

HOUSING BENEFIT AND COUNCIL TAX BENEFIT

A guide to Local Housing Allowance



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This leaflet explains the new way of working out the maximum Housing Benefit you could get. This new way is called Local Housing Allowance. It will apply from 7 April 2008 and will be the same whichever area you live in. If you don't know which council covers the area you live in, you can find it on your council tax bill.

What is Housing Benefit?

Housing Benefit is the help given to people with low incomes and low savings to pay their rent. It is assessed based on your income, savings and the people living in your household. Within this calculation, there is a maximum amount of benefit you will be able to receive.

What is Local Housing Allowance?

Local Housing Allowance (LHA) is the new way of working out the maximum Housing Benefit you could get. The amount you will get will still depend on your income and savings. It is only the way we work out the maximum Housing Benefit you could get that is changing. We will publish the LHA levels on our website.

Who will LHA apply to?

Everybody who claims Housing Benefit from 7 April 2008 will have their Housing Benefit worked out using LHA. If you are already receiving Housing Benefit, the rules will not change until you change address or temporarily stop claiming.

Local Housing Allowance does **not** affect you if:

- you live in a home which is owned by us or a local authority landlord;
- you are a tenant of a registered social landlord;
- you live in supported housing;
- your tenancy started before 15 January 1989 (2 January 1989 in Scotland);
- you live in a caravan, houseboat or hostel; or
- the Rent Officer has decided that a large part of the rent you pay for your tenancy is for meals cooked for you.

If you are in one of the above groups, you will continue to have your Housing Benefit worked out under the existing rules.

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

No, your benefit will stay the same. However, if you move address or stop claiming Housing Benefit for at least one week, we will work out your new claim under the LHA rules.

How will LHA work?

The maximum amount of Housing Benefit you can receive will be set beforehand 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 you live in, no matter what differences there are in the actual rent you and the other households pay.

Broad rental market areas

The Rent Service has divided the country into broad rental market areas (BRMAs). These are made up of a number of neighbourhoods. In each area there will be a wide mix of property types within a reasonable distance of various public services such as health, education, leisure, personal banking and shopping.

From the information that is collected, the rent amount that is at the middle point of the rents charged in each area will be the figure that is used as the Local Housing Allowance rate. There will be a number of different rates for each area based on the number of rooms each household needs.

The Rent Service will continually monitor the local rent market and update the Local Housing Allowance figures for each BRMA every month. The figures may go up or down or stay the same if you are making a new claim.

Your local Housing Benefit office will be given these figures every month. You will be able to use your postcode to tell which BRMA you live in.

Number of rooms

We 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 special Local Housing Allowance 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, we will work out your number of rooms as shown below.

One bedroom for each of the following.

- A couple
- Someone who is 16 or over
- Two children of the same sex until they are 16
- 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 come into.

We do not count everyone in your house when working out how many rooms you need. We count you and your partner, as well as any children or young people you are responsible for. If you have any other adults who are not boarders or lodgers, we also count those. However, we do not count foster children or joint tenants.

Which rate applies to me?

Your maximum Housing Benefit will be the LHA rate for the number of rooms you need in the broad rental market area you live in.

From 6 April 2009, the **most** Housing Benefit you could receive will be the five-bedroom Local Housing Allowance rate. If you make a new claim for Housing Benefit or move into privately rented accommodation after 6 April 2009, your claim will be assessed according to the five-bedroom Local Housing Allowance rate for the area you live in.

If you already receive Housing Benefit with an LHA rate for six or more bedrooms, you will continue to receive that rate until your case is reviewed. If your circumstances have not changed, your review will normally take place one year after you have made your Housing Benefit claim or one year after your previous

review. Following the review, you may be able to continue to receive Housing Benefit for up to 26 weeks at your existing Local Housing Allowance rate. Your claim will then be assessed according to the five-bedroom Local Housing Allowance rate in your area.

The Rent Service will publish new LHA rates each month. The rate that will apply to you will depend on the date you claim. This will normally be the date that we 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 we will pay your Housing Benefit is in the next month, as your benefit will still be based on the rate that applied when you claimed.

My rent is higher than the Local Housing Allowance.

The maximum benefit you will receive is the LHA rate for the size of your household, in your area, for the month you claim in. If your rent is more than this figure, you will need to make up this shortfall yourself. If you have special circumstances, read the leaflet 'A guide to Discretionary Housing Payments' or speak to us.

My rent is lower than the Local Housing Allowance.

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 to work out Housing Benefit. Your maximum Housing Benefit will not be more than your LHA rate.

Example

Rent = £90 a week

LHA = £120 a week

Maximum Housing Benefit = £105 a week

Example

Rent = £90 a week

LHA = £100 a week

Maximum Housing Benefit = £100 a week

If my rent increases, will my Housing Benefit also increase?

We will review your LHA rate 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, so this may mean that your benefit increases. Your maximum Housing Benefit will not increase if your rent increases.

I have asked for my claim to be backdated. Which rate of Local Housing Allowance will my claim be based on?

This depends on whether you have asked for your claim to be backdated to a date before 7 April 2008.

If we have decided to backdate your claim to before 7 April 2008, we will class the date you claim as being before the Local Housing Allowance regulations came into force. As a result, your maximum Housing Benefit will depend on what the Rent Officer decides. You will only change to LHA when you move or if you stop claiming and then start again.

If you ask for your claim to be backdated to a date after 7 April 2008 and we agree to do this, your LHA rate will be based on the figures that apply for the month you have asked your claim to start from. This may be different to the figures for the month you have claimed in. We will review your LHA rate on the anniversary of the start of your claim.

I would like my Housing Benefit to be paid to my landlord. Is this possible?

Under LHA, we will pay your Housing Benefit direct to you, either into a bank account or by cheque. It is your responsibility to make sure you pay the right amount of rent to your landlord 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 think you will have difficulty managing your rent, if you are eight or more weeks behind with your rent, or if 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 for why we should pay your landlord. If you would like more help with this, contact us or a citizens advice bureau.

I don't have a bank account.

If you don't have a bank account, we will pay your Housing Benefit by cheque although we prefer to pay into a bank account as it is safer and more efficient. We or a citizens advice bureau can give you advice and information about how to open a bank account. 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.

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 broad rental market area you are looking to move to. We will have this information in our offices and on our website.

You will then need to work out how many bedrooms your household needs, based on the conditions in the 'Number of rooms' section. This is not the number of rooms in the property, but the number your household will need. The Local Housing Allowance rate for that number of

rooms in the broad rental market area will be the maximum Housing Benefit you will receive, no matter how much the rent is.

When you move home, we will apply the relevant LHA for your new property.

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

Yes, the way we work out Housing Benefit using your income and savings is not changing. For more information on how we work out Housing Benefit, see the leaflets 'Help with Rent and Council Tax for People of Working Age' or 'Help with Rent and Council Tax for Pensioners'. The only thing that is changing is the way we work out the maximum Housing Benefit. You still need to give us details about your income and savings and let us know about any changes in your circumstances.

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 us. We will then change your maximum Housing Benefit to the correct LHA rate for the new size of your household.

If someone in your household has a birthday that will affect the LHA rate (for example, when a child turns 16), we may also need to change your LHA as that person may then need an extra room. (See the 'Number of rooms' section above.)

I don't agree with the Local Housing Allowance rate. Can I appeal?

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

Where can I get more advice?

If you want more help or advice, contact your local council.
(You can find the name of your local council on your council tax bill.)

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.scotland.gov.uk – The Rent Registration Service

www.adviceguide.org.uk – Citizens Advice

Independent advice

If you need independent advice, contact your local citizens advice bureau.
You can find their phone number (and the numbers for other local advice agencies) in The Phone Book and at your local library, or by contacting your local council.

Other formats

You can get the information in this booklet in large print, in Braille, as an audio version and in other languages. Visit our website **www.benefit-leaflets.org** for more information.

