

Local Housing Allowance: Rights and responsibilities

London Borough of Merton Housing Benefit
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What is Local Housing Allowance?

Local Housing Allowance (LHA) is a new way of working out new claims for Housing Benefit for tenants renting accommodation from a private landlord. It also affects tenants already getting Housing Benefit who move into accommodation rented from a private landlord. LHA was introduced on 7 April, 2008. If you live in council accommodation or other social housing, LHA will not affect you.

With LHA, your Housing Benefit is not usually based on the property you live in. It is usually based on:

- who lives with you
- which area you live in
- how much money you have coming in
- what savings you have.

In some cases the amount of benefit you are entitled to will be affected by other things. These can include:

- how much your rent is
- whether anyone living with you is expected to contribute to your rent.

For more details about this, please see our leaflet **Local Housing Allowance: an introduction**. See **Further Information** on page 4 to get this leaflet.

Why is Local Housing Allowance better for me?

With LHA, you will know before you find somewhere to live, how much help with your rent you might get. By knowing how much you might get, it is easier for you to decide what type of property you can afford.

For details of how to work out how much Local Housing Allowance you may get, see our leaflet **Working out your Local Housing Allowance**. You can check the rates for the area you want to live in see our latest leaflet **Local Housing Allowance rates**.

You can choose how to spend your HB in a similar way to tenants who are not getting benefits. Like other tenants you will be able to choose whether to rent a larger property, or spend less on housing and increase how much money you have for other things. If you rent a cheaper property, the benefit that you can keep will not affect any other benefits that you get.

If you are looking for somewhere to rent you can choose to:

- rent a property where the rent is the same as the Local Housing Allowance rate you are entitled to
- pay more than the LHA rate you are entitled to and rent a more expensive property using other money you have coming in
- pay less than the Local Housing Allowance rate you are entitled to and rent a less expensive home. In this case your Local Housing Allowance rate can be up to £15 more than your rent

The following examples show how this works. **They are for tenants who are entitled to the maximum amount of benefit.**

Fred's Local Housing Allowance rate is £65 a week. His rent is £60 a week. Fred gets benefit of £65 a week and can keep £5 a week to spend on other things.

Helen's Local Housing Allowance rate is £80 a week. Her rent is £90 a week. Helen gets benefit of £80 a week and has to pay the extra £10 a week from other money she has coming in.

Tony's Local Housing Allowance rate is £100 a week. His rent is £80 a week. Tony gets benefit of £95 a week and can keep £15 a week to spend on other things.

How do I get paid my HB?

With LHA, Housing Benefit is usually paid to you and not to your landlord. You cannot choose to have your benefit paid direct to your landlord. But we can pay benefit to your landlord if we decide that you are likely to have difficulty paying your rent.

See our leaflet **Local Housing Allowance: Tenants who are likely to have difficulty paying their rent** for more details about this.

Usually HB paid directly to you. It will be paid to you directly into your bank or building society account, if you have one, or by cheque. You may need to open a basic bank or building society account. Then you can set up a standing order to pay the rent to your landlord.

For information on basic bank accounts go to:
<http://www.merton.gov.uk/living/benefits/money-advice/basicbankaccounts.htm>

Paying your rent

As a tenant you are responsible for paying your rent to your landlord. If you do not pay the rent your landlord may apply to the local authority to have it paid to them, or take other action to recover their money. If you are in rent arrears your landlord may be able to go to the courts and ask that you be evicted from your home.

Eviction means that:

- you will lose your home
- your benefit may not be paid to you in the future
- you may have difficulty finding new accommodation, as your landlord is unlikely to give you a reference
- you will still have to pay the landlord the money you owe and possibly extra money to cover any court costs
- an application for re-housing could be affected as you may be considered to have made yourself intentionally homeless.

There is more information on our website at:

<http://www.merton.gov.uk/living/benefits/money-advice.htm>

Further information

If you want to know more about LHA and how it affects you:

- visit our web page: <http://www.merton.gov.uk/benefits/hb-ctb>
- visit the LHA website: <https://lha-direct.voa.gov.uk>; or
- phone us on 020 8274 4903; or
- visit us at Merton Link, ground floor Civic Centre, London Road, Morden, SM4 5DX; or
- email us at: Housing.Benefits@merton.gov.uk