

LOCAL HOUSING ALLOWANCE

Information for Private Tenants



Local Housing Allowance: an introduction

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1. WHAT IS LOCAL HOUSING ALLOWANCE?

The Local Housing Allowance (LHA) is a new way of deciding rent payments for people receiving Housing Benefit (HB). It uses a flat rate allowance based on the size of the tenant's household and the area in which they rent the property to decide the amount of benefit they will receive. This amount is not directly related to the rent that you are charged so the benefit that you receive may be higher or lower than the contractual rent.

The rate of LHA that you receive will be reviewed on an annual basis.

2. WHY ARE YOU INTRODUCING LOCAL HOUSING ALLOWANCE?

Local Housing Allowance gives tenants more choice in where they live and it's fairer too. This is because with Local Housing Allowance:

- you will be entitled to the same amount of Housing Benefit as people in the same circumstances as you
- you can find out how much benefit you can get before you rent a property
- you can decide how much of your benefit you want to spend on renting a property
- you will usually get your Housing Benefit paid to you. It is up to you to pay the rent to your landlord
- you will find out about your benefit more quickly than before

3. WHAT ARE THE AIMS AND OBJECTIVES OF LOCAL HOUSING ALLOWANCE?

Aims:

- Fairness: New scheme designed to pay the same amount to tenants with similar circumstances living in the same area.
- Choice: Allows tenants to trade between the quality and price of their accommodation. For example, if a tenant chooses to live in a property where their rent is less than their LHA entitlement they get to keep the difference (excess benefit) of up to £15 per week.
- Transparency: Scheme makes it easier for the tenants to find out in advance how much rent could be covered by Housing Benefit.
- Personal responsibility: Encourage claimants to take responsibility for budgeting and for paying their rent themselves.

Objectives:

- To reduce barriers to work
- To ensure that people on low incomes can afford a decent home which meets their needs
- To give tenants more choice of accommodation
- To extend tenants personal responsibility for paying their rent

4. HOW IS MY LOCAL HOUSING ALLOWANCE RATE CALCULATED?

Different LHA rates will apply in different areas. Within those areas, they will be based on the median rent charged by landlords in the private sector for properties of various sizes. LHA rates will be further broken down into 'Room Rates' that will apply depending on the size of your household, including any non-dependants. Size criteria will be based on allowing one bedroom for:

- a) Every adult couple
- b) Every other adult who is not part of a couple
- c) Any other adult aged 16 or over
- d) Any two children of the same sex
- e) Any two children regardless of sex under age 10
- f) Any other child

The number of living rooms, kitchens and bathrooms is ignored for the purpose of the size criteria.

5. HOW WILL I GET PAID MY HOUSING BENEFIT IF LOCAL HOUSING ALLOWANCE APPLIES TO ME?

Usually you will have your benefit paid directly to you. It will be paid directly into your bank or building society account, if you have one or by cheque until you open an account. If you do not already have a bank or building society account, you may want to set one up. That way you can arrange to pay the rent to your landlord automatically, using a standing order.

You can get advice about opening and running a bank account from any bank or building society. You can also get advice from a welfare organisation such as The Citizens Advice. It is up to you to pay the rent to your landlord. If you don't pay your rent, you may be taken to court and evicted from the property.

6. CAN I HAVE MY HOUSING BENEFIT PAID DIRECT TO MY LANDLORD?

Your benefit is paid to you unless you are likely to have difficulty paying your rent, or you are in arrears 8 weeks or more.

If you are worried about managing your money, ask us if we can help. In some cases we may be able to pay your rent to your landlord.

7. WHAT WILL HAPPEN IF I USE MY HOUSING BENEFIT FOR SOMETHING ELSE?

Your benefit is for you to pay your rent with. If you do not use your Housing Benefit to pay your rent, your landlord may take you to court or try to evict you and you may lose your home.

8. CHANGES OF CIRCUMSTANCES

If you are getting Housing Benefit and you move to a new address or other circumstances change, you should tell us straightaway. You may need to make a new claim for Housing Benefit

9. WHERE CAN I GET FURTHER INFORMATION FROM?

If you want to know more about the changes and how they affect you:

- phone your Benefit Team on 0116 2727510
- visit our Benefit Team at Council Offices, Desford Road, Narborough, Leicester. LE19 2EP
- look on our website www.blaby.gov.uk
- email us at benefits@blaby.gov.uk
- visit www.direct.gov.uk

Remember that this leaflet is a guide only. It is not meant to say exactly what your legal rights are. While we have tried to make sure that the information in this leaflet is correct at the date shown on the cover, it is possible that there may be incorrect information or some ideas may be oversimplified. Also, please remember that the information in this leaflet is likely to become less accurate over time because of changes to the law.

This document can be made available on request, in other languages and formats (large print, Braille or on audio tape) by contacting:

Blaby District Council
Council Offices, Desford Road
Narborough, Leicester
LE19 2EP

Tel: 0116 272 7510

Fax: 0116 272 7591

Minicom: 0116 284 9786

Email: benefits@blaby.gov.uk