

- Minister announces year-long 'LHA cap' exception

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- benefit in line with Local Housing Allowance (LHA) rates will not now apply to supported housing tenancies taken out before April 2017.

In a [written statement to parliament today](#), Justin Tomlinson, a Department for Work and Pensions (DWP) minister, said the 'LHA cap' would apply to new supported housing tenancies starting from April 2017, instead of April 2016 as originally intended. The year-long exception will allow ministers to analyse the results of a research project into supported housing costs before new tenants are affected.

Although new supported housing tenancies in the 2016/17 financial year will not now be affected, the actual cut in benefit for all other new social housing tenancies, and for new supported tenants after April 2017, will still take place from April 2018 as planned.

The written statement was made by Lord David Freud, welfare reform minister, but announced by Mr Tomlinson.

Lord Freud said the government was awaiting the outcome of a supported accommodation research project and a subsequent policy review "to ensure... appropriate groups are safeguarded".

"I am doing this because I understand the importance of ensuring that both those living in supported accommodation and those who provide this type of accommodation receive appropriate protections," he said.

"I consider it important to have evidence to support any decisions made, before determining the level of any protections for this cohort beyond April 2017."

The minister will write to social landlords to give guidance on how to advise people taking on new and re-let tenancies from either April 2016 or April 2016 as to how they may be impacted.

Housing figures, including the National Housing Federation, were seeking an exemption from the LHA cap for supported housing tenancies.

In the Autumn Statement last year, the government announced that from 2018, LHA rates would be applied to housing benefit and universal credit for all social rented tenancies that began in April 2016.

Exclusive *Inside Housing* [research in January](#) found 95% of supported housing providers would be forced to wind up housing schemes for the most vulnerable if the planned cut went ahead.

David Orr, chief executive of the NHF, said: "We are pleased that the government is listening to our concerns and has delayed the application of the LHA cap to people in a wide range of supported and sheltered housing..."

"However, the continued threat that a crude LHA cap might be imposed in the future means substantial uncertainty remains. The best way to end the uncertainty is to remove that threat. The LHA cap should not be part of the outcome of the review and there must be long-term stability and security for the sector."