

We provide information for the blind or partially sighted via tape, braille or large print.

If you require an interpreter to help you understand this document, please contact the Interpreting and Translation Service. Tel: 01224 523542

ভাষা/ইন্টারপ্রেটিং এবং অন্যান্য ফরমের
যোগাযোগ সাহায্যের জন্য দয়া করে
:01224 523 542
নম্বরে যোগাযোগ করবেন।

للحصول على مساعدة بخصوص اللغة/ الترجمة
و وسائل الاتصال الأخرى، الرجاء الاتصال
بالرقم التالي: 01224 523 542

如果需要語言/傳譯及其他形式的傳訊支援服務，
請聯絡:01224 523 542

زبان / ترجمانی (انٹرنیٹنگ) میں مدد اور اپنی بات دوسروں
تک پہنچانے میں مدد کی دوسری طرزوں کیلئے، براہ کرم اس نمبر پر
رابطہ کریں: 01224 523 542

Если требуется помощь при выборе
языка / переводчика или других
способов общения, звоните по
телефону: 01224 523 542

Jeśli potrzebujesz pomocy językowej /
tłumacza lub innej pomocy w
porozumiewaniu się, proszę zadzwonić
pod numer: 01224 523 542

Where to get more information

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

- phone your Council Tax and Benefits Office on 08456 080921 and select option 3
- visit your Council Tax and Benefits Office at Crown House, 27-29 Crown Street, Aberdeen AB11 6HA
- look on our website www.aberdeencity.gov.uk
- email us benefits@aberdeencity.gov.uk
- visit www.direct.gov.uk

Remember that this leaflet is a guide only. It is not meant to say exactly what your legal rights are. While we have tried to make sure that the information in this leaflet is correct, it is possible that there may be incorrect information or some ideas may be oversimplified. Also, please remember that the information in this leaflet is likely to become less accurate over time because of changes to the law.

Local Housing Allowance Information for Private Landlords



What is Local Housing Allowance?

Local Housing Allowance is a new way of working out new claims for Housing Benefit for tenants renting accommodation from a private landlord. It also affects tenants already getting Housing Benefit who move into accommodation rented from a private landlord. Local Housing Allowance is effective from 7 April 2008. Local Housing Allowance will not affect people living in council accommodation or other social housing.

Local Housing Allowance is usually based on:

- who lives with the tenant
- how much money the tenant has coming in
- what savings the tenant has

In some cases the amount of benefit will be affected by other things. These can include:

- how much the rent is
- whether anyone living with the tenant is expected to contribute to their rent.

There is no change to the entitlement rules for Housing Benefit – these will still be based on a person's income, savings and proof of rent etc.

We will not always cover all of the rent with Housing Benefit. We will work out a maximum amount of Housing Benefit that can be awarded. This may then be reduced depending on the income and savings of the tenant. The way the maximum Housing Benefit is worked out is changing. The Rent Officer used to

decide whether the rent was fair or was too high. The maximum Housing Benefit was based on this Rent Officer decision. Local Housing Allowance is a new way of working out the maximum Housing Benefit your tenant could get and will replace Rent Officer decisions.

For more details please see our leaflet Local Housing Allowance: information for private tenants. You can get this by contacting us using the details provided on the back of this leaflet

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

The maximum amount of Housing Benefit your tenant could receive will be set in advance by the Rent Officer. It will not depend on the amount of rent you charge.

The maximum amount they could receive will be the same for every same size household in the area in which they live, regardless of differences in actual rent.

The maximum benefit your tenant will receive is the Local Housing Allowance rate for their household size, for the month in which they claim. If their rent is more than this figure it is up to them to make up any shortfall. If you think they are having difficulties with this advise them to contact us.

If your tenant's rent is lower than the correct Local Housing Allowance rate then the maximum Housing Benefit they could get is their rent plus up to £15 a week. This is the amount the Government has decided to cap Local Housing Allowance at. They will not get more Housing Benefit than the level of Local Housing Allowance. If the Local Housing Allowance rate is more than £15 a week over their rent they would only get £15 a week on top of their rent. They do not have to give this excess money to you.

Your tenant's Local Housing Allowance rate will be reviewed every year using the date of claim. The Local Housing Allowance rate will then be changed to the correct rate for the household size that is applicable that month. It will only be reviewed at any other time if there are significant changes to the household, for example a child turns sixteen or somebody moves in.

When we are making the decision on a claim we will decide how many rooms, according to the Housing Benefit rules, the claimant will need. If they live in one room and share some facilities, for example a kitchen or bathroom, with other people there is a special Local Housing Allowance rate. If they are under 25 and live on their own they will also receive this rate.

If the above does not apply to them, this is how the number of rooms will be worked out. One bedroom for each of the following:

- a couple
- someone who is 16 or over
- two children of the same sex
- two children who are younger than 10

We will publish the Local Housing Allowance rates for Aberdeen City every month. You can find the rates on our website and on posters in our local offices. Details are provided on the back of this leaflet.

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.

Which landlords does Local Housing Allowance affect?

Local Housing Allowance affects any landlord who enters into a deregulated private tenancy agreement with a person awarded Housing Benefit. By deregulated, we mean a tenancy that has been entered into since 1989 and is not covered by one of the exceptions listed below.

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

Why is Local Housing Allowance being introduced?

Local Housing Allowance is being introduced 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.

Why are we stopping direct payment to landlords?

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 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.

Payment may also 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.

For more information about this, please contact us. Details of how to contact us are provided at the back of this leaflet.

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 then 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.

It will also be important for the landlord to keep proper and adequate records of rent payments received and details of any contact made with the tenant.

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

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.

For more information about this, please contact us. Details of how to contact us are provided at the back of this leaflet.

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. 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.

Won't tenants spend their Local Housing Allowance on other things?

Many tenants in the private rented sector get their Housing Benefit paid to them and regularly pay their rent on time. Where a tenant is moving to direct payment we will make it clear to them what their responsibilities are and the consequences of not paying their rent. There will be some customers who can't manage their own rent payments so the comprehensive package of safeguards will stop these customers falling into unmanageable difficulties.

The Local Housing Allowance scheme has been operating in 18 local authorities across England, Scotland and Wales since October 2003. In these areas 84% of tenants whose benefit is calculated using the Local Housing Allowance rules are successfully managing their own rent payments. Of the remainder, only a third are having their Housing Benefit paid to the landlord because they have fallen into arrears of 8 weeks or more. The rest are having their benefit paid to the landlords because the local authority identified that they might not be able manage their rent payments.

Won't this discourage landlords from letting their properties to claimants?

We believe the Local Housing Allowance scheme has positives for both landlords and tenants.

The reforms are intended to help landlords as well as tenants by creating a more transparent system that is simpler to understand and administer. Overall, it will support and clarify the relationships between the local authority, tenants and landlords.

Landlords will still be able to approach the local authority for help with rent arrears for tenants getting benefit calculated using the Local Housing Allowance rules. They cannot do this where they have a tenant in rent arrears who is not getting benefit.

Because payments are going to tenants in most cases, this removes the possibility of landlords being asked to repay large amounts in overpaid benefit. Under the Local Housing Allowance scheme it is unlikely that the local authority would ask you to repay any money that your tenant has paid directly to you.

We believe that the safeguards that exist regarding direct payment to landlords strike the right balance in protecting the interests of both landlord and tenant.

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.

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 not to make direct payments.