



# Housing Benefit **Local Housing Allowance:**

## Information for landlords in Winchester

A new form of Housing Benefit (HB) called Local Housing Allowance (LHA). This is for tenants who rent properties from private landlords.

## **What is Local Housing Allowance?**

LHA is a new way of working out HB. LHA is for people on a low income who rent from private landlords. LHA is based on the number of rooms people are allowed, not how much the rent is. The number of rooms allowed depends on who lives with the tenant.

## **Why has LHA been introduced?**

HB has long been criticised as an extremely complex benefit that does little to promote personal responsibility and can act as a barrier to work. Radical reform is needed to simplify HB and ensure it supports the Government's wider objectives for welfare reform. LHA is the central element of the HB reform programme.

## **Which landlords are affected by Local Housing Allowance?**

LHA affects any landlord who enters into a new private tenancy agreement with a person awarded HB.

## **What are the exemptions to LHA?**

The new scheme will apply only to HB customers in the private rented sector. The intention is to focus the scheme on mainstream private tenancies and so a number of cases will be exempt from the LHA scheme.

The exemptions are:

- registered social landlord tenancies
- protected cases, such as supported housing provided by certain local authorities, social landlords, charities and voluntary organisations
- tenancies which are excluded from current rent restrictions (such as pre-1989 tenancies)
- exceptional cases such as caravans, houseboats and hostels

- cases where the Rent Officer judges that a substantial part of the rent is attributable to board and attendance (e.g. hotel accommodation which already exists in the private sector).

## What are LHA rates based on?

LHA rates are based on:

- Size criteria
- Broad Rental Market Areas (BRMAs).

Different LHA rates will apply in different areas. Within those areas, they will be based on the median rent charged by landlords in the private sector for properties of various sizes. LHA rates will be further broken down into 'Room Rates' that will apply depending on the size of the household. Size criteria will be based on allowing one bedroom for:

- 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.

The number of living rooms, kitchens and bathrooms is ignored for the purpose of the size criteria.

## What is a Broad Rental Market Area (BRMA)?

A BRMA

- is made up of at least 2 distinct but adjoining areas of residential accommodation, that each
  - allows reasonable access to facilities for health, education, recreation, personal banking and shopping, and
  - contains a variety of types of premises and tenancies

## **When will we publicise LHA rates?**

LHA rates will be published at the end of the month before they come into force. For example, the April rates will be available at the end of March to allow customers looking for accommodation in April to know how much benefit they can expect. LHA rates are reviewed monthly by the Rent Service and made available to local authorities.

## **Where will we publicise LHA rates?**

We will publicise the LHA rate in the following areas:

- Website: [www.winchester.gov.uk](http://www.winchester.gov.uk)
- Reception Area at Winchester City Council

## **What if the LHA rate is lower than the rent charged?**

HB will be calculated based on the LHA rate; any shortfall must be paid by the tenant.

## **What if the LHA rate is higher than the rent charged?**

The amount of LHA that a customer can receive over and above their contractual rent is capped at £15 per week.

## **Will mid-year rent increases be taken into account?**

No. The LHA rate in payment will be reviewed on an annual basis. The anniversary date will be the effective date of the claim.

## **How does Local Housing Allowance affect landlords?**

The only change for most landlords is that LHA will be paid to the tenant. The tenant will be responsible for paying their rent to the landlord.

## **Why is LHA paid to the customer rather than the landlord?**

The Government wishes to move away from the current HB system where most customers have their benefit paid directly to their landlord which means that they have no personal responsibility for their rent and many are unaware of how much rent is actually paid on their behalf.

By paying LHA direct to the customer it ensures they take on the personal responsibility of paying the rent to the landlord and helps develop the budgeting skills unemployed people will need when they move into the workplace.

It also plays a part in the wider cross Government strategy of greater financial inclusion. The Government also believes that wherever possible LHA should be paid to customers, as is the case for most other benefits and tax credits.

The main benefit to landlords is that if they do not receive the payments they cannot be asked to repay any overpayment (unless they directly caused the overpayment and could therefore be considered liable)

## Will all payments be made to customers?

Normally, payment will be made to customers. However, to avoid circumstances where the customer might risk losing their home, payments may be made to the landlord when the customer is:

- in arrears of 8 weeks or more
- unlikely to pay their rent
- deemed unable to manage their own affairs.

You can contact the Benefits section in the following ways

- You can email us at [benefits@winchester.gov.uk](mailto:benefits@winchester.gov.uk)
- You can telephone us on 01962 848 539  
Monday to Thursday from 8.30am to 5pm  
Friday from 8.30am to 4.30pm  
telephone calls may be recorded
- You can fax us on 01962 841 365
- You can write to us at

The Benefits Section  
Winchester City Council  
City Offices  
Colebrook Street  
Winchester  
Hampshire  
SO23 9LJ

- You can visit us at the City Offices (address above)  
Monday to Thursday from 8.45am to 5pm  
Friday from 8.45am to 4.30pm  
A private interview room is available at the City Offices

Website: [www.winchester.gov.uk](http://www.winchester.gov.uk)

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