

WELFARE REFORM UPDATE

New regulations laid in Parliament as part of the Government's Welfare Reform Bill will have a significant affect on Local Housing Allowance (LHA) for single people aged 25-34 who rent from a private landlord.

Currently a person under 25 years living alone is entitled to the 'shared accommodation' Local Housing Allowance rate. The Government has now extended this rule to include single people aged 25-34 from 1 January 2012. This includes both the single room rent for pre-LHA cases and what was formerly known as the shared room rate for LHA cases.

What is the change?

Single people aged 25-34 will only be entitled to Housing Benefit based on the shared accommodation rate. The shared accommodation rate is based on the level of rents for properties that are not self-contained. This usually means that there is shared:

- Kitchen
- Bathroom
- Toilet or
- Living room

Who will be affected?

The change will affect people who:

- rent accommodation from a private landlord
- are single
- do not have dependant children living with them
- are under 35 years old
- already get Housing Benefit or are going to make a new claim
- live in self contained property

When will the change take affect?

The change will take affect from 1 January 2012 and apply to all new claims made after that date. Claims made prior to January 2012 will not be affected until they reach the LHA anniversary date. Claims currently affected by LHA changes and currently in receipt of Transitional Protection will not be affected until they reach the end of the protection period.

What will change?

The amount of LHA paid towards private rent will reduce from the one bedroom rate to the shared accommodation rate.

The current LHA shared accommodation rate is £63.46 per week.

Exemptions to the change

The change will not affect 25-34 year olds who:

- rent from a housing association
- is aged under 22 and have been in care
- lives with a partner
- is a lone parent with one or more dependants and receive child benefit for them
- gets the severe disability premium in their benefit because they are entitled to the middle or higher rate care component of Disability Living Allowance (DLA)
- requires an extra bedroom for a carer who provides overnight care but doesn't normally live with them
- is aged over 25 years and has spent at least three months in a homeless hostel or hostel specialising in rehabilitating and resettling within the community
- is aged over 25 and are managed under active multi-agency management under Multi Agency Public Protection Arrangements