



Mencap briefing on the changes to the Local Housing Allowance

March 2011

Glossary of terms

Local Housing Allowance: The Local Housing Allowance is a benefit that pays or helps to pay for someone's rent. It is a form of housing benefit for people who live in the private rented sector.

Private rented sector/ private landlord: There are a number of different types of landlords ranging from social landlords to local authority landlords and private landlords. The latter are people like you and me, who own a home and rent it out to a tenant. It means that the money goes to them as a private individual. The private rented sector is a term to describe all private landlords together as a group.

Overview

The government agenda is driven by the aim to reduce public spending, particularly on benefits. One of the key targets for their cuts programme is housing benefit, which in government's opinion has reached unsustainable levels. As a result of this, the government has announced a range of new regulations and changes to the law, both for the social housing and the private housing sector. While there is some good news for those renting from a private landlord and needing an additional bedroom for a carer to sleep over, housing benefit entitlement will for many be reduced. Some of these changes have already been introduced while others are still to come.

This briefing provides an overview of the changes to the Local Housing Allowance, which pays for rent in the private rented sector if you need support to pay it, which will come into effect from April 2011, and what Mencap thinks about them.

Background

Mencap strongly believes that people with a learning disability should have more choice in where and with whom they live and should have the right to live independently. In order to increase the range of options available to people with a learning disability, organisations such as Golden Lane Housing and Mencap have been working with the private landlords to open up this housing option for people with a learning disability.

The private rented sector has traditionally been very difficult for people with a learning disability to access. Not only are landlords wary of tenants depending on housing benefit to pay their rent, they are also known for being unwilling to let their properties to people with a learning disability, mostly because they are unsure as to what it involves. The cuts to the local housing allowance will most likely only exacerbate the problem at a time when the private rented sector is increasingly promoted as an option for all sections of society.

What's changed?

At the end of last year, the government laid regulations introducing a range of changes to the Local Housing Allowance, which pays your rent if you rent from a private landlord. The new regulations make changes to the Rent Officers (Housing Benefit Functions) Order 1997 and the Scottish equivalent.

As a result of the changes the following will be true if you rent a flat from a private landlord from 1 April 2011:

- The maximum level of Local Housing Allowance you can get will be a four bedroom rate; this is a reduction from the 5-bedroom rate that has until now been available
- The most Local Housing Allowance rate you will be able to claim will be £250 for a one bedroom property, £290 for a two bedroom property, £340 for a three bedroom property and £400 for a four bedroom property
- All Local Housing Allowance rates will be set at the 30th percentile of all rents in the local area, rather than the median level. This ultimately means that the rate at which the Local Housing Allowance is set in your area will most likely be lower than it used to be.
- You will also no longer be able to keep up to £15 per week of your housing benefit should you find a flat that is cheaper than the Local Housing Allowance rate.
- If you are a disabled person, or someone with a long term health condition, receive middle or higher rate DLA and have a proven need for overnight care and this care is provided by a non-resident carer who requires a bedroom, then you will be entitled to housing benefit to pay for one extra room.
- Your Local Housing Allowance may be paid directly to the landlord rather than yourself.

Mencap had great concerns about what would happen to those who currently rent a flat at the current LHA level, and who would suddenly receive less money to pay for their rent. We now know that the amendment regulations provide up to nine months of transitional protection from the changes to Local Housing Allowance rates to claimants who claim Housing Benefit before 1 April 2011. This will clearly help those who currently pay more, but will only really delay the move to a cheaper flat that many people will have to undertake.

The reductions in Local Housing Allowance rates if you already rent a property from a private landlord and pay for it with the Local Housing Allowance will normally apply from the anniversary of your claim. But you will now be protected for a further nine months from that date. However, if you have a change in the composition of your household that affects your Local Housing Allowance rate before your anniversary, you will be assessed under the new rules from that date. In these cases you will only be transitionally protected for a further nine months if the change means you are entitled to the Local Housing Allowance rate for a larger property and they would be better off if their previous Local Housing Allowance rate were used.

What Mencap thinks

Mencap has been campaigning against the changes to the Local Housing Allowance as we believe that it will make it difficult for people with a learning disability to rent a suitable home in a safe environment. We are concerned that it will mean that individuals with a learning disability will have to move further away from their informal support networks, leaving them more vulnerable and isolated. Mencap is also concerned that it will lead to fewer properties in the private rented sector becoming available to people with a learning disability.

What's next?

Mencap will monitor the effect of the changes on people with a learning disability, and highlight the problems that may emerge. However, to do this, we need your help! Let us know if the changes affect you and what you have to do as a result of this.

Get in touch via campaigns@mencap.org.uk