

**Shelter's response to the  
Social Security Advisory  
Committee – Housing Benefit  
Amendment Regulations  
2009: Local Housing  
Allowance and larger  
properties**

**From the Shelter policy library**

**February 2009**

**[www.shelter.org.uk](http://www.shelter.org.uk)**

© 2009 Shelter. All rights reserved. This document is only for your personal, non-commercial use.

You may not copy, reproduce, republish, post, distribute, transmit or modify it in any way.

This document contains information and policies that were correct at the time of publication.

**Shelter**

Shelter is a national campaigning charity that provides practical advice, support and innovative services to over 170,000 homeless or badly housed people a year. This work gives us direct experience of the various problems caused by the shortage of affordable housing across all tenures. Our services include:

- A national network of over 20 advice centres
- Shelter's free advice helpline which runs from 8am-8pm
- Shelter's website which provides advice online
- The Government-funded National Homelessness Advice Service, which provides specialist housing advice, training, consultancy, referral and information to other voluntary agencies, such as Citizens Advice Bureaux and members of Advice UK, which are approached by people seeking housing advice
- A number of specialist services promoting innovative solutions to particular homelessness and housing problems. These include Housing Support Services which work with formerly homeless families, and the Shelter Inclusion Project, which works with families, couples and single people who are alleged to have been involved in anti-social behavior. The aim of these services is to sustain tenancies and ensure people live successfully in the community.
- We also campaign for new laws and policies - as well as more investment - to improve the lives of homeless and badly housed people, now and in the future.

## Introduction and Recommendations

Shelter welcomes the opportunity to respond to the Department for Work and Pensions' (DWP) consultation on the Housing Benefit Amendment Regulations 2009. Shelter does not agree with the proposal to cap Local Housing Allowance (LHA) rates at the five bedroom rate for all new customers with effect from 6 April 2009. These changes are intended to support a level of LHA that provides a fair deal to both customers and to the taxpayer by ensuring that excessively high rates of benefit cease for new claims and gradually phase out for existing claims. However, this is not an issue that arose when LHA was in its pilot phase or under the old local reference rent (LRR) system. We therefore feel that alternative solutions need to be implemented before resorting to a national cap on rates for properties over five bedrooms.

Although the new regulations will only affect a small number of cases<sup>1</sup>, those who will be adversely impacted by the changes are likely to be the most disadvantaged and vulnerable households. By definition, those claiming LHA at the six bedroom plus rate will be large families on low incomes who are likely to find it difficult to move due to lack of supply of accessible and affordable properties. As the Equality Impact Assessment (EQIA) has rightly pointed out, a disproportionate percentage of these households are likely to be from minority ethnic groups. People from black minority ethnic (BME) communities experience a disproportionately high level of homelessness and housing problems<sup>2</sup>, and are more than twice as likely than white British households to be homeless<sup>3</sup>.

In particular, we feel that the proposed regulations will cause families to choose between the following unsatisfactory situations:

- Overcrowding as their LHA will no longer cover a suitably sized property
- Struggling to pay large shortfalls to live in appropriately sized accommodation, leading to rent arrears and increased cases of homelessness
- Living in sub-standard accommodation which will have a detrimental effect on health and safety, especially for children
- Splitting a family up into two or more smaller properties.

---

<sup>1</sup> It is estimated fewer than 5,000 households will be affected by this proposal, DWP, *Equality Impact Assessment - Local Housing Allowance –Larger Properties*, January 2009.

<sup>2</sup> Michael Bell Associates, *The advice gap: a study of barriers to housing advice for people from black and minority ethnic households*, Shelter, January 2007.

<sup>3</sup> Source: Office of National Statistics, *UK Census 2001 and Statutory Homelessness Statistics*, CLG, 2008.

In addition to the significant impact the regulations will have on families, we also feel that the regulations are inconsistent with wider Government housing policy objectives. The Government has made the commitment to update the overcrowding standards and substantially reduce the number of households who are living in overcrowded accommodation<sup>4</sup>. The Government's homelessness prevention programmes, specifically the housing options interviews approach, have been designed to actively encourage tenants to access the private rented sector (PRS) as a means of meeting their accommodation needs. Capping at the five bedroom LHA rate will obstruct both these policy intentions, as it will be counter-productive to tackling overcrowding, and will restrict choice for claimants in the private rented sector.

We are concerned with the development of a national policy that is based on a couple of exceptional cases in London that have received a high media profile. The evidence provided in the consultation document does not provide a sufficiently substantiated argument to justify the implementation of these proposals. We would recommend that before the Government brings in proposals to cap the LHA at the five bedroom rate the following recommendations are considered first:

1. In cases where households are claiming LHA at the six bedroom plus rate, the Rent Officer should adopt the methods used under the LRR system before LHA was rolled out in April 2008. This is an approach whereby 'exceptionally high' rents are omitted from the list of properties used to calculate the mid point which would determine the LHA rate and would prevent distorted rents from being used.
2. Given the small number of cases entitled to larger properties, claims could be assessed by The Rent Service (TRS) on an individual basis.
3. Alternatively, an upper limit could be placed on the rates for six bedrooms or more in each broad rental market area (BRMA) based on regional averages.
4. As the regulations have, on the whole, been in response to London cases, and Shelter evidence<sup>5</sup> suggests that excessively high rents are a predominantly London problem, another suggestion is to apply the step change cap described in (3) but apply it to London only.
5. To prevent landlords from charging excessive rents to larger families there should be greater joint working between local authorities, private landlords,

---

<sup>4</sup> Communities and Local Government (CLG), *Tackling overcrowding in England: An action plan*, December 2007.

<sup>5</sup> See table 1 on page 7 in this response.

DWP and TRS to give an opportunity for all groups to discuss the issues arising and potential solutions in sustaining appropriate rent levels.

6. To ease the transition into work for claimants living in the PRS, measures to simplify the benefit should be implemented such as fixed period awards, and reviewing the rent officer regulations used to set BRMAs.

We would like to see one of the above suggestions implemented instead of the proposed five bedroom cap regulations. However, if the proposed changes are applied it is vital that one or more of the following recommendations are put in place:

1. Existing LHA customers, currently claiming the six bedroom plus rate should be protected and not affected by the regulations unless the household move and/or break their claim.
2. Alternatively, if the regulations are applied to existing and future claimants and their LHA entitlement is subsequently reduced the transitional protection period of 13 weeks for existing customers should be extended to 26 weeks.
3. At the absolute minimum, any households affected by the new regulations should be contacted by their housing benefit department outlining any change in entitlement, the date it comes into effect and offering support in finding alternative accommodation.

## **1. Proposed changes to Local Housing Allowance for larger properties**

This response will now go on to set out the impacts of the proposed changes, drawing on research carried out by Shelter on the affordability of larger properties under the current LHA rates.

### **Evidence on larger properties**

Shelter has carried out research to monitor rent levels and supply of larger properties (see table 1). This work has searched major national property websites for properties with six or more bedrooms. In keeping with the LHA definition, properties with five bedrooms and more than one reception/living room were included. Adverts specifying sharers or students were excluded, but exceptionally high or low rents were not, again in keeping with LHA guidelines. The properties were then analysed to show what percentage were affordable at the five-bedroom LHA, to test the impact of this proposed change. Table 1 also shows figures allowing for a 10 per cent shortfall payment. Finally, the LHA paid, and the range between cheapest and most expensive

properties are shown in the far right hand columns, in the BRMAs with more than five available properties.

The EQIA examines the affordability of properties of six or more bedrooms at the five bedroom rate. Using analysis of TRS database of market rents for 2007/08, it states that around 20 per cent of properties of six bedrooms or more are affordable at the five bedroom rate. However, this will depend on where claimants live and how accessible the properties are. Our research demonstrates that there are significant variations in affordability at the five bedroom rate dependent upon which BRMA a claimant is living in.

Examining our research in table 1, although in a few BRMAs half of properties with six or more bedrooms are affordable at the five bedroom rate, for example Reading and Devon South, a large number of BRMAs had very low proportions of affordability. In Birmingham only 3 out of 26 properties were affordable at the five bedroom rate, in Cardiff and Vale the share was even lower with only 3 in 40 properties being affordable, and in Leeds it was 1 out of 6 properties. This shows that in some BRMAs families would struggle to afford and find properties at the five bedroom rate. In areas where supply is short and/or the levels of affordability are low at the five bedroom rate, households will inevitably be forced into smaller properties and overcrowded conditions.

The research also showed the extreme range of monthly rents for properties with six bedrooms or more in some BRMAs, particularly in London. In central London the range between the cheapest and most expensive property was as large as £24,100 and in Inner NW London the figure was £3,550 per week. This highlights how the extreme cases reported in the press could have occurred. However, it also demonstrates that the problem with excessively high LHA rates is not necessarily an issue that affects all BRMAs, and therefore we feel that amending the regulations in a way that it applies to all BRMAs may not be an effective response.

Even if claimants are able to find accommodation that has six bedrooms or more and is affordable at the five bedroom rate there may be further barriers. Our research monitoring LHA implementation has found that although properties may appear available to let to benefit claimants, when enquiries were made to landlords this was only the case for 28 per cent of them<sup>6</sup>. Of those landlords who would accept LHA claimants half stipulated conditions over and above working tenants such as credit checks and references<sup>7</sup>. Larger households claiming LHA are likely to experience

---

<sup>6</sup> Reynolds, L. *A postcode lottery? Part 1 of a study monitoring the implementation of Local Housing Allowance*, Shelter, January 2009.

<sup>7</sup> Ibid.

**Table 1: Summary of six bedroom plus properties advertised on property websites in January 2009**

<b>BRMA</b>	<b>Number of 6 bedroom+ Properties Available</b>	<b>Affordable at 5-bedroom LHA rate</b>	<b>% Properties Affordable with LHA</b>	<b>% Affordable if pay 10% shortfall</b>	<b>LHA</b>	<b>Cheapest (£)</b>	<b>Most expensive (£)</b>	<b>Range (£)</b>
Central London	41	10	24%	24%	1800	900	25000	24100
Inner NW London	31	21	68%	71%	998	450	4000	3550
Outer NE London	28	16	57%	68%	438	323	1400	1077
Inner South East London	24	8	33%	38%	510	380	900	520
North West London	18	2	11%	39%	415	415	1800	1385
West London	13	0	0%	0%	392	553	2000	1447
Inner South & West London	10	1	10%	30%	1000	800	1800	1000
Other London	1	0	0%	100%				

<b>Total London</b>	<b>166</b>	<b>58</b>	<b>35%</b>	<b>43%</b>
---------------------	------------	-----------	------------	------------

Cardiff and Vale	40	3	8%	25%	277	277	360	83
Central Greater Manchester	30	1	3%	3%	219	207	450	243
Birmingham	26	3	12%	15%	204	173	530	357
Southampton	22	4	18%	18%	309	277	623	346
Oxford	16	3	19%	38%	392	276	808	532
Devon South	9	7	78%	89%	288	156	335	179
Brighton and Hove	8	2	25%	25%	400	346	577	231
Bristol	8	2	25%	25%	317	265	429	164
Swansea	8	0	0%	13%	207	225	369	144
Tyneside	8	0	0%	0%	173	240	318	78
Reading	7	4	57%	71%	438	369	508	139
Greater Glasgow	6	4	67%	67%	288	229	415	186
Leeds	6	1	17%	33%	283	254	450	196
Greater Liverpool	5	1	20%	20%	185	160	360	200
Plymouth	5	3	60%	60%	309	183	508	325
Others	25	4	16%	24%				

<b>Total outside London</b>	<b>229</b>	<b>42</b>	<b>18%</b>	<b>26%</b>
-----------------------------	------------	-----------	------------	------------

<b>Overall Total</b>	<b>395</b>	<b>100</b>	<b>25%</b>	<b>33%</b>
----------------------	------------	------------	------------	------------

multiple disadvantages and it is expected they would encounter more problems finding landlords who would be willing to rent accommodation to them.

We are strongly opposed to the proposed regulations to cap the LHA at the five bedroom rate as a means to solve the issue of excessively high rents. If the issue is to be addressed then we would strongly recommend the following alternative proposals:

- In cases where households are claiming LHA at the six bedroom plus rate, the Rent Officer should adopt the methods used under the LRR system before LHA was rolled out in April 2008 to prevent distorted rents from being used. This is an approach whereby 'exceptionally high' rents are omitted from the list of properties used to calculate the mid point which would determine the LHA calculation. This would prevent an excessively high rate being used for larger properties as it would remove these extreme rents from the database used by TRS to calculate LHA and provide a more appropriate rate of LHA for claimants. The TRS data used to set LHA rates should be passed on to local authorities and continue to be obtainable by claimants. This would ensure that the LHA policy aims of transparency and fairness are met.
- Given the small number of cases entitled to larger properties, claims could be assessed by TRS on an individual basis.
- Alternatively, an upper limit could be placed on the rates for six bedrooms or more in each BRMA based on regional averages. For example, the six bedroom rate in the BRMA could be set at 20 per cent more than the five bedroom rate, and the seven bedroom rate could be set at 20 per cent more than the six bedroom rate. We would stress that if this option is taken a full assessment of rent levels in each BRMA would have to be carried out to ensure the step cap reflected the local market.
- As the regulations have, on the whole, been in response to London cases, and Shelter evidence suggests that excessively high rents are a predominantly London problem another suggestion is to apply the step change cap described in (3) in London only.

## **2. Impact on claimants**

Our research has shown that in some areas it would be a real struggle for households to find affordable and suitably sized properties at the five bedroom rate. We feel that capping at the five bedroom rate will force families to choose between living in

overcrowded conditions, substandard accommodation, paying large shortfalls or splitting the family up. Each of these issues will be discussed below.

### Overcrowding

Capping LHA levels at the five bedroom rate will mean that households will have to make unpalatable choices on where they are able to live. If there is insufficient supply of larger properties affordable at the five bedroom rate, which our research has shown is the case in many BRMAs, it is likely that households will compromise on space and move into smaller properties. This will inevitably lead to increased incidences of overcrowding. Shelter's research on overcrowding<sup>8</sup> looked at the experiences of 505 overcrowded households which included 152 classed as severely overcrowded according to government standards<sup>9</sup>. The survey found that overcrowding had a negative effect on family relationships, child development, education, and health.

The EQIA has stated the proposals would have an almost nil impact on statutory overcrowding standards<sup>10</sup>, which have not been updated since 1935. It is widely recognised that these standards are antiquated and the Government have made a commitment to updating the overcrowding standards in 2009 to bring them into line with the Bedroom Standard<sup>11</sup>. As the EQIA has outlined proposals to cap at the five bedroom rate will disproportionately affect minority ethnic households. Shelter's report *Crowded house*<sup>12</sup> highlights that overcrowding is already a problem within BME households, as they are more than six times more likely to be overcrowded than white households. Therefore changes to cap LHA can only exacerbate the problems of overcrowding already experienced by this group.

---

<sup>8</sup> Reynolds, L. *Full House?: How overcrowded housing affects families*, Shelter, 2005.

<sup>9</sup> Households that lack two or more bedrooms according to the bedroom standard.

<sup>10</sup> Under statutory overcrowding standards children under the age of twelve months are not counted as members of the household, a parent can be expected to share a room with a child, and living rooms as considered acceptable places to sleep. Source: Reynolds, L. *Full House?: How overcrowded housing affects families*, Shelter, 2005.

<sup>11</sup> The Bedroom Standard has been used in Government and social research since the 1960s and is widely accepted as the 'bare minimum' a family requires. According to the standard, the following should have one bedroom: married or cohabiting couples, single people more than 21 years old, pairs of children under 10 years old, regardless of gender, pairs of children aged 10 to 21 years old of the same gender, and any unpaired person aged 10 to 20 is then paired, if possible, with a child under 10 of the same sex (if that is not possible, he or she is counted as requiring a separate bedroom, as is any unpaired child). Source: Reynolds, L. *Full House?: How overcrowded housing affects families*, Shelter, 2005.

<sup>12</sup> Reynolds, L. *Crowded house: cramped living in England's housing*, October 2004.

Thirty eight overcrowding pathfinders have been established to enable local authorities to tackle the problem of overcrowding and meet the bedroom standards for overcrowding<sup>13</sup>. These are in place in all London boroughs, Birmingham, Bradford, Leicester, Liverpool and Manchester, as it is estimated that 60% of all overcrowded households in the social rented sector live in these areas. Part of the strategy within the pathfinder programme is to work more closely with the PRS to improve access for overcrowded households wishing to move out of the social housing sector. Given this clear government policy objective, it appears counter-productive for housing benefit regulations to enact a policy that may actively encourage overcrowding in the PRS by capping entitlements for large families.

Overcrowding in private rented housing has risen from 86,000 households (4.2 per cent) in 2002-2004 to 126,000 (4.9) in 2006-8<sup>14</sup>. The rate of overcrowding in private renting (4.9 per cent) is close to that in social renting (5.9 per cent)<sup>15</sup>. Given that most resources have, up until now, been focused on the social rented sector there is a need for overcrowding to be tackled in the PRS and these proposals do nothing to help this.

### **Paying large shortfalls in rent**

If large families are unable to receive LHA at the rate appropriate for their family size then, dependent on the choice of, and access to, properties available they may have to pay a large shortfall in rent to remain living in a property suitable for their household size. As families claiming LHA are, by its very nature on a low income, it is very likely they will be unable to maintain paying any shortfall in rent over a sustained period of time. As a result, families will begin to accrue rent arrears and increase their risk of homelessness, with the result that many families may have to be re-housed by the local authority.

One of the intended benefits of capping at the five bedroom LHA rate is to provide a fair deal to the taxpayer. However the cost of rehousing a family through the homelessness route could pose greater cost to the taxpayer than allowing household to remain claiming LHA at the six bedroom plus rate.

### **Sub-standard accommodation**

If households look to find a property that is not overcrowded, and that they can afford under the capped LHA rate, alternative rental accommodation is likely to be sub-standard. As Rugg has identified in her recent review of the private rented sector<sup>16</sup>,

---

<sup>13</sup> See <http://www.communities.gov.uk/documents/housing/pdf/10.pdf>

<sup>14</sup> CLG, Survey of English Housing.

<sup>15</sup> Ibid.

<sup>16</sup> Rugg, J. and Rhodes, D., *The private rented sector: its contribution and potential*, Centre for Housing Policy, University of York, 2008.

one of the niche markets in the private rented sector is the 'slum rental' market. This is described as "the kind of property that tenants would take only in circumstances of extreme need, and where it was unlikely that tenancies could be sustained in the long term"<sup>17</sup>. This type of accommodation is characteristically of poor quality, unsafe to health and usually located in unsafe areas. If households are unable to afford good quality accommodation under the capped LHA rate they may be forced to rent in the slum rental market.

Shelter's research report on the PRS<sup>18</sup> also found that the biggest single reason tenancies came to an end in the PRS was due to problems with repair and maintenance. In some cases tenants may fear that attempts to enforce rights over housing conditions will leave them facing a retaliatory eviction action<sup>19</sup>. The lack of security can have a particularly negative impact on children, as moving at short notice is extremely disruptive to family life.

In addition to the potential disruption renting in this type of market can create for families, there are also serious health implications especially for children. Child poverty expert Lisa Harker has highlighted the huge impact that living in bad housing<sup>20</sup> has on children's life-chances.<sup>21</sup> In terms of the impact on health, children living in overcrowded and unfit conditions are more likely to experience respiratory problems such as coughing and asthmatic wheezing.<sup>22</sup> Shelter research found that children living in overcrowded and unfit accommodation are almost a third more likely to suffer respiratory problems such as chest problems, breathing difficulties, asthma and bronchitis than other children<sup>23</sup>. This has a secondary effect on their school attendance and the ability to take part in physical activity. Further evidence in research by Natcen<sup>24</sup>, a longitudinal report on the associations between persistent bad housing and outcomes for children, has also outlined additional links between bad housing and health. Children that persistently live in accommodation in a poor state of repair are

---

<sup>17</sup> *ibid*, p 21.

<sup>18</sup> Rugg, J. *Research: report A route to homelessness? a study of why private tenants become homeless*, Shelter, April 2008.

<sup>19</sup> Jones, E. *Policy: discussion paper Fit for purpose? options for the future of the private rented sector*, Shelter, April 2007.

<sup>20</sup> Bad housing' as Shelter currently describes it, covers a wide range of issues, including homelessness, overcrowding, insecurity, housing in poor physical conditions and living in deprived neighbourhoods.

<sup>21</sup> Harker, L., *Chance of a Lifetime*, Shelter, September 2006

<sup>22</sup> *ibid*

<sup>23</sup> Rice, B. *Against the odds*, Shelter, November 2006.

<sup>24</sup> Barnes, M., Butt, S. and Tomaszewski, W. *The dynamics of bad housing: The impact of bad housing on the living standards of children*, Natcen, September 2008, sponsored by Eaga Partnership Charitable Trust and Shelter.

more likely to have a longstanding illness or disability and have stomach, liver or digestive problems<sup>25</sup>.

### **Separating families**

Households who are claiming LHA at the six bedroom rate or above are likely to be extended families, of which a large proportion will be BME households. The EQIA has estimated that out of the 5,000 households that will be affected by the change, 2,000 of these will be non-white families. If families are unable to find accommodation that is affordable and accessible at the five bedroom rate, in good condition and large enough to meet the households' needs then they may have to split the family up and live in two or more properties. This would be detrimental to many families who need to live together because of the care needs of children, the elderly or relatives with disabilities.

## **3. Wider Policy Implications**

In addition to the significant impact the regulations will have on families, we also feel that they are inconsistent with wider Government housing policy objectives. Firstly, the Government's homelessness prevention programmes and housing options interviews have been designed to actively promote the PRS as a means of providing greater access to appropriate housing. Secondly, reducing the choice of properties available to claimants through capping the LHA risks endangering the Government's wider welfare to work strategy, as claimants are forced to live in lower cost areas which reduce their access to centres of employment, training and other opportunities. The forthcoming joint Treasury and DWP Housing Benefit consultation is going to address work incentives and we feel there are more constructive ways of easing claimant's transition into work rather than capping LHA rates.

### **Homelessness prevention**

Central to the Government's current approach to homelessness and its prevention is the concept of housing options. Under this model, all those who approach the council for assistance are required to have a formal interview offering advice on housing options. As part of this households can be assisted to find alternative accommodation in the PRS. Shelter has voiced concerns that this approach may lead to a risk of repeat homelessness because tenancies are not secure or affordable<sup>26</sup>.

---

<sup>25</sup> Ibid.

<sup>26</sup> O'Hara, E. *Policy: report - Rights and wrongs, the homelessness safety net 30 years on*, Shelter, November 2007.

Given the risks we have highlighted in this response concerning private lettings, if a household's choice is further restricted through capping the LHA at the five bedroom rate there are greater risks that households may face repeat homelessness. If the Government wishes to continue operating a housing options system that offers genuine choice to households coming through the homelessness system then policies for the PRS should not disproportionately exclude certain groups and should that appropriate accommodation can be accessed affordably.

### **Transition into work**

The EQIA states that one of the benefits of capping LHA at the five bedroom rate will be help to ease the transition into work by keeping rents at a more realistic and affordable level. However, there are a number of barriers that currently exist in the housing benefit system that prevent claimants from entering employment. In Shelter's view there are a number of measures that need to be implemented as part of the current Treasury and DWP housing benefit review to help the transition into work, including:

- Fixed period awards of housing benefit for people in work, whilst retaining the option for claimants to seek a reassessment if they experience a drop in income
- Extending the current four week housing benefit run-on scheme so that payments automatically run on for 6 months after entering work.

Reducing the choice of properties available to claimants through capping the LHA risks endangering the Government's wider welfare to work strategy, as claimants are forced to live in lower cost areas which reduce their access to centres of employment, training and other opportunities. We feel a fundamental review of the rent officer regulations will enable claimants to have a fair choice of properties in every community and easier access to training and employment.

### **4. Transitional protection**

We would like to see one of our suggestions in section one implemented instead of the proposed five bedroom cap regulations. However, if the changes are applied it is vital that one or more of the following recommendations are put in place to protect the households who would be adversely affected by such a change:

- Existing LHA customers, currently claiming the six bedroom plus rate should be protected and not affected by the regulations unless the household move and/or break their claim.

- Alternatively, if the regulations are applied to existing and future claimants and their LHA entitlement is subsequently reduced, the transitional protection period of 13 weeks for existing customers should be extended to 26 weeks. This will help to ensure that claimants are not in breach of their fixed term tenancy agreements which for assured shorthold tenancies are a minimum of 6 months, and allow a longer period of time to find alternative accommodation.
- At the absolute minimum, any households affected by the new regulations should be contacted by their housing benefit department outlining any change in entitlement, the date it comes into effect and offering support in finding alternative accommodation.

## Conclusion

Overall, Shelter disagrees with the proposal to cap LHA at the five bedroom rate. Our response has highlighted that depending on which BRMA claimants are living in, the number of affordable and accessible properties can vary greatly. The proposed regulations carry a number of negative impacts: families will either have to live in overcrowded or sub-standard accommodation, or pay large shortfalls in rent if they cannot secure larger properties at the five bedroom LHA rate. Further, we feel that the proposed regulations would undermine wider Government policy goals such as homelessness prevention and promoting the transition into work. If the regulations are to be amended for LHA rates over five bedrooms, on balance we feel the best proposal would be for rent officers to omit 'exceptionally high' rents when calculating the LHA rates for properties of six bedrooms or more. It is important that the LHA's policy objectives of fairness and transparency are upheld for claimants as well as the taxpayer and private landlords. This needs to be achieved through more measured proposals rather than the five bedroom cap which has been put forward by the Government.

**Shelter Policy Unit**  
**February 2009**

For further information please contact Francesca Albanese, Policy Officer, on 0844 515 2137 or at [Francesca.Albanese@shelter.org.uk](mailto:Francesca.Albanese@shelter.org.uk)