

PAYMENTS TO LANDLORDS

How does Local Housing Allowance affect landlords?

The only change for most landlords is that payment of benefit worked out using the Local Housing Allowance rates will normally be made direct to the tenant. The tenant will be responsible for paying their rent to the landlord

Can I have my benefit paid direct to my landlord?

With Local Housing Allowance, benefit is usually paid to the tenant. Tenants cannot choose to have their benefit paid to their landlord. But in some circumstances we can decide to pay benefit directly to the landlord. If you are worried about managing your money, ask us if we can help. In some cases we may be able to pay your rent to your landlord.

Why is direct payment to landlords being stopped?

Tenants who get benefit calculated using the Local Housing Allowance rates should be able to take greater responsibility for managing their financial affairs and paying their rent to their landlords, in the same way as other tenants do. This is why any benefit will usually be paid to the tenant and not to the landlord.

In the past, there has never been a right for a landlord to receive Housing Benefit payments direct. However, there is a right for tenants to ask for this arrangement, and it is this right that is changing.

I already receive direct payment for some of my tenants. Will these payments stop?

No. Any tenant who is getting Housing Benefit on 7 April, 2008, will continue to be paid the old way. If you are receiving Housing Benefit payments direct on behalf of your tenant(s), these will continue to be paid to you.

The Local Housing Allowance rules will only affect any tenants who make a new claim, move address to new private rented accommodation or have a break in their claim, on or after 7, April 2008.

If you are a landlord who owns or manages a number of properties, you may find that you have tenants who claim Housing Benefit under the two different schemes. This will mean that you may have tenants getting Housing Benefit that the local authority pays to you, and other tenants getting Housing Benefit calculated using the Local Housing Allowance rates and will pay you themselves

What protection exists for landlords?

There are a range of safeguards to protect the interests of landlords. Some of these already exist. For example, a local authority must usually pay the benefit to the landlord if the tenant is eight weeks or more in arrears with their rent.

Payment may be made direct to the landlord where we decide that the tenant is:

- likely to have difficulty in managing their financial affairs
- unlikely to pay their rent

We can also decide to pay benefit to the landlord if, during the current claim to benefit, we have had to pay the landlord because the tenant was eight weeks or more in arrears with their rent.

We recommend that, if a tenant is starting to build up rent arrears, you should get in touch with us before it gets to eight weeks. This will allow us to investigate whether there is a problem that needs addressing.

When may a local authority make payments to the landlord?

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Who can ask for the payments to be made to the landlord?

Tenants, landlords, tenants' families or persons acting on the tenants' behalf, may tell the local authority that they are having difficulty paying their rent, or are likely to. The local authority may also identify tenants who may have difficulty managing their money, for example, when carrying out home visits. And landlords can contact the local authority, especially if the tenant is getting into arrears with their rent or feel that they cannot deal with their financial affairs. It is important for the landlord to keep proper and adequate records of rent payments received and details of any contact made with the tenant.

As part of the Housing Benefit reforms, tenants will no longer be able to simply ask for their benefit to be paid direct to their landlords. If a tenant feels that they may have difficulty in managing their financial affairs and may be entitled to direct payment to their landlord, we will consider any request they make.

Where direct payments are made to the landlord, how long will they go on for?

Where a tenant is considered likely to have difficulty in paying their rent and there is little or no prospect of their situation changing, payment of benefit to the landlord is likely to be long-term.

In cases where the situation is likely to be temporary, or where rent arrears of more than eight weeks have been repaid, the situation will be reviewed. If the tenant is in a better position to have their benefit paid to themselves, and to pay their rent in full and on time, direct payments to the landlord will stop.

Who decides if we pay the landlord?

We decide if we may pay the landlord.

There may be times when Housing Benefit staff know someone has difficulty in

managing their money and may take action based on this knowledge. We recommend that, if someone thinks a tenant may have difficulty managing their money, they encourage the tenant to contact us.

We must have evidence to show that they have difficulty managing their money and that it is in their interest that we pay the landlord directly. Evidence should usually be in writing. People who can provide evidence include:

- the tenant
- friends and family of the tenant
- the landlord
- welfare groups (including money advisers)
- Social Services
- probation officers
- Jobcentre Plus
- The Pension Service
- homeless charities/organisations
- Supporting People teams
- local/council rent deposit scheme administrators, homelessness or housing advice officers.

We will work with the tenant in making our decision.

Making a decision

Once we have collected evidence we will decide as quickly as possible if direct payments to the landlord are appropriate. We will still pay benefit while we are making our decision.

We will write to the tenant and explain our decision. We will also write to the landlord.

Can the landlord make direct payment a condition of the tenancy?

A local authority is not party to the tenancy agreement between a landlord and tenant, and is not bound by any conditions in a tenancy agreement. The local authority cannot pay benefit to a landlord directly at the tenant's request – the rules about when we can pay the landlord directly are outlined above. You cannot change this by making direct payment a condition of the tenancy.