



**Ipsos MORI**  
Social Research Institute

# **Impact of welfare reforms on housing associations:**

## **Early effects and responses by landlords and tenants**

**For the National Housing Federation**

February 2014  
(Revised)

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# Introduction

# Introduction

With the introduction of the size criteria (also known as the “Bedroom Tax”) from the 1<sup>st</sup> April 2013 and the fuller roll out of the Benefit Cap since July 2013, a second survey of housing associations was conducted to assess some of the early impacts of these reforms, and particularly the size criteria, across the sector.

The survey asked participating housing associations to provide data on the numbers affected by the size criteria both at the time of introduction and currently (at the time of completing the survey), as well as further information to establish the nature and characteristics of those affected.

The survey also provides an opportunity to assess wider organisational impacts relating to arrears levels, evictions and resource spend which the baseline survey<sup>1</sup> highlighted as key concerns for the sector prior to implementation of the reforms.

While the principal focus of the survey considers the early effects from the introduction of the size criteria, it also includes a more limited set of questions to assess early impacts of the Benefit Cap as well as preparations ahead of the introduction of Universal Credit. For the purposes of this research the Benefit Cap relates to the limit on the total amount of benefit that most people aged 16 to 64 can receive<sup>2</sup>.

In this report we present survey results based around a number of key themes including:

- Early impacts following introduction of the size criteria – looking at estimates of the numbers affected, their characteristics, the impact on associations, their responses and responses of tenants;
- Early impacts following introduction of the Benefit Cap – looking at the impact on associations and responses; and
- Preparations for the introduction of Universal Credit – looking at levels of awareness across the sector, key concerns and perceptions of their preparedness for the transition.

The survey and this report represent part of an ongoing programme of research to assess the impacts of the welfare reforms across the sector using a combination of both quantitative and qualitative methods. A further report specifically focusing on tenant impacts is planned for later in 2014.

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<sup>1</sup> Impact of welfare reform on housing associations – 2012 Baseline report, Ipsos MORI & CCHPR, January 2013

<sup>2</sup> Benefit Cap levels are currently £500 a week for couples (with or without children living with them, £500 a week for single parents whose children live with them and £350 a week for single adults who don't have children or whose children don't live with them

## Acknowledgements

Ipsos MORI would like to thank all the organisations who responded to the online survey, without whose valuable input the research would not have been possible. We would also like to thank Pippa Bell, Sue Ramsden, Javier Stanziola and Helen Williams at the Federation for their assistance and input at this stage of the project.

## Publication of data

As the National Housing Federation has engaged Ipsos MORI and Cambridge Centre for Housing and Planning Research to undertake an objective programme of research, it is important to protect the interests of all organisations by ensuring that it is accurately reflected in any press release or publication of findings. As part of our standard Terms and Conditions of Contract, the publication of the findings of this research is, therefore, subject to advance approval of Ipsos MORI. Such approval will only be refused on the grounds of inaccuracy or misrepresentation.

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# Executive Summary

## Purpose of this research

This report is part of the National Housing Federation's ongoing programme of research to show how welfare reforms are impacting on housing associations and tenants. It follows the baseline reports published prior to the introduction of the reforms<sup>3</sup>. The findings are based on a survey of housing associations and present the impacts of the reforms in the six months from April 2013. The survey respondents account for 66% of the general needs rented stock owned or managed by Federation members<sup>4</sup>. Results presented are based on a sample of all associations meaning all estimates have associated tolerances.

The report covers the early impacts of the introduction of the social sector size criteria and the Benefit Cap as well as preparations for Universal Credit.

Further reports, one specifically focussing on the impact on tenants, and another based on in-depth interviews with housing associations are planned for later in 2014.

## The social sector size criteria

- Nearly three in five (58%) of housing associations say they have been affected by the size criteria either a great deal or a fair amount. This overall figure hides a regional variation, with 90% of associations mainly operating in the North East and 80% of those in the North West reporting that they had been significantly affected.
- Housing associations report that overall an average of 9% of their general needs tenancies are affected by the size criteria. This rises to nearly one in five (19%) of tenancies that are of working age and in receipt of Housing Benefit.
- If replicated across the sector as a whole, this suggests that around 190,000 housing association tenancies are currently affected by the size criteria in England.
- Associations estimate that on average 17% of affected tenancies contain someone with a disability<sup>5</sup>. Around a third of these people live in a property where at least £1,000 has been spent on adaptations to make it suitable for a disabled person.

### ➤ Arrears and evictions

- On average two-thirds of tenants affected by the size criteria are currently in arrears and of these, three-quarters have seen their arrears increase since 1<sup>st</sup> April 2013.
- More than a quarter (29%) of tenants currently affected by the size criteria have fallen into arrears since 1<sup>st</sup> April 2013.

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<sup>3</sup> See [www.housing.org.uk/policy/welfare-reform/monitoring-the-impact-of-welfare-reform/](http://www.housing.org.uk/policy/welfare-reform/monitoring-the-impact-of-welfare-reform/)

<sup>4</sup> Federation membership accounts for around 90% of all housing association general needs rented stock owned or managed in England.

<sup>5</sup> This is likely to be an underestimate as associations will not necessarily know of all tenancies containing someone with a disability.



- Associations estimate that on average over a third (38%) of all those currently affected by the size criteria are in arrears due to a failure to pay the shortfall<sup>6</sup> – suggesting that around 72,000 housing association tenants in England are in arrears because of this.
- Over half (53%) of associations report an increased difficulty in rent collection because of the size criteria and nearly two-thirds (65%) of associations with ten percent or more of their tenants affected say they have seen a significant rise in arrears.
- Total outstanding arrears across the sector are estimated to have risen by 15% between April 2013 and the time of the survey. This rise follows a drop in arrears in the first three months of 2013, which most likely is a result of an increased focus on rent collection ahead of introduction of the size criteria.
- Since 1<sup>st</sup> April 2013 the overall average number of tenants in arrears has risen by 7%, from 1,165 per association to 1,245 per association.
- The majority of associations report that they have not seen rising numbers of evictions due to the size criteria. However, due to the duration of the possession process, six months in is likely to be too soon for the impact on eviction rates to be evident.
- Of the tenants affected by the size criteria and in arrears due to a failure to pay the shortfall, an average of 40% have been issued with a Notice of Seeking Possession (NOSP) – the first stage of legal proceedings. This is equivalent to 15% of all those currently affected by the size criteria.
- The number of tenants who have been evicted where the arrears were, at least in part, due to a failure to pay the size criteria shortfall is equivalent to less than 1% of all those currently affected by the size criteria.

### ➤ **Housing association responses**

- Housing associations have invested millions of pounds to mitigate the impacts of the size criteria - improving rent collection as well as providing welfare advice, financial inclusion and employment and skills support to tenants. On average, housing associations with tenants affected by the size criteria spent an additional £73,250 each in the year prior to April 2013 and expect to spend on average an extra £109,000 per association in the current year to the end of March 2014<sup>7</sup>.
- Almost three-quarters (72%) have provided additional assistance for tenants looking to move and more than two-thirds (68%) are providing additional money advice to tenants.

<sup>6</sup> This estimate is higher than the estimate of the proportion of affected tenants that have fallen into arrears since the 1<sup>st</sup> April (29%), suggesting that some associations have included within their counts tenants who were in arrears before the introduction of the size criteria but who have added to their arrears due to a failure to pay the size criteria shortfall.

<sup>7</sup> These estimates should be treated as indicative only due to small base sizes.

## ➤ **Mobility and downsizing**

- Nearly half (49%) of associations report that they have seen an increase in tenants looking to downsize to a smaller home since the introduction of the size criteria.
- Of those tenants currently affected by the size criteria it is estimated that on average 22% are currently registered for downsizing.
- Associations report that the proportion of tenancies affected by the size criteria dropped by an average of 9.7% between April 2013 and the time of the survey. Just under half (45%) of all those who have ceased to be affected since 1st April 2013 have downsized by either a transfer or mutual exchange. This represents six percent of all those identified to be affected at 1<sup>st</sup> April 2013.
- There is little evidence according to associations that tenants are choosing to move to the private rented sector – only six percent of those no longer affected have done this.
- Almost half (46%) of associations have changed their allocations policy to give greater priority to tenants wishing to downsize. A further 21% report that they already give downsizers greater priority.
- Traditionally housing associations have not allowed tenants to transfer to a new property if they are in rent arrears and a minority (11%) report that they would not normally allow tenants with arrears resulting from the size criteria to downsize to a smaller property and 45% say they would sometimes but not always. This is unsurprising given that it is difficult and expensive to recover arrears from a previous tenancy. However more than a third (36%) of associations say they normally allow tenants with arrears to downsize.

## ➤ **Development and re-classification of homes**

- Overall only 14% of housing associations developing new homes under the Affordable Homes Programme say that the introduction of the size criteria is making it harder for them to deliver their commitments. However, this rises to 23% of the largest housing associations – who are delivering approximately two-thirds of the programme.
- Three in ten associations say that the size criteria will make it harder to deliver new homes after 2015. A third of associations with planned development programmes have either changed or plan to change their programme to give greater prominence to smaller one and two bedroom properties. However, 60% have made no change to their development programme since April 2013. This is not surprising given that any development by a housing association needs to meet long-term local needs, generally assessed over a period of 10 – 15 years.
- There is no evidence of large scale re-classification of stock; just two percent of associations reported re-classifying a significant number of properties to a smaller number of bedrooms, whereas one in ten say they either plan to or have re-classified some stock.
- Across all associations that have re-classified some stock, the average number of properties affected is 13 – representing an average of 0.02% of all their general needs stock.

### ➤ Discretionary Housing Payments (DHP)

- Housing associations estimate that on average almost a quarter (24%) of those currently affected by the size criteria have made a DHP claim. Of these, around two-thirds (63%) have been successful – equivalent to 15% of all those currently affected.
- A fifth of those who have been awarded a DHP are living in an adapted property.
- Housing association perceptions of the ease with which tenants have managed the DHP application process are divided. Around a third (34%) of associations say that the process has been easy, with slightly more (37%) reporting it has been difficult.

## Benefit Cap

The national roll out of the Benefit Cap concluded in September 2013, therefore was at the very early post-implementation stage when the survey was conducted. The Benefit Cap affects far fewer within the housing association sector and is far less widespread than the size criteria. For many associations it may not be possible to distinguish impacts between these two reform measures and current survey responses should be viewed within this context.

- On average associations estimate that 0.19% of all their tenants receiving Housing Benefit have had their Housing Benefit reduced as a result of the Benefit Cap.
- Around one in six associations (17%) report increased difficulty in rent collection as a result of the Benefit Cap, with a similar proportion (16%) reporting a rise in arrears.

## Universal Credit

- There is a high level of awareness of Universal Credit across the sector, 96% of associations report that their organisation knows a great deal or a fair amount about the changes being introduced.
- However housing associations perceive a lower level of awareness among tenants, with just over half (51%) of associations reporting that their tenants know not very much or nothing at all about the changes.
- When asked about their concerns about the move to Universal Credit, at least 90% say they are concerned about:
  - The capability of tenants to cope with monthly budgeting
  - The timetable for migration of tenants to Universal Credit
  - The Government's IT systems needed to support the move
  - The capability of tenants to access online systems
  - Increased difficulty in rent collection
  - The additional resources needed to support tenants with Universal Credit
  - Identifying tenants who need an alternative payment arrangement (e.g. housing costs paid direct to the landlord).
- Despite these concerns 82% of associations report feeling either very or fairly prepared for the introduction of Universal Credit.

- The top three things that housing associations say will most help them prepare for Universal Credit are:
  - More clarity on the timetable (70%)
  - Closer working relationships with the Department for Work and Pensions (60%)
  - More clarity over data sharing arrangements (45%).

# 1. Survey method

This report presents key findings from an online survey of National Housing Federation members<sup>8</sup> looking primarily at some of the early impacts following introduction of the size criteria. A summary of the survey approach is outlined below and further details are provided in the appendix to this report.

## Survey approach

### The questionnaire

The questionnaire was designed in consultation with the Federation to collect a range of information from associations on the numbers affected by the size criteria and Benefit Cap as well as a variety of perception based measures on their responses to the reforms. The questionnaire was piloted with three associations prior to the online survey being scripted and made live. As with the original baseline survey, each invite to participate in the survey also included a copy of the questionnaire to assist with completion, particularly where specific information had to be drawn from across the organisation.

### Fieldwork

A total of 720 housing associations operating in England were invited to complete an online survey with invitations sent to Chief Executives on 30<sup>th</sup> September 2013. The fieldwork period lasted for six weeks with the survey closing on 5<sup>th</sup> November 2013. For those that operate as part of a group structure, associations were given the choice to complete a single group response or as an individual organisation in their own right. Responses of those associations operating as part of a group structure were reviewed at the analysis stage to ensure there is no double counting of survey results.

From the organisations contacted, a total of 183 submitted a completed questionnaire, representing an adjusted response rate of 26%<sup>9</sup>.

The Federation membership accounts for around 90% of all housing association general needs rented stock owned or managed in England, and survey respondents account for 66% of the general needs rented stock owned or managed by Federation members. Further details can be found in the Appendix to this report.

Survey data has been weighted to the national profile of general needs stock by region based on the latest available Statistical Data Return. Data has also been weighted by size of organisation to account for the under-representation of smaller (less than 500 stock) housing associations in the survey. Further technical details of the survey approach are presented in the appendix to this report.

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<sup>8</sup> Members managing property for older people either exclusively or predominantly were not invited to take part in the survey given the reforms affect working age tenants. Associations dealing exclusively with supported housing were also excluded from the sample.

<sup>9</sup> A total of 32 email addresses were invalid, of which 26 were corrected.

## Sub-group analysis

The main focus of the current report is on sector-wide impacts although where of relevance or interest it has been possible to disaggregate results by some key sub-groups, including:

- Size of association – based on information included with the sample from the latest SDR stock information as well as survey response data. Size band is based on the total number of general needs stock either managed or owned.
- Region – based on information included with the sample from the latest SDR stock information and indicating the main area of operation of each organisation.
- Pathfinder HA – based on information provided by the Federation indicating whether the association was operating in a Universal Credit Pathfinder area or not.

Where results are analysed by sub-groups data have been presented for completeness but it is important to remember that due to smaller base sizes, not all differences will be significant. Further details of statistical accuracy are presented in the appendices section of this report.

## Presentation and interpretation of data

It should be remembered at all times that only a sample of organisations chose to respond to the survey so results will be subject to sampling tolerances (i.e. all results have a calculable margin of error). Further details on accuracy levels associated with survey estimates can be found in the Appendix section of the report.

In some cases numerical estimates presented in the report are based on the average from all responding associations. Where an average figure is presented, this represents the average from all responding associations. In practice, individual associations will have actual figures that are either above, below or the same as the average estimate.

Responses are excluded from the analysis where a respondent has failed to provide an answer (i.e. left it blank) which means base sizes can vary for each piece of analysis. It is also important to note that where estimates rely on the combination of two or more figures (for example the percentage of those currently affected who have a disability) missing data for either of these variables can result in discrepancies between average numerical estimates and average percentage estimates.

Survey results have been charted throughout and base sizes indicated accordingly. Data rounding and multiple answers mean that in some instances percentages do not sum to 100. Throughout the report an asterisk (\*) in charts denotes any value less than half a per cent.

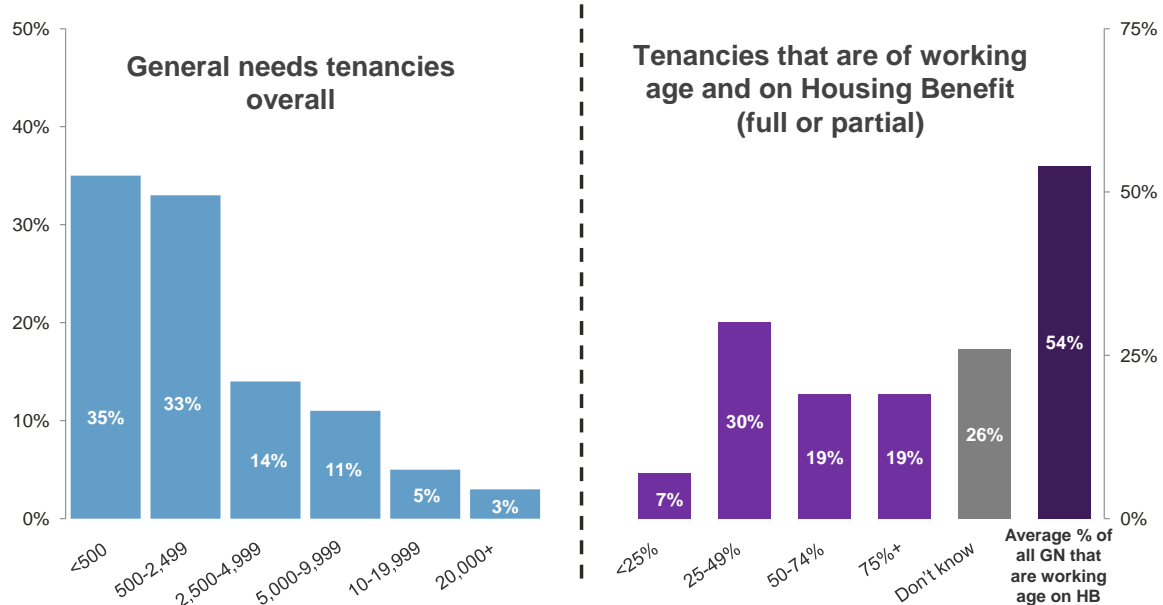
## Profile of associations completing the survey

Responding associations were asked to indicate the number of general needs tenancies they owned or managed overall and the number that are of working age and on Housing Benefit (either full or partial). More than a third (35%) of associations indicated they had less than 500 general needs tenancies while 3% of responding associations indicated they had 20,000 or more general needs tenancies. Tenancies that are of working age and on Housing Benefit (either full or partial) represent on average, over half (54%) of all general needs tenancies.

**Chart 1.1 Size of stock – banded number of general needs tenancies and proportion that are of working age and on Housing Benefit**

### Size of stock: General needs and those of working age on Housing Benefit

**Q Thinking about the general needs rented stock owned and/ or managed by your organisation in England, how many of the following do you have?**



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Social Research Institute Base: All valid responses (183), average excludes DK/ NS (148) , September-November 2013  
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## 2. Size criteria: the numbers affected

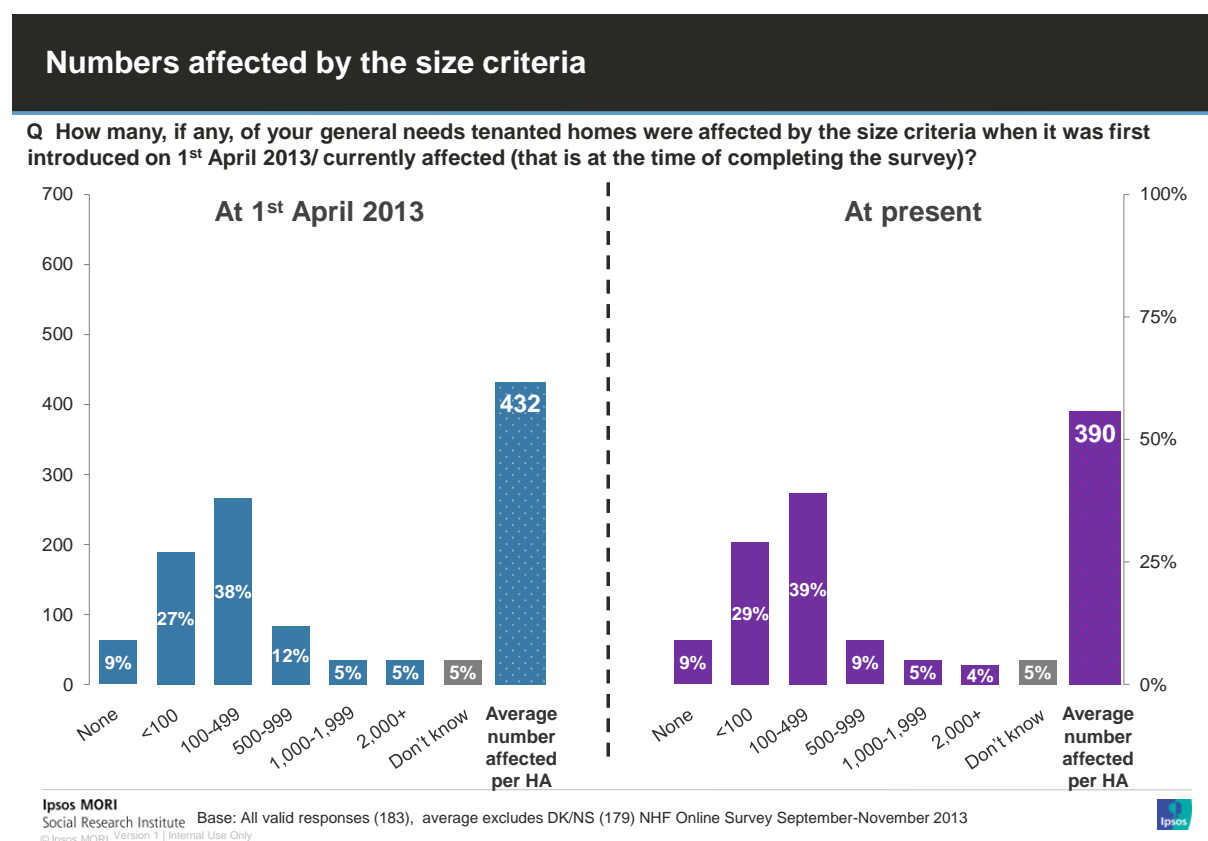
Housing associations were asked to quantify the number of general needs tenanted homes that were affected by the size criteria when it was first introduced on 1<sup>st</sup> April 2013 as well as the numbers currently affected at the time of completing the survey. This chapter quantifies the numbers affected, how this varies across the sector and provides some further details on the characteristics of those affected.

### Numbers affected by the size criteria

The average number of tenanted homes affected by the size criteria per housing association at the time of introduction on 1<sup>st</sup> April was 432. Fewer than one in ten associations (9%) had none affected at the time of introduction whereas 4% of associations indicated they had 2,000 or more affected (the highest being 5,930 tenanted homes affected).

Since introduction of the size criteria, the average number of affected tenants per association has fallen to 390. As is considered later in this report the drop in numbers affected is, in the main, a result of downsizing within the sector. Of those ceased to be affected during the period since April 2013, it is estimated on average that 45% have downsized via a transfer or a mutual exchange. Very few, according to data provided by responding associations, are moving into the private rented sector, have increased their income through a change in employment circumstances (see chapter 5) or taken in a lodger.

**Chart 2.1 Estimated number of tenants affected by the size criteria on 1<sup>st</sup> April 2013 and at the time of the survey**





The observed drop in numbers affected, equivalent to 9.7%, is higher than official statistics for the social rented sector across England which shows a drop of 4.9% in the numbers affected<sup>10</sup>.

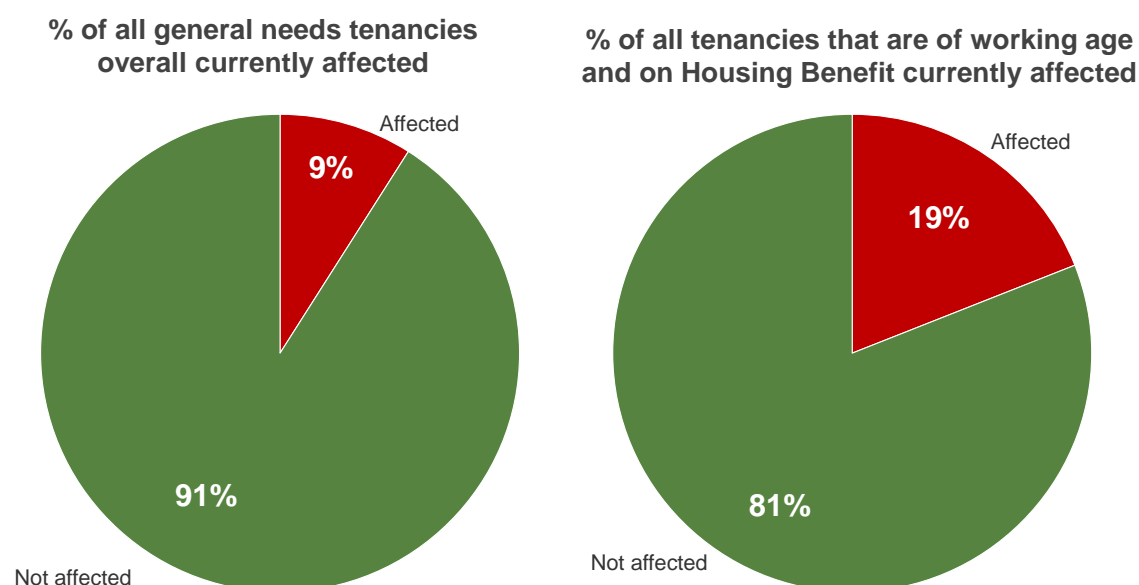
The number of tenanted homes currently affected by the size criteria, represents an average of 9.3% of all general needs tenancies, and ranges from none to a high of 25%. The number of tenanted homes currently affected by the size criteria accounts for an average of 19% of all general needs tenancies of working age on Housing Benefit.

Using these estimates grossed up to the sector as a whole would suggest around 190,000 housing association general needs tenancies are currently affected by the size criteria in England. This represents 46% of the total number of affected claimants in England at August 2013<sup>11</sup>.

**Chart 2.2 Proportion of general needs tenants affected by the size criteria**

### Proportion of all general needs and those of working age on Housing Benefit currently affected by the size criteria

**Q And to the best of your knowledge, how many, if any, of your general needs tenanted homes are currently affected by the size criteria (that is at the time of completing the survey)?**



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Social Research Institute Base: All valid responses excluding DK/ NS (179, 147), September-November 2013  
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Further analysis of association responses indicates that for nearly half (47%), the proportion of general needs tenancies currently affected is less than 10% of all general needs tenancies, while 43% of associations indicate that ten percent or more of all their general needs tenancies are currently affected. Ten percent<sup>12</sup> of responding associations indicate that none of their general needs tenancies are currently affected by the size criteria.

<sup>10</sup> <https://www.gov.uk/government/publications/number-of-housing-benefit-claimants-and-average-weekly-spare-room-subsidy-amount-withdrawal> - May 2013 (434,462) to August 2013 (413,369) based on all social rented tenancies affected by the size criteria across England.

<sup>11</sup> *ibid*

<sup>12</sup> This estimate is based on all those providing a response and excludes those who either did not know or did not state the number currently affected.

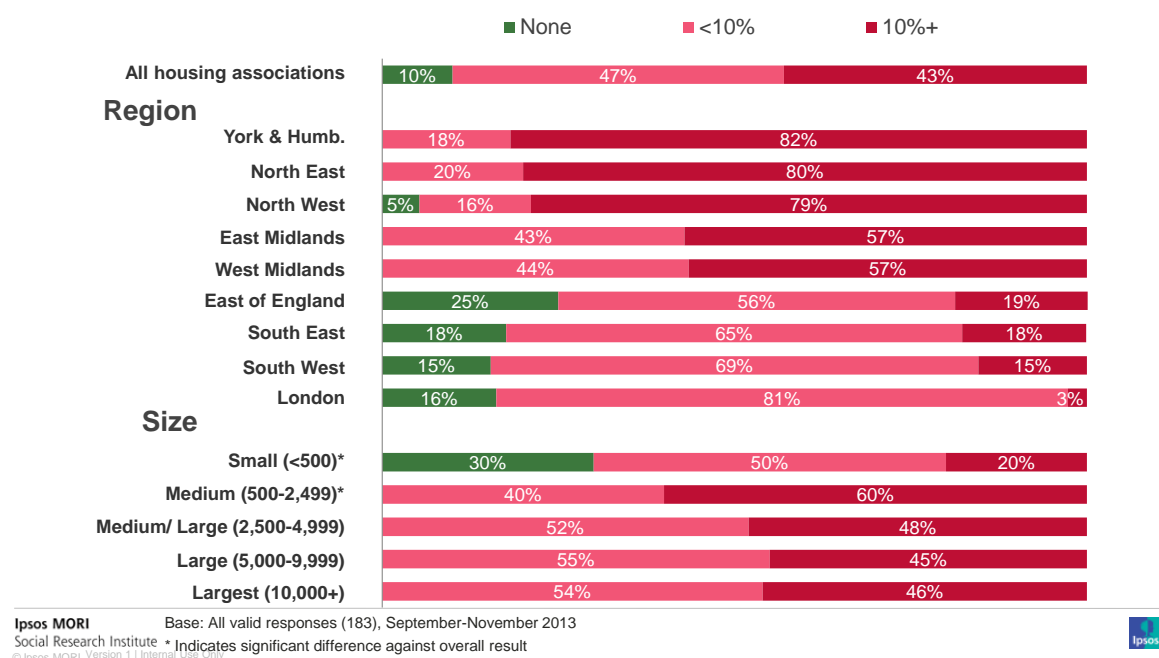
Whilst there are no statistically significant differences between main region of operation, there is indicative evidence that it is associations operating mainly in the north, *Yorkshire and the Humber*, *North East* and the *North West*, that are more likely to be affected by the size criteria whilst those operating in *London* and the south are less likely to be affected.

Similarly it is the smallest associations that are least likely to be affected – three in ten (30%) of the smallest associations indicate that none of their general needs tenancies are currently affected by the size criteria. In contrast, medium sized associations are more likely to indicate that ten percent or more of all their general needs tenancies are currently affected – a statistically significant difference.

**Chart 2.3 Banded proportion of general needs tenancies currently affected by main region of operation and size of association**

### Banded proportion of all general needs tenancies currently affected by the size criteria by region and size of association

Q And to the best of your knowledge, how many, if any, of your general needs tenanted homes are currently affected by the size criteria (that is at the time of completing the survey)?



## Change in the proportion affected

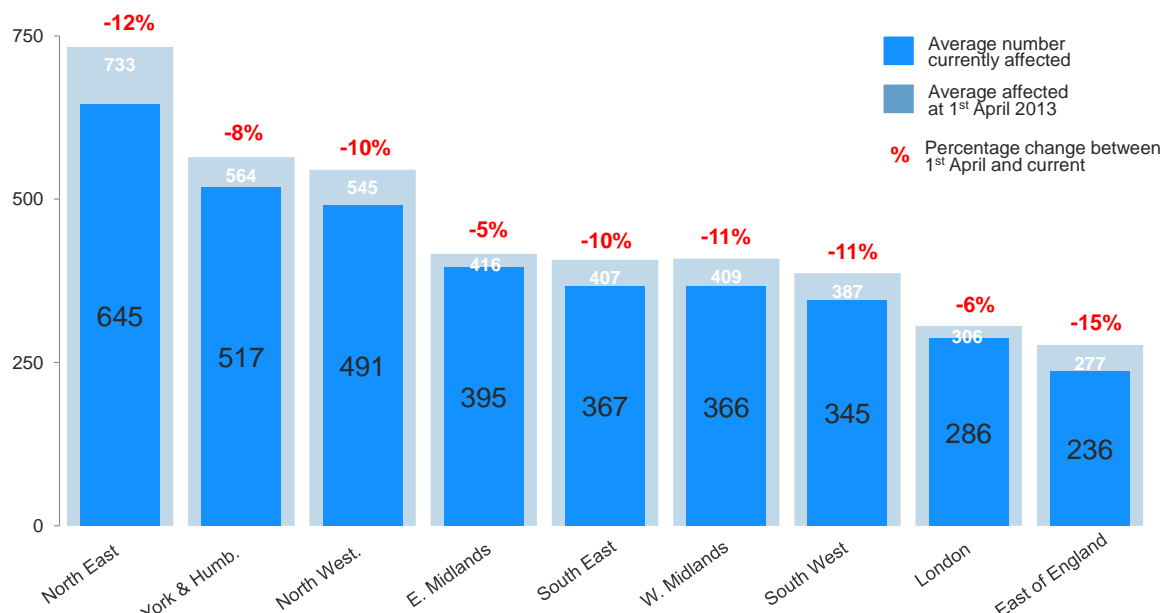
Survey results indicate that the proportion of tenancies currently affected by the size criteria has dropped by an average of 9.7% across all responding associations since the introduction of the reform.

There are no statistically significant variations in the average numbers affected by either main region of operation or organisation size. However there is indicative evidence that organisations operating in the north and particularly the *North East* have the highest numbers of affected tenants whereas those mainly operating in *London* and the *East of England* have the lowest.

**Chart 2.4 Change in the numbers affected by main region of operation**

### Average number of those currently affected by the size criteria and change from April 2013 to current by main region of operation

Q How many, if any, of your general needs tenanted homes were affected by the size criteria when it was first introduced on 1<sup>st</sup> April 2013/ currently affected (that is at the time of completing the survey)?



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Social Research Institute Base: All valid responses (183), average excludes DK/ NS (148) , September-November 2013  
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## Degree of under-occupation of those affected

Of those currently affected, a majority (80%) are under-occupying by one bedroom whereas 20% are under-occupying by two or more bedrooms. The latest available official estimates for all social renting tenants in England at August 2013 is 82% under-occupying by one bedroom and 18% under-occupying by two or more bedrooms<sup>13</sup>.

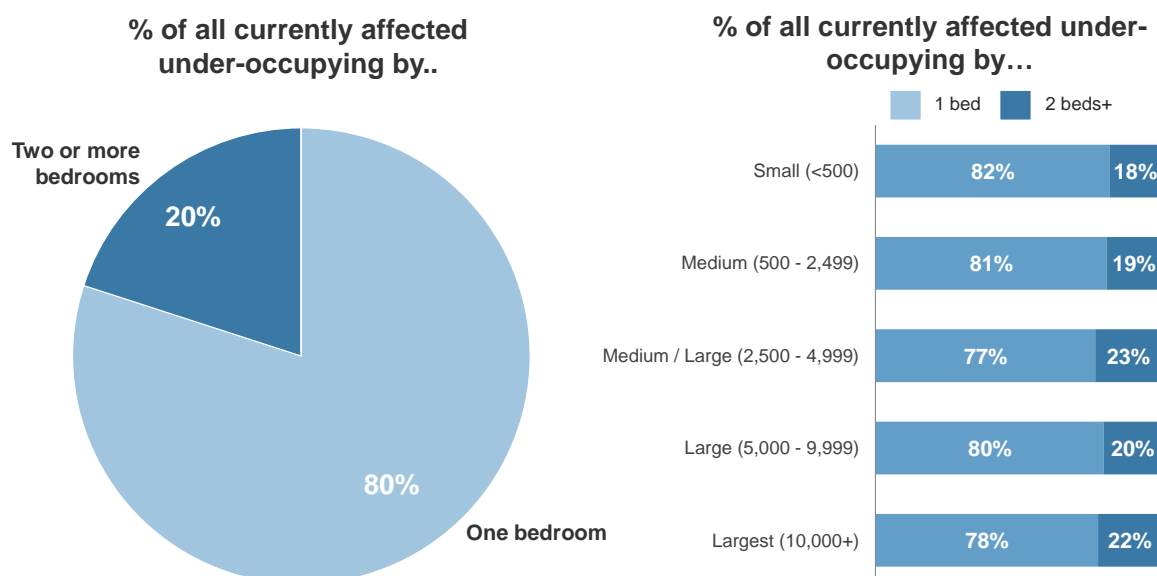
<sup>13</sup> <https://www.gov.uk/government/publications/number-of-housing-benefit-claimants-and-average-weekly-spare-room-subsidy-amount-withdrawal>

There are no statistically significant differences in the degree of under-occupation among those affected across the sector, although the highest incidence of those more acutely affected (those under-occupying by two or more bedrooms) is seen among larger associations – 22% of all affected tenants in the largest associations (with 10,000 or more stock) are under-occupying by two or more bedrooms.

**Chart 2.5 The degree of under-occupation and organisation size**

### Proportion of those affected by the size criteria and degree of under-occupation

**Q** How many, if any of those currently affected by the size criteria are under-occupying by one bedroom/ two or more bedrooms?



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## Other characteristics of those affected

Of those associations who indicated they had tenancies currently affected by the size criteria, around one in ten (11%) say none of these have someone with a disability in the household, whereas three percent say half or more of their affected tenancies have someone with a disability. A significant minority of associations (43%) did not know.

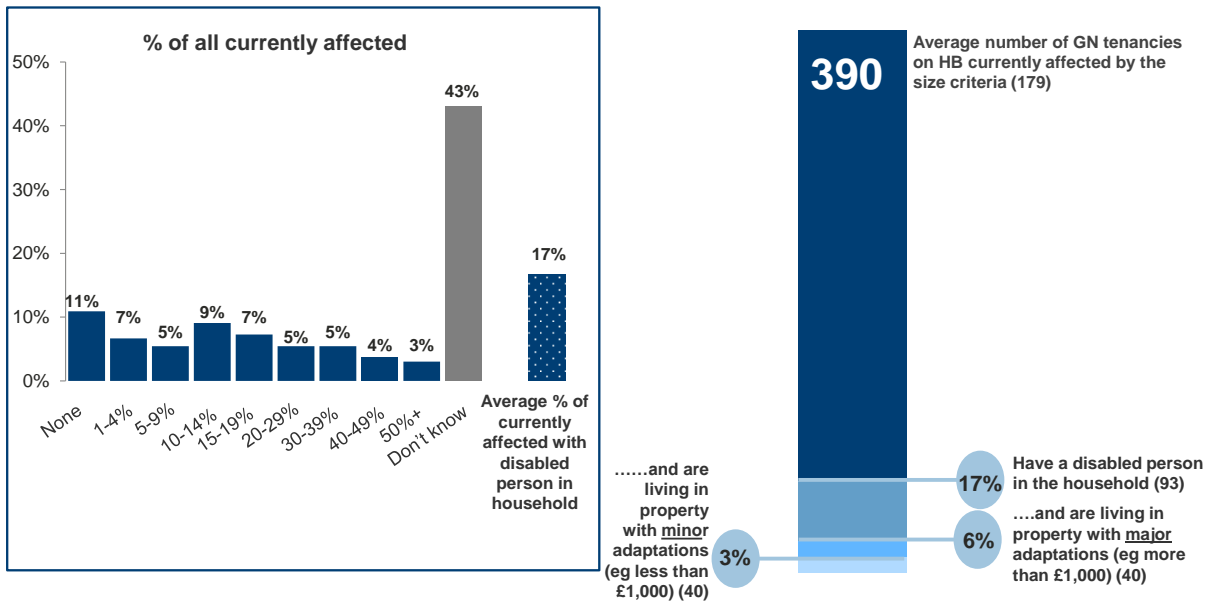
Of those able to provide details, associations estimate that, on average, 17% of affected tenancies contain someone with a disability in the household. It is likely that associations will not know of all their tenancies containing someone with a disability, which may reflect the high proportion stating 'don't know' to this question. It is therefore reasonable to assume this estimate is likely to understate the true incidence of affected tenancies which contain someone with a disability.

Of those affected and containing someone with a disability, it is estimated that an average of around a third are currently living in property with major adaptations (equivalent to 6% of all those currently affected by the size criteria), and three percent currently live in property with minor adaptations.

**Chart 2.6 The characteristics of those currently affected by the size criteria**

### Characteristics of those currently affected by the size criteria

**Q And to the best of your knowledge, how many of those currently affected by the size criteria and under-occupying by one or more bedrooms have a disabled person in the household?**



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Social Research Institute Base: All valid responses (93), base sizes in brackets, September-November 2013  
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### 3. Size criteria: the impacts on housing associations

The 2012 baseline survey asked housing associations to consider the anticipated impacts of various welfare reforms measures prior to implementation. Ahead of implementation around three in five (61%) associations believed they would be affected by the introduction of the size criteria either a great deal or a fair amount. In this chapter we consider current perceptions of the extent to which associations have been affected by the size criteria as well as specific impacts on arrears, evictions, finances and development programmes where applicable.

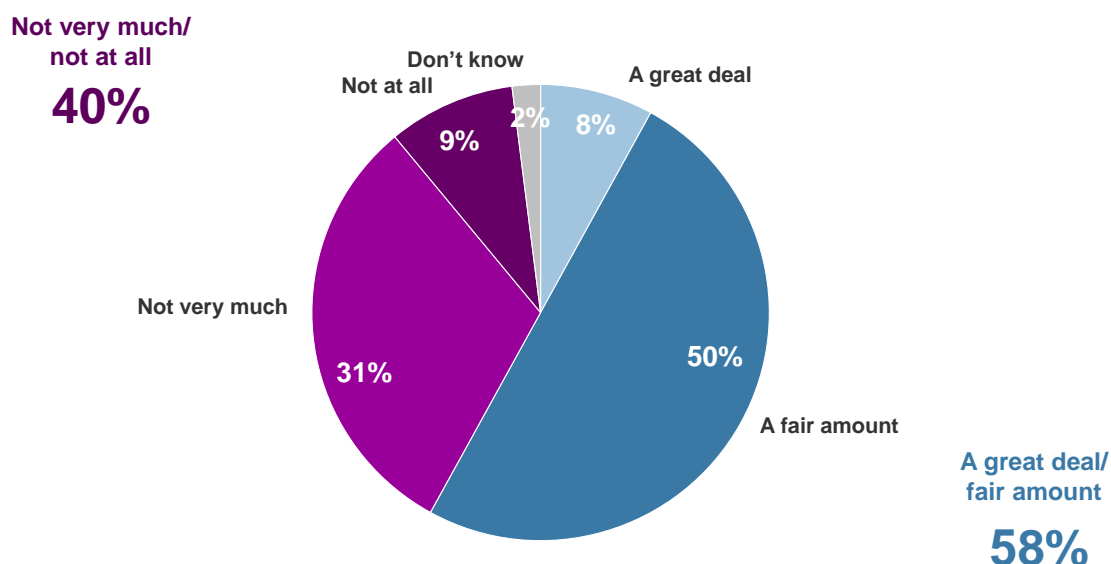
#### Overall extent to which housing associations have been affected

Nearly three in five associations (58%) say they have been affected by the introduction of the size criteria either a *great deal* or a *fair amount*, while two in five say they have not been affected *very much* or *not at all*. At the aggregate level these results suggest that the extent of impact on associations is consistent with the anticipated impact prior to implementation.

**Chart 3.1 Extent to which housing associations have been affected by the introduction of the size criteria**

#### Extent to which housing associations have been affected by the introduction of the size criteria

Q Overall, to what extent, if at all, do you think your organisation has been affected by the introduction of the size criteria?



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Associations that are mainly operating in the *North East* and *North West* are most likely to have been significantly affected (either a great deal or fair amount) by the size criteria, whereas those mainly operating in *London* are least likely to have been significantly affected. These differences are statistically significant between each other and when compared against the overall result from all responding associations.

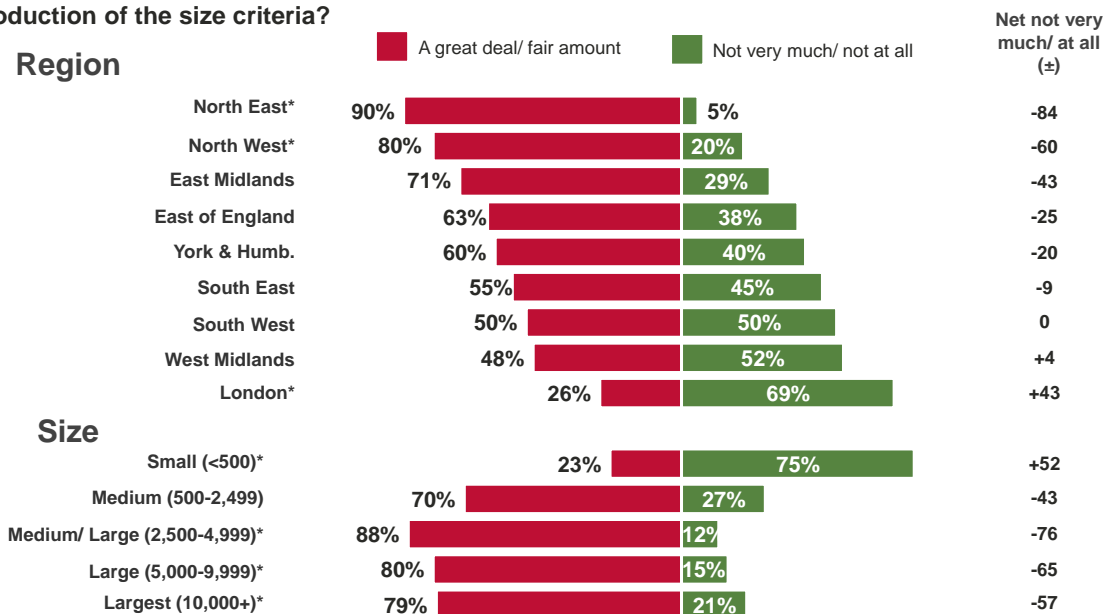
The regional variations are consistent with the anticipated impacts recorded in the 2012 baseline survey, although in the main, are lower than was anticipated prior to implementation. The most notable exception relates to those mainly operating in the *North East* where 90% say they have been significantly affected by the introduction of the size criteria compared to 74% who thought they would be significantly affected in 2012.

Smaller associations (with less than 500 stock) are least likely to have been significantly affected (23%) whereas nearly four in five of the largest associations (10,000+ stock) say they have been significantly affected. Again these differences are statistically significant between each other and when compared against the overall result from all responding associations.

**Chart 3.2 Variation in the extent to which housing associations have been affected by the introduction of the size criteria**

### Variation in the extent to which housing associations have been affected by the size criteria

**Q Overall, to what extent, if at all, do you think your organisation has been affected by the introduction of the size criteria?**



Ipsos MORI Base: All valid responses (183), September-November 2013  
 Social Research Institute \* % Great deal/ fair amount significantly different to respondents overall  
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Variations in perceptions of the extent of impact are very closely related to the numbers identified to be affected by the reform. Earlier analysis has shown that associations mainly operating in the *North East* are nearly twice as likely as associations overall to have ten percent or more of all their general needs tenancies currently affected (80% compared to 43% overall). As noted above these associations are most likely to say they have been significantly affected by the introduction of the size criteria.

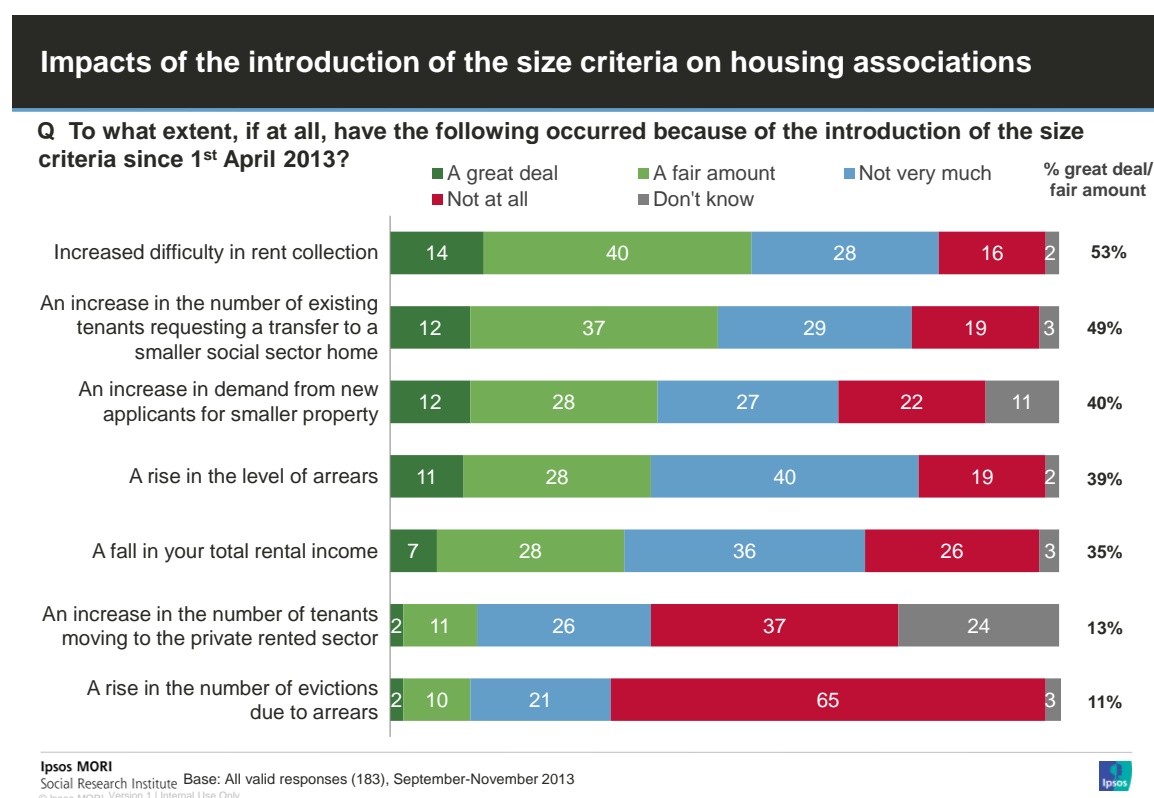
In contrast, just three percent of those mainly operating in *London* indicate that ten percent or more of all their general needs tenancies are currently affected, while these associations are also least likely to say they have been significantly affected by the introduction of the reform.

A similar relationship is observed by size of association. One in five of the smallest associations (20%) indicate that ten percent or more of all their general needs tenancies are currently affected by the size criteria, with 30% stating that they have no affected tenancies. This group of associations is least likely to say they have been significantly affected (23%) by the introduction of the size criteria.

## Specific impacts on associations

The 2012 baseline survey indicated that *increased difficulty in rent collection* (90%), *a rise in the level of arrears* (90%) and *a fall in total rental income* (82%) were considered most likely to occur as a result of the introduction of the size criteria before implementation. Following introduction, just over half of associations (53%) say they have experienced increased difficulty in rent collection and nearly half (49%) say requests for transfers to smaller property from existing tenants has increased. A significant minority of associations (40%) also indicate further pressure on smaller property has occurred from increased demand from new applicants.

**Chart 3.3 Specific impacts on associations arising from the introduction of the size criteria**





Rising arrears levels and falls in total rental income have not occurred to the extent anticipated prior to implementation. However it is notable that more than a third of associations say rising arrears levels (39%) have occurred either a *great deal* or a *fair amount* since 1<sup>st</sup> April 2013 and 35% say total rental income has fallen.

Occurrence of rising eviction levels due to arrears and an increase in the number of tenants moving to the private rented sector following introduction of the size criteria is low. Only around one in eight associations or less say these have occurred either a *great deal* or *fair amount* since the introduction of the size criteria. While the majority of associations say that they have not seen rising numbers of evictions following introduction of the size criteria, analysis presented later in this chapter indicates, at the aggregate level, that enforced evictions due to arrears have increased since the 2012 baseline survey. It is likely that the duration of the possession process may account for this difference in perception – for many associations, six months since the introduction of the reform will be insufficient time to visibly impact on their eviction rates.

## Impact on outstanding arrears levels

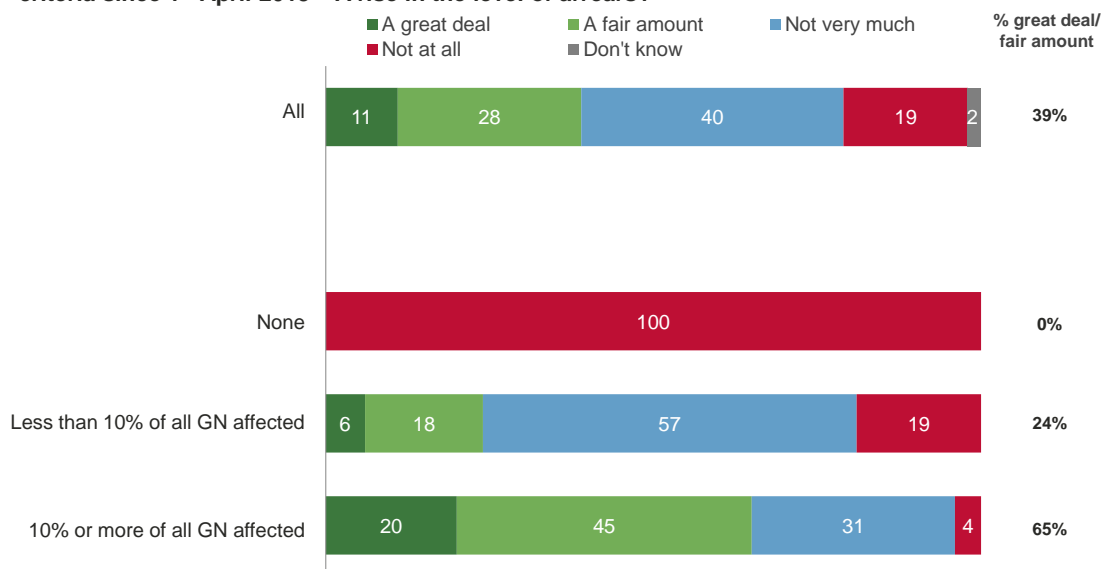
Rising arrears levels were a key concern for housing associations prior to implementation, and although the impact since introduction appears to be less extensive than originally anticipated, still around two in five associations say rising levels of arrears have occurred a great deal or a fair amount since 1<sup>st</sup> April 2013.

Further analysis indicates a close relationship between the perception of a rise in arrears and the proportion of general needs tenancies currently affected by the size criteria. Earlier analysis indicated that across all associations 43% had ten percent or more of their general needs tenancies currently affected by the size criteria. Those associations with ten percent or more of general needs tenancies affected, are much more likely to have seen a significant rise in the level of arrears. Nearly two-thirds (65%) of all associations with ten percent or more of their general needs tenancies currently affected say they have seen a significant rise in arrears levels, a figure which compares to 24% of those with less than ten percent of all general needs tenancies affected.

**Chart 3.4 Relationship between perceived rise in arrears levels and proportion currently affected by the size criteria**

**Relationship between perceived rise in arrears levels and proportion of general needs tenancies currently affected by the size criteria**

**Q To what extent, if at all, have the following occurred because of the introduction of the size criteria since 1<sup>st</sup> April 2013 – A rise in the level of arrears?**



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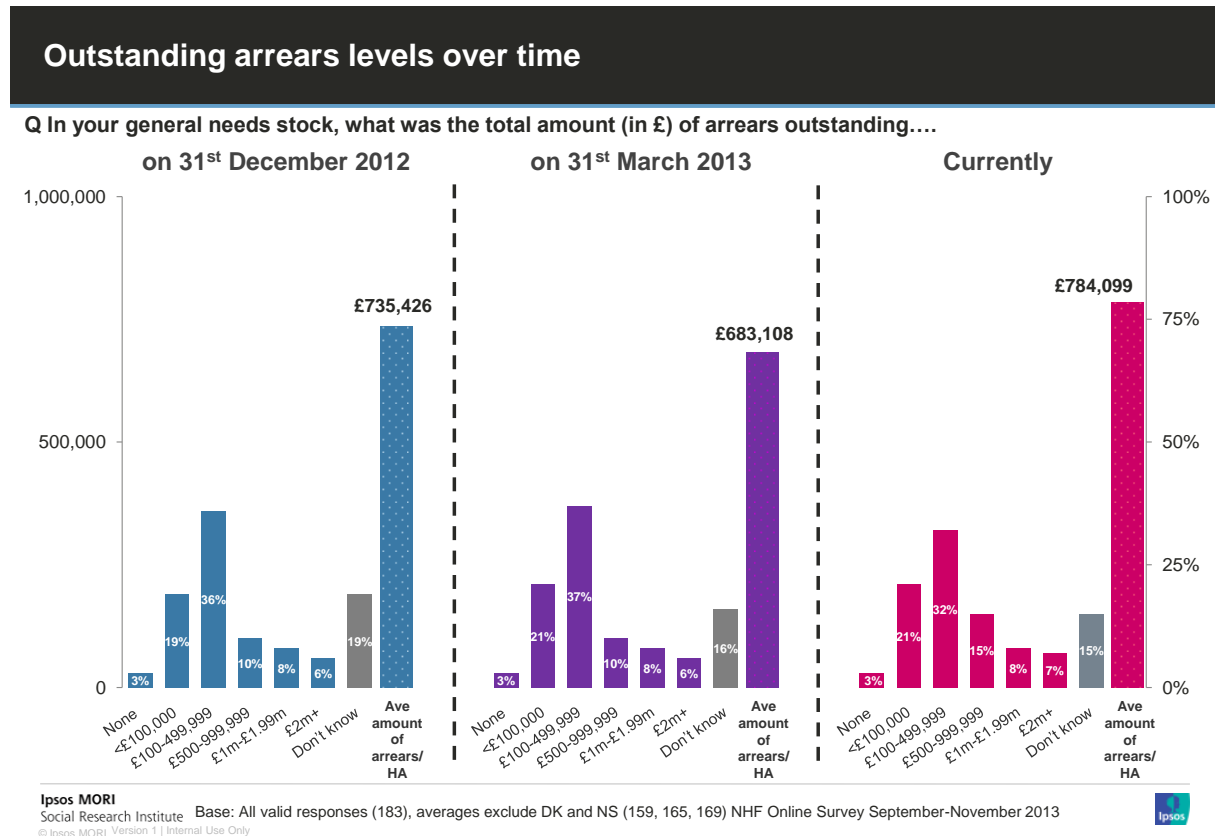
Associations were asked to indicate the total amount of outstanding arrears from their general needs stock at the end of 2012, immediately prior to the introduction of the size criteria and at the time of completing the survey. The average total amount of outstanding arrears per responding association fell by 7% in the first three months of 2013 (from £735k to just over £683k), most likely reflecting an increased focus on rent collection ahead of introduction.

However since April to the time of completing the survey, the average total amount of outstanding arrears per responding association has increased by 15% to £784k. Fewer than one in twenty associations (3%) indicate they currently have no outstanding arrears whilst 7% of associations indicate they currently have outstanding arrears of £2m or more. The highest amount of outstanding arrears at the time of completing the survey by a responding association is £14.0m.

The average amount of outstanding arrears per general need tenancy at the time of completing the survey is estimated to be £207 per general need tenant. Applied across the housing association sector as a whole in England, this equates to approximately £419.9m of outstanding arrears.

The 2012 baseline survey estimated the average total amount of outstanding arrears per responding association at the end of March 2012 was £950,542, with 7% of associations indicating no arrears and 8% with £2m or more. The data clearly indicates the variability in outstanding arrears levels at any given time, having dropped by 28% overall over the course of the year between March 2012 and March 2013 but rising by 15% between April 2013 and the time of the current survey. Given this variability even before welfare reforms were introduced, it is difficult at this stage to attribute any observed rise in outstanding arrears since 31<sup>st</sup> March 2013 to the introduction of the size criteria alone and is an aspect that will require continued monitoring over the medium and longer term.

**Chart 3.5 Average amount of outstanding arrears over time**



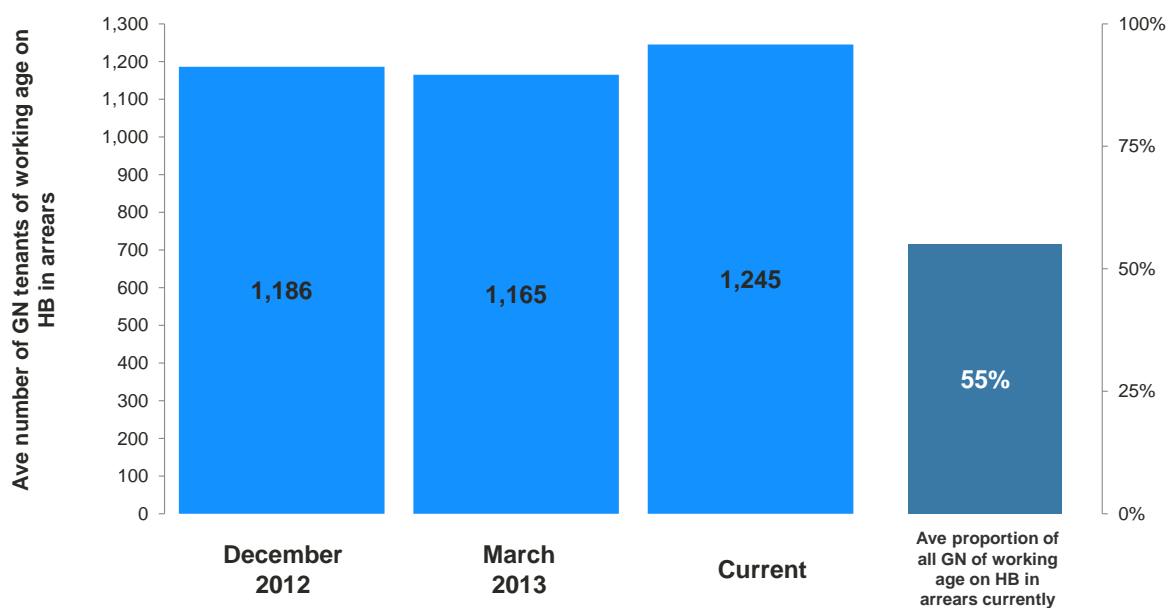
## Numbers of general needs tenants of working age on Housing Benefit and in arrears

Across all associations, the average number of general needs tenancies of working age on Housing Benefit and in arrears fell by 2% in the first three months of 2013 (from an average of 1,186 to 1,165). Since the 1<sup>st</sup> April 2013 though, the average number in arrears has risen by 7% to 1,245. It is estimated that on average more than half (55%) of all general needs tenants of working age and on Housing Benefit are in arrears at the current time.

**Chart 3.6 Average number of tenants in arrears over time**

### Average number of general needs tenants of working age on Housing Benefit and in arrears over time

Q In total, how many general needs tenancies that are of working age and on Housing Benefit were in arrears at ....



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Social Research Institute Base: All valid responses (71,80,102) , average excludes DK and NS (93) NHF Online Survey September-November 2013  
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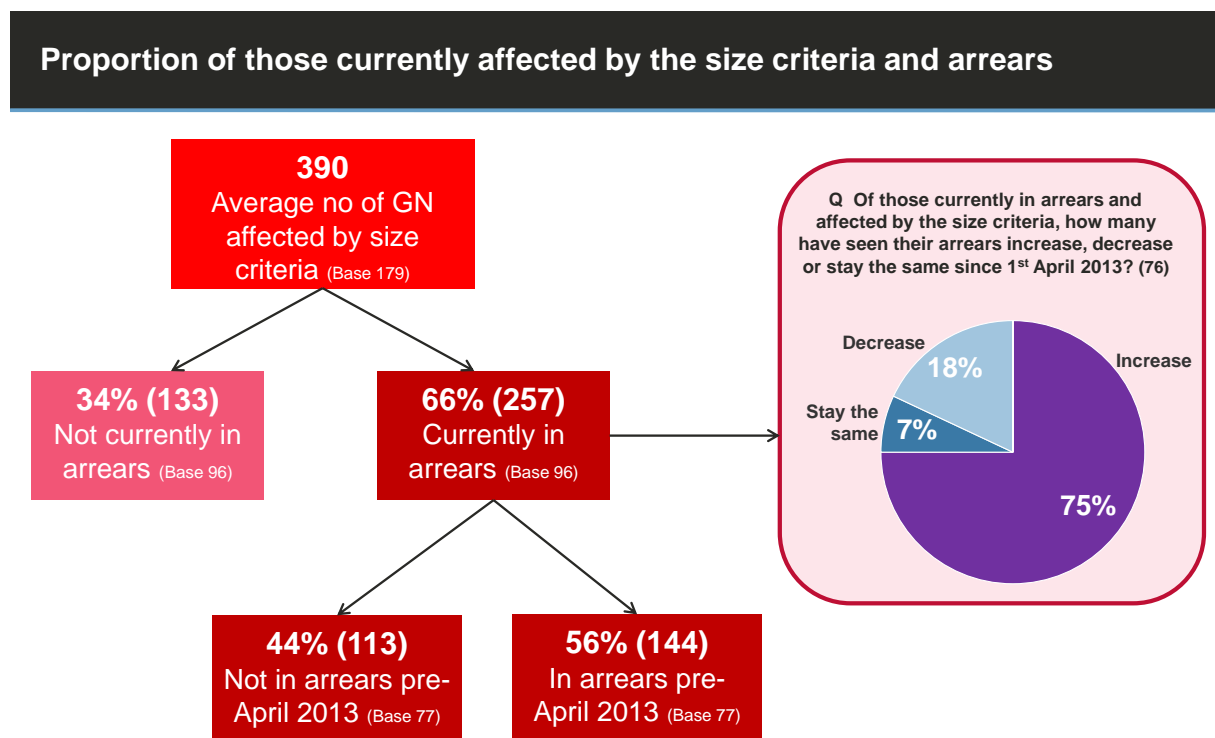


## Those affected by the size criteria and in arrears

The average number of general needs tenancies currently affected by the size criteria is 390 per responding association. Of these it is estimated that on average two-thirds (66%) are currently in arrears. Of those currently affected by the size criteria and in arrears, more than half on average (56%), are estimated to have been in arrears prior to 1<sup>st</sup> April 2013. This suggests that of all those affected by the size criteria, more than a quarter (29%) have fallen into arrears since its introduction. Grossed up this suggests around 55,000 housing association tenants in England affected by the size criteria have fallen into arrears since its introduction.

It is also estimated that of all those currently affected and in arrears, three-quarters have seen their arrears increase since 1<sup>st</sup> April 2013 compared to fewer than one in five (18%) who have seen their arrears decrease.

**Chart 3.7 Proportion of those currently affected by the size criteria and arrears**



## Impacts on evictions due to arrears

Nearly two-thirds of associations (65%) say that a rise in evictions due to arrears because of the introduction of the size criteria has not occurred at all, although around one in eight associations (12%) say this has occurred either a *great deal* or a *fair amount*.

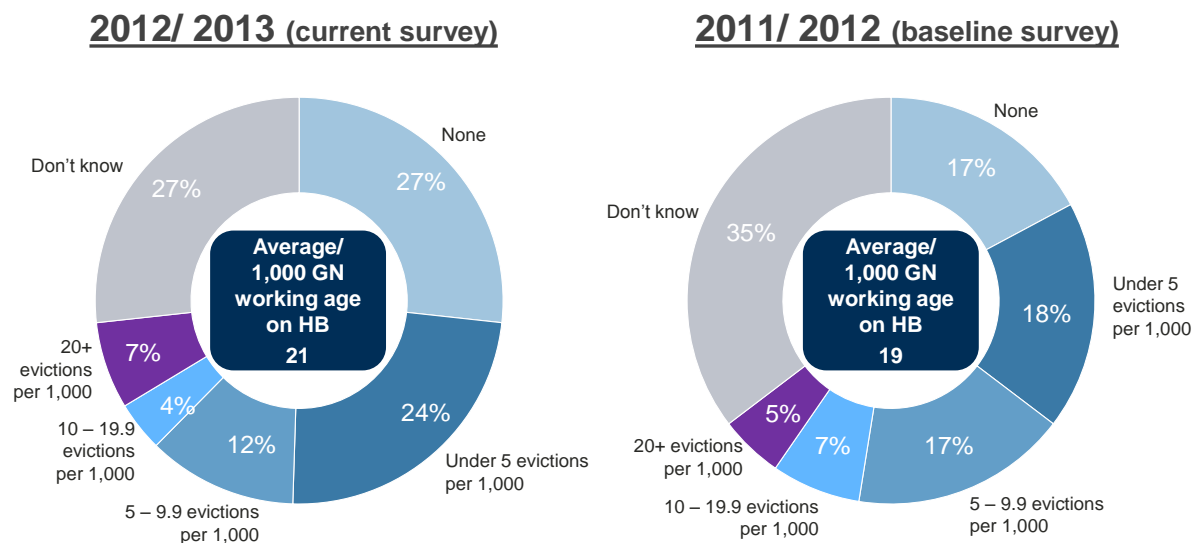
In the original baseline survey associations were asked to indicate the total number of enforced evictions of Housing Benefit claimants due to arrears in the 2011/12 financial year, and were asked to provide the same information for the 2012/13 financial year in the current survey. Thus trend data for enforced evictions due to arrears reflects the situation prior to the introduction of the size criteria.

In the year before introduction of the size criteria, survey results indicate a slight increase in the number of enforced evictions due to arrears. For the year ending March 2013, the average number of enforced evictions per 1,000 general needs tenants of working age and on Housing Benefit was 21 rising from 19 for the year ending March 2012. While the proportion of associations with no enforced evictions throughout the year has increased (from 17% to 27%), so too has the proportion making 20 or more evictions per thousand (from 5% to 7%).

**Chart 3.8 Enforced evictions due to arrears over time**

### Changes in the levels of enforced evictions due to arrears over time

**Q In total, how many enforced evictions of housing benefit claimants due to arrears were there during the 2012/13 financial year?**



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Social Research Institute Base: All valid responses (183) average excludes DK responses (132), September–November 2013  
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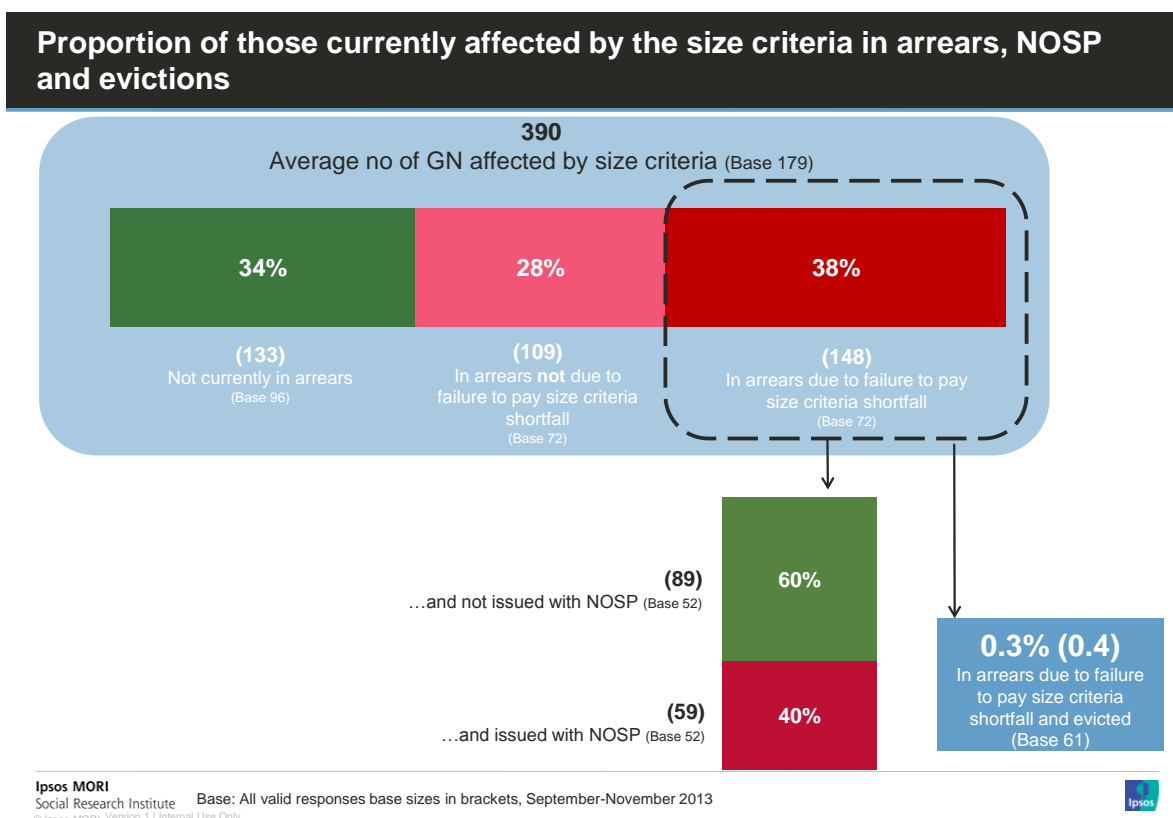


## Those affected by the size criteria, Notices of Seeking Possession and evictions

Associations also estimate that, on average, more than a third (38%) of all those affected by the size criteria are in arrears due to a failure to pay the size criteria shortfall<sup>14</sup>. Grossed up this is equivalent to around 72,000 tenants across all housing associations operating in England. Of these, two fifths (40%) have been issued with a Notice of Seeking Possession (NOSP)<sup>15</sup> - equivalent to 15% of all those currently affected by the size criteria.

However the average proportion of tenants that are affected by the size criteria, who are in arrears due to a failure to pay the size criteria shortfall and who have been evicted is very small – accounting for less than 0.3% of all those currently affected and in arrears due to a failure to pay the shortfall. In numerical terms just six responding associations indicated they had evicted tenants who were affected by the size criteria and in arrears (a total of 26 evictions, representing 0.05% of the total tenancies currently affected by the size criteria). It is very unlikely that these are due solely to the size criteria, given the duration of the possession process, and it is only in the medium to longer term that the impact of the size criteria on evictions will become evident.

**Chart 3.9 Proportion of general needs tenancies currently affected by the size criteria in arrears, NOSP and evictions**



<sup>14</sup> This estimate is higher than the estimate of the proportion of affected tenants that have fallen into arrears since the 1<sup>st</sup> April (29%), suggesting that some associations have included within their counts tenants who were in arrears before the introduction of the size criteria but who have added to their arrears due to a failure to pay the size criteria shortfall.

<sup>15</sup> A NOSP is a warning of intent that court proceedings are planned due to a breach of tenancy. It must state the grounds for possession – e.g. non-payment of rent. It is the first stage of the legal process. An association will give at least four weeks' notice to a tenant before applying to court for a possession hearing. There will then be a further delay for the court to set a hearing date. If the court grants an outright possession order the eviction cannot take place for at least a further six weeks.

## Financial impacts

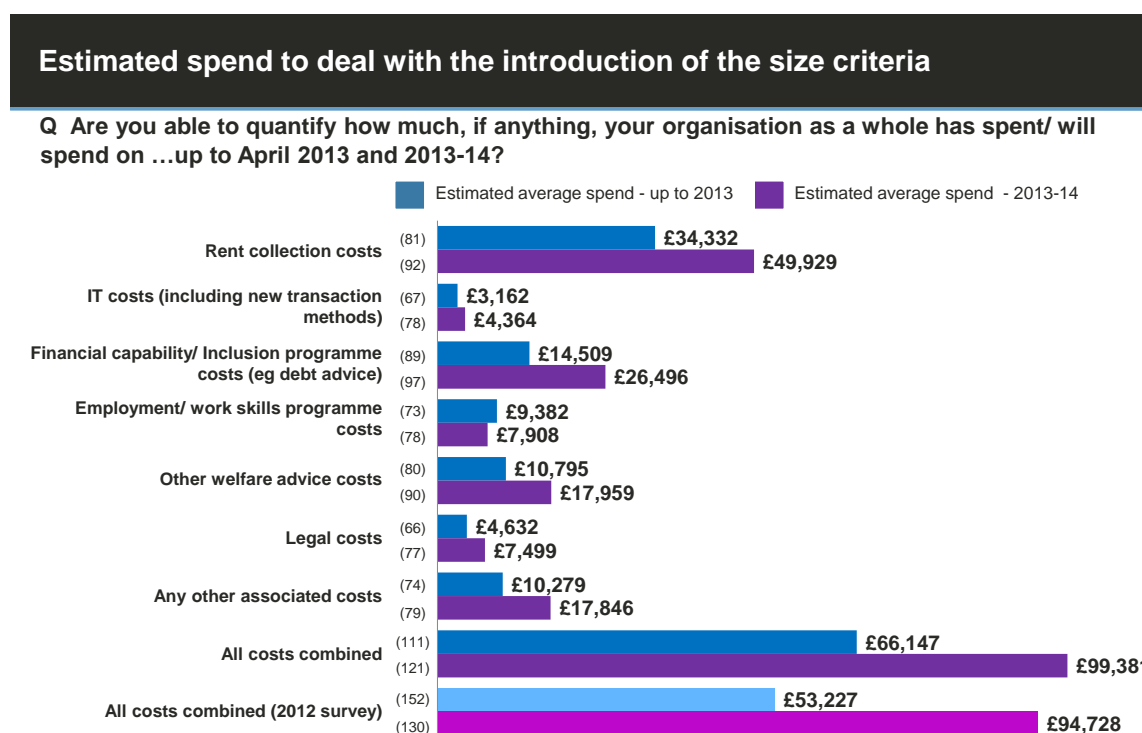
Prior to implementation of the size criteria housing associations expected to spend an average of around £53,000 per association of additional resources up to April 2013 in preparation for welfare reforms and around £95,000 on average in the year to April 2014. Associations estimate that the actual amount of additional spend in the year to April 2013 was around £66,000 per association. Around one in five associations say they spent no additional resources up to April 2013 whereas seven percent of associations spent £100,000 or more in preparation. The highest amount of extra spend up to April 2013 was £1.66m.

Excluding those associations who report no tenants currently affected by the size criteria, the average amount of additional spend in the year to April 2013 was around £73,250 per association.

Rent collection costs accounted for the majority of the additional spend up to April 2013 with associations spending an average of around £34,500 per association. Additional spend on financial capability/ inclusion programme costs and other welfare advice costs also accounted for a considerable proportion of the total additional spend up to April 2013.

These components are also expected to make the most significant contributions to additional spend up to April 2014, with associations expecting to spend an average of c£50,000 per association on rent collection, c£26,500 on financial capability and inclusion and c£18,000 on other welfare advice costs. In total the estimated average additional spend for the year up to April 2014 is around £99,500 per association, with 8% of associations estimating no additional spend and 13% estimating additional spend of £100,000 or more. The highest estimated amount of additional spend up to April 2014 is £2.18m. When excluding those who report no tenants currently affected by the size criteria, the average amount of additional spend up to April 2014 is around £109,000 per association.

**Chart 3.10 Estimated spend to deal with the introduction of the size criteria**



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Base: All valid responses (base sizes in brackets), September-November 2013





As is to be expected the estimated amount of additional spend to April 2014 varies considerably by the size of association. For the smallest associations (with fewer than 500 stock) the average estimated additional spend is c£7,500 per association compared to an average of c£430,000 per association for the largest (10,000 or more stock).

### Financial impacts: effect on meeting loan covenants

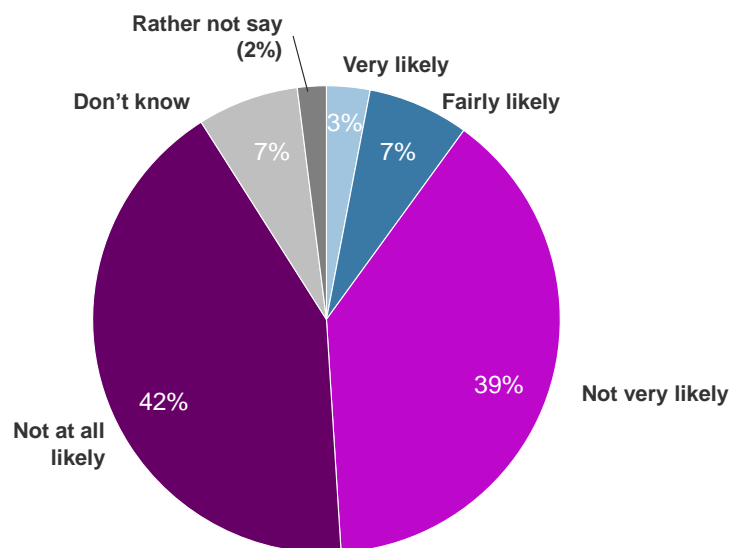
One concern of associations prior to introduction of the size criteria was the potential impact it would have on their ability to meet loan covenants. Rising levels of arrears and the increased costs associated with rent collection may conflict with existing borrowing stipulations and, in turn, affect future borrowing capabilities at competitive rates. However, just one in ten associations say that it is likely that increased debt arising from the introduction of the size criteria will make it harder to meet existing loan covenants, whereas more than four in five (81%) say it is *not very* or *not at all likely*.

Prior to implementation, more than one in five associations (22%) said it was likely to make it harder to meet loan covenants suggesting the extent of impact has been less than previously anticipated, although survey results do indicate some marked variations here.

**Chart 3.11 Effect of the introduction of the size criteria on meeting loan covenants**

#### Difficulty in meeting loan covenants arising from the introduction of the size criteria

**Q** How likely, if at all, do you think it is that increased debt arising from the introduction of the size criteria will make it harder to meet your loan covenants?



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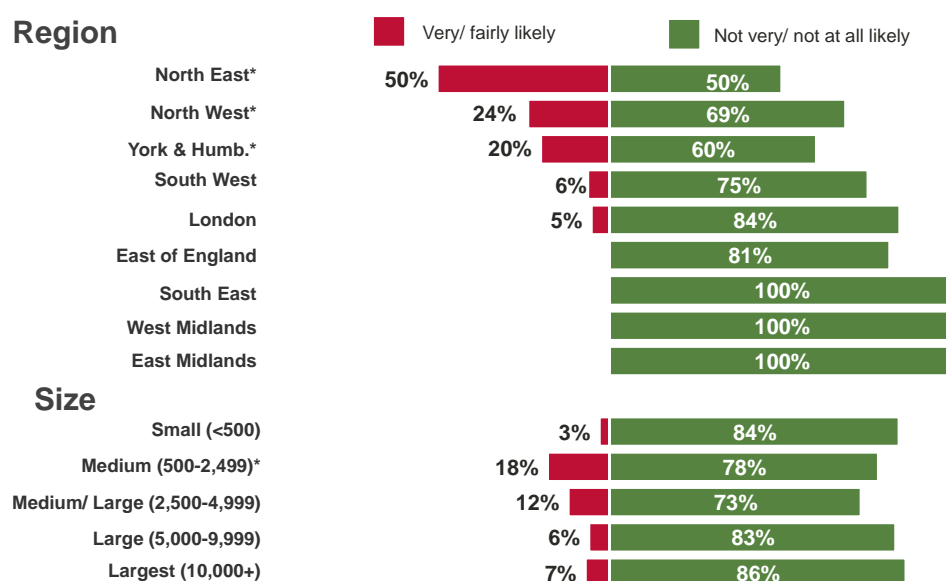
It is evident that those associations operating mainly in the north, and particularly the *North East* and *North West* are most likely to say that increased debt arising from the size criteria will make it harder to meet their loan covenants. These are the regions already identified as being most affected by the introduction of the reform.

Analysis also highlights that it is medium sized associations (with between 500-2,499 stock) who are most likely to attribute the introduction of the size criteria to an increased difficulty in meeting loan covenants. These associations are nearly twice as likely as all associations overall to say it will be harder to meet loan covenants (18% compared to 10%) which is a statistically significant difference.

**Chart 3.12 Effect of the introduction of the size criteria on meeting loan covenants by main region of operation and association size**

### Difficulty in meeting loan covenants arising from the introduction of the size criteria by main region of operation and association size

**Q How likely, if at all, do you think it is that increased debt arising from the introduction of the size criteria will make it harder to meet your loan covenants?**



Ipsos MORI Social Research Institute  
 Base: All valid responses (183), September-November 2013  
 \* % Very/ fairly likely combination significantly different to respondents overall



## Impacts on the development programme

Prior to implementation, around a quarter (26%) of associations committed to developing new homes under the Affordable Homes Programme believed the introduction of the size criteria would make it either a *great deal* or a *fair amount* harder to deliver. Since introduction, sentiment appears to have softened with 14% indicating the introduction of the size criteria has made it a great deal or fair amount harder to deliver. In particular though it is the largest associations, who are delivering approximately two-thirds of the current programme<sup>16</sup>, who are most likely to say their delivery programme has been affected – 23% of these associations say it has become a *great deal* or a *fair amount* harder to deliver their AHP commitments.

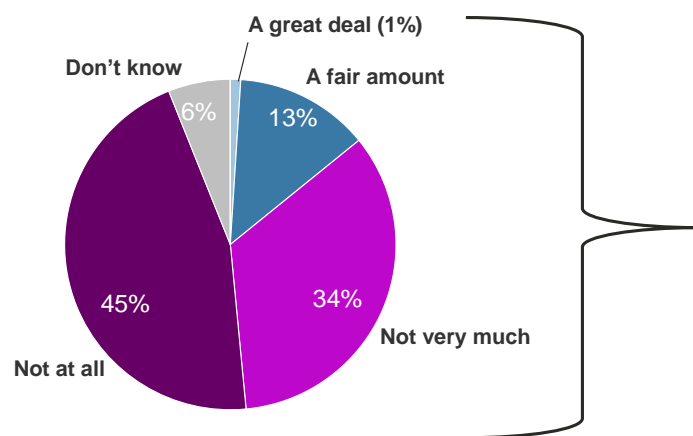
<sup>16</sup> Based on National Housing Federation analysis of the approved bids for the Affordable Homes Programme.

Furthermore associations are more concerned about the extent of the impact in the longer term, with three in ten saying it will be harder to deliver affordable homes after 2015 as a result of the size criteria. Nevertheless, more than three in five associations (62%) currently part of the Affordable Homes Programme think the size criteria will make little or no difference at all to delivering affordable homes after 2015<sup>17</sup>.

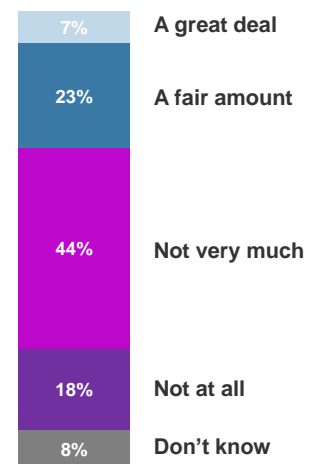
**Chart 3.13 Effect of the introduction of the size criteria on delivering commitments under the Affordable Homes Programme**

### Delivering commitments under the Affordable Homes Programme since the introduction of the size criteria

**Q** If you are developing under the Affordable Homes Programme (up to 2015) to what extent do you think the introduction of the size criteria has made it harder to deliver your commitments under the Affordable Homes Programme?



And to what extent do you think the introduction of the size criteria will make it harder to deliver affordable homes after 2015?



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Social Research Institute Base: All valid responses who are part of the Affordable Homes programme (135), September-November 2013  
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<sup>17</sup> It is worth noting that housing associations responded to the survey prior to the publication of the Prospectus for the Affordable Homes Programme 2015-18. This includes an explicit expectation that higher numbers of one and two bed properties are delivered for under-occupying tenants to move to.

## 4. Size criteria: responses by housing associations

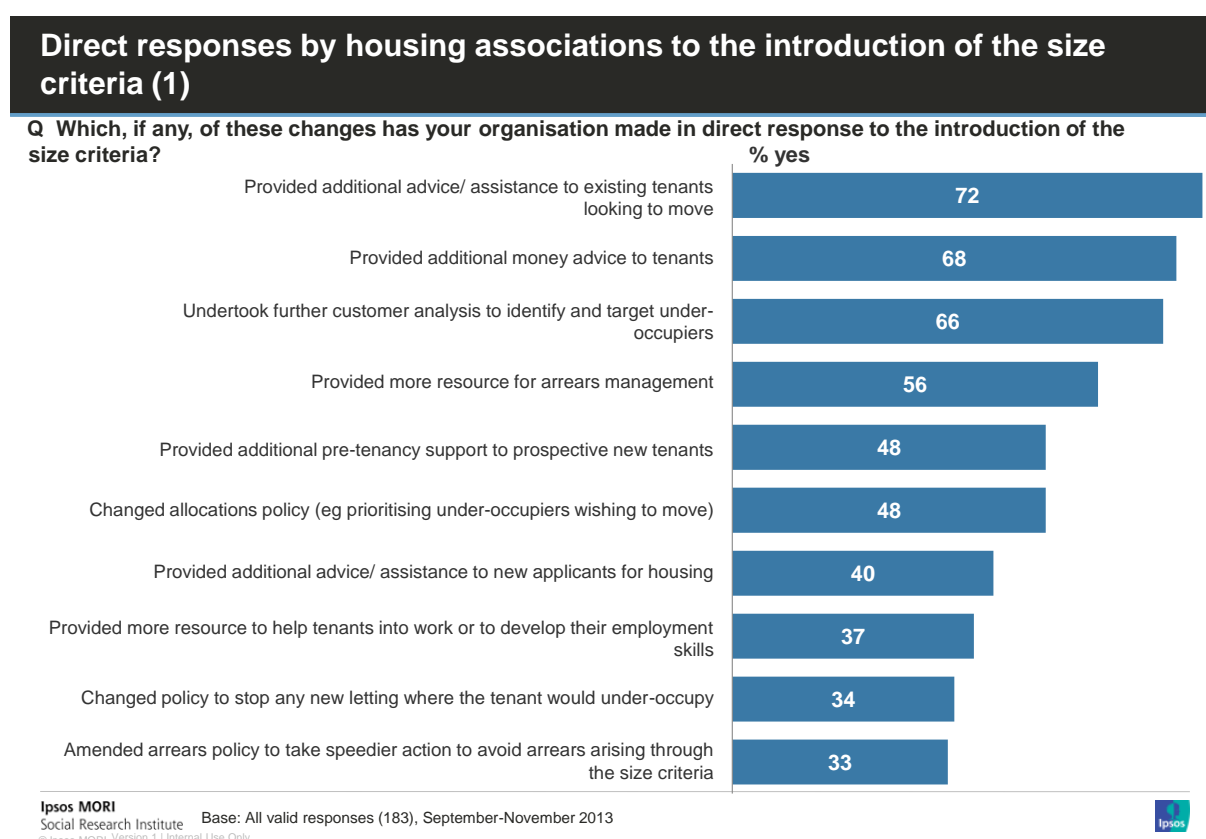
In this chapter we consider some of the actions housing associations have taken in direct response to the introduction of the size criteria including; re-classification of stock as well as changes to allocations policy and the planned development programme.

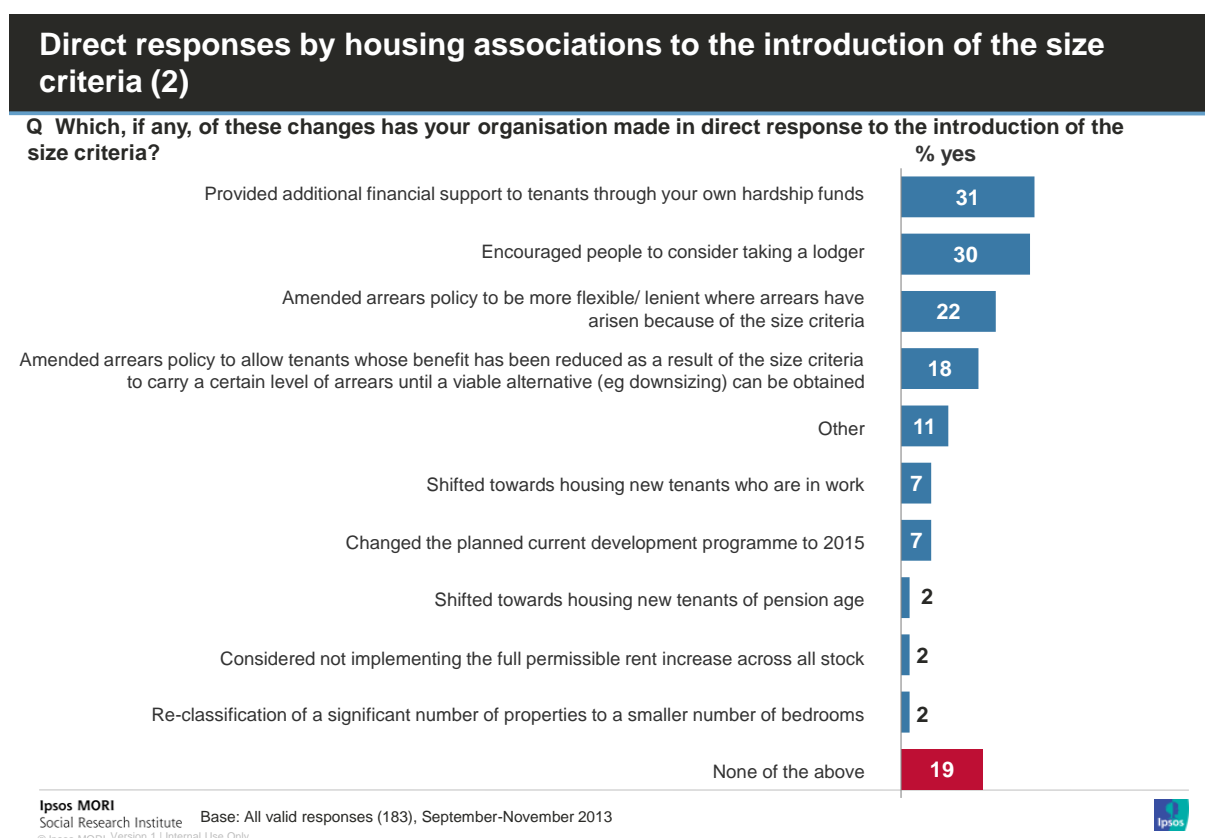
Prior to introduction of the size criteria, the 2012 baseline survey indicated that a majority of associations were focusing action on the provision of additional advice and assistance and extra resources for arrears management. Less than half had, or planned to, change their allocations policies and less than a quarter had, or were considering, more strategic responses such as a change in the development programme.

### Direct responses to the introduction of the size criteria

Following introduction of the size criteria, around seven in ten associations have provided additional advice/ assistance to existing tenants looking to move as well as additional money advice. Two-thirds have identified and targeted under-occupiers through further customer analysis and more than half (56%) have provided more resource for arrears management. More than a third of associations (37%) have also indicated making more resources available to assist tenants into the workplace and almost a third (31%) have provided additional financial support to tenants through their own hardship funds.

**Chart 4.1 Direct responses by housing associations to the introduction of the size criteria**



**Chart 4.1 Direct responses by housing associations to the introduction of the size criteria (cont.)**

In terms of policy responses, just under half (48%) have changed their allocations policy, although fewer have amended their arrears policies. The most common change to arrears policy involved enabling arrears avoidance action to be taken more quickly (33%), whereas fewer than a quarter of associations have sought to make their arrears policy more lenient or flexible.

Fewer than one in ten have taken strategic responses such as changing their planned development programme (7%<sup>18</sup>) or shifting towards a focus on housing tenants of pension age (2%), and just two percent say they have re-classified a significant number of properties.

While the majority of associations have taken some actions in direct response to the introduction of the size criteria it is also evident that for around one in five (19%), no changes have been made. Those taking no actions are predominantly smaller associations – more than two-thirds (69%) who took no action had less than 500 stock – which as we have seen from earlier analysis are least likely to be affected by the reform.

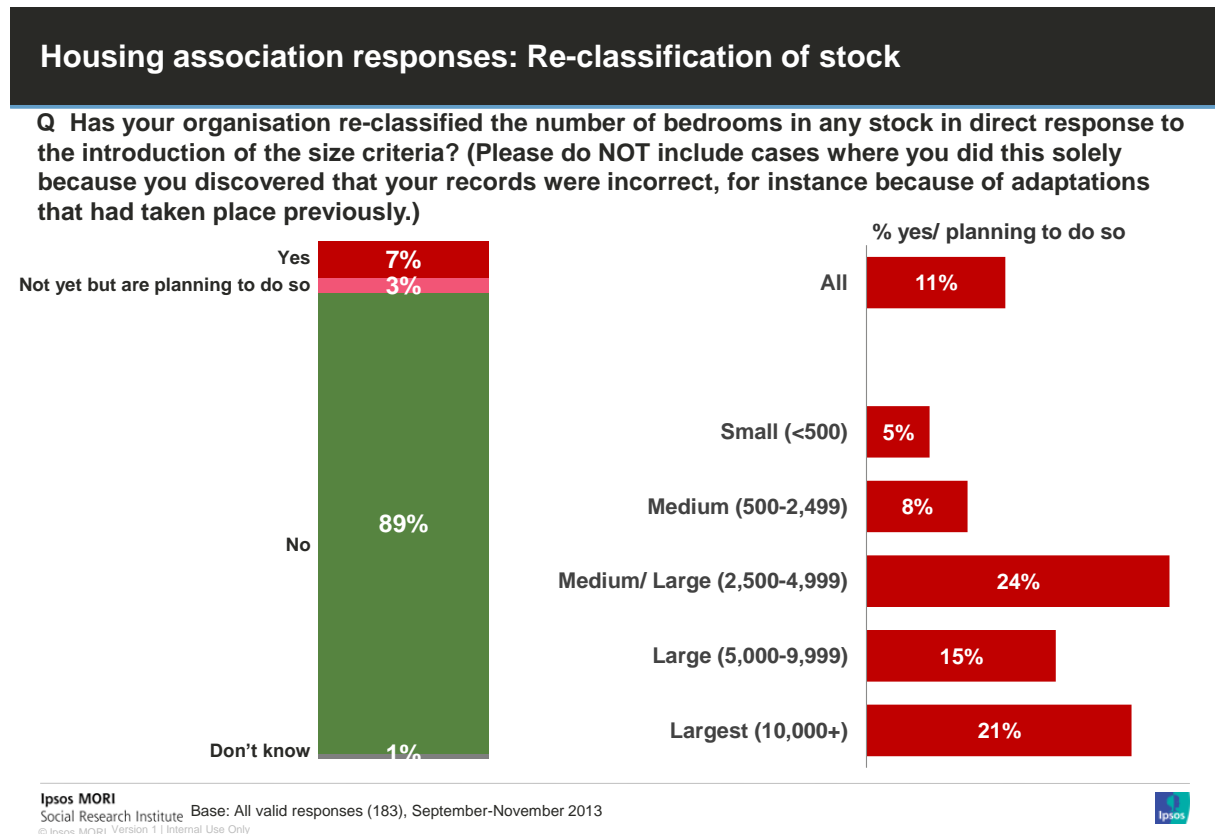
<sup>18</sup> Based on all associations, but not all have a planned development programme

## Re-classifying stock

While just two percent of associations say they re-classified a *significant* number of properties to a smaller number of bedrooms, some seven percent say they have re-classified stock and three percent say they are planning to do so.

This is a response that is more likely to be employed by medium and larger sized associations with more than a fifth (21%) of the largest associations saying they have or are planning to re-classify stock in direct response to the introduction of the size criteria.

**Chart 4.2 Re-classification of stock**



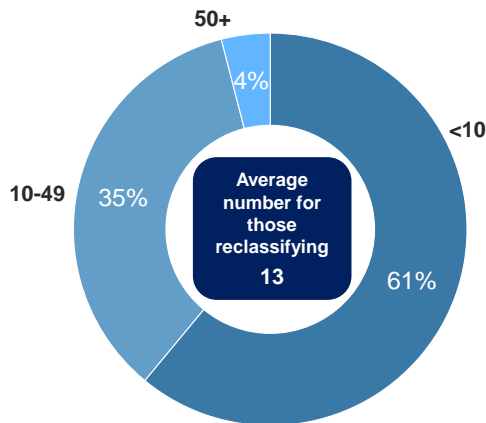
Despite more than one in ten associations re-classifying or planning to do so as a result of the size criteria, the amount of stock being reclassified is very small. Across all associations that have re-classified, the average number of properties being re-classified is 13, representing an average of 0.02% of all their general needs stock. The highest number of properties being re-classified recorded by a single association was 200, representing 0.8% of their entire general needs stock.

For those associations re-classifying or planning to do so, most (65%) are re-classifying only on request or on a case-by-case basis, whereas one in six (17%) have adopted a more systematic approach, re-classifying all properties of a similar type regardless of who is living in them.

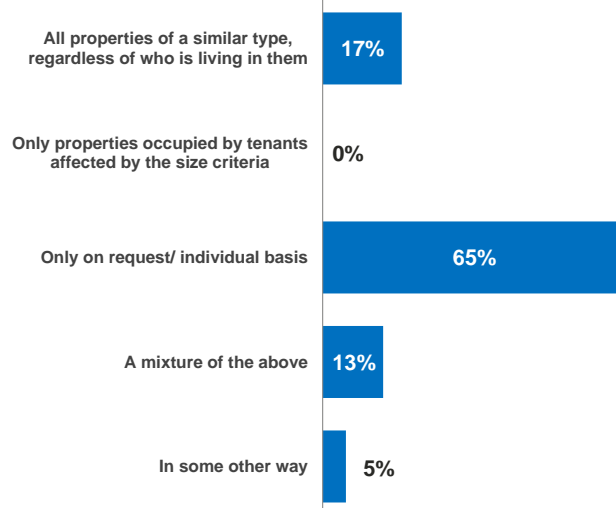
**Chart 4.3 Approach to re-classifying stock**

### Housing association responses: Estimated numbers and organisational approach to re-classifying

**Q How many properties has your organisation re-classified in direct response to the introduction of the size criteria?**



**Q Which of the following best describes your organisation's approach to re-classifying? Did you reclassify....**



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Social Research Institute Base: All who have reclassified (20), and all who have reclassified or are planning to do so (27), September-November 2013  
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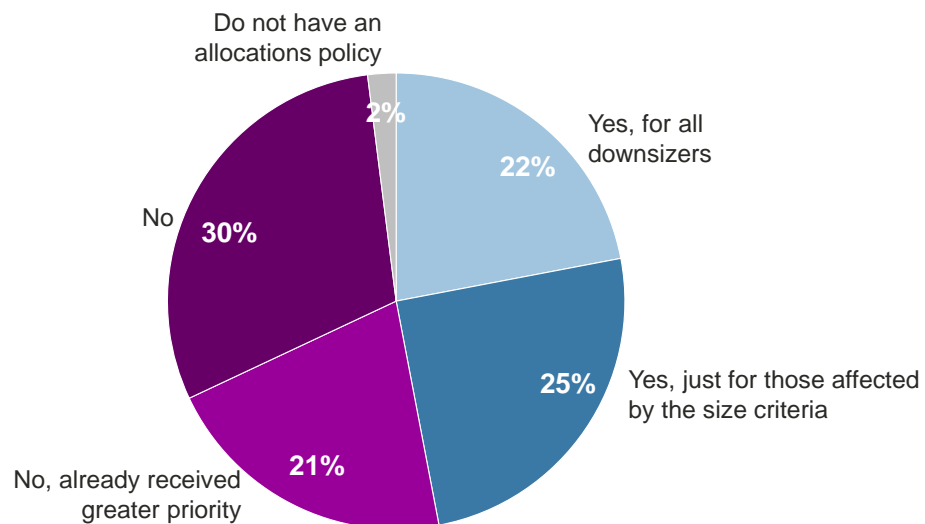
## Changes to allocations policy

Almost half of associations (48%) indicated they have changed their allocations policy in direct response to the introduction of the size criteria. Slightly fewer (46%) have changed their allocations policy to give greater priority to tenants wishing to downsize and around a fifth (21%) already gave priority to those wishing to downsize. Of those changing their allocations policy, more than half (54%) changed their policy only for those affected by the size criteria. Those mainly operating in the *South East* and *London* are less likely to have changed their allocations policy as are smaller associations with fewer than 500 stock (17%). In contrast 80% of associations with between 5,000 and 9,999 stock indicated they had changed their allocations policy to give greater priority to downsizers as a result of the size criteria being introduced.

**Chart 4.4 Changes to allocations policy as a result of the introduction of the size criteria**

### Housing association responses: Changes to allocations policy

**Q Has your organisation changed its allocations policy due to the size criteria to give greater priority to tenants wishing to downsize?**



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Traditionally housing associations have not allowed tenants to transfer to a new property if they are in rent arrears. This is unsurprising given that it is difficult and expensive to recover arrears from a previous tenancy and such policies are also an important lever to impress on tenants the importance of maintaining rent payments.



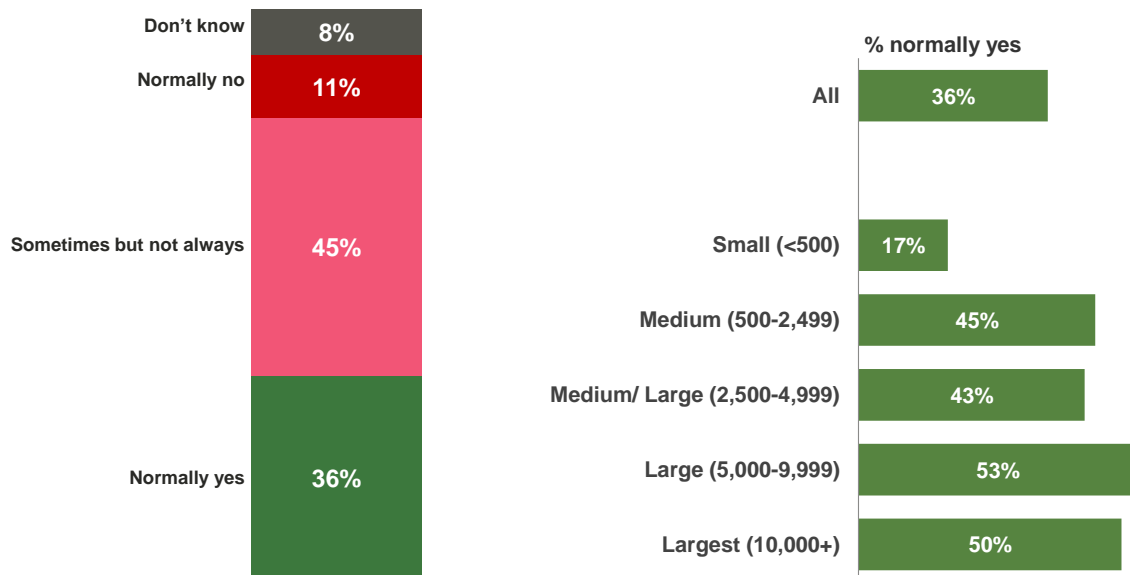
Although the introduction of the size criteria has prompted many associations to change their allocations policy to give greater priority to downsizers, a minority (11%) would not normally allow tenants with arrears resulting from the size criteria to downsize. Associations are likely to be flexible and take individual circumstances into account, however, such an approach may mean that an affected tenant who is running up arrears as a result of the size criteria will have limited scope to downsize.

This approach is particularly evident among associations mainly operating in *London* and the *South East* where pressures on the social housing stock are at their most acute. However more than a third of associations say they would normally allow tenants with arrears to downsize and this position is more commonly adopted among larger associations – more than half (52%) of all associations with 5,000 or more stock say they would normally allow this.

**Chart 4.5 Restrictions on downsizing for tenants with arrears**

### Housing association responses: Restrictions on downsizing

**Q Does your organisation allow tenants with arrears caused by the size criteria, to downsize?**



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## Changes to the planned development programme

Among those associations with a planned development programme, around a fifth (21%) say they have changed their programme to give greater prominence to smaller one and two bedroom properties, while a further 12% say they haven't changed yet but are planning to do so. In total a third of associations have either changed, or are planning to change, their development programme, and it is large size associations that are more likely to have responded in this way since the size criteria was introduced – 44% compared to 33% overall.

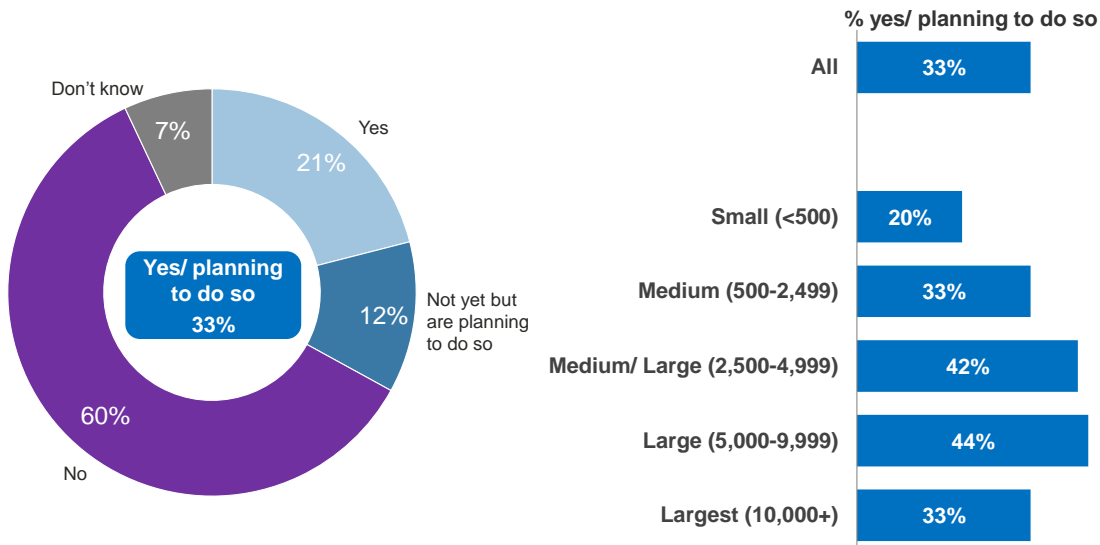
Further analysis also indicates that those associations mainly operating in *London* are least likely to say they have, or are planning to, change their planned development programme. This most likely reflects the acute housing pressures faced in London and the focus already placed on developing smaller properties.

Nevertheless, it remains that the majority of associations (60%) have made no change to their development programme since April 2013. This is not surprising given that any development by a housing association needs to meet long-term local needs, generally assessed over a period of 10 – 15 years.

**Chart 4.6 Changes to the planned development programme**

### Housing association responses: Changes to the planned development programme

**Q** Since the introduction of the size criteria, has your organisation changed its planned development programme to give more prominence to the development of smaller one and two bedroom properties than before the changes?



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Base: All with a planned development programme (155), September-November 2013



## 5. Size criteria: tenant responses

It is evident from analysis in the preceding chapters that landlords have responded to the introduction of the size criteria in a variety of different ways. Equally there are a range of ways in which tenants have responded, including moving to more appropriately sized accommodation or an array of 'staying and paying the shortfall' responses. In this chapter we consider the extent of tenants registering for downsizing, the take up of lodgers and the use of Discretionary Housing Payments.

It is important to note that results presented here are based on data provided by participating housing associations and not directly from affected tenants. A survey of affected tenants is currently underway and will be reported on under separate cover later in 2014.

### Reasons why tenants have ceased to be affected

Earlier analysis has shown that the number of tenants affected by the size criteria has fallen from an average of 432 tenants per association at 1<sup>st</sup> April 2013 to an average of 390 tenants per association currently.

Associations were asked to indicate the number of tenanted homes that had ceased to be affected by the size criteria since 1<sup>st</sup> April 2013 and the reason why they were no longer affected. The average number of tenancies per association that have ceased to be affected is 52<sup>19</sup>.

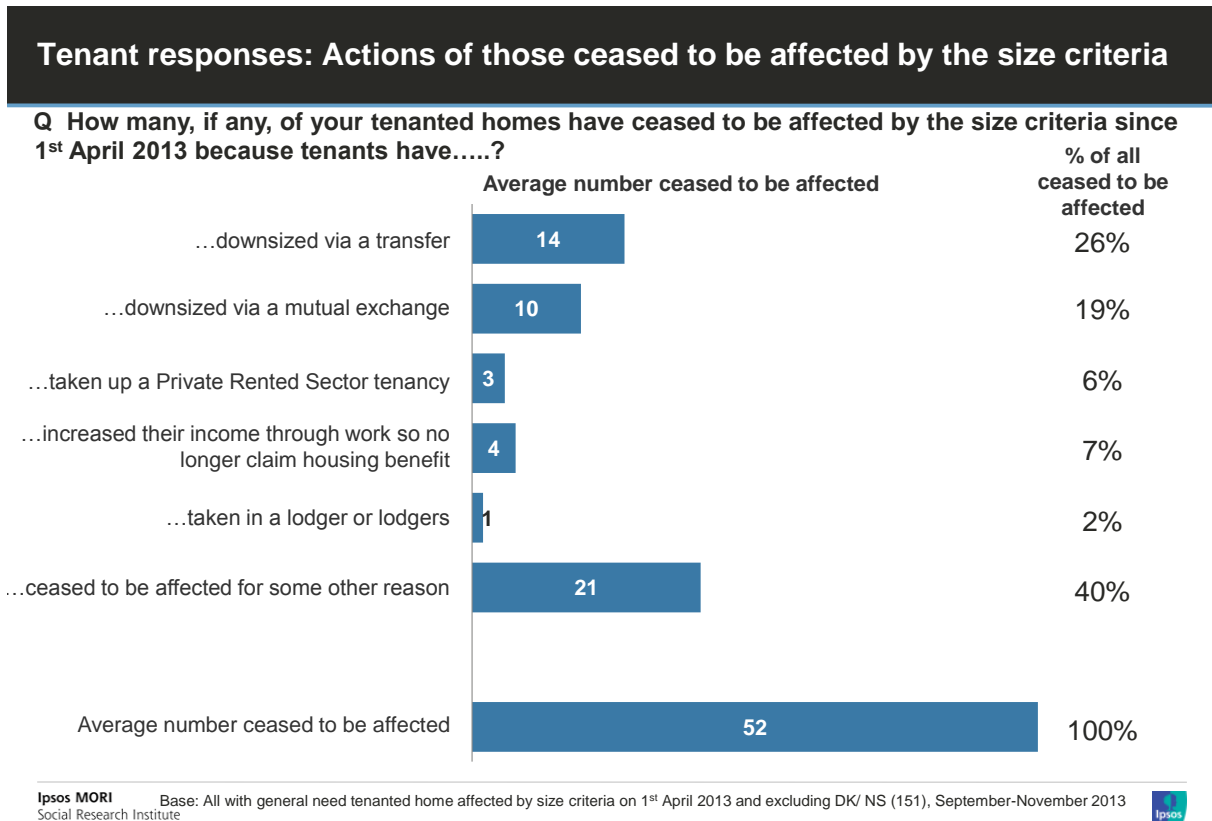
Of those that have ceased to be affected since introduction, the most common reason for no longer being affected is as a result of downsizing, either via a transfer or mutual exchange. Just under half (45%) of all those tenants who have ceased to be affected since 1<sup>st</sup> April have downsized using these mechanisms. The average number who have downsized represents six percent of all those identified to be affected at 1<sup>st</sup> April 2013.

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<sup>19</sup> This is higher than the average drop between 1<sup>st</sup> April 2013 and currently (42 tenancies) because it only asks about those ceasing to be affected whereas the overall average drop will also include some newly affected tenancies.

Very few who have ceased to be affected have increased their income through work (7% of all no longer affected), have moved to the private rented sector (6%) or taken in a lodger (2%) which, as a result, mean they are no longer affected by the size criteria. On average 40% have ceased to be affected for some other reason, which could include changing family circumstances such as children reaching ages where they no longer have to share, reaching pension age or an adult child moving back home.

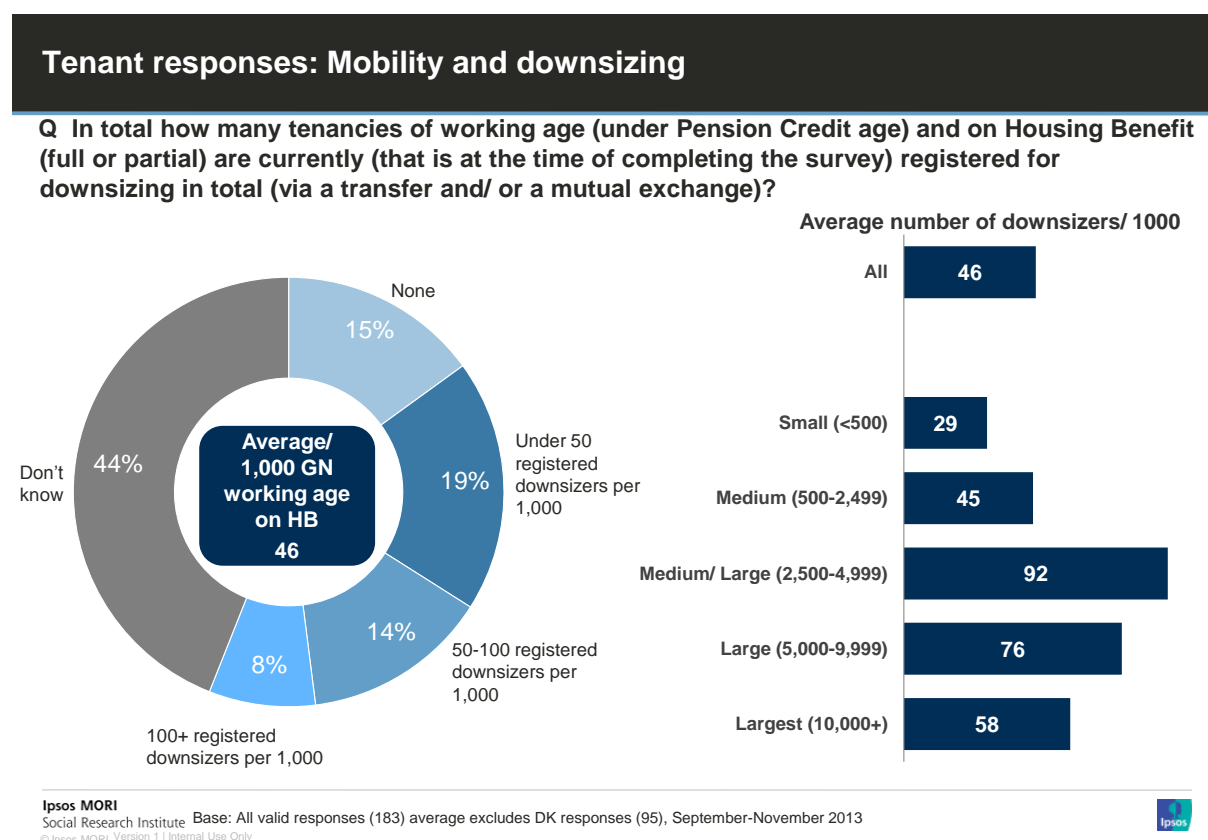
**Chart 5.1 Actions of those who have ceased to be affected by the size criteria**



## Mobility and downsizing

Improving the occupational efficiency of the social rented stock is one of the explicit and intended consequences of the size criteria policy, and indeed, even prior to implementation, housing associations were reporting significant increases in the number of transfer requests from under-occupying households<sup>20</sup>. The current survey asked associations to indicate the number of working age tenants on Housing Benefit who were registered to downsize (either via a transfer or mutual exchange). To compare levels across the sector, data has been standardised per 1,000 working age general needs tenants on Housing Benefit. Among all associations responding to the survey, the average number registered to downsize at the time of completing the survey is 46 per 1,000 and is lowest among the smallest associations (29 per 1,000) and highest among medium/ large associations (92 per 1,000).

**Chart 5.2 Number of tenancies registered for downsizing**



<sup>20</sup> 43% of associations reported an increase in requests for a transfer from under-occupying households during a six-month period in 2012 (Impact of welfare reform on housing associations – 2012 Baseline report, Ipsos MORI & CCHPR, January 2013)

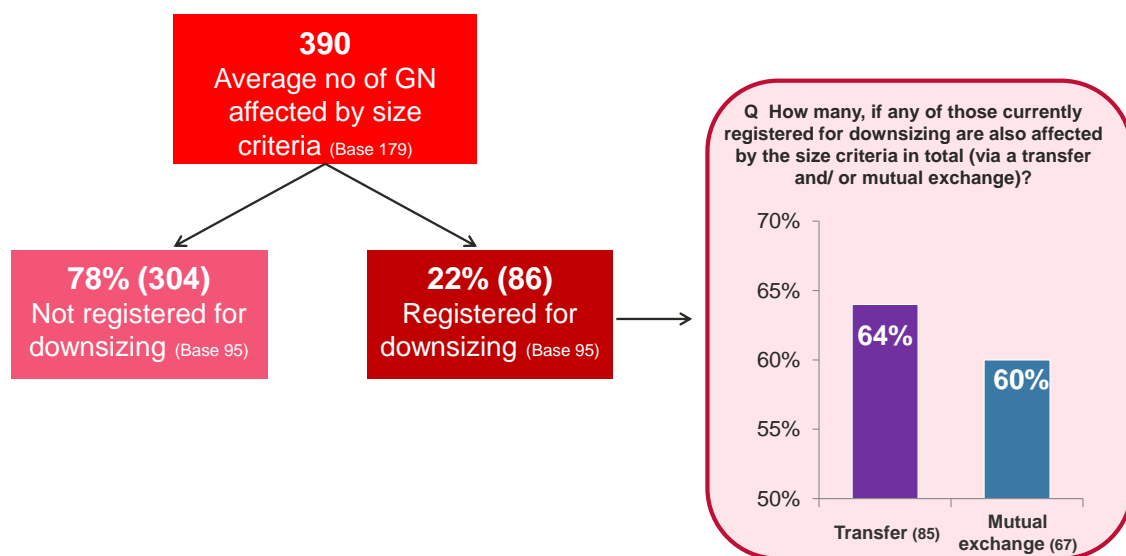
## Numbers registered for downsizing and affected by the size criteria

Of those affected by the size criteria it is estimated that on average 22% are currently registered for downsizing.

Of those tenants currently affected by the size criteria and who are registered for downsizing, on average 64% have registered with their landlord for a transfer and 60% have registered for a mutual exchange. There are no discernable differences in the numbers of affected tenants registered for downsizing by either size of association or main region of operation.

**Chart 5.3 Numbers registered for downsizing and affected by the size criteria**

### Tenant responses: Downsizing by those affected by the size criteria



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Base: All valid responses base sizes in brackets, September-November 2013



Earlier analysis estimates that the number of affected tenancies has fallen from an average of 432 per association on 1<sup>st</sup> April 2013 to 390 per association at the time of the survey. Downsizing either via a transfer or through mutual exchange are the main ways that tenants have ceased to be affected by the size criteria as discussed earlier in this chapter.

Associations estimate that, on average, just over a quarter of their tenants (27%) who have ceased to be affected since the 1<sup>st</sup> April 2013 have downsized via a transfer and around a fifth (19%) have downsized via a mutual exchange. The average number who have ceased to be affected as a result of downsizing represents six percent of all of those identified to be affected at 1<sup>st</sup> April 2013.

Those no longer affected as a result of moving to the private rented sector, increasing their income through work or by taking in a lodger account for an average of 15% of those who have ceased to be affected since 1<sup>st</sup> April 2013.

## Taking lodgers

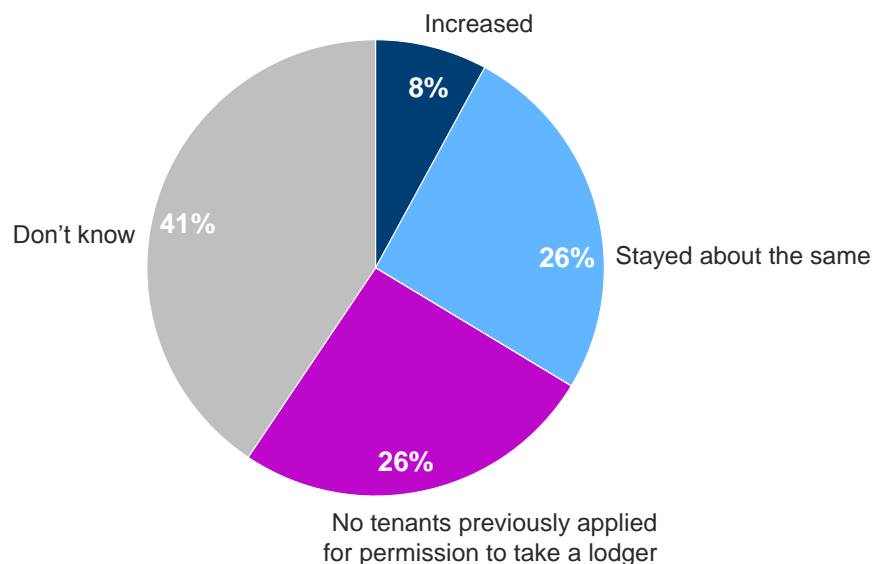
One potential response available to tenants affected by the size criteria is to take in a lodger although our qualitative work with affected tenants prior to implementation indicated limited appetite for such a response – primarily driven by a reluctance to live with strangers<sup>21</sup>.

The current survey asks associations to indicate whether the number of tenants taking a lodger has increased, decreased or stayed the same. Fewer than one in ten (8%) say that levels have increased since the size criteria was introduced while a quarter (26%) say levels have stayed the same. The same proportion say they had no tenants previously applying for permission to take a lodger and more than two in five (41%) don't know.

**Chart 5.4 Housing association perceptions of changes in tenants taking lodgers**

### Tenant responses: Taking lodgers

**Q To the best of your knowledge, since the introduction of the size criteria has the number of tenants taking a lodger increased, stayed the same or decreased?**



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<sup>21</sup> Impact of welfare reform on housing association tenants – baseline report, Ipsos MORI, April 2013

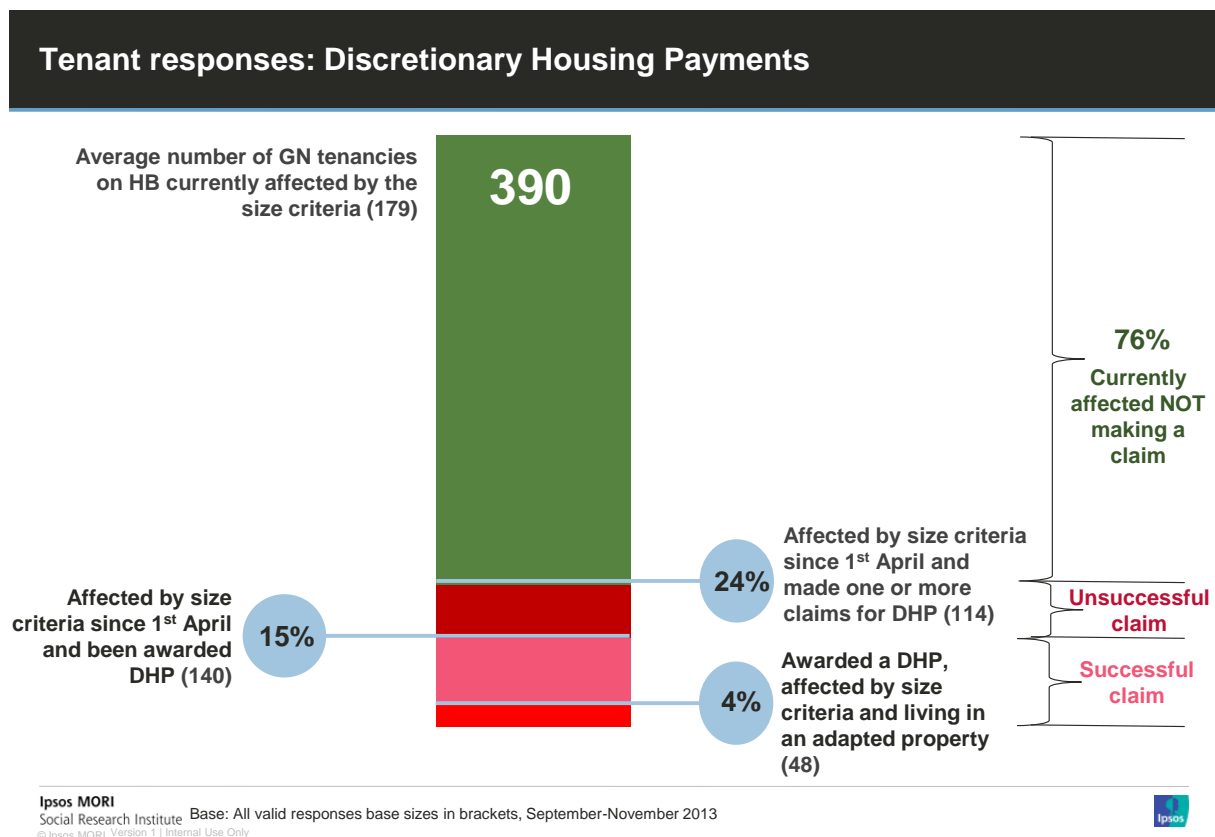
## Discretionary Housing Payments

Prior to implementation of the welfare reform measures, the Government increased the funding available to local authorities for Discretionary Housing Payments (DHP). With certain limitations placed on councils (such as limits on the amounts authorities could top up their funds) DHP was never intended to offer a long-term solution for significant numbers of affected tenants. In this section housing association data is presented on the level of claims and the award of DHP among affected tenancies as well as their perceptions of the claim process length and ease for those applying<sup>22</sup>.

It is estimated that on average, around a quarter (24%) of all those currently affected by the size criteria have made one or more claims for DHP. Of those that are currently affected and have made one or more DHP claim, around two-thirds (63%) have been successful with their claim (equivalent to 15% of all those currently affected).

Of those that have been awarded DHP, a fifth (20%) are living in adapted property – equivalent to 4% of all those currently affected by the size criteria and estimated to represent around half (49%) of all those currently affected by the size criteria and living in adapted property.

**Chart 5.5 Tenants affected by the size criteria and award of DHP**



<sup>22</sup> Results are based on claims and awards of DHP that are known to participating housing associations rather than all and as such are likely to underestimate the true situation.



Since 1<sup>st</sup> April, there have been very few affected tenants living in adapted property who have made a claim and not been awarded a DHP. On average there have been just four per association, with more than three in ten associations (31%) saying there have been none and nearly half (47%) who did not know. Across all responding associations the combined total number of affected tenants living in adapted property who had not been awarded DHP was 368, representing less than 1% of the total number of all affected tenancies.

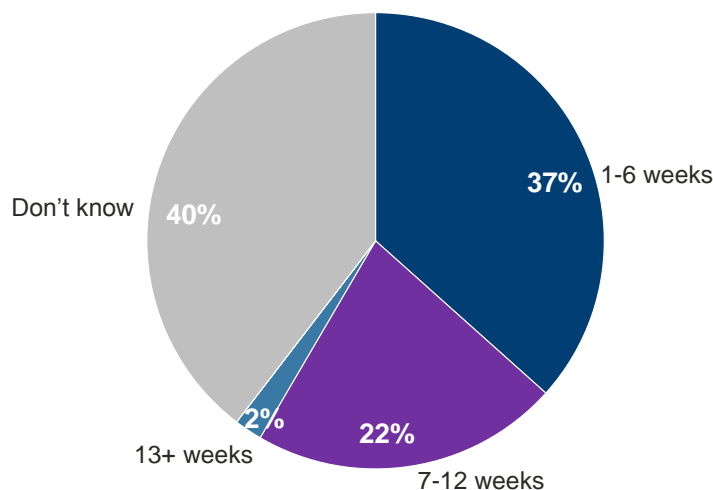
### Housing association perceptions of the DHP process

For those associations indicating they had affected tenants making one or more DHP claim, nearly three in five (59%) say the time between application and award of DHP was 12 weeks or less and for a majority of these, the process took six weeks or less. Just two percent of associations say their experience of the DHP process was thirteen weeks or longer, although a significant minority (40%) were unable to estimate the length of the claim process.

**Chart 5.6 Length of the DHP claim process**

#### Housing association perceptions of the Discretionary Housing Payment process

**Q** Thinking about the time between when a tenant first applies to a local authority and the decision on the award of Discretionary Housing Payment, in your experience how long do the majority of claims take to process?



**Ipsos MORI**  
Social Research Institute Base: All with tenants affected by the size criteria have made one or more claims for DHP (171), September-November 2013  
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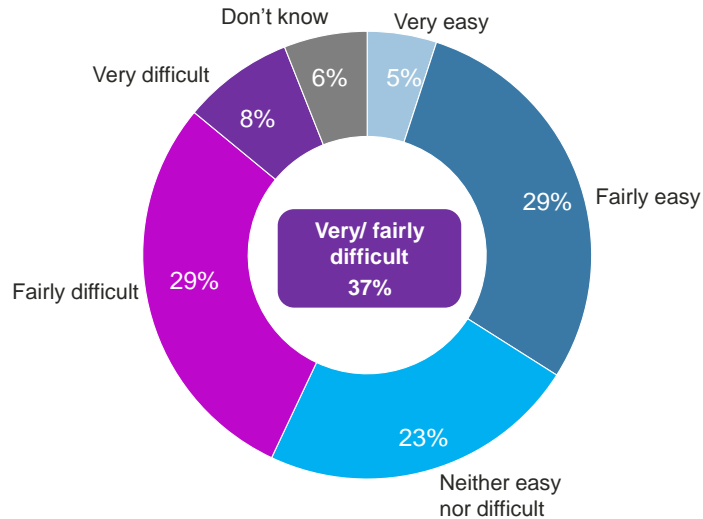


Perceptions of the ease with which tenants have managed the DHP application process are divided, with around a third (34%) indicating the process has been easy while slightly more indicate it has been difficult.

**Chart 5.7 Housing association perceptions of managing the DHP application process**

### Housing association perceptions of the Discretionary Housing Payment process

**Q** Generalising across the local authorities in which you work, overall how easy or difficult has it been for tenants to manage the Discretionary Housing Payment application process?



**Ipsos MORI**  
Social Research Institute Base: All where affected tenants have made one or more claims for DHP since 1<sup>st</sup> April 2013 (108), September-November 2013  
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## 6. Benefit cap: early impacts and responses

The Benefit Cap is another prominent component of the Government's welfare reform programme placing a limit on the amount of benefits that out of work households can receive<sup>23</sup>. The policy was rolled out nationally in two phases between July and September 2013, and as such was at the very early post-implementation stage when the survey was conducted.

The Benefit Cap affects far fewer within the housing association sector and is far less widespread than the size criteria. For many associations it may not be possible to distinguish impacts between these two reform measures and current survey responses should be viewed within this context.

Prior to implementation of the Benefit Cap just a quarter of associations (27%) said they would be significantly affected<sup>24</sup>, the lowest perceived impact of the various welfare reform strands. In this chapter, we consider the extent of early impacts on associations following introduction of the Benefit Cap as well as estimates of the numbers affected.

The incidence of affected tenants across the sector is low. On average associations estimate that 0.19% of all their tenants on Housing Benefit have had their Housing Benefit reduced as a result of the introduction of the Benefit Cap. There are no statistically significant variations across the sector although associations operating in *London* and the *West Midlands* show higher proportions of affected tenants as do larger associations.

### Early impacts of the Benefit Cap

Reflecting the lower incidence of affected tenants across the housing association sector the extent of impacts resulting from the Benefit Cap are much less widespread relative to the effects of the size criteria.

As with the introduction of the size criteria, the most significant impact arising from the introduction of the Benefit Cap is an increased difficulty in rent collection. Around one in six associations (17%) say this has occurred a *great deal* or a *fair amount* since the introduction of the Cap, compared to over half (53%) who say the same following the introduction of the size criteria.

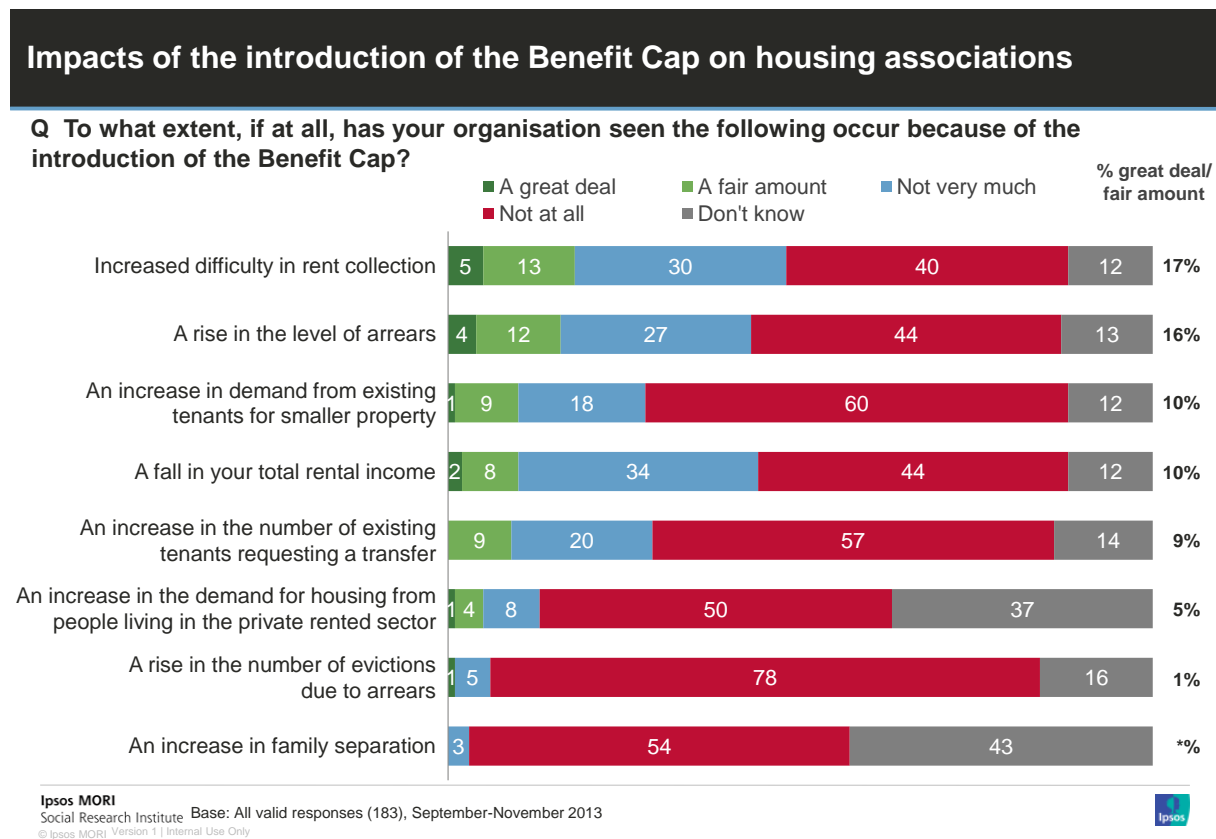
<sup>23</sup> For households containing more than one person there is a limit of £500 a week in support, while a £350 limit applies to single person households

<sup>24</sup> Impact of welfare reform on housing associations – 2012 Baseline report, Ipsos MORI & CCHPR, January 2013

A similar proportion (16%) say arrears levels have increased either a great deal or a fair amount and one in ten associations say they have seen a fall in rental income and increased demand for smaller property from existing tenants. Again the extent of these impacts attributed to the introduction of the Benefit Cap is considerably less than the extent attributed to the introduction of the size criteria.

Very few, if any, associations say they have seen a rise in evictions due to arrears or an increase in family separation following introduction of the Cap.

**Chart 6.1 Early impacts of the Benefit Cap on housing associations**



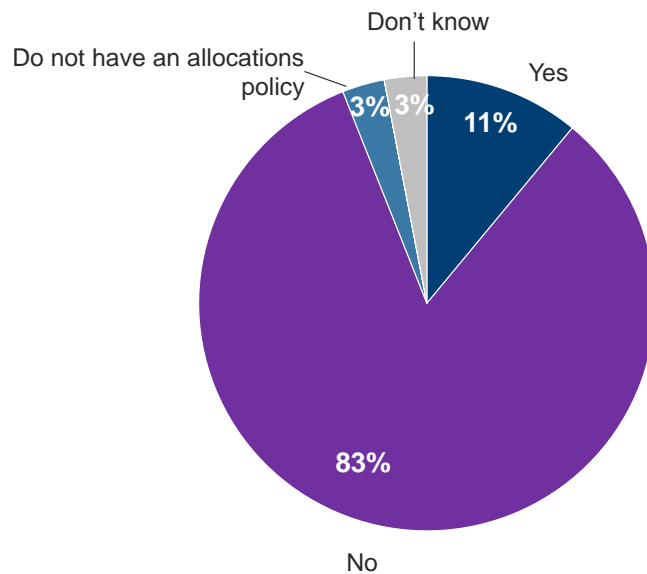
## Changes to allocations policy

Reflecting the lower incidence of tenants affected by the Benefit Cap, just one in ten associations (11%) say they have changed their allocations policy to give greater priority for internal transfers to those affected by the Cap, while the majority (83%) have not. This compares with 46% of associations who have changed their allocations policy to give greater priority to downsizers following introduction of the size criteria.

**Chart 6.2 Changes to allocations policy as a result of the introduction of the Benefit Cap**

### Changes to allocations policy for those affected by the Benefit Cap

**Q** Has your organisation changed its allocations policy to give greater priority to tenants affected by the benefit cap for internal transfers?



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## 7. Universal Credit: perceptions and preparations

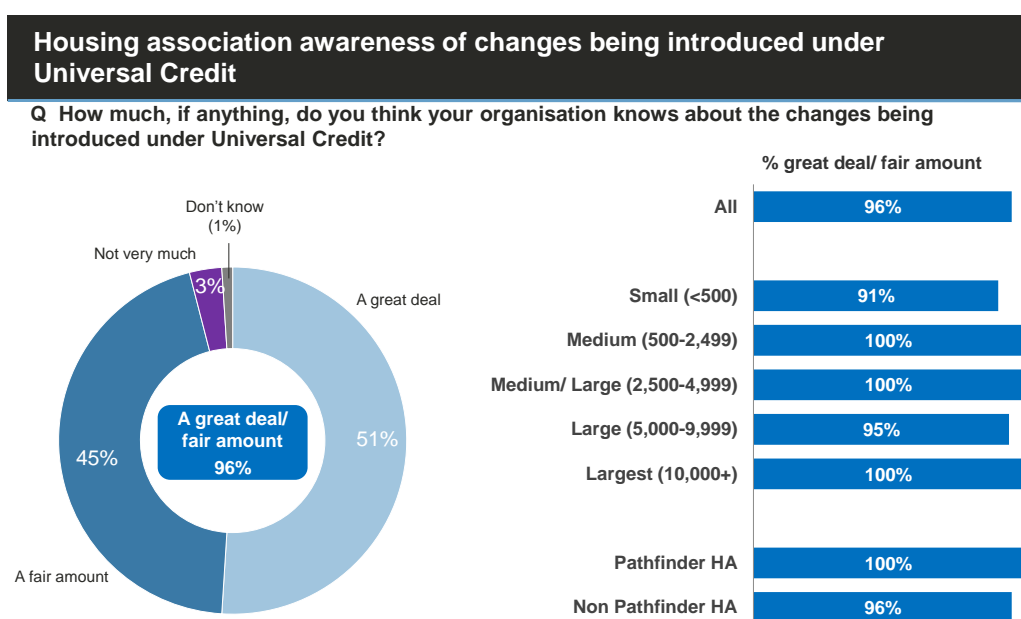
The replacement of existing out of work and in-work benefits for working age people (including housing association tenants) by a single benefit is a key component of welfare reforms. The introduction of Universal Credit (UC) started in April 2013 in the North West Pathfinder<sup>25</sup> with a phased introduction planned until 2017. Phasing of later stages of the UC rollout will be informed by completion of the IT systems required to administer this reform component.

Of all the main welfare reform components, the baseline survey indicated that the move to UC<sup>26</sup> was expected to significantly affect associations the most – some 81% of all associations believed they would be affected either a great deal or a fair amount. In this chapter current levels of awareness around the changes are considered as well as housing associations' concerns and levels of preparedness. Where appropriate we distinguish results between associations operating within the North West Pathfinder areas and those that aren't.

### Awareness of changes under Universal Credit

Awareness levels are high across the sector, with 96% of all associations saying their organisation knows a *great deal* or *fair amount* about the changes being introduced under UC. Furthermore, awareness levels are uniformly high across the sector with more than nine in ten associations of all sizes saying they know a great deal or fair amount. Results show no statistically significant variations between those operating in Pathfinder areas and not.

**Chart 7.1 Awareness of changes under Universal Credit among housing associations**



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<sup>25</sup> The four Universal Credit Pathfinder areas are Tameside, Oldham, Warrington, and Wigan. Six further areas are rolling out between October 2013 and spring 2014; Hammersmith in October, and Rugby and Inverness in November and expanding to Harrogate, Bath, and Shotton by spring 2014.

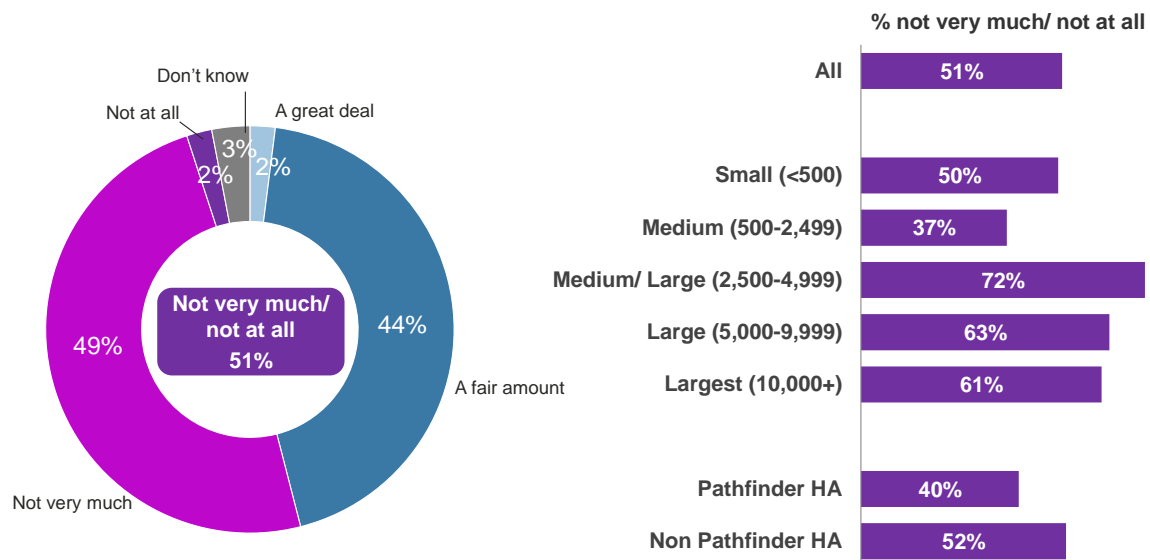
<sup>26</sup> Baseline survey referred to direct payments using the following: 'Overall, to what extent if at all do you think your organisation will be affected by the introduction of direct payments to tenants'?

However, fewer than half (46%) of associations perceive their tenants to know either a great deal or fair amount about the changes being introduced while more than half think their tenants don't know very much or nothing at all. There is greater variation across the sector on perceptions of tenant awareness with larger associations and those not currently operating in pathfinder areas more likely to consider their tenants to know little about UC changes.

**Chart 7.2 Perceptions of tenant awareness of changes under Universal Credit**

### Perceptions of tenant awareness of changes being introduced under Universal Credit

**Q And how much, if anything, do you think your tenants know about the changes being introduced under Universal Credit?**



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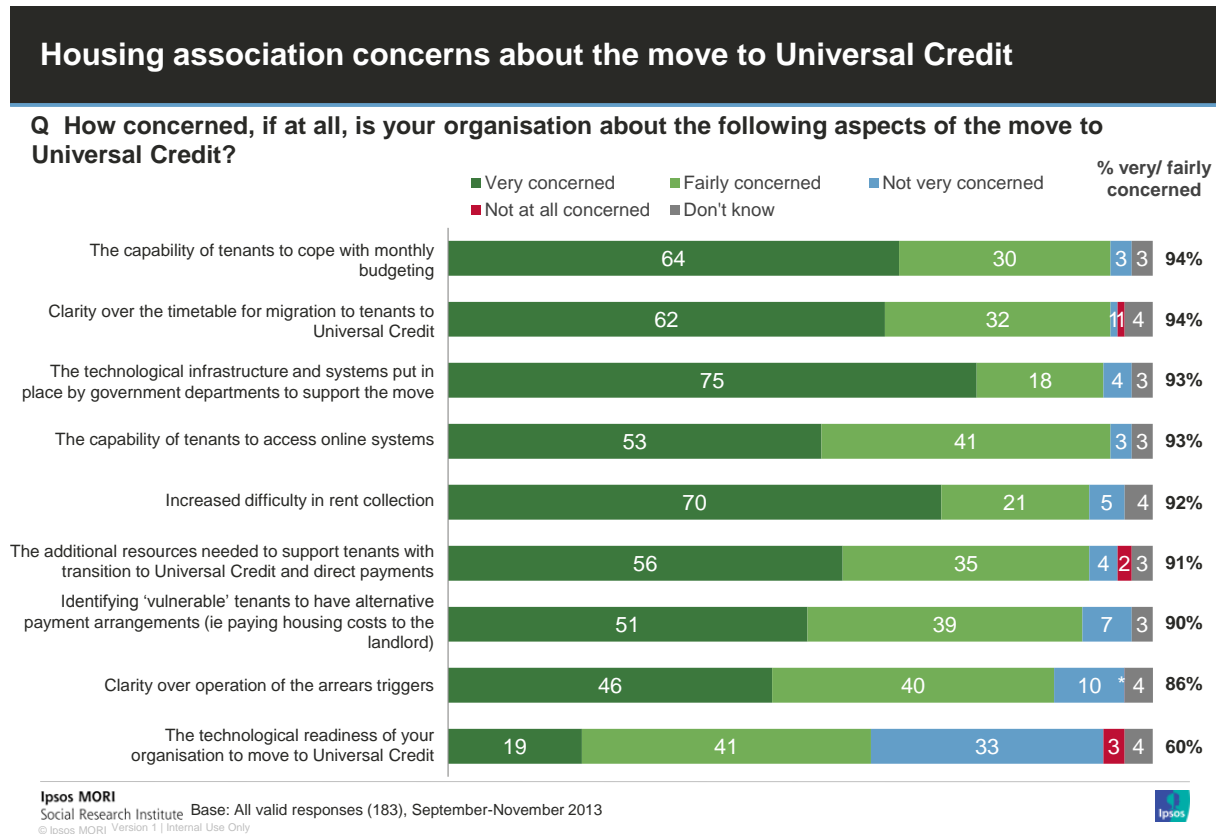


## Housing association concerns about the move to Universal Credit

More than nine in ten housing associations (94%) say they are concerned with the capability of their tenants to cope with monthly budgeting and the same proportion are concerned about the clarity of the timetable for migration to UC. There is a similar level of concern among housing associations around the IT systems to be put in place by government to support the move to UC (three-quarters say they are *very concerned* about this).

More than nine in ten associations are also concerned about the capability of tenants to access online systems, the increased difficulty in rent collection and the additional resources required to support the transition of tenants to UC. Fewer, but still a majority (60%) say they are concerned about their own technological readiness to move to UC.

**Chart 7.3 Housing association concerns about the move to Universal Credit**





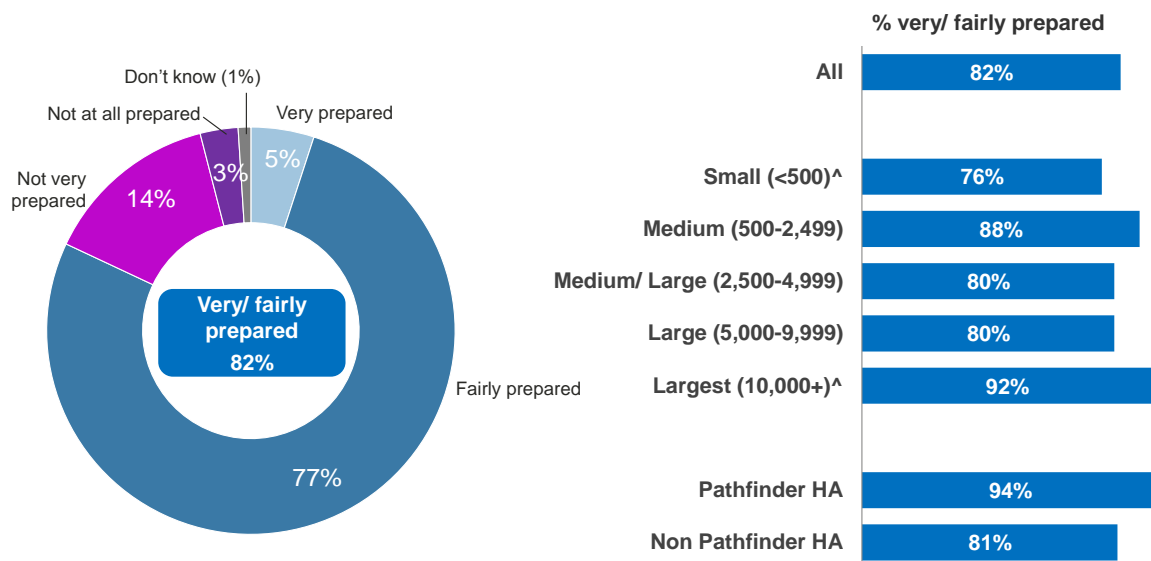
## The preparedness for Universal Credit

Taking everything into account more than four in five associations (82%) say their organisation is either *very* or *fairly* prepared for the introduction of UC. Stated levels of preparedness across the sector are high but those currently operating in Pathfinder areas and the largest associations indicate higher levels of preparedness than, in particular, the smallest associations.

**Chart 7.4 Preparedness of housing associations for Universal Credit**

### Housing association preparedness for Universal Credit

**Q Taking everything into account, how prepared, if at all, do you think your organisation is for the introduction of Universal Credit?**



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 Social Research Institute ^ A statistically significant difference between sub-groups  
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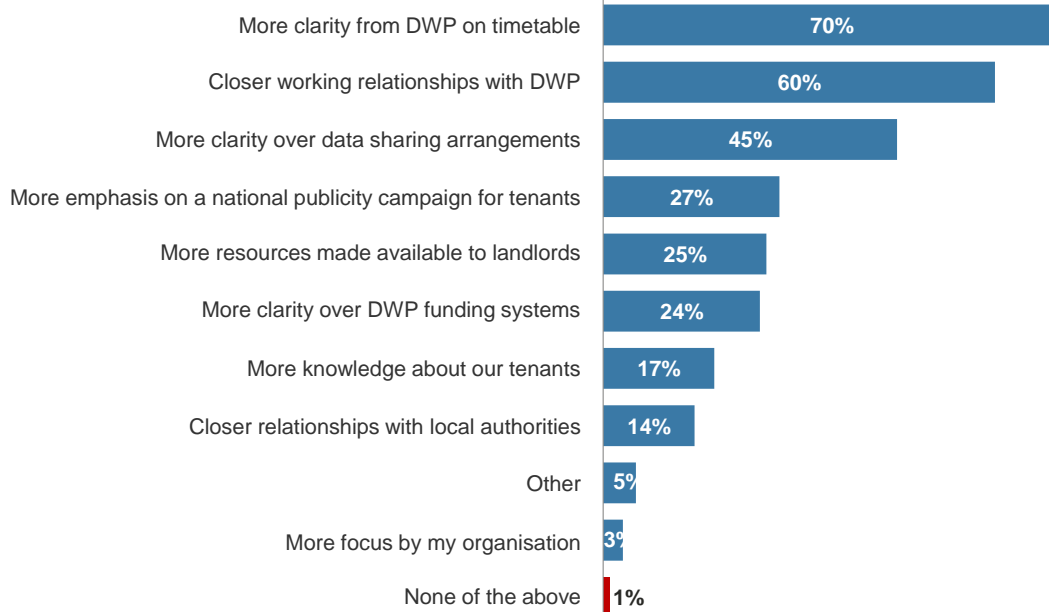
The most important aspects for associations to help improve preparedness are greater clarity from DWP on the timetable for the roll out, as well as closer working relationships with the Department. Just under half (45%) say greater clarity over data sharing arrangements will help, while more publicity, more resources for landlords and greater clarity over DWP funding streams are identified by around a quarter of associations.

Relative to other measures identified, far fewer associations identify knowing more about their tenants and having closer working relationships with local authorities as the most important measures to assist in preparing for the introduction of UC.

**Chart 7.5 Measures to improve preparedness for the introduction of Universal Credit**

### Measures to improve preparedness for the introduction of Universal Credit

**Q Which if any of the following would most help you be more prepared for the introduction of Universal Credit? Please select up to a maximum of three responses**



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Base: All who are not at all, not very or fairly prepared for introduction of Universal Credit (173), September-November 2013



# Appendices

# Appendix 1: Technical information

In Autumn 2013, an online survey of Federation member housing associations in England<sup>27</sup> were invited by Ipsos MORI to conduct a survey to assess the early impacts following introduction of the size criteria on 1<sup>st</sup> April 2013.

A total of 720 organisations were invited to complete the survey with invitations sent to Chief Executives on 30<sup>th</sup> September 2013. In addition to a link to the survey, the invitation also included a printable version of the questionnaire in anticipation that some responses would require the input of particular business areas within each organisation. To meet the requirements of the Data Protection Act, the introduction to the survey stated the purpose for which the data was being collected and the confidentiality assured to respondents.

The fieldwork period lasted for nearly six weeks during which time several reminders were issued to those organisations that had either not started or had not submitted their survey responses.

Fieldwork closed on 5<sup>th</sup> November 2013 and, in total, 183 responses were received, which after taking account of non-effective email addresses (a total of 32 email addresses were invalid, of which 26 were corrected), gives an adjusted response rate of 26%.

**Table A1.1: Online survey response rate**

Sample	Response
1. Total email invites	720
2. Non-effective email address	32
3. Rectified email addresses	26
4. Completed responses	183
<b>Adjusted response rate (4/ (1-(2-3))</b>	<b>26%</b>

## The questionnaire

The questionnaire was designed to collect a range of organisational data specifically relating to the size criteria and those affected by it as well as a broader range of organisational data covering aspects such as levels of outstanding arrears, evictions and estimated financial spend. The questionnaire also collected a range of perception based information relating to the introduction of the size criteria and landlord responses, as well as on wider issues such as the early effects of the Benefit Cap and preparedness for the introduction of Universal Credit.

<sup>27</sup> Members managing property for older people either exclusively or predominantly were not invited to take part in the survey given the reforms affect working age tenants. Associations dealing exclusively with supported housing were also excluded from the sample.

## Weighting

After fieldwork was completed, the profile of organisations who took part in the survey was compared with the national profile of general needs stock owned and managed by region using the latest available Statistical Data Return information.

The analysis shows that the sample of members invited to take part in the survey very closely matches the national profile. It also indicates that the response profile to the survey closely matches the Federation member sample profile, although over represents general needs stock in London, the North West and the East Midlands and under represents stock in the East of England and the South West. To correct for this imbalance, survey data has been weighted to the sample profile of general needs stock by region.

**Table A1.2: Regional profiles of General Needs stock nationally and for the survey sample and responses**

Region	National profile		Sample profile		Response profile	
	No <sup>1</sup>	%	No	%	No	%
East of England	205,443	10%	185,082	10%	98,588	8%
East Midlands	113,075	6%	97,234	5%	95,253	7%
London	344,799	17%	318,033	16%	225,846	18%
North East	128,636	6%	131,108	7%	90,138	7%
North West	399,925	20%	389,548	20%	279,729	22%
South East	287,283	14%	258,213	13%	157,580	12%
South West	184,441	9%	200,277	10%	107,913	8%
West Midlands	206,998	10%	200,810	10%	112,163	9%
Yorkshire and the Humber	156,977	8%	154,573	8%	106,593	8%
<b>TOTAL</b>	<b>2,027,577</b>	<b>100%</b>	<b>1,934,878</b>	<b>100%</b>	<b>1,273,803</b>	<b>100%</b>

<sup>1</sup> Profile based on regional profile of all PRP social stock bedspaces applied to total general needs managed stock of 2,027,577<sup>28</sup>

Data has also been weighted to correct for an under representation of smaller housing associations. A profile of smaller associations was derived using a combination of survey data and SDR data supplied with the sample. Based on the combination of these sources, it is estimated that smaller associations account for around 68% of all member associations.

The effect of the weighting is shown in the tables below comparing unweighted and weighted results for the key weighting variables.

<sup>28</sup> <http://www.homesandcommunities.co.uk/news/statistical-data-return>

**Table A1.3: Weighted and unweighted regional profile of General Needs stock for survey responses**

Region	Unweighted	Weighted
	%	%
East of England	7.7%	10.0%
East Midlands	7.5%	4.8%
London	17.7%	15.8%
North East	7.1%	7.4%
North West	22.0%	20.4%
South East	12.4%	13.2%
South West	8.5%	10.3%
West Midlands	8.8%	10.4%
Yorkshire and the Humber	8.4%	7.7%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

**Table A1.4: Weighted and unweighted profile by size of organisation**

Size band	Unweighted	Weighted
	%	%
Small/ Medium(<2,500)	42.6%	68.2%
Medium/large (2500 - 4999)	18.6%	13.6%
Large (5000 - 9999)	19.1%	10.8%
Largest (10000+)	19.7%	7.4%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

## Statistical reliability

The organisations that took part in the survey are only a sample of the total "population" of organisations, so we cannot be certain that the figures obtained are exactly those we would have if everybody had responded (the "true" values). We can, however, predict the variation between the sample results and the "true" values from knowledge of the size of the samples on which the results are based and the number of times a particular answer is given. The confidence with which we can make this prediction is usually chosen to be 95% - that is, the chances are 95 in 100 that the "true" value will fall within a specified range. The table below illustrates the predicted ranges for different sample sizes and percentage results at the "95% confidence interval" based on a population of 720 organisations. It is also important to note that the use of weighted data can impact on the effective size of the sample (both up and down) and consequently on the sample tolerances achieved.

Size of sample on which survey result is based	Approximate sampling tolerances applicable to percentages at or near these levels		
	10% or 90%	30% or 70%	50%
	±	±	±
100 responses	5.5	8.4	9.1
150 responses	4.3	6.6	7.1
183 responses	3.8	5.8	6.3

For example, with a sample size of 183 where 30% give a particular answer, the chances are, 19 in 20, the "true" value (which would have been obtained if the whole population had been interviewed) will fall within the range of  $\pm 5.8$  percentage points from the survey result (i.e. between 24.2% and 35.8%).

When results are compared between separate groups within a sample, different results may be obtained. The difference may be "real," or it may occur by chance (because not everyone in the population has been surveyed). To test if the difference is a real one - i.e. if it is "statistically significant", we again have to know the size of the samples, the percentage giving a certain answer and the degree of confidence chosen. If we assume "95% confidence interval", the differences between the results of two separate groups must be greater than the values given in the table below. In some cases in this report differences are reported between the results by region and size of association which, because of reduced sample sizes responding to each question, are indicative and not necessarily statistically significant.

**Size of samples compared****Differences required for  
significance  
at or near these percentage levels**

	10% or 90%	30% or 70%	50%
	±	±	±
50 and 50	11.5	17.5	19.1
75 and 75	9.2	14.0	15.3
100 and 75	8.5	13.0	14.1



## Appendix 2: Survey questionnaire

### Section A: About your organisation

#### A1

**ASK ALL:** Thinking about the general needs rented stock owned and/ or managed by your organisation **in England**, how many of the following do you have?

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
General needs tenancies overall		<input type="checkbox"/>	<input type="checkbox"/>
Tenancies that are of working age (under Pension Credit age, currently 61 years 8 months) on Housing Benefit (full or partial)		<input type="checkbox"/>	<input type="checkbox"/>

### Section B: Who is affected by the size criteria

From the 1<sup>st</sup> April, and as part of a wider programme of welfare reform, the Government introduced a policy that reduced the amount of Housing Benefit that those of working age and living in social rented housing receive if they are under-occupying. Throughout this survey we refer to this policy as the size criteria, although you may also know it as the 'Bedroom Tax' or the 'Removal of Spare Room Subsidy'.

#### B1

**ASK ALL:** How many, if any, of your general needs tenanted homes were affected by the size criteria when it was first introduced on 1<sup>st</sup> April 2013?

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
Number of general needs tenanted homes affected by the size criteria on 1 <sup>st</sup> April 2013		<input type="checkbox"/>	<input type="checkbox"/>

**B2**

**ASK ALL:** And to the best of your knowledge, how many, if any, of your general needs tenanted homes are **currently** affected by the size criteria (that is at the time of completing the survey)?

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
Number of general needs tenanted homes <b>currently</b> affected by the size criteria		<input type="checkbox"/>	<input type="checkbox"/>

**B2a**

**ASK IF B2>0:** How many, if any, of those **currently** affected by the size criteria are under-occupying by....

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
...1 bedroom		<input type="checkbox"/>	<input type="checkbox"/>
...2 or more bedrooms		<input type="checkbox"/>	<input type="checkbox"/>

**B2b**

**ASK IF B2>0:** And to the best of your knowledge, how many of those currently affected by the size criteria and under-occupying by one or more bedrooms.....

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
..have a disabled person in the household		<input type="checkbox"/>	<input type="checkbox"/>
..have a disabled person in the household and are living in property with adaptations		<input type="checkbox"/>	<input type="checkbox"/>

**B2c**

**ASK IF B2b\_2>0:** And to the best of your knowledge, how many of those currently affected by the size criteria and under-occupying by one or more bedrooms.....

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. Please note the total number in property with minor and/ or major adaptations should sum to the total number living in property with adaptations provided in the previous question.*

	Total	None	Not available
..have a disabled person in the household and are living in property with <b>minor adaptations</b> (e.g. less than £1,000 of adaptations)		<input type="checkbox"/>	<input type="checkbox"/>
..have a disabled person in the household and are living in property with <b>major adaptations</b> (e.g. £1,000 or more of adaptations)		<input type="checkbox"/>	<input type="checkbox"/>

**B3b**

**ASK ALL:** In total how many tenancies of working age (under Pension Credit age) and on Housing Benefit (full or partial) are **currently** (that is at the time of completing the survey) registered for downsizing...?

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
..in total (via a transfer and/ or a mutual exchange)		<input type="checkbox"/>	<input type="checkbox"/>
..via a transfer		<input type="checkbox"/>	<input type="checkbox"/>
..via mutual exchange		<input type="checkbox"/>	<input type="checkbox"/>

**B3c**

**ASK IF B3b\_1,2 or 3>0:** How many, if any, of those **currently** registered for downsizing are also affected by the size criteria?

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
..in total (via a transfer and/ or a mutual exchange)		<input type="checkbox"/>	<input type="checkbox"/>
..via a transfer		<input type="checkbox"/>	<input type="checkbox"/>
..via mutual exchange		<input type="checkbox"/>	<input type="checkbox"/>

**B4**

**ASK IF B1>0:** How many, if any, of your tenanted homes have **ceased** to be affected by the size criteria since 1<sup>st</sup> April 2013 because tenants have...?

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable. If you are unable to provide a breakdown but know the total number ceased to be affected, please complete the 'In total' field at the bottom*

	Total	None	Not available
..downsized via a transfer		<input type="checkbox"/>	<input type="checkbox"/>
..downsized via a mutual exchange		<input type="checkbox"/>	<input type="checkbox"/>
..taken up a Private Rented Sector tenancy		<input type="checkbox"/>	<input type="checkbox"/>
..increased their income through work so no longer claim Housing Benefit		<input type="checkbox"/>	<input type="checkbox"/>
..taken in a lodger or lodgers		<input type="checkbox"/>	<input type="checkbox"/>
..ceased to be affected for some other reason		<input type="checkbox"/>	<input type="checkbox"/>
In total		<input type="checkbox"/>	<input type="checkbox"/>

**B5**

**ASK IF B1>0 or B2>0:** At the time of completing the survey and since 1<sup>st</sup> April 2013, how many, if any, of those affected by the size criteria have.....?

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
....made one or more claims to a Local Authority for Discretionary Housing Payment		<input type="checkbox"/>	<input type="checkbox"/>
.....been awarded a Discretionary Housing Payment		<input type="checkbox"/>	<input type="checkbox"/>

**B6**

**ASK IF B5\_1>0:** Thinking about the time between when a tenant first applies to a Local Authority and the decision on the award of Discretionary Housing Payment, in your experience how long do the majority of claims take to process?

1. 1-6 weeks
2. 7-12 weeks
3. 13+ weeks
4. Don't know

**B6a**

**ASK IF B5\_1>0:** At the time of completing the survey and since 1<sup>st</sup> April 2013, how many, if any, of those affected by the size criteria and living in adapted property have been awarded a Discretionary Housing Payment and how many making a claim have not been awarded a DHP?

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
Number affected by the size criteria and living in adapted property and awarded a DHP		<input type="checkbox"/>	<input type="checkbox"/>
Number affected by the size criteria and living in adapted property making a claim and <b>NOT awarded</b> a DHP		<input type="checkbox"/>	<input type="checkbox"/>

**B7**

**ASK IF B5\_1>0:** Generalising across the local authorities in which you work, overall how easy or difficult has it been for tenants to manage the Discretionary Housing Payment application process?

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult
6. Don't know
7. Not applicable

**B8**

**ASK ALL: In your general needs stock,** what was the total amount (in £) of arrears outstanding...

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
...on 31 <sup>st</sup> December 2012		<input type="checkbox"/>	<input type="checkbox"/>
...on 31 <sup>st</sup> March 2013		<input type="checkbox"/>	<input type="checkbox"/>
...currently outstanding (at the time of completing the survey)		<input type="checkbox"/>	<input type="checkbox"/>

**B9**

**ASK ALL:** In total, how many general needs tenancies that are of working age and on Housing Benefit...

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
...were in arrears at 31 <sup>st</sup> December 2012		<input type="checkbox"/>	<input type="checkbox"/>
...were in arrears at 31 <sup>st</sup> March 2013		<input type="checkbox"/>	<input type="checkbox"/>
...are in arrears at the current time		<input type="checkbox"/>	<input type="checkbox"/>

**B10**

**ASK IF B9\_3 >0:** Of those of working age and on Housing Benefit **currently** in arrears, how many, if any, are affected by the size criteria?

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
Number of working age on Housing Benefit currently in arrears and affected by the size criteria		<input type="checkbox"/>	<input type="checkbox"/>

**B10a**

**ASK IF B10 >0:** And of those of working age and on Housing Benefit **currently** in arrears and affected by the size criteria, how many, if any,...

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
...were in arrears at 31 <sup>st</sup> March 2013 (ie before the introduction of the size criteria)		<input type="checkbox"/>	<input type="checkbox"/>
...are currently in arrears due to a failure to pay the size criteria shortfall		<input type="checkbox"/>	<input type="checkbox"/>

**B10b**

**ASK IF B10 >0:** Of those currently in arrears and affected by the size criteria, how many have seen their arrears increase, decrease or stay the same since 1<sup>st</sup> April 2013?

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable. Please note the total number should sum to the total number who are in arrears at the current time.*

	Total	None	Not available
...increase		<input type="checkbox"/>	<input type="checkbox"/>
...decrease		<input type="checkbox"/>	<input type="checkbox"/>
...stay the same		<input type="checkbox"/>	<input type="checkbox"/>

**B11**

**ASK IF B10 >0:** Still thinking about those currently in arrears and affected by the size criteria, how many, if any, of these.....

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
...have been issued with an intention to seek possession (NOSP)		<input type="checkbox"/>	<input type="checkbox"/>
...have been evicted		<input type="checkbox"/>	<input type="checkbox"/>

**B11a**

**ASK IF B10a\_2 >0:** And still thinking about those currently in arrears and affected by the size criteria and who are in arrears due to a failure to pay the size criteria shortfall, how many, if any, of these.....

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
...have been issued with an intention to seek possession (NOSP)		<input type="checkbox"/>	<input type="checkbox"/>
...have been evicted		<input type="checkbox"/>	<input type="checkbox"/>

**B12**

**ASK ALL:** In total, how many enforced evictions of Housing Benefit claimants due to arrears were there during the 2012/13 financial year?

*Please write the number in the space provided or tick 'none' or 'Not available' as appropriate. An estimate is also acceptable.*

	Total	None	Not available
Number of enforced evictions of Housing Benefit claimants due to arrears during the 2012/13 financial year		<input type="checkbox"/>	<input type="checkbox"/>

## Section C: Impacts of the introduction of the size criteria

**C1**

**ASK ALL:** To what extent, if at all, have the following occurred **because of** the introduction of the size criteria since 1<sup>st</sup> April 2013?

1. A great deal
  2. A fair amount
  3. Not very much
  4. Not at all
  5. Don't know
- a. An increase in the number of existing tenants requesting a transfer to a smaller social sector home
  - b. An increase in the number of tenants moving to the private rented sector
  - c. An increase in demand from new applicants for smaller property
  - d. A fall in your total rental income
  - e. Increased difficulty in rent collection
  - f. A rise in the level of arrears
  - g. A rise in the number of evictions due to arrears



**C2**

**ASK ALL:** Are you able to quantify how much, if anything, your organisation as a whole has spent/will spend on additional resources to deal with the introduction of the size criteria up to April 2013 and separately between April 2013 to April 2014?

*Please write the amount in the space provided and use 0 where the response is 'none' or tick the 'Not available' response. An estimate is also acceptable.*

	Up to April 2013	Not available	2013-2014	Not available
Rent collection costs	£	<input type="checkbox"/>	£	<input type="checkbox"/>
IT costs (inc new transaction methods)	£	<input type="checkbox"/>	£	<input type="checkbox"/>
Financial capability/ inclusion programme costs (eg debt advice)	£	<input type="checkbox"/>	£	<input type="checkbox"/>
Employment/ work skills programme costs	£	<input type="checkbox"/>	£	<input type="checkbox"/>
Other welfare advice costs	£	<input type="checkbox"/>	£	<input type="checkbox"/>
Legal costs	£	<input type="checkbox"/>	£	<input type="checkbox"/>
Any other associated costs	£	<input type="checkbox"/>	£	<input type="checkbox"/>

**C3**

**ASK ALL:** How likely, if at all, do you think it is that increased debt arising from the introduction of size criteria will make it harder to meet your loan covenants?

1. Very likely
2. Fairly likely
3. Not very likely
4. Not at all likely
5. Don't know
6. Rather not say

**C4**

**ASK ALL:** If you are developing under the Affordable Homes Programme (up to 2015) to what extent do you think the introduction of the size criteria has made it harder to deliver your commitments under the Affordable Homes Programme?

1. A great deal
2. A fair amount
3. Not very much
4. Not at all
5. Don't know
6. Not part of the Affordable Homes Programme

**C4a**

**ASK IF C4 < 6:** And to what extent do you think the introduction of the size criteria will make it harder to deliver affordable homes after 2015?

1. A great deal
2. A fair amount
3. Not very much
4. Not at all
5. Don't know

**C5**

**ASK ALL:** Overall, to what extent, if at all, do you think your organisation has been affected by the introduction of the size criteria?

1. A great deal
2. A fair amount
3. Not very much
4. Not at all
5. Don't know

## Section D: Responses to the introduction of the size criteria

### D1

**ASK ALL:** Which, if any, of these changes has your organisation made in direct response to the introduction of the size criteria?

**Additional assistance:**

1. Provided additional money advice to tenants
2. Provided more resource for arrears management
3. Provided more resource to help tenants into work or to develop their employment skills
4. Provided additional advice/ assistance to existing tenants looking to move
5. Provided additional advice/ assistance to new applicants for housing
6. Provided additional financial support to tenants through your own hardship funds
7. Provided additional pre-tenancy support to prospective new tenants

**Additional intelligence:**

8. Undertook further customer analysis to identify and target under-occupiers

**Policy responses:**

9. Changed policy to stop any new letting where the tenant would under-occupy
10. Changed allocations policy (eg prioritising under-occupiers wishing to move)
11. Re-classification of a significant number of properties to a smaller number of bedrooms
12. Encouraged people to consider taking a lodger
13. Amended arrears policy to be more flexible/ lenient where arrears have arisen because of the size criteria
14. Amended arrears policy to take speedier action to avoid arrears arising through the size criteria
15. Amended arrears policy to allow tenants whose benefit has reduced as a result of the size criteria to carry a certain level of arrears until a viable alternative (eg downsizing) can be obtained
16. Considered not implementing the full permissible rent increase across all stock

**Strategic response:**

17. Changed the planned current development programme to 2015
18. Shifted towards housing new tenants who are in work
19. Shifted towards housing new tenants of pension age
20. Other (Please specify)
21. None of the above

### D2

**ASK ALL:** Has your organisation re-classified the number of bedrooms in any stock in direct response to the introduction of the size criteria? (Please do NOT include cases where you did this solely because you discovered that your records were incorrect, for instance because of adaptations that had taken place previously)

1. Yes
2. Not yet but are planning to do so
3. No
4. Don't know

**D2a**

**ASK IF D2=1:** How many properties has your organisation re-classified in direct response to the introduction of the size criteria?

*Please write the number in the space provided or tick 'Not available'. An estimate is also acceptable.*

	Total	Not available
Number of properties re-classified		<input type="checkbox"/>

**D3**

**ASK IF D2=1 OR 2:** Which of the following best describes your organisation's approach to reclassifying? Did you reclassify...

1. All properties of a similar type, regardless of who is living in them
2. Only properties occupied by tenants affected by the size criteria
3. Only on request/ individual basis
4. A mixture of the above
5. In some other way
6. Don't know

**D4**

**ASK ALL:** Has your organisation changed its allocations policy due to the size criteria to give greater priority to tenants wishing to downsize?

1. Yes, for all downsizers
2. Yes, just for those affected by the size criteria
3. No, already received greater priority
4. No
5. Do not have an allocations policy
6. Don't know

**D5**

**ASK ALL:** Does your organisation allow tenants with arrears caused by the size criteria, to downsize?

1. Normally yes
2. Normally no
3. Sometimes, but not always
4. Don't know

**D6**

**ASK ALL:** Since the introduction of the size criteria has your organisation changed its planned development programme to give more prominence to the development of smaller one and two bedroom properties than before the changes?

1. Yes
2. Not yet but are planning to do so
3. No
4. Don't know
5. Not applicable, no planned development programme

**D7**

**ASK ALL:** To the best of your knowledge, since the introduction of the size criteria has the number of tenants taking a lodger increased, stayed the same or decreased?

1. Increased
2. Stayed about the same
3. Decreased
4. No tenants previously applied for permission to take a lodger
5. Don't know

## **Section E: Early effects of the benefit cap**

One of the changes the Government is introducing will mean capping the total amount of benefits that any working age household with no-one in work can receive a year. The roll out of this policy started in August and will apply to all local authorities across the country by the end of September. This welfare reform is referred to as the benefit cap.

**E1**

**ASK ALL:** To what extent, if at all, has your organisation seen the following occur because of the introduction of the **benefit cap**?

1. A great deal
  2. A fair amount
  3. Not very much
  4. Not at all
  5. Don't know
- 
- a. An increase in the number of existing tenants requesting a transfer
  - b. An increase in demand from existing tenants for smaller property
  - c. A fall in your total rental income
  - d. Increased difficulty in rent collection
  - e. A rise in the level of arrears
  - f. A rise in the number of evictions due to arrears
  - g. An increase in family separation
  - h. An increase in demand for housing from people living in the private rented sector.

**E2**

**ASK ALL:** Has your organisation changed its allocations policy to give greater priority to tenants affected by the benefit cap for internal transfers?

1. Yes
2. No
3. Do not have an allocations policy
4. Don't know

**E3**

**ASK ALL:** Overall, what proportion of your tenants on Housing Benefit have had their Housing Benefit reduced as a result of the introduction of the **benefit cap**?

*Please write the percentage in the space provided or tick 'Not available'. An estimate is also acceptable.*

	%	None	Not available
Proportion of tenants on Housing Benefit whose Housing Benefit has been reduced as a result of the introduction of the benefit cap		<input type="checkbox"/>	<input type="checkbox"/>

**E3a**

**ASK IF E3 >0:** And what proportion of your tenants on Housing Benefit have had their Housing Benefit payment reduced by the following amounts as a result of the introduction of the **benefit cap**?

*Please write the percentage in the space provided and use 0 where the response is 'none' or use the 'Not available' response.*

	%	
£1-£49 per week reduction in Housing Benefit		
£50-£99 per week reduction in Housing Benefit		
£100+ per week reduction in Housing Benefit		
Not available		

## Section F: Preparing for Universal Credit

**F1**

**ASK ALL:** How much, if anything do you think **your organisation** knows about the changes being introduced under Universal Credit?

1. A great deal
2. A fair amount
3. Not very much
4. Not at all
5. Don't know

**F2**

**ASK ALL:** And how much, if anything do you think **your tenants** know about the changes being introduced under Universal Credit?

1. A great deal
2. A fair amount
3. Not very much
4. Not at all
5. Don't know

**F3**

**ASK ALL:** How concerned, if at all, is your organisation about the following aspects of the move to Universal Credit?

1. Very concerned
  2. Fairly concerned
  3. Not very concerned
  4. Not at all concerned
  5. Don't know
- 
- a. The technological readiness of your organisation to move to Universal Credit
  - b. The capability of tenants to cope with monthly budgeting
  - c. Clarity over the timetable for migration of tenants to Universal Credit
  - d. The capability of tenants to access online systems
  - e. The technological infrastructure and systems put in place by government departments to support the move to Universal Credit
  - f. Identifying 'vulnerable' tenants to have alternative payment arrangements (ie paying housing costs to the landlord)
  - g. Clarity over operation of the arrears triggers
  - h. Increased difficulty in rent collection
  - i. The additional resources needed to support tenants with transition to Universal Credit and direct payments

**F4**

**ASK ALL:** Taking everything into account, how prepared, if at all, do you think your organisation is for the introduction of Universal Credit?

1. Very prepared
2. Fairly prepared
3. Not very prepared
4. Not at all prepared
5. Don't know

**F5**

**ASK IF F4=2 TO 4:** Which if any of the following would **most** help you be more prepared for the introduction of Universal Credit? Please select up to a maximum of three responses.

1. More focus by my organisation
2. More clarity from DWP on timetable
3. More knowledge about our tenants
4. More clarity over DWP funding systems
5. More resources made available to landlords
6. More clarity over data sharing arrangements
7. More emphasis on a national publicity campaign for tenants
8. Closer working relationships with DWP
9. Closer relationships with Local Authorities
10. Other (Please specify)

**Section G: Any other comments and re-contact**

**G1**

**ASK ALL:** In the light of the issues covered in this survey, is there anything else you would like to add? We welcome your comments on any other aspects related to the impact of the reforms and the work you are doing to prepare that has not already been covered by earlier questions.

**G2**

**ASK ALL:** This welfare reform impact assessment will be running until Autumn 2014 and we are keen to contact participants in this survey again over the coming months to follow-up on welfare reform related issues as they arise. Would you be happy to be contacted again as part of this research?

1. Yes
2. No

**IF G2=YES:** Contact details to be recorded:

1. Name
2. Job title
3. Organisation name
4. Address
5. E-mail
6. Telephone number

**THANK YOU FOR PARTICIPATING IN THE SURVEY**



