

Exchequer Services  
Benefit Services

**LOCAL HOUSING ALLOWANCE  
SAFEGUARD POLICY**

**Dated:**  
**Author:**



INVESTOR IN PEOPLE

## **London Borough of Havering**

### **Safeguard Policy**

#### **Payment of Local Housing Allowance**

From 7<sup>th</sup> April 2008 Local Housing Allowance applies to most private tenants who move or make a new claim for Housing Benefit.

One of the aims of Local Housing Allowance is to encourage claimants to take responsibility for their rent payments.

Havering Benefits service assumes that unless there is evidence to suggest otherwise all claimants receiving Local Housing Allowance will pay their rent themselves and payment will usually be made to the claimant unless any of the other criteria for making payment to the landlord are met.

Where Local Housing Allowance is in payment Local Authorities cannot pay the landlord even if

- the claimant has asked for their HB to be paid to their landlord
- the landlord asks for HB direct
- the Local Authority believes that it would be in the claimant's best interest to pay the landlord direct

#### **Local Housing Allowance does not apply to**

- private tenants who are already getting Housing Benefit, (unless they move or have a break in their claim, on or after 7<sup>th</sup> April 2008);
- private tenancies which started before 15 January 1989;
- council tenants;
- housing association tenants;
- people living in bed and breakfast accommodation;
- people living in a caravan, mobile home or house boat; or
- private tenancies where support services are included in the rent and the landlord is a county council, housing association, registered charity or voluntary organisation

There is no change to the way Housing Benefit is paid for these claimants.

## **Protection for vulnerable claimants**

There is some protection for claimants who

- have rent arrears or
- are likely to have difficulty managing their financial affairs or
- are unlikely to pay their rent.

“Safeguard” is used where direct payment to the landlord helps claimants who might not otherwise be able to pay their rent themselves. The direct payment is a safeguard to ensure that rent is paid regularly and the claimant and their family can continue to live in their home.

The most important factor is the best interests of the claimant. Therefore, the regulations allow local authorities to make payments to the landlord where there are more than 8 weeks rent arrears or where they consider that the claimant is likely to have difficulty in paying their rent or that it is improbable that they will pay their rent.

## **Local Housing Allowance may be paid to the landlord if**

- the Local Authority considers that the claimant is likely to have difficulty managing their financial affairs  
or
- the Local Authority considers it improbable that the claimant will pay their rent

Benefit can be paid to the landlord for up to 8 weeks while the Local Authority is deciding who to pay or it is gathering information about who to pay.

## **Payment to landlords – rent arrears**

### **Local Housing Allowance must be paid to the landlord if**

- deductions for rent arrears are being taken from the claimant's Pension Credit, Income Support or Jobseeker's Allowance  
or
- the claimant has rent arrears equal to 8 weeks' rent (unless it is not in claimant's best interests to pay the landlord)

The landlord must provide evidence to show the rent that is due, any payments that have been made and the amount of rent outstanding.

Landlords are encouraged to contact the Benefits department when rent arrears are equal to 5 weeks' rent. This allows the Local Authority time to gather information before the arrears reach the equivalent of 8 weeks' rent.

The amount payable to the landlord is restricted to the amount of Benefit payable. Where this is more than the rent and there are rent arrears the Local Authority will pay the additional amount to the landlord as payment towards the arrears unless there are compelling reasons to do otherwise.

The Local Authority cannot pay the landlord more than the rent charged, plus any arrears that are outstanding.

### **Reviews**

The Local Authority will review the situation and will reconsider who to pay the Benefit to when the arrears are cleared.

## **London Borough of Havering's Safeguard Policy**

This policy sets out the guidelines which London Borough of Havering's Benefits Officers will use to make decisions on payment of Local Housing Allowance and has been developed in consultation with stakeholders.

Local Housing Allowance may be paid to the landlord if

- the Local Authority considers that the claimant is likely to have difficulty managing their financial affairs  
or
- the Local Authority considers it improbable that the claimant will pay their rent

Benefit can be paid to the landlord for up to 8 weeks while the Local Authority is deciding who to pay or it is gathering information about who to pay.

### **The claimant is likely to have difficulty managing their financial affairs**

Payments may be made directly to a landlord where the Local Authority considers that the claimant is likely to have difficulty managing their financial affairs.

The intention is to prevent claimants who are likely to experience difficulties from falling into rent arrears.

The phrase "is likely" means that there must be a degree of certainty that the claimant will be unable to manage their affairs. It is not sufficient for there to be a possibility that they may have difficulty managing their affairs or, because people in certain circumstances carry a risk, that they may be unable to manage their affairs.

### **It is improbable that the claimant will pay their rent**

Payments may be made directly to a landlord where the Local Authority considers that it is improbable that the claimant will pay their rent.

The intention is to protect claimants who are likely to act irresponsibly from falling into rent arrears.

"Improbable" means that there must be a degree of probability that the claimant will not pay their rent. It is not sufficient for there to be a possibility that the claimant may not pay their rent. Many tenants, regardless of their benefit status, carry a risk that they may not pay their rent.

**Possible indicators that the claimant is likely to have difficulty managing their financial affairs or it is improbable that they will pay their rent**

The following indicators are intended as triggers for further enquiries to be made and information or evidence collected. It is not intended that payment will automatically be made to the landlord if the claimant's circumstances match one of the indicators below.

This is not intended as a list of all the situations where someone may have difficulty managing their financial affairs.

Each case will be considered on its individual merits and supporting evidence will normally be needed. Please see below for more information about evidence.

**People with learning difficulties** ranging from mild to severe difficulties which prevent them from managing their financial affairs on a daily basis

**People with medical conditions** that seriously affect their ability to manage on a day to day basis. This could be mental illness such as schizophrenia, depression, Alzheimer's disease; or a physical condition which may make it difficult for the person to manage their affairs.

**People who are unable to read, write or speak English** where this affects their ability to manage their financial affairs.

**People with addictions to drugs, alcohol or gambling** where this affects their ability to manage their financial affairs.

**People who have experienced recent changes** and as a result need additional support in managing their affairs, this may include **bereavement, fleeing domestic violence, a long period in hospital, single homeless people, care leavers, people leaving prison** where this affects their ability to manage their financial affairs.

**People who are receiving help under the Supporting People scheme** – Supporting People provides housing-related support to help vulnerable people to live as independently as possible in the community, whether in their own homes or in hostels, sheltered housing or other specialised supported housing.

**People with a history of homelessness and/or rough sleeping** who are receiving help to sustain a tenancy in the private sector.

**People who are receiving help from a homeless charity**

**People with severe debt problems or recent County Court Judgements** – including bankruptcy, bad credit rating preventing them from opening a bank account

**People who are unable to obtain a bank account** – including people who are physically unable to open an account

**People who have deductions from their Pension Credit, Income Support or Jobseeker's Allowance for housing costs** – housing costs include service charges and utility bills which are part of the rent.

## Supporting evidence

We will normally need to see supporting evidence confirming that the claimant is likely to have difficulty managing their financial affairs or it is improbable that they will pay their rent. Each case will be considered on its individual merits.

### **Possible sources of evidence that the claimant is likely to have difficulty managing their financial affairs or it is improbable that they will pay their rent**

This is not intended as a list of all the situations where someone may have difficulty managing their financial affairs.

<b>Indicator</b>	<b>Suitable sources of evidence</b>
Learning difficulties	Letter from support provider Letter from doctor Letter from social worker Interview with Benefits Service staff
Medical conditions	Letter from GP Letter from hospital Interview with Benefits Service staff
Unable to read / write / speak English	Letter from support group Letter from community group Interview with Benefits Service staff
Addictions to: Drugs, Gambling, Alcohol	Letter from GP Letter from support worker Letter from hospital Letter from care worker Letter from social services Interview with Benefits Service staff
Recently experienced changes and as a result need additional support in managing their affairs	Letter from GP Letter from support worker Letter from hospital Letter from care worker Letter from social services Letter from prison or probation officer Interview with Benefits Service staff



<b>Indicator</b>	<b>Suitable sources of evidence</b>
Receiving help under the Supporting People scheme	Letter from GP Letter from support worker Letter from hospital Letter from care worker Letter from social services Interview with Benefits Service staff
History of homelessness and/or rough sleeping	Letter from support worker Letter from care worker Letter from social services Interview with Benefits Service staff
Receiving help from a homeless charity	Letter from the charity Letter from support worker Letter from care worker Letter from social services Interview with Benefits Service staff
Severe Debt problems or recent County Court Judgements	Court order Letter from solicitors Letter from help groups Letter from creditors Interview with Benefits Service staff
Unable to open a bank account	Letter from Bank Letter from Money advisor Interview with Benefits Service staff
Deductions from Pension Credit, Income Support, Jobseeker's Allowance for housing costs	Information from Department for Work and Pensions (Jobcentre Plus, The Pension Service)

We will also consider evidence from the claimant and third parties, for example

- the claimant's family and/or friends
- landlords
- General Practitioners
- Probation Officers
- Local/council rent deposit scheme administrators, homelessness or housing advice officers
- Welfare organisations, including money advisors
- Advice organisations including Citizens' Advice Bureau (CAB)
- Social Services departments
- Homeless charities / organisations
- Supporting People Teams

## **Reviews**

When payment is made to the landlord because the claimant is likely to have difficulty managing their financial affairs or it is improbable that they will pay their rent, the Local Authority will carry out reviews.

This is to make sure that there have not been any changes in the claimant's circumstances which affect the decision about who to pay.