

Local Housing Allowance

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Introduction

Local Housing Allowance is a new Housing Benefit scheme for tenants who rent accommodation from private landlords. LHA will come into force on 7th April 2008. The change affects how Housing Benefit is worked out. LHA does not replace Housing Benefit. NIHE, Housing Association and some other tenants will continue to get Housing Benefit as before.

Local Housing Allowance is just a change in the way Housing Benefit is calculated for private tenants. The change will introduce a system of Local Housing Allowances based on the area in which you live and the number of people who live with you.

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Who will get Local Housing Allowance?

Local Housing Allowance (LHA) will apply to:

- Private tenants who make a new claim on or after 7 April 2008
- Existing Housing Benefit claimants in private tenancies who have a break in their claim of more than a week starting on or after 7 April 2008
- Existing Housing Benefit claimants who move to a new private tenancy on or after 7 April 2008

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Who will not be affected by LHA?

Other private tenants already getting Housing Benefit will carry on getting it under the old rules until one of the above applies.

The following types of tenants will still get Housing Benefit. There are no plans at present to change them over to LHA.

- Housing Executive tenants
- Housing Association tenants
- Tenancies where support is provided by Health and Social Services, Housing Associations, charities or voluntary organisations
- Tenancies which are excluded from the current rent restrictions (these are tenancies which were created prior to April 1996)
- Tenancies of caravans, mobile homes, houseboats or hostels
- Tenancies where the rent is restricted under the Private Tenancies Order (2006) or the 1978 Rent Order

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Who counts as a private tenant?

A private tenant is someone who rents property or a room from a private landlord.

Why is LHA being introduced?

With Local Housing Allowance tenants will know before they find somewhere to live how much help they might get with their rent. This will make it easier for tenants to decide what type of property they can afford

With Local Housing Allowance:

Tenants living in the same area with similar circumstances will have their Housing Benefit entitlement calculated based on the same rent level.

The current system of rent restrictions has been removed for claims affected by LHA. The introduction of LHA means better choice for tenants as they will be able to look at LHA rates and know the maximum help that they can get with their rent in a particular area for a particular size of property. The actual amount of LHA will still depend on household, income and capital.

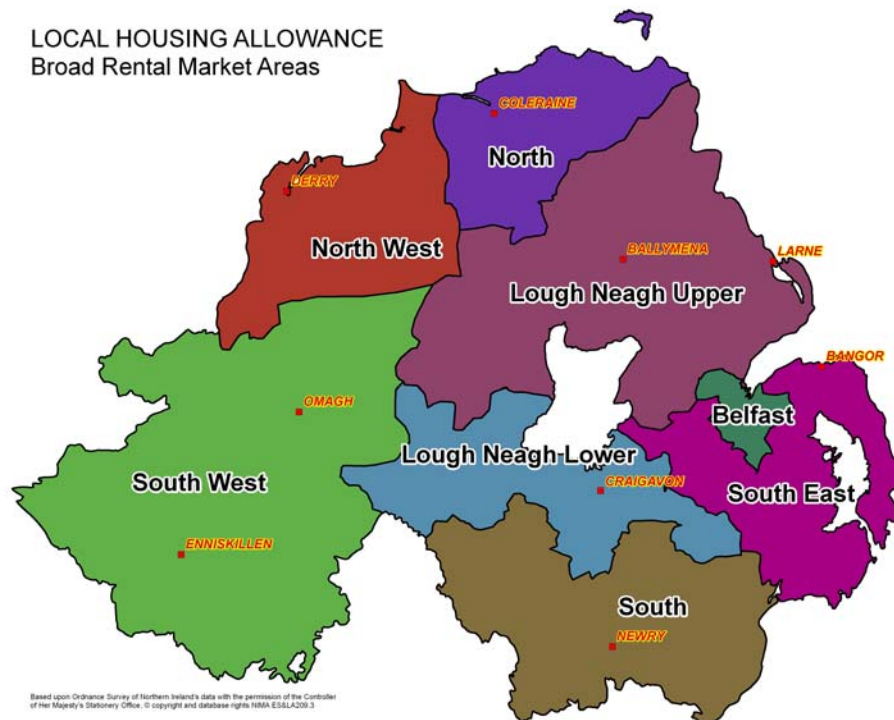
If the rent that a tenant pays is lower than their LHA rate, the tenant will keep up to £15.00 per week of the difference between the LHA rent and their rent.

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How is Local Housing Allowance calculated?

LHA is set by the Housing Executive.

Northern Ireland will be divided into areas known as Broad Rental Market Areas (BRMAs). The BRMAs are defined by postcode areas. The Broad Rental Market Areas for Northern Ireland are shown in the map below:



A BRMA is an area which has "Two or more distinct areas of residential accommodation, within which a person could reasonably be expected to live having regard to facilities and services for the purposes of health, education, recreation,

personal banking and shopping." A person should be able to move within a BRMA and still have access to similar services of similar standards.

The Housing Executive will look at the range of rents charged for properties of a particular size in each BRMA area and take the middle point of that range as the LHA. This means that in each BRMA exactly half of rental properties in that area will have rents at or below the LHA.

This means there are different LHA rates for different areas within Northern Ireland. The different LHA rates within each area depend on the size of the property. The current LHA rates are shown in the table below:

LHAs for properties with up to 5 bedrooms will be published by the Housing Executive. If a person claims LHA for a property with more than 5 bedrooms, the Housing Executive will set the LHA separately.

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Local Housing Allowance Rates

Broad Rental Market Area	Belfast	Lough Neagh Upper	Lough Neagh Lower	North	North West	South	South East	South West
Postcode	BT1 BT2 BT3 BT4 BT5 BT6 BT7 BT8 BT9 BT10 BT11 BT12 BT13 BT14 BT15 BT16	BT29 BT36 BT37 BT38 BT39 BT40 BT41 BT42 BT43 BT44 BT45 BT46 BT80	BT25 BT62 BT63 BT64 BT65 BT66 BT67 BT69 BT70 BT71	BT51 BT52 BT53 BT54 BT55 BT56 BT57	BT47 BT48 BT49 BT82	BT31 BT32 BT33 BT34 BT35 BT60 BT61 BT68	BT17 BT18 BT19 BT20 BT21 BT22 BT23 BT24 BT26 BT27 BT28 BT30	BT74 BT75 BT76 BT77 BT78 BT79 BT81 BT92 BT93 BT94
Shared Room rate per week	£56.50	£63.50	£55.00	£45.00	£51.00	£55.00	£65.00	£50.00
1 bedroom rate per week	£90.00	£75.00	£84.00	£67.00	£85.00	£81.00	£78.00	£75.00
2 bedroom rate per week	£101.50	£99.50	£90.00	£91.00	£96.50	£90.50	£100.00	£84.00
3 Bedroom rate per week	£109.50	£100.00	£100.00	£92.00	£100.50	£99.00	£105.00	£98.00
4 Bedroom rate per week	£118.00	£106.00	£113.50	£97.00	£101.50	£112.00	£110.50	£106.00
5 bedroom rate per week	£152.50	£124.50	£132.50	£97.50	£112.00	£118.00	£130.50	£106.00

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Working out LHA

LHA rates are based on the number of bedrooms a tenant and their household needs; this is called the [size criteria](#) and is described below:

The Housing Executive will review LHAs regularly and they will be published on this website. But the LHA rate paid to tenants will only be reviewed annually, or when there is a [change in circumstances](#) which would cause a different LHA will apply.

A claimant or landlord cannot appeal against the levels of LHA set by the Housing Executive

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The size criteria

The size criteria sets out the size of property that a tenant needs for their household. This is based on number of bedrooms only and does not take account of any other rooms in a property (for example kitchens, bathrooms and living rooms). Once a tenant knows how many bedrooms are allowed for their household, they can find out the maximum LHA rate for a property of that size in area(s) that they want to live in.

Household size criteria

For most households the applicable LHA rate depends on the number of bedrooms that can be allocated for their household:

One bedroom is allocated for:

- Every adult couple
- Every other adult aged 16 or over
- Any two children of the same sex
- Any two children regardless of sex under age 10
- Any other child

Other rooms, such as living rooms, kitchens and bathrooms are not counted.

Shared room rate for single people under 25

The LHA rate is actually based on the number of bedrooms that are needed, not the size of the property occupied; however, most single people under 25 are only entitled to the LHA rate for a room in shared accommodation, even if they live in a self contained property.

The shared rate LHA is set for properties where some or all “facilities” are shared, for example bathrooms, kitchens and living rooms.

Single under 25's are however known as “young individuals”. Some people not classed as young individuals can get the LHA rate for self contained accommodation. These are:

- A single person aged under 25 who is entitled to a severe disability premium
- Young People leaving care, up to their 22nd birthday

Single people over 25 and couples without children including joint tenants

The LHA rate is actually based on the number of bedrooms that are needed, not the size of the property occupied. The exception to this is where a single claimant or couple has only one room of their own and shares the living room, kitchen and bathroom with others. In this situation the tenant's Housing Benefit would be calculated using the shared room rate of Local Housing Allowance.

Thirteen week protection

If you have been able to pay your rent without claiming HB in the 52 weeks before claiming LHA, your actual rent can be used to calculate your Housing Benefit, if your rent is higher than the applicable LHA rate. But this protection only lasts for thirteen weeks from the date of your LHA claim.

Examples of the size criteria in practice

Anna is 23 and lives on her own in a one bedroom flat. She is entitled to the shared LHA rate.

Bruno is 19. He is a care leaver. He lives on his own in a one bedroom flat. He is entitled to the one bedroom LHA rate – but only until his 22nd birthday. He is then entitled to the shared room rate only.

Karen is 18. She is married to Dee. They have a three month old baby, Eva. Karen's mother Frances lives with them. They are entitled to the LHA rate for a 3 bedroom property – one bedroom for Karen and Dee, one for Eva and one for Frances.

George is 30. He is single and has four children, Hannah aged 16, Ian aged 14, Jennifer aged 10 and Carl aged 6. He is entitled to the LHA rate for a 4 bedroom property:

- One bedroom for himself
- One bedroom for Hannah
- One bedroom for Jennifer
- One bedroom for Ian and Carl

Foster carers

Foster children do not count as part of a foster carer's household, therefore no bedrooms are allocated for them under the size criteria.

Person with no recourse to public funds

If a person is classified as a person from abroad:

- The person from abroad cannot be the claimant for LHA
- The person from abroad **is** counted as a member of the household when working out how many bedrooms are allowed under the size criteria

(If you think you may be classified as a 'Person from Abroad' please contact your District Office)

Joint tenants

Each joint tenant will be entitled to the LHA rate for themselves and their household including any non dependants, subtenants or boarders

For example, Sally and Yvonne are joint tenants. Yvonne's mother Iris lives with them. Yvonne is entitled to the two room rate. Her LHA is reduced by a non dependant deduction for Iris. Sally is entitled to the shared room rate.

Joint Tenants with a shared non dependant

Joint tenants who share a non dependant will have the non dependant counted for both tenant's size criteria, and will have the non dependant deduction apportioned between them.

For example, John and Alex are joint tenant brothers whose father, Peter also lives with them. John and Alex will each be entitled to a two bedroom rate of LHA. This is because their father Peter is counted as a member of each of their households. However the non dependant deduction for Peter is apportioned between John and Alex as they share the non dependant.

Absent parents

The size criteria does not allow for an extra bedroom for either an absent parent who comes to stay in the household where the children live, or for extra bedrooms for the children to stay with the absent parent.

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Changes in circumstance

Once a person is awarded LHA the rate they are entitled to will generally apply for a year and the rate will be reviewed at the end of this period. But they may have a change of circumstances which means they become entitled to a different rate. For example if the number of members of the household changes resulting in a change to the number of bedrooms.

New baby

A tenant cannot get the LHA rate for a bigger property while they (or their partner) are pregnant.

If the tenant is allowed an extra bedroom under the size criteria due to having a new baby or adopting a child, the change in the LHA rate will take effect from when the baby is born/child is adopted, or starts to live in the property. However, the tenant must notify the Housing Executive of the change within a calendar month of the change happening.

Child's birthday

If a child reaches 10 or 16 and as a result the claimant is allowed a bigger property under the size criteria, the change takes place from the Monday following the child's birthday.

Person in household dies

If someone in the household dies and as a result the claimant would be entitled to a lower LHA under the size criteria there is 12 months protection at the higher rate. This means the LHA rate will not go down until a year after the person dies.

The landlord increases the rent

This does not affect the LHA which applies to the tenant because the LHA does not take account of the actual rent payable. The LHA rate will be reviewed one year after it is first applied.

The claimant moves

If the claimant moves to a new private tenancy they will need to make a new claim for LHA for that tenancy.

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Claiming Local Housing Allowance

Claims for Local Housing Allowance will be made in the same way as claims for Housing Benefit, with a Housing Benefit claim form.

Backdating claims

A claim for LHA can be backdated for up to 52 weeks if:

- the claimant has "continuous good cause" for a late claim, or
- the claimant is aged 60 or over - no need to show good cause

There are two possible situations concerning backdating:

1. A claim is made in October 2008 and backdated to May 2008. The LHA rate for May is used to calculate the benefit. If the claimant has been paid LHA using the October rate pending the backdating decision, any overpayment may be recoverable.
2. A claim is made in July 2008 and backdated to January 2008. In this case the effective start of the claim is in January - before LHA is introduced. The claim has to be assessed under "normal" Housing Benefit (HB) rules. If the claimant has been paid LHA pending the backdating decision and this is less than "normal" HB, they will be paid the arrears of HB. If any LHA paid is more than "normal" HB the overpayment may be recoverable.

It is important for any claimant who is told they have been overpaid to seek advice from their local District Office.

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Payment of Local Housing Allowance

LHA may be paid to the claimant or directly to the landlord. The claimant has the right to choose who LHA is paid to, however if the claimant is six weeks or more in arrears, the Housing Executive will pay LHA directly to the landlord.

The Housing Executive has **discretion** to pay LHA directly to the landlord if they have evidence that:

- The tenant would be unlikely to pay their rent; or
- The tenant is 'vulnerable'

And in either case it would be in the tenant's interests.

Payment of excess LHA

Tenants may be entitled to more LHA than their rent. If this is the case, tenants are allowed to keep up to £15 of the difference between the LHA amount and the rent charged by their landlord.

Where payments of LHA are being made direct to the landlord, any excess must be paid to the tenant. Excess LHA can only be paid to the landlord towards rent arrears. Once the arrears are paid off, payment of the excess must revert to the tenant.

Payment direct to a bank account

The Housing Executive will normally pay LHA direct to a claimant's bank or building society account. However, payment by cheque can be made if no other means of payment is available.

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Overpayments of Housing Benefit

How will overpayments be recovered?

The rules on the recovery of overpayments are not being changed.

Overpayments will be recovered from either the claimant or the landlord depending on the cause of the overpayment.

What if benefit payments were split?

Split liability for overpayments can already arise where an overpayment builds up over a period, and the payment was made to the landlord for part of that period and to the tenant for the rest of it. In these cases, the Housing Executive can recover from either or both of the landlord and tenant. If the Housing Executive decides to

recover from the landlord, the overpayment can be recovered from future payments, by invoice, or other appropriate means.

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Challenging Local Housing Allowance decisions

Decisions on Local Housing Allowance (LHA) claims will be made by the Housing Executive.

Claimants will be able to challenge decisions on LHA claims in the same way as for Housing Benefit claims. They can ask for a decision to be looked at again or can appeal.

Most LHA decisions can be challenged this way, including a decision to pay or not to pay LHA directly to the landlord.

But claimants and landlords cannot challenge the LHA rates set by the Housing Executive under the Housing Benefit appeals regulations.

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More information

The information here is as up to date as we can make it. Keep checking for updates on this website.

Information about LHA is also available on the [DWP website](#).

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