

Changes to Local Housing Allowance from 1 April 2011

The Government is making several changes to the Local Housing Allowance (LHA) scheme which will start to affect Housing Benefit nationally from April 2011.

For more information about these changes please see:

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What is Local Housing Allowance (LHA)

Local Housing Allowance (LHA) is the way of working out Housing Benefit from April 2008 for people who live in privately-rented accommodation.

LHA is a flat rate allowance based on the size of the household (not the size of the property) and the area in which a person lives.

The number of rooms that the tenant qualifies for (the size criteria) are one bedroom for every:

- adult couple
- adult aged 16 or over
- any 2 children under aged 10
- any 2 children of the same sex aged 10 to 15
- any other child

Local Housing Allowance rates vary depending on the area you live in.

Who is affected by these changes?

These changes will affect anyone making a new claim for Housing Benefit from 1 April 2011.

If you are already receiving Housing Benefit under the Local Housing Allowance scheme then the changes will also affect the amount of money you get towards your rent.

When will the changes affect customers?

This is different for new customers and existing customers

If you make a new claim for Housing benefit from 1 April 2011 they will be subject to the new rules straight away.

If you are already receiving Housing benefit then as long as your circumstances do not change, your Local Housing Allowance rate will be protected for a period of up

to nine months after your housing benefit is next assessed (this is normally called your anniversary date of your claim).

Your anniversary date is normally one year after you originally made a claim for benefit. So, if for example you made a claim in September 2010, your housing benefit would be reassessed in September 2011 – the anniversary of your claim.

Then from that date you will have up to nine months protection on your current benefit rate before moving to the new rate.

However, if existing customers have a change in circumstance then they may be affected earlier than their anniversary date, or within the 9 months protection period.

The changes that will affect the date their LHA rate being reviewed are:

- If a customer moves
- If a customer has a change in their household that means they are entitled to a different LHA rate, for example:
 - Someone moves in or out
 - A child is born
 - A child can no longer share with their siblings (this is decided by their age)
 - A relationship changes that allows people to share a room
 - A relationship changes that means people need separate rooms

What are the changes from April 2011

Capping LHA rates

A limit will be introduced so that Local Housing Allowance does not exceed:

£250 for a one bedroom property per week	£340 for a three bedroom property per week
£290 for a two bedroom property per week	£400 for a four bedroom property per week

These rates are the maximum amount anyone can claim in Housing Benefit but your entitlement is dependant on where you live. From April 2011 your entitlement will be assessed at a reduced rate.

LHA rates being calculated on the 30th percentile which will reduce the number of properties affordable to those receiving Housing Benefit

The LHA rates are set by the Valuation Office Agency and are based on where you live and how much the market rents are in your area. At the moment these are calculated based on 5 in 10 properties being affordable to people on Housing

Benefit. The new way of calculating the rate will mean that only 3 in 10 being able affordable to people on Housing Benefit. The Valuation Office Agency call this the 30th Percentile.

Bracknell Forest Council is made up of 3 Broad Rental Market Areas: Reading, Blackwater Valley. To help you plan for the changes you can compare the current rates against the likely new (30th percentile rates) from the [Valuation Office Agency](#).

Restricting LHA rates to the 4 bedroom rate as a maximum

At the moment the maximum LHA rate that we can use when we calculate your housing benefit is based on a 5 bedroom rate. From April 2011 the maximum LHA rate will be reduced to 4 bedrooms. This will only affect customers entitled to the 5 bedroom rate.

Removing the £15 weekly excess

Before April 2011 if a customer finds a property to rent where the rent is less than the LHA rate, the customers housing benefit will be based on the rent plus up to £15 per week up to the amount of the LHA rate. For example, if someone's weekly rent is £100 and their LHA rate was £110 then their housing benefit would be based on £110 eligible rent per week.

From April 2011 if a customer has a rent lower then their LHA rate, they will only have their housing benefit based on the rent they pay.

This will apply straight away for new customers claiming from 1 April 2011. For existing customers this will end on their anniversary date. **You will not receive the 9 months protection for the £15 weekly excess.**

Payment to landlord arrangements

Before April 2011, when Housing Benefit was paid under the LHA rules, we could only make payments to your landlord when:

- When a customer is 8 weeks or more in arrears
- If a customer has difficulty managing their affairs
- If it was improbable that a customer would pay their rent

From April 2011 Local Authorities may have more discretion to pay the landlord when:

- When paying the landlord would help the tenant get a new tenancy, or
- When paying the landlord would help the tenant keep an existing tenancy

In both the above cases we can only consider doing this in very specific circumstances where the landlord would be willing to reduce the rent to the level of the new LHA rate

Other changes that may affect your entitlement

An extra bedroom being allowed for non resident carers

From April 2011, if the customer rents a property that has a spare bedroom that is kept for an overnight carer we may be able to treat them as having a larger LHA rate. Please note that a customer who qualifies for this but already has the 4 bed LHA rate will still only qualify for the 4 bed rate.

We will be contacting customers who we think may benefit from this change, but if you think you could benefit from this change then you should contact us

Other people living with you

If you have a non-dependant living with you, for example an adult son or daughter a non-dependant deduction is normally taken from your benefit entitlement based on the non-dependants income. This charge is increasing from 1 April 2011:

Non-dependant Deductions in HB	2010/11	2011/2012
In receipt of state Pension Credit	Nil	Nil
In receipt of main phase ESA(IR)	7.40	9.40
Not in receipt of main phase ESA(IR)	Nil	Nil
Aged 25 or over and on IS/JSA(IB) or aged 18 or over and not in remunerative work	7.40	9.40
Aged 18 or over and in remunerative work		
-gross income less than £122.00	7.40	9.40
-gross income not less than £122.00 but less than £180.00	17.00	21.55
- gross income not less than £180.00 but less than £234.00	23.35	29.60
- gross income not less than £234.00 but less than £310.00	38.20	48.45
- gross income not less than £310.00 but less than £387.00	43.50	55.20
- gross income more than £387.00	47.75	60.60
<i>Non-dependant Deductions in CTB</i>		
Age 18 and over and in remunerative work		
-others aged 18 or over	2.30	2.85
- gross income less than £180.00	2.30	2.85
- gross income not less than £180.00 but less than £310.00	4.60	5.70
- gross income not less than £310.00 but less than £387.00	5.80	7.20
- gross income greater than £387.00	6.95	8.60
In receipt of Pension Credit, IS, JSA(IB), or ESA(IR)	Nil	Nil