

WYRE FOREST DISTRICT COUNCIL

CABINET
21st FEBRUARY 2008

Benefits Service – Local Housing Allowance
- Safeguard And Direct Payment Policy

COMMUNITY STRATEGY THEME	Internal Organisational Theme
CORPORATE PLAN THEME:	Delivering Quality Services
KEY PRIORITY:	Improving Customer Services
STRATEGY:	Benefits Service
CABINET MEMBER:	Councillor John Campion
RESPONSIBLE OFFICER:	Head of Financial Services
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APPENDIX 1	Benefits Service – Local Housing Allowance - Safeguard and Direct Payment Policy
AN OPEN ITEM	

1. PURPOSE OF REPORT

- 1.1 To propose a Benefits Service - Local Housing Allowance - Safeguard and Direct Payment policy for adoption by the Council.

2. RECOMMENDATION

The Cabinet is asked to RECOMMEND to Council:-

The Benefits Service – Local Housing Allowance - Safeguard and Direct Payment Policy – February 2008, attached as Appendix 1 be approved.

3. BACKGROUND

- 3.1 The Benefits service administers Housing Benefit in accordance with the Department of Work and Pensions (DWP) regulations. The DWP are introducing the payment of Housing Benefit via Local Housing Allowance with effect from 7th April 2008. Under these regulations payments of Housing Benefit will be paid to the tenant. These regulations do not allow for recipients of Housing Benefits payments to request that the Council make payment of Housing Benefit direct to their landlord.

- 3.2 However direct payments to landlords can be made where the Council consider it is in the best interest of the tenant to do so. The DWP recommend that local authorities introduce clear guidelines regarding the making of direct payments to landlords.
- 3.3 In accordance with the guidance issued by the DWP a policy is proposed as attached at Appendix 1 in order to ensure consistency and transparency in the process.
- 3.4 The Benefits section will introduce procedures and controls to ensure that all applications for direct payments to landlords are administered in accordance with this policy.

4. KEY ISSUES

- 4.1 Regulations in respect of the Benefits Service - Local Housing Allowance which are effective from 7th April 2008 require payments of Housing Benefit to be paid to the tenant. The Benefits Service administers payments in accordance with legislation and the requirements of the Department of Work and Pensions (DWP).
- 4.2 These regulations do not allow for recipients of Housing Benefits payments to request that the Council make payment of Housing Benefit direct to their landlord.
- 4.3 However direct payments to landlords can be made where the Council consider it is in the best interest of the tenant to do so. The DWP recommend that local authorities introduce clear guidelines regarding the making of direct payments to landlords.
- 4.4 In accordance with the guidance issued by the DWP a policy is proposed as attached at Appendix 1 in order to ensure consistency and transparency in the process.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications associated with this report.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 It is a statutory requirement that this authority administers Housing and Council Tax Benefits in accordance with legislation and Department of Work and Pensions (DWP) requirements.

7. RISK MANAGEMENT

- 7.1 If the Council does not have an approved Local Housing Allowance - Safeguard and Direct Payments Policy it could be unclear to recipients of Housing Benefits payments as to the scheme's application and interpretation.
- 7.2 Procedures and controls will be implemented to ensure that all applications for direct payments to landlords are administered in accordance with this policy.

8. CONCLUSION

- 8.1 The Benefits Service – Local Housing Allowance - Safeguard and Direct Payment policy has been prepared in accordance with Department for Work and Pensions guidance to ensure that it is clear to recipients of Housing Benefits payments and others in what circumstances payments may be made direct to landlords

9. CONSULTEES

- 9.1 Corporate Management Team

10. BACKGROUND PAPERS

None



BENEFITS SERVICE

LOCAL HOUSING ALLOWANCE - SAFEGUARD AND DIRECT PAYMENT POLICY

FEBRUARY 2008

WYRE FOREST DISTRICT COUNCIL
BENEFITS SERVICE – LOCAL HOUSING ALLOWANCE
SAFEGUARD AND DIRECT PAYMENT POLICY

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BENEFITS SERVICE - LOCAL HOUSING ALLOWANCE- SAFEGUARD AND DIRECT PAYMENT POLICY

1. Background

Under Local Housing Allowance (LHA) a tenant cannot simply request that payment is made to a landlord to cover their rent. However to safeguard tenants the Council have the discretion to pay the Landlord direct – this is the safeguard. The overriding consideration should be to act in a way that is in the best interests of the claimant. The safeguard will apply to someone who may have difficulty managing their money or where it is improbable that the claimant will pay his rent. This does not mean someone who does not want to pay their rent.

The safeguard may apply to a tenant who:

- has severe debt problems;
- has a recent County Court judgement against them;
- is an un-discharged bankrupt;
- is unable to open a bank or building society account;
- has some of their Income Support or Jobseeker's Allowance paid direct by the Department of Work & Pensions (DWP) to a gas, electricity or water company;
- is having deductions from their Income Support or Jobseeker's Allowance to pay off rent arrears
- is getting help from Supporting People;
- is getting help from a homeless charity.

Other indicators to consider are if the tenant:

- has learning difficulties;
- has an illness that stops them managing on a day-to-day basis;
- cannot read English or cannot speak English;
- is addicted to drugs, alcohol or gambling;
- is homeless;
- is fleeing violence.

The DWP have issued guidance as to when direct payments to the landlord may be appropriate. They have recognised that some tenants can struggle with the responsibility

of handling their financial affairs and they have put the safeguard in place to enable direct payments to be made to the Landlord.

This guidance includes reference to when payment may be made direct to the Landlord where the “relevant authority considers that the claimant is likely to have difficulty in relation to the management of his financial affairs” or where “the relevant authority considers that it is improbable that the claimant will pay his rent”. Further direct payments may be made to the landlord where a tenant is eight or more weeks in arrears with their rent.

It is recognised that the decision as to whether a claimant for Housing Benefit falls into one of these categories can be a sensitive issue and therefore this policy sets out the guidelines by which decisions will be made by the Benefits Section.

2. Aim of the Policy

The primary concern of the safeguard is to minimise the risk of tenants falling into rent arrears with their landlord.

The aim of this policy is to:

- Provide a safeguard for tenants and reassure them that their housing benefit towards all or some of their rent will be paid
- Prevent rent arrears and tenants being put at risk of eviction
- Help to sustain tenancies for tenants
- Reassure landlords that their rent will be paid in circumstances where a safeguard is appropriate
- Help to put tenants in touch with other agencies where necessary and give people the opportunity and support to manage their own financial affairs
- To make reasonable, fair and consistent decisions
- Promote a transparent and simple process that is understood widely
- To treat each case individually and not make assumptions about people’s situations

The policy is not designed to:

- Supersede support that is being received to allow tenants the opportunity to be responsible tenants and be in control of their own income and expenditure
- Be used by landlords to circumvent the aims of LHA
- Be a blanket policy for agencies providing support to private tenants

3. Scope

This policy applies to all applications for Housing Benefit payments.

Decision Making Process

4. Receiving an application for Potential Safeguard

Upon receipt of a completed application form the Benefits Section will consider each case requesting Housing Benefit payments are made to the Landlord as opposed to the tenant.

Procedures and controls will be implemented to ensure that all applications for direct payments to landlords are administered in accordance with this policy to enable the Benefit Section to make a decision on such requests.

5. Gathering information and evidence

Nominated members of the Benefits Section will be responsible for making a decision on any such applications in accordance with this policy to ensure consistency and compliance with the Benefit Regulations relating to the Local Housing Allowance.

6. Making a decision

The nominated member of the Benefits section responsible for making the decision will inform the claimant and affected parties them of the decision.

7. Reviewing a decision

In line with Regulations, if a decision is made to make direct payments to the Landlord, then this decision will be reviewed at regular intervals to ensure that it remains relevant.

8. Procedure for claimants who are 8 weeks or more in rent arrears

If a tenant is 8 weeks in arrears or more with their rent, the Regulations allow for payment of Housing Benefits to be made directly to the Landlord unless it is considered in the overriding interests of the claimant or his family not to do so.