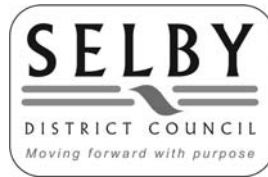


Working in Partnership



Local Housing Allowance (LHA)

Information for Landlords



Working together
for your benefit

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About this booklet

This guide is one of a number produced by North Yorkshire District Councils and City of York Council with the aim of helping landlords understand Local Housing Allowance. It is intended as a general guide.

If you would like more detailed advice please contact your Local Council's Benefits Service.

What is Local Housing Allowance?

Local Housing Allowance (LHA) is a new way of working out new claims for Housing Benefit for tenants renting accommodation from a private landlord. It also affects tenants already getting Housing Benefit who move into accommodation rented from a private landlord.

LHA is being introduced on 7th April 2008.

With LHA, your tenants' benefit will be based on:

- ◆ Who lives with them
- ◆ Which area they live in
- ◆ How much money they have coming in
- ◆ What savings they have

In some cases the amount of benefit they are entitled to will be affected by other things. These can include:

- ◆ How much their rent is
- ◆ Whether anyone living with them is expected to contribute to their rent.

Why has the Housing Benefit scheme changed?

The existing Housing Benefit scheme is complex. Local Housing Allowance has been introduced to simplify the process of claiming and to meet a number of key aims:

Fairness: LHA is designed to pay the same amount of benefit to tenants with similar circumstances living in the same area.

Choice: It allows them to choose between the quality and price of their accommodation.

Transparency and simplicity: It allows them and you to find out in advance the maximum benefit they might receive.

Personal responsibility: LHA is paid directly to your tenant to allow them to take responsibility for their own financial affairs and pay the rent themselves.

Financial inclusion: It encourages them to have a bank account and set up a standing order or direct debit to pay their rent to you which will make their payments more secure.

Improved administration: The requirement to refer individual rents to the Rent Service is removed. This means that we can speed up the processing of your tenant's claim and pay them quicker.

Which tenants are affected?

From 7th April 2008 most new claims received from private tenants will be calculated using the new LHA rules.

Tenants already getting Housing Benefit will not be affected to begin with, but will change over to LHA if:

- ◆ They have a change of address; or
- ◆ They have a break in their entitlement to Housing Benefit.

The following are not affected by LHA (but can still get Housing Benefit).

- ◆ Council or Housing Association/Registered Social Landlord tenants
- ◆ Tenancies that started before 15th January 1989
- ◆ Tenants who live in caravans, mobile homes and houseboats
- ◆ Tenants in hostels or homeless accommodation
- ◆ Boarders
- ◆ Many people living in Supported Housing.

How does it work?

LHA is based on the number of bedrooms your tenant requires and the area in which they live.

Each month the Rent Service reviews rents and uses this information to establish an LHA rate for the types of accommodation listed in the table below and sends us details of these rates. We apply the appropriate rate to all claims we receive in that month.

The weekly figures below are for illustration only

Category Type	Area 1 (£)	Area 2 (£)
Shared accommodation	43	58
1 bedroom self contained	70	81
2 bedroom property	90	102
3 bedroom property	110	126
4 bedroom property	120	132
5 bedroom property	130	145

There may be more than one set of LHA rates in your council area. The rates will be reviewed by the Rent Service each month. Your local Council will publish these rates on their website and at customer service access points. They may remain the same or change each month. These will be available from late March 2008.

Once the rate is applied to your tenants' claim it will usually continue to apply for the next 12 months unless they have a change in their household composition. After 12 months it will be reviewed.

How many rooms are tenants allowed?

The rate that applies to each tenant is based on the number of bedrooms your tenants require for themselves and the people who live with them. They are allowed one bedroom for each of the following:

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

We are not allowed to take into consideration extra room requirements for medical conditions (where couples sleep in separate bedrooms) or where couples are separated and children come to stay.

The number of rooms they are allowed may change from time to time e.g. when a child reaches the age of 10 or 16 years. Your Council will deal with age related changes automatically and will recalculate their benefit entitlement.

Joint tenants, single claimants under 25 & shared accommodation

There are special rules for the following:

Joint tenants

Joint tenants are people who are not living together as a couple, but who share a property and are named on the tenancy agreement. Each joint tenant will be allocated the LHA rate for their own household, not including the family of the other joint tenants.

Single claimants under 25

If your tenant is single and aged under 25 they will usually be allocated the LHA rate for 'shared accommodation' regardless of the type of accommodation that they occupy.

Shared accommodation

Single claimants aged 25 and over and couples with no dependant children are allocated the one bedroom rate of LHA - provided that they rent appropriately sized accommodation e.g. a one bedroom flat or studio etc.

However, if they choose to occupy accommodation where facilities are shared then they will only be allocated the 'shared accommodation' rate of LHA.

How much LHA will tenants get?

Under the new scheme your tenant can work out the number of bedrooms required by their household and then look up their LHA rate in the published tables.

LHA is the maximum amount that your tenant can receive and may reduce depending on their income, savings and circumstances (means test).

If the rent charged is less than the LHA your tenant may be able to keep any extra money – subject to a limit and the means test. If the rent charged is more than the LHA your tenant will have to make up the difference to you.

Who is LHA paid to?

LHA will usually be paid directly into your tenants' bank or building society account. Your tenant is then responsible for making arrangements to pay their rent to you.

Benefit may be paid to you where a tenant

- ◆ is considered likely to have difficulty managing their own affairs or are unlikely to pay their rent
- ◆ is more than eight weeks in arrears with their rent.

Each decision about this will be treated on an individual basis. We will seek evidence to support our decision. More information about this is available from your Local Council's Benefits Service.

Our new 'Landlord's Guide to Housing Benefit and Council Tax Benefit' which will be published shortly has more information about the frequency of benefit payments and rent arrears.

Changes in circumstances

Landlords who receive direct payments of benefit have a legal responsibility to tell us about changes that could affect a tenants' benefit entitlement. It is also important that changes are reported straightaway so that we do not pay you or your tenant too little or too much benefit. If you are overpaid benefit we usually ask you to pay it back.

Examples of some of the changes you should tell us about are:

- ◆ If your tenant moves out of your property or moves rooms
- ◆ If you know that your tenant has started work
- ◆ If there is a change to your tenants' household composition

Further examples can be found in our soon to be published 'Landlord's Guide to Housing Benefit and Council Tax Benefit'.

Further Information

There are two more guides in this series:

Local Housing Allowance - Information for Tenants

Local Housing Allowance - Making Payments

For more detailed information about Local Housing Allowance or if you would like a copy of this guide in large print please contact your Local Council's Benefits Service or visit their website.