

## Housing Benefit Expenditure Increase

The 2013/14 mid year housing benefit expenditure shows an increase from the budgeted amount. The budgeted amount was £85.556 million and the mid year estimate was £98.323 million. The mid year estimate was based on actual expenditure figures as at week 18.

The DWP queried our estimate and stated that they thought it was high, so we undertook some analysis on caseload and rent levels.

### Caseloads

We identified that whilst the caseload for housing association claimants remained fairly static since April 2012 but caseload for private rented sector claims have increased by over 5% over the past 18 months – (from June 12 to June 13 there was over a 5% increase in claims). Claims for non-HRA rent rebate (bed and breakfast and licenced accommodation) have also increased over the past 18 months

See caseload data below:

### **Caseload:**

Month	HB Total	PRS	RSL	% rise	RR	% rise
Aug-13	13678	5963	7637	1%	78	26%
Jun-13	13650	5963	7624		63	
Mar-13	13567	5905	7600	2%	62	15%
Dec-12	13492	5753	7671		68	
Sep-12	13432	5695	7678		59	
Jun-12	13370	5666	7647		57	
Apr-12	13271	5597	7620		54	

PRS - private rented sector,  
RSL - registered social landlord,  
RR - rent rebate

### Rent levels

Our largest housing associations had relatively high rent increases in April 13:  
Merton Priory Homes - in excess of 5%  
MOAT (old Pollards Hill housing stock) – between 4-5%  
Wandle Housing Association - approximately 3%

In addition, the majority of our LHA room rates increased by just over 2% from April 12 to April 13.

As an example of the impact on expenditure, one claim for housing benefit based on a 2 bedroom LHA rate in Raynes Park, where the claimant was in receipt of full benefit would add approximately £13,500 to the total expenditure.

We have adjusted down our estimated expenditure to take account of the impact of the implementation of the benefit cap and the reduction in housing benefit. The DWP have accepted our estimated expenditure.