

Housing Benefit and Council Tax Benefit

Local Housing Allowance - Information leaflet for private landlords

Introduction

Local Housing Allowance (LHA) is used to work out Housing Benefit for tenants in private rented accommodation. It is based on:

- The number of bedrooms allowed for your tenant's household.
- Which area the property is in

The amount of benefit your tenant is entitled to also depends on:

- The rent charged.
- Your tenant's circumstances, such as their age, the ages and size of their family, whether they or any of their family is disabled, and whether anyone who lives with them could help with the rent.
- The money your tenant and their partner have coming in, including earnings, benefits, tax credits and occupational pensions.
- Your tenant's savings and their partner's savings.

Who will LHA apply to?

It applies to claimants who rent from a private landlord.

It does not apply to

- council or housing association tenancies;
- tenancies that started before 1989;
- tenancies in caravans, mobile homes, houseboats and hostels;
- some supported housing: or
- tenancies where the Rent Officer has decided that a substantial part of the rent is for board and attendance

If your tenant has been getting Housing Benefit since before 7 April 2008 they will only move onto LHA if they

- change address
- have a break in their claim

How LHA works?

LHA is used to work out Housing Benefit for private tenants. A LHA rate is included in the claim based on the number of bedrooms allowed for the tenant's household size. However if the rent is less than the weekly LHA rate, the maximum housing benefit a tenant can receive is the same amount as their rent (they cannot get more money in Housing Benefit than they pay in rent).

LHA rates are set for different types of accommodation in each Broad Rental Market area (BRMA) by the Rent Officer Service. In Torfaen and Monmouthshire there is one BRMA in each local authority area which covers the borough boundaries exactly. The rates range from a single room in a shared house up to properties with four bedrooms. The rates are now set annually and the current rates apply until 31 March 2013.

Rent Officers determine the LHA for each category by calculating the 30th percentile of local market rents for example if there were 100 properties available for letting of the appropriate size in each BRMA, the LHA will be based on the 30th lowest rent of those 100 properties. This means that about 3 in 10 properties for rent in the area should be affordable to people on Housing Benefit. **From April 2013** LHA rates will be uprated in line with the Consumer Price Index.

Please note

The Broad Rental Market Areas and the LHA rates are set by the Rent Officer Service Wales (part of the Housing Division of the Welsh Assembly Government). This service is totally independent from the local authority. Local Authorities have no control over the LHA rates set.

The size criteria

The details of who lives with the tenant (the number of people who share the accommodation with them) are used to work out the number of bedrooms a tenant is entitled to – the number of living rooms, bathrooms and kitchens are not included in the calculation as it is assumed that all tenants are entitled to these.

One bedroom is allowed for each of the following.

- a) every adult couple
- b) any other adult aged 16 or over
- c) any two children of the same sex
- d) any two children regardless of sex under age 10
- e) any other child

Example

Miss A is a single parent with 2 children under 10.
Under the LHA rules she would be allowed the LHA rate for 2 bedrooms.

Help for disabled people

Disabled customers who need overnight care may be able to claim for an extra room if they need an overnight carer.

Single people

Single people under the age of 35 will normally be entitled to the shared accommodation rate, whatever type of accommodation they live in unless they are covered by one of the exemptions. Please contact us if you need more information regarding the exemptions.

Childless couples

Childless couples will be entitled to the one bedroom rate of LHA if they rent a property of this size or any self contained accommodation. However if they live in a shared house e.g. if they are a joint-tenant they will normally be entitled to the shared accommodation rate.

How can I find out about LHA rates?

The figures below show the Local Housing Rates will apply in Torfaen and Monmouthshire from 1 April 2012 until 31 March 2013.

Number of Rooms	LHA Rates-Torfaen		LHA rates Monmouthshire	
	Weekly	Monthly equivalent	Weekly	Monthly
Shared accommodation rate	£ 52.50	£227.50	£ 52.50	£227.50
One Bedroom rate	£ 78.77	£341.34	£ 91.15	£394.98
Two Bedroom rate	£98.08	£425.01	£115.38	£499.98
Three Bedroom rate	£114.23	£495.00	£133.85	£580.02
Four bedroom rate	£135.00	£585.00	£173.08	£750.01

If you want to find out the LHA rates for another local authority area you can access a room and [LHA calculator](#) on the directgov.uk website under local housing allowance.

How does LHA affect landlords?

Payment will normally be made to the tenant. There are however a range of safeguards to protect the interests of landlords. These include direct payment to landlords where

- a tenant is eight weeks or more in arrears with their rent
- the tenant is likely to have difficulty managing their financial affairs. For example, if the tenant is known to have a learning disorder or a drug/alcohol problem that would mean they are likely to have difficulty handling a budget.
- it is improbable that the claimant will pay their rent. For example, if the LA is aware that the tenant has consistently failed to pay the rent on past occasions without good reason

From April 2011, as well as the existing rules, we can pay the landlord where they have reduced the rent, normally to the LHA level and this secures or retains the tenancy.

If you think your tenant has difficulty managing their affairs please advise them/their representative to contact us.

If we have permission from the tenant to discuss their claim with their landlord we will write to you to advise that the claim has been processed.

If you know your tenant is in receipt of Local Housing Allowance and misses a rent payment you should contact us immediately so that we may review the payment arrangements.

Note-If we pay Housing Benefit to the landlord it is the tenant's responsibility for paying the difference between the rent due and the Housing Benefit we pay.

Our Contact details

If you need more help, please contact us.

TORFAEN RESIDENTS should contact TELEPHONE:01495 766430 or 01495 766570 E-MAIL: revs&bens@torfaen.gov.uk		MONMOUTHSHIRE RESIDENTS should contact TELEPHONE:01633 644650 or 01633 644655 E-MAIL: benefits@monmouthshire.gov.uk	
Minicom for those who are deaf or hard of hearing. The number is 01495 767871			
OUR ADDRESS- Shared Benefit Service Level 3, Civic Centre Pontypool Torfaen NP4 6YB			
IN PERSON at any of our One Stop shops or Customer Centres			
ABERGAVENNY (open normal office hours) Cross Street, Abergavenny NP7 5HD	CHEPSTOW (open normal office hours) Manor Way, Chepstow NP16 5HZ	CALDICOT (open normal office hours) Woodstock Way, Caldicot NP26 5DB	
MONMOUTH (open normal office hours) Priors Street, Monmouth NP25 3XA	PONTYPOOL (open normal office hours) Level One Civic Centre, Pontypool NP4 6YB	CWMBRAN (open normal office hours) 1-2 General Rees Square Cwmbran NP44 7NX	

BLAENAVON (Tuesday to Friday 9.30 am to 2.30pm)

Blaenavon World Heritage Centre Church Road Blaenavon NP4 9AS

WELSH TRANSLATION-If you require a copy of this document in Welsh please contact us on the telephone numbers above.

Online services (This service is currently only available for Torfaen residents)

You are now able to access a full range of online services via the Council's website www.torfaen.gov.uk under online services. Using a secure registration process you can now access the following services:

- Housing Benefit and/or Council Tax Benefit claim data for your claim,
- Council Tax or Business Rate information for your account including the account balance, payment and instalment details.

The service also allows you to report a change in circumstances, claim a discount or exemption or make a payment towards your account. In addition you can check your potential entitlement to Housing Benefit and/or Council Tax Benefit and make a claim for Benefit on-line. The Benefits section will then contact you to obtain the required detail to complete the claim.