

# Housing Benefit

## A guide to Local Housing Allowance for Claimants



## A guide to Local Housing Allowance

This leaflet explains **Local Housing Allowance** (LHA) which is a scheme for calculating Housing Benefit for tenants who rent accommodation from a private landlord. It was launched in 2008.

### What is Housing Benefit?

Housing Benefit is the help given to people with low income and low savings to pay their rent. It is assessed based on their income, savings and the people living in their household. Within this calculation, there is a maximum amount of benefit a claimant is able to receive.

### What is Local Housing Allowance?

Local Housing Allowance (LHA) is how the Council works out the maximum Housing Benefit a claimant can receive. The amount a claimant will get depends on their income and savings. We publish the annual LHA levels on our website.

### Who is Local Housing Allowance for?

Everybody with a private rent who claims Housing Benefit from 7 April 2008 will have their Housing Benefit worked out using LHA. If you are already receiving Housing Benefit, the rules will not change until you change address or temporarily stop claiming.

Local Housing Allowance does not affect you if:

- ✓ you live in a home which is owned by the Council or a housing association;
- ✓ you are a tenant of a registered social landlord;
- ✓ you live in supported housing;
- ✓ your tenancy started before 2 January 1989;
- ✓ you live in a caravan, houseboat or hostel; or
- ✓ the Rent Officer has decided that a large part of the rent you pay for your tenancy is for meals cooked for you.

If you are in one of the above groups, Local Housing Allowance does not affect you and you can still claim Housing Benefit.

Please note, since the introduction of Local Housing Allowance, tenants in the private rented sector have had their Housing Benefit based on the size of their household, regardless of the actual size of their accommodation, or the actual rent charged. On 1<sup>st</sup> April 2013, a similar size criterion was extended to many working-age tenants in the social rented sector.

## How does Local Housing Allowance work?

The maximum amount of Housing Benefit a claimant can receive is set beforehand by the Rent Officer. It does not depend on the amount of rent a claimant pays. The maximum amount a claimant could receive will be the same for every same-size household in the area they live in, no matter what differences there are in the actual rent the claimant and the other households pay.

## How much Local Housing Allowance can a claimant claim?

The amount of Local Housing Allowance a claimant will get depends on:

- the number of bedrooms they require;
- the area in which they live;
- how much income and savings they have
- other people who live with the claimant.

Local Housing Allowance is not based on how much the rent is.

## How many bedrooms is a claimant entitled to?

The Highland Council will decide how many rooms, according to the Housing Benefit rules, a claimant will need. If a claimant lives in one room and share some facilities (for example, a kitchen or bathroom) with other people there is a special Local Housing Allowance rate. If the claimant is under 35 and live on their own, they will also receive this rate.

If the above does not apply to the claimant, the Highland Council will work out the number of rooms the claimant is entitled to:

You are allowed one bedroom for:

- every adult couple (married or unmarried);
- any other adult over 16;
- any two children of the same gender under 16;
- any two children aged under 10 (regardless of gender);
- any other child.

Each person is only counted once, in the first group that they would come into. The Highland Council does not count everyone in the house when working out how many rooms the claimant will need. We count the claimant and their partner, as well as any children or young people they are responsible for. If they have any other adults who are not boarders or lodgers, we also count those. However, the law doesn't allow the count of foster children or joint tenants.

## What are the rates of Local Housing Allowance

A claimant's maximum Housing Benefit will be the LHA rate for the number of rooms

they need. The rates for Local Housing Allowance are reviewed annually. The rate that will apply to you will be the rate set at 1<sup>st</sup> April every year.

### **What if a claimant's rent is higher/lower than the Local Housing Allowance rate?**

The maximum benefit a claimant will receive is the LHA rate for the size of their household, in their area.

- If the rent is less than the LHA rate in their area, the claimants LHA will be calculated using the actual rent amount;
- If the rent is more than the LHA rate in their area, the claimant will need to make up the shortfall. If the claimant has any special circumstances they may want to apply for a Discretionary Housing Payment, or contact any Highland Council Service Point.

### **If rent increases, will Housing Benefit also increase?**

The Highland Council will review all claimants' LHA rates annually on the 1<sup>st</sup> April. A claimant's maximum Housing Benefit will then be the LHA rate that applies for that financial year, so this may mean that a claimant's benefit increases. However, a claimant's maximum Housing Benefit will not increase if their rent increases.

### **Can Housing Benefit be paid direct to a claimant's landlord?**

Under LHA, the Highland Council will pay Housing Benefit direct to the claimant, either into a bank account or by cheque. **It is the claimant's responsibility to make sure they pay the right amount of rent to their landlord at the right time.**

There are very few times when the Council will pay a claimant's benefit straight to their landlord. The Highland Council will only do this if they think the claimant will have difficulty managing their rent; if a claimant is eight weeks behind with their rent; or if the Council does not think that the claimant will pay their rent.

The Highland Council will make a decision on every case individually and may ask the claimant to provide reasons and evidence for why the Council should pay the claimant's landlord. If a claimant would like more help with this, they should contact any Highland Council Service Point or Citizens Advice Bureau.

### **What if a claimant does not have a bank account?**

If a claimant does not have a bank account, The Highland Council will pay their Housing Benefit by cheque, although the Council prefers to pay into a bank account as it is safer and more efficient.

The Highland Council or a Citizens Advice Bureau can give advice and information about how to open a bank account. A claimant will then be able to set up a standing order with their landlord to pay their rent. This is a simple way of making sure their

rent gets paid every month.

## **What will happen to Housing Benefit if the size of the household changes?**

If somebody moves in or out of a claimant's household, they must tell The Highland Council. The Council will then change the claimant's maximum Housing Benefit to the correct LHA rate for the size of their new household. If someone in the claimant's household has a birthday that will affect the LHA rate (for example, when a child turns 16), the Council may also need to change the claimant's LHA as that person may then need an extra room.

## **Help and Advice**

### **If you want more help or advice contact any Highland Council Service Point**

You can also get more help from the following websites:

Department for Work and Pensions - [www.dwp.gov.uk](http://www.dwp.gov.uk)

The Scottish Government  
[www.scotland.gov.uk/Topics/Built-Environment/Housing/privaterent/advice](http://www.scotland.gov.uk/Topics/Built-Environment/Housing/privaterent/advice)

Citizens Advice Bureau - [www.adviceguide.org.uk](http://www.adviceguide.org.uk)

**If you are having difficulty paying your bills or would like some advice and help about benefits. Please contact our free and confidential Money Advice Service by telephoning 0800 090 1004**

### **Independent advice**

If you need independent advice, contact your local Citizens Advice Bureau. You can find their telephone number (and the numbers for other local advice agencies) in the telephone directory and at your local library, or by contacting The Highland Council.

# If you're on benefits or a low income and struggling to cope, help could be available from the Scottish Welfare Fund



Crisis Grants can provide people with a safety net in the event of a disaster or emergency.

Community Care Grants can help people who need essential household items such as a cooker or a washing machine.

Apply without delay at: [www.highland.gov.uk/welfare-fund](http://www.highland.gov.uk/welfare-fund)

Or Telephone: **0800 083 1887**

