



LOCAL HOUSING ALLOWANCES + *EXPLAINED* +

WHAT ARE 'LOCAL HOUSING ALLOWANCES'?

Local Housing Allowances (LHA) are the most recent 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.

This leaflet outlines LHAs, and includes changes introduced since 2010.

WHEN WERE LHAs INTRODUCED?

LHAs were piloted in a number of areas, but have now been introduced throughout the country since 7th April 2008.

They apply to new claimants from 6th 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 6th 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 7th 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 Government intent to extend this to under 35 year olds from January 2012.

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
- a non-resident carer if you have a disability or long-term health problem, and a proven need for overnight care.

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.

The Rent Officer must determine a LHA for each BRMA monthly.

NB: From April 2011

1. LHAs are capped at the 4 bedroom rate
2. One, two, three and four bedroom rates will also be capped

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

Previously claimants could keep the amount the LHA exceeded their actual rent, up to a maximum of £15 per week: this is now abolished.

→ 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 three 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; or
- if it would enable you to secure or retain a tenancy.

→ 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

LOCAL ADVICE SERVICES:

Citizens Advice Bureaux

1st Floor, Chestnut House
North Street
Rugby, CV21 2AQ

The Parish Rooms
Welcome Street
Atherstone, CV9 1DU

Old Market Tavern
25 Congreve Walk
Bedworth, CV12 8LX
(To book an appointment in
Nuneaton call 024 7635 1049)

10 Hamilton Terrace
Leamington Spa, CV32 4LY
25 Meer Street
Stratford-upon-Avon, CV37 6QB

Switchboard number for ALL CABx: 0844 855 2322

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
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

Rethink Mental Health
Carers Information & Support Service (CISS)
76 Station Street
Atherstone, CV9 1BU
Tel: (01827) 715730
e-mail: ciss@rethink.org

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 2011

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