Key Measure – description	Possible implications on housing
The introduction of an **overall benefits cap** (£500 for workless families and £350 for singles) which will be delivered through Housing benefit pending the full introduction of Universal Credit in 2017. The cap does not take account of household size.	The household benefit cap (coupled with the earlier cap on LHA) may make it difficult for many households to afford to rent in the Private Rented Sector under the 'affordable rent' model – this may impact on the viability of the model in high value areas. DWP's impact assessment warns of an increase in rent arrears which will require expense and effort by landlords and the courts to evict and seek to recoup. Stock owning authorities will wish to keep the level of arrears under review given the potential impact on self financing business plans. Councils will also wish to monitor any increases in the numbers of people presenting themselves as homeless. This is likely to have implications on the use of temporary accommodation – where this is affordable under the cap and migration where it is not. In addition it is possible that the temporary accommodation costs for families, no longer able to afford permanent accommodation due to the benefit cap could fall as an addition demand on resources from the responsible authority. Whilst the government has made provision in the early years for enhanced Discretionary Housing Payments (DHP), only time will tell if this will be sufficient.
The **size criteria** measure is the only element of the Welfare Reform Act which will affect social landlords alone. The Act will introduce criteria to bring treatment of those in the social rented sector in line with those living in the private rented sector. The measure comes into effect from April 2013 – those who are assessed as under-occupying for housing benefit purposes will have their housing benefit reduced by a percentage rate of their eligible rent[1].	DWPs impact assessment estimated that the size criteria was likely to affect 670,000 claimants across Britain. DWP estimates that the majority under-occupy their homes by one bedroom. The highest percentage of affected claimants as a percentage of working age Housing Benefit claimants in the social sector can be seen in the North East[2], North West[3] and Wales[4]. The government has increased funding for DHP by £30m in 2013/14 to cover this. Of this, £25m is targeted towards those who live in properties adapted for people with disabilities and £5m towards foster carers. This measure will have a particular impact depending on the stock profile of available homes in the area. Social landlords have long had an interest in tackling under-occupation in order to achieve the best use of their housing stock however a shortage of smaller properties in some areas may mean that Councils consider negotiating with RSLs/HAs to enable tenants to remain over accommodated while paying rent at the entitled rate.

[1] 14% for one extra bedroom and 25% for two or more extra bedrooms.
[2] 46% affected claimants as % of working age HB claimants in social sector
[3] 43% affected claimants as % of working age HB claimants in social sector
[4] 42% affected claimants as % of working age HB claimants in social sector

Key Measure – description	**Possible implications on housing**
An expectation that at least 80% of UC **applications or changes will take place online, with benefit payments paid monthly direct to bank accounts**. Rent will only be paid directly to landlords in exceptional circumstances.	Councils currently administer housing benefit and receive £462m (2011/12) in administration grant for housing and council tax administration. The merger of housing benefit into UC may lead to a rundown of council capacity, possible redundancy/pension strain costs. The LGA will continue to argue for an element of face to face delivery and councils' crucial role in delivering this. Transaction costs would increase as a result of the number of transactions from the direct payment to tenants and the costs associated with direct debits, standing orders and other payment methods. Payment direct to tenants could increase the risk of arrears with an impact on rental income streams. As before stock owning authorities will wish to monitor the implications for the self financing investment plan and access to preferential borrowing rates. All authorities will be mindful of the possible impact on rental income streams for housing associations and private landlords.
Linking the up-rating of local housing allowance (LHA) to the lower of either rent officer determination or Consumer Price Index (CPI) (rather than the Retail Price Index). From April 2013 the government is planning to freeze existing Local Housing Allowance (LHA) rates and then only up-rate them by the Consumer Price Index (which does not include housing costs) rather than the rates being based on the real rental market evidence.	This will break the link between the support people receive and the rent they pay. This may result in the 30% of the market that is theoretically available to tenants decreasing as LHA fails to keep pace with rent inflation. CIH estimate that by 2023 two bedroom houses in 34% of local authorities outside London will be unaffordable for people claiming LHA. Councils may wish to encourage private housing providers to inflate rents by no more than the rate of CPI although initial evidence indicates no impact on rent levels to date. This may be particularly challenging in high demand areas.