

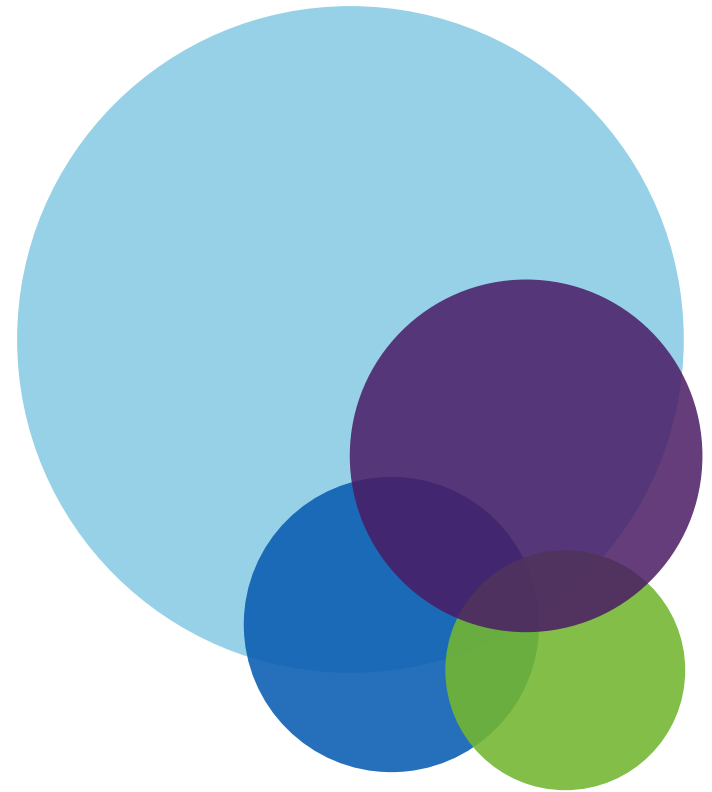
# Origin Housing

## Welfare Reform – under 35's


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Katri Wilson  
Assistant Director  
November 2016

Alev Horgan  
Head of Housing



Great Homes  
Positive People  
Strong Communities



**The application of the LHA cap to social tenancies will severely restrict the amount of housing benefit that can be claimed by general needs tenants under 35, without children - with the majority only being able to access the 'shared accommodation rate'**

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# What does this mean

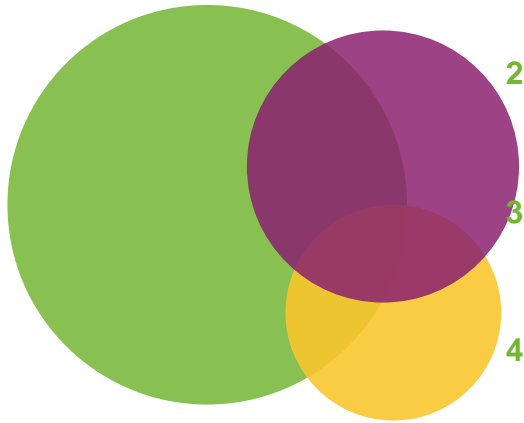
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**If you are under 35 the government is saying we will no longer pay for you to live in self-contained accommodation.**

**If you are under 35 we will only pay for you to live in a room in shared housing. Applies to any age in shared housing.**

**If you are over 35 you will still be able to claim HB for 1-bed flat.**



1. **Used to apply to private rented sector only**
2. **Will come into effect to social housing providers from April 2018 – now 2019**
3. **Will apply to any single person in shared accommodation who moved in after April 2016**
4. **Will not apply to under 35s with children or care leavers**
5. **Will not apply to those living in specialist housing e.g. supported housing. One bedroom LHA rate applies with top up from Local Authority**
6. **Two main exemptions: people who have spent 3-months or more in a hostel where they have received resettlement support and ex-offenders who are managed under MAPPA at levels 2 or 3**

# Financial Impact



Area	Shared room rate	1-bed rate
Central London	£136.52	£260.64
Inner London North	£97.83	£260.64
Outer North London	£90.64	£199.68
Outer East London	£76.56	£181.80
Manchester Central	£67.20	£101.98
Southern Greater Manchester	£57.84	£102.25
Leicester City	£59.00	£86.30
Bristol	£67.37	£121.19
Brighton & Hove	£82.66	£153.02
Plymouth	£71.21	£94.16
Liverpool	£57.77	£90.90

# Impact on Origin

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## ESH

- In Enfield we provide single shared housing for non statutory homeless
- 305 rooms
- High demand and a waiting list
- Tailored Allocations and Lettings policy
- Matching people to flats
- High turnover - 120 lets average per year
- The only self-referral service for single adults in the borough





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## The service

- Current rent and service charge above LHA rate
- We provide services such as cleaning, gardening, furniture, Intensive housing management
- A settling in program to help our younger residents to stay in their tenancies
- A weekly job club supporting young people into work
- Of the 305 residents 129 are under 35 but all 305 will be affected by the changes and shared room rate
- The private rented sector hard to access as expect a deposit /guarantor

# Impact on Origin

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## In Enfield

- > Our average rent is around £108.70 per week
- > The LHA rate is £90.64
- > Residents will need to find £18.06 – very difficult if on JSA
- > Potential financial impact around £290K per annum
- > Add to this -1% rent reduction - £12K
- > The service will need to change





# A valuable service

## People we have helped

- Case studies



# Nationally how many could be affected?



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‘We don’t know how many tenants will be put on the shared accommodation rate, partly because the exact exclusions haven’t yet been announced and additionally the government has not yet published an impact assessment.

First consider age – the two age cohorts most likely to be allocated a new tenancy are those aged 25-31 (25%) and those aged 18-24 (21%). That means at least 46% of new tenants are definitely in the age bracket for the shared accommodation rate

Many new tenants will rely on housing benefit, as only a quarter of all new tenants receive no benefits at all



If you are under 35, single and with no children – yet reliant on housing benefit – government policy is pushing you one way: a room in a shared house or flat

But such houses are typically rented out by private sector landlords. Social landlords have barely any involvement

Just under a third of housing associations are considering the development of shared housing for under-35s, in direct response to the LHA cap.

There is a perception that these tenancies are difficult to manage. In the private sector, tenants can find friends and acquaintances to move into any vacant rooms. But housing associations are tied to systems of allocating homes according to priority need, which makes such arrangements more difficult.'

*Inside Housing June 2016*

# Why still provide housing for under 35s?

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People have nowhere else to live

Going back to family home is not an option for many

Many residents have escaped difficult family situations, abuse and poverty

Hostels may get 'bed blocked' as people unable to move on

Many young people unable to rent privately or buy their first home

Risk of repeat homelessness where tenants will be found intentionally homeless

Social Landlords responsibility

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# Possible solutions



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Giving younger tenants AST or two year tenancies

Restricting lettings to under 35s in certain blocks above LHA rents

Putting a stop to people under 35 renting new built as they are Affordable rent (80% market)

Affordability assessments

Investing in support to get residents into employment

Reducing rent

Reducing services

Reviewing your housing stock, some could earn more to offset losses in other areas e.g. market rent.....

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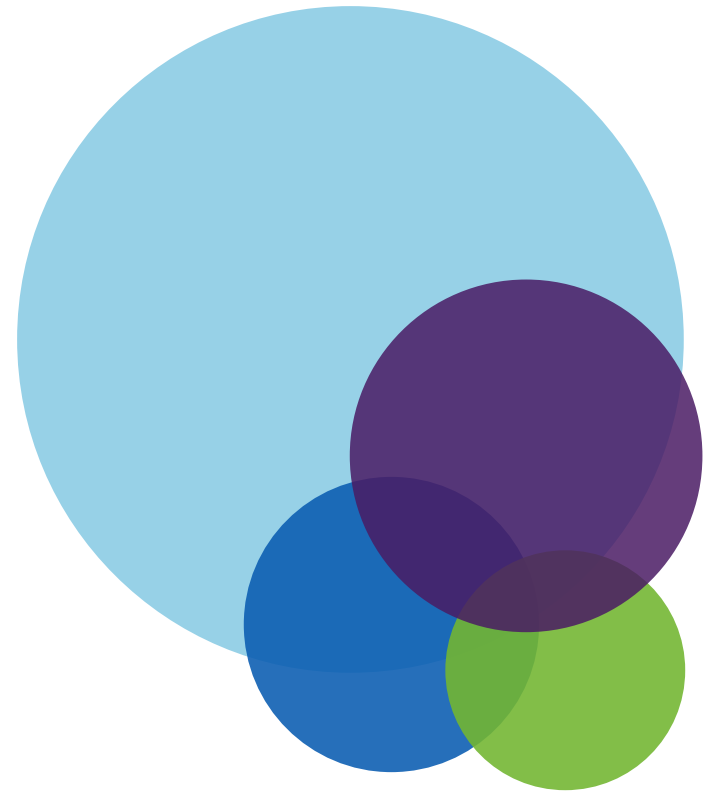
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[Katri.Wilson@originhousing.org.uk](mailto:Katri.Wilson@originhousing.org.uk)

[Alev.Horgan@originhousing.org.uk](mailto:Alev.Horgan@originhousing.org.uk)

Tel: 0207 284 5450

[www.originhousing.org.uk](http://www.originhousing.org.uk)



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