

Home > Residents > Benefits > **Benefit changes welfare reform**

Benefit changes- welfare reform

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[Skip to main content](#)  

Local Housing Allowance (LHA) rates - renting in the private sector

The current Local Housing Allowance rates came into effect on the 1 April 2016. These rates remain frozen as they are for 4 years. So a customer's LHA rate will not be reviewed or changed unless they have a change in circumstances.

This would need to be a mid-year change that affects the LHA rate, such as a new child or a non-dependent adult joining the household. You can view the [current Local Housing Allowance Rates](#) on our website.

Benefit and tax credit rates

Working age benefits and tax credits are frozen for 4 years from the 1 April 2016.

Benefits included are:

- Jobseekers Allowance
- Employment and Support Allowance
- Income Support
- Child Benefit
- Applicable amounts for Housing Benefit
- Child Tax Credit and Working Tax Credit

Pensioner benefits are excluded from the freeze and will be protected.

Bedroom tax - renting in the social sector

If you are a working age tenant who rents from a housing association or other registered social landlord you may have your Housing Benefit reduced if you have one or more spare bedrooms.

The amount allowed for rent and any service charges will be reduced by:

- 14% if you have one extra bedroom
- 25% if you have two or more extra bedrooms

To work out how many bedrooms your household needs for Housing Benefit purposes the following size criteria is used -

One bedroom allowed for each:

- Every adult couple or single adult
- Any other adult aged 16 or over
- Any two children of the same sex
- Any two children who are younger than 10
- Any other child (other than a foster child)
- A carer providing overnight care

There are some exceptional circumstances that we may need to consider such as:

- If you are an approved foster carer and have foster children living with you or will be in the near future
- If you have an adult child in the armed forces who is currently deployed on operations but will live with you when they return home

- If you have a disabled child who is unable to share with their sibling due to the severity of their medical condition

If you think any of the above exceptional circumstances apply to you please contact us by [email](#) or apply online for a [Discretionary Housing payment](#).

If you feel you will be unable to afford the shortfall in your rent please contact your housing association who will be able to discuss what options are available.

Please remember

If you or your partner are of pensionable age and rent from a housing association we will continue to use the amount of rent you are charged to calculate the amount of benefit you receive.

Things to consider

- Talk to your landlord and discuss what options are available such as moving to smaller accommodation or accessing money management advice to help you meet your increased housing costs
- You may qualify for a [Discretionary Housing Payment](#)
- Maximise your income by seeking employment or increasing your hours worked, if possible
- Make sure you have claimed all the benefits you can claim

Benefit cap

The government cap the total amount of benefit that working age people can receive.

The cap is calculated by adding up all the benefits you receive. The following benefits are all included as income when determining whether the benefit cap should apply:

- Bereavement Allowance
- Income Support
- Jobseeker's Allowance
- Child Benefit
- Maternity Allowance
- Child Tax Credit
- Severe Disablement Allowance
- Employment Support Allowance (unless you get the support component)
- Widowed Parent's Allowance
- Widowed Mother's Allowance
- Housing Benefit (unless living in supported accommodation)
- Widow's Pension
- Incapacity Benefit
- Universal Credit

If you are a couple or you care for a child / children under 18 your benefit cap is £384.62 per week (£20,000.24 per year).

If you are single with no children your benefit cap is £257.69 per week (£13,399.88 per year).

Any amount you have coming in over this will be deducted from your Housing Benefit which means some households will not receive any help towards their rent.

Remember: the benefit cap only applies to working age people.

When you're not affected by the benefit cap

You're not affected by the benefit cap if you or your partner:

- Get [Working Tax Credit](#) (even if the amount you get is £0)
- Are over [Pension Credit age](#)
- Get Universal Credit because of a disability or health condition that stops you from working (this is called 'limited capability for work and work-related activity')
- Get Universal Credit because you care for someone with a disability

- Get Universal Credit and you and your partner earn more than £542 a month combined, after tax and National Insurance contributions

You're also not affected by the cap if you, your partner or any children under 18 living with you gets:

- Armed Forces Compensation Scheme
- Armed Forces Independence Payment
- Attendance Allowance
- Carer's Allowance
- Disability Living Allowance (DLA)
- Employment and Support Allowance (if you get the support component)
- Guardian's Allowance
- Industrial Injuries Benefits (and equivalent payments as part of a War Disablement Pension or the Armed Forces Compensation Scheme)
- Personal Independence Payment (PIP)
- War pensions
- War Widow's or War Widower's Pension

Things to consider

- People affected by the benefit cap should be receiving personal support where possible to find work from Job Centre Plus or local work programmes
- Is there cheaper alternative accommodation you could move to
- Open a bank account so that you can pay your rent by standing order directly to your landlord

The DWP provide a free benefit cap helpline to offer support and information to affected customers.

Telephone 0800 169 0145 for more information; lines are open Monday to Friday 8.00am to 6.00pm.

The DWP will offer as much support as they can. Where they feel a customer may still need extra housing support they will sign post them to us as a [Discretionary Housing Payment](#) (DHP) could be an option.

Customers will have to go through an income and expenditure check, benefit maximisation check and debt advice or money management where necessary.

[Additional advice is available at Gov.uk](#)

[↑ Back to top](#)



Residents

Advice-and-support
Benefits
Blackpool-Illuminations
Council-tax
Education-and-schools
Health-and-social-care
Housing
Libraries-arts-and-heritage
Life-events
Parking-roads-and-transport
Parks-and-community-facilities
Planning-environment-and-community

Business

Business-rates
Business-support-and-advice
Commercial-waste
Food-hygiene
Licensing-and-permits
Residential-landlords
Working-with-the-council

Your Council

Blackpool-Council-jobs
Citizenship
Community-rights
Council-meetings
Creating-a-better-Blackpool
Have-your-say
Statistics-and-research
The-Council
Transparency-and-open-data
Voting-and-elections
Your-councillors

