

A guide to Local Housing Allowance





On 7 April 2008 the Government's Department for Work & Pensions is changing Housing Benefit to make it fairer and easier.

The new Local Housing Allowance (LHA) gives tenants more choice about where they live.

This is because:

- With Housing Benefit, people living in smaller properties usually got less benefit than people living in larger properties
- You can decide how much of your benefit you want to spend on renting a property. For example, you can choose to pay more to rent a large property. Or you can rent a smaller property and use the rest of your benefit for other things

- You can find out how much Local Housing Allowance you can get before you rent a property. With Housing Benefit you might have had to wait for several weeks to find out how much you would get.
- If you get Local Housing Allowance you will get your benefit paid to you. It is up to you to pay the rent to your landlord in the same way as other tenants who do not get benefit.
- You will find out about your Local Housing Allowance award quicker than Housing Benefit.

Who is affected by the changes?

Local Housing Allowance is for private tenants on a low income.

'Private tenant' means someone who rents a property or a room from a private landlord.

The changes will apply to tenants:

If they are making a new claim for Housing Benefit where the 'claim date' is on or after 7 April 2008

OR

You have an existing claim and you have a break in that claim of more than 1 week, your claim is assessed under LHA rules.

OR

You have an existing claim and you move address and the 'claim date' is on or after 7 April 2008

Local Housing Allowance does not apply if:

- You rent your property from the council
- You rent your property from a housing association
- Your rent has been registered as a 'fair rent'
- Your tenancy started before 1989
- You live somewhere where you are provided with care, support or supervision
- You live in a caravan, mobile home or houseboat.

How will it work?

LHA is the new way of working out the maximum Housing Benefit you could get. The amount you will get still depends on your income and savings.

The rules decide how many rooms you need, based on how many people live with you.

Renfrewshire Council has one Broad Rental Market Area (BRMA) decided by an independent Rent Officer. Local Housing Allowance will pay the same amount wherever you live in your BRMA area.

The Rent Officer decides the Local Housing Allowance rates. The rates will be based on the rents that most people pay in your area. Renfrewshire Council will be told the LHA rate by the Rent Service each month and we will update our computer system with changes (increases/decreases in rates) and publish these on our website.

If your rent is LESS than the Local Housing Allowance, you will be able to keep any extra money (up to a maximum of £15 per week). But if your rent is MORE than the Local Housing Allowance, you will normally have to make up the difference yourself.

As part of the Housing Benefit reforms, from 7 April 2008 tenants will no longer be able to simply ask for their benefit to be paid directly to their landlords.

Number of rooms

We will decide the number of bedrooms you will need in terms of the LHA regulations. If you live in one room and share some facilities (for example, kitchen, or bathroom) with other people there is a special 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, we will work out your number of bedrooms on the basis that claimants are entitled to one bedroom for each of the following categories of occupier:

- A couple
- Someone who is 16 or over
- Two children of the same sex until the age of 16
- Two children who are younger than 10
- A child (someone under 16)

Each person is only counted once, in the first group they 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 lodgers or boarders we also count them. However, we do not count foster children or joint tenants.

Renfrewshire LHA Rates for April 2008

1 bedroom	£55.38
(in shared accommodation)	
1 bedroom	£80.77
2 bedrooms	£103.85
3 bedrooms	£115.38
4 bedrooms	£126.92
5 bedrooms	£138.46

These rates are an indication only and are subject to change on a monthly basis.

My rent is higher than the Local Housing Allowance?

The maximum benefit you will receive is the LHA rate for the size of the household, in your area, for the month you claim in. If your rent is more than this figure, you will need to make up the shortfall yourself. If you have special circumstances phone us and ask for information on Discretionary Housing Payments.

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 per week

LHA = £120 per week

Maximum Housing Benefit = £105 per week

Example

Rent = £90 per week

LHA = £100 per week

Maximum Housing Benefit = £100 per week

If my rent increases will my Housing Benefit 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 LHA 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 a date before 7 April 2008, we will class the date you claimed 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 to have my Housing Benefit 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 circumstances when we will pay your Housing Benefit directly to your landlord.

If a tenant feels that they may have difficulty in managing their financial affairs and may be entitled to direct payment to their landlord, we will consider any request they make.

Renfrewshire Council's Safeguard Policy aims to:

- Provide a safeguard for the most vulnerable tenants
- Prevent rent arrears and tenants being put at risk of eviction
- Signpost tenants to other agencies for support to manage their own affairs
- Ensure decisions are reasonable, fair and consistent
- Treat each case on its own merits.

Please contact us on 0141 840 3940 for more information on Renfrewshire Council's Safeguard Policy.

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 would prefer to pay your money into a bank account because it is quicker, safer and more efficient.

Please read our Basic Bank Account leaflet for advice on opening a bank account or contact us to find out how we can help you open a bank account.

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

You can find out what the LHA rates are for Renfrewshire by checking our website at www.renfrewshire.gov.uk and searching for 'LHA rates'. This will be updated every month when the Rent Service advise us of the new rates. You can also contact us at our office on 0141 840 3940.

The size of my household has changed. What will happen to my Housing Benefit?

If someone moves in or out of your household you must tell us. We will then update the LHA rate for the new size of your household. If someone has a birthday that will affect the LHA rate (for example when a child turns 16), we may also need to change your LHA rate as that person may need an extra room (See the 'number of rooms' section).

Do you know someone who you think may qualify for LHA?

If you know someone who may qualify for LHA why not show them this leaflet or ask them to contact us direct on 0141 840 3940 for information and advice on making a claim.

