

Landlords Questions

Questions / comments / remarks tabled by the landlords.

The questions and comments were ones tabled by the landlords before the meeting and they have not been edited. The responses given were from Harry Bates, Assistant Head of Benefits and Revenues Service, and Guy Williams, Valuation Office Agency (VOA).

1. Why is there no consideration on the quality of a property when valuing it for rental?
The Local Housing Allowance is what it says it is, an allowance. It is based on rental evidence drawn from across the whole of the Broad Rental Market Area for properties of the appropriate size to the claimant's circumstances. This evidence is put in a numerically ordered 'list of rents' and the 30th percentile derived statistically. Unlike the older Housing Benefit referral scheme there is no property specific valuation involved. There are still some claimants whose benefit continues to be assessed under the old rules but these are diminishing rapidly and nearly all new claims since April 2008 are subject to LHA. Given the allowance it is up to the claimant to choose the property they occupy making their own decisions on such factors as quality, condition and location.
2. Why have the council revoked the 5+ bedroom rate?
This is a matter of central Government policy, not a local decision or that of the Valuation Office Agency. The local council and VOA are required to implement the legislation that has been passed by Parliament.
3. Why is it now possible to pay direct if we reduce the rent? Thought LAW said had to pay tenants direct unless there was a problem.
It is the intention of the Government to encourage personal responsibility and financial inclusion. Benefit is normally paid to the customer rather than the landlord when a claim is assessed according to Local Housing Allowance rules.

A local authority shall make payment to the landlord when the following rules to apply in Local Housing Allowance cases as they do to all other rent allowances cases as stated in the Housing Benefit regulations.

"Payment to the landlord is required if a tenant

- has built up rent arrears of eight weeks or more except where it is in the overriding interest of the customer not to make direct payments to the landlord, or*
 - is having deductions from their income-related benefits such as Income Support (IS), income-based Jobseeker's Allowance (JSA(IB)), income related Employment and Support Allowance (ESA(IR)) or Pension Credit to pay off rent arrears"*
- Housing Benefit Regulations 95(1) (a) and (b) and HB (SPC) Reg 76 (1)(a) and (b).*

If there are ongoing problems of a tenant paying their rent then the Housing Benefit office should be notified and a request made for payment to be made direct to the landlord. The Benefits Officers will seek supporting evidence and notify the tenant

that there is concern over rent arrears and give both parties opportunity for supporting data to be submitted.

4. If we accept lower rental than how is the Council and Courts going to help us evict non paying tenants faster? It currently takes far too long up to six months and makes the landlord look stupid because currently the law is biased in favour of the tenants. The Order of Possession should be dated the same date as the Notice of Attachment with bailiff. Currently it takes 4 weeks from date of possession for the bailiff to evict the tenant.

*This is **not** a matter for consideration in the administration of Housing Benefit. It is for the Government to change the laws and the courts to review their procedures.*

5. In free market economy offering financial inducement to gain commercial advantage is known as corruption. How can this policy of offering direct payments for lower rents not be seen in this light?

This is guidance only from the Government and is not part of the law; therefore, it is not compulsory for a landlord to accept. The guidance's intention is aimed at trying to curtail increases in rent that the tenant may not be able to meet.

6. Statistically agreeing to lower rent in return for direct payments will lead to even lower rents, if the 30th percentile workings are to remain by forcing down the market rents the 30th percentile payment level will go down even further and LHA rates will reduce even further. Is this interpretation correct? Is this the intention of the policies?

The change to using the 30th percentile is but one of the factors that may have influence a dynamic market. The effect it has is will depend on many other local variables and is not for VOA to predict. We are charged as civil servants with implementing Government legislation.

7. How will LA prepare for the eventuality that housing stock available to LHA (benefit) tenants will reduce as landlords withdraw from that market in favour of private tenants who will be subject to normal economic rent levels based on supply and demand.

Local Housing Allowance was piloted in number of local authorities across the country prior to its national roll out in 2008. The pilots reported that landlords had indicated that there would be some migration from the rented sector however in reality there was only minimal change registered.

It is for the local authority to administer and apply the benefit law only. The social impact is something that the Government policy makers will monitor and if it is the Government's decision that such social changes are unacceptable, will then have the regulations modified.

8. Unable to attend BUT wishes to raise question. Having been assured at all prior consultation meetings prior to tenants being paid directly that their direct payments would not affect the I/I's rental payments but merely assist tenant's budgetary education, why are I/I's now being asked to reduce rents in order to return to the old system of direct payments?

This is guidance only from the Government and is not part of the law; therefore, it is not compulsory for a landlord to accept. It is the intention to try to curtail increases in rent that the tenant may not be able to meet.

9. Why don't TDC have an approved L/I system to enable tenants to find suitable accommodation more quickly? L/I would supply prices to TDC and tenants would be able to check terms/conditions online.

This activity is covered in the private sector by letting and estate agents. It is not the intention of Housing Benefit regulations for local authorities to be involved in areas of letting. At the present time local Government is undergoing radical changes in service deliveries and priorities. It is not possible to say at the present time where this will lead local authorities' service provisions in the medium to longer terms.

10. TDC to be more strict with their claimants and enforce rules more rigidly. It seems TDC wash their hands of tenants who default on rent.

Payment of rent is strictly a matter between tenant and landlord. Housing Benefit exists to provide support to help the tenant pay rent. If a tenant does not pay rent then that tenant jeopardises his right to occupy and is for the landlord to take the action he sees fit.

11. I receive my payments direct- how can I increase my payment from £625.00 pcm to £670.00 pcm as the rate is £698.98?

The rent is a contractual matter between landlord and tenant and you need to refer to your tenancy agreement and take legal advice if necessary with regard to any rent reviews. There are specific rules which can restrict the review of a benefit claim within a period of a year and you should clarify these with the local authority.

12. Why are L/I's not advised that photographs are condition of property are needed before granting rent deposit bonds?

The Housing Service answer on this question is that "Photographs are now required before the issue of a rent deposit guarantee as they show the condition of the property prior to a tenant moving in. At the end of the tenancy, if a claim is disputed by the tenant concerning the condition of the property upon departure, the Council will have photographic evidence of the property's condition before the tenant moved in. As the Council seeks to reclaim any payments made under the scheme from defaulting tenants, photographs can be used in evidence in future court proceedings".

It is prudent management practice to have a good inventory and schedule of condition which may well include photograph. This should be agreed and signed by the parties at the outset. It will provide evidence for any subsequent dispute and in itself will probably reduce the risk of a dispute arising.

13. I cannot see why the tenants are paid the money direct we have to chase each month!! Not receive it only after two months does it start getting paid direct not receive it only after two months does it start getting paid direct!! We still have to pay mortgages/loans on the properties. Also the reduction in monthly amounts will mean I have to chase the tenant for the shortfall and we know what will happen there!!

The Local Housing Allowance 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.

14. Why isn't HB paid direct to I/I's? Why aren't I/I's advised of COC's?

Please see answers to questions 3 and 13.

If a tenant has agreed and signed a form to say that the landlord can be informed about their claim then certain changes of circumstances maybe informed to the landlord. However this is still a discretion for the local authority who has a duty of care of personal data it holds under the Data Protection Act 1998.

15. As you have paid tenants rent we do have problems as tenants use rents for fags and drink drugs etc. Some tenants have no respect for the home we provide when they leave we have to replace doors, windows and even the heaters have gone. Would you want to let a home and discover when you go round that they have gone with the contents?

This is a matter for landlords and their management arrangements.

16. We are ready to reduce the rent in line with the lower LHA rates in order to have payments of benefit made direct to us. We are prepared to negotiate with the tenant on reducing rent to have benefits paid direct to us.

A survey of the landlords invited and attended has the following results

	Yes	No
Would you reduce the rent in line with the lower LHA rates in order to have payments of benefit made direct to yourself / or agent?	3	7
Would you be prepared to negotiate with your tenant on reducing rent to have benefits paid direct to yourself / or agent?	3	7

Please see answer on question 5.

17. Why are you reducing Private Landlords allowance, but the Council is still paying higher rates to Housing Association?

Changes in legislation are a matter for the Government of the day and if you have strong Benefit rules if the Local Authority considers the rent to be high. There are some proposals currently in the public arena concerning how Housing Association rents may be dealt with in future. You may wish to speak to your constituency MP about your concerns. These current changes are in respect of the Private Rented Sector. Housing Association properties are exempt from LHA and may be referred to the Rent Officer under the older Housing Benefit rules if the Local Authority

considers the rent to be high. There are some proposals currently in the public arena concerning how Housing Association rents may be dealt with in future.

18. *Has any consideration been given to how Landlords, who may have to see a reduction in rental income under the new proposals, may, then choose to rent working/professional tenants and NOT to tenants in receipt of LHA?*
This will have been a matter for the Government in formulating their policies and the legislation supporting it. You may want to discuss this with your political representatives. Some landlords see the benefit in belonging to a Landlord's association, however that is a matter of personal choice as the choice of tenant the landlord lets to.
19. *Has any consideration been given to how Landlords, who may have to see a reduction in rental income under the new proposals, may, then choose to rent working/professional tenants and NOT to tenants in receipt of LHA?*
The impact of any change in legislation is always a matter for the Government to consider. No doubt they will monitor how these changes affect the open market for rented accommodation when considering the direction for future policies.
20. *There are a lot of properties, rented, that restrict LHA tenants. It would be a shame to see an Increase in these properties. With it being so difficult, for the first time buyers, to get mortgages, tenants are easy to find, a higher rental income and working tenants are more appealing to landlords.*

Please see the answers under question 7 and 18.