



# Local Housing Allowance: information for private landlords

## What is Local Housing Allowance?

Local Housing Allowance is a new way of working out claims for Housing Benefit for some tenants renting accommodation from a private landlord in the deregulated rented sector. It is legislation introduced by the government.

## Why is Local Housing Allowance being introduced?

Local Housing Allowance is being introduced by the government to increase responsibility, place choice firmly in the hands of tenants and help develop the skills to make the transition into work. The objectives of introducing Local Housing Allowance are:

**Fairness** – to pay similar amounts to tenants with similar circumstances.

**Choice** – to allow tenants to choose between price and quality of accommodation.

**Transparency** – it is easier for tenants (before they commit themselves to a property) and landlords to find out how much rent could be covered by Housing Benefit.

**Personal responsibility** – making tenants take responsibility for budgeting for, and paying, their own rent.

**Financial inclusion** – to encourage tenants to have their housing payments paid into a bank account and set up a standing order to pay the rent to their landlord.

**Improved administration and reduced barriers to work** – a simpler system helps to speed up the administration of housing payments giving tenants more confidence when starting a job that any in-work benefit will be paid quickly.

## Who does it affect?

Customers making new claims and customers who move address on or After 7<sup>th</sup> April 2008



## **Who is not affected by Local Housing Allowance?**

Local Housing Allowance does not affect:

- local authority landlords who let to 'council tenants'
- tenancies with registered social landlords
- some supported housing
- tenancies which started before 15 January, 1989 (2 January, 1989 in Scotland)
- tenancies in caravans, houseboats or hostels
- tenancies where the Rent Officer has decided that a substantial part of the rent is for board and attendance

## **When does it start?**

7<sup>th</sup> April 2008

## **How do I find out what the Local Housing Allowance rates for my property will be?**

We will publish the Local Housing Allowance rates every month in our customer service centres and on our website : [www.greenwich.gov.uk](http://www.greenwich.gov.uk) look under 'Benefits and Grants'

## **How does Local Housing Allowance affect landlords?**

Housing Benefit payments will normally be made direct to the tenant. The tenant will be responsible for paying their rent to the landlord. But there are certain circumstances under which direct payments may be made.

## **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 unless the tenant has a break in claim or moves to another dwelling that you own.

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. Some tenants will get Housing Benefit that the local authority pays to you, and other tenants getting Housing Benefit paid under the Local Housing Allowance rates who 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. (If the local authority has evidence of this)

For claims decide under LHA 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 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.

## **Who decides if a tenant is likely to have difficulty in paying their rent?**

The local authority will decide whether a tenant is likely to have difficulty in paying their rent. Evidence will be required to support a request, which can be made by the tenant or other interested party.

You, as a landlord, can approach us if you think it likely that your tenant will have difficulty in paying or you feel they cannot deal with their financial affairs. We will contact your tenant for further information regarding this.

It is up to us to decide whether a tenant is unlikely to pay their rent. We can only do this if we have evidence of past, or likely, failure to pay rent. We will take into account all knowledge and evidence available to us at the time, including any known past history when making our decision.

## **Can the tenant ask for their benefit to be paid to their landlord?**

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 they will need to approach the local authority, tell us why and provide evidence of their circumstances.



## **Where direct payments are made to me, 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.

## **Can I 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. The Council will not make any guarantees about direct payment in advance of a valid claim being made in respect of a new tenancy.

## **What appeal rights do I have against a payment decision?**

Appeal rights are not changing as a result of the new scheme. You will still have the right to appeal against a decision by the authority refusing to make direct payments.

## **Where to get more information**

If you want to know more about the changes and how they affect you:

- phone the Advice & Benefits Service on 020 8921 4900
- visit the Advice & Benefits Service at:

The Riverside Centre  
Riverside House East  
Woolwich High Street  
Woolwich SE18

and

The Eltham Centre  
2 Archery Road  
Eltham SE9 1AH

