



Local Housing Allowance SAFEGUARD POLICY

Supporting tenants to pay their rent

Introduction

The Government has introduced a new scheme of Housing Benefit for people who live in private rented accommodation. The scheme is known as Local Housing Allowance (LHA) and is effective from the 7th April 2008. From this date, all new claims for Housing Benefit, for people living in this type of accommodation, will be affected by Local Housing Allowance.

Existing customers will continue to receive Housing Benefit under current rules unless they:

- Change address, or
- Have a break in their claim of one week or more

Customers renting from Registered Social Landlords are not affected by this new scheme.

The aims of the scheme are to promote fairness, choice and transparency whilst empowering people to budget for and pay their rent themselves. This simpler system will help to speed up administration of housing payments, giving tenants more confidence when starting a job that any in-work benefit will be paid quickly.

LHA will normally be paid to the tenant. However, some people may not be able to cope with the responsibility of paying their own rent. In these situations, we will have the discretion to make payments direct to the landlord if we consider it is in the best interest of the tenant to do so.

Policy Aims

The aim of the policy is to:

- Provide a safeguard to support tenants who cannot cope with the responsibility of paying their rent
- Help to sustain tenancies by preventing rent arrears from accruing
- Help tenants to take responsibility for receiving direct payments of LHA
- Reassure landlords that their rent will be paid direct when it is appropriate to do so
- Provide our staff with a framework for making reasonable, fair and consistent decisions in accordance with this Policy
- Promote a transparent and simple process that is understood widely.

The policy is not intended to:

- Supersede support that is being provided to tenants to give them the opportunity to be responsible tenants and be in control of their own income and expenditure
- Supersede the services already available in the area for tenants who require money or debt advice
- Be used by landlords to circumvent the aims of LHA
- Be a blanket policy for agencies providing support to private tenants.

Our approach

Where we identify ourselves, or where a tenant, landlord, or a third party brings to our attention that there may be difficulties that could put a tenancy at risk because of non payment of rent, we will look to see how we can support and enable the tenant to make satisfactory arrangements to pay their rent. Where it is not possible to provide that support, or have the assurance that payments will be made, we will consider whether it is in the interests of the tenant for payments to be made to the landlord.

Making an application

The tenant, landlord, or tenant's representative can make a request for payment of the LHA to the landlord. The request may need to be supported with written evidence, but initially can be made by:

- Letter/email
- Telephone
- Safeguard Application form

Where a request for direct payments is received from a representative of the tenant, the third party must supply written authority from the tenant confirming that the third party is acting on their behalf. We will be unable to discuss or deal direct with any third party without written authority.

What we will do

We will:

- Comply with legislation when considering whether it is appropriate to make payments direct to a landlord
- Have regard to guidance issued by the Department for Work and Pensions
- Help to put tenants in touch with other agencies where necessary and give people the opportunity and support to manage their own financial affairs
- Work with landlords where the tenant consistently fails to pay the rent
- Make reasonable, fair and consistent decisions
- Treat each case individually and not make assumptions about people's situations
- Ask the tenant to provide more information to help us arrive at a fair decision.

What will be our considerations?

Housing benefit legislation requires that we pay LHA direct to the landlord where:

- There are rent arrears exceeding eight full weeks

- The tenant is having deductions from their state benefit to pay off previous rent arrears.

Payment will not be made to the landlord if we consider the landlord not to be a 'fit and proper' person to receive such a payment, or it is our opinion that it is in the overriding interest of the tenant not to make payment to the landlord.

In all other circumstances housing benefit legislation allows us discretion on whether or not to make payments direct to the landlord. The Department of Work and Pensions has provided us with guidance on when direct payments to the landlord may be appropriate.

Our first consideration will be how we can help and support the tenant to make regular payments of rent. We will provide money advice information to tenants who require information to help them obtain and manage a basic bank or building society account. We will enable access to advice/support on daily budgeting and prioritising financial commitments to help them manage their affairs.

We will always consider each case on its own merit and in doing so take account of whether the tenant is:

- Unlikely to pay their rent because he or she:
 - Has rent arrears of less than 8 weeks and consistently fails to pay
 - Has previously absconded from a property leaving rent arrears
- Unable to pay their rent because they have financial difficulties which mean they are unable to open a bank/building society account, have severe debt problems, or are bankrupt

Making a decision

We will make a decision within 10 working days of gathering all of the available evidence. Payments will continue to be made to the claimant whilst an application is under consideration.

In all cases where we decide to make payments directly to the landlord we will set a date to review the decision and the circumstances of the tenant. Payments will continue to be made to the landlord whilst an application is under review. We will notify our decision in accordance with legislation.

Appeals

Any person (tenant or landlord) affected by a decision will have a statutory right to ask for more information and ask for a reconsideration of our decision. We will include these details in our decision letters.