooms. As in the existing Housing Benefit scheme, under LHA, the proportion of tenants under twenty five years of age with a shortfall is lower for those choosing to live in shared accommodation.

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Table 8.7: Average weekly excess/shortfall by number of habitable rooms (Pathfinders Wave 2 only)

	Number of habitable rooms						Mean
	1	2	3	4	5	6+	All
Pathfinders	-£1	£6	£7	£9	£9	£15	£6

Source: DWP Pathfinder data, May 2005.

Note: A negative figure denotes a shortfall.

Percentages with excesses and shortfalls

Excesses

The extent of gains under the LHA eligible rent calculation, and the overall average excess observed in the Pathfinders, is reflected in the fact that over half of Pathfinder claimants had an excess (eligible rent exceeding contractual rent) at Wave 1 and Wave 2 (57 per cent and 58 per cent respectively, Table 8.8). This is lower than the percentage of gainers under the LHA assessment. This is because some of the gainers would simply have a smaller shortfall under the LHA than under the non-LHA assessment of eligible rent. Annex Table A12 shows the percentages of excesses and shortfalls in individual Pathfinder areas in Wave 2.

Table 8.8: Percentage of caseload with an excess by survey wave (Pathfinders only)

	Cell percentages		
	Baseline	W1	W2
Pathfinders	0%	57%	58%

Source: Rent Officer referrals data 2003/04 and Pathfinder data, November 2004 and May 2005

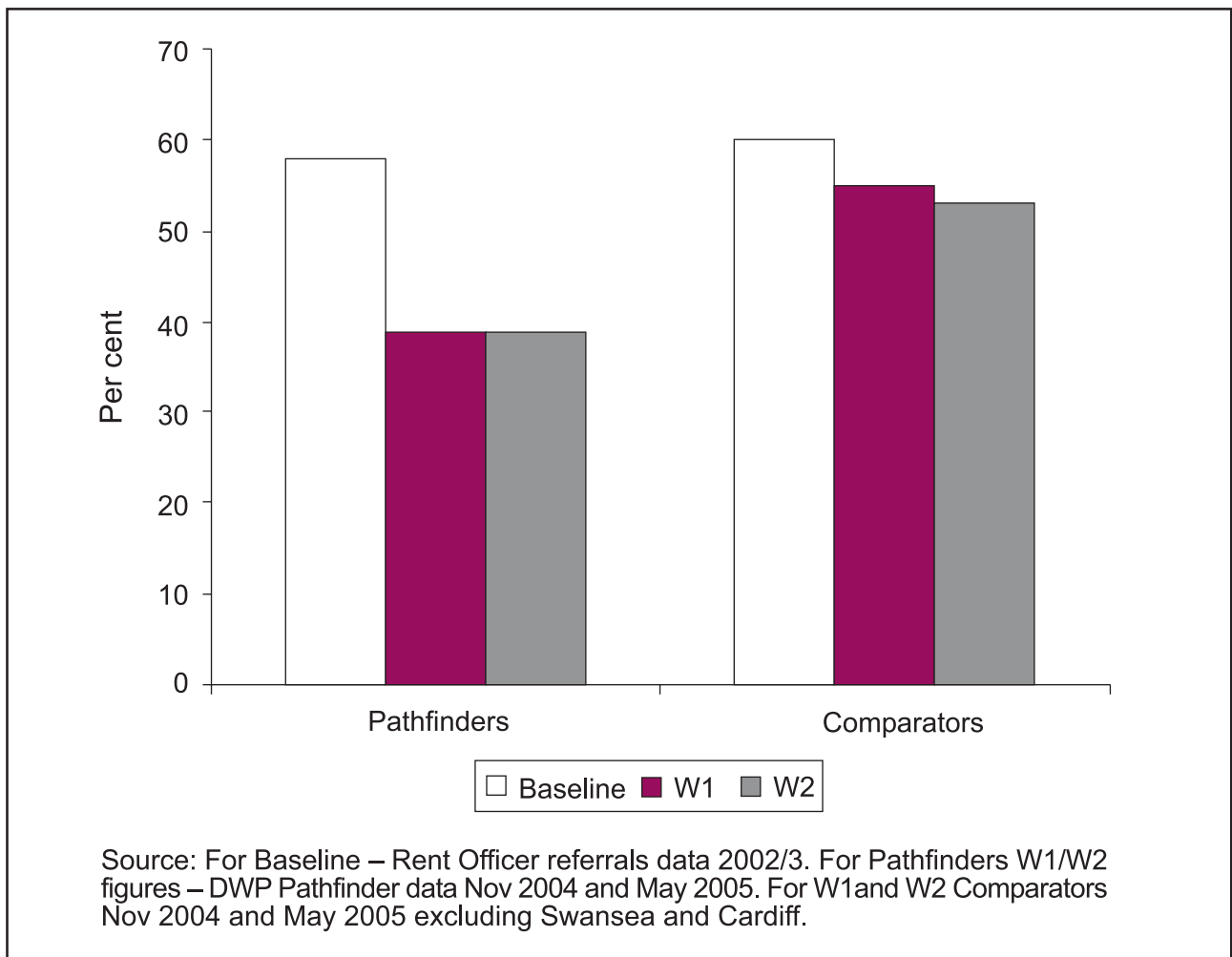
Across all Pathfinders one per cent of claimants received an excess of more than £10 per week, while two per cent of claimants with an excess at Wave 2 received an excess of more than £10 a week. At Wave 2, the average excess, where one existed, was £22 a week.

Shortfalls

Given these excesses, there was a decrease in the percentage of claimants facing a shortfall (contractual rent exceeding eligible rent) in the Pathfinders: down from 58 per cent in the Baseline to 39 per cent at Wave 1. There is also a smaller downward trend evident in the Comparators, where 60 per cent had a shortfall at Baseline compared to 53 per cent at Wave 2. After the initial impact of LHA, the percentage with a shortfall in the Pathfinders subsequently appeared to have stabilised, and no further reduction was evident at Wave 2 (Figure 8.4, Table 8.9). This matches the stability observed in the overall percentage with an excess in the Pathfinders between Wave 1 and Wave 2.

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Figure 8.4: Percentage with a shortfall between eligible and contractual rent by area and survey wave



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Table 8.9: Percentage of caseload with a weekly shortfall between contractual and eligible rent by area and survey wave

	Cell percentages					
	Pathfinders			Comparators		
	Baseline	W1	W2	Baseline	W1	W2
Tenants with a shortfall	58	39	39	60	55	53

Source: For Baseline – Rent Officer referrals data 2003/04. For Pathfinders W1/W2 figures – DWP Pathfinder data Nov 2004 & May 2005. For W1/W2 Comparators Nov 2004 & May 2005 excluding Swansea and Cardiff.

However, the overall reduction in the percentage with shortfalls again obscures differences in the impact of LHA in individual Pathfinders. This is linked to differences in their local rental markets (Table 8.10). For example, in Leeds (77 per cent to 34 per cent) and Lewisham (55 per cent to 23 per cent), the percentage of the caseload with a shortfall fell between Baseline and Wave 2. In contrast, the percentage with a shortfall actually increased in North-East Lincolnshire (from 50 per cent to 64 per cent) and Conwy (53 per cent to 58 per cent) over the same period. Annex Table A12 shows the percentages of excesses and shortfalls for Pathfinder claimants in Wave 2.

Table 8.10: Percentage of claimants with a shortfall between their contractual and eligible rents, by local authority

	Cell percentages						
	Pathfinders			Comparators			
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2 %	
Blackpool	76	50	51	Bristol	48	43	46
Brighton	50	37	32	Cardiff	56	55	54
Conwy	53	57	58	Haringey	57	55	42
Coventry	64	36	35	Hartlepool	80	69	67
Edinburgh	42	24	27	North Devon	63	59	59
Leeds	77	32	34	Scarborough	63	59	59
Lewisham	55	23	23	Swansea	58	59	56
NE Lincs	50	60	64	Wakefield	70	66	71
Teignbridge	61	45	41	Wolverhampton	58	48	59
All	58	39	39	All	60	55	53

Source: DWP Pathfinder data November 2004, May 2005 and Rent Officer referrals data 2003/4, Nov 2004 & May 2005.

Note: Local authorities are listed in alphabetical order and not intended for pair-wise comparison.

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As well as a reduction in the overall percentage of claimants who have a shortfall, there was also been a fall in the average amount of the shortfall for those that have one. At Baseline, the average weekly shortfall for claimants with a shortfall was £23. This has now been reduced to £17.

Over- and under-occupation

Another measure of the impact of LHA on choice of accommodation is the percentage of claimants who are under-occupying (living in properties that exceed their LHA room entitlement), or over-occupying (living in properties smaller than their LHA room entitlement) over time.

Indeed, there is a degree of correlation between under- and over-occupation and the incidence of excesses and shortfalls (see Table 8.11). Claimants facing a shortfall were twice as likely to be under-occupying than other HB tenants. Those with an excess are more likely to be over-occupying (19 per cent compared to four per cent of those with a shortfall). The figures for individual areas are shown in Annex Table A13.

Table 8.11: Excess/Shortfall by appropriateness of accommodation (Pathfinders only)

	LHA equals rent %	Excess %	Column percentages
			Shortfall %
Appropriately sized accommodation	75	65	60
Under-occupying	17	16	35
Over-occupying	8	19	4

Source: DWP Pathfinder data, May 2005.

Figure 8.5 uses data in Table 8.12 to show that the percentage under-occupying (living in properties exceeding their LHA room entitlement), decreased in the Pathfinders from 29 per cent at Wave 1 to 24 per cent at Wave 2. Should this represent the beginning of a trend (because there is a correlation between under-occupation and having a shortfall) we might expect the percentage with a shortfall to decrease at Wave 3.

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Figure 8.5: Percentage under-occupying (living in properties exceeding LHA room entitlement) by area and survey wave

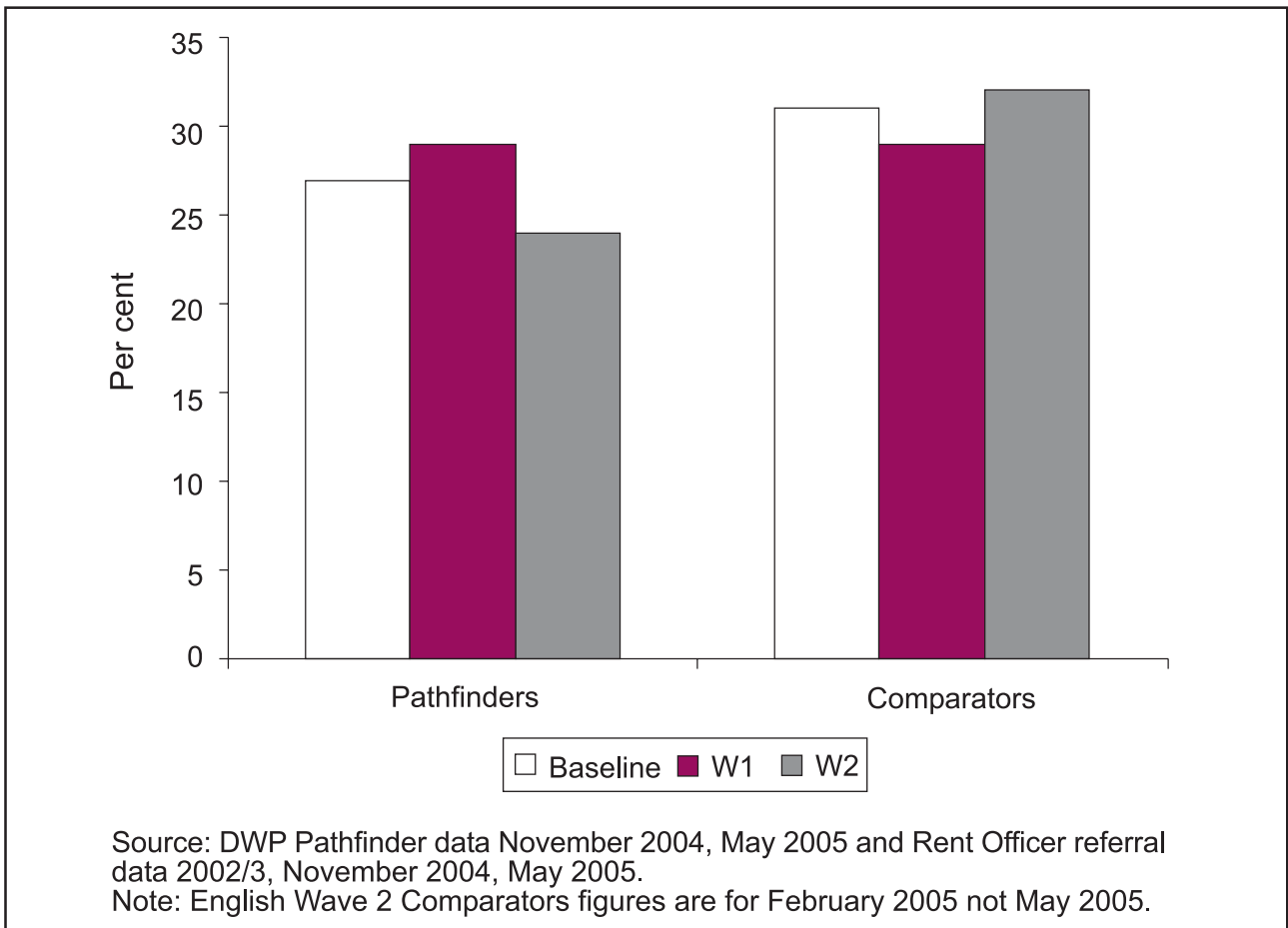


Table 8.12 shows that this has not been accompanied by an increase in the percentage who are over-occupying (living in a property smaller than their room entitlement), which has in fact decreased from 16 per cent to 13 per cent over the same time period in those areas. Instead, the percentage considered to be appropriately occupying has increased from 55 per cent to 64 per cent between Wave 1 and Wave 2. Figures for the percentage under-occupying are shown in Annex Table A14.

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Table 8.12: Percentage of claimants over- and under-occupying by area and survey wave

	Column percentages					
	Pathfinders			Comparators		
	Baseline %	W1 %	W2 %	Baseline %	W1 %	W2* %
Percentage under-occupying	27	29	24	31	29	32
Percentage over-occupying	-	16	13	-	-	-
Percentage appropriately occupying	-	55	64	-	-	-

Source: DWP Pathfinder data November 2004, May 2005 and Rent Officer referrals data 2003/04, November 2004, May 2005.

Note: * English Wave 2 Comparators figures are for February 2005 not May 2005

- Data unavailable.

HB Payments after Means Testing

The previous sections of this chapter have demonstrated that the substantial initial impact of the LHA assessment of eligible rent on average eligible rent and shortfalls/excesses does not seem to have led to substantially higher contractual rents in the Pathfinders.

One possible explanation (among others) for the relative stability of contractual rents is that increases in the eligible rent are not all passed on to the claimants in payments. Rather, the HB amount in payment is the eligible rent, minus any deductions for non-dependents living in the household, minus a proportion of any income the claimants may have that is brought into account. If the increases in eligible rent have not been matched by similar scale increases in the HB amount, then this might have limited the ability of landlords to increase their contractual rents.

On the other hand, given the size of the increases in average eligible rent, and the fact that claimants under LHA can receive an HB Surplus (where the HB amount in payment exceeds the contractual rent),¹² there are arguably likely to be some substantial increases in the average HB amounts in the Pathfinders.

Average HB amounts in payment

Figure 8.6 uses the DWP Local Authority level Quarterly Returns data in Table 8.13a. It shows that, in Pathfinder area, the average weekly HB amount in payment rose from £74 at Baseline to £94 at Wave 2, representing an overall increase of 27 per cent. The increase from £77 to £82 in the Comparator areas over the same period was considerably more modest at six per cent. The rate of increase in the average HB amount in payment has therefore kept pace with the increase in average eligible rents in Pathfinder area over the same period. This was approximately 26 per cent in the Local Authority level data and 30 per cent in the individual level data.

¹² It is not possible to receive an excess or a surplus under the non-LHA HB eligible rent calculation.

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Figure 8.6: Average weekly HB amount in payment by area and survey wave

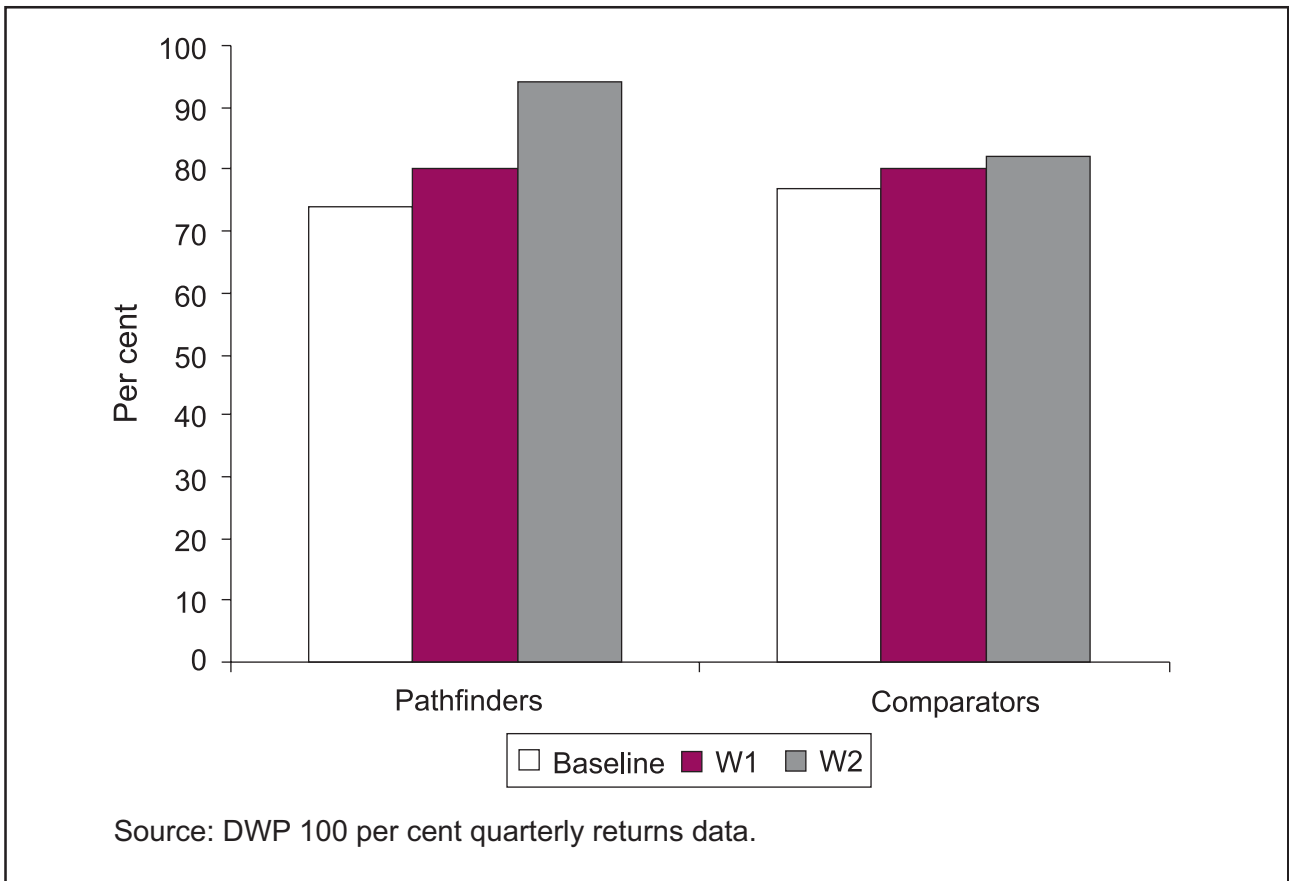


Table 8.13a: Average HB payments by area and survey wave (local authority level data)

	Pathfinders			Comparators			Mean
	Baseline	W1	W2	Baseline	W1	W2	
Weekly HB amount	£74	£80	£94	£77	£80	£82	

Source: DWP 100 per cent Quarterly returns data 2002/03, November 2004 and May 2005

Note: Figures rounded to nearest pound

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The survey data and DWP Pathfinder data back up this observed increase in HB amounts in payment. Table 8.13b shows that in the survey, HB amounts in payment were reported to have risen from an average of £84 at Baseline to £100 at Wave 2 (a slightly more modest increase of 19 per cent), and remained more stable at around £70 a week in the Comparator areas. Table 8.13c shows that there is a good correspondence between the average HB amount figure reported by Pathfinder survey respondents at Wave 2 (£100 a week) and the DWP Pathfinders individual data, which provides an average payment amount of £98 a week.

Table 8.13b: Average weekly HB amounts in payment at Baseline and Wave 2 by area

	Pathfinders		Controls		Mean
	Baseline	W2	Baseline	W2	
	Weekly HB amount	£84	£100	£68	£72
<i>Unweighted base*</i>	2,084	1,846	774	780	

Base: All survey claimants present at Baseline and Wave 2 who were able to give a meaningful benefit amount. A small number of cases who gave their HB amount as less than £10 were excluded from analysis.

Table 8.13c: Average HB payments

	Pathfinders		Mean
	W1	W2	
Weekly HB amount	£96	£98	

Source: DWP Pathfinder data November 2004 and May 2005

Note: Figures rounded to nearest pound

In other words, on average, Pathfinder area claimants are likely to have benefited substantially from the introduction of LHA in terms of the *actual* amount of HB they are paid.

HB payment deficits and surpluses

The increases in average HB amounts, however, disguise the fact there is still an overall average HB deficit (contractual rent exceeding HB amount in payment) in the Pathfinders at Wave 2. It is simply that the introduction of LHA has substantially reduced the scale of this deficit.

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The DWP management data on average contractual rents in Table 8.4a and average HB amounts in Table 8.13a, shows that the percentage of contractual rent covered by the HB amount in payment in Pathfinder area increased from 78 per cent at Baseline to 94 per cent at Wave 2. This represents an increase in the percentage of contractual rent covered by HB amount of 21 per cent between Baseline and Wave 2. By contrast, the percentage of contractual rent covered in the Comparator areas remained stable at between 75 and 76 per cent.

Figure 8.7: Percentage of reported contractual rent covered by HB amount at Baseline and Wave 2 by area

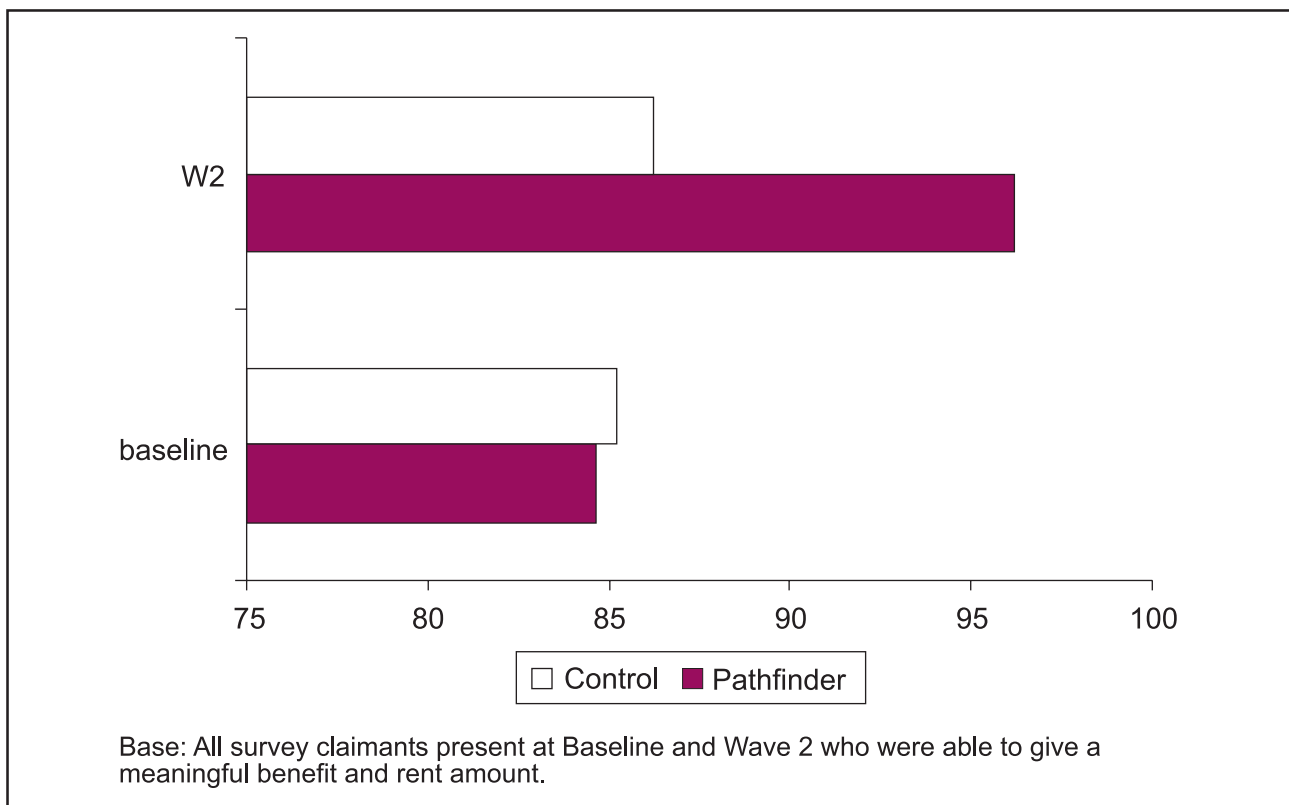


Figure 8.7 shows a similar pattern evident in the survey data, with 96 per cent of reported contractual rent covered by HB amounts in payment in Pathfinder area at Wave 2. The LHA has reduced the reported average weekly HB deficit in Pathfinder area by £10 (Figure 8.8 and Table 8.14), with no comparable decrease in the Controls.

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Figure 8.8: Overall average HB deficit in pounds at Baseline and Wave 2 by area

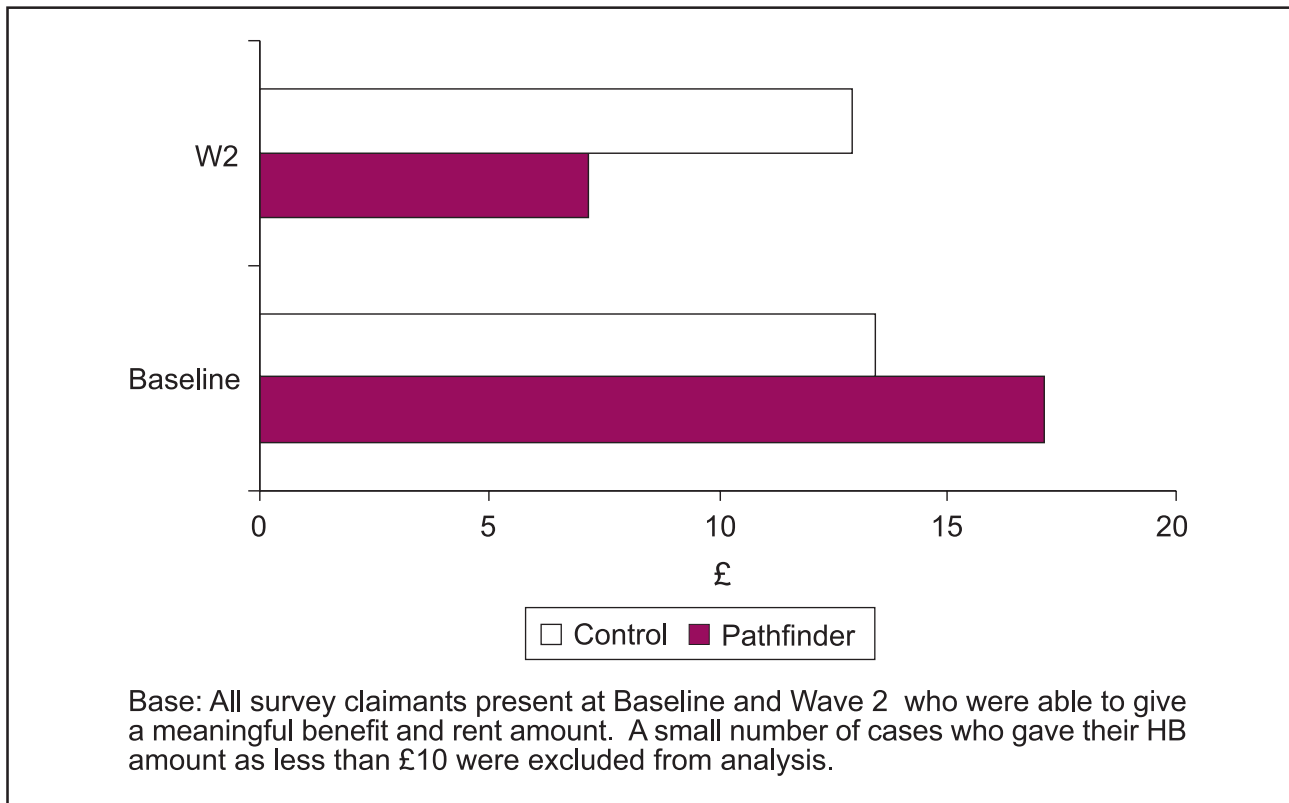


Table 8.14: Overall average weekly HB deficit at Baseline and Wave 2 by area

	Pathfinders		Controls		Mean
	Baseline	W2	Baseline	W2	
Average HB amount deficit	£17	£7	£13	£13	
<i>Unweighted base</i>	2,084	1,846	774	780	

Base: All survey claimants present at Baseline and Wave 2 who were able to give a meaningful benefit and rent amount. A small number of cases who gave their HB amount as less than £10 were excluded from analysis.

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However, it is important that, on average, *HB amounts in payment are still lower than contractual rents*. Overall, claimants are still, on average, in a situation where they have to find money from other sources to fully cover their rent. The LHA has reduced the overall deficit between HB and rent. As such, it should certainly have improved the ability of claimants to pay their rent. However, it is unlikely that the continuing overall deficit under LHA offers the rental market a climate where large increases in contractual rents are realisable.

Also, whilst nine in ten Pathfinder claimants in the survey reported that their landlord knew they were on benefit at both Wave 1 and Wave 2 (Section 5.2.5), it is possible that landlords are less aware of how much their tenants *actually receive* under LHA than under the old system. This is due to the fact that 87 per cent of LHA claims continue to be paid direct to the claimant at Wave 2, compared to 50 per cent at Baseline (Section 5.2.1). Those claimants who receive an HB surplus in payment (or even a smaller deficit) are arguably more unlikely than those not in this position to pass this information on to their landlord because of fear of rent rises.

Percentage with an HB deficit or surplus

One of the key reasons why the average HB amount has increased is that claimants under LHA can receive an HB surplus in cash, that is, where their HB amount exceeds their contractual rent, they are able to retain the difference. This is not possible under the non-LHA determination of HB. Table 8.15 shows that 34 per cent of LHA claimants in the survey reported receiving an HB Surplus at Wave 2. The percentage reporting an HB deficit reduced from 60 per cent at Baseline to 51 per cent. The percentage reporting that their HB amount was the same as their contractual rent fell from 40 per cent at Baseline to 15 per cent at Wave 2.

There is some evidence of a similar reduction in the percentage receiving an HB shortfall in the Controls over the same period (down from 66 per cent to 60 per cent), suggesting more generally that nationally HB is becoming increasingly aligned with market rents.

Table 8.15: Percentage with HB Surplus/Deficit at Baseline and Wave 2 by area

	Column percentages			
	Pathfinders		Controls	
	Baseline %	W2 %	Baseline %	W2 %
HB Surplus		34		
HB Deficit	60	51	66	60
HB amount equals rent	40	15	34	40
<i>Unweighted base*</i>	2,084	1,842	774	778

Base: All survey claimants present at Baseline and Wave 2 who were able to give a meaningful benefit and rent amount. A small number of cases who gave their HB amount as less than £10 were excluded from analysis.

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Those claimants in the survey who reported an HB surplus had an average surplus of £22 a week. Those with a weekly surplus of over £2 were asked what they spent the money on. This took the form of a semi-open question, with other responses recorded verbatim for editing later. Table 8.16 shows that claimants with a surplus were most likely to say they spent the money on essentials (79 per cent), with 23 per cent spending it on other living costs. A smaller percentage said they spent the surplus on paying off debts (13 per cent), or that they were saving it (14 per cent).

Table 8.16: What Pathfinder claimants spend the HB surplus on at Wave 2¹³

	Multiple responses
	Pathfinders
	W2
	%
Spending on essentials	79
Spending on other living costs	23
Saved the money	14
Spending on debts	13
Other miscellaneous response	1
<i>Unweighted base</i>	620

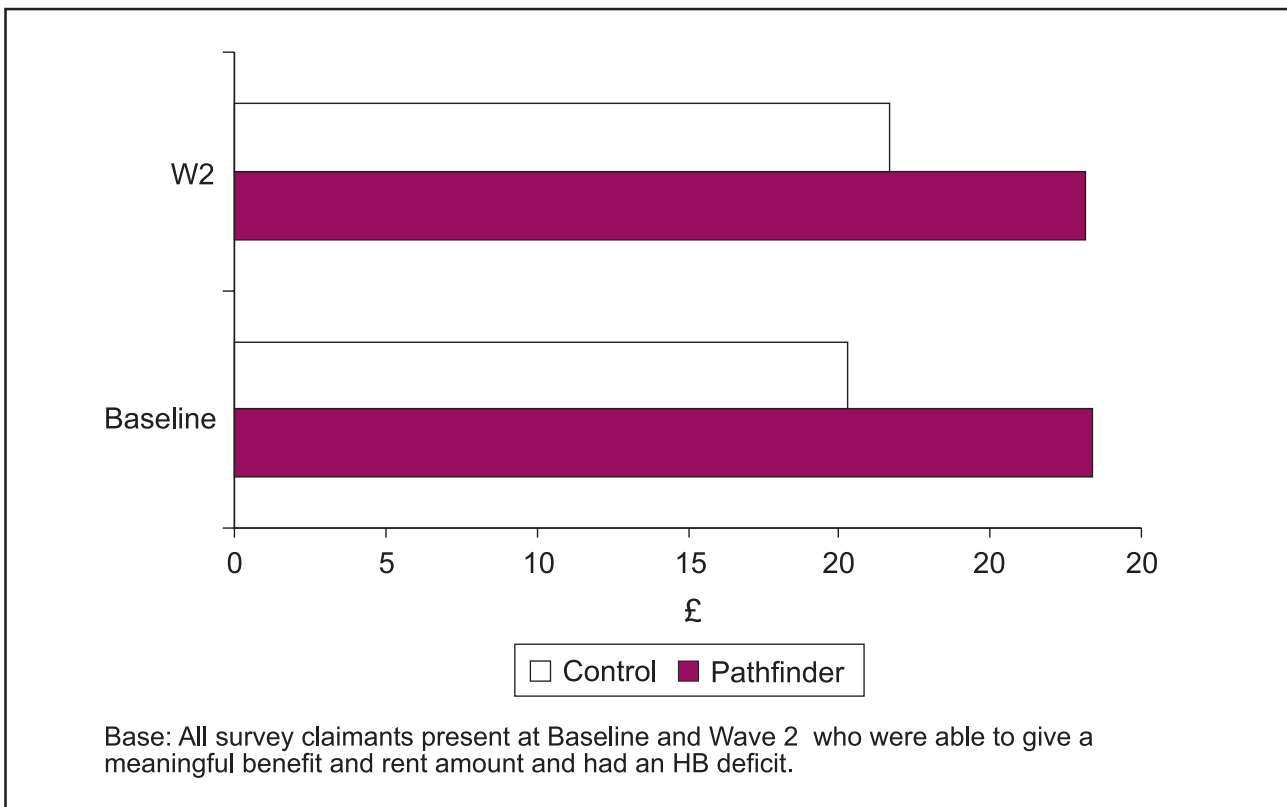
Base: All survey claimants present at Wave 2 in Pathfinder areas, who gave meaningful rent and benefit amounts, and who reported an HB surplus of more than £2 a week.

Figure 8.9 shows that survey respondents who reported a deficit between their HB amount in payment and their contractual rent, had equivalent average HB deficits at Baseline and Wave 2. This would appear to contradict the reduction in average shortfalls (before deductions) from £23 to £17 evident in the DWP data (section 8.4.2). There is no obvious reason why a reduction in shortfalls would not be reflected in a reduction in deficits in payment. Furthermore, the survey data only includes those who could provide both weekly benefit and rent amounts. Thus, this is only weak evidence of stable average HB deficits in the Pathfinders.

¹³ The categories in the table have been collapsed from a wider code frame. 'Spending on debts' includes paying off rent arrears and other debts as well as the deposit on their accommodation. 'Spending on essentials' includes paying bills, other necessities (e.g. food), and general living expenses. 'Spending on other living costs' includes treats for family, decorating accommodation, household goods (e.g. towels, sheets) and car/petrol. 'Saved the money' includes saving for something needed and saving because afraid being overpaid.

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Figure 8.9: Average HB deficit in pounds for those that had one at Baseline and Wave 2 by area



Contractual Rent by Mover or Non-mover at Wave 2

Although the unweighted bases for movers are quite small for the Controls, and therefore should be treated with some caution, Table 8.17 appears to show that claimants who have moved since Wave 1 were typically paying more in contractual rent than non-movers in both the Pathfinder and Controls. Movers in the Pathfinders were paying on average £10 more a week in rent than non-movers, while in the Controls, the figure was £7.

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Table 8.17: Average weekly contractual rents and HB amounts at Wave 2 by moving history and area

	Mean			
	Movers		Non-movers	
	Pathfinders	Controls	Pathfinders	Controls
Weekly HB amount	£99	£83	£100	£71
Unweighted base	158	50	1,688	730
Weekly contractual rent	£116	£91	£106	£84
<i>Unweighted base</i>	<i>193</i>	<i>65</i>	<i>1,841</i>	<i>813</i>

Base: All survey claimants present at Wave 2 with meaningful benefit amounts (weekly HB amounts) or rents (weekly contractual rent).

The fact that this pattern is similar in both the Pathfinders and Controls implies that claimants who move regularly become more exposed to rent increases than those on longer tenancy agreements. This might be because landlords take the opportunity to align their rents with market values when they take on new tenancies.

The figures for HB amounts between the two groups are more difficult to interpret. In the Pathfinders, there is no real difference between the average HB amount for movers and non-movers. However, in Controls, movers (£83) receive higher HB amounts on average than non-movers (£71). This could be a function of the low base sizes for the Controls. It could suggest that movers in the Controls are more likely to have had their higher contractual rents balanced out by higher HB amounts in those areas.

Table 8.18 shows that among non-movers at Wave 2, those in the Pathfinders were more likely to report that their contractual rent had increased since the date of their Wave 1 interview (20 per cent) than those in the Controls (16 per cent).

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Table 8.18: Non-movers and contractual rent since W1 by area (survey data, W2 only)

	Column percentages	
	Non-movers	
	Pathfinders	Controls
	%	%
Rent increased	20	16
Rent decreased	1	2
Rent stayed the same	69	74
Don't know/not answered	10	9
<i>Unweighted base</i>	<i>2,034</i>	<i>878</i>

Base: All survey non-movers present at Wave 2 with meaningful rents (weekly contractual rent).

Non-movers who reported rent increases were asked if their landlord had given them a reason for the increase. Table 8.19 shows the pattern of the responses. Overall, landlords most commonly pointed out that it was the first rent increase in some time (26 per cent), or the increase was periodic, and written into the tenancy agreement (19 per cent). Other common responses were that the rent increase was to pay for an increase in the landlord's management and maintenance costs (17 per cent). Alternatively, it could cover other costs, arising from inflation, Council tax, mortgage payments or insurance (eight per cent). In six per cent of cases, the landlord said they were increasing the rent to match the local market value.

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Table 8.19: Reasons given to non-movers for rent increases at Wave 2 ¹⁴

	Column percentages		
	All non-movers	Pathfinders	Controls
	W2 %	W2 %	W2 %
First rent increase for some time	26	27	24
Periodic increase in tenancy agreement	19	22	10
Increase in landlord management/maintenance costs	17	16	22
Cover inflation/council tax/mortgage/insurance costs	8	8	10
Align with local market rent	6	5	7
Not given a reason for increase	5	5	6
Because of HB/LHA	4	6	0
Changed accommodation or claimant/landlord/agent circumstances	2	2	1
Rent or rent increase was negligible	0	0	1
Other miscellaneous response	2	1	4
<i>Unweighted base</i>		2,034	878

Base: All survey non-movers present at Wave 2 who gave meaningful rent amounts and said their rent increased since Wave 1. It appears that periodic increases were more common in the Pathfinders (22 per cent) than the Controls (10 per cent). This perhaps suggests that some Pathfinder landlords had built rent increases into their recent tenancy agreements in anticipation of the introduction of LHA. LHA was given as a reason for a rent increase in six per cent of Pathfinder cases.

Conclusions

LHA has had a substantial impact on HB, particularly immediately after its introduction in the nine Pathfinder areas. LHA increased average eligible rent by over one-quarter between Baseline and Wave 2. During the same period, contractual rents increased by around five per cent in Pathfinders and Controls. There was no evidence of an impact on contractual rent, which increased by the same amount as contractual rent in the Comparator local authorities. There is some evidence that claimants were increasingly occupying accommodation appropriate to their LHA room entitlement.

¹⁴ The codes reported here are collapsed from a wider code frame. It is usually obvious from the name of the code what is included, but 'Increase in landlord management/maintenance costs' includes both costs from maintaining and improving the property, and management costs i.e. collecting rent. 'Because of LHA' includes 'HB amount exceeding rent' and general comment 'because of HB/LHA'.

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Seventy-two per cent of claimants gained as a result of these changes and for claimants with children more than 80 per cent gained. The proportion of claimants with a shortfall between their eligible and contractual rent fell from 58 per cent to 39 per cent and 58 per cent of claimants now receive an excess. However, over a third of LHA claimants are still subject to shortfalls averaging £17 a week at Wave 2.

Chapter 9: Conclusion

The conclusion discusses the findings with reference to the policy objectives. The overall aim of LHA is to empower tenants by enabling them to exercise more choice and take responsibility for, their housing decisions. Associated with this, LHA aims to promote fairness, transparency, simplicity and to increase work incentives. Taking these in turn:

Choice

LHA aims to give tenants greater choice over their rent. They can pay more than the allowance they receive for accommodation. This is because, for example, their accommodation is larger than that for which they qualify. Alternatively, they can move to a less expensive property where the rent equals their allowance or they can find housing where the rent is less than their allowance and keep the difference. Concerns have been expressed that some claimants may choose to move to less suitable properties in order to keep some of the housing benefit amount for other purposes.

The findings provide some evidence that claimants are increasingly occupying accommodation appropriate to their LHA room entitlement. While at Baseline, Pathfinder, claimants were generally living in smaller houses (measured by number of rooms per person) than claimants in Control areas. Those who had moved between Wave 1 and Wave 2 had usually found larger accommodation. However, they continued to live in smaller accommodation than those in the Control areas who had moved. The claimants who had moved thought their new houses were more suitable in terms of number of rooms, number of bedrooms, and, to a lesser extent, the size of the rooms. Furthermore, the findings suggest that, in general, Pathfinder claimants are not choosing to move to smaller, less suitable properties in order to keep some of their Housing Benefit amount for other purposes.

LHA has substantially increased average eligible rent and Housing Benefit amounts, while there were smaller increases in contractual rent. (This may of course be due to landlords not being aware of the scale of increases in Housing Benefit amounts under LHA and therefore a temporary effect). As a result of these changes, the proportion of claimants with a shortfall between their eligible and contractual rent has been reduced from 58 per cent to 39 per cent. However, it should be noted that over one-third of LHA claimants are still subject to shortfalls averaging £17 a week at Wave 2. For claimants with a deficit between payment amounts and contractual rent, the average deficit was not reduced.

Improved financial circumstances may explain why claimants in Pathfinder areas were less likely to cite rent as a reason for moving from their Wave 1 address. There was no difference in the proportion of claimants who felt '*amount of rent was a factor in moving out*' between Pathfinders and Control areas at Wave 1 (both 14 per cent). By Wave 2, 25 per cent of Pathfinder claimants reported this was a reason for moving while 35 per cent said it was a reason for moving in the Control areas.

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The findings do not, however, provide firm evidence that LHA has increased claimants' perceptions that they have a good choice of housing available to them. The percentage of claimants who reported that they had a good choice of housing increased in Pathfinder area between Baseline and Wave 1 (26 per cent to 34 per cent). By contrast, they remained stable at 28 per cent in the Control areas. It is likely that many of these moves will have pre-dated LHA and it is notable that these proportions did not change at Wave 2 (although the question wording was altered to focus upon affordable housing).

Personal responsibility

By paying the allowance directly to claimants, the aim is to encourage them to take responsibility for budgeting and paying their rent themselves. Direct payments are also in keeping with the Government's objective of bringing those on benefit into mainstream financial services. Concerns have been expressed that some claimants may find the responsibility of budgeting and paying their rent themselves difficult to cope with and fall into arrears. As a result, arrangements have been built into LHA to identify claimants who may be vulnerable and perhaps struggle with these responsibilities.

The findings show that concerns that have been expressed that large numbers of claimants would not be able to cope with the responsibility of budgeting and paying the rent themselves have not been realised. Although there was a slight drop in the percentage of Pathfinder claimants paid directly since Wave 1, over four-fifths of Pathfinder claimants were being paid directly at Wave 2. Furthermore, between the two waves, there was an increase in the proportion of claimants currently receiving direct payment who would prefer to be paid that way. There was also a corresponding fall in the proportion of these claimants who would prefer the LHA to go to their landlord. More control and responsibility was the most commonly cited reason for why claimants prefer to receive the benefit themselves. This suggests that, on the whole, claimants are coping well with direct payment. This view is supported by the finding that the percentage of claimants who were at least two weeks in two weeks arrears with their rent was higher for claimants who received landlord payments than for claimants who received direct payments.

Furthermore, the introduction of LHA appears to be supporting the policy aim of modernising benefit payments and (to a certain extent) encouraging claimants to use modern banking services. Pathfinder claimants who had access to a bank, building society or Post Office Card account by Wave 2 had increased by 14 per cent from the Baseline to 96 per cent. In addition, Pathfinder claimants who were without a bank, building society or Post Office Card account were more likely to both to try to open an account - and to succeed - than Control claimants. By Wave 2, 91 per cent of Pathfinder claimants had access specifically to a bank or building society current account. Those who had opened it since Wave 1 were around twice as likely to say that they were opening the account to receive their Housing Benefit than Control claimants. In Pathfinder areas, there was an increase in claimants receiving their Housing Benefit payment directly into their account between Wave 1 and Wave 2 (the survey reported a seven per cent increase, and the DWP administrative data, ten per cent). However, in Control areas, this had remained stable over the two waves.

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Transparency and simplicity

The flat-rate LHA allowances aim to introduce greater simplicity into housing benefit processes and calculations and increase clarity regarding eligible rent. The intention is to provide claimants with better prior information upon which to assess what they can afford. In turn this could allow them to trade between the price and quality of their accommodation.

The DWP administrative data for the rates of under, over and appropriately occupying show an increase in the percentage of LHA claimants who are appropriately occupying at Wave 2 (64 per cent) compared with Wave 1 (55 per cent).

While a large majority of claimants said their landlord knew that they were in receipt of LHA, there is no need, unlike under the existing housing benefit arrangements, for landlords to know whether their tenants are in receipt of LHA, or, if they are, how much they receive.

Work Incentives

Across the Pathfinders, a large majority of LHA claimants (78 per cent) were not in paid work at Wave 2. The majority of claimants in employment were in relatively low skilled and low paid jobs. The Government has introduced a raft of measures to help people back into work and to make work pay which include the New Deals, the minimum wage and the Disability Discrimination Act. The policy intention is that greater clarity about what Housing Benefit claimants could receive should remove further obstacles to entering the labour market.

However, 47 per cent of LHA claimants of working age expected to be working at least 16 hours per week in the next couple of years. A similar percentage of claimants of working age (45 per cent) expected not to be working.

Among LHA claimants who were not working at Wave 2, the two most commonly cited reasons for not working were looking after the home or family (21 per cent) followed by poor health or disability (29 per cent). The Government has introduced measures to help disabled people into work, which include the New Deal for Disabled People, Pathways to Work Pilots and the Disability Discrimination Act.

The work expectations of claimants currently in work, in both areas, appears to have stabilised. At Wave 2, a higher percentage expected to still be working for the same employer in one year's time compared to Wave 1. LHA claimants were more likely to expect to be working at least 16 hours in the next couple of years (47 per cent) compared to Control claimants (43 per cent). However, among those who were working at Wave 2, claimants in Control areas were twice as likely to be working at least 30 hours a week (38 per cent), compared to Wave 1 (19 per cent). For LHA claimants, there was an increase of only six per cent over the same period. There was little difference in the change among Pathfinder and Control claimants in the proportion who earned at least £6.50 per hour. What the findings suggest is that LHA has not increased work incentives among claimants in Pathfinder areas any more than it has done in Control areas.

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Summary

Claimants appear to be increasingly occupying accommodation appropriate to their LHA room entitlement. They are not, in general, moving into less suitable accommodation in order to keep part of the Housing Benefit amount for other purposes. In the main, claimants appear to be managing to cope with budgeting and paying their rent themselves. At the same time, they are gaining access to modern banking services. However, the impact of LHA on work incentives is, at present, unclear.

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**Appendix A:
Supplementary tables**

Table A1: W2 Response rate in each area

	North-East Lincs	Lewisham	Blackpool	Cardiff	Conwy	Brighton & Hove	Coventry	Teignbridge	Leeds	Wakefield	Wolver- hampton
Productive	80	74	75	79	78	81	75	81	76	81	81
Unproductive	13	7	12	14	12	8	7	9	11	5	5
Refusals	3	2	1	2	2	1	3	3	2	2	1
Can't take part for other reason	3	7	5	4	4	6	5	3	3	4	4

Note: Some of these percentages are less than 100 per cent. This is because no contact was made with some claimants by the end of the fieldwork.

**Living with the LHA:
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Table A2: Whether accommodation is furnished by area and survey wave

	Column percentages											
	Blackpool			Brighton & Hove			Conwy			Coventry		
	B	1	2	B	1	2	B	1	2	B	1	2
	%	%	%	%	%	%	%	%	%	%	%	%
Furnished	-	27	24	17	13	13	10	7	8	25	25	21
Part-furnished	-	28	28	29	16	18	20	25	23	36	33	33
Unfurnished	-	45	48	54	71	69	70	68	69	39	42	45
Number of cases	-	409	282	388	426	317	392	165	198	262	399	279

Who receives the LHA/HB payment	Column percentages											
	Leeds			Lewisham			NE Lincs			Teignbridge		
	B	1	2	B	1	2	B	1	2	B	1	2
	%	%	%	%	%	%	%	%	%	%	%	%
Furnished	30	25	25	40	37	41	-	7	7	9	9	8
Part-furnished	33	31	30	31	36	33	-	18	18	21	16	13
Unfurnished	37	44	45	29	28	26	-	75	74	70	76	79
Number of cases	321	387	277	342	433	278	-	396	309	322	322	246

**Living with the LHA:
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Table A3: HB claimants by number of habitable rooms

Pathfinder LAs	Number of habitable rooms - May 2005 (Wave 2)						All
	1	2	3	4	5	6+	
Blackpool	11%	40%	22%	12%	11%	3%	100%
Brighton	27%	42%	23%	6%	2%	1%	100%
Conwy	8%	41%	30%	14%	5%	2%	100%
Coventry	13%	11%	25%	35%	14%	2%	100%
Edinburgh	15%	35%	36%	10%	4%	1%	100%
Leeds	18%	25%	30%	18%	8%	2%	100%
Lewisham	26%	31%	27%	10%	4%	1%	100%
North East Lincolnshire	8%	28%	22%	21%	17%	4%	100%
Teignbridge	12%	27%	34%	19%	6%	2%	100%
All Pathfinders	16%	33%	27%	15%	8%	2%	100%
Control LAs	Number of habitable rooms - May 2005 (Wave 2)						All
	1	2	3	4	5	6+	
Bristol	11%	37%	25%	16%	8%	2%	100%
Cardiff	7%	36%	23%	16%	13%	6%	100%
Haringey	21%	44%	21%	9%	4%	1%	100%
Hartlepool	1%	9%	43%	27%	14%	5%	100%
North Devon	7%	26%	34%	21%	8%	4%	100%
Scarborough	9%	35%	29%	16%	9%	3%	100%
Swansea	4%	25%	30%	27%	12%	2%	100%
Wakefield	3%	17%	41%	31%	7%	1%	100%
Wolverhampton	5%	25%	17%	26%	23%	3%	100%
All Comparators	10%	32%	27%	19%	10%	3%	100%
Pathfinder LAs	Number of rooms - Baseline						All
	1	2	3	4	5	6+	
Blackpool	11%	36%	24%	18%	9%	2%	100%
Brighton	15%	40%	29%	10%	4%	2%	100%
Conwy	8%	36%	31%	13%	8%	3%	100%
Coventry	5%	20%	26%	34%	14%	2%	100%
Edinburgh	4%	37%	42%	14%	2%	1%	100%
Leeds	9%	29%	32%	19%	8%	3%	100%
Lewisham	14%	44%	26%	10%	4%	1%	100%
North East Lincolnshire	2%	19%	21%	29%	25%	4%	100%
Teignbridge	7%	29%	35%	20%	7%	2%	100%
All Pathfinders	10%	33%	29%	17%	8%	2%	100%

continued

**Living with the LHA:
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Table A3: Continued

Comparator LAs	Number of rooms - Baseline						All
	1	2	3	4	5	6+	
Bristol	12%	36%	24%	17%	9%	3%	100%
Cardiff	7%	41%	24%	14%	10%	5%	100%
Haringey	26%	40%	19%	8%	5%	2%	100%
Hartlepool	2%	11%	44%	26%	12%	6%	100%
North Devon	8%	29%	33%	18%	8%	4%	100%
Scarborough	10%	35%	28%	15%	9%	3%	100%
Swansea	4%	22%	32%	27%	12%	3%	100%
Wakefield	4%	18%	40%	30%	6%	1%	100%
Wolverhampton	5%	22%	18%	29%	24%	3%	100%
All Comparators	10%	30%	27%	19%	10%	3%	100%

Source: DWP administrative data for Pathfinders, May 2005 and Rent Officer referrals data for Comparators, May 2005
Rent Officer referrals data for Pathfinders and Comparators in the baseline
Note: figures may not sum due to rounding

**Living with the LHA:
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Table A4: Who receives the LHA payment, by Pathfinder area and survey wave

Who receives the LHA/HB payment	Column percentages											
	Blackpool			Brighton & Hove			Conwy			Coventry		
	B %	1 %	2 %	B %	1 %	2 %	B %	1 %	2 %	B %	1 %	2 %
Landlord or letting agent	-	16	27	44	11	13	54	11	15	59	6	11
Respondent or partner	-	84	72	56	88	86	46	89	85	41	94	89
Other	-	0	1	0	1	*	0	*	0	0	*	0
Number of cases	-	409	264	388	426	286	392	264	183	262	400	256

Who receives the LHA/HB payment	Column percentages											
	Leeds			Lewisham			NE Lincs			Teignbridge		
	B %	1 %	2 %	B %	1 %	2 %	B %	1 %	2 %	B %	1 %	2 %
Landlord or letting agent	66	10	14	37	6	9	-	15	21	38	7	8
Respondent or partner	34	89	85	63	94	90	-	83	78	62	93	92
Other	0	1	1	0	0	1	-	1	1	0	0	0
Number of cases	321	388	240	342	435	230	-	396	298	359	322	225

Note: B = Baseline : 1 = Wave 1 : 2 = Wave 2

**Living with the LHA:
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Table A5: Payment destination of Housing Benefit by Pathfinder

	Baseline		Wave 1		Wave 2	
	Claimant	Landlord	Claimant	Landlord	Claimant	Landlord
Blackpool	50%	50%	88%	12%	82%	18%
Brighton	59%	41%	90%	10%	88%	12%
Conwy	47%	53%	89%	11%	89%	11%
Coventry	41%	59%	95%	5%	94%	6%
Edinburgh	50%	50%	93%	7%	90%	10%
Leeds	33%	67%	92%	8%	91%	9%
Lewisham	45%	55%	92%	8%	88%	12%
North East Lincs	20%	80%	88%	12%	76%	24%
Teignbridge	60%	40%	95%	5%	95%	5%
All Pathfinders	50%	50%	91%	9%	87%	13%
	Claimant	Landlord	Claimant	Landlord	Claimant	Landlord
Bristol	-	-	-	-	57%	43%
Cardiff	-	-	-	-	-	-
Haringey	-	-	55%	45%	52%	48%
Hartlepool	-	-	16%	84%	13%	87%
North Devon	-	-	-	-	-	-
Scarborough	-	-	40%	60%	41%	59%
Swansea	-	-	32%	68%	34%	66%
Wakefield	-	-	-	-	32%	68%
Wolverhampton	-	-	19%	81%	20%	80%
All Comparators	-	-	37%	63%	37%	63%

Source: DWP administrative data Notes: - data not available Figures exclude split payment cases where they can be identified

**Living with the LHA:
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Table A6: Payment method of claimants who were paid directly

	Baseline		Wave 1		Wave2	
	ACT	Cheque	ACT	Cheque	ACT	Cheque
Blackpool	-	-	67%	33%	74%	26%
Brighton	-	-	84%	16%	92%	8%
Conwy	-	-	48%	52%	60%	40%
Coventry	-	-	58%	42%	66%	34%
Edinburgh	-	-	48%	52%	61%	38%
Leeds	-	-	60%	40%	73%	27%
Lewisham	-	-	40%	60%	52%	48%
North East Lincs	-	-	66%	33%	89%	10%
Teignbridge	-	-	0%	100%	27%	73%
All Pathfinders	-	-	61%	39%	71%	29%

Source: DWP administrative data Notes: - data not available ACT facility not available in Teignbridge in August 2004 (Wave 1)

Table A7: Whether Claimants had a bank or building society current account at Wave 2, by area

	Column percentages	
	Pathfinders %	Controls %
Had a bank or building society current account	91	74
Did not have a bank or building society current account	9	26
<i>Unweighted base</i>	2189	973

Base: All Wave 2 survey claimants who gave a valid response.

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Table A8: Did claimants open their bank or building society current account especially for HB? by area

	Column percentages	
	Pathfinders %	Controls %
Yes	49	26
No	51	74
That was one of the reasons	*	0
<i>Unweighted base</i>	174	74

Base: All Wave 2 survey claimants who opened their bank or building society current account since Wave 1.

Table A9: Average weekly eligible rent in Housing Benefit

	Pathfinder				Comparators		
	Baseline	Wave 1	Wave 2		Baseline	Wave 1	Wave 2
Blackpool	£71	£85	£87	Bristol	£88	£91	£92
Brighton	£104	£130	£134	Cardiff*	-	-	-
Conwy	£47	£74	£74	Haringey	£138	£143	£137
Coventry	£70	£92	£94	Hartlepool	£62	£66	£65
Edinburgh	£89	£113	£119	North Devon	£73	£80	£80
Leeds	£64	£88	£88	Scarborough	£67	£71	£71
Lewisham	£117	£159	£164	Swansea*	-	-	-
North East Lincolnshire	£59	£86	£71	Wakefield	£61	£65	£67
Teignbridge	£78	£94	£97	Wolverhampton	£73	£77	£79
All	£81	£105	£106	All	£92	£96	£95

Source: DWP Pathfinder data November 2004, May 2005 and Rent Officer referrals data 2002/3, November 2004, May 2005 Notes: * Welsh Rent Officer data not available

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Table A10: Average weekly contractual rent Housing Benefit

	Pathfinder				Comparators		
	Baseline	Wave 1	Wave 2		Baseline	Wave 1	Wave 2
Blackpool	£86	£89	£91	Bristol	£99	£103	£106
Brighton	£116	£122	£124	Cardiff	-	-	-
Conwy	£74	£78	£80	Haringey	£153	£158	£158
Coventry	£80	£86	£88	Hartlepool	£71	£73	£74
Edinburgh	£102	£102	£105	North Devon	£84	£89	£89
Leeds	£80	£81	£81	Scarborough	£77	£80	£81
Lewisham	£134	£136	£141	Swansea	-	-	-
North East Lincolnshire	£70	£77	£75	Wakefield	£71	£76	£77
Teignbridge	£90	£92	£93	Wolverhampton	£84	£85	£88
All	£95	£98	£100	All	£103	£107	£108

Source: DWP Pathfinder data November 2004, May 2005 and Rent Officer referrals data 2002/3, November 2004, May 2005
Notes: * Welsh Rent Officer data not available

Table A11: Average excess/shortfall by room size in Pathfinders, May 2005

Average excess/shortfall	No of rooms						
	1	2	3	4	5	6+	All
Blackpool	-£14	-£1	-£4	-£5	-£3	-£1	-£4
Brighton	£4	£10	£11	£26	£37	£54	£10
Conwy	-£16	-£5	-£6	-£6	-£7	-£6	-£6
Coventry	-£3	£8	£4	£8	£10	£12	£6
Edinburgh	-£3	£11	£15	£31	£42	£53	£14
Leeds	-£3	£7	£7	£10	£13	£16	£6
Lewisham	£5	£21	£31	£45	£48	£71	£24
North East Lincolnshire	-£7	-£5	-£5	-£5	-£2	£0	-£5
Teignbridge	£6	£4	£2	£5	-£0	£15	£4
All	-£1	£6	£7	£9	£9	£15	£6

Source: DWP administrative data, May 2005

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Table A12: HB claimants with a shortfall, excess or HB exactly equal to rent in Pathfinders, Wave 2

	LHA equals rent	LHA greater than rent	LHA less than rent
Blackpool	6%	44%	51%
Brighton	2%	65%	32%
Conwy	3%	38%	58%
Coventry	4%	61%	35%
Edinburgh	0%	73%	27%
Leeds	4%	62%	34%
Lewisham	1%	76%	23%
North East Lincolnshire	2%	34%	64%
Teignbridge	1%	58%	41%
All	3%	58%	39%

Source: DWP administrative data, May 2005

Table A13: HB claimants with an excess/shortfall by appropriateness of accommodation and Pathfinder

	Appropriately sized accommodation	LHA equals rent		LHA greater than rent			LHA less than rent		
		Under-occupying	Over-occupying	Appropriately sized accommodation	Under-occupying	Over-occupying	Appropriately sized accommodation	Under-occupying	Over-occupying
Blackpool	76%	15%	9%	68%	13%	19%	56%	40%	4%
Brighton	91%	6%	3%	77%	2%	21%	88%	10%	2%
Conwy	81%	15%	4%	66%	15%	19%	61%	33%	6%
Coventry	57%	40%	3%	39%	41%	20%	37%	58%	4%
Edinburgh	77%	23%	0%	79%	9%	12%	78%	21%	2%
Leeds	74%	15%	11%	56%	28%	15%	55%	39%	6%
Lewisham	71%	13%	17%	62%	15%	23%	61%	35%	4%
NE Lincs	69%	24%	8%	52%	22%	26%	50%	42%	8%
Teignbridge	76%	18%	6%	59%	21%	20%	45%	53%	2%
All	75%	17%	8%	65%	16%	19%	60%	35%	4%

Source: DWP administrative data, May 2005

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Table A14: Proportion of HB claimants who are under-occupying, by Pathfinder

	Baseline	Wave 1	Wave 2		Baseline	Wave 1	Wave 2
Blackpool	28%	28%	27%	Bristol	24%	23%	22%
Brighton	11%	3%	5%	Cardiff	28%	27%	7%
Conwy	11%	24%	26%	Haringey	28%	8%	57%
Coventry	44%	48%	47%	Hartlepool	9%	50%	34%
Edinburgh	76%	39%	12%	North Devon	53%	29%	32%
Leeds	33%	30%	31%	Scarborough	31%	29%	50%
Lewisham	12%	20%	20%	Swansea	46%	39%	51%
North East Lincs	53%	58%	35%	Wakefield	31%	45%	32%
Teignbridge	33%	34%	34%	Wolverhampton	46%	50%	43%
All	27%	29%	24%	All	31%	29%	32%

Source: DWP administrative data Note: English Wave 2 Comparators figures are for February 2005