Landlords Forum 20 September 2012

Discussion group 2

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 – Landlords have been left with a sense of serious concern. The general feeling is that rent won’t be paid on to them and larger families will be unable to pay at all.
Chair stated that only large families are to be affected in April and tried to allay fears. The Chair reiterated that Universal Credit will be implemented between October 2013 -2017. Chair explained that the April HB Cap will affect all benefit claimants currently in receipt of benefits in excess of £500 per week - one way of combating this is to start working. For a single parents – 16 hours or a couple - 24 hours. If you are working you will not be affected by the cap.

- **Landlord question** - What will happen to vulnerable clients?

The chair confirmed that the Government had recently announced that some vulnerable clients would be paid Universal Credit every two weeks instead of monthly. Floating support would also be available to this client group to help them manage their finances.

**Landlord question** - Concern to keep large families knowing that from April 2013 they may not be able to pay their rent.

Chair said the council is in the process of identifying all of these families and will work with them and the landlords.

A large number of the group was in agreement that once Universal Credit starts tenants would not pass the rent onto the landlords. If this is the case then the likelihood of them passing over additional money to top up their rent would be even more unlikely.

- **Landlord question** - based on the presentations a large number of clients may not be able to afford London rents and will need to move to more affordable locations. What if they decide not to move? Concern that these problems will be left with the landlords to pick up.

Chair confirmed that the practical support hub will be up and running from the beginning of October and landlords and tenants will be able to seek advice and practical support on dealing with the issues.

It was commented that moving large families out of their local areas will adversely affect ethnic minorities. Also it will mean an upheaval for lots of children.

- **Landlord question** – Can we receive direct payments?
Chair confirmed that Universal Credit means direct payments are no longer possible and we will have no control over this. Albeit we are led to believe that there will be some mechanism for direct payments for some tenants in some circumstances but the DWP is yet to share the detail of any of this information with us. It was commented by a number of landlords that if we served the notices immediately then the council will have to speak to the Government straight away.

The chair confirmed to all those present that we wanted to work with you, our Practical Support Hub will work with you and serving notices will hopefully not be necessary.

- **Landlord question** - If Islington are moving their tenants to Haringey why can’t Haringey keep their own here?

Chair advised that London will become unaffordable for large families. We need to accommodate families in properties where they can afford to pay their rent and do not struggle with the household bills. The chair explained applicable amounts and reiterated caps.

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

Landlords asked how much incentive the council would pay to work with them. They commented that to take the risk the council would have to give us guarantees, minimum of 3 month’s rent in advance or incentives. At the moment the Government is only making it more difficult for the clients as landlords we will always be able to rent our properties as they are creating a demand for us.

**Concluding comments**

The landlords commented that it would be increasingly difficult for them to work with clients who claim benefits in the future. Direct rent payments will mean money will not be passed on to them and that is a very big risk. The decision to what to do with all their large families they have at the moment depends on highlighting those families now and seeing how much money they will be receiving after April 2013.