

# Housing Benefit Reform

## Broad Rental Market Areas and the Median Local Housing Allowance

# This presentation will cover

- How rent officers determine
  - the Broad Rental Market Area [BRMA]
  - the Local Housing Allowance [LHA]
- How rent officers are working with local authorities

# This presentation will not cover

- What rent officers will continue to do, for example
  - Process referrals and make determinations:
    - Significantly High Rent
    - Size Notional
    - Exceptionally High Rent
    - Single Room Rent
    - Local Reference Rent

# What isn't included in the LHA?

- These exceptions to LHA will continue to be dealt with by rent officers using the current methods

Houseboats

Caravans

Mobile Homes

Housing Associations

Moorings

Site Rents

Hostels

# What isn't included in the LHA?

## Board and attendance

- If you think that the rent includes **any** amount for board and attendance (B&A) you must refer the case to TRS
- If the RO decides that the amount of rent for B&A is substantial, they tell you and then process the case under the existing HB rules – SHR, Size, EHR, LRR, SRR, etc
- Normal TRS target times start from the date they determined that B&A was substantial (the 'relevant period') – not the referral date
- If the RO decides that the amount of rent for B&A is **NOT** substantial they will tell you that the appropriate LHA applies for that tenancy

# Local Housing Allowance

## The Rent Service Timetable

- The timetable for the delivery of the BRMAs and the associated LHAs is
  - October 2007  
The provision of indicative LHAs to all local authorities
  - January 2008  
The publication of the BRMAs and the provision of provisional LHAs to all local authorities, and
  - March 2008  
The live BRMAs and the LHAs to all local authorities

# Definition: BRMA

an area

- (a) comprising two or more distinct areas of residential accommodation, each distinct area of residential accommodation adjoining at least one other in the area
- (b) within which a person could reasonably be expected to live having regard to facilities and services for the purposes of health, education, recreation, personal banking and shopping, taking account of the distance of travel, by public and private transport, to and from facilities and services of the same type and similar standard, and
- (c) containing residential premises of a variety of types, and including such premises held on a variety of tenancies

# TRS Business Plan for 2006-07

## The Broad Rental Market Area

- TRS have set up a dedicated team of rent officers to lead a programme of fundamental reviews of
  - Neighbourhoods and localities/broad rental market areas
- The aim is to ensure that our valuations remain robust and are representative of the private rented sector market

# TRS Business Plan for 2006-07

- This team, working in consultation with local rent officers and the Redetermination Unit, carry out research and analysis of existing localities, data collection and its use, and where appropriate make recommendations for change
  - For the purpose of these reviews, twelve months market rental evidence, and twelve months housing benefit referral data is used

# The Review Process

- Members of the dedicated team make site visits to the locality/BRMA under review to carry out field research and consultations
- Local residents and business people, including property professionals, are consulted in towns and villages pertinent to the limits of the locality
- This information helps to build an understanding of how the various communities interact and how the distinct areas of residential accommodation are bound together

# The Review Process

- They meet with the local authority, explain the exercise being undertaken and seek their views
- The TRS local authority contacts are encouraged to involve others, for example the Housing Strategy and/or Homelessness officers and not limit the consultation to the HB staff
- The rent officers findings are shared with the local authority for further consultation

# Determining the BRMA

- Education
- Health
- Recreation
- Banks
- Shopping

# Health

Rent officers will, for example, identify and map

- Hospitals
- GP surgeries
- Dentists
- Opticians
- Pharmacists
- Any other relevant facilities

# Education

Rent officers will, for example, identify and map

- Nurseries
- Primary Schools
- Secondary Schools
- Colleges
- Universities

# Recreation

Rent officers will identify, for example

- Local facilities such as parks
- Sports centres and clubs
- Professional sporting venues
- Theatres
- Any specific local attraction

# Banking and shopping

Rent officers will, for example, identify and map

- Availability of banks and ATM points
- Post Offices
- Convenience stores
- Supermarkets
- Major retail centres

# Standard of Services – using established criteria

- Useful educational indicators include
  - Primary School – Key Stage 2 results
  - Secondary School – GCSE results
  - Value Added results
- Hospitals – star rating

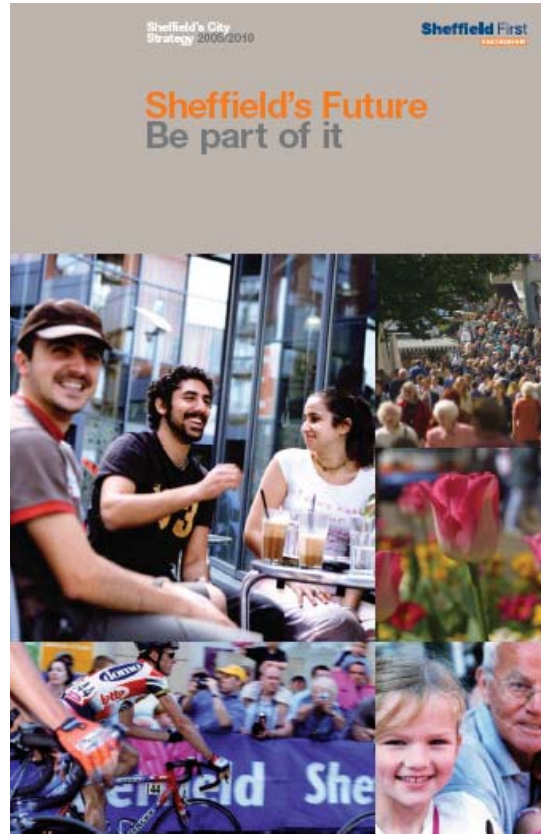
# Sources of Information

Yorkshire and Humber Assembly  
 Identifying the Sub-Regional Housing  
 Markets of Yorkshire and Humber:  
 The South Yorkshire Market

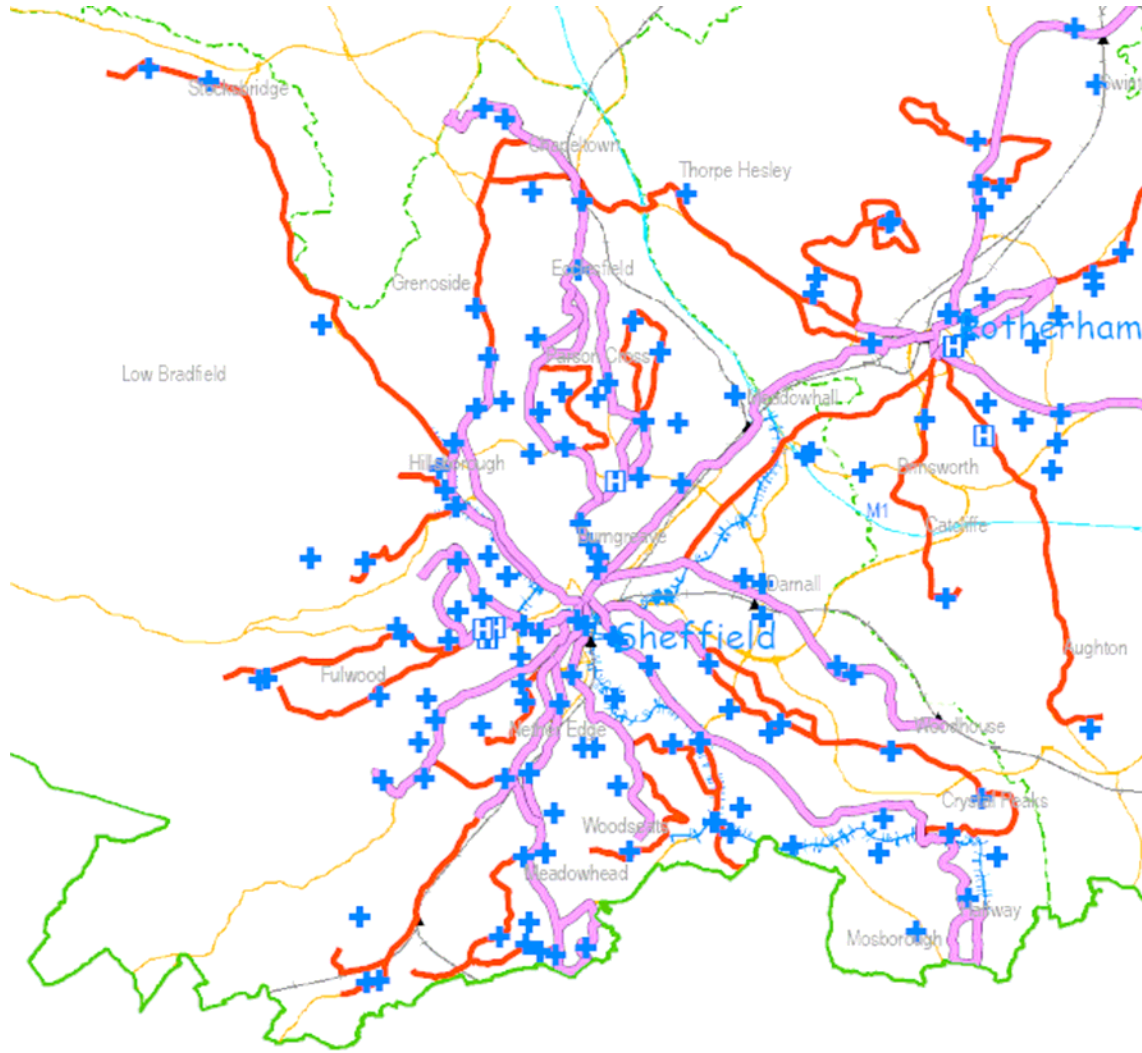
July 2006  
 Draft Report





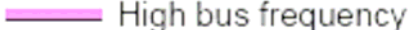

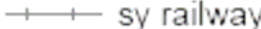


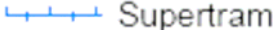

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# For example, how we map access



## ACCESS TO HEALTH FACILITIES

-  Hospital Sites
-  GP Practices
-  High bus frequency
-  Medium bus frequency
-  Railway
-  Motorways
-  Robin Hood Airport
-  Supertram
-  Urban areas

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specialists in rental valuations

# BRMA determinations

We will give you

- A GIS map
- The postcodes for each BRMA, or parts of a BRMA, in your area, as well as
- The postcodes for the whole of any BRMA which is only partly in your area
- The names of the 'neighbourhoods' (distinct areas of residential accommodation) – locally recognised areas in the BRMA

# TRS Business Plan for 2007-08

## The Local Housing Allowance

- TRS have set up dedicated teams of rent officers to lead a programme of letting data analysis and collection
  - Analysis of the lettings data held and the PRS
  - Targeted collection
- The aim is to ensure that our valuations remain robust and are representative of the private rented sector market

# The Local Housing Allowance

- Collect lettings information from all of the private rented sector within the BRMA
- Ensure the information used to determine the LHA is representative of the local PRS market
- Access all markets and use all available data to ensure that the stability of the market is reflected in the LHA
- It is a median and is described by the number of bedrooms

# The Median LHA

- If you lined up all the rent values known for an area in ascending order, the median rent would be the middle one
  - If there are nine rental values, the median will be the fifth highest
- If there's an even number of rental values, the median is halfway between the two rents closest to the middle
- Unlike the LRR the number of pieces of information is critical

# To summarize – The Rent Service are

- Determining, mapping and publishing broad rental market areas
- Collecting lettings information that is representative of the markets local to the BRMA
- Consulting customers and stakeholders
- Providing a transparent service

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