

BRIEFING

JUNE 2010

Emergency Budget Housing Benefit Special Edition



In the emergency budget on Tuesday the Government announced a package of reforms to Housing Benefit from April 2011 onwards. The major changes to Local Housing Allowance (LHA) outlined include:

- From October 2011, LHA rates will be set at the 30th percentile of local rents;
- Deductions for non-dependents will be uprated in April 2011 on the basis of prices;
- From 2013-14, LHA rates will be uprated in line with CPI;
- Housing Benefit awards will be reduced to 90 per cent of the initial award after 12 months for claimants receiving Jobseekers Allowance which will be introduced from April 2013;
- From April 2011, LHA Rates will be capped at £250 per week for a one bedroom property, £290 per week for a two bedroom property, £340 per week for a three bedroom property and £400 per week for four bedrooms or more;
- From April 2011, Housing Benefit claimants with a disability and a non-resident carer will be entitled to funding for an extra bedroom.

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There were also proposals to restrict Housing Benefit for working age claimants in the social rented sector who are occupying a larger property than their household size warrants.

What does this mean for local authorities?

This change to housing benefit is likely to impact London and the South East the most, because rents are higher there. The likely effect is to push LHA recipients out of the very expensive areas into areas where they can hopefully still get a let property at below these new levels. This may see a return to out of Borough placements

particularly for large family groups.

Many local authorities will now be looking at potentially reviewing their private sector, leasing and Temporary

Accommodation arrangements. Orchard & Shipman can assist local authorities to unravel these issues. By working together, we believe we can achieve value for money whilst meeting housing need.

John Taylor
Chief Executive Officer

Key points:

- LHA Caps
- Formula for calculating LHA to change
- Impact on JSA claimants receiving HB

New LHA weekly caps from April 2011



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We would be delighted to speak to you in greater detail on the implications of these changes and what they may mean for your area. To discuss these issues further, please contact either:

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