

## Local Housing Allowance

### Housing Benefit for Private Tenants on a Low Income

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Local Housing Allowance (LHA) is the name for Housing Benefit, (HB), awarded to private tenants. It was introduced, on 7 April 2008, to replace HB for tenants, in privately rented accommodation, claiming help with their rent. It has fixed rules about the amount of maximum eligible rent that you can claim, depending on where you live and who lives in your household.

#### Exemptions to LHA

The LHA scheme applies to properties in the private sector. It does not cover social housing tenants (i.e. Council or Housing Association properties). LHA does yet not apply to:

- council properties
- housing associations
- tenancies that started before 1989
- properties where someone is provided with care, support or supervision
- exceptional cases - caravans, mobile homes, houseboats, hostels, B&B accommodation
- tenancies where a substantial amount of rent is for board and care e.g. hotel accommodation.

Benefit for these exempt properties is calculated under the ordinary Housing Benefit scheme.

#### Main Features of LHA

LHA differs from Housing Benefit in several ways:

- Set formula fixing the amount of benefit - the LHA rate is calculated on the average rent for different sizes of property in defined "broad market rental" areas. It varies according to where you live, who lives with you and the number of rooms you are assessed as needing.
- Size criteria - there are strict rules about how many rooms you can claim rent for. You and your partner (*if you have one*) can only qualify for 1 bedroom. Extra rooms are allowed for other household members, depending on their age. If you are disabled and want to claim rent for an extra room, you must be the tenant, have high rate of Disability Living Allowance Care Component and get overnight care from a non-resident overnight carer who lives elsewhere.
- Restricted rules for younger people - single tenants, under 25 years old, can only claim for one bedroom in shared accommodation, rather than for a flat of their own. There are some exceptions (e.g. if you get Disability Living Allowance middle or high rate care component). From January 2012, under-25 years rules will be extended to people under-35 years old.
- Fixed local amount of eligible rent - the LHA rate is a fixed amount based on private rental costs in the area where you live. On 1 April 2011, this rate was reduced from the median rent (50<sup>th</sup> centile) for local tenancies, of each size, in each area and is now set at the 30<sup>th</sup> centile. This means that 30% of rents will be now equal or below the LHA fixed rate, rather than 50% (i.e. *1 in 3 properties will be affordable to LHA claimants rather than 1 in 5*). The maximum rate payable for each size of property has been capped and the 5 bedroom rate scrapped. Existing claimants are protected until Jan 2012 or their LHA annual review date, if this is later.
- Income-related benefit - the actual amount of LHA that you get will depend on your income, savings and who lives with you. Your LHA claim is means tested, just like council or housing association tenants who claim HB. Although local LHA rates are reviewed monthly and adjusted, in line with changes in private rents locally, your award will not change for a year.
- Fixed maximum amount - if you choose to live in a larger/ more expensive property, you will have more to pay. Even if you are entitled to maximum "eligible" benefit, you cannot receive more than limit set for your area. If your rent is higher than this, you will have to make up the shortfall yourself, regardless of your circumstances or else move to cheaper accommodation.

**Assessment for LHA**

The amount of LHA awarded depends on the number of rooms you/your family needs, the area you live in, your income and your savings and also whether any non-dependants live with you.

**a) The number of rooms you need - (the size criteria)**

- The tenant: (living alone or with a partner) only **one bedroom** is allowed for:
  - a single adult **or** an adult couple (including civil partners)
- Other household members: (for each of following living with you) **one extra bedroom:**
  - any other adult aged 16 or over
  - any two children under age 10
  - any two children of the same sex aged 10 to 15
  - any other child.
- Disabled tenant: extra room allowed if he /she has high rate of DLA Care Component **and** gets overnight care from a non-resident overnight carer who has a home elsewhere.

**You CANNOT claim rent for an extra room, for CF treatment, unless you are the tenant, on high rate DLA and receive overnight care from someone who lives in their own home.**

**b) The area where you live**

The Rent Officer identifies Broad Rental Market Areas, clearly definable by postcode, with a mix of accommodation. A set formula is used to establish LHA rates and these will be a percentage of the rent, for different sizes of property, in each area. The rent officer reviews LHA rates every month and Local Authorities publicise this for landlords and tenants to view. Once LHA is awarded, the amount you get will not change until your review date, a year later.

**c) Your income and savings - taken in account just as for ordinary as for Housing Benefit****d) Your age**

- Under 25 years (if single) - rate for 1 bedroom in shared accommodation **unless** you **either** qualify for a severe disability premium (i.e. you're living independently, get middle or higher rate Disability Living Allowance and no-one claims Carers Allowance for you) **or** you are a care leaver under 22 years
- Under 25 years (couple with no children) - same rate as single claimants over 25 years old
- Over 25 years - LHA rate for a 1 bedroom property but if you live in shared accommodation, the rules for under-25s (1 bedroom) in shared accommodation apply.
- Under 35 years - under-25 yrs. rules will be extended to under-35 yrs. from January 2012

**Payment of LHA**

The rent is paid to the tenant rather than the landlord but there are safeguards for landlords to prevent non-payment. Direct payments will still be made to a landlord if your rent is 8 weeks or more in arrears. The landlord will also receive payments if the local authority thinks you are unlikely to pay your rent or that you are vulnerable and have difficulty managing your affairs.

**Claiming LHA**

You can get an application form in several ways:

- If you claim Income Support, Jobseeker's Allowance or Employment and Support Allowance you will get forms to claim LHA with your claim pack. Complete and return the form with your Income Support, Jobseeker's Allowance or Employment and Support Allowance claim form.
- If you do not claim Income Support, Jobseeker's Allowance or Employment and Support Allowance you can get forms to claim LHA from your local council.

**Further Information**

- The LHA-Direct website lets you check your entitlement to benefit and also allows you to do a postcode search to find out for local rates of Local Housing Allowance in you area - (<https://lha-direct.voa.gov.uk/Secure/Default.aspx>)
- You can also find information about LHA on the government's official website - ([http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/On\\_a\\_low\\_income/DG\\_10018928](http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/On_a_low_income/DG_10018928))