

All change for Housing Benefit?

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Reminder of LHA Aims and Objectives

- Choice
- Transparency
- Fairness
- Personal Responsibility
- Financial Inclusion
- Improved Administration
- Remove barriers to work

Key features of LHA

- Payments direct to claimant unless LA considers claimant is vulnerable.
- LHA level based on composition of household using size criteria set out in regulations.
- LHA figures set by Rent Officer using the median rental value of similar sized property in Broad Rental Market Areas

Key features of LHA (continued)

- Excess LHA above the actual contractual rent is capped at £15 per week.
- Where LHA is paid to the landlord because of the vulnerability of the claimant the excess cannot be included.
- 'Roll out' of new LHA scheme restricted to new claimants and those who change address.

LHA

Administrative Issues for LAs

- Helping LHA tenants to open Bank Accounts
- Safeguard Policy for Vulnerable tenants
- Split Payments for Vulnerable Tenants
- Old and New Schemes running side by side
- Pressure on Discretionary Housing Payment budgets to top up shortfalls in new Local Reference Rents
- Split Overpayments – Double LA recovery work

LHA

Issues for old scheme HB claimants

- New Local Reference Rent on 52nd week annual referral because of introduction of BRMA
- Pressure on some HB claimants by some landlords to move out so that a new tenant can claim higher LHA

LHA

General Developments

- Landlords beginning to increase rents up to LHA level irrespective of quality of accommodation.
- Reports of landlord arrears beginning to rise
- Claimants occupying smaller accommodation than basic requirement in order to obtain excess.

Recent HB Developments

- 21st May 2008

DWP advice on 'breaks in claims'

- 30th July 2008

House of Lords Appeal judgement

Heffernan v The Rent Service

- October 2008

Change in Backdating provisions

Phasing in of ESA

Housing Benefit

The Future

- Review of Temporary Accommodation Subsidy to apply from 2010/11
- Review of Housing Benefit (Working Age)
- LHA Evaluation after first 2 years
- The impact of the 'credit crunch' on HB expenditure (ie more unemployment, more claims, higher expenditure)

Review of HB

Possible options

- LHA features introduced into social rented sector caseload (ie standard rates of benefit, size criteria, direct payments, etc)?
- Changes in delivery of HB (who, where, single claim for all benefits ,etc)?
- Tinkering with existing scheme (ie treatment of non-deps ,changing the basis of the calculation, etc)?
- Finally addressing the 'poverty trap' (ie less aggressive tapers, updated earnings disregards)?

Q/A

- General discussion on impact of recent changes and options for future change