



A Guide to Local Housing Allowance

CONTENTS

The New Rules for Housing Benefit From 7 th April 2008	3	The size of my household has changed, what will happen to my Housing Benefit?	10
Why has LHA been introduced?	3	I would like my Housing Benefit to be paid to my Landlord, is this possible?	10
What is LHA?	4	I don't have a bank account?	11
Who will LHA apply to?	4	What if I consider I am unlikely to pay my rent?	12
I am already receiving Housing Benefit. Will my benefit change?	4	Who decides if we may pay the Landlord?	13
How will LHA work?	5	Making a decision	13
Broad Rental Market Areas	5	Reviews and appeals	14
Number of Rooms	6	I don't agree with the LHA rate, can I appeal?	14
Which rate applies to me?	6	Do I still have to tell you about all my income and savings?	14
I am a joint tenant how much will I get?	7	Where can I get more advice?	15
My rent is higher than the LHA?	7	Local Authority Contact Details	16
My rent is lower than the LHA?	8		
If my rent increases, will my Housing Benefit?	8		
I have asked for my claim to be backdated, which rate of LHA will my claim be based on?	8		
I am moving to a new home. How can I find out what my maximum Housing Benefit will be?	9		

The New Rules for Housing Benefit From 7th April 2008

Housing Benefit from the 7th April 2008, will be paid based on a standard rate of benefit dependant on the size of your household and not the amount of rent you are charged or the size of the property you rent.

This will apply to anyone making a new claim for benefit or changes address in the rented sector from a private landlord.

This new scheme will be called Local Housing Allowance (LHA).

Why has LHA been introduced?

LHA has been introduced to increase responsibility, place choice firmly in the hands of tenants and help develop the skills to make the transition into work. The objectives of introducing LHA are:

Fairness

to pay similar amounts to tenants with similar circumstances.

Choice

to allow you to choose between price and quality of the accommodation you rent.

Transparency

it is easier for you and landlords to find out how much rent could be covered by Housing Benefit, before you actually commit to a tenancy.

Personal responsibility

making you take responsibility for budgeting for, and paying, your rent.

Financial inclusion

to encourage you to have your Housing Benefit payments paid into a bank account and set up a standing order to pay the rent to your landlord.

Improved administration and reduced barriers to work

a simpler system helps to speed up the administration of housing payments giving you more confidence when starting a job that any in-work benefit will be paid quickly.



What is Local Housing Allowance?

We will not always cover all the rent with Housing Benefit, we will work out a maximum amount of Housing Benefit that the claim will be calculated on. This may then be reduced depending on the income and savings of the tenant. The way we assess the maximum amount of Housing Benefit is changing. The Rent Service used to decide whether the rent was fair or too high, and the maximum Housing Benefit was based on this Rent Officer decision. Local Housing Allowance (LHA) is the new way of working out the maximum Housing Benefit anyone could get and will replace Rent Officer decisions for anyone affected by the new rules.

Who will LHA apply to?

LHA applies to new claims for Housing Benefit received on or after 7th April 2008, from

tenants in privately rented accommodation. It will not apply to tenants of a Housing Association or tenants in caravans or mobile homes. These groups will still have their Housing Benefit worked out under the existing rules. If board and lodging is included as part of the tenancy the existing rules will also apply.

I am already receiving Housing Benefit. Will my benefit change?

No, see the previous answer.

If you are already receiving Housing Benefit the rules will stay exactly the same. If you move address you will then have your new Housing Benefit worked out using LHA rules. If you stop claiming Housing Benefit for at least one week then your claim will be calculated under the LHA rules.



How will LHA work?

The maximum amount of Housing Benefit you can receive will be set in advance by the Rent Officer. It will not depend on the amount of rent you pay. The maximum amount you could receive will be the same for every same size household in the area in which you live, regardless of differences in actual rent.

Broad Rental Market Areas

The Rent Service has divided the country into Broad Rental Market Areas (BRMA). These are made up of a number of neighbourhoods. In these areas there will be a wide mix of property types within a reasonable distance of various public amenities such as health, education, recreation, personal banking and shopping.

From the information that is collected the figure that is at the mid-point of these rents will be the figure that is used as the LHA rate.

The Rent Service will continually monitor the local rent market and update the LHA figures for each area every month. They may go up or down or stay the same for a person making a new claim.

Your local Housing Benefits office will be advised of these figures every month. You will be able to tell in which area you live using your postcode.

There will be a number of different rates for each area based on the number of rooms each household needs.





Number of Rooms

The Council that is making the decision on your claim will decide how many rooms, according to the Housing Benefit rules, you will need. If you live in one room and share some facilities, for example a kitchen or bathroom, with other people there is a shared LHA rate. If you are under 25 and live on your own you will also receive this rate.

If the above does not apply to you, this is how your number of rooms will be worked out. One bedroom for each of the following:

- a Couple
- someone who is 16 or over
- two children of the same sex
- two children who are younger than 10
- a child (someone under 16)

Each person is only counted once, in the first group that they would fall into.

Not necessarily everyone in your house is counted when working out how many rooms you need. You and your partner are counted, as are any children or young people you are responsible for. If you have any other adults who are not boarders or lodgers they are also counted.

Foster children and joint tenants are not included.

Which rate applies to me?

Your maximum Housing Benefit will be the LHA rate for the number of rooms you need in the area in which you live. The Rent Service and your Council will publish the LHA rates each month. The rate that will apply to your claim will depend on your date of claim. This will normally be the date that the Council received your claim form or the date that you first asked to claim Housing



Benefit, if you send the claim form back within one month of this date. It does not matter if the date your Housing Benefit is put into payment is in the next month, your benefit will still be based on the rate that applied when you claimed.

I am a joint tenant how much will I get?

If you are two single people renting a property jointly, you will each receive the shared room rate for the area you live in.

If you are two families jointly renting a property, then you will each receive the room rate appropriate to your household size. If you are a single person and a family jointly renting a property -

the single person would get the shared room rate and the family the appropriate room rate to your household size.

Also see the previous section 'Number of Rooms'.

My rent is higher than the LHA?

The maximum benefit you will receive is the LHA rate for your household size, in your area, for the month in which you claim. If your rent is more than this figure you will need to make up this shortfall yourself. *If you are struggling to make this difference up, you should speak to your council about Discretionary Housing Payments*





My rent is lower than the LHA?

Your maximum Housing Benefit is the weekly rent you pay plus up to £15 a week. This is the maximum amount the Government has decided can be used in a Housing Benefit calculation. Your maximum Housing Benefit will not be greater than your LHA rate.

Example:

Rent	£90 week
LHA	£120 week
Maximum Housing Benefit	£105 week

Example:

Rent	£90 week
LHA	£100 week
Maximum Housing Benefit	£100 week

If my rent increases, will my Housing Benefit?

Your LHA rate will be reviewed every year on the anniversary of the day you claimed. Your maximum Housing Benefit will then be the LHA rate that applies for that month, this may mean that your benefit may change. Your maximum Housing Benefit will not increase if your rent increases.

I have asked for my claim to be backdated, which rate of LHA will my claim be based on?

There are two answers to this question depending on whether you have requested backdating to a date prior to 7th April 2008.

If we have decided to backdate your claim to before 7th April 2008 then your date of claim is regarded as being before the



LHA regulations came into force. Therefore your maximum Housing Benefit will depend on a Rent Officer decision. You will only change to LHA when you move or if you have a break in your entitlement.

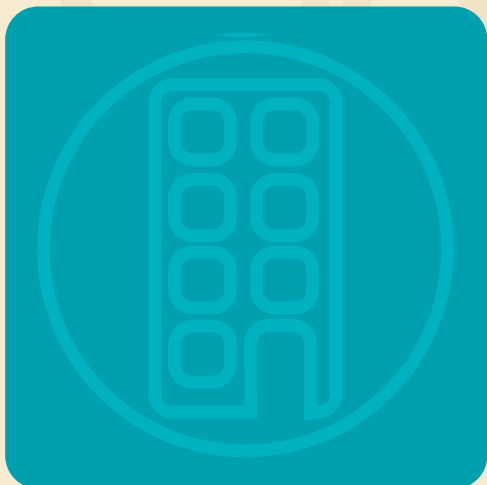
If you request backdating to a date after 7th April 2008, and it is awarded, your LHA rate will be based on the figures that apply for the month you have requested your claim to start from. This may be different to the figures for the month in which you have claimed. Your LHA rate will be reviewed on the anniversary of the start of your claim.

I am moving to a new home. How can I find out what my maximum Housing Benefit will be?

You will need to find out the LHA rates for the area in which you are looking to move to. The local authority for the area will have these either in their offices or on their website.

You will then need to work out how many bedrooms your household needs based on the criteria in the 'Number of Rooms' section. This is not the number of rooms in the property, but the number of bedrooms your household will need. The LHA rate for that number of rooms in the area will be the maximum Housing Benefit you will receive regardless of how much the rent is.

When you move home the relevant LHA will be applied for your new property.





The size of my household has changed, what will happen to my Housing Benefit?

If somebody moves in or out of your household you must tell your local authority. Your maximum Housing Benefit will then be changed to the correct LHA rate for your new household size.

If somebody in your household has a "significant birthday", for example they turn 16; your LHA may also have to be recalculated as that person may then need an extra room (See Number of Rooms).

I would like my Housing Benefit to be paid to my Landlord, is this possible?

Under LHA your Housing Benefit will be paid direct to you into a bank account. It will then be your responsibility to make sure you then pay your rent to your landlord at the right amount and at the right time. There are very few times when we will pay your benefit straight to your landlord. We will only do this if we consider that you will have difficulty managing your rent, you are 8 or more weeks behind in your rent or we do not think that you will pay your rent. We will make a decision on every case individually and may ask





you to provide us with reasons and evidence that we should pay your landlord. If you would like more help with this contact your Council or Citizens Advice Bureau.

I don't have a bank account?

We will ask for your bank details in order to pay you your Housing Benefit. If you do not have a bank account you will need to open one. You can contact your Council and ask for our leaflet 'A Tenants Guide To Paying your Rent, Basic Bank Accounts and Money Advice' or The Citizens Advice Bureau will be able to give you advice and information about how you do this. You will then be able to set up a standing order with your landlord to pay your rent. This is a simple way of making sure your rent gets paid every month in case you forget. If you are not able to open a bank account you will need to contact us as soon as possible.





What if I consider I am unlikely to pay my rent?

There are many reasons why you may consider you may have difficulty paying your rent. These may be because you fall within the following:

- have severe debt problems
- has a recent County Court judgement against you
- an undischarged bankrupt
- are unable to open a bank or building society account
- have some of your Income Support or Jobseekers Allowance paid direct to the gas, electricity or water company by the Department for Work and Pensions
- are getting Supporting People help
- are getting help from a homeless charity.

Or someone may have difficulty paying their rent if they:

- have learning difficulties
- have an illness that stops them managing on a day-to-day basis

- cannot read English
- cannot speak English
- are addicted to drugs, alcohol or gambling
- are fleeing domestic violence
- are a care leaver
- are leaving prison
- are homeless.

There may be other reasons why someone might have difficulties, please contact us and ask for more information.





Who decides if we may pay the Landlord?

In certain circumstances we may decide to pay the landlord.

There may be times when the Housing Benefit staff know if a tenant has had difficulty in managing their money and may take action based on this knowledge. We recommend that, if you think you or your tenant may have difficulty managing your money, then please contact us as soon as possible.

We must have evidence to show that you are having difficulty managing your money and that it is in your best interest that we pay the landlord directly. Evidence should usually be in writing. People who can provide evidence include:

- the tenant
- friends and family of the tenant
- the landlord

- welfare groups (including money advisers)
- Social Services
- probation officers
- Jobcentre Plus
- The Pension Service
- homeless charities/organisations
- supporting people teams
- rent deposit scheme administrators, homelessness or housing advice officers.

We will work with you in making our decision.

Making a decision

Once we have collected all the evidence, we will decide as quickly as possible if direct payments to the landlord are appropriate. We will still pay benefit while we are making our decision.

We will write to the tenant and explain our decision. We will also write to the landlord, if he has made the application.



Reviews and appeals

If you or your landlord disagrees with our decision you can ask us to look at the decision again. This is called a review. Or you can both appeal against the decision, giving reasons why you think this decision is wrong.

I don't agree with the LHA rate, can I appeal?

No, it is not possible to appeal against the LHA level. This is because the level is set for the whole BRMA and any appeal would affect people who are happy with the level.

Do I still have to tell you about all my income and savings?

Yes, the way Housing Benefit is calculated using your income and savings is not changing. For more information on how Housing Benefit is worked out contact your Council. The only things that are changing, is the

way we work out the maximum Housing Benefit and who we pay this to. You still need to tell us all your income and savings details and let us know about any changes in your circumstances.

Where can I get more advice?

If you want more help or advice, contact your local authority, their details can be found at the back of this leaflet.

You can also get more help from the following websites:

www.dwp.gov.uk

Department for Work and Pensions

www.therentservice.gov.uk

The Rent Service

www.adviceguide.org.uk

Citizens Advice Bureau (CAB)



Local Authority Contact Details

Local Authority	Address	Tel No, e-mail and web
Boston Borough Council	Municipal Buildings West Street BOSTON Lincolnshire PE21 8QR	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	01522 873355 (Customer Services) 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	01507 609333 or 08446 609333 (low rate number) 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	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	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	01476 406262 (Customer Services) Customerservices@southkesteven.gov.uk www.southkesteven.gov.uk
West Lindsey District Council	Guildhall Marshall's Yard GAINSBOROUGH Lincs DN21 2NA	01427 676676 benefits@west-lindsey.gov.uk www.west-lindsey.gov.uk/LHA

