



LANDLORD BULLETIN

Information for landlords with tenants claiming Housing Benefit (Rent Allowance/Local Housing Allowance)
FEBRUARY 2011 Special edition

*** MAJOR CHANGES FROM APRIL 2011 ONWARDS ***

WELCOME to this bulletin produced by Scarborough Borough Council's Benefits Service for private landlords. It has three main aims:

- To advise landlords of any significant changes in benefit legislation or procedures
- To let you know our aims and the standard of service we try to provide
- To keep you informed of any changes within the Benefits Service, which affect you as landlords.

WHAT'S NEW? – HOUSING BENEFIT LEGISLATION CHANGES AND BUDGET ANNOUNCEMENTS

The government has announced that Housing Benefit will be undergoing major changes over the coming years starting from April 2011. These will affect you and your tenants at different times but the overall stated aim is to reduce the Housing Benefit budget nationally by £2billion (10% cut) by 2013/14. The main elements are listed below in chronological order.

From April 2011 Local Housing Allowance

Local Housing Allowance (LHA) rates will be based on the 30th percentile of all market rental evidence held by the Valuation Office Agency (Rent Officer) rather than the 50th percentile (median) for all new private tenants. This means that currently about half the private sector rental properties in the Borough are affordable to tenants receiving Housing Benefit. From April 2011 onwards it is expected that only 3 in 10 properties will be affordable for Housing Benefit tenants to rent.

Also for new tenants the additional maximum £15 per week 'cap' which tenants whose rent is lower than the appropriate LHA bedroom rate receive is being scrapped.

For existing tenants whose circumstances do not alter, the above 2 changes only come into effect from the tenant's LHA anniversary date (1 year on from the date their LHA rate was last reviewed). Although the cap will disappear from the anniversary date, the 30th percentile rate will not be applied straight away. The tenant will receive a further 9 months transitional protection unless their anniversary date changes e.g. someone moves into or out of the household or they change address. We are writing to all existing LHA tenants in advance of their LHA anniversary/review date to advise them of this.

With LHA, landlords will be aware that payment is usually made to the tenant unless the tenant has 8 weeks arrears of rent or is covered by the Council's Safeguard Policy, in which case payment is directed to the landlord. From April there will be more discretion given for Local Authorities to make payment direct to the landlord if the Local Authority (e.g. Scarborough Borough Council) considers that it will assist the tenant in securing or retaining a tenancy. The intention is for landlords to reduce the levels of rent.

Nationally there will be maximum Local Housing Allowance rate 'caps'. These caps will probably only affect tenants if they live in London or the South-East due to the high level of rents in those areas.

At present the LHA rate is calculated by the household size determining the number of bedrooms and from April the maximum number of bedrooms allowable will be four. Any households who would previously qualify for 5 or more bedrooms will be limited to four. Again the 9 month transitional protection would apply for existing tenants from the LHA anniversary/review date.

If you want to know what the Local Housing Allowance rate is now, visit the LHA Direct website at <https://lha-direct.voa.gov.uk> These rates change every month, so keep checking.

Rent Officers in England, Scotland and Wales are also publishing 'Shadow' LHA rates showing what the equivalent lower LHA rate would be (at what is called the '30th percentile' rate).

You can find this information for all areas in England at the following web address http://www.voa.gov.uk/lhadirect/LHA_percentile_rates.htm

From April 2011 other Housing Benefit changes

Another significant legislation change is an increase in non-dependant deductions where there is another adult living in a household. These rates have remained unchanged since 2001 but are now being raised over the next 2-3 years to bring them into line with the Retail Price Index. They are linked to the non-dependant's income with the lowest weekly increase rising from £7.40 to £9.40 and the highest from £47.75 to £60.60 from April. This will result in less Housing Benefit entitlement overall.

From April 2012 Local Housing Allowance

The major change from April 2012 is the announcement by the government that the shared room rate for single adults over 25 years of age will apply for single adults under 35 years old. In the Scarborough Borough Council area this is currently £49.00 per week compared to the one-bedroomed self contained rate of £80.77. There are no details yet as to whether this will apply immediately to all single tenants under 35 or for new tenants moving after April 2012 with some transitional protection for existing tenants.

From April 2013 Local Housing Allowance

LHA rates will no longer have direct links to the level of market rents as any changes will be based on the Consumer Price Index after April 2013.

From April 2013 Housing Benefit and Universal Credit

The government has announced outline plans to amalgamate the various means-tested benefits for working age people over a 4-5 year period from April 2013. The Universal Credit will include Jobseekers Allowance, Income Support, Employment and Support Allowance, Tax Credits plus Housing Benefit and Local Housing Allowance. This could mean that new claims for Housing Benefit may be administered by another single agency, probably Jobcentreplus/Department for Work and Pensions from 2013.

STANDARDS OF SERVICE – PERFORMANCE AGAINST TARGETS AND MISSION STATEMENT

We aim to process and pay Housing and Council Tax Benefit as quickly, and as accurately as possible.

For the latest period (April – December 2010) our performance against targets was as follows:

- (i) Right Time indicator - The average time taken in calendar days to process all new claims and change events in Housing Benefit and Council Tax Benefit (target 12 days) – **10.75 days** (for illustration new claims were processed on average within 18.22 days, and changes in circumstances within 9.18 days)
- (ii) To maintain a minimum 90% turnaround of complete new claims within 14 days – **97.62%**
- (iii) To maintain a minimum 90% of new rent allowance claims paid on time – **96.09%**

FRAUD HOTLINE – 0800 0568154

Landlords can contact the freephone fraud hotline confidentially with any information on Housing Benefit fraud.

RENT ARREARS AND EVICTION

If one of your tenants has rent arrears and you are considering taking legal action to evict them, please check with us first before you do so, provided your tenant has given authorisation. We will check that their Housing Benefit payments are correct and up to date and that there have been no delays or missing periods. If there is a problem with Housing Benefit that we can address it could save you and your tenant any unnecessary cost, time or distress in taking eviction action.

LANDLORD LIAISON

As you will be aware the Benefit Enquiry Unit is now open between 8.30am–5pm Monday-Friday (excluding Bank Holidays) 0800 0830428 handling individual customer enquiries. For landlords who have multiple queries we encourage faxes as we operate a quick response fax back service on **08701 911320**. You can also contact us by e-mail to benefits.office@scarborough.gov.uk in support of tenants' claims for Housing Benefit.

INTERNET/WEBSITE

We have a lot of Housing Benefit information, leaflets, online claim form and trial calculator under 'Advice & Benefits' on www.scarborough.gov.uk

WE WELCOME YOUR SUGGESTIONS AND FEEDBACK

Please address any views or comments to David Ponton-Brown (Benefits Manager) - e-mail to benefits.office@scarborough.gov.uk