

# Local Housing Allowance

Shelter Conference

27<sup>th</sup> August 2008

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# LHA Aims and Objectives

- Choice
- Transparency
- Fairness
- Personal Responsibility
- Financial Inclusion
- Improved Administration

# LHA Aims and Objectives (continued)

- Remove barriers to work

# LHA

## The Pathfinders

■ Blackpool	Nov 2003
■ Lewisham	Dec 2003
■ Coventry	Jan 2004
■ Teignbridge	Jan 2004
■ Brighton and Hove	Feb 2004
■ Conwy	Feb 2004
■ Edinburgh	Feb 2004
■ Leeds	Feb 2004
■ N.E. Lincolnshire	Feb 2004

# 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 52<sup>nd</sup> 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.

# LHA-Recent Developments

- Bulletin GIO  
21<sup>st</sup> May 2008  
DWP advice on 'breaks in claims'
- House of Lords Appeal judgement  
30<sup>th</sup> July 2008  
Heffernan v The Rent Service

# LHA

## The way ahead

- Review of Housing Benefit (Working Age)
- LHA Evaluation after first 2 years

# LHA

- General discussion on the LHA experience of workshop group participants to date.