

# Housing Benefit and the Local Housing Allowance

From 7th April 2008 people renting from a private landlord who change address or make a new Housing Benefit claim will have their benefit calculated from the Local Housing Allowance (LHA).

Tenants who will not be affected by the new LHA are:

- Council tenants
- Housing Association tenants
- Tenants with a registered 'fair rent'
- Pre 1989 tenancies
- Tenancies provided by charitable or voluntary organisations which include care, support or supervision
- Tenants of caravans, mobile homes and house boats

For the LHA the Rent Service's current valuations of individual accommodation will be replaced. Instead the Rent Service will set a flat rate LHA for properties in a broad market area based upon the number of bedrooms. This will form the starting point of the LHA calculation. Entitlement will still be assessed taking into account a tenant's income and personal circumstances and thus may be paid at a rate lower than the Rent Service's figure.

The LHA for every size of accommodation will be set by the Rent Service each month and the details will be publicised locally by the Housing Benefit Section. Your tenant's LHA will be the rate for the month in which their claim starts. Unless there is some relevant change (e.g. the birth of a child), their LHA will be unchanged for 52 weeks.

The rate is based on how many bedrooms are required for the number of people living in the property. It allows:

One bedroom for

- Every adult couple
- Any other adult aged 16 or over
- Any 2 children of the same sex aged under 16
- Any 2 children regardless of sex aged under 10
- Any other child

It is only the number of bedrooms that are counted. The number of living rooms, bathrooms, etc. are not taken into account. So for example, a single parent with a daughter aged 12 and a son aged 8 will have their benefit calculated from the LHA for three bedroom accommodation.

It is intended that tenants will trade between quality and price of their accommodation and if a tenant's rent is less than the LHA they will keep the extra money paid to them in benefit (up to a maximum of £15 per week). However, if the rent is higher than the LHA they will have to make up the extra themselves.

## Payment methods will also change with the introduction of the LHA

Unless your tenant is vulnerable and will experience great difficulty managing their rental payments, the LHA will be paid directly to them. If a tenant, or their representative, can demonstrate that they are vulnerable then benefit can be paid to the landlord. The benefit payable to the landlord will not exceed the eligible rent. If the LHA is more than the rent, the excess will ordinarily be paid to the tenant. However, if a tenant has rent arrears we can pay the landlord any excess until those arrears are cleared.

**A**ny request for payment to a landlord will need to be supported by evidence from a third party. Information and evidence will be considered from, amongst others:

- Social Services
- DWP
- Reputable financial institutions
- Courts
- Support or advisory services, e.g. CAB
- Doctor

**E**vidence from a landlord alone cannot be considered sufficient, and any decision to pay a landlord must be reviewed periodically.

**B**enefit can still be paid to the landlord if a tenant falls into arrears of 8 weeks or more. Written proof of arrears will be required so landlords should ensure they keep detailed records of the rent account.

### LHA – how has it affected landlords?

**T**he LHA has been tested at sites referred to as 'pathfinders' from 2003. A survey of landlords and agents has been carried out and you can read the findings of this evaluation on the Department for Work and Pensions web site:

<http://www.dwp.gov.uk/housingbenefit/lha/evaluation/2006/lha-report-11.pdf>

### What next?

**H**ere at Epsom & Ewell Borough Council's Housing Benefit section we will be gearing up for the introduction of the LHA between December 2007 and March 2008.

- There will be small changes to our benefit application form.
- New leaflets will be produced and existing leaflets amended.
- The benefit related pages of our web site will be changed to include LHA information and associated forms and leaflets.

- We will mailshot every Housing Benefit recipient telling them about LHA in case they move or have a break in their benefit claim.
- We will be encouraging all claimants to ensure they have a bank account.
- The Housing Department's Landlord Forum is due to run on 5th March 2008. We look forward to seeing you there for further discussions on LHA.

### Further information

**I**f you require further details, or if we can help in any way please contact:

Housing Benefit Department :  
Epsom & Ewell Borough Council  
Town Hall  
The Parade  
Epsom  
KT18 5BY

Phone: 01372 732269  
Email: [benefits@epsom-ewell.gov.uk](mailto:benefits@epsom-ewell.gov.uk)

### Changes in Circumstances

**R**emember – you still need to tell us about any changes in circumstances that may affect the benefit entitlement of your tenant.

