



## Local housing allowance

### What is LHA?

Local housing allowance (LHA) is a set amount of housing benefit paid if you are in private sector rented accommodation. What you get is based on where you live and who is in your household and is not necessarily the actual amount of rent you pay.

LHA was originally a trial carried out in 18 areas (called pathfinder areas). It has been rolled out across Great Britain from 7 April 2008, but only for those who move or claim benefit after that date.

The actual allowance paid is subject to a means test, as with normal housing benefit (see Factsheet - [housing benefit](#)) but the standard allowance is the same for everyone in the area, regardless of property size or the actual rent charged.

The government aim for LHA is to introduce a simpler system than the current one for HB and also to promote choice. You can choose between paying more to live in a larger property or decide to rent a property where the rent is lower than the LHA and keep the difference. However, the amount is restricted so that it can never be more than £15 above the rent you pay.

If your HB is less than your rent, even if you are entitled to maximum benefit, you are expected to make up any shortfall or seek cheaper accommodation.

### LHA in the pathfinder areas

The rules for pathfinder areas are different to those for the national roll out of LHA. If you live in one of these areas you will be covered by these old rules until 6 April 2009.

The pathfinder areas are:

Argyll and Bute; Blackpool; Brighton and Hove; Conwy; Coventry; East Riding of Yorkshire; Edinburgh; Guildford; Leeds; London Borough of Lewisham; Northeast Lincolnshire; Norwich; Pembrokeshire; Salford; South Norfolk; St Helens; Teignbridge; Wandsworth.

### LHA nationally

From 7 April 2008, if you are outside the pilot areas and in private sector rented accommodation, you will be moved onto LHA when you make a fresh claim or if you move address.

At some point, possibly April 2009, everyone in private sector rented accommodation who receives housing benefit will be moved onto LHA.



If you are already on housing benefit and you think you can benefit from the new LHA scheme you can withdraw your existing claim and make a new claim, which will be treated as a claim for LHA. However if you do this you will lose some help with rent as there will be [a minimum period of one week before your benefit is re-instated.](#)

### **Which properties can get LHA?**

LHA applies only to properties in the deregulated private sector. There are no plans to extend the scheme to tenants in social housing at present, although the government is looking at ways of 'encouraging tenants to take greater personal responsibility for managing their own rent payments'. Currently LHA does not apply to:

- council properties;
- housing associations;
- tenancies that started before 1989;
- properties where the landlord provides you with care, support or supervision;
- exceptional cases - caravans, mobile homes, houseboats, hostels and bed and breakfast establishments; or
- tenancies where a substantial amount of rent is attributable to board and attendance e.g. hotel accommodation.

Benefit for these properties will be calculated under the existing housing benefit scheme.

### **How is LHA assessed?**

The amount of LHA is dependant on the number of rooms a claimant/claimant's family needs, the area where he or she lives, their income and savings and whether someone lives with them who is not a dependant.

### **The number of rooms you need**

The number of rooms that the tenant qualifies for (the size criteria) are one bedroom for every:

- adult couple (including civil partners)
- 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.

No other rooms are taken into account.

If you need an additional room for a live in carer you can apply to the local authority for a [discretionary housing payment](#) (DHP).

### **Properties with more than five bedrooms**

[The Secretary of State for Work and Pensions \(James Purnell\) has announced](#) that LHA rates for properties with more than five bedrooms will be capped for all new customers on or before April 2009. For families with an entitlement of more than five bedrooms, the following rules will apply

- for new claims, families living in five bedroom properties or less will have their benefit rates capped at a maximum of the LHA rate for five bedroom properties in that area
- families already claiming LHA and living in a property with more than five bedrooms which costs more than the capped rate will have their case reviewed at the first anniversary of their claim. We need to do further work on exactly when these customers will see a reduction in their benefit as for some the claim anniversary will fall shortly after the introduction of the change. In these circumstances we will work closely with you so that these families' needs are met by ensuring that they know about the change and their options for dealing with it

[source: [housing benefit and council tax benefit general information bulletin](#) - 21 October 2008]

This rule change has been prompted by Government fears that the current rules encourage people to claim and receive LHA for property that they could not afford if they were in work. This is therefore seen as a disincentive to finding employment.

For more information see the DWP's Equality Impact Assessment - Local Housing Allowance – Larger Properties, available on the the DWP website. at [www.dwp.gov.uk/resourcecentre/LocalHousingLargerProperties.pdf](http://www.dwp.gov.uk/resourcecentre/LocalHousingLargerProperties.pdf).

### **The area where you live**

A Rent Officer will identify Broad Rental Market Areas (BRMAs) which are clearly definable by postcode and which contain a mix of accommodation.



Once these BRMAs have been allocated a LHA figure will be assigned, according to a set formula. Basically this will be an average rent for different sizes of accommodation.

This figure will be reviewed every month by the rent officer and notified to the Local Authority so that it can be made public for landlords and tenants to view. However once someone makes a claim for help with rent on a particular property an assessment will remain unchanged for a year.

### **Claimants under 25 years of age**

If you are under 25 years old your LHA will be based on 1 bedroom in shared accommodation. This does not apply if you qualify for a severe disability premium, or if you are a care leaver aged under 22.

### **Claimant's over 25 years of age**

If you are over age 25 you are allowed the normal single bedroom rate unless you live in shared accommodation, in which case the rate for one bedroom shared accommodation is used.

### **Couples without children**

If you have a partner, but no children, the rule is the same as that for claimant's over 25 years of age.

### **Payment of LHA**

The rent will be paid to the tenant rather than the landlord, though there will be some safeguards for landlords to prevent non-payment by tenants. Direct payments will still be made to a landlord where the claimant is 8 weeks or more in arrears with the rent. The landlord will also receive payments where the tenant is unlikely to pay their rent, or where it is thought they will have difficulty in managing their affairs i.e. vulnerable. It will be up to the local authority to decide both of these criteria.



## **Where can I get help with local housing allowance?**

Housing Advice & Welfare Services

Great Yarmouth Borough Council

Grey Friars House – telephone 01493 846179

Drop in Monday to Friday 9am and 12noon.

Your local authority may also provide information about local housing allowance on its own website [www.great-yarmouth.gov.uk](http://www.great-yarmouth.gov.uk).

The website <http://lha-direct.therentservice.gov.uk/> has a number of LHA factsheets for you to download. It also has:

- a bedroom calculator to enable you to work out how many bedrooms you are eligible to claim for;
- a local authority search providing local housing allowance rates by local authority;
- a postcode search providing local housing allowance rates by location.

There is also information on the web about local housing allowance on the DWP website at [www.dwp.gov.uk/housingbenefit/lha/](http://www.dwp.gov.uk/housingbenefit/lha/).