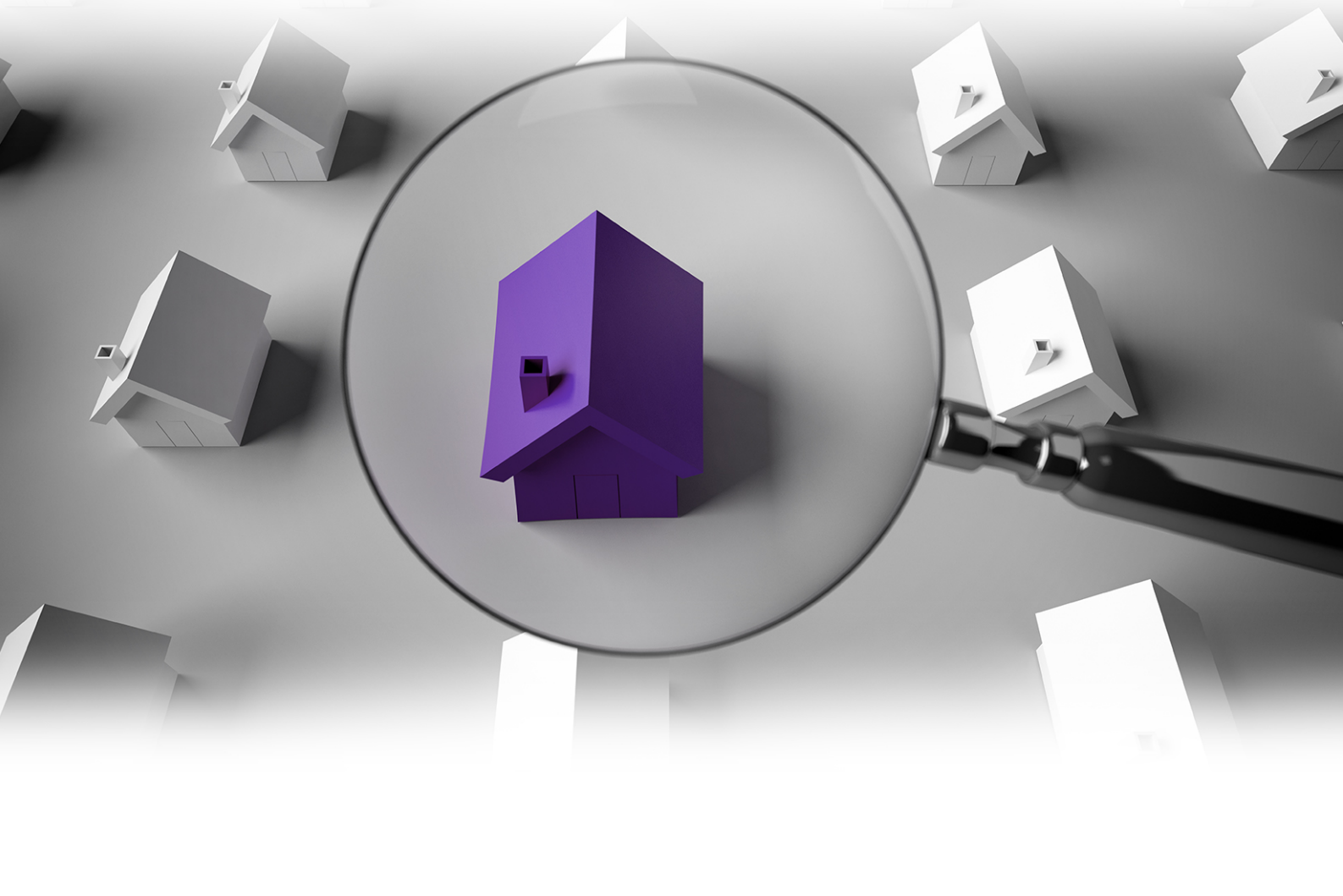


Local Housing Allowance Safeguard Procedure



Introduction

Local Housing Allowance (LHA) is a scheme of Housing Benefit for people living in private rented sector accommodation.

Exceptions to the scheme include:

- Supported accommodation provided by local authorities, social landlords, charities or voluntary organisations
- Tenancies that started before 15/01/1989
- Tenancies in caravans, houseboats, mobile homes and hostels
- Tenancies with substantial board and attendance

LHA is usually paid to the tenant. Payment cannot be made to a landlord simply because a tenant requests this.

DWP Guidance

The Department for Work and Pensions have provided guidance on when direct payments to the landlord may be appropriate where a tenant cannot pay or is unlikely to pay their rent.

In most cases the Council will decide whether it is appropriate to pay LHA to the landlord.

However, the LHA **must** be paid to the landlord where:

- The tenant is 8 full weeks or more in arrears with their rent
- The tenant is having deductions made from their Income Support or Jobseekers Allowance to pay for rent arrears

Benefit Service Procedure

This procedure will ensure that the safeguards in place are applied correctly in order to prevent the risk of tenants falling into arrears with their rent and subsequently facing eviction, and also to allay any fears that landlords may have regarding potentially vulnerable tenants and those who are unlikely to pay.

The circumstances where we will consider paying LHA directly to a landlord are where the tenant is unlikely to pay their rent because they:

- have rent arrears and have consistently failed to pay their rent
- have a history of arrears with previous landlords
- have severe debt problems
- have a recent County Court judgment against them
- are an undischarged bankrupt
- are unable to open a bank or building society account
- are receiving help from a support organisation
- are getting help from a homeless charity

OR is unable to pay their rent because:

- They have financial difficulties which mean they are unable to open a bank or building society account, have severe debt problems or are undischarged bankrupts
- They are considered to be vulnerable and unable to manage their own affairs. This may include:
 - People with medical conditions such as mental health problems or terminal illness.
 - People with learning disabilities
 - People with physical disabilities or who are housebound
 - Illiteracy or inability to speak English
 - People with alcohol, drugs or gambling addictions
 - People fleeing domestic violence who have the support of either the police or a statutory or voluntary agency
 - Prison leavers being supported by an appropriate organisation or agency
 - People who have a temporary change in their life such as a relationship breakdown or bereavement which may mean they need support on a short-term basis

This list is not exhaustive and there may be other causes of vulnerability which prevent a tenant from receiving their LHA.

Each case will be considered on its own merit and there will not be a blanket policy approach to cases of vulnerability.

The aim of this procedure is to:

- Provide a safeguard for vulnerable tenants and reassure them their Housing Benefit will be paid
- Prevent rent arrears and the subsequent risk of eviction
- Help to sustain tenancies for vulnerable tenants
- Help tenants to take responsibility for receiving direct payments of LHA, where appropriate
- Help to signpost tenants to other agencies where necessary give people the opportunity and support to manage their own affairs
- Reassure landlords that their rent will be paid if they have vulnerable tenants
- Work with landlords where a tenant consistently fails to pay their rent
- Ensure reasonable, fair and consistent decisions are made
- Promote a transparent and simple process that is understood widely
- To treat each case individually and not make assumptions about people's situations
- Compliment the work that other sections/departments undertake within the LA – housing allocations, environmental health etc

This procedure is not intended to:

- Replace support that may be being provided to tenants in managing their everyday affairs and finances
- Be used by landlords to abuse the aims and objectives of LHA
- Be a blanket policy for organisations providing support to private tenants
- Undermine the good work that is already being undertaken within other sections/departments of the LA
- Undermine the rights of tenants to receive payment directly to them.

The Decision Making process - Arrears/Unlikely to pay

Application is received

The tenant, landlord or tenant's representative can make a request for payment of LHA to be made to the landlord.

Landlords will be encouraged to notify the Housing Benefit Section at the earliest opportunity if a tenant is not paying their rent.

Where a request for direct payment on the grounds of rent arrears is made, evidence from the landlord and agreement from the tenant will need to be obtained.

Evidence required

The Benefits Officer will gather any further information and evidence necessary to make an informed decision.

Both the landlord and the tenant will be given one calendar month to provide any requested information or evidence and payments of benefit will be suspended pending its return.

When considering any evidence, the Officer will take into account:

- The past behaviour of the tenant;
 - Have they had previous arrears?
 - Do they continually miss payments?
 - Do they have any other known underlying debt indicators?

- Whether a landlord is making the request for their own financial interest.

Careful consideration will be given to other tenants of the landlord. For example their current method of payment and what, if any, recovery action is being taken by the landlord in an attempt to recover any arrears.

Making the decision

Based on all the evidence gathered the Officer will determine whether making payments directly to a landlord is in the best interest of the tenant.

The reasons for the decision will be notified in writing to landlord and tenant.

Each application will result in one of the following decisions:

Payment of LHA will be made to the Landlord.

For tenants where it has been established they have arrears or that they are unlikely to pay their rent:

- Payments will be made directly into the landlord's nominated bank account.
- The decision will be reviewed at six monthly intervals by the Officer.
- Where appropriate, the tenant will be signposted to an agency which provides support and advice of a financial nature.

Split Payments

If the LHA award is above the tenants contractual rent, a split payment will occur and the tenant will receive the excess amount.

UNLESS the tenant is in arrears, in which case the excess amount will be paid to the landlord until the arrears have been cleared.

Tenants will be encouraged and supported in opening a basic bank account if they do not already have one.

Payment of LHA to be made to the tenant

If the Officer decides that the tenant does not have rent arrears or that the evidence provided does not justify the request that they would not pay their rent, payments will be made to the tenant.

Tenants are encouraged to have payments made directly into a bank account as a safer and quicker method of payment.

Advice and support will be given to tenants on accessing a bank account, the importance of paying their rent to their landlord and the consequences if they do not.

Where appropriate, they will be issued with a "First Right of Appropriation" letter (*see Appendix B*) to give to their bank advising that the date payment will be made and the amount, and that its specific use is for payment of rent.

This is to prevent the payment being used to reduce an overdraft or for bank charges.

If however, the tenant provides proof from their bank that the payment cannot be ring fenced (for example due to the terms and conditions of the account) the Officer will consider alternative methods of payment.

Where appropriate, tenants will also be signposted to other organisations who could offer support and advice in areas appropriate to their needs or the needs of their families.

Notifying the affected parties

Affected parties will be notified in writing when a decision has been made.

[The Decision Making process – Safeguarding Tenants / financial difficulties](#)

Application is received

The tenant, landlord or the tenant's representative can make a request for payment of LHA to be made to the landlord.

Where a request for direct payment on the grounds of vulnerability or financial difficulty is received from a representative of the tenant, the third party must have written authority from the tenant to act on their behalf.

In all cases the request must include written evidence from an appropriate source to support the application.

See appendix A for accepted evidence and sources in support of a request on the grounds of vulnerability.

Evidence required

The Officer will gather further evidence, meet with the tenant (if necessary), make a decision and monitor and review all cases.

This process allows for a fast-tracking process, consistency of decisions and a degree of continuity for vulnerable tenants.

If further information or evidence is required it will be requested from the tenant, the tenant's representative or the landlord by telephone or in writing.

Payment will be made to the Landlord for a period of no more than 8 weeks whilst a decision is being made.

If there is no response within this time limit LHA will revert to being paid to the tenant.

If it is felt necessary, a meeting will be arranged with the tenant, the tenant's representative, the landlord or all parties to satisfy the evidence requirements needed to make an appropriate decision.

In some circumstances there may only be limited evidence available. In these cases the decision will be at the discretion of either the Team Leader (New claims) or alternatively the Benefit Manager.

Any decision will always be in the best interest of the tenant.

Making the decision

Based on all the evidence gathered, the Officer will decide whether paying LHA directly to the landlord is in the best interest of the tenant.

Comprehensive notes will be made on the claim detailing the reasons for the decision.

Each application will result in one of the following decisions:

Payment of LHA will be made to the Landlord.

For those tenants who have financial difficulties, severe debt problems, CCJ's or bankruptcy and are unable to open a bank account:

- The tenant will initially be supported and advised on accessing a basic bank account.

If this is not successful the tenant will be referred to other services which provide support, such as CAB, National Debt line or Tenancy Support Officers.

The Officer will set a review period of either 6 or 12 months in order to allow the tenant time to access any support and advice available which will assist them in being able to accept direct payments of LHA in the future.

For those tenants who are considered vulnerable:

- The Officer, having consulted with all parties involved and considered the type and length of support the tenant receives will establish whether the vulnerability is likely to be short-term or long-term.

This decision will determine the period at which the case is reviewed.

For short-term vulnerability the review period will be 6 months.

For long-term vulnerability the review period will be 12 months.

If the LHA is above the tenants contractual rent, a split payment will occur and the tenant will receive the 'excess' amount (unless the tenant is in arrears, in which case the excess amount may be paid to the landlord until the arrears have been cleared).

To receive split payments, tenants are encouraged and supported in opening a basic bank account if they do not already have one.

Payment of LHA will be made to the tenant

If the Officer determines that the tenant does not have issues serious enough to warrant direct payment being made to their landlord, payments will be made to the tenant themselves.

Advice and support will be given to tenants on accessing a basic bank account, the importance of paying their rent to their landlord and the consequences if they do not.

Where appropriate, they will be issued with a "First Right of Appropriation" letter (*see Appendix B*) to give to their bank advising that the date payment will be made and the amount, and that its specific use is for payment of rent.

This is to prevent the payment being used to reduce an overdraft or for bank charges.

If however, the tenant provides proof from their bank that the payment cannot be ring fenced (for example due to the terms and conditions of the account) the Officer will consider alternative methods of payment.

Where appropriate, tenants will also be signposted to organisations that could offer support and advice in other areas appropriate to their needs or the needs of their families.

Notifying the affected parties

Affected parties will be notified in writing when a decision has been made.

Reviewing a Decision

System reports will be run on a daily basis to identify those cases set for review.

The tenant and/or representative will be contacted at the end of the review period to determine if their situation has changed and whether they can receive payment of LHA directly.

Tenants will not be required to complete an application form. In the first instance we will write to the tenant or their representative / support worker to get an update of the situation.

Payments will continue to be paid directly to the landlord until the review process is completed.

If the situation has not changed, a further review period will be set.

If at any point during the review process it is identified that the tenant may require further support or advice, then the tenant will be signposted to the relevant section/team/organisation.

Where the circumstances of the tenant have changed and they are now in a position to accept direct payments and pay the rent to their landlord, a new decision will be made to pay LHA to the tenant. This decision can be made at any point and will not be dependant upon a review period.

Appeals

The tenant or the person who has made the application or referral can ask the council to review any decision made regarding direct payments of LHA.

They can:

- Ask for a written explanation of the decision
- Ask for the decision to be reconsidered
- Appeal against the decision

Requests for written explanations and reconsiderations can be made via the telephone.

Appeals against the decision must be in writing, stating the reasons for the appeal and signed by the affected party. This must be within one calendar month of the date the original decision is made. After this time we will not be required to take any action.

Partnership working

To enable the programme of schemes to be successful it has been necessary to build effective and positive relationships with not only private landlords in the area, but also the third sector.

The organisations that are committed to the programme are as follows:

- Citizens Advice Bureau
- Tenancy Support Services
- Housing Advice Centre

This list is not exhaustive and continues to grow.

Those applicants who predominantly have **rent arrears** will be referred to:

The Housing Options Team
Cannock Chase District Council
Civic Centre
Beecroft Road
Cannock
Staffs
Tel: 01543 462621

Those applicants who are predominantly suffering **severe financial difficulties** will be referred to:

Cannock Citizens Advice Bureau
48 Allport Road
Cannock
Staffs
WS11 1DY
Tel: 01543 502236

Rugeley Citizens Advice Bureau
7 Brook Square
Rugeley
Staffs
WS15 2DU
Tel: 01889 577042

Those applicants who are predominantly suffering from **health problems** will be referred to:

Health NET
South Staffs PCT
Block D
Beecroft Court
Cannock
Staffs
Tel: 01543 501660

Appendix A**Vulnerability Indicators - LHA**

Vulnerability Criteria	Accepted Sources of Evidence*
Learning Disability	<ul style="list-style-type: none"> • GP • Social Services • Care Workers • DWP • Tenant / tenant's representative
Medical Condition i.e., Severe Mental health problems / terminal illness	<ul style="list-style-type: none"> • GP • Social Services • Care Workers • Hospital • DWP • Support Organisations i.e. CAB • Tenant / tenant's representative
Addiction problems i.e., Drugs, Gambling, Alcohol	<ul style="list-style-type: none"> • GP • Social Services • Hospital • Police • Care Workers • Support Organisations • Tenant / tenant's representative
Fleeing Domestic Violence	<ul style="list-style-type: none"> • GP • Police • Social Services • Support Organisations • DWP • Tenant / tenant's representative
Care Leavers / single < 25 homeless	<ul style="list-style-type: none"> • GP • Social Services • Homeless Team • Support Organisations / Homeless charities • Tenant / tenant's representative
Prison Leavers	<ul style="list-style-type: none"> • Social Services • Probation Service • Support Organisations • Tenant / tenant's representative
Severe Debt Problems i.e. CCJ's (27k plus, combined debt)	<ul style="list-style-type: none"> • Courts • Banks / Building Societies • Solicitors • Creditors • Support Organisations • Tenant / tenant's representative
Undischarged Bankruptcy	<ul style="list-style-type: none"> • Court Order documents
Inability to open a Bank Account	<ul style="list-style-type: none"> • Evidence from banks / building societies

	<ul style="list-style-type: none"> • Money Management / Welfare and Information Centres
Where DWP is making deduction from benefits and paying direct to utility company	<ul style="list-style-type: none"> • DWP • CIS • Job Centre + • Tenant / tenant's representative
Tenant is in receipt of Supporting People funding	<ul style="list-style-type: none"> • Support Organisation • GP • Social Services • SP section • Tenant / tenant's representative

THIS LIST IS NOT EXHAUSTIVE

*** Supporting evidence will be accepted from one or more of these sources.**

Appendix B

First Right of Appropriation Letter

Your address:

Bank name and address:

Date:

RIGHT OF APPROPRIATION

Dear Sir/Madam,

ACCOUNT NUMBER:

I am writing to inform you that I am due to have a Local Housing Allowance payment of £
paid into my account on / / , and I wish to use my first right of appropriation for this
money, for the following purposes;

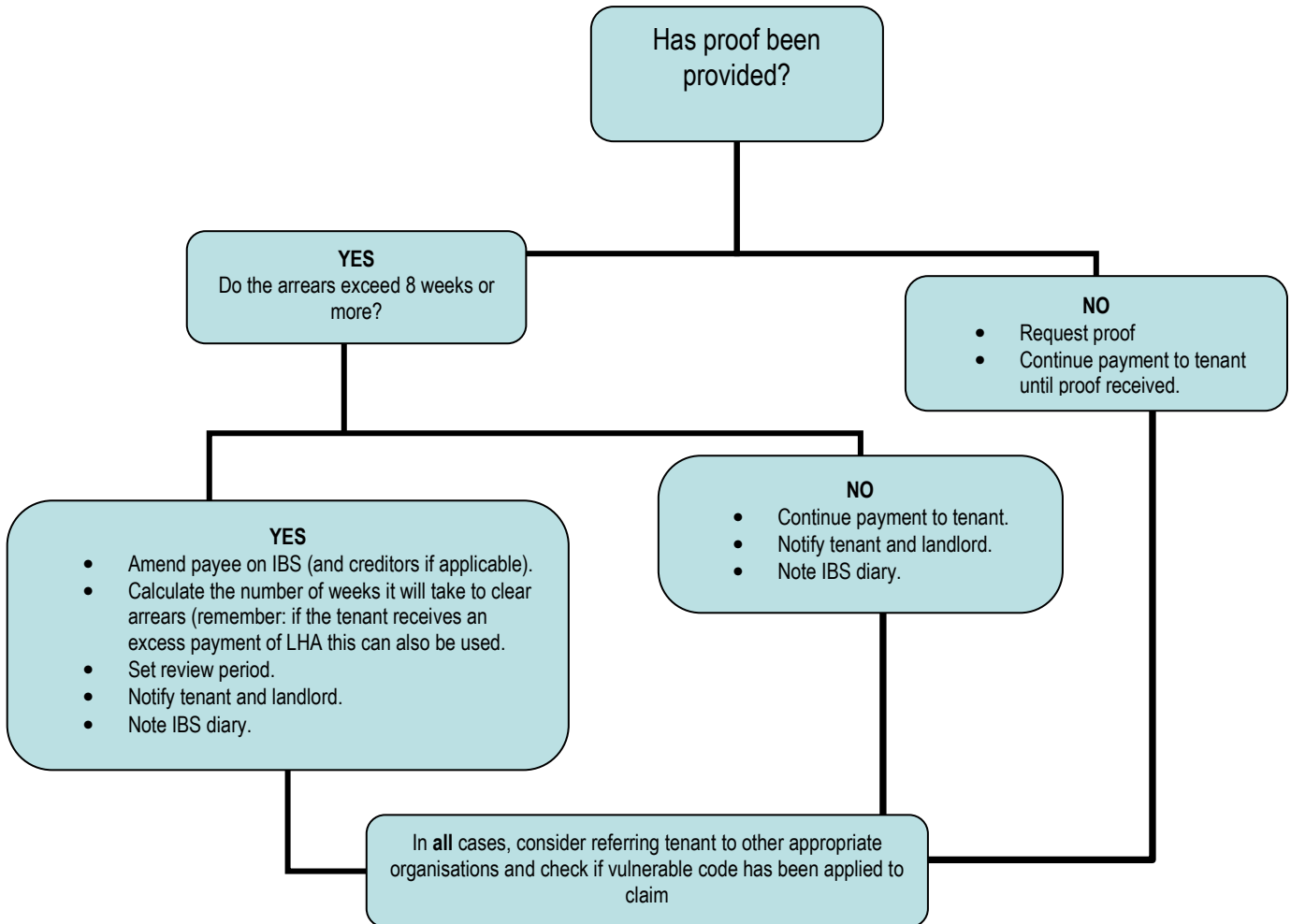
Rent Payment

I will withdraw the money on the day that it is deposited for the above use, and I would be
grateful if you would ensure that any other payments out of my account do not interfere with
this withdrawal.

Yours faithfully,

(sign and print name)

LANDLORD REQUEST FOR PAYMENT OF LHA – TENANT IN ARREARS



LANDLORD/TENANT / 3RD PARTY – SAFEGUARD REQUEST/FINANCIAL DIFFICULTY/UNLIKELY TO PAY

