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## Housing Benefit Reform

Broad Rental Market Areas and the  
Median Local Housing Allowance

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## Local Housing Allowance

- Broad Rental Market Area
- LHA set each month
- Flat Rate According to Household Size & Location
- Set locally by Rent Officers based on Local rents
- Rates Published so Tenants know how much will get
- Clearer for Tenants & Landlords

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- **The tenants is entitled to one bedroom for:**
- every adult couple (married or unmarried)
- any other adult aged 16 or over
- any two children of the same sex aged under 16
- any two children regardless of sex aged under 10
- any other child.

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## Definition of BRMA

(a) comprising two or more distinct areas of residential accommodation, each distinct area of residential accommodation adjoining at least one other in the area;

b) within which a person could reasonably be expected to live having regard to facilities and services for the purposes of health, education, recreation, personal banking and shopping, taking account of the distance of travel, by public and private transport, to and from facilities and services of the same type and similar standard.

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c) containing residential premises of a variety of types, and including such premises held on a variety of tenancies.

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## Determining the BRMA

- Health
- Education
- Recreation
- Banks
- Shopping

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## Health

Rent officers will, for example, identify and map:

- Hospitals
- GP surgeries
- Dentists
- Opticians
- Pharmacists
- Any other relevant facilities

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## Education

Rent officers will, for example, identify and map:

- Nurseries
- Primary Schools
- Secondary Schools
- Colleges
- Universities



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## Recreation

Rent officers will identify and map, for example:

- Local facilities such as parks
- Sports centres and clubs
- Professional sporting venues
- Theatres
- Any specific local attraction

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## Banking & Shopping

Rent officers plan to identify:

- Availability of banks and ATM points
- Convenience stores
- Supermarkets

Rent officers will identify and map:

- Post Offices
- Major retail centres

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## The Local Housing Allowance

- Collect lettings information from all of the private rented sector within the BRMA
- Ensure the information used to determine the LHA is representative of the local PRS market
- Access all markets & use all available data to ensure that the stability of the market is reflected in the LHA
- It is a median and is described by the number of bedrooms

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Even

- £50.00
- £60.00
- £90.00
- £95.00
- £105.00
- £105.00
- £150.00
- £150.00
- £200.00
- £200.00
- £200.00
- £260.00

£127.50

## The Median LHA

- The median rent is the rent that is halfway up the distribution of all rents in an area.

Odd

- £50.00
- £60.00
- £90.00
- £95.00
- £105.00
- £105.00
- £150.00
- £150.00
- £200.00
- £200.00
- £200.00

£105.00

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## Payment

- Direct to claimant
- Promoting bank accounts
- 2 weekly in arrears
- BACS or crossed cheque
- 8 weeks arrears
- Data Protection
- £15 Limit

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## **LHA-Direct**

A joint project between:

- The Rent Service for England
- The Rent Registration Service for Scotland
- The Rent Officer Service for Wales

Funded by DWP

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## Heffernan Decision

Applies only to LRR decisions on referrals

Does not effect BRMAs

Referrals may take longer to process

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## Churn Rate

Has been higher than expected, thus less referrals expected (46% down so far)

May speed up transfer of all claims to LHA

LHA-Direct website being used to set rents



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## To summarise the RRS is -

- Determining, mapping and publishing broad rental market areas
- Collecting lettings information that is representative of the markets local to the BRMA
- Consulting customers and stakeholders
- Providing a transparent service