Landlords Forum 20 September 2012

Discussion group 1

Introductory note

The Landlord Forum focused on the upcoming welfare reform programme and how it would affect landlords and tenants.

Three presentations were given –

- Welfare Reform and Universal Credit – Presentation by Phil Harris, Deputy Director, Community Housing Services
- Housing Benefit to Universal Credit changeover timetable – Presentation by Jim Brady, Benefits & Local Taxation Manager
- Welfare Reform Practical Support Hub – Presentation by Jennifer Gould, Housing Advice and Options Manager

Following the presentations the forum was split into three discussion groups to talk about these changes.

All groups were asked the same questions.

Discussion topics

- Initial thoughts
- What are landlords’ thoughts about the proposal to discharge the Council’s homelessness duty into the private rented sector?
- What are landlords’ thoughts about the proposal to discharge the Council’s homelessness duty into other boroughs by paying a rental deposit and or a rent top up to secure a two year tenancy?
- What are landlords’ thoughts about the proposal to discharge the Council’s homelessness duty by converting temporary accommodation into assured shorthold tenancies?

Content of discussion

- **Landlord comment** - Oct 2013, when Universal Credit is introduced, that housing benefit payments should be kept separate and not go to tenants, they must go to landlords or be protected as long as possible to result in fewer evictions, lower arrears and happier landlords.
Chair explained that the introduction of Universal Credit and the payment of this directly to claimants was a central government initiative and local authorities have little to no control over this as it will be administered nationally by the Department for Work and Pensions. We are led to believe there will be some safeguarding of the housing element of Universal Credit if tenants fall into arrears but as yet we do not know any of the detail around these safeguards. Landlords will need to carry out thorough financial checks before letting.

- **Landlord question** - How will the Council protect / guarantee rents when they are paid in one overall payment to the claimant?

Chair confirmed that the council would not be able to guarantee rent in these circumstances.

- **Landlord question** - Who will be affected by the overall benefit cap?

Chair advised that while everyone would transition at some point to Universal Credit the benefit cap, being introduced in April 2013 ahead of Universal Credit, was only likely to impact on large families with at least 3 or more children. Smaller families are likely to remain largely unaffected by the benefit cap.

- **Chair’s question** - How do landlords feel about the proposal to discharge the Council’s homelessness duty into the private rented sector?

- **Landlord question** - How much will the Council pay landlords to offer tenancies in this instance?

Chair advised that the council are currently looking to increase the incentive payments made in respect of Home Finder and this is likely to increase to around £2,000 to £2,500 to bring Haringey more in line with the incentives being paid by other local authorities.

- **Landlord question** - What happens after the council has discharged its duty, for example if there are problems in the tenancy?

Chair advised any discharge of duty will be in line with legislation. The Housing Advice and Options service will continue to assess the ability of a family to pay the rent in full. The council will not be able to offer a property to a family that is unreasonable in anyway and that includes whether or not the family can reasonably afford to pay the rent.

The Housing Advice and Options service will also continue to work to prevent homelessness via early intervention, link families with support, such as into work,
apply for and support DHP applications, help reduce family size and prevent overcrowding where this is possible and the wish of families as well as support a move to cheaper accommodation in a more affordable location.

- **Chair’s question** – Should we make tenant training workshops compulsory and would this make a difference to landlords?

Majority landlord response to this question was yes they would feel more reassured taking a tenant who had undertaken tenancy training.

- **Chair’s question** – What do landlords feel generally about the proposal to discharge the Council’s homelessness duty into other boroughs by paying a rental deposit and or a rent top up to secure a two year tenancy.

**Landlord comments**

- Concerns about rent payments not being paid direct to landlord Chair responded by discussing the role of credit union, bank accounts and the idea of jam jar accounts to enable tenants to set up direct payments of their own.

Chair advised there would shorter period payments for vulnerable clients. The council would move large families proactively, identify families prior to rent arrears and eviction, but can’t force tenants to move to alternative accommodation. Chair said that there were areas of responsibility – for tenants in temporary accommodation the Council to resolve, for Home Finder tenants the landlords would have to be involved closely with their tenants.

**Concluding comments and questions**
Landlords are concerned that the housing element is the last to be considered when making up a claimant’s total Universal Credit payment. There is also concern that from April the cap will be applied by deducting excess benefit from housing benefit. As a result landlords feel they are likely to stop taking tenants on benefits because of the dangers of not receiving housing costs directly from the benefit source to the landlord

Landlords felt that there were no incentives to house large families until they are working.

Landlords also felt they would like to be informed where tenants had refused advice and support so that they could take action against rent arrears and start possession action.