

Welcome to this issue of your landlord newsletter, which is in joint publication with High Peak BC, Chesterfield BC and Derbyshire Dales DC and is dedicated to the Local Housing Allowance (LHA).

What is LHA? In brief, LHA will be introduced across the country on 7th April 2008 and will operate alongside the current Housing Benefit Scheme. LHA will be phased in and will only affect tenants in the mainstream privately rented sector who:

- Make a new claim for Housing Benefit
- Change address
- Have a break in their Housing Benefit claim of at least one week

If an existing tenant remains in a property and continues to claim Housing Benefit continuously, they will continue to be treated under the existing rules.

LHA will mean that the majority of tenants will be paid their Housing Benefit directly and will not have the option to elect for benefit to be paid to their landlords. It will be the tenants responsibility to pay their rent to their landlord. There are however safeguards in place, as explained in more detail below.

High Peak BC, Chesterfield BC and Derbyshire Dales DC are committed to ensuring a smooth implementation of LHA.

Further information can be found in the leaflet 'Local Housing Allowance – A guide for Landlords'

Local Housing Allowance – Safeguards

As it has been recognised that some tenants may struggle with the responsibility of paying their rent, safeguards will be put in place. Local Authorities will be able to exercise a certain amount of discretion as to who should receive direct payments.

For example if a tenant is likely to have difficulty in managing their affairs, they could be deemed as vulnerable. Similarly, if there is a reason supported by evidence to believe that a tenant is unlikely to pay, a landlord can request to be paid the LHA directly. Again this will be at the discretion of the Local Authority.

In cases where tenants have accrued at least eight weeks arrears, landlords can ask the council to pay Housing Benefit to them directly and not their tenant. The authority may then decide to make payments to the landlord until the arrears have been cleared.

A Safeguard Policy will be on our websites from 7th April 2008 with further details.

We would like to hear from you

If you have any questions or queries about Local Housing Allowance, please do not hesitate to contact us, we will be pleased to discuss any issues you may have.

Chesterfield Borough Council
Phone 01246 345483
Fax 01246 345486
Email benefits@chesterfield.gov.uk

Derbyshire Dales District Council
Phone 01629 761188
Fax 01629 761148
Email benefits@derbyshiredales.gov.uk

High Peak Borough Council
Phone 0845 129 7777
Fax 01298 28485
Email benefits@highpeak.gov.uk



Please Turn
Over...

HOW MUCH WILL MY TENANT GET?



The amount of Housing Benefit will depend on the income and capital of the claimant and his/her household, but the LHA figures will determine the rent that the benefit calculation is based upon, and represents the maximum amount that they could receive (subject to a maximum of £15.00 per week above their actual rent liability). The amount of LHA a tenant could get will no longer be dependant on the property, which they are renting but it will be determined by the amount of bedrooms that the tenant requires for the number of people that occupy the property.

The LHA figures are determined by the Rent Service which is an agency of the Inland Revenue and completely independent of the Council. The Rent Service gathers data of tenancies offered for letting in an area known as a Broad Rental Market Area (BRMA). The BRMA's are not restricted to arbitrary or administrative boundaries but are determined by common factors in the rental market.

The amount of bedrooms a tenant requires is determined by using the following criteria:-

- 1 bedroom for a single claimant or for an adult couple
- 1 bedroom for any two children aged under 10
- 1 bedroom for any two children of the same sex aged 15 or under
- 1 bedroom for any other adult aged 16 or over
- 1 bedroom for any other child

There will be a separate LHA figure provided for each of the following categories of property:-

- Single room - shared facilities
- 1 bedroom - self-contained
- 2 bedrooms
- 3 bedrooms
- 4 bedrooms
- 5 bedrooms

Each month the council will publicise the LHA rates for each type of property for each BRMA in its area on the council website.



Basic Bank Accounts for Tenants

One of the fundamental aims of the government's welfare reforms is for individuals, to take responsibility for their finances and housing costs. As customers start to receive their Housing Benefit directly from 7 April 2008 they will need to have arrangements in place for paying rent to their landlord.

Many banks offer basic bank accounts, which may be suitable for tenants who just want to be able to receive their Housing Benefit and set up standing orders so they can arrange regular payments to their landlord.

We will be contacting existing customers to encourage and advise them on the options available to them and how to go about opening an account.

An information leaflet for tenants is available.