

Accreditation Network UK

Accreditation and Local Housing Allowance

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Housing Benefit Context

- Complex income-related benefit
- Paid to all client groups, in and out of work (uniquely)
- All welfare reform has an impact
- Links with other benefits and credits
- Close links with housing policy
- Large and growing cost

Local Housing Allowance

- A flat rate allowance based on household size and location
- Is normally paid direct to tenants, subject to safeguards
- Implemented from 7 April 2008 to tenants in de-regulated private rented sector
- Tested in pathfinder authorities – good financial inclusion outcomes

LHA: immediate issues

- Stabilised definition of localities
- Amendments to the Rent Officers Order
- Broad Rental Market Area reviews
- Restricted LHA rates to 5 bedrooms
- Budget 2009: tenants no longer able to keep (up to £15) surplus over rent
- Direct payments to landlords

LHA: 2 year review

- To be completed over 2 year period, reporting publicly in Autumn 2010
- Evaluate against fundamental objectives
- Data from various sources
- Engagement with stakeholders
- Some primary research

Housing Benefit review

- Internal joint DWP/HMT review announced as part of the 2008 Budget statement
- Focusing on key issues for those of working age:
 - Value for money to the tax payer
 - Fairness
 - Work incentives
- December White Paper signalled Government's intention to consult

What is Housing Benefit for?

- An income-related benefit like any other?
- Part of general subsidy for low-income households to consume as they see fit?
- Potential integration with other benefits
- Implies break from housing policy

What is Housing Benefit for?

- OR
- An instrument of housing policy
- Switch from 'bricks and mortar' subsidy to individual subsidy
- Potential for links with standards of accommodation, including carbon footprint.

Conclusion

- Housing Benefit - key theme of welfare reform
- Housing Benefit Review consultation
- Key questions to consider
- Build on our success
- But learn from reforms and move on