

## Landlords Newsletter – May 2009

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#### o **Rent officer**

Mr. D Parr represented the Rent Officer and fielded a question and answer session from landlords as to the principles that form the bases of valuations reached.

The Rent Office is currently reviewing the localities in the light of the House of Lords decisions on the Heffernan case that challenged what localities are for Rent Officer and the Broad Rental Market Area purposes. The Rent Officer is in discussions with all local authorities. It is not expected to have any impact in the Tendring District Council's area.

#### o **Presentation notes**

##### **Overpayment**

Landlords are reminded to inform of changes of circumstances as soon as they know to help keep any overpayment to the minimum especially if a tenant moves.

Overpayments can now be paid by means of credit or debit cards over the telephone.

##### **New initiatives**

There are several initiatives from the Government to be implemented this year in order to speed up processing between its agencies and the local authorities in particular for working age claimants.

There are further changes to take place this year in qualifying conditions that are expected to increase benefit take up. Landlords' newsletters will inform landlords and landlord's agents of these changes as they come into effect in addition to the notices on the Council's website.

o **Landlord questions and answers session on Housing Benefit issues.**

*Landlords' questions are exactly as submitted.*

**Landlord question**

"Due to the Benefits system paying tenants the rent to pass onto Landlords I have experienced tenants not doing so and it is not until they have been eight weeks in arrears that I have been able to apply for rent to be paid direct to me. I think eight weeks is too long and that the Benefits system should arrange with tenants to pay the landlords the arrears over an agreed period of time."

**Answer**

The Local Housing Allowance (L H A) Regulations state that the local authority should pay Housing Benefit directly to the tenant. If the tenant falls into rent arrears of 8 weeks or more and it is proven the landlord will be paid direct. If the arrears are paid then payments will revert back to the tenant.

It is suggested that landlords do not leave it 8 weeks before informing the authority of the arrears if there are indications that rent is not being paid.

**Landlord question**

"As I have a tenant of several years I do not seem to be able to get the 'going' rate of rent. The Rent Officer went to see bungalow (1 bedroom) and decided it to be £95.00 per week. Even if I did get right rent eventually I would never catch up as everything takes such a long time."

**Answer**

The Rent Office sets the criteria to establish a reasonable rent payable for the properties in the Tendring area. Data about each type of property being rented in the area is collated and from these a median of values is established.

A claimant can if they so wish cancel their Housing Benefit claim and reopen after week's gap and we would calculate their Housing Benefit entitlement under the L H A scheme if they consider it would increase their entitlement. This would mean your tenant would have to pay the full rent for one week.

**Landlord question**

"How is a tenant expected to pay their L H A into my account when they are not allowed a cheque book by their bank? They can only draw out a maximum of £500.00 per day which means two trips to the bank and two lots of bank charges for me to pay their £595.00 rent."

**Answer**

Tenants can set up a Bankers Order to pay their rent to coincide with the date the Benefit is paid into the bank; this would stop the constant withdrawal of cash and the possibility of it being lost or not paid.

**Landlord question**

"Paying Housing benefit direct to tenants. When tenants fall more than eight weeks behind then rent maybe paid to landlord. But if the tenant starts to catch up with arrears you then start paying tenant again. How can this be?"

**Answer**

The L H A regulations state the local authority should pay benefit to the claimant who is responsible for the rent is paid to the landlord on time. There are circumstances where we may pay the landlord direct and such cases are judged

individually. We may ask for reasons why we should pay rent direct to the landlord and if the criteria to pay landlord direct under the Council's Direct Payment Policy (policy available on our website under Benefits - Information for Landlords) is met we will do so.

**Landlord question**

- 1) "There are more than 1000 landlords invited to attend a venue for 70 or something!!!
- 2) Publish a list of tenants that are in arrears or have been evicted( pay one month in advance) or establish
- 3) Rent Guarantee Scheme
- 4) Liaise with Colchester BC for improving system."

**Answer**

Although we may have a 1000 landlords in the Tendring area is not everybody who wants to attend the meetings or have cause to. Past experience has shown the amount of landlords who regularly turn up for the meetings and it is has been found that a room holding 70 people is sufficient. For this particular meeting we did send out invitations to all landlords/agents and only 69 replies were received to state they would be coming. We did when L H A was first introduced hold two meetings on the same day with Colchester at The Marks Tey Hotel to ensure there was enough space for attendees and the documentation to explain the new system.

To publish a list of tenants who are in arrears with their rent or have been evicted is information we cannot publicize. It is down to the Agent or Landlord to vet the tenants before they decide on renting their property to them.

Tendring do offer a Rent Guarantee Scheme and if you require any information please contact the Homelessness Department at the Town Hall on 01255 686868.

We are always looking at improving our working practices and we have come a long way in engaging with our customers.

**Landlord question**

"Claimants want landlords to receive benefits direct why can't they?"

**Answer**

We have to work within the regulations which state that tenant should be paid direct unless they are 8 weeks in arrears or judged by the Council's Benefits Officer to come under the direct payment policy (this policy available on our website under Benefits - Information for Landlords).

**Landlord question**

"Why cannot you review rents when new tenants move in? Why is it 12 months review?"

**Answer**

When a new tenant moves into the property the L H A is based on the number of bedrooms required by the household and is the basis of calculating benefit on new benefit claims from April 2008.

Under the old scheme referrals were made to the Rent Officer on a 52-week basis and were not reconsidered unless there were substantial differences in circumstances for example household composition, substantial improvement in the

condition of the property from the last letting that would prompt a review to be carried out.

**Landlord question**

“Why do you pass on bad debtors to other landlords on Housing Benefit knowing rent will not be paid? It is not fair to landlords.”

**Answer**

We do not decide where the tenant moves to. It is for the Landlord or their agent to vet the tenant before they decide to rent the property to them.

**Landlord question**

“Damaged Property done by tenants.”

**Answer**

The Benefits Office cannot be responsible for any damage the tenant does to the property. We are only assisting the tenant with help to pay their rent. Landlords are recommended to indemnify their properties against damage and loss of income from bad tenants. The Council is not responsible for damage to any property. The landlords' associations recommend landlords carry out regular checks on the upkeep of their properties.

**Landlord question**

“Why do tenants have to be twelve weeks in arrears before TDC will consider paying Agent or Landlord? This is really putting landlords off in a time when we need more Landlords to except Housing Benefit.”

**Answer**

8 weeks is the normal time span before we can consider paying landlord direct if the tenant is in arrears with their rent. Landlords should inform this Benefits office as soon as it can be demonstrated that rent arrears are accruing. Benefits officers will request proof of the arrears before making a decision about payment.

**Landlord question**

“Please explain why on old Housing Benefits system a two bedroom almost new house with central heating is only worth £132.69 per week gross. Where as on L H A rates it is £137.31 per week gross for any two bedroom property in any condition. Why should long term tenants suffer lower allowances? My figures are correct as at 12 December 2008 and 21 January 2009 respectfully.”

**Answer**

The amount of rent used for calculation of Housing Benefit under the old scheme is decided by the Rent Officer. In deciding a reasonable rent level he takes into consideration the area and the type of property they were renting and the number of liveable rooms the household needed.

L H A is based on Broad Rental Market Areas. These are made up of a number of neighborhoods. From this, the rent amount that is at the mid point of the rents charged in each area is used as the L H A rate. For Tendring District Council there is only one L H A rate.

***Landlord question***

“As for tenants receiving Housing Benefit we find it impossible to receive rent as it is no longer paid to landlords.”

***Answer***

The Housing Benefit is an award which is given to the tenants who require help with their rent because of their financial circumstances. If the tenant does not pass it onto the landlord then we can pay landlord direct once they are in arrears. Landlords/Agents must have tighter controls of obtaining the rent from their tenants to ensure that they do not fall behind with their rent payments.

***Landlord question***

“You state your new scheme has been successful. Who for?”

***Answer***

The L H A was successful in terms of getting this new scheme up and running to pay benefits with the Housing Benefit staff dealing with the claimants and landlords enquiries and getting claims into payment. This statement was not meant to be about the popularity of the new scheme.

***Landlord question***

“Myself and many other landlords I have spoken to have received no rent payment under your new scheme. I informed the benefits by numerous phone calls and letters who promised to pay me direct after eight weeks of arrears. However I still received no payment. Once again I contacted the Benefit office by telephone and Email and received a reply apologizing because they had forgotten to change payment over to me so now my tenant arrears are in excess of £2,500. Please explain how this can happen. I bet you don't bring this up at your meeting.”

***Answer***

We do try to do act quickly when we are told of problems when Landlords do not receive the rent from their tenants and yes we can make mistakes, which we know does not help the situation, but again Agents/Landlords should implement tight controls of non rent payments.

- o Additional information for landlords on what has happened over the last year

Below is a summary of changes in the L H A rates for each of the categories in this area over the last 12 months.

Weekly rates												
Number of bedrooms	Category	Apr-08	Jul-08	difference between Aug and Jul	Sep-08	difference between Sep and Jul	Jan-09	difference between Jan and Sep	Mar-09	difference between March and Jan	Difference between Mar 09 and Apr 08	annual % difference
Shared room rate	A	£ 58.50	£ 57.69	-0.81	£ 57.69	0.00	£ 57.69	0.00	£ 60.00	2.31	£ 1.50	2.6%
1 Bedroom	B	£103.85	£106.15	2.30	£106.15	0.00	£108.46	2.31	£109.62	1.16	£ 5.77	5.6%
2	C	£132.69	£132.69	0.00	£137.31	4.62	£137.31	0.00	£137.31	0.00	£ 4.62	3.5%
3	D	£160.38	£161.54	1.16	£161.54	0.00	£167.31	5.77	£167.31	0.00	£ 6.93	4.3%
4	E	£207.00	£206.54	-0.46	£207.58	1.04	£219.23	11.65	£213.46	-5.77	£ 6.46	3.1%
5	F	£282.69	£276.92	-5.77	£288.46	11.54	£294.23	5.77	£276.92	-17.31	-£ 5.77	-2.0%

Workload summary within the Benefits service – updated from the Landlords Forum meeting to reflect a full year.

As at end of March	2007/8		2008/9	
	Nos.	Days	Nos.	Days
New Claims from date of claim	5,605	13.7	9,634	10.3
Changes of circumstances	6,699	10.6	14,569	4.6

Increase in Caseload

Caseload / stockcount	May-07	Aug-07	Nov-07	Feb-08	May-08	Aug-08	Nov-08	Feb-09	Overall % increase from May 07 to Feb 09
	TOTALS OF RENT ALLOWANCE	6417	6550	6644	6795	6809	6969	7328	
TOTALS OF COUNCIL TAX BENEFIT	14635	14715	14840	14988	15064	15151	15602	15925	8.8%

**Whilst we are happy to pass on these notices on to you with the Landlords' Newsletter we neither recommend nor endorse these products or services.**

**What is an Energy Performance Certificate (EPC) and when is an EPC required?**

The Energy Performance Certificate is one new measure being applied across the EU member countries to improve energy efficiency. An EPC provides two key pieces of information

- The energy efficiency of a property on a scale from A – G ( The most efficient being A and G the least efficient )
- The environmental impact of a property.

It also provides recommendations and cost effective ways to improve the energy efficiency of a property. The benefit is that, if acted upon, this can mean lower energy bills due to lower energy consumption and in turn lower carbon emissions.

As part of the Energy Performance of Buildings Directive (EPBD) all buildings in the UK that are constructed, sold, or rented out will be required to have an EPC.

- A new EPC is required every time the property is marketed.
- A Landlord must provide an EPC to prospective tenants, the first time the property is let, or is let after October 2008. The EPC is valid for 10 years.

If you require an EPC or would like any further information, then you can contact Adrian Bunting, Domestic Energy Assessor on 01206 738294 or 07753375565.

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## News item from Colne Housing Association to all private landlords



Private landlords with properties to let anywhere in the UK are being urged to take advantage of a pioneering new scheme to provide people in temporary accommodation or on housing waiting lists with longer-term tenancies.

The blueprint scheme, known as the Safe Haven scheme, also addresses the present uncertainty in the lettings market because of an over supply of rented accommodation in many areas. It will provide a guaranteed income and rental period.

The project has been jointly funded by leading Colchester-based Colne Housing Society and the Housing Corporation and created working with landlords and local authorities.

Mark Powell Davies, Colne Housing's Chief Executive, said: "At a time when the lettings market is facing a great deal of uncertainty, with over supply of rented accommodation in many areas, we will provide a guaranteed income and rental period.

"We will also undertake all necessary repairs and maintenance and co-ordinate the legalities and logistics between local authorities and landlords. It's a win-win situation all round."

The scheme works by offering the chance for owners of empty properties to provide the homes; the housing association provides the housing management and takes care of day-to-day repairs and maintenance,

Colne housing's Business and Commercial Manager Richard Jones says: "It's recognised that accommodation in the private rented sector is a valuable resource, and private sector leasing offers another housing option to those seeking accommodation. To meet demand we seek two and three bedroom houses within the Tendring District and welcome enquiries from any prospective landlords.

Private sector leasing enables individual landlords to manage their stock and we want to work with private landlords and local authorities to offer a real alternative."

The Safe Haven Project has been a year in development with Colne Housing working with councils including Tendring District Council. Colchester based Colne Housing, established in 1973, now owns or manages almost 2000 affordable homes throughout North Essex. See [www.colnehousing.co.uk](http://www.colnehousing.co.uk)

For further details contact Richard Jones at Colne Housing Society Limited  
Tel: 01206 244700 or email [richard.jones@colnehousing.co.uk](mailto:richard.jones@colnehousing.co.uk)