



**Haringey** Council

# Landlord Forum 25<sup>th</sup> January 2012

## January 2012 Local Housing Allowance Changes

- Recap on Changes so far
- Becoming a 'Young Individual': Why Housing Benefit is restricted to the Shared Accommodation Rate

# April 2011 Changes – Re-Cap

- Decrease in LHA Rates to 30<sup>th</sup> percentile levels
- Decrease to a maximum 4-room rate
- Introduction of maximum rates for all households
- Removal of Excess Payments
- Transitional Protection
- A person who requires overnight care
- Direct payments to landlord

# Impact of April 2011 Changes

- Reductions in HB for all LHA claimants whether due to 30<sup>th</sup> percentile rate, capped rate or Shared Accommodation Rate
- Claimants lose excess payments - HB goes down but the loss of the excess payment is not protected
- Transitional Protection does apply for decreases in LHA Rate caused by a decrease to the 4-room rate or a reduction due to a 30<sup>th</sup> percentile or capped rate – HB doesn't go down for 9 months

# What happens from January 2012

- Claimants who were protected when the April changes applied to them will begin to see their HB go down - this will occur every month until December 2012
- Claimants who qualified for protection and become 'young individuals' will see large decreases in their HB
- Changes are made to the definition of a 'young individual' that increase the age limit so that more people are restricted to the Shared Accommodation Rate – some claimants may be exempt from the definition
- Claimants who are not exempt from the definition will become 'young individuals' and their HB will go down – this will occur every month until December 2012

# Who do the changes apply to?

- Any claimant who is currently a 'young individual' (i.e. under 25)
- Any claimant who is 25 - 34 years old who also
  - rents from a private landlord and
  - has their HB worked out using an LHA Rate or Rent Officer Decision and
  - lives alone in self-contained or 'exclusive use' accommodation and
- did not qualify for protection from the April changes or
- did qualify for protection from the April changes or
- lost an excess payment and was not otherwise protected from the April changes or
- is due to reach their first Anniversary Date since April 2011 or
- is due a Rent Officer referral in 2012

# Who isn't a 'Young Individual'

- Claimants may be exempt from the definition of a 'young individual' if they satisfy specific criteria
- A claimant is exempt from the definition if they are
  - A care leaver under the age of 22
  - A 'person who requires overnight care'
  - A formerly homeless person
  - An ex-offender subject to 'MAPPA' arrangements

# The Shared Accommodation Rate

- The Shared Accommodation Rate applies to LHA and Rent Officer claims for
  - A ‘young individual’ – even if they live in self-contained or ‘exclusive use’ accommodation
  - A childless couple living in shared accommodation
  - A single claimant aged 35 or over living in shared accommodation
- The Shared Accommodation Rate never applies to a claimant of any age who is entitled to a Severe Disability Premium – even if the claimant lives in shared accommodation

# Who isn't restricted?

- Anyone who has a child or non-dependant living with them is entitled to at least a 2-room rate
- Anyone entitled to the Severe Disability Premium cannot be restricted to a Shared Accommodation Rate
- A claimant exempt from the definition of a 'young individual' may not be restricted to the Shared Accommodation Rate but some exemptions are age-dependant or only apply when the claimant lives in self-contained (or 'exclusive use') accommodation

# What this does to LHA rates

- A claimant who is a 'young individual' will continue to have their HB restricted to a shared rate – as will a claimant who lives in shared accommodation and becomes a 'young individual'
- A claimant who lives in self-contained or 'exclusive use' accommodation and becomes a 'young individual' will see their HB go down from the 1-room rate to the shared rate – either from the Anniversary Date or the date protection ends
- The shared rate that applies at the end of a protection period is the rate that applies for the month in which protection ends
- The Anniversary Date does not change when a shared rate is applied from the end of a protection period – so another shared rate is applied on the Anniversary Date 3 months later

# When do the changes take effect?

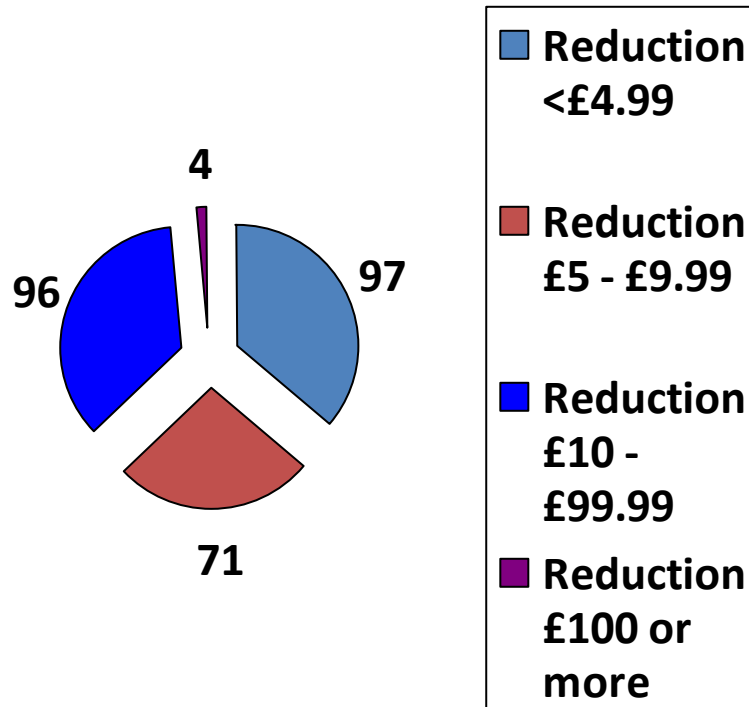
- Transitional Protection periods begin to end for LHA claimants from January 2012 – and will continue to end every month until January 2013
- The age limit for a ‘young individual’ is increased to 35 from January 2012
- Claimants will become ‘young individuals’ every month between January and December 2012
- Claimants who become ‘young individuals’ will see reductions in their HB
- HB reductions for LHA claimants who become ‘young individuals’ begin when protection ends or from their Anniversary Date
- HB reductions for pre-LHA claimants who become ‘young individuals’ begin from the date of the next Rent Officer Referral
- No one can receive an Excess payment after March 2012
- No one is entitled to a 50<sup>th</sup> percentile LHA Rate after March 2012
- No one is entitled to a 5-room LHA Rate after March 2012
- All LHA claimants are subject to a 30<sup>th</sup> percentile rate or a capped rate or the Shared Accommodation Rate by January 2013
- All pre-LHA claimants who are ‘young individuals’ are subject to a Shared Accommodation Rate Rent Officer Decision by January 2013

# What this means for the claimant

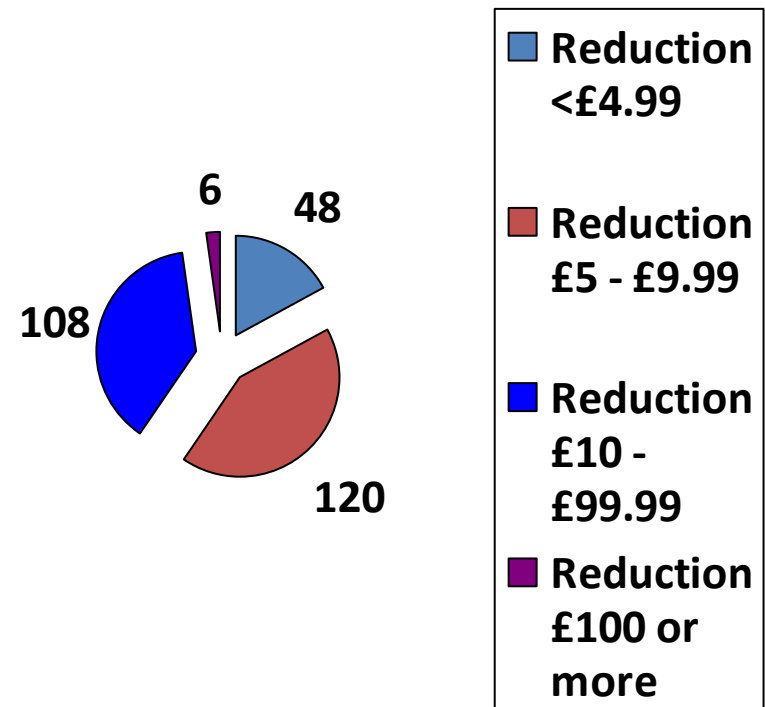
- A claimant whose protection period ends will see a weekly reduction in HB of between 0.08p - £200.00+
- A claimant who becomes a 'young individual' is likely to see a weekly reduction in HB of at least £90.00
- A 'young individual' or large family are the most likely to be at risk of losing their homes - but the same applies to any claimant with a large reduction in HB
- Availability of affordable privately-rented properties will be limited – particularly for large families

# Actual decreases at the end of Transitional Protection

January 2012 - 268 claimants lose out



February 2012 - 282 claimants lose out



# Decrease to a 30<sup>th</sup> percentile rate when protection ends

**Update or Delete LHA Assessment** 01-APR-2011 to 31-MAR-2012 - 150 [OK](#) [Delete](#) [Cancel](#) [Help](#)

Start	01-APR-2011	End	31-MAR-2012	Anniversary	01-APR-2011
Applicable Rate Date		Self Contained	<input checked="" type="checkbox"/>	LHA Type	ANN - Anniversary
Category	E4	Category Override	E4 - 4 bedroom	Reason	-- Select Reason --
Rate	346.15	Override Rate	346.15	Use Late Date	<input type="checkbox"/>
BRMA	150	Notified Start		Use Late Date	<input type="checkbox"/>
Pathfinder Rooms		Notified End		Current Rent	501
ER 31-MAR-2011	500	Protected Rent Override		Protection Ends	31-DEC-2011
Protected Rent	500		500		

Mrs Smith lives with her 6 children and a non-dependant. On 1 April 2010 she qualified for a 5-room rate. On 1 April 2011 her rate was capped at 4-rooms and she qualified for protection. Protection was based on £500.00 a week and when it ends on 31 December 2011 her HB will go down to a 30<sup>th</sup> percentile rate of £346.15 a week (a weekly decrease of £153.85). A new 4-room rate will apply from 1 April 2012.

# Decrease to 30<sup>th</sup> percentile rate when protection ends for a 'young individual'

Update or Delete LHA Assessment 01-APR-2011 to 31-MAR-2012 - 150 [OK](#) [Delete](#) [Cancel](#) [Help](#)

Start 01-APR-2011	End 31-MAR-2012	Anniversary 01-APR-2011
Applicable Rate Date	Self Contained <input type="checkbox"/>	LHA Type ANN - Anniversary
Category S1	Category Override S1 - 1 bedroom shared	Reason -- Select Reason --
Rate 77.61	Override Rate 77.61	Use Late Date <input type="checkbox"/>
BRMA 150	Notified Start	Use Late Date <input type="checkbox"/>
Pathfinder Rooms	Notified End	Current Rent 323.076923
ER 31-MAR-2011 90	Protected Rent Override 90	Protection Ends 31-DEC-2011
Protected Rent 90		

Mr Jones is a 'young individual' and lives alone in shared accommodation. On 1 April 2011 he qualified for protection based on £90.00 a week because of a decrease caused by the 30<sup>th</sup> percentile rate. Protection ends on 31 December 2011 and his HB will go down to the 30<sup>th</sup> percentile shared rate that applied in April 2011 (£77.61 - a weekly decrease of £12.39). A new shared rate will apply from 1 April 2012.

# Decrease to a shared rate when protection ends because the claimant becomes a 'young individual'

The image displays two side-by-side screenshots of a software interface for updating LHA (Local Housing Allowance) assessments. Both screenshots show a period from 07-APR-2011 to 06-JAN-2012 (left) and 07-JAN-2012 to 06-APR-2012 (right). The interface includes fields for Start, End, Anniversary, Applicable Rate Date, Self Contained, LHA Type, Category, Category Override, Rate, BRMA, Pathfinder Rooms, ER 31-MAR-2011, Current Rent, Protected Rent, Protected Rent Override, and Protection Ends. The left screenshot shows a rate of 173 and a category of B1 - 1 bedroom. The right screenshot shows a rate of 80.77 and a category of S1 - 1 bedroom shared.

Field	Left Screenshot (07-APR-2011 to 06-JAN-2012)	Right Screenshot (07-JAN-2012 to 06-APR-2012)
Start	07-APR-2011	07-JAN-2012
End	06-JAN-2012	06-APR-2012
Anniversary	07-APR-2011	07-APR-2011
Applicable Rate Date		
Self Contained	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
LHA Type	ANN - Anniversary	ANN - Anniversary
Category	B1	S1
Category Override	B1 - 1 bedroom	S1 - 1 bedroom shared
Reason	-- Select Reason --	-- Select Reason --
Rate	173	80.77
BRMA	150	150
Pathfinder Rooms		
ER 31-MAR-2011	175	175
Current Rent	180	180
Protected Rent	175	
Protected Rent Override	175	
Protection Ends	06-JAN-2012	

Mr Hussain is 32 years old and lives in self-contained accommodation. On 7 April 2011 he qualified for protection based on £175.00 a week because of a decrease caused by the 30<sup>th</sup> percentile rate. Protection ends on 6 January 2012 but instead of his HB going down to the 30<sup>th</sup> percentile rate of £173.00 a shared rate is applied straight away because he is now a 'young individual'. His HB goes down to the shared rate for January 2012 (if it was £80.77 a week it would be a weekly decrease of £94.23). A new shared rate will apply from 7 April 2012.

# What is being done and what else can we do?

- Writing to claimants whose benefit will decrease
  - because their protection is ending and their HB will decrease to a 30<sup>th</sup> percentile or capped rate
  - because their protection is ending and they will be restricted to a shared rate because they have become ‘young individuals’
  - because their Rent Officer referral is due and they will be restricted to a shared rate because they have become ‘young individuals’
  - because they are reaching their Anniversary Date and their HB will decrease
- Information included on the Haringey website
- Guidance and briefings for Benefits and Customer Services staff
- Hub - North London Housing Partnership to prevent the loss of homes or to assist with finding alternative accommodation