



# LOCAL HOUSING ALLOWANCES + *EXPLAINED* +

## WHAT ARE 'LOCAL HOUSING ALLOWANCES'?

Local Housing Allowances (LHA) are the new national system for assessing rents in the private unregulated rental sector, to be used when calculating Housing Benefit (a.k.a. rent allowance). They replaced, for the private unregulated sector only, the various rent restrictions that used to apply.

Tenants in public sector / social housing are not affected.

## WHEN WERE LHA'S INTRODUCED?

LHA's were piloted in a number of areas, but have now been introduced throughout the country since 7<sup>th</sup> April 2008.

They apply to new claimants from 6<sup>th</sup> April 2008 and those who move after that date. Pre-April Housing Benefit claimants are not affected unless they move or have a break in their claim after 6<sup>th</sup> April 2008.

This leaflet does not refer to the circumstances of those tenants in 'pathfinder areas', i.e. those where a pilot scheme was in place prior to 7<sup>th</sup> April 2008 [already receiving LHA], where there are transitional rules.

## WHAT ARE THE MAIN POINTS?

### → HOW THE LHA IS CALCULATED

The eligibility rules for Housing Benefit remain the same as before (capital, income etc), but the manner of assessing the maximum rent that can be rebated has changed.

There is no longer an *eligible rent*, based on a series of rent restrictions from which your Housing Benefit is calculated. Housing Benefit is now based on a LHA, which will be a figure derived from:

- where you live;
- your age, *and*
- the size criteria.

### ***Where you live***

Each district / borough Council has fixed 'Broad Rental Market Areas' (BRMA) based on the centres people travel to for basic services, such as health, education, recreation, banking and shopping.

## ***Your age***

### Single and under 25

Single people aged under 25 are only able to receive a lower 'shared accommodation' rate, unless exempt.

Those exempt (and so eligible for the higher 'one bedroom' rate) are those entitled to the severe disability premium in their Housing Benefit calculation, or care-leavers aged under 22 or those with a 'non-dependant' living with them.

### Single and aged 25+ or Couples without dependent children

These only qualify for the 'one bedroom' rate if they have **exclusive** use of: at least 2 or more rooms; or of 1 room, a bathroom and toilet and either a kitchen or cooking facilities.

Failing that, they only qualify for the 'shared accommodation' rate.

## ***The Size Criteria***

This is based simply on the number of bedrooms needed. It does not, for instance, take into account living room, kitchen or bathroom, on the assumption that all properties contain those.

You are entitled to one bedroom for:

- every adult couple (married or unmarried)
- any other adult aged 16 or over
- any two children of the same sex aged under 16
- any two children aged under 10
- any other child

NB: Where separated parents share care of a child, the child can only be taken into account in one household, usually that of the person receiving the Child Benefit.

For properties with up to 5 bedrooms, the Rent Officer must determine a LHA for each BRMA monthly. For 6 (or more) bedroomed properties the Local Authority must apply to the Rent Officer for a LHA.

NB: From April 2009, the government intends to 'cap' LHA's at the 5 bedroom level for new claimants and this is likely to also affect existing claimants in the future.

JOINT TENANTS will get a LHA based on the size of their family, plus any non-dependants, sub-tenants or boarders living with them.

The LHA is fixed by the Rent Officer, whose decision cannot be appealed.

### → WHERE THE LHA EXCEEDS THE ACTUAL RENT

Claimants can keep the amount the LHA exceeds their actual rent, up to a maximum of £15 per week.

## → LHA WILL NORMALLY BE PAID TO THE TENANT, NOT THE LANDLORD

As LHAs are intended to make it easier for tenants to 'shop around' (to avoid 'bad' landlords), LHA is generally paid to the tenant.

The Local Authority can, in certain circumstances, pay the LHA directly to your landlord, for two broad reasons:

if you are 'vulnerable' or unlikely to pay your rent or you are unable to manage your financial affairs the Local Authority has the **discretion** to pay direct to the landlord. They may also do this for the first payment if it is a large amount, for example if it includes arrears;

or

payment **must** be paid to the landlord, not the tenant, if you either build up at least 8 weeks rent arrears, or are having direct deductions from your Income Support/JSA to clear rent arrears.

## → EXTRA HELP FOR A LIMITED PERIOD

- Claimants can have their eligible rent based on their *actual* rent (gross rent less ineligible services) for up to 13 weeks, if this is higher than the LHA that they would otherwise qualify for, if they were able to pay the rent when their tenancy began and had not previously been entitled to HB in the 52 weeks period before their claim.
- Where there is a death of a 'relevant person' in the household the claimant can be protected for up to a year from any reduction in the amount of help they get. A 'relevant person' is
  - a member of the claimant's benefit family, or
  - any relative of the claimant or partner who occupies the same dwelling as the claimant, whether or not they reside with her/him, except for a relative who has a separate right of occupation of the dwelling which would enable them to continue to occupy it even if a claimant ceased his occupation of it.

## → DISCRETIONARY HOUSING PAYMENTS (DHPs)

DHPs can be claimed to help pay rent where the LHA does not cover the rent in full. However, they cannot be claimed to cover any part of the rent which is ineligible for help, e.g. ineligible service charges.

## → Pre-TENANCY DETERMINATIONS

LHAs are publicised, so private tenants will know in advance how much will be the maximum benefit the Local Authority will be able to pay. This, therefore, replaces the need for 'pre-tenancy determinations' which are not believed to have succeeded.

## → WEBSITE

The Rent Service have a website which allows you to calculate what your Local Housing Allowance will be: visit [lha-direct.therentservice.gov.uk/Secure/LHASearchIntro.aspx](http://lha-direct.therentservice.gov.uk/Secure/LHASearchIntro.aspx)

## **LOCAL ADVICE SERVICES:**

### **Citizens Advice Bureaux**

1<sup>st</sup> Floor, Chestnut House  
North Street

**Rugby**, CV21 2AQ

Tel: 0844 855 2327

Old Market Tavern

25 Congreve Walk

**Bedworth**, CV12 8LX

Tel: 0844 855 2322

To book an appointment in

**Nuneaton** call 024 7635 1049

The Parish Rooms

Welcome Street

**Atherstone**, CV9 1DU

Tel: 0844 499 4192

10 Hamilton Terrace

**Leamington Spa**, CV32 4LY

Tel: 01926 457900

25 Meer Street

**Stratford-upon-Avon**, CV37 6QB

Tel: 01789 293299 for advice *or*

01789 261966 to book appt

### **For Carers Advice, Information and Support .....**

#### **Guideposts Carers Support Service**

*(For Nuneaton, Bedworth, North  
Warwickshire and Rugby)*

44-45 Church Street

Nuneaton

CV11 4AD

Tel: 024 7638 5888

e-mail: [carerssupport@guidepoststrust.org.uk](mailto:carerssupport@guidepoststrust.org.uk)

[www.guidepoststrust.org.uk](http://www.guidepoststrust.org.uk)

#### **S. Warks Carers Support Service**

*(For Leamington Spa, Warwick,  
Stratford and South Warwickshire)*

8b Holly Court

Holly Farm Business Park

Honiley, Kenilworth, CV8 1NP

Tel: 01926 485486

e-mail: [info@swcss.f9.co.uk](mailto:info@swcss.f9.co.uk)

### **For Disabled people.....**

#### **D.I.A.L.**

*(Nuneaton & Bedworth only)*

New Ramsden Centre

School Walk, Attleborough

Nuneaton, CV11 4PJ

Tel: 024 7634 9954

#### **The Rowan Organisation**

*(Whole County)*

Eliot Park Innovation Centre

Barling Way

Nuneaton, CV10 7RH

Tel: 0800 783 1755

***The information in this factsheet is correct as of April 2009***

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