

Further information on changes to Housing Benefit



What is changing?

From April 2011 the Government is making changes to Housing Benefit (also called Local Housing Allowance or LHA). The changes affect tenants renting from a landlord in the private sector. The changes to Housing Benefit are:

- If you are getting more Local Housing Allowance than the amount you pay in rent then this will stop from your anniversary date (see below).
- There will no longer be a five bedroom Local Housing Allowance rate. The maximum level will be for a four bedroom property. This means that if you currently entitled to claim Local Housing Allowance on a 5 bedroom rate then your benefit will be reduced to the 4 bedroom rate.
- The Government will reduce all Local Housing Allowance rates to a lower amount, so that about 3 in 10 properties for rent in your area should be affordable to people on Local Housing Allowance. At the moment about 5 in 10 properties in your area are affordable to people on Local Housing Allowance.

Will this affect me?

Yes, if you are renting a property from a private landlord and receiving Local Housing Allowance and you made your claim for your current address on or after 7th April 2008 (when Local Housing Allowance was introduced).

When is it changing?

The law is changing from 1st April 2011 but the changes to your Local Housing Allowance will start on different dates depending on your household circumstances. For people who make new claims or change address from 1st April 2011, the changes will take effect from the start of your new claim or the date that you move.

If you are currently getting Local Housing Allowance and do not move home or do not have a change in your household after 1st April 2011 then you will usually be entitled to have your current payments continue for up to 9 months from the anniversary date of your claim, (the anniversary date is when we next review your claim). However, if you are currently getting more Local Housing Allowance based on a figure more than you pay in rent – this is known as a “top up”. This extra Local Housing Allowance will stop immediately from your next claim anniversary date.

The anniversary date is normally the same date each year when you made your first claim at your current address, so if you claimed Local Housing Allowance for your current home in May 2010, then your anniversary would be May 2011.

If your room requirement changes (which sometimes occurs when someone leaves or moves in to the property or someone reaches the ages of 10 or 16), this could alter when the changes affect you. Please contact us for advice if you think this could apply to you.

How will this affect me?

It is possible that the amount of Local Housing Allowance you get to pay your rent could go down. If your Local Housing Allowance is paid directly to your landlord, the amount your landlord gets could go down.

Important

Any shortfall between the amount of LHA and the rent charged must be met by you.

If you are getting or thinking of claiming Local Housing Allowance, you need to consider these changes before you renew or make a new tenancy agreement with a private landlord.