

# Customer Newsletter

# benefitsnews

www.merton.gov.uk/benefits/hb-ctb

April 2011

## Local Housing Allowance changes on 1 April 2011

The Government has changed the rules for the Local Housing Allowance (LHA) scheme from 1 April 2011. The following changes will only affect private tenants. If you are a private tenant the changes below will affect any new or change of address claims made on or after 1 April 2011, straightaway:

- The maximum LHA bedroom rate will be four, not five
- There will be absolute LHA caps of
  - £250 for a one bedroom rate
  - £290 for a two bedroom rate
  - £340 for a three bedroom rate
  - £400 for a four bedroom rate
- There will be no excess Housing Benefit (HB) paid above the actual rent, which was up to a maximum of £15 per week.
- All LHA rates will be based on rents for three in ten properties being affordable to tenants on Housing Benefit in the area.

On average, Housing Benefit awards will be £12 per week lower, but some will be more than this, especially larger households. Private tenants who make a new claim and / or change of address claim on or after 1 April 2011, will have their claims worked out using the new rules straight away.

## Private tenants already getting Housing Benefit

If you get HB prior to 1 April 2011, the changes to LHA will not affect you until:

- you have a break in HB on or after 1 April 2011;
- change address or rooms or
- have a change in your LHA bedroom entitlement that the changes above will apply to you from the date of that change.

For private tenants who already have a claim prior to 1 April 2011, there will be some protection from the changes for a limited time. If you currently get up to £15.00 per week excess Housing Benefit this will stop when your LHA rate is next reviewed. That date is your LHA anniversary date or when we last reviewed your LHA rate, if your claim has been running longer than a year.

There will be nine months protection from your LHA anniversary date, from the other changes that bring in:

- four bedroom maximum LHA rates.
- absolute LHA caps from £250 to £400 per week and
- LHA rates based on three in ten properties being affordable in the area

### Example one

Tenant A makes a claim for HB in June 2010. Their rent is £135 per week and the LHA rate was £155 per week, for one bedroom. They will get a maximum HB award of £150 per week, with £15 excess until June 2011 only.

In this example, their LHA rate will reduce from March 2012. They are now affected by LHA rates based on three in ten properties being affordable.

### Example two

Tenant B claims HB in May 2010, based on a five bedroom LHA rate of £623 per week. Their rent is £630 per week, so they have to pay a shortfall of £7 per week. Their LHA anniversary is in May 2011. They get transitional protection from the LHA changes for nine months after their LHA anniversary. Then in Feb 2012, their HB will reduce because it will be based on a four bedroom LHA rate and capped to £400 per week. Tenant B will need to consider their housing options before Feb 2012.

## Planning for the changes

We have been writing to existing claimants to make them aware of the changes to the LHA scheme. They will also be given advice on what they can do. It may mean that some claimants will have to move to cheaper accommodation, if they cannot agree a reduced rent near or at the lower LHA rates. We have also written to landlords to make them aware of the LHA changes too. Before signing a new or renewal agreement take a look at LHA levels first.

To give tenants and landlords an idea of what LHA rates will be like from April 2011, the Valuation Office Agency (VOA) are publishing LHA levels as they are likely to be post April 2011. But the real LHA rates based on the new rules will be available from late March 2011. LHA rates vary from month to month. Re check your LHA rate at your anniversary date, as this will be used when your transitional protection runs out. If you have Internet access, you can find out more by going to the LHA Direct website <https://lha-direct.voa.gov.uk>

You will need to know which of Merton's three Broad Rental Market Areas (BRMAs) you live in. If you do not know you can go to the LHA Direct website at [lha-direct.gov.uk](http://lha-direct.gov.uk) and use the postcode search. This will tell you which BRMA your postcode is situated in and the three-digit ID. Click on the link for England. LHA rates will move to the [www.direct.gov.uk](http://www.direct.gov.uk) website in April 2011.

Below are February 2011 LHA rates but how they would be from April 2011 based on the new rules.

BRMA name and ID	Shared room	One bed	Two bed	Three bed	Four bed
Inner South West London -145	£102.23	£219.23	£285.00	£334.62	£430.00
Outer South West London -152	£80.00	£183.46	£230.77	£276.92	£357.69
Outer South London -153	£76.15	£150.00	£184.62	£229.62	£300.00

To find out more about other benefit changes go to our new web page [www.merton.gov.uk/hbctbreform](http://www.merton.gov.uk/hbctbreform)

## Tenants check your rent

We should have re calculated your claim based on your April 2011 rent. However, if your Housing Benefit award letter does not show your correct rent, please let us see your rent increase letter from your landlord, so we can update our records.

## New improved online claim form and other forms

We have made some improvements to our Housing Benefit and Council Tax Benefit online claim form. These include:

- Simpler navigation around the form to allow you to go back to earlier parts
- The option to save or print a PDF version of your submitted claim

When you next claim, you may want to try online by:

- Going to [www.merton.gov.uk](http://www.merton.gov.uk) Do it online

We are also introducing other online forms for telling us your change of circumstances. Take a look at our forms link at [www.merton.gov.uk/benefits](http://www.merton.gov.uk/benefits).

You can get free internet access at a number of Merton libraries throughout the borough. These are Morden, Mitcham, Raynes Park, West Barnes and Wimbledon.

## April 2011 up rated benefits by 3.1%

Most benefits have been increased by the Consumer Price Index (CPI), as it was at September 2010. This is instead of the previous Retail Price Index of 4.6%, which has been used before.

## Non dependant deductions sharp increase

Non dependant deductions had been frozen since April 2001. The Coalition Government will increase them for the next three years, starting from 1 April 2011. The table below shows the new figures. For example the highest deduction increases by £12.85 from £47.75 to £60.60 per week.

Non dependant category - Gross income ranges and other circumstances	HB non dependant deduction	CTB non dependant deduction
£387.00 per week or more	£60.60	£8.60
£310.00 to £386.99	£55.20	£5.70
£234.00 to £309.99	£48.25	£5.70
£180.00 to £233.99	£29.60	£5.70
£122.00 to £179.99	£21.55	£2.85
Below £122.00, not working or less than 16 hours	£9.40	£2.85

## Don't delay ... tell us today!

There are two good reasons to let us know about your changes of circumstances straight away.

These are:

- If you are better off for HB or CTB, you have one calendar month to let us know, for us to go back to the actual date of change;

If you are worse off for HB or CTB, you will reduce the risk or amount of overpayments.

Please take a close look at the information on your April 2011 Housing Benefit or Council Tax Benefit award letter.

Have any of the following changed since you last claimed or had a review:

- your income or that of your partner, if you have one;
- the amount of savings and investments (we call this capital) you have declared;
- any dependant children declared to us as living with you;
- **any adults living with you and their circumstances;** and
- the rent charged by your landlord.

If so, don't delay, tell us today by:

- filling in the form below, or
- download our change of circumstance form at [www.merton.gov.uk/benefits/hb-ctb](http://www.merton.gov.uk/benefits/hb-ctb), or
- visit us at Merton Link, or
- e-mail: [housing.benefits@merton.gov.uk](mailto:housing.benefits@merton.gov.uk)



### Housing benefits and Council Tax Benefit Change of circumstances form

Doc type: HBICOCM

#### 1. Your details

Your name: .....

Your address: .....

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Postcode: .....

Your benefit reference number: .....

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(You can find this on your award letter)

#### 2. Please give us details of the change(s)

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#### 3. Declaration

- I have read and understood the information you have provided in this form.
- The information I have given in this form is true and complete.
- I understand that you may use the information I have given to prevent fraud.
- I understand that you must tell us about any change in my circumstances or the circumstances of my partner, my children and anyone living with me.
- I will tell you if any of the details in the letters you send me are incorrect.
- I understand that, under the data Protection Act, you can give information about my claim to organisations that are listed in our data protection registration. These include government agencies, council departments, HM Revenues and Customs, The Valuation Office Agency, other councils and fraud officers.

#### 4. Data Protection

Your personal information will be held and used in accordance with the requirements of the data Protection Act 1998. We have a duty to protect the public funds we administer and may use the information you have provided for the prevention and detection of fraud. We may also share this information with other bodies responsible for auditing or administering public funds for these purposes. For further information go to [www.merton.gov.uk/legal/nfi-fdp.htm](http://www.merton.gov.uk/legal/nfi-fdp.htm)

#### 5. Your signature

Date

If you have filled in the form above, now hand it into Housing Benefits at Merton Link or post it back to us. We may need to see documents to confirm your change. Our address for posting is: **Merton Benefits Service, PO Box 610, Morden SM4 5ZT**