

# Local Housing Allowance

## A guide for tenants



## Merseyside authorities working together

This leaflet is one of a series produced by a number of Merseyside authorities to help you understand Local Housing Allowance. It is a general guide. People have different circumstances, so please contact us if you need more detailed advice. Addresses are on the back of this leaflet.



[www.halton.gov.uk](http://www.halton.gov.uk)



Knowsl@y Council

[www.knowsley.gov.uk](http://www.knowsley.gov.uk)



The City of Liverpool

[www.liverpool.gov.uk](http://www.liverpool.gov.uk)



[www.sefton.gov.uk](http://www.sefton.gov.uk)



## FIGHT FRAUD – PLAY YOUR PART

Benefit Thieves take money from your pocket. Don't turn a blind eye and let them get away with it. If you know or suspect a Benefit Thief, report it in confidence. You do not have to give your details.

Call FREE on **0800 0730532** or use the simple Online Form at **[www.knowsley.gov.uk](http://www.knowsley.gov.uk)**

You can also get this information in other formats and languages. Please phone **0151 443 4031** or email **[customerservices@knowsley.gov.uk](mailto:customerservices@knowsley.gov.uk)**

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## 1. What is Local Housing Allowance?

Local Housing Allowance is a new way of working out Housing Benefit for people who rent from private landlords (other than a Housing Association). Local Housing Allowance starts from 7 April 2008 and is based on the number of people living in the household and the number of bedrooms they require.

Other circumstances, such as the income that you have coming in or other people living in the household will still affect the amount of benefit paid, so you may not always receive the full rate of Local Housing Allowance.

## 2. Why is Local Housing Allowance being introduced?

Local Housing Allowance is part of the Government's agenda, which aims to simplify Housing Benefit and support the wider objectives for welfare reform. The Government's stated aims are to promote:

- **fairness:** Local Housing Allowance has been designed to pay the same amount to tenants with similar circumstances living in the same area.
- **choice:** tenants are able to take greater responsibility and choose how to spend their income in a similar way to tenants who are not in receipt of benefits. Tenants can choose whether to rent a larger property or spend less on rent.
- **transparency:** the current link between Housing Benefit and individual rents is complex and does not set out clearly what level of support is available for people on low incomes. With Local Housing Allowance tenants (and landlords) can find out in advance exactly how much benefit can be paid towards housing costs in different areas and for different size properties.
- **personal responsibility:** enabling people to budget for and to pay their rent themselves, rather than having it paid for them.
- **financial inclusion:** ideally, we want people to have their housing payments paid into a bank account and to set up a standing order or direct debit to pay their rent to their landlord. This has the advantage of being a safe and secure method of payment and provides certainty for landlords that the rent will be paid.
- **reduced barriers to work:** greater certainty about what in-work benefits tenants could receive, is expected to encourage customers to take the step from welfare into work.

### **3. Will I be affected by Local Housing Allowance?**

Local Housing Allowance will affect you if you rent from a private landlord (other than a Housing Association) and you:

- make a new claim or;
- change address, or;
- have a break in your claim of at least one week.

Local Housing Allowance does not affect:

- a tenancy that started before 1989
- Registered Social Landlord tenancies (i.e. Housing Association)
- some protected cases, such as certain supported housing provided by local authorities, social landlords or charities and voluntary organisations
- tenants living in caravans, houseboats or hostels
- tenancies that include a substantial amount of board.

If your claim falls into one of these categories your Housing Benefit will be worked out under existing rules.

### **4. How is Local Housing Allowance paid?**

Local Housing Allowance is usually paid directly into your bank account; you are then responsible for paying your rent to the landlord. Only in special circumstances will we pay benefit directly into the landlord's bank account. Special circumstances include tenants who may be unlikely or unable to pay their rent or who have rent arrears. Some examples where we may pay a landlord are where the tenant has:

- learning difficulties
- drug/alcohol/gambling dependencies
- fled domestic violence
- a history of rent arrears
- severe debt problems.

This is a guideline and not an exhaustive list; each case will be looked at on its own merits.

## 5. What can I do if I have problems managing my money and have debts?

If you are concerned about managing your money or you have debts. Do not ignore your problem. If you cannot pay your rent because of money problems you may be evicted from your home. You should ask for help. There are many organisations that can give you free and confidential advice about debt and money problems. Some of them are listed below:

### **Citizens Advice Bureau**

To find your local Citizens Visit Advice Bureau, look in the Phone Book or Yellow Pages or check their website [www.citizenadvice.org.uk](http://www.citizenadvice.org.uk)

### **National Debtline**

Visit [www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)

Ring **0808 802 4000**

### **Age Concern**

Visit [www.ace.org.uk](http://www.ace.org.uk)

Email [web@ace.org.uk](mailto:web@ace.org.uk)

Ring **0800 00 99 66**

## 6. What if I don't have a bank account?

If you do not have a bank account you will need to open one. Local Housing Allowance cannot be paid into a Post Office Card Account like some other benefits. You will need to have an account with a high street bank or building society. You can get a free copy of a 'Guide to Basic Bank Accounts' leaflet from any of our One Stop Shops, or download a copy from our website. Further information is available at [www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk)

## 7. What happens if I don't pay my rent?

Your Housing Benefit is for you to pay your rent with. If you do not use your benefit to pay your rent, your landlord may take you to court or try to evict you and you may lose your home.

## 8. How are the Local Housing Allowance rates worked out?

The amount of Local Housing Allowance that you may receive depends on:

- who lives with you
- the area you live in – known as the Broad Rental Market Area
- what money you have coming in
- any savings you have
- if you share paying the rent.

## 9. What is a Broad Rental Market Area?

The Rent Service will no longer value individual properties. Instead they will set monthly Local Housing Allowance rates for different size properties within different areas based on the mid point of rent charged by private landlords. These areas are called Broad Rental Market Areas. Each local authority will have at least one Broad Rental Market Area. There is no right of appeal against the rates.

We will publish these rates in our One Stop Shops and on our website so you can find out the amount of rent that Local Housing Allowance will cover. This will help you decide whether to take a property or not.

## 10. How many rooms am I allowed?

Local Housing Allowance rates will be based on the size of the household occupying the property. To calculate the number of rooms that will apply for your household you need to count one bedroom for the following people:

- a single claimant or every adult couple
- any other single adult aged 16 or over
- any two children under age 10
- any two children of the same sex aged up to 15
- any other child.

**Example:** Mr and Mrs Smith have two children of the same sex aged 12 and 14. They would be entitled to the 2 bedroom rate of Local Housing Allowance.

The number of living rooms, kitchens and bathrooms needed is ignored for the purpose of the calculation.

## **11. I am aged under 25 and live alone, what Local Housing Allowance rate will I receive?**

Single customers aged under 25 years, who are not responsible for children will only be entitled to the standard rate for a room in shared accommodation. This will be based on properties where the tenant has a room of their own but shares all or some of the facilities (for example, a living room, kitchen or bathroom). This is known as the shared Local Housing Allowance rate.

There are some exceptions to this rule, for example, people under 22 who have left Local Authority care. For further information contact us. Contact details are at the back of this leaflet.

## **12. What if my Local Housing Allowance is more than my rent?**

You can keep up to £15 per week excess that you are paid. This excess will not normally be taken into account when deciding other benefits.

## **13. What if my Local Housing Allowance is less than the rent?**

You will need to make up any shortfall out of your other income.

## **14. If my entitlement is less than my rent can I get any extra help?**

You may be entitled to a Discretionary Housing Payment. The Government provides a limited amount of money for Discretionary Housing Payments each year and this money can be used to help people with their rent and council tax. The award cannot exceed your rent. For further information please see our leaflet on Discretionary Housing Payments. This is available from any of our One Stop Shops or on our website.

## **15. My children stay with me at weekends, can they be included as part of my household for Local Housing Allowance?**

No, a child can only be included in the household of the person who claims child benefit for them.

## **16. How long will my Local Housing Allowance last?**

Your rate of Local Housing Allowance will be reviewed after one year, unless there is a change in your circumstances which will affect the number of bedrooms used to calculate Local Housing Allowance, for example when another person moves into or out of your property.

## **17. What if my circumstances change?**

If there is a change in your income or household circumstances you must notify us in writing immediately, or you may lose benefit. If the change gives you more benefit, but you did not tell us within a month of it happening, your benefit will only increase from the Monday following the date you told us. You can notify us of changes by letter or you can visit your nearest One Stop Shop, contact details are on the back of this leaflet. You can also download a change of circumstances form from our website.

It is an offence to deliberately fail to report a change in circumstances, which may lead to the issuing of a sanction. This could include a fine, prison sentence or a police record.

## **18. How do I claim Local Housing Allowance?**

You need to complete a benefit claim form. These are available at all the One Stop Shops, from our Contact Centre or from our website. If you have a partner they do not need to complete a separate form.

If you claim income-based Jobseeker's Allowance, Income Support or Pension Credit the Department for Work and Pensions or the Pension Service will normally tell us, but you should also complete our benefit claim form.

## **19. What can I do if I disagree with your decision?**

If you disagree with your entitlement you should notify us in writing within one month from the date shown on your notification letter. For more information please see our leaflet on disputing a benefit decision available from any of our One Stop Shops or on our website.

There is no right of appeal against either the Local Housing Allowance rates or any part of a decision made by the Rent Service.

## **20. What if I have a query?**

You can:

- call our Contact Centre
- visit any of our One Stop Shops
- write a letter to us, or
- e-mail us.

Contact details are at the back of this leaflet.



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## How to contact us

Information relating to the services which the Council provides and how to contact the various departments can be obtained from any Branch Library or One Stop Shop

**In person:** Please call at:

Huyton One Stop Shop  
Municipal Buildings  
Archway Road  
Huyton  
Merseyside  
L36 9XJ

Kirkby One Stop Shop  
Municipal Buildings  
Cherryfield Drive  
Kirkby  
Merseyside  
L32 1TX

Prescot One Stop Shop  
Prescot Shopping Centre  
Aspinall Street  
Merseyside  
L34 5GA

Halewood One Stop Shop  
5/21 Ravens Court  
Leathers Lane  
Merseyside  
L26 0UP

### One Stop Shop opening times:

Monday to Friday 9.00am to 5.00pm

Saturday 9.30am to 1.00pm (Huyton, Kirkby and Prescot offices only)

**By post:** Please write to:

Housing Benefit Section  
Knowsley Borough Council  
Municipal Buildings  
Cherryfield Drive  
Kirkby  
Merseyside  
L32 1TX

**By telephone:**

Please ring contact centre on  
0151 443 4042

**By e-mail:**

[benefits@knowsley.gov.uk](mailto:benefits@knowsley.gov.uk)

**By fax:**

0151 443 4142

Disabled access is available at all of the One Stop Shops. The following facilities are available:

- Wheelchair/pram access and lowered desks
- Minicom telephone system for hearing impaired people. Please dial: 0151 443 4248
- Advisors trained in British Sign Language (up to Level 2)
- Access to BTs language line through which we can contact an interpreter in minutes
- Private interview rooms
- Friendly staff who are happy to assist