When must I check LHA rates?

It is important to check the LHA rates prior to
• making a new or change of address claim
• signing a new or renewal tenancy agreement
• at your LHA anniversary date.

If you do not know which BRMA you live in, or are thinking of moving to, go to www.direct.gov.uk. Type LHADirect in the search this site option. Click on the link to Find LHA rates.

When will LHA rates based on rents for three in ten properties being affordable affect me?

New claims - If you make a new claim or change of address claim on or after 1st April 2011, your LHA rate will be at the rate published on our website. Your maximum rent for HB will be the lowest of:
• The actual rent charged by the landlord;
• The LHA rate for the month that the claim is reviewed or made.

Existing claims - If you are an existing customer the changes will affect you claim from the date your LHA rate is reviewed. This is known as your LHA anniversary date. HB excess will stop from the anniversary date. We will decide if you need to be protected from the new rate for nine months to give you more time to take action.

What if I think I will be affected by the LHA changes in the future?

You can talk to your landlord about the changes and see if they will drop the rent on your property. If you know you are about to renew your tenancy agreement, you need to make sure the rent will be affordable after your protection runs out. The protection is there, to give you more time to start looking for somewhere cheaper. If your landlord agrees to reduce the rent to at or near the lower LHA rate, we could pay them Housing Benefit direct.

My landlord won’t reduce the rent or I have renewed my agreement

Our Housing Options Team may be able to help you with talking to your landlord. Their phone number is 020 8545 3636. Ask us about claiming a Discretionary Housing Payments (DHP) to help with the shortfall. The amount of money is limited. We will consider your circumstances carefully.

Further information

• Look at our web page www.merton.gov.uk/benefits/hb-ctb
• Phone us: on 020 8274 4903; or
• Visit us at: Merton Link, Civic Centre, London Rd, Morden, SM4 5DX; or
• Email us at Housing.Benefits@merton.gov.uk 07/11

Housing Benefit changes from 1st April 2011 and 1st January 2012 for private tenants

London Borough of Merton Housing Benefit  July 2011

The Government has made changes to the way Housing Benefit is calculated, for private rented sector tenants since 1st April 2011 and from 1st January 2012. These changes only affect you if your Housing Benefit is calculated under Local Housing Allowance (LHA) rules.

What will the changes mean?

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

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

What are the changes from 1st April 2011?

From 1 April 2011 the Government has:
• ended the maximum £15 weekly Housing Benefit excess that some customers can receive under the LHA arrangements
• removed the five bedroom Local Housing Allowance rate so that the maximum level is for a four bedroom property is £400 per week
• LHA rates are reduced so that about three in ten properties for rent in the area should be affordable to people on Housing Benefit rather than five in ten properties.

What are the changes from 1st January 2012?

From 1 January 2012 the Government is:
• Extending the shared room LHA rate from under 25 year olds to under 35 year olds, for single people
• Ending the one bedroom LHA rate that 25 to 34 year olds could get

In most cases, the Government will protect you from the changes for a limited period of time, if you claimed Housing Benefit before 1st April 2011, or 1st January 2012 to give you more time to consider your options.
When will the changes from April 2011 affect me?

If you make a new claim or change of address claim on or after 1st April 2011, you will be affected by the following changes straight away:

- The maximum level will be for a four bedroom LHA rate, with no five bedroom rate anymore
- No maximum £15 weekly Housing Benefit excess that some customers previously received under the LHA arrangements
- LHA rates are lower, because they are based on rents for three in ten properties in the area being affordable to people on Housing Benefit rather than five in ten.

The changes above can affect you sooner if you:

- Change address or room in a house
- You have a break of at least a week in your Housing Benefit
- A change in your household reduces your LHA bedroom entitlement, for example, a partner or non dependant leaves.

How and when will the changes from January 2012 affect me?

If you are single and aged between 25 and 34 and not in any of the categories below, you will be only entitled to the shared room LHA rate, if you make a new claim or change of address claim on or after 1st January 2012. You will not be entitled to the higher one bedroom self-contained LHA rate from this date onwards, unless you fall into any one of the categories below.

- You are entitled to the severe disability premium in your Housing Benefit, Income Support or Jobseeker’s Allowance
- You are an ex offender subject to active multi agency public protection arrangements (MAPPA)
- You have spent at least three months in a homeless hostel or hostels that specialises in rehabilitating and resettling you in the community. For example, you may have an alcohol or drug dependency or have behavioural or mental health issues.

What if I will be aged between 25 and 34 but I am claiming already?

There is time-limited protection of your one bedroom self-contained LHA rate if you are claiming Housing Benefit prior to 1st January 2012.

- If you are entitled to any nine month transitional protection you will move on to the lower shared room rate at the end of the protection period, that will be notified to you
- If you are not entitled to any nine month transitional protection, you will move on to the lower shared room rate at your LHA anniversary date

Is there any protection from the April 2011 changes to LHA?

If you are already claiming Housing Benefit before 1st April 2011, you will normally have more time before the changes to LHA affect you. This is called transitional protection. If your circumstances do not change, you will have nine months from your LHA anniversary date at your current LHA rate. If you change address or have a change in your household that reduces your LHA bedroom entitlement, protection from the changes stops. The change that is not protected is the loss of the excess Housing Benefit, of up to £15 weekly that some claimants get. If you got this before 1st April 2011, you will lose it at your LHA anniversary date. So Housing Benefit cannot be higher than the rent you pay to your private landlord.

For example, if your LHA anniversary date is in June 2011, you will be protected from the changes due to the caps and LHA rates based on three in ten rents being affordable in the area, until March 2012. However, if you got £15 excess Housing Benefit, you will lose it in June 2011.

When is my anniversary date?

Your anniversary date occurs each year after the date you made your current claim. For example, if you claimed Housing Benefit on 5 September 2010 your anniversary date is 5 September 2011. If you got £15 excess, you would lose it in September 2011. However, you would be protected from other LHA changes for nine months until June 2012.

Can my anniversary date change?

Yes. If any of the following changes occur, your anniversary date can change:

- A single person become 25 years old
- A non dependant joins or leaves your household
- A child becomes ten or 16
- Your claim is backdated to an earlier date

This will change your anniversary date to a year from the change in your household or the earlier start date of your backdated Housing Benefit.

How will LHA rates based on rents for three in ten properties being affordable affect me?

From 1st April 2011, LHA rates from shared room rates to four bedroom rates are going down. This is because the VOA will no longer provide LHA rates based on rents in your area for five out of ten being affordable.