

# Local Housing Allowance

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# LHA

- **October 2002 Central Government announced a programme of reform to Housing Benefits**
- **Part of the Green Paper published January 2006 -**
- **‘A New Deal for Welfare: Empowering People to Work’**
- **Sets out the plans for future benefit reform – including a section on Housing Benefit.**
- **Local Housing Allowance**

# LHA

- **De-regulated Private Rented Sector Only**
- **9 Pathfinder Authorities initially – Building choice and responsibility – a radical agenda for Housing Benefits (Nov 03 – Feb 04)**
- **9 Second Wave Authorities (Apr – Jul 05)**
- **Pathfinders evaluation**
- **Scheme proposed - will begin to be rolled out in private sector rentals by 2008.**

## What are the main Aspects of the LHA Scheme

- **Payments direct to tenants**  
(in pathfinders 87% of tenants receive HB themselves)
- **Standard figures according to household size**  
(broad rental market areas set by the Rent Officer)

# LHA

## Current HB Scheme

- HB tied to actual rent
- Complex Rent Officer Restrictions
- Maximum HB amount not known
- Different amounts
- Usually paid to Landlord

## LHA

- Based on area in which they live and number of occupiers in their property
- No Rent Officer restriction/referral
- HB amount (LHA) published monthly
- Same amounts
- Usually paid to Claimant

# LHA

## Aims of LHA

- Fairness

Designed to pay the same amount to tenants with similar circumstances living in the same area

- Choice

Tenants able to trade between quality & price of accommodation

- Transparency

Scheme makes it easier for tenants to find out in advance how much rent could be covered by HB

# LHA

- **LA's must calculate a maximum rent (also known as standard local rate)**
- **Claimant's maximum rent will be the LHA that they are entitled to**
- **No involvement of Rent Officer Service**
- **Maximum rent = claimant's eligible rent for benefit purposes**

## Size is Important

- **Size criteria allows for every occupier**
- **Claimant / Partner**
- **Claimants benefit family**
- **Everyone who would normally reside there**  
(Non dependants / boarders / joint tenants / Carers, etc.)
- **Child – split parents (normally parent receiving Child Ben)**

## Size Criteria

### 1 bedroom for:

**every adult couple**

**any other adult aged 16 or over**

**any 2 children regardless of sex aged under 10**

**any other child**

### Living Rooms:

**1-3 occupiers entitled to 1**

**4-6 occupiers entitled to 2**

**7 or more entitled to 3**

**The total number of rooms (bedrooms + Living rooms) determines the rate of Local Housing Allowance claimant qualifies for.**

# LHA

## **In what circumstances are Landlords paid direct?**

- **Existing Reg 94 for claimants to choose to have their rent paid to the Landlord is removed**
- **Tenants who are 8 weeks in arrears**
- **Tenants who are deemed to be vulnerable or unlikely to pay their rent**  
**Housing Benefit Officers decide on the vulnerability issue – after evidence seen**

**Benefit Officers to assist in finding suitable bank account availability for claimants – involve family & social support workers in assisting claimants to have rent payments made direct to them**

# LHA

## Future of Scheme

- **DWP now stating ‘We will develop a scheme suitable for nationwide rollout’**
- **RSL’s – Green Paper states proposals need to be developed over a longer timescale – unlikely to see LHA in Social Housing Sector for foreseeable future**

# LHA



**Any Questions?**