



# Housing: Help Towards Costs

*This factsheet outlines the financial support available towards paying for your rent, mortgage and Council Tax..*

## Housing Benefit

You may be entitled to help with your rent through Housing Benefit (HB), if you rent your home and are on a low income, and/or are receiving Income Support (IS), income-based Jobseeker's Allowance (ibJSA) or income-related Employment & Support Allowance (iESA). If you rent your property from a Local Authority (Council) or from a local Housing Association and receive IS, ibJSA or iESA, your HB will cover your full eligible rent. (See Factsheet 3: Going Back to Work, for a description of the standard HB calculation.) The way HB is calculated has changed for tenancies in the private rented sector with the introduction of the Local Housing Allowance.

## The Local Housing Allowance

Local Housing Allowance (LHA) is a particular way of working out Housing Benefit for tenants in the private rented sector.

LHA is a flat-rate allowance, based on the size of your household and the area in which you live. The LHA is not based on the rent you actually pay. If your rent is higher than the LHA you are entitled to, you will have to make up the difference. If your rent is lower than the LHA you can keep the difference up to a maximum of £15 per week. This additional money will not affect any other benefits you are receiving. Check with your Local Authority Housing Department or their website to find out about the LHA rates in your area.

LHA is paid directly into your bank or building society account or by cheque. Direct payments to your landlord may be possible if you meet one of the following criteria: you have rent arrears of 8 weeks or more; you are unlikely to pay your rent if payment is made directly to you; you are deemed unable to manage your own affairs. You can appeal against a decision not to make direct payment to your landlord.

You can obtain an application form for LHA from your Local Authority Housing Department. If you claim IS, ibJSA or iESA you will get forms to claim LHA with your claim pack.

If you have received a decision about LHA and you think it is wrong, you can appeal to an independent appeal tribunal. If you want the Council to look at the decision again or if you want to appeal against it, you must do so within 1 month of the date on your decision letter. For this reason it is very important that you receive a written notice of the decision on your claim.

## Discretionary Housing Payments towards your rent

If you have a shortfall between your HB and the rent you pay, you may be able to claim Discretionary Housing Payments (DHP). If you are unsure how to apply for a DHP you should check with your local authority.

## Council Tax Benefit

Council Tax Benefit (CTB) can be paid to both tenants and homeowners who have a low income or get IS, ibJSA or iESA. Council Tax bills are split into two parts: a charge for Council Tax and a charge for water and sewerage. Council Tax Benefit only covers the Council Tax part of your bill. This means that you will have to pay for water and sewerage. **If you have arrears of Council Tax, you can arrange to have an amount taken from your benefit to pay towards the debt.** This arrangement only covers previous years' arrears and not current charges so you may still be incurring additional charges for non-payment of the current year's council tax.

If you have good reasons for having missed a payment, you should contact the Local Authority as soon as possible and explain so that a reminder is not sent. Reasons for non-payment could include a situation where you are waiting for your benefit claim to be processed or there has been an unexpected change in circumstances.

## Council Tax Discounts

If you are the only adult in the household who is liable to pay Council Tax, you can have your Council Tax bill, including the water and sewerage charge, reduced by 25%. When working out the number of people in your household certain people including students, apprentices, carers, severely mentally impaired people and under 18s are not counted. In order to claim a discount, you should contact your local Council Tax office who may ask you to complete a form.

## Discretionary Housing Payments (DHP) towards your Council Tax

You can also claim a DHP to help with your Council Tax, provided that you receive some Council Tax Benefit. If you are unsure how to apply for a DHP you should check with your local authority.

## Rent Deposit Schemes

A major obstacle facing many people trying to gain access to the private rented sector is their

inability to meet landlords' requirements for cash deposits. If you are at risk of homelessness, you may be eligible for help through a Rent Deposit Scheme. These schemes help finance the cash deposits. Check with your Local Authority to see if a scheme is operating in your area.

## Help with your Mortgage

If you own a property and are in receipt of IS, ibJSA or iESA, you might be able to get help toward some of your mortgage payments. New housing costs rules were introduced on 5 January 2009 for claimants of IS, ibJSA and iESA. Under these new rules: the qualifying period for housing costs is 13 weeks; the upper limit for support for eligible loans is now £200,000. There is a 2 year (104 week) time limit for housing cost support for claimants in receipt of ibJSA. The standard rate of interest was fixed for all claimants at 6.08%. An ibJSA claimant will be able to claim housing costs indefinitely (i.e. without the 2 year time limit) if:-

- s/he or her/his partner was previously entitled to IS or iESA; and
- a claim for ibJSA is made within 12 weeks of entitlement to IS or ESA ending.

## How do I apply for help with my mortgage interest payments?

You need to make a claim for IS, ibJSA, or iESA in order to start your 'waiting period' for housing costs. You should claim benefit even though you may have been told that you will not immediately qualify for any benefit. Speak to an adviser to check. About 4 weeks before you are due to start getting help with your mortgage interest payments, the DWP will send you an MI12 form. The form asks you for more details about your mortgage or loan.

