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**Settled Housing Solutions Consultancy Service comments on issues that may arise from the new restrictions on Local Housing Allowance**



In the Chancellor's first Budget speech, George Osborne announced new maximum Housing Benefits thresholds, meaning that Local Housing Allowance (LHA) will have capped limits of £400 per week for properties with more than three bedrooms, £340 for a three bedroom property, £290 for a two bedroom property and £250 a week for a one bedroom apartment.

Alan Elborough, Director of Settled Housing Solutions Consultancy Service, a service that assists local authorities to develop successful partnerships with the private rented sector, believes that the LHA restrictions will have an impact on front line housing and the private rented sector (PRS) partnership work already in operation.

He comments: "There may be issues that arise from the restrictions on LHA imposed in the Budget. These new limits will now make it very difficult for low-income families to access the private sector in areas where market rent values exceed the LHA cap. This is a particular issue affecting central London where an average two bedroom apartment is currently £480 per week. Authorities within the inner London area will therefore increasingly seek to re-house homeless families in outer London boroughs, impacting on housing and social services within these areas. In addition to the strain on services, all local authorities will find it extremely difficult to procure PRS accommodation for use through their in-borough landlord assisted schemes. Assuming current claimants in receipt of LHA are not affected by the announcements in the budget, these households will still find themselves caught in a benefit trap as they may be reluctant to enter into employment if, in doing so, they will only be entitled to the restricted rate should they become unemployed in the future."

Alan believes that the challenge for local authorities will now be to develop settled housing solutions for homeless families within the budgetary restrictions placed upon them by the Chancellor's announcements. This will require local authorities to pursue innovative strategies within the private rented sector by developing more effective partnerships with the PRS. Settled Housing Solutions are confident that they can assist local authorities to meet these challenges.

**ENDS**

For further information, please contact:

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### **Editors Notes**

Settled Housing Solutions Consultancy Service assist local authority housing services to develop innovative and effective partnerships with the Private Rented Sector that enables housing authorities to present a wider range of effective and affordable housing options. SHSCS are the leading practitioners in developing PRS Housing Models that offer local PRS providers commercially viable and sustainable tenancies for clients on low incomes or benefits.

<http://www.settledhousing.co.uk/>