

## Local Housing Allowance (ref 42)

- 1.** The Government is simplifying the currently complex Housing Benefit (HB) system. For private tenants, the 'Local Housing Allowance' (LHA) system now operates for private tenancies which start from April 2008 onwards.
- 2.** LHA will not apply yet where the landlord is a Registered Social Landlord or a local authority, or in some specific circumstances. The main exceptions to the new rules which are likely to affect people with learning disabilities are where people pay for board or attendance, or if people live in accommodation provided by a Housing Association, County Council, or by a charity or a voluntary organisation where that body or someone on their behalf also provides care and support (i.e. 'exempt' accommodation).
- 3.** In the new system, HB is based on a flat-rate 'local housing allowance' which is decided by the rent officer and based on the average of local market rents, covering quite large geographical areas. These figures will be public information, and will be up-dated every month. These figures are not increased to include extra service charges. Service charges eligible for housing benefit are included as an item of 'gross' rent and subject to the maximum appropriate LHA.
- 4.** An individual's HB will be assessed annually, using the LHA appropriate to the size of your property. Even when the allowance changes within the year, your HB will not change.
- 5.** If your rent is lower than the LHA, you will be able to keep the difference (up to £15 per week) without it affecting other means-tested benefits. If your rent is higher than the LHA, you will have to make up the difference from any other income you might have.
- 6.** Usually, HB will be paid directly to tenants, bringing it in line with other allowances. There will be some scope for payment to the landlord either if it was done this way prior to LHA starting, or if the council feels it improbable that you will pay your rent.
- 7.** There is no current provision in the rules about LHA which allows higher levels of HB for disabled or vulnerable people.
- 8.** The Government has decided not to include the social housing rented sector in LHA in the future.
- 9.** Although the LHA system will make the British scheme similar to most European housing subsidies to individuals, the effect of LHA so far in the pilot areas has been variable, with no clear pattern emerging. Readers wanting more information from the research done in this by Shelter can view it at their website: [www.shelter.org.uk](http://www.shelter.org.uk). The Department of Work and Pensions (DWP) has done its own evaluations, which can be found on: [www.dwp.gov.uk/housingbenefit/lha](http://www.dwp.gov.uk/housingbenefit/lha). Neither organisation's evaluations have given details about the effect that LHA rules may be having on accommodation provision for people with extra care or support needs.

If you require further information or have other queries contact Housing Options.

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