

Landlords Forum Newsletter

forum news

A newsletter for Haringey landlords

Issue 13 January 2011

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CHANGES**
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Landlord forum 26 January 2011

Due to economic restraints we are no longer able to provide refreshments at our forums.

Therefore, we would like to thank

BTC Residential



**and
Elegance Furniture**

ELEGANCE · FURNITURE

affordable quality

For sponsoring the catering at the forum on 26 January 2011.

If you would like to sponsor a forum please contact Jennifer Gould, Housing Advice and Options Manager on 020 8489 4210.

Interview with a landlord

Hello Halil, are you a Haringey resident?

No, however we at Euro Stars Lettings Ltd are accommodation providers for various schemes run by Haringey Council.

How long have you owned and managed properties?

I have managed and personally owned properties in Haringey for about 12 years.

What do you like about Haringey and working in the borough.?

I like the diversity of the borough. And I also like the standards the council sets with regards to property standards.



Continued on page...

Housing benefit changes

Benefit legislation changes

At the forum Ian Biggadike, Deputy Head of Benefits and Local Taxation, explained to landlords the new Local Housing Allowance (LHA) rules, why the changes had taken place and what this will mean for Haringey Council.

He also promised to ensure the changes are managed successfully so we can prevent homelessness, sustain tenancies and maintain the integration and diversity of our communities.

Why have these changes come about?

The coalition government has stated that

- Welfare benefits spending in 2009 - 2010 (including Tax Credits and Pensions) was approx £185bn
- HB spending increased from £11bn in 1999 - 2000 to £20bn in 2009 - 2010
- Reforms aim to achieve £1bn savings in HB by 2014 - 2015 without reforming HB spending is forecast to reach £24bn by 2015 - 2016

The reforms aim to address the perceived imbalance between low-paid workers and people on benefits by removing 'disincentives' to work and establishing 'incentives' to work whereby people will be better off working than they are on benefits.

What are the changes?

- Calculation of LHA Rates based on the '30th percentile'
- Reduction of the 5-bedroom maximum rate to 4-bedrooms
- Capping of all rates to maximum amounts
- End of Excess Payments
- An extra room for some people who require overnight care
- Exclusion of single people under 25 who require overnight care from the definition of 'young individual'
- Direct payments to landlords and tenancy retention
- Non-dependant deduction increases
- Minimal increase in Discretionary Housing Payment funding

Who do the changes effect?

- All new and existing LHA tenants
- All tenants currently entitled to a 5-bed rate or higher
- All tenants currently entitled to excess payments

- Most tenants who change address
- Some private sector tenants who require overnight care
- Tenants not exempt from non-dependant deductions

When do the changes take effect for new tenants?

- New tenants and tenants who change address are effected from 1 April 2011
- These tenants cannot get more benefit than the rent they pay (i.e. they cannot receive excess payments)
- These tenants are immediately subject to
 - the maximum 4-bedroom rate
 - 30th percentile LHA rates
 - maximum rate capping

When do the changes take effect for existing tenants?

- Existing tenants are effected from their 'Anniversary' date or the date their 'Category of Dwelling' changes (if earlier)
- Some existing tenants may be entitled to 'transitional protection' but only for a maximum of nine months
- Excess payments are not protected and will end as soon as a tenant's LHA rate changes

Calculation of LHA Rates

- LHA Rates are currently worked out using a 'median' rent. This means 5 in 10 properties would generally be affordable to people on HB
- From April LHA Rates will be based on the rent at the '30th percentile' meaning that only 3 in 10 properties would generally be affordable to people on HB

Capping of LHA Rates

- LHA Rates will be capped to maximum amounts from 1 April 2011
- Maximum amounts apply to all categories of accommodation regardless of the Broad Rental Market Area (BRMA) they fall in
- Capping will restrict LHA Rates to a maximum of 4 bedrooms and this will be the highest amount anyone can get

Capping of LHA Rates

- The capped LHA Rates from April 2011 will be the lower of either the 30th percentile rate or the rate shown below

- £250 for a one bedroom property (whether shared or self-contained)
- £290 for a two bedroom property
- £340 for a three bedroom property
- £400 for a four bedroom property
- The maximum rates apply in all cases regardless of the location of the property but the 30th percentile rates can differ depending on the BRMA they are in
- LHA Rates cannot exceed a maximum rate -but can be lower when based on the 30th percentile

Pre and Post April Rates

1 Bed Inner North Pre-April 2011 LHA Rate (Excess Included)

Rent = £220.00 LHA Rate = £260.00 Amount used to work out HB = £235.00

1 Bed Inner North Post-April LHA Rate (Excess Excluded)

Rent = £220.00 LHA Rate = £235.00 Amount used to work out HB = £220.00

Direct Payment to Landlords

- Existing 'safeguard' rules continue to apply as normal
- From 1 April 2011 payments can also be issued directly to the landlord if Haringey determines this will help the tenant obtain or retain a tenancy
- Additional guidance will be provided by the DWP to clarify the appropriate procedure

For more information please contact Ian Biggadike, Deputy Head of Benefits and Local Taxation 020 8489 1939.

Discussion groups

At the forum attendees split in to three groups to discuss

1. Impact of the 30th percentile.
2. Discretionary Housing Payments (DHPs)
3. Impact of increased non-dependant deductions (NDDs)

1. Discussion on the impact of 30th percentile led by Ian Biggadike and Andreas Mylonas

This group had a lively discussion about the change in housing benefit payments and about the housing benefit system in general.

Case study notes were handed out showing how the changes would affect particular claims.

Attendees learned that

- Landlords would be able to phone Haringey's Housing Benefit department to find out the date the tenant applied for housing benefit.
- The LHA rate will be changed every month after April 2011
- An increase or decrease in bedroom size or change of address constitutes a change in circumstances

- Landlords and tenants can request for the money to be paid straight to the landlord but that the tenant can at a later date ask for the money to be paid straight to them

More details on this discussion can be found in the notes attached to this web page.



2. Discussion on Discretionary Housing Payments (DHPs) led by Lisa Hill and Carolyn Whiteley

This group had a lively discussion on the criteria to apply for discretionary housing payments.

Attendees learned that

- DHPs are not a long-term solution to shortfalls in rent.
- There are no set rules for how long a DHP can be backdated to.
- The budget has not increased for DHP. They will rise nationally from £10m to £30m in 2011/12 and will further increase to £60m in 2012/13. The Government realises that some tenants will be affected by the April 2011 changes.
- DHP claims range from £150 - £2,000
- If a tenant is in rent arrears (which have been caused by a shortfall in Housing Benefit, for example if the Housing Benefit

- is being restricted by the Rent Officer) and the tenant can not meet the shortfall out of their income, then a back dated DHP claim can be made.

More details on this discussion can be found in the notes attached to this web page.



3. Discussion on the impact of increased non-dependant deductions led by Vicky Pinkett and Jayde Beckford

This group had a lively discussion on housing benefit and the criteria for non-dependant deductions.

Attendees learned that

- A Non-Dependant (ND) is a person over 18 who is self-sufficient and living in the home of a Housing Benefit claimant.
- The government aims to ensure that adults living in a Housing Benefit claimant's home make a reasonable contribution towards their household costs. This means the claimant's benefit will be subject to a Non-Dependant Deduction (NDD). The ND is expected to pay at least this amount to the claimant.
- The amount of the deduction made is dependant on the status of the ND. However there are some situations where deductions are not made even though there is a ND in the household. The most common examples of these are as follows:

18-24 year olds in receipt of IS, JSA (IR), ESA assessment phase (IR), under 18-year-olds, 18/19 for whom Child Benefit is payable (usually these are full time students), full time students unless they are also working 16 hours or more and people in receipt of Pension Credit.

More details on this discussion can be found in the notes attached to this web page.



London Landlord Accreditation Scheme Training Dates

Thursday 24 February 2011, Thursday 14 April 2011
and Wednesday 25 May 2011

In Lecture Room 2
Cypriot Community Centre
Earlham Grove
Wood Green
London, N22 5HJ

For times and other information please visit

www.londonlandlords.org.uk

HARINGEY LANDLORDS' FORUM

Next Meeting

11 May 2011
from 6 - 8.30pm

Registration 5 - 6pm

Landlord surgeries
from 5 - 5.50pm

Council Chamber, Civic
Centre, High Road,
N22 8LE

Interview with a landlord continued...

What is a typical day for you as an agent?

As an agent my day to day business includes admin and maintenance of each property. I am lucky to have a great team around me who all put in 100% to make sure that all our clients' needs and expectations are met.

What has it been like working with Haringey Council?

Working with Haringey Council has been challenging, competitive and rewarding.

Haringey likes to set high standards and as a collective we like to meet, and exceed, them.

We are looking forward to another challenging year working with Haringey Council and building an even better relationship.

Halil can be contacted halil@eurostars.co.uk or 020 8882 5500.

Coversure Protection

Rajan Amin, from Coversure explained to landlords how they can reduce the risk of rental losses from tenants who are claiming housing benefit.

This unique and exclusive rent guarantee insurance policy includes legal expenses and home emergency cover should you need them.

What are the costs?

If the tenant is in receipt of the benefit the landlord would have to pay

£254.40 + £25 fee = £279.40 per year or 76p per day

If the landlord is in receipt of the benefit the landlord would have to pay

£178.08 + £25 fee = £203.08 or 56 p per day

What do I get in my cover?

- 12 month Insurance Policy
- Maximum cover £2,500 per month (£10,000 max over 12 months)
- Council reference check* sufficient to validate cover
- CCJ Check only if tenant is in receipt of Housing Benefit (3 years clear history)

What checks do you do?

- Proof of identification being passport, driving licence, birth certificate or the like
- Proof of income to be ascertained from Income support book, payslips or the like
- Proof of address from a utility bill, medical card, driving licence or the like
- Proof of homelessness if applicable i.e. a notice to quit, a letter from the Tenants parents or the like
- Check approach address tenancy details i.e. tenant household details

What legal expenses do you cover?

- £50,000 Cover for any one claim

- £500,000 cover in aggregate for any one period
- £25,000 Eviction Cover
- Property disputes
- Repairs and Renovation Disputes
- Health and Safety Prosecution
- Tax Protection

Why insure with us?

- No additional work as the council reference checks are sufficient to validate the cover
- Quicker acceptance as County Court Judgement (CCJ) Check is only required if the tenant is in receipt of the Housing Benefit
- Less rejected claims as Policy wording is specific to Housing Benefit Tenants
- Coversure Kennington Winners of 2009 "Claims Assistance Award"
- Voted best out of 87 branches

I have more questions, what do I do?

Just call Rajan or Mike on 0800 093 9009 Freephone or visit

www.coversure.co.uk/kennington

