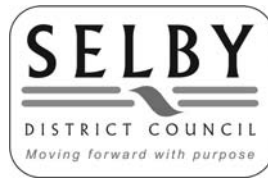


Working in Partnership



Local Housing Allowance (LHA)

Information for Tenants



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 you 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 benefit will be based on:

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

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

- ◆ How much your rent is
- ◆ Whether anyone living with you is expected to contribute to your rent.

Why has the Housing Benefit scheme changed?

The existing Housing Benefit scheme is complex. LHA 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 you to choose between the quality and price of your accommodation.

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

Personal responsibility: LHA is paid directly to you to allow you to take responsibility for your own financial affairs and pay your rent yourself.

Financial inclusion: It encourages you to have a bank account and set up a standing order or direct debit to pay your rent which will make your 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 claim and pay you 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:

- ◆ You have a change of address; or
- ◆ You have a break in your 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 you require and the area in which you 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 depending on where you live. 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 claim it will usually continue to apply for the next 12 months unless you have a change in your household composition. After 12 months it will be reviewed.

How many rooms am I allowed?

The rate that applies to each tenant is based on the number of bedrooms you require for you and the people who live with you. You 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 you 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 your benefit entitlement.

However, there are some changes that you must tell us about - see 'Changes in circumstances' on page 9.

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 you are single and aged under 25 you will usually be allocated the LHA rate for 'shared accommodation' regardless of the type of accommodation that you 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 will I get?

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

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

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

Example:

Chris and Sue want to rent a property in Area 1, and want to know how much benefit they might get. They have two children, James and Katy. James is 8 years old and Katy is 13 years old.

They have seen a property they like and the landlord is charging £120.00 per week.

Using the information above, they would need 3 bedrooms. This means that their LHA rate for Area 1 is £110.00 per week.

If they rent the property they have seen, they will have to find at least £10.00 of the rent themselves (and maybe more, depending on their income and savings).

Who is LHA paid to?

LHA will usually be paid directly into your bank or building society account. You are then responsible for making arrangements to pay your rent to your landlord.

There are circumstances when benefit may be paid to your landlord.

For further information about this please see the separate leaflet, Local Housing Allowance – Making Payments.

Changes in circumstances

It is your responsibility to notify your Local Council's Benefits Service of changes in your circumstances. This includes changes in your rent, income, savings and the number of people in your household.

Further Information

There are two more guides in this series:

Local Housing Allowance - Information for Landlords

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.