



Housing Benefit under the Local Housing Allowance arrangements: information for private landlords

What is the Local Housing Allowance?

The Local Housing Allowance was introduced from 7 April 2008 and is used to work out claims for Housing Benefit for tenants renting accommodation from a private landlord. The Local Housing Allowance does not affect tenants in council accommodation or other social housing. If your tenant has been getting Housing Benefit since before 7 April 2008, the Local Housing Allowance will only apply to them if they change address or have a break in their claim.

If a claim is assessed under the Local Housing Allowance rules, Housing Benefit is worked out according to where the tenant lives, who lives with the tenant and the area in which they live. Local Housing Allowance rates are set for different types of property in each area ranging from a single room in a shared house up to properties with five bedrooms. The maximum Local Housing Allowance rate which can be used to calculate a tenant's Housing Benefit is the rate for five bedrooms.

Housing Benefit entitlement is based on the Local Housing Allowance rate which applies to the tenant.

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

- any money the tenant has coming in
- any savings the tenant has
- if we expect anyone living with them to pay towards the rent
- if the tenant shares paying the rent with someone else who is not their partner

There is no change to the entitlement rules for Housing Benefit – these are still based on a person's income, savings and proof of rent etc.

For more details about this, please see our leaflet **HB(LHA)1** *Working out your Housing Benefit under the Local Housing Allowance arrangements*. You can get this from us at the address below.

Which landlords does the Local Housing Allowance affect?

The Local Housing Allowance affects any landlord who enters into a deregulated private tenancy agreement with a person awarded Housing Benefit. By deregulated, we mean a tenancy that has been entered into since 1989 and is not covered by one of the exceptions listed below.

Who is not affected by the Local Housing Allowance?

Local Housing Allowance does not affect:

- local authority landlords who let to 'council tenants'
- tenancies with registered social landlords in Scotland and Wales
- tenancies of those in the social housing of registered providers in England
- some supported housing
- tenancies which started before 15 January, 1989 (2 January, 1989 in Scotland)
- tenancies in caravans, houseboats or hostels
- tenancies where the Rent Officer has decided that a substantial part of the rent is for board and attendance

How do I find out what the Local Housing Allowance rates for my property will be?

Local Housing Allowance rates are published each month (see leaflet **HB(LHA)5**, which you can get from us at the address below or at www.carmarthenshire.gov.uk You can check the rates in other local authority areas at the [Local Housing Allowance Direct](#) website.

Because the Local Housing Allowance rates are published prospective tenants will know how much help they will get with their rent and will be able to make decisions about what they can afford when looking for accommodation that suits their needs.

How often do Local Housing Allowance Rates Change?

The rates are reviewed monthly but once a Housing Benefit claim has been decided the Local Housing Allowance rate for that tenant is not normally reviewed until the anniversary of the claim. The new rate could remain the same, be lower or higher.

If the tenant has a change of circumstances before the anniversary of their claim, a new Local Housing Allowance rate could apply to them if, for example:

- they change address

- there is a change in the number of the people living with them
- the Local Housing Allowance rate which applies to them changes because of a change in their age, for example, the tenant reaches 25 years of age
- a member of the tenant's family or a relative who lives with them dies

What if the tenant's rent is not the same as the Local Housing Allowance rate that applies to them?

If the tenant's rent is less than their Local Housing Allowance rate they can keep the difference as long as it is not more than £15. For example if the tenant's rent is £90 and the Local Housing Allowance rate is £100, the maximum amount of benefit we could pay the tenant would be £100.

If the tenant's rent is more than £15 below the Local Housing Allowance rate that applies to them, any benefit they might get will be based on the amount of their rent plus £15. For example, if the tenant's rent is £60 and the Local Housing Allowance rate is £100 the maximum amount of benefit we could pay them would be £75.

If the rent the tenant pays is more than the Local Housing Allowance rate the tenant will need to use other money coming in to make up the difference. For example if rent is £110 and the Local Housing Allowance rate is £100 the maximum amount of benefit we could pay the tenant would be £100 and they would have to pay the remaining £10 using other money.

How is the tenant's benefit paid?

In most cases benefit will be paid directly to the tenant. Tenants are encouraged to have their Housing Benefit paid into a bank account and set up a standing order to pay the rent to their landlord.

Why is payment made to tenants instead of direct payment to landlords?

An aim of the Local Housing Allowance arrangements is for tenants who get benefit to take greater responsibility for managing their financial affairs and paying their rent to their landlords, in the same way as other tenants do. This is why any benefit will usually be paid to the tenant and not to the landlord.

In the past, there has never been a right for a landlord to receive Housing Benefit payments direct. However, there is a right for tenants to ask for this arrangement, and it is this right that has changed.

I already receive direct payment for some of my tenants. Will these payments stop?

No. Any tenant who was getting Housing Benefit before 7 April, 2008, will continue to be paid the old way. If you are receiving Housing Benefit

payments direct on behalf of your tenant(s), these will continue to be paid to you.

The Local Housing Allowance rules only affect tenants who make a new claim, move address to new private rented accommodation or have a break in their claim, on or after 7 April 2008.

If you are a landlord who owns or manages a number of properties, you may find that you have tenants who claim Housing Benefit under the two different arrangements. This will mean that you may have tenants getting Housing Benefit that the local authority pays to you, and other tenants getting Housing Benefit calculated using the Local Housing Allowance rates who will pay you themselves.

What protection exists for landlords?

There are a range of safeguards to protect the interests of landlords. For example, a local authority must usually pay the benefit to the landlord if the tenant is eight weeks or more in arrears with their rent.

Payment may be made direct to the landlord where we decide that the tenant is:

- likely to have difficulty in managing their financial affairs
- unlikely to pay their rent

We can also decide to pay benefit to the landlord if, during the current claim to benefit, we have had to pay the landlord because the tenant was eight weeks or more in arrears with their rent.

We recommend that, if a tenant is starting to build up rent arrears, you should get in touch with us before it gets to eight weeks. This will allow us to investigate whether there is a problem that needs addressing.

For more details about this, please see **HB(LHA)3** *Housing Benefit under the Local Housing Allowance arrangements: tenants who are likely to have difficulty paying their rent*. You can get this from us at the address below.

Who decides if a tenant is likely to have difficulty in paying their rent?

The local authority will decide whether a tenant is likely to have difficulty in paying their rent. Evidence will be required to support a request, which can be made by the tenant or other interested party.

You, as a landlord, can approach us if you think it likely that your tenant will have difficulty in paying or you feel they cannot deal with their financial affairs. We will contact your tenant for further information regarding this.

It is up to us to decide whether a tenant is unlikely to pay their rent. We can only do this if we have evidence of past, or likely, failure to pay rent. We will

take into account all knowledge and evidence available to us at the time, including any known past history when making our decision.

It will also be important for the landlord to keep proper and adequate records of rent payments received and details of any contact made with the tenant.

Can the tenant ask for their benefit to be paid to their landlord?

Tenants can no longer simply ask for their benefit to be paid direct to their landlords. If a tenant feels that they may have difficulty in managing their financial affairs and benefit should be paid direct to their landlord, we will consider any request they make.

For more details about this, please see **HB(LHA)3** *Housing Benefit under the Local Housing Allowance arrangements: tenants who are likely to have difficulty paying their rent*. You can get this from us at the address below.

Where direct payments are made to me, how long will they go on for?

Where a tenant is considered likely to have difficulty in paying their rent and there is little or no prospect of their situation changing, payment of benefit to the landlord is likely to be long-term.

In cases where the situation is likely to be temporary, or where rent arrears of more than eight weeks have been repaid, the situation will be reviewed. If the tenant is in a better position to have their benefit paid to themselves, and to pay their rent in full and on time, direct payments to the landlord will stop.

Can I make direct payment a condition of the tenancy?

A local authority is not party to the tenancy agreement between a landlord and tenant, and is not bound by any conditions in a tenancy agreement. The local authority cannot pay benefit to a landlord directly at the tenant's request – the rules about when we can pay the landlord directly are outlined above. You cannot change this by making direct payment a condition of the tenancy.

What appeal rights do I have against a payment decision?

You have the right to appeal against a decision by the authority not to make direct payments to you.

Where to get more information

If you want to know more about the Local Housing Allowance and how it affects you:

- phone your Housing Benefit department on 01554 742100
- look on our website www.Carmarthenshire.gov.uk
- email us housing.benefit@Carmarthenshire.gov.uk
- visit your nearest customer service centre at:
3 Spilman Street, Carmarthen

Ty Elwyn, Llanelli
Town Hall, Iscennen Road, Ammanford

- visit www.direct.gov.uk
- Write to us at Housing Benefit Section, 2nd Floor, Ty Elwyn, Llanelli, SA15 3AP

Remember that this leaflet is a guide only. It is not meant to say exactly what your legal rights are. While we have tried to make sure that the information in this leaflet is correct at the date shown on the cover, it is possible that there may be incorrect information or some ideas may be oversimplified. Also, please remember that the information in this leaflet is likely to become less accurate over time because of changes to the law.