



CHANGES TO HOUSING BENEFIT: HOMESLESS LINK SUMMARY

Change	Description	Consequence
Housing Benefit reduced to 90% of its initial level after 12 months for claimants of JSA	As of 2013/14 any claimant on JSA for over a year will have their Housing Benefit entitlement cut by 10%. E.G if your weekly rent is £150 you will have to find £15 of that out of your weekly JSA	This change is essentially another cut in benefit rates aimed at pushing people into work by making life in receipt of benefit more uncomfortable. This penalises many vulnerable individuals who may be unable to find work in very challenging economic circumstances
Index linking of LHA	<p>As of 2013/14 Local Housing Allowance will be calculated relative to the Consumer Price Index (CPI). Currently it is calculated relative to the Retail Price Index (RPI).</p> <p>The CPI and RPI measure rates of inflation however the RPI is increasing faster than the CPI. The government is going to start calculating the amount an individual needs to be paid to maintain an</p>	<p>As the CPI increases more slowly than the RPI the amount paid in benefit will not keep pace with the average cost of necessary goods and services.</p> <p>Even though your benefit rates might stay at the same figure you will not be able to purchase as much with each benefit payment. This means that the value of LHA will drop against rising rent levels and means households will increasingly find themselves priced out</p>

	<p>acceptable standard of living based on the general increase in prices indicated by the CPI.</p>	<p>of better quality accommodation.</p>
<p>LHA to be set at the 30th percentile</p>	<p>As of April 2011 LHA rates will be set at the 30th percentile of local rents rather than the 50th percentile. Currently the level of LHA is calculated relative to the cost of renting a flat exactly in the middle between the cheapest and most expensive rental properties in any given area – in other words at the 50th percentile.</p> <p>After this change this calculation will be made relative to the cost of renting a property that only costs 30% of the most expensive rental properties in an area.</p> <p>E.G. if the most expensive property in an area costs £100 pounds per month and the cheapest property costs £10 per month currently the most someone could get is £50 per month however, after this change is implemented the most someone could get is £30 per month.</p>	<p>This is another cut to the total amount of benefit someone can receive. Claimants of LHA will only be able to rent properties in the bottom one third of the market.</p> <p>Claimants are estimated to occupy around 39% of the private rented sector stock so this risks some claimants being pushed out of the market unless rents drop significantly. Those on LHA will be at risk of being priced out of the Private Rented Sector and many tenants will find that their rent is unaffordable possibly resulting in rent arrears and evictions.</p>
<p>Local Housing Allowance caps</p>	<p>As of April 2011 LHA is going to be capped or limited to a maximum amount according to how many children you have living with you. The maximum amount a single person will receive for LHA will be £250 per week, the maximum a family that needs 4 bedrooms will be £400 per week.</p>	<p>For many parts of the country this change on its own is unlikely to have a major impact because the average rental price is well below the capped rate. For people who live in cities such as London where rent is on average very high this will reduce the number of properties that people in receipt of LHA can afford.</p>

		This situation has a stronger impact on families who need larger properties because there are fewer suitable larger properties available for rent in the first place and therefore they tend to cost disproportionately more.
Non-dependant deductions (NDD)	<p>A non dependant is someone who normally lives with the Housing Benefit claimant such as an adult son or daughter. Non dependent deductions (NDDs) are the deductions made to a household's housing benefit when it contains a non dependent, on the assumption that the non dependant will be paying some of the rent.</p> <p>There will be gradual increases in level of NDDs to bring them up to the level they would have been if they had increased at the usual rate from 2001 onwards.</p>	The dependant not paying part of the rent is common, meaning that they are a frequent cause of rent arrears as well as family tension and pressure to move out of the family home. At a time of growing youth unemployment, increasing NDDs will force more young people out of the family home.
Limiting working age HB entitlement to reflect household size in the social rented sector	As of 2013/14 Working age people in social housing will no longer be able to claim HB on a property deemed bigger than their needs. This reduction in HB is not dependent on the tenant being offered another suitable property.	This move will effectively force people out of their home without them being offered a suitable alternative.
Discretionary housing payment (DHP) budget to rise	The Discretionary housing payment can be applied for by benefit claimants who are experiencing severe problems paying their rent.	It is good that the Government is increasing this pot of money that can be given to people having problems paying their housing costs. However, the total amount

	<p>The government is going to increase the total amount of money it gives to Local Authorities to help people in exceptional circumstances pay their housing costs. However in comparison to the total budget for benefits the extra amount being given to Local Authorities is very small.</p>	<p>of money that is being allocated to help is small and difficult to access and therefore will only be available to a very small number of people who are in receipt of benefits.</p> <p>It has been calculated that If the discretionary housing payment was spent solely on making up shortfall in rents, this would only support 4% of claimants facing the drop in LHA from the 50th to the 30th percentile for one year</p>
<p>£15 excess removed</p>	<p>Currently anyone claiming whose rent is less than the LHA is allowed to keep the first £15 of the difference. This measure was intended to encourage claimants to seek cheaper properties. As of April 2011 LHA claimants will no longer be allowed to keep this £15.</p>	<p>This increases the pressure on many claimants who already face significant shortfalls between their income and their living costs</p>
<p>Housing Benefit claimants with a disability and a non-resident carer will be entitled to funding for an extra bedroom.</p>	<p>As of April 2011 claimants who have a disability and who have a carer who does not live with them will be entitled to funding for an extra bedroom.</p>	<p>This is a welcome and much needed allowance for people with high support needs.</p>
<p>Increasing the age threshold for the Shared Room Rate in Housing Benefit from</p>	<p>As of April 2012 the Shared Room Rate (SSR) that previously only applied to people aged 25 and under will be applied to people aged 35 and under. The SRR restricts the maximum Housing Benefit claimants can receive to the rate for a single room in</p>	<p>People under 35 will no longer be able to claim Housing Benefit for a one bedroom flat of their own; they will only be able to receive enough housing benefit to rent either a room in a shared house or a bedsit. In many areas of the country, this type of</p>

25 to 35	a shared house, rather than a self-contained one-bedroom property.	shared accommodation simply doesn't exist. For vulnerable people, even if a property is available and affordable, sharing is often inappropriate and can be particularly detrimental to their well being. This change is likely to lead to more breakdowns of tenancies, evictions and returns to the streets or to more expensive hostel accommodation.
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