



Local Housing Allowance



Information for tenants

What is Local Housing Allowance?



Local Housing Allowance* is a flat rate allowance based on the size of your household and the area in which you live. It is not based on the rent that your landlord is charging for your property. Your individual allowance will be the starting point for us to work out your Housing Benefit. There are no changes to entitlement rules – these are still based on your income and savings and proof of a valid tenancy. Payments will usually be made to you through a bank account for you to arrange to pay to your landlord.

Why has local Housing Allowance been introduced?



Housing Benefit is a very complex benefit that does not help promote personal responsibility. The Government has therefore introduced Local Housing Allowance.

Local Housing Allowance is a reform of Housing Benefit designed to simplify the rules and allow you more freedom – both financially, and when it comes to choosing where you want to live

Who will it affect?



It will apply to you if you rent from a private landlord and have made a new claim for Housing Benefit or changed your address to privately rented accommodation on or after 7th April 2008. It will also affect you if there is a break in your entitlement after 7th April 2008.

Who will not be affected by Local Housing Allowance?



You will not be affected by Local Housing Allowance if:

- You rent your home from the council
- You rent your home from a registered social landlord e.g. a housing association
- You live in supported housing provided by a housing association or registered charity or voluntary organisation
- You live in a caravan, houseboat or hostel
- If a substantial part of your rent is for board and lodge e.g. if you live in a hostel accommodation
- Your tenancy is protected from rent restrictions e.g. tenancy's which started before January 1989.



* Local Housing Allowance can be referred to as LHA in other areas but, to avoid confusion with The Leicester Housing Association, we have not abbreviated it.

How is it worked out



Each Local Authority will be divided into Broad Rental Market Areas (BRMA) set by The Rent Service. Rent Officers will set individual Local Housing Allowance rates for each BRMA so that you can be clear about the amount of rent the Local Housing Allowance will cover. This means that you can shop around for a rent you can afford, knowing what your allowance will be.

What is a Broad Rental Market Area



A Broad Rental Market Area (BRMA) is based on a geographical area and how it accesses services such as hospitals, schools and shopping. For more information about BRMA's please see the Rent Service website: www.therentservice.gov.uk

How are Local Housing Allowance amounts set



Local Housing Allowance is a flat rate allowance based on the size of your household and the area in which you live (BRMA.) It will take into account the amount of bedrooms needed by your household. This means that your Local Housing Allowance rate will therefore be individual to your household.

How much Local Housing Allowance will I be entitled to



The Local Housing Allowance that you qualify for depends on the number of people who live in your household. The following size criteria is used to work out the number of rooms that your household needs.

The Rent Service will base the Local Housing Allowance rates for one bedroom each for:

- Every adult couple
- Any other adult aged 16 or over
- Any two children of the same sex
- Any two children regardless of sex under the age of 10
- Or for any other child

Please note that if you are a couple under 25 years with no dependants who choose to live in shared accommodation, or are single and under 25 years you will only be entitled to the shared (one room) rate whatever accommodation type you live in.



How is this Local Housing Allowance rate used to work out my Housing Benefit



Your maximum Housing Benefit will be based on the Local Housing Allowance rate that applies to you. Your income, any savings you have and any non-dependants living with you may mean that you will not receive the full Local Housing Allowance rate once your entitlement is calculated. Your Local Housing Allowance rate is really the starting point for working out your Housing Benefit. For example:

Your rent charge is £70

Your Local Housing Allowance rate is £50

This means that the maximum Housing Benefit you could receive is £50 and you would need to pay £20 per week yourself if you were entitled to the full rate.

What if the Local Housing Allowance rate is more than the rent charged



If your Local Housing Allowance rate is more than the rent that you have to pay you will be able to keep the difference up to a maximum of £15 per week. For example:

Your rent charge is £70

Your Local Housing Allowance rate is £90

Your Housing Benefit will be based on £85

If you were entitled to the full Local Housing Allowance rate you would receive more benefit than your rent of £70 but this is limited to a maximum of £15 extra. The starting point for calculating your Housing Benefit would therefore be £85.

Where will I find out about the rates



Please refer to your Council's website which will be updated monthly with the new Local Housing Allowance rates. The Rent Service website will also have this information.



How will I be paid



Usually Local Housing Allowance will be paid into your bank account. There are very few circumstances where the Council can decide to pay the Landlord.

Why is Housing Benefit under the Local Housing Allowance scheme paid to me rather than my landlord



Under the Local Housing Allowance scheme there is no longer an option for a Council to pay your Housing Benefit to your landlord. The Government believe this will empower you to budget your income and expenditure better and so become financially included.

What if I am unable to cope with paying my rent



We recognise that some people may struggle with the responsibility of financial budgeting and so safeguards have been put into place. These safeguards allow us to pay Housing Benefit to your landlord in limited circumstances if you have difficulty managing your own affairs.

What if I have rent arrears



We will pay your landlord if you have rent arrears of eight weeks or more if evidence of this is provided. If your Local Housing Allowance exceeds the rent, we may pay your landlord any excess until your rent arrears are cleared.

Failure to pay your rent could result in you losing your home, and as a general rule if you are more than eight weeks in arrears your landlord can evict you. Under these circumstances where you have failed to pay your rent you will be classed as intentionally homeless. This means that your Council has no duty of care to re-house you.



Who makes the decision that payment should be made to my landlord?



Some examples of situations where this could be considered are:

- A medical condition, (dementia or terminal illness for example)
- Addiction to drugs, alcohol or gambling
- Leaving prison
- Fleeing domestic violence
- A single person who has recently left Social Services care
- Severe debt problems
- Un-discharged bankruptcy
- In receipt of help from a homeless charity
- Unable to open a bank account (due to poor credit only).

If you have difficulty in managing your own affairs the Council may decide to pay your Landlord. The Council will require evidence of this. Some examples of people who can give evidence are:

- You
- Your family and friends
- Your landlord
- Welfare Groups including money advisors
- Social Services
- Your doctor
- Probation officers
- Job Centre Plus
- The Pension Service.

If you feel that you are unable to manage your financial affairs, please contact your Council for guidance.



What happens if I don't have a bank account



The Department for Work and Pensions (DWP) require most benefits to be paid directly into an individual's bank account. If you need help to open a bank account please contact your Council or refer to the FSA website:
www.moneymadeclear.fsa.gov.uk

What appeal rights do I have against a payment decision



Appeal rights are not changing as a result of the new scheme. If you want to appeal you must let us know within one month of the decision letter.

You must write down the decision you are appealing against and the reasons for your appeal and make sure you sign it.

You can appeal against:

Our decision about who we pay Housing Benefit to, if you are the person affected by that decision.

You cannot appeal against:

The Local Housing Allowance rates set for your area.

Where can I find out more information



Contact details for Councils working in partnership in Leicestershire, Northamptonshire and Rutland are at the end of this booklet.

Other useful websites



The Rent Service:
www.therentservice.gov.uk

The Department for Work and Pensions:
www.dwp.gov.uk



Contact details



Leicester City Council,
The Leicestershire District Councils,
East Northamptonshire Council and
Rutland County Council working in Partnership.

<p>Hinckley & Bosworth Borough Council 01455 238 141 benefits@hinckley-bosworth.gov.uk www.hinckley-bosworth.gov.uk</p>	<p>Borough of Oadby & Wigston 0116 288 8961 benefits@oadby-wigston.gov.uk www.oadby-wigston.gov.uk</p>
<p>Harborough District Council 01858 828 282 benefits@harborough.gov.uk www.harborough.gov.uk</p>	<p>Charnwood Borough Council 01509 634 848 benefits@charnwood.gov.uk www.charnwood.gov.uk</p>
<p>Leicester City Council 0116 252 6944 housingbenefits@leicester.gov.uk www.leicester.gov.uk</p>	<p>Melton Borough Council 01664 502 502 customerservices@melton.gov.uk www.melton.gov.uk</p>
<p>North West Leicestershire District Council 01530 454 545 benefits@nwleicestershire.gov.uk www.nwleics.gov.uk</p>	<p>Rutland County Council 01572 722 577 enquiries@rutland.gov.uk www.rutland.gov.uk</p>
<p>East Northamptonshire Council 01832 742 000 www.east-northamptonshire.gov.uk</p>	