

Lincolnshire Landlords Newsletter



We have recently completed a series of 5 Landlord Forums in Grantham, Spalding, Louth, Lincoln and Skegness to give an overview of the Local Housing Allowance (LHA) scheme and answer any questions. Many thanks to all those landlords who attended, LHA certainly made for a lively discussion.

Enclosed in this newsletter is an overview of the scheme and also answers to some of the questions raised.

A leaflet about LHA is now available. If you would like a copy please contact the council that you normally deal with to

request a copy of 'A Guide to Local Housing Allowance'.

Consideration is being discussed about holding another round of forums approximately 3 months into the scheme, to discuss how the scheme has progressed and any issues that you may have.

What is Local Housing Allowance?

The Local Housing Allowance (LHA) is a new way of deciding rent payments for people receiving Housing Benefit (HB). It does not replace Housing Benefit (HB). It uses a flat rate allowance based on the size

of the tenants household and the area in which they rent property to decide the amount of benefit they will receive. This amount is not directly related to the rent that you charge so the benefit that your tenants receive may be higher or lower than the contractual rent. The rate of LHA that customers receive will be reviewed on an annual basis.

Other circumstances, such as the money that the tenant has coming in or other people living in the household, will still affect the amount of benefit paid so the tenant may not always receive the full rate of LHA.

What is Changing?

- The rent figure used in the housing benefit process.
- Abolition of most pre-tenancy determinations and most rent valuations.
- New way of setting the maximum rent.
- New rules about who we pay.

Why is LHA being introduced?

The LHA is part of the Government's agenda to modernise public services and will help to give everyone access to decent housing. The fundamental objectives of the LHA are to promote, Fairness, Choice, Transparency, Personal Responsibility, Financial Inclusion, Increased Work Incentives and Simplicity.

When is LHA being introduced?

LHA will be introduced from April 7th 2008

Will all benefit claims be transferred onto LHA from the 7th April 2008?

No. Tenants will continue to receive under existing rules until a change occurs e.g. a tenant has a break in their claim of one week or more or they move to a different privately rented address. Benefit will then be transferred to the new LHA scheme.



Who decides the LHA rates?

The Rent Service, each month calculates the LHA for individual areas, known as Broad Rental Market Areas (BRMA's). It is based on the median rental figure for that particular area depending on the size of the property. Basing the LHA on the median of rents for a certain property size means that exactly half of the rental properties of that size in the area will be affordable within the LHA amount that the customer receives.

What will the LHA rates look like?

Please refer to pages 4 and 5 of this newsletter for the actual rates effective from 7th April 2008.

You can also get information about the rates from the following website: <https://www.lha-direct.org> - here you will be able to do various searches, to find out how many bedrooms a family may be entitled to, and also a postcode search to find out what the rates are for that area and that particular month.

Other information can also be found at www.therentservice.gov.uk

NB: LHA rates are the maximum benefit a person could receive. Housing Benefit is still means tested.

What if the customer's benefit is higher than their rent?

They may keep any of the excess that they are paid up to a maximum of £15 per week. This excess will not be taken into account when deciding other benefits.

Will this excess be capped?

Yes, the maximum excess permitted will be £15 above their rental liability.

Who will Housing Benefit (LHA) be paid to?

Personal responsibility and financial inclusion are two key aims of the LHA. In the vast majority of cases, benefit will be paid to the customer who will be responsible for making their own payments of rent to their landlord. In certain circumstances, benefit can be paid directly to the landlord.



How is the LHA calculated?

Having set the BRMA's, Rent Officers are responsible for calculating the LHAs for different sizes of property in that area. Once the Rent Service has determined the LHA rates for an area, an individual customer's benefit will depend on their age and the size of their household.

When will the LHA rates be published?

Rates will be published at the end of the month before the month that they come into force. For example, the May rates will be made available at the end of April.

What if the customer's benefit is lower than their rent?

The customer will have to make up any shortfall out of their income or benefits. Alternatively, the customer may also choose to move to cheaper accommodation.

However, if the customer had previously paid their rent without any support from Housing Benefit in the past year they will be entitled to an initial 13 weeks of benefit that will cover their full rental liability, without any restrictions.



What are the exceptions?

Local authorities will have discretion to pay rent direct to the landlord where there is evidence that the customer would be unlikely or unable to pay their rent and making direct payments would be in the interests of the customer. If you feel that your tenant may fall within either of these criterias please contact your normal local council as soon as possible.

What if the landlord just wants the rent paid direct to them?

The choice of having the payment made directly to the landlord will not exist under LHA. Taking responsibility for the payment of essential items such as accommodation is an important aspect of helping customers with the move into work. Most customers will be paid their benefit into a bank account and then will be free to set up a Standing Order to pay you, just as they would if they were in work.

If the landlord receives direct payment, will they be paid the customer's excess as well?

Not normally. Where a payment is made direct to a landlord, it must not include any amount over and above the customer's rental liability. However, if there are rent arrears, any excess could be paid to the landlord, but only until the arrears are paid off.

Will appeals against direct payment decisions be allowed?

Yes. Both tenants and landlords, as persons affected by the decision, may appeal against any decision about whether or not to pay rent direct. Appeals can also be made against who we decide to pay.

What is the position regarding the number of tenants receiving their LHA direct?

After evaluating the data from the 18 Pilot sites it has been found that payments in around 84% of cases are now made to the tenants. This is an increase of approximately 48% prior to the implementation of LHA.

What have been the experiences of landlords in the LHA pilot areas?

DWP has commissioned independent social research to assess the impact of the LHA on interested groups such as landlords. The latest evaluation has found that landlords are adapting to the new ways of assessing and paying benefits and continuing to let properties to Housing Benefit customers. There is also evidence of landlords moving towards automated rent collection, for example, standing order, as a method of collecting rent. The segment of the market available to benefit customers has remained relatively stable.

All the published evaluation reports can be found at:
www.dwp.gov.uk/housingbenefit/lha/evaluation



Has the introduction of LHA resulted in landlords exiting the Housing Benefit market?

There has been some turnover of landlords both entering and leaving the Housing Benefit market. Overall the evaluation findings show there has been little impact on the supply of property to benefit customers.

How will overpayments be recovered?

The rules on the recovery of overpayments are not being changed. Currently:

- Benefit overpaid to a landlord can be recovered from either the landlord or the customer, as the local authority chooses; and
- Benefit overpaid to a customer can be recovered only from the customer.

As most customers will receive their benefit themselves under the LHA, most overpayments will, therefore, be recovered from the customer and not the landlord.

What if benefit payments were split?

Split liability for overpayments can already arise where an overpayment accrues over a period, and the payment was made to the landlord for part of that period and to the tenant for the rest of it. In these cases, the local authority can recover from either or both of the landlord and tenant. If the local authority decides to recover from the landlord, the overpayment can be recovered from future payments, by invoice or other appropriate means.



What are the LHA rates for the Lincolnshire Authorities?

Boston Borough Council	LHA Rates (Weekly)	
	Room Type	Weekly
Shared/Single Room		£60.00
1 Bedroom (self contained)		£90.58
2 Bedroom		£106.15
3 Bedroom		£126.92
4 Bedroom		£155.77
5 Bedroom		£190.39

City of Lincoln Council	LHA Rates (Weekly)	
	Room Type	Weekly
Shared/Single Room		£55.00
1 Bedroom (self contained)		£87.69
2 Bedroom		£103.85
3 Bedroom		£121.15
4 Bedroom		£160.38
5 Bedroom		£219.23

East Lindsey District Council	LHA Rates (Weekly)			
	Lincoln	Grimsby	Lincs. Fens	Wolds & Coast
Shared/Single Room	£55.00	£49.00	£60.00	£58.00
1 Bedroom	£87.69	£75.00	£90.58	£75.00
2 Bedroom	£103.85	£88.85	£106.15	£92.31
3 Bedroom	£121.15	£95.00	£126.92	£109.62
4 Bedroom	£160.38	£126.92	£155.77	£133.27
5 Bedroom	£219.23	£171.35	£190.39	£161.54

North Kesteven District Council	LHA Rates (Weekly)		
	Grantham/Newark	Lincoln	Wolds & Coast
Shared/Single Room	£60.00	£55.00	£58.00
1 Bedroom	£85.38	£87.69	£75.00
2 Bedroom	£109.62	£103.85	£92.31
3 Bedroom	£126.92	£121.15	£109.62
4 Bedroom	£173.08	£160.38	£133.27
5 Bedroom	£196.15	£219.23	£161.54

South Holland District Council	LHA Rates (Weekly)		
	Lincs. Fens	Peterborough	Kings Lynn
Shared/Single Room	£60.00	£65.04	£64.00
1 Bedroom	£90.58	£98.08	£91.15
2 Bedroom	£106.15	£126.92	£114.23
3 Bedroom	£126.92	£138.46	£132.69
4 Bedroom	£155.77	£190.38	£173.08
5 Bedroom	£190.39	£270.58	£274.15

South Kesteven District Council	LHA Rates (Weekly)			
	Grantham & Newark	Lincs. Fens	Peterborough	Lincoln
Shared/Single Room	£60.00	£60.00	£65.04	£55.00
1 Bedroom	£85.38	£90.58	£98.08	£87.69
2 Bedroom	£109.62	£106.15	£126.92	£103.85
3 Bedroom	£126.92	£126.92	£138.46	£121.15
4 Bedroom	£173.08	£155.77	£190.38	£160.38
5 Bedroom	£196.15	£190.39	£270.58	£219.23

West Lindsey District Council	LHA Rates (Weekly)		
	Lincoln	Grimsby	Scunthorpe
Shared/Single Room	£55.00	£49.00	£56.50
1 Bedroom	£87.69	£75.00	£70.00
2 Bedroom	£103.85	£88.85	£92.31
3 Bedroom	£121.15	£95.00	£103.85
4 Bedroom	£160.38	£126.92	£150.00
5 Bedroom	£219.23	£171.35	£196.15



What other information is available?

DWP, The Rent Service and local authorities are working together to ensure that all stakeholders are kept informed of the changes being made to Housing Benefit and that everyone will be aware of where to obtain further advice and information. Your local authority contact details can be found below. They will be able to provide you with more information, alternatively you can visit the DWP and The Rent Service websites:

www.lha-direct.org

www.dwp.gov.uk/housingbenefit/lha

www.therentservice.gov.uk

Local Authority Contact Details

Local Authority	Address	Tel No, e-mail and web
Boston Borough Council	Municipal Buildings West Street BOSTON Lincolnshire PE21 8QR	Tel 01205 314460 housing.benefits@boston.gov.uk www.boston.gov.uk/benefits
City of Lincoln Council	Benefits Service City Hall Beaumont Fee LINCOLN LN1 1DB	Tel 01522 873355 (Customer Services) Tel 01522 873382 (for help in setting up a bank account) benefits@lincoln.gov.uk www.lincoln.gov.uk/lha
East Lindsey District Council	Housing Benefits Tedder Hall Manby Park Manby LOUTH Lincs LN11 8UP	Tel 01507 609333 or 08446 609333 (low rate) hbenquiry@e-lindsey.gov.uk or customerservices@e-lindsey.gov.uk www.e-lindsey.gov.uk/advice/benefits
North Kesteven District Council	Benefits Service District Council Offices Kesteven Street SLEAFORD NG34 7EF	Tel 01529 414155 or 01522 699699 benefits@n-kesteven.gov.uk www.n-kesteven.gov.uk
South Holland District Council	PO Box 8 Priory Road SPALDING Lincs PE11 2XQ	Tel 01775 761161 benefits@sholland.gov.uk www.sholland.gov.uk/services/services601.htm
South Kesteven District Council	Benefits Service Council Offices St. Peters Hill GRANTHAM Lincs NG31 6PZ	Tel 01476 406262 (Customer Services) Customerservices@southkesteven.gov.uk www.southkesteven.gov.uk
West Lindsey District Council	Guildhall Marshalls Yard GAINSBOROUGH Lincs DN21 2NA	Tel 01427 676676 benefits@west-lindsey.gov.uk www.west-lindsey.gov.uk/lha

