
LOCAL HOUSING ALLOWANCE SAFEGUARD POLICY

**Responsible Cabinet Member - Councillor Bill Dixon,
Neighbourhood Services and Community Safety Portfolio**

Responsible Director - Cliff Brown, Director of Community Services

Purpose of Report

1. The purpose of this report is to seek approval from Cabinet for the Local Housing Allowance Safeguard Policy at **Appendix 1**.

Background

2. From April 2008, Local Housing Allowance (LHA) will replace Housing Benefit (HB) for most tenants renting property in the private sector. The change will affect anyone making a new claim for benefit, or changing their address.
3. The Department for Work and Pensions (DWP) has introduced LHA to provide tenants with more choice and responsibility about where they live and how they manage their own finances. The two main features of the scheme are:
 - (a) **Choice:** LHA will be paid at a flat rate, based on family size and personal circumstances. Under the current rules, the rate of HB depends on a valuation made by the Rent Service, based on the location, size and condition of the property. Under LHA, tenants will have greater choice about where to live, without this affecting their benefit. In addition, tenants will also be able to keep some of the excess benefit, where the rate of LHA is more than their rent.
 - (b) **Personal responsibility:** In the majority of cases, LHA will be paid direct to the tenant. Under the current rules, the tenant can choose to have their HB paid to their landlord. The DWP firmly believe that tenants should be responsible for receiving LHA themselves and paying their own rent, reflecting the way other welfare benefits are paid. Giving tenants responsibility for their own finances will improve their opportunities for accessing work.
4. However, the DWP recognise that paying LHA directly to the tenant will not always be appropriate in every case. Issues of vulnerability and the risk of a tenant not paying their rent should be safeguarded against. The purpose of this document is to set out the Council's policy for determining the circumstances where payments of LHA will be made to the landlord, instead of the tenant.

Aims and objectives of the Safeguard policy

5. There are two main reasons why the Council need to consider adopting this policy:
 - (a) Where the tenant is vulnerable – in that it is likely that the tenant will have difficulty managing their own affairs.
 - (b) Where it is unlikely that the tenant will pay their rent - to protect tenants who are likely to act irresponsibly from falling into arrears, prevent evictions and ensure landlords are not damaged financially.

6. The aims and objectives of this policy are to:
 - (a) Provide a safeguard for the most vulnerable tenants and reassure them that their benefit and rent will be paid.
 - (b) Help prevent rent arrears and tenants being put at risk of eviction.
 - (c) Help sustain tenancies for vulnerable tenants.
 - (d) Reassure landlords that their rent will be paid if they have vulnerable tenants or if they are approached by vulnerable tenants.
 - (e) Help put tenants in touch with other agencies where appropriate and give people the opportunity and support to manage their own tenancies and finances.
 - (f) Ensure that Council officers make reasonable, fair and consistent decisions.
 - (g) Promote a transparent and simple process that is widely understood.
 - (h) Treat each case individually and avoid making assumptions about people's situations.

7. This policy is not designed to:
 - (a) Replace, supersede or conflict with existing policies and strategies to deliver support to tenants who need help with maintaining their tenancies and help with being responsible for their own income and expenditure.
 - (b) Be used as a blanket policy by Council officers for determining the vulnerability of tenants.
 - (c) Be used by landlords to get around the aims of the LHA.

Outcome of Consultation

8. This policy has been developed in partnership with Council officers at Hartlepool Borough Council, drawing from best practice from local authorities who have been running the Local Housing Allowance as a pathfinder.

9. In addition, the Housing Benefits section has consulted with the Darlington and District Private Landlords Association and the Council's Welfare Rights Section. Comments and suggestions received have been incorporated into the final draft document.

Legal Implications

10. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

11. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

12. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

Decision Deadline

13. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

Key Decision

14. This is a key decision because it will help the local authority to prevent homelessness amongst some of the most vulnerable people in the community, who would otherwise be at risk of falling into arrears with their rent. In addition, it will help prevent landlords from being damaged financially and give them the confidence to rent accommodation to people receiving Local Housing Allowance.

Summary

15. Whilst this policy will not stop everyone receiving Local Housing Allowance from falling into arrears with their rent, it will provide both tenants and landlords a clear and transparent process for ensuring payments of Local Housing Allowance can be made to the landlord, before people's tenancy is put at risk. It will also ensure decisions made by Council officers are consistent and determined on the individual circumstances of each case.

Recommendation

16. It is recommended that the Local Housing Allowance Safeguard Policy be approved.

Reasons

17. The recommendations are supported by the following reasons: -
 - (a) To minimise the risk of people renting accommodation in the private sector from falling into arrears with their rent and losing their accommodation.
 - (b) To minimise any negative impact the introduction of Local Housing Allowance will have on private landlords and give them the confidence to rent their properties to people on low incomes.

- (c) To ensure the aims and objectives of the Local Housing Allowance in promoting independence and financial inclusion can be achieved.

Cliff Brown
Director of Community Services

Background Papers

- (i) Building choice and responsibility: a radical agenda for Housing Benefit – the Department for Work and Pensions
- (ii) Local Housing Allowance final evaluation - the Department for Work and Pensions

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