



East Dunbartonshire Council

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LOCAL HOUSING ALLOWANCE: A Guide For Private Tenants And Landlords



Local Housing Allowance: A Guide For Private Tenants And Landlords

How is Housing Benefit changing?

The way that Housing Benefit is administered and paid for people who rent from private landlords is changing.

From 7 April 2008 private tenants who qualify for benefit to help them pay their rent will receive a Local Housing Allowance award.

The main aims of the Local Housing Allowance (LHA) scheme are to:

- ensure fairness. Tenants with the same circumstances living in the same area will receive the same award
- give tenants more choice regarding the quality and price of accommodation they rent
- make the Benefits scheme easier for claimants and landlords to understand, and reduce the time it takes Local Authorities to decide claims
- encourage Housing Benefit claimants to have increased personal and financial responsibility

Who will be affected by LHA?

The LHA scheme is not replacing the current Housing Benefit Scheme.

However, private tenants who make their **first** claim for Housing Benefit from 7 April 2008 will have their entitlement calculated using the terms and conditions of the LHA scheme.

Private tenants that are already in receipt of Housing Benefit before 7 April 2008 will **not** transfer to the LHA scheme unless their circumstances change. Current claimants will only transfer to the LHA scheme **if**:

- they move to a new address **and** still rent from a private landlord (even if they do not change landlords)
- they make a new claim for Housing Benefit after having no entitlement to benefit for one week or more

Who will not be affected by LHA?

Not all tenants are affected by the changes.

Those that will not be affected are:

- Council tenants
- housing association tenants
- private tenants with a tenancy start date before 2 January 1989
- people who live in a caravan, mobile home, hostel or houseboat
- tenants with landlords that provide care, support or supervision
- tenants that have a rent which is mainly for board and attendance, for example hotel accommodation

How is an LHA award worked out?

The amount of LHA that a tenant will receive depends on:

- the area they live in
- the LHA rates for that area
- the LHA rate that they are entitled to
- the personal and financial circumstances of the tenant and the people that live with them

These factors are explained in more detail overleaf.

How will an area lived in and LHA rates be decided?

Each Local Authority will be made up of at least one Broad Rental Market Area (BRMA). These areas will be determined by the Rent Officer.

The BRMA is defined by the following factors:

- having at least two distinct areas of residential accommodation
- different types of properties are available to rent, with different types of tenancies
- residents have access to services and facilities for health, education, recreation, banking and shopping
- the distance that residents have to travel to and from services and facilities by public and private transport

Once a BRMA has been decided, LHA rates are determined by the Rent Officer. Rates will be based on:

- a median rent figure for the BRMA
- the median rent figure is the rent amount that is in the middle of the list of the rents known for the area. Rents will be listed in order from the lowest to the highest amounts
- the size of a property
- size will be based on the number of bedrooms the property has, usually 1 to 5 bedrooms
- rates will be given for larger properties if necessary
- rates will also be given for tenants that rent rooms in shared accommodation

The Council will display LHA rates monthly from April 2008, even if the rates do not change. They will be displayed in Tom Johnston House, Milngavie Housing Office, Welfare Rights & CAB offices, and published on the Council's website (www.eastdunbarton.gov.uk).

What LHA rate will tenants be entitled to?

The LHA rate that a tenant is entitled to depends on:

- the area they live in
- the people that live with them

As East Dunbartonshire has only one BRMA there will be one set of LHA rates for different sizes of property.

The details of the people that live with the tenant will be used to decide the number of bedrooms that they are entitled to. Only bedrooms are taken into account as it is assumed that all tenants are entitled to other rooms such as bathrooms, living rooms and kitchens.

The number of bedrooms that a tenant is entitled to depends on their age and circumstances, and also on the details of the people that live with them.

A tenant is entitled to one bedroom for:

- every adult couple (couples aged 16 or over that are married, in a civil partnership, or living together)
- any other adult (an adult is a person aged 16 or over)
- any two children of the same sex under the age of 16
- any two children, regardless of their sex, under the age of 10
- any other child (a child is a person under the age of 16)

Conditions apply to the number of bedrooms that the following categories of tenants are entitled to:

- tenants that are under 25 and live alone
- tenants that are under 25 and are severely disabled
- tenants under 22 who are care leavers
- tenants that rent shared accommodation, not self-contained properties
- self-contained means that a tenant has their own room **and** their own bathroom **and** toilet **and** kitchen (or cooking facilities)

Examples of how a tenant's LHA rate will be decided are given below:

Example One

John is 33 and lives alone.

- If John chooses to rent a property on his own he is entitled to the one bedroom LHA rate
- If John chooses to rent a room in a property and shares kitchen and bathroom facilities with other people he will be entitled to the one bedroom rate for shared accommodation

Example Two

Samantha is 24. Her 3 year-old son Jake lives with her.

- If Samantha chooses to rent a property with her son without sharing or renting with anyone else she will be entitled to the two bedroom LHA rate
- If Samantha did not live with her son or anyone else she would only be entitled to the one bedroom rate for shared accommodation, even if she lived in self-contained accommodation. This is because she is under the age of 25

Example Three

James and Elizabeth are both 58. They are a couple that live together.

- If James and Elizabeth choose to rent a property without sharing or renting with anyone else they will be entitled to the one bedroom LHA rate
- If James and Elizabeth choose to rent a room in a property and share kitchen and bathroom facilities with other people they will be entitled to the one bedroom rate for shared accommodation

Example Four

Brian is 40 and Molly is 39. They are a couple that live together. Their 11 year-old daughter Cathy and their 6 year-old son Michael also live with them.

- If Brian and Molly choose to rent a property with their children without sharing or renting with anyone else they will be entitled to the three bedroom LHA rate.
- If Brian and Molly had two daughters (or two sons) aged 11 and 6 they would be entitled to the two bedroom LHA rate.

Example Five

Abigail is 45 and Phil is 55. They are brother and sister and live together as joint tenants.

- If Abigail and Phil choose to rent a property without sharing or renting with anyone else they will be entitled to the two bedroom LHA rate
- If Abigail & Phil's 78 year-old mother moved in with them then Abigail and Phil would both be entitled to the two bedroom LHA rate

Example six

Peter is 75 and Samuel is 72. They are friends that live together as joint tenants.

- If Peter and Samuel choose to rent a property without sharing or renting with anyone else they will be entitled to the two bedroom LHA rate
- If Peter's 50 year-old son moved in with them then Peter would be entitled to the two bedroom LHA rate and Samuel would be entitled to the one bedroom shared LHA rate

What happens once an LHA rate is known?

The tenant's LHA rate will be used as their tenant's rent figure in the calculation of their entitlement to Housing Benefit. This LHA rate will be used even if the rate is a higher or lower amount than the rent that the tenant is actually due to pay.

This means that:

- benefit claims can usually be decided without the need for the Rent Officer to make a decision on the rent amount to be used in the claim
- the tenant will know the maximum amount of benefit that they could receive. This is because the tenant's LHA rate will normally be the maximum benefit award (LHA award) that they could receive
- tenants who rent a property with a rent that is lower than their LHA rate can keep any difference between their rent and their LHA award themselves. This difference is limited to a maximum of £15.00 and will not affect any other benefits that the tenant receives
- tenants who rent a property with a rent that is higher than their LHA rate will have to pay the difference to their landlord

When a tenant's LHA rate has been decided it will:

- apply for one year from the date of the tenant's benefit claim
- be reviewed within the year if there is a change in the tenant's circumstances that affects the rate that they are entitled to. Examples of a change in circumstances are: if the tenant moves, or if the number of people that live with them changes

How will an LHA award be calculated?

The rules for calculating the amount of LHA that a private tenant will be awarded are the same as those for other tenants that claim Housing Benefit.

To work out how much LHA a claimant is entitled to, the Benefits Section take in to account:

- the rent that a tenant is due to pay
 - the rent figure that will be used is the LHA rate that the tenant is entitled to. The percentage of the rent that the tenant is due to pay will be based on the number of tenants that rent the property
- the tenant's age and the age of any partner that the tenant has
- the details of any other people that live with the tenant
- the income and savings of the tenant, and of any partner that the tenant has
- the income of any other adult that lives in the property with the tenant
- the amount that the Government says the tenant needs to live on based on their personal circumstances



How will a LHA award be paid?

Most tenants will have their LHA award paid directly to them. This means that:

- tenants will not normally be able to choose to have their benefit paid directly to their landlords
- tenants will normally have their benefit paid in to their bank or building society account, or by cheque
- tenants who do not have a bank or building society account may wish to consider opening one

However, Local Authorities have been given the discretion to make payments direct to fit and proper landlords in certain circumstances.

As East Dunbartonshire Council recognises that some of our Local Housing Allowance claimants may have difficulty managing their financial affairs, a number of safeguards have been put in place. More information about when East Dunbartonshire Council may make payments to landlords is given in the leaflet '*Local Housing Allowance. Payment of Benefit to Landlords: A Guide for Claimants and Landlords*'. This leaflet is available from the Benefits Section.

More information about basic bank accounts and local banks and building societies is given in the leaflet '*Basic Bank And Building Society Accounts: A Guide For Housing Benefit Claimants*'. This leaflet is available from the Benefits Section.

What if I disagree with my LHA award?

The appeal rights for LHA claimants are the same as those for other Housing Benefit claimants.

Tenants, or people that act on their behalf, have a calendar month from the date that their LHA award decision notice is issued to ask for:

- a reconsideration of their award
- a further explanation of the factors used to calculate their award
- a statement of reasons to be issued to them
- a formal appeal

There is no right of appeal against the BRMA or the LHA rates set by the Rent Officer.

Where to get a claim form, further information or leaflets

A tear off slip is given at the end of this leaflet if you would like to request a claim form for Housing and/or Council Tax Benefit, or any of the other leaflets mentioned.

Further information or advice about Housing Benefit and Local Housing Allowance can be obtained from:

Benefits Section, Tom Johnston House,
Civic Way, Kirkintilloch, G66 4TJ
Tel: 0800 901 057
Email: benefits@eastdunbarton.gov.uk

Welfare Rights, 5 Dalrymple Court, Townhead,
Kirkintilloch. G66 3AA
Tel: 0141 578 8299
Email: welfarerights@eastdunbarton.gov.uk

Advice regarding money, bank accounts and budgeting can be obtained from:

- Citizens' Advice Bureau
11 Alexandria Street, Kirkintilloch, G66 1HB
Tel: 0141 775 3220, www.edcab.org.uk
- East Dunbartonshire Council's leaflet '*Basic Bank & Building Society Accounts: A Guide For Housing Benefit Claimants*'
- this leaflet gives information regarding basic accounts and contact details for local Banks & Building Societies

Please contact the Benefits Section (contact details as given above).

- Financial Services Authority
Tel: 0845 606 1234
www.moneyadviceclear.fsa.gov.uk
- Money Advice Scotland
Tel: 0141 572 0237
www.moneyadvicescotland.org.uk



Further information

Benefits Section
East Dunbartonshire Council
Tom Johnston House
Civic Way
Kirkintilloch
G66 4TJ
Tel: 0800 901 057
Email: benefits@eastdunbarton.gov.uk

Translations and Other Formats

This document can be provided in large print, Braille or on audio cassette and can be translated into other community languages.

Please contact the Council's Public Affairs Unit at:
East Dunbartonshire Council
Tom Johnston House
Civic Way
Kirkintilloch
G66 4TJ
Tel: 0141 578 8000

ਅਨੁਰੋਧ ਢਾਲੇ ਖਾਣੇ ਖਾਣੇ ਵਾਣ ਵਲਕਾਓਕ ਹਿੰਦੀ ਮੋਂ ਆਯਾਤਰਿਤ ਕਿਆ ਜਾ ਸਕਤਾ ਹੈ। ਫ਼ੂਧਾ 0141 578 8152 ਖਾ ਫ਼ੋਨ ਕੀਓ।

本文件可按要求翻譯成中文，如有此需要，請電 0141 578 8152。

ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਮੰਗ ਕਰਨ ਤੋਂ ਪੈਸਾਬੀ ਵਿੱਚ ਅਨੁਵਾਦ ਕੀਤਾ ਜਾ ਸਕਦਾ ਹੈ। ਕਿਰਪਾ ਕਰਕੇ 0141 578 8152 ਫੋਨ ਕਰੋ।

اس دستاویز کا درخواست کرنے پر (اردو) زبان میں ترجمہ کیا جاسکتا ہے۔ براہ مہربانی فون نمبر 0141 578 8152 پر رابطہ کریں۔

Gabhaidh an sgriobhainn seo cur gu Gàidhlig ma tha sin a dhith oif
fòin gu 0141 578 8152



Request Form

Please send me:
(tick box)

- a claim form for Housing and/or Council Tax Benefit
- the leaflet 'Basic Bank & Building Society Accounts: A Guide For Housing Benefit Claimants'
- the leaflet 'Local Housing Allowance. Payment Of Benefit To Landlords: A Guide For Claimants And Landlords'

Name:

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Address:

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Postcode:

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Please return to: Benefits Section, Tom Johnston House, Civic Way, Kirkintilloch. G66 4TJ.

**For further information on the
Local Housing Allowance:**

Benefits Section
East Dunbartonshire Council
Tom Johnston House
Civic Way
Kirkintilloch
G66 4TJ
Tel: 0800 901 057
Email: benefits@eastdunbarton.gov.uk



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