

# Local Housing Allowance

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Paying benefit and  
applying the safeguards

A good practice guide

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# Section one

## Introduction and background

### Introduction

We have produced this good practice guide to supplement the Local Housing Allowance (LHA) Guidance Manual Chapters 4-6 which cover paying benefit under the LHA arrangements and the operation of the safeguards for people who are unable or unlikely to manage their rental payments. It covers

- preventing customers getting into rent arrears
- developing and publicising safeguard policies
- engagement with stakeholders
- proactively identifying customers who may need safeguarding
- notifying and reviewing decisions

We have also included some case studies in *Annex B* from a number of local authorities (LAs) covering

- working with stakeholders (Southend)
- operating the safeguards (Elmbridge)
- using the LHA to alleviate homelessness (Coventry)
- working with a credit union (Peterborough)

We thank those LAs for their contributions.

You may find some of this material helpful when reviewing and updating your procedures or to address any areas of difficulty you are experiencing. As with all good practice, it is not a case of one size fits all and it is for you to decide what and how much of the content to adopt.

### Background

A key feature of the LHA arrangements which were rolled out nationally from April 2008 is that, where possible, Housing Benefit (HB) is paid to the tenant rather than to the landlord. Empowering customers to budget for and pay their rent themselves, rather than having it paid for them, helps develop the skills unemployed tenants will need as they move into work.



However, there will be some customers who will have difficulty managing their rental payments and safeguards have been put in place so that the LA can pay benefit direct to the landlord if the customer is

- likely to have difficulty in managing their financial affairs, for example due to a relevant medical condition
- unlikely to pay, for example they have a history of not paying their rent or absconding with their benefit payment

Additionally, the normal HB rule on paying benefit direct to the landlord when the customer has built up arrears equivalent to eight weeks' rent applies to cases paid under the LHA arrangements. In practice this can mean five weeks if rent is due a month in advance. Landlords can also contact the LA before this if rent arrears have begun to build up earlier.

We provided guidance to you on the operation of the safeguards when the LHA was rolled out. There have been concerns raised by some organizations including, Shelter, Crisis, landlords' associations and some LAs that there were inconsistencies in the way the safeguards were being administered across and within authorities. In some cases it was not clear who could apply or what evidence was needed to support the application. In response to these concerns we refreshed our guidance in December 2009 and also undertook to publish good practice.

The Department's Performance Development Team has visited and spoken to a number of LAs to identify good practices. We have also taken into account suggestions made by various stakeholders, including Communities and Local Government, the Department for Work and Pensions/Local Authority Association Practitioners Operations group, welfare rights groups and landlords.

## Contact

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## Section two

### Paying benefit to the customer

Although, in the majority of cases, payments are made directly to customers, LAs can take steps to support the customer in establishing and maintaining their tenancy.

#### First payment

If you know that the customer has not yet paid the rent due when you are making a decision on a new claim or following a change of circumstances, you can send payment to the customer but make the instrument of payment payable to the landlord.

- Where possible establish whether or not the customer has paid their rent, for example by telephone before making the first payment on a new claim or following a change of circumstances. If the rent has not been paid, make the first payment sent to the customer payable to the landlord.

In one LA, during consultation with landlords groups, it was agreed that the first payment on all new claims, subject to the customer's approval, would be made direct to the customer but made payable to the landlord. This is mentioned on the claim form and the customer is required to opt out.

- Where an opt out on the claim form is not possible – for example claims made through the DWP Customer Management System – use decision notifications or acknowledgment slips when returning evidence to inform customers that the first payment may be payable to the landlord.

### Aligning rental and benefit payments

Customers who pay their rent calendar monthly find managing their payments more difficult if benefit is paid fortnightly or four-weekly.

- Consider paying benefit at the same frequency as rental payments. For example, some LAs make benefit payments calendar monthly to better reflect the customers' circumstances.
- Where IT systems do not allow the complete alignment of benefit and rental payments, other options may be available. For example, some benefit systems calculate monthly payments according to the number of days in the month rather than calculating 12 equal payments. This is still better for the tenant than four-weekly or fortnightly payments



## Providing money advice

Many LAs have an authority-wide financial inclusion strategy and work in partnership with local agencies and financial institutions to promote inclusion throughout their area.

- Some LAs provide an 'holistic' health check for customers who say they are unable to manage their rental payments by identifying and making use of non-profit debt management services (such as Shelter or the Citizens Advice Bureau (CAB)) or training an internal member of staff to deliver debt management advice if no internal support exists.
- Set up a referral process with a Financial Inclusion Officer to support opening basic bank accounts.
- Check with local banks to ensure that they offer suitable basic bank accounts before referring customers to them.
- Give customers needing to open a bank account a copy of the *Financial Services Authority Money Made Clear leaflet* about opening a bank account.
- Where available in your area, consider the use of the Credit Union to help set up bank accounts for customers who have their benefit paid direct to the landlord but who are also entitled to an excess.



# Section three

## Developing the Safeguard Policy

### Local safeguarding policies

A local safeguarding policy developed in partnership with internal and external stakeholders provides a framework for consistent decision making.

- A good policy will cover
  - » aims and objectives of the policy
  - » examples of customers who are likely to satisfy the safeguarding criteria
  - » how to alert the LA to customers who are likely to have difficulty or who are unlikely to pay their rent
  - » gathering information and evidence, including examples
  - » sources of evidence
  - » making a decision
  - » notifying affected parties
  - » arrangements to review safeguarding decisions.
- Involve stakeholders in developing and keeping the policy under review, for example
  - » agencies that provide support and who will be involved in the referral process, such as Social Services, Supporting People teams, Homelessness Prevention teams, and external stakeholders, including private rented sector access schemes, and advice and support agencies
  - » other government departments, for example Jobcentre Plus
  - » landlords
  - » explaining to local stakeholders how procedures work will improve relationships and provide a better service for all customers.

An example template for a safeguarding policy is at *Annex A*.

One LA held consultation meetings with landlords and received over 150 separate ideas as a result.

## Publicising safeguarding policies

- Ensure that any publicity on the LHA includes information about the safeguarding provisions and encourages customers to ask for more details.
- Most LAs publish their safeguarding policies on their website.
- Landlord forums and newsletters are common ways of getting important messages across to landlords.
- Consider giving advisors working for drug and alcohol services awareness training. This helps to
  - » identify individuals who might need safeguarding
  - » collect the relevant information to make faster decisions on payment methods.
- The CAB and outside agencies, including private rented sector access schemes, can be very helpful in getting the message across about the safeguards available.
- Contact the local Primary Care Trust to get a list of relevant healthcare workers in the area to whom you can issue leaflets to further extend the publicity around safeguards.





# Section four

## Stakeholder engagement

### Liaison with landlords

Forging better relationships with landlords and making it easier for them to contact the LA when a tenant is in arrears can help overcome their concerns about renting to HB tenants.

- Use newsletters and the LA website to publicise a dedicated email address, direct telephone line and fax number which landlords can use to inform the LA about non-payment.
- Consider putting in place a dedicated officer to deal with landlords' emails and telephone calls.
- Encourage landlords to
  - » contact the LA with any potential problem cases
  - » provide documentary evidence.
- Contact other agencies working with landlords, such as private rented sector access schemes, so that they can help publicise your offer to landlords.
- Use email to correspond on **general** matters with landlords (customers' personal information should only be sent using secure email). Setting up email accounts to receive information and issue bulletins has proved an efficient and cost effective way to communicate with these stakeholders.
- Avoid misunderstandings with landlords by ensuring that they are told that customers' data cannot be shared with them unless the customer
  - » has given their consent
  - » understands how the data might be used.
- Provide a standard form for landlords to use when claiming non-payment and ensure the form clearly specifies what information/evidence you require.

If an LA is contacted by a landlord to report non-payment, most LAs write or telephone the customers and follow up with a visit if no response is received. Visiting has worked especially well and also acts as a residency check. LAs reported that this has led to the additional benefit of early establishment of 'gone aways' in many cases.



## Liaison with Housing Departments

HB has an important role to play in preventing homelessness and sustaining tenancies. Some LAs strengthen this role by situating their HB sections within the Housing Directorate. However, there are a variety of service delivery models and regardless of the way the LA is organised, the important issue is for HB services to understand their role in helping customers maintain their tenancies. This includes developing strong links with housing teams who might assist in the identification of customers who need to be considered under the safeguarding provisions. *Circular HB/CTB A21/2009* contains advice on closer working to prevent homelessness due to landlord repossession.

- Ensure that arrangements are in place so that the customer's consent is obtained for information relevant to the HB safeguarding decision to be passed from Housing Teams to the HB sections.
- Agree with the Homelessness Prevention Teams how they can assist with gathering evidence to support a decision to make direct payment to the landlord where evidence emerges from either the homelessness assessment or homeless prevention casework that a customer may have difficulty in paying their rent, or be unlikely to pay.
- Agree how the HB section will assess cases for direct landlord payments where a placement into the private rented sector has been made through the Homelessness Prevention team.
- Develop practical referral arrangements such as named officers for queries and the receipt of evidence for both services and whether evidence should be provided using a standard referral form.

Some LAs have Rental Bond Schemes or Private Rental Schemes where help is provided for deposits. These are usually only given when the person has no other means of securing a property as they have usually had difficulties in the past retaining a tenancy and there is a high risk of them failing again. In these cases many LAs work with their Homelessness Prevention team and agree to pay HB to the landlord for the first six months reviewing the case after this period.



## Liaison with other departments within the local authority and external agencies

- Establish strong links and contact points with other relevant sections/departments to ensure that customers who are likely to have problems managing their affairs are identified and then guided through the system.
- Ensure there is a route for Social Services Departments to contact the HB sections when young care leavers are making a claim. For some young people this may be the first time they are having to budget for themselves. They may need time before taking on responsibility for paying their rent.
- Establish liaison arrangements with local agencies providing supported housing accommodation, to ensure that clients requiring the safeguard provisions when they move on are identified at the outset of the claim.
- Establish referral arrangements with advice agencies such as CAB for customers who need support with making an application under the safeguarding procedures.



## Section five

### Proactively identifying tenants who may be unable to manage their affairs or who are unlikely to pay their rent

Many customers who are likely to have difficulty with managing their financial affairs will have representatives who can liaise with HB sections on their behalf. However, the HB section can take steps to identify those who might fall through the net.

- Include in the claims pack information for customers who may have difficulty managing their rent. This should tell them who to contact if they would like direct payment to the landlord to be considered.
- Provide a separate form to gather further information and evidence as to why direct payments are needed.
- Consider contact by telephone or face to face rather than by letter for customers to talk through their reasons for requesting direct payments.
- Check the payment arrangements that were in place when the customer last claimed.
- Check customers' previous addresses (new claims and changes of addresses) to identify any known history of non-payment.
- Frequent changes of address may be an indication that the customer has difficulty retaining a tenancy.
- Flag cases or, where practical, keep a list for absconders who leave tenancies without passing on HB payments to the landlord.
- Encourage landlords to contact the HB section as soon as a problem arises.

Proactively encouraging landlords to contact the LA as soon as a problem arises has had a dramatic effect on the number of direct payments due to being eight weeks in arrears. In one LA it has reduced these types of cases by as much as 50%.

- Consider placing a member of staff with the Homelessness Prevention team to deal with HB claims and assist HB sections to identify any problems at the outset of a tenancy, for example where the person has had previous difficulties paying their rent.

# Section six

## The decision making process

There is no hard and fast rule as to who should make decisions on cases considered under the safeguard provisions. The local safeguarding policy should set out who is responsible and any checking arrangements.

- Provide training to decision making staff on working with customers who may need support.
- If an application is turned down, clear reasons should be given including details of the kind of evidence that is accepted.
- Consider setting up separate document types on document management systems for letters from landlords informing the LA that customers have not paid their rent. Give the document a priority type for immediate action. Train post-room staff to recognise this type of letter to ensure that the documents are correctly indexed.
- When a customer, support worker, representative or landlord asks the LA for direct payments on a new claim, consider paying HB to the landlords until a decision is made. This avoids the customer getting further into arrears and protects the landlord from losing rent payments.
- In some cases it may be clear that the customer has a dependency or mental illness and it may not be necessary for the customer to seek supporting medical evidence from their GP thus avoiding additional work and cost - it may be thought that the customer is unlikely to provide misleading information about their personal situation.

Some LAs make direct payment to the landlord for the first three to six months of the claim if there is any doubt that the customer will pay their rent to the landlord. They believe customers are more likely to pay their rent in a tenancy that has been running for a while.

- Consider telephoning all customers that apply for direct payments so that even if benefit payments are made to the customer, you have established a contact point for the customer, who is more likely to get in contact again if the situation deteriorates.
- Personal contact also enables the LA to refer the customer for additional help, for example to the CAB or any schemes run within the borough if they need greater help to manage their finances.
- Advise landlords to get in contact with the LA at the first sign of non payment. The LA can then contact the customer to ask if there is a problem without the customer getting into further arrears.



- Ask landlords to provide a schedule of rent due, rent paid, rent arrears and the period this covers. This helps to make a faster decision and avoids further arrears accruing.
- Having a dedicated individual or group responsible for reviewing applications for direct payments helps provides a consistent service and builds expertise.
- Consider the relevancy of reviewing the decision to pay direct to the landlord in cases where the customer's circumstances are unlikely to change. For example, extreme mental health issues need not be reviewed.

In some LAs the benefit officer makes the decision to pay direct, particularly when dealing face to face with the customer as this is considered the best opportunity to ask the relevant questions. This removes the need for each case to be approved by a team leader. However, the team leader makes random checks to ensure officers are making correct decisions.



# Annex A

## Safeguard policy – suggested content

### Introduction to the Local Housing Allowance

A few paragraphs setting out the aims of the LHA and the safeguards for customers who are likely to experience difficulties managing their affairs or who are unlikely to pay their rent.

### Aims and objectives of the policy

This could include

- proactively identifying customers who may need the safeguard provisions, thereby reducing the need to resort to the eight-weeks arrears rule
- helping to sustain tenancies by preventing rent arrears evictions
- providing advice and using other agencies to help people manage their own affairs
- providing reassurance to people who are likely to satisfy the safeguarding criteria that their benefit can be paid to their landlord
- providing reassurance to landlords that direct payments will be made where tenants are likely to have difficulty managing their rental payments or are failing to pay over benefit payments
- making reasonable, fair and consistent decisions
- ensuring a transparent process that is easy to understand
- dealing with each case on its merits and not operating blanket policies
- not being used to
  - » supersede support that tenants are receiving to help them manage day-to-day budgeting
  - » circumvent the aims of the LHA

### Examples of tenants who are likely to satisfy the safeguarding criteria

In addition to the groups set out in Chapters 5 and 6 of the LHA Guidance Manual, this could include groups that the LA has identified as likely to satisfy the safeguard criteria.

## How to alert the LA to tenants who are likely to have difficulty or who are unlikely to pay their rent

Set out how and when customers' representatives or landlords should bring to the LA's attention tenants who are likely to satisfy the safeguarding criteria.

## Gathering information and evidence, including examples

Set out who evidence can be accepted from (see Chapters 5 and 6 of the LHA Guidance Manual), including any local variation.

Provide examples of suitable evidence.

## Making a decision

Set out the decision making process, including

- data protection issues
- gathering additional information
- how to contact the customer
- who makes the decision
- who approves the decision
- whether, and in what circumstances, payment is made to the landlord pending the outcome of the decision
- recording decisions

## Notifying affected parties

Information to be given to the customer or their representative, such as

- the decision and reasons for it
- if payments to be made to the landlord, the payment arrangements for any excess
- if and when the decision will be reviewed
- appeal rights
- advice agencies, voluntary or statutory organisations that may help them



Information to be given to the landlord, such as

- their tenant satisfies the safeguarding criteria
- amount of benefit to be paid direct to the landlord
- if and when the decision will be reviewed
- request bank details if not previously received
- if their tenant does not satisfy the safeguarding criteria, the landlord's appeal rights against the decision

### Arrangements to review safeguarding decisions

When cases will be reviewed taking account of whether the need for payment to the landlord is likely to be short term or longer term.

Consider a light touch process for cases where the need is likely to be ongoing. For example, less frequent contact with the customer may be appropriate if they have a chronic or age related condition for which there is ongoing evidence.



# Annex B

## Case studies

### Case study 1 – Working with stakeholders in Southend

Over the last year there have been some exciting changes to the way that the Housing Benefit team is working with our customers and stakeholders in Southend on Sea. We held a stakeholder event back in June 2009 and invited a cross-section of organisations ranging from the Jobcentre Plus, CAB, our social housing associations, letting agents, private landlords, local charities and support groups such as In Touch and Age Concern. We also invited other departments within the council such as Adult & Community Services, Private Sector Enforcement and the Leaving Care Team all who also provide support to our customers.

The purpose of this informal event was to encourage dialogue between our department and our stakeholders – a great opportunity to gather honest feedback about the service we were providing. We had a great turnout at the event and over 150 questions and ideas were collated during the day. All of these were addressed and a response was emailed out to all, including those who couldn't attend. This event and the feedback we were given has proven to be a launching pad for improvements to the service and has strengthened our relationships with stakeholders and other departments within the council.

One recurring theme from our landlords at the event was the need for an improved landlord forum, which specifically addressed Housing Benefit and Local Housing Allowance. The existing forum was organised by Private Sector Enforcement and our department only contributed to a short section of the meetings. It was clear that we needed to take more ownership of our landlord relations, especially in light of the changes to the Housing Benefit Scheme with the Local Housing Allowance.

The last Homelessness Prevention Strategy we published at Southend highlighted that the loss of private rented accommodation was one of the main reasons for homelessness in the Borough. As a large proportion of our private tenants receive Housing Benefit, we looked at ways that we could be pro-active as a department to impact this outcome.

As a result of the feedback received from the stakeholder event last June and the existing landlord forum we decided to form the landlord project team. The main aims of this project were to improve landlord relations with our department, lines of communication and ultimately to improve the claiming experience for our Housing Benefit customers. Underlining all of these objectives is the desire to work with our landlords and local support organisations more in the area of tenancy sustainment, especially for our most vulnerable customers.

We knew that these aims would not be easily achieved without actually 'getting out



there' and meeting with our landlords and so we set about the task of identifying the landlords and agents that we felt would most benefit from the project. As the individual private landlord represents the majority of the private market in Southend, a large proportion of our customers rent their properties through one of the many estate agencies in the borough. By starting our project initially with a cross section of these agencies, we would also be trying to improve our service and communication with the individual landlords these agencies let for.

The start of the project happened to coincide with the initial launch of our new online application form, which presented a great opportunity to combine a demo of the online form into the appointments we were planning. We started the visits in October last year and by the end of December we had visited over 25 of our biggest landlords, including nearly all of our larger estate agencies.

The appointments themselves were very relaxed and we always started the meeting with an informal chat about our service, trying to gauge each landlord's experience of our service. This enabled us to shape the rest of the discussion to meet the individual need and to answer the questions that mattered most to that particular organisation. As safeguarding and direct payment to landlords were always popular topics, we explained the legislation and our safeguarding procedures in detail at these appointments and gave out *our leaflet on the safeguarding arrangements* which was created in response to queries raised at the stakeholder event. We also provided a selection of our leaflets and booklets aimed at landlords and some addressing other areas such as discretionary housing payments and DWP benefits.

The great thing about working with landlords in this way was that we were able to spend time in their offices face to face and really get a feel of how the changes to Housing Benefit were affecting their businesses. We were also able to dispel some widely held myths about the benefits system and the Housing Benefit claims process. We were surprised to find that very few of our landlords were aware of the safeguarding criteria for direct payments, most assuming that unless the tenant was a drug/alcohol addict they couldn't apply for direct payment. Most landlords also held the perception that nearly all safeguarding applications get refused and so chose not to apply in most cases. This in turn had led to many cases of rent arrears that could have otherwise been prevented, or at least reduced, even if the application was not successful. Because we had been keeping statistics on the ratio of applications received to applications agreed, we were able to inform our landlords of the percentages that had been agreed under the safeguarding criteria.

Within six weeks of the project starting, we saw the number of direct payment to landlord decisions on the basis of rent arrears drop by over 50%, therefore doubling the decisions agreed under the safeguards.

Because of the informal nature of these meetings, we were also able to discuss and suggest improvements to the tenancy sign-up procedure for Housing Benefit customers. One thing that stood out from the visits was that many arrears cases and delayed rent payments were due to the tenant failing to supply supporting evidence for their claim to our offices. Most of this information had been present with the tenant

at the tenancy sign up, making delays in payment actually avoidable. As a result of this feedback we are piloting landlord verification of supporting documents with some of our Registered Social Landlords such as The Guinness Trust and Nacro, which is going well.

We incorporated a demo of our new online application into these visits, which was received extremely well by most landlords and agents. Some of our estate agents would usually take the time out to help a tenant with their paper applications, which can be very time consuming at 34 pages. Because the online form is a smart application, it reduces the pages needing completion to sometimes as little as 13 pages and makes our service more accessible to most landlords who have internet connections in their offices.

One particularly rewarding story is the work we have been doing with one of our more socially minded landlords, who runs a hotel and several properties in the borough. As the landlord deals mainly with very vulnerable tenants, most having a history of drug addiction or mental health issues he was experiencing huge losses in rent and long delays with Housing Benefit payments. After meeting with him we found that the majority of these arrears and delays were being caused by tenants not submitting applications either on time or not at all. In addition, applications under the safeguard criteria were not being requested in most cases, even when the tenant would clearly be successful.

Since demonstrating the online form and explaining our procedures on the first visit, the landlord is now helping tenants to make all Housing Benefit applications online and we are providing ongoing email and phone support when needed. We have also made our safeguarding application forms, authority to discuss forms, and Discretionary Housing Payments forms available electronically to all landlords involved in the project.

When we asked this landlord how helpful the project had been he replied “I was considering stopping LHA tenants completely because I was losing too much money to cover the costs. But since being involved with the project things are running a lot smoother.” This is fantastic outcome for us, especially considering that he provides tenancies to many of our most vulnerable customers, including many homeless residents.

We have just started gathering feedback from the landlords that we have been working with, to enable us to shape the rest of the project and try and keep it going in the most effective direction. So far the overwhelming response is that the perception of the service has changed from “poor” to “very good”. An encouraging start indeed!



## Case study 2 – Operating the safeguards in Elmbridge

Back in 2007, Elmbridge treated the forthcoming arrival of the Local Housing Allowance with some trepidation. With the Housing Benefits section firmly rooted in the ranks of the wider Housing Division, and with the relationship with private landlords a core part of the homelessness prevention strategy, the fear of a mass exodus of private rented landlords out of the Housing Benefit market was very real.

Three years on from this, and following a major consultation exercise with private landlords in the lead up to the implementation of Local Housing Allowance, the expected storm never arrived. Nationally, a familiar picture now presents itself of Housing Benefit Managers scratching their heads and questioning themselves what all the original fuss was about.

Perhaps in part the levels at which Local Housing Allowance rates are set has encouraged landlords to let to Housing Benefit tenants but a big factor locally is the implementation of an appropriate 'Safeguard Policy'. In the lead up to the implementation of the Local Housing Allowance the authority consulted keenly with local CAB and specialist housing providers (such as its local Rent Start) to frame a policy which truly offered a safeguard to both tenants and their anxious landlords.

Somewhere amongst those management text books on public/social administration that look at the actual implementation of policies is the one that talks of the 'street level bureaucrat'. This looks at the true policy application on the ground by officers. Here at Elmbridge policy intentions were outlined by the Head of Housing and Housing Benefits Management (i.e. the framers of the policy). Policy has been applied eagerly, on the ground, in practice by dedicated officers keen to help avoid hardship and distress but also in seeking to respond to landlord concerns. These officers have been extremely proactive in applying the policy, looking for vulnerability and housing need and applying the policy provisions, evidencing vulnerability and taking both claimants and landlords through the process. It soon became evident that the policy would be called in to play almost every week, certainly many times each month.

The emphasis of the policy action in practice is still very much in line with the original DWP policy intention. The first question is always are there any good reasons why we shouldn't pay the customer direct and if not then we pay them. However, the Elmbridge ethos is that if there is vulnerability and concern on our own, or our stakeholder's part, then we do our utmost to establish the true facts. If these do reveal true vulnerability and risk then we apply the safeguard.

The percentage of overall Local Housing Allowance caseload where a positive safeguard decision is in place has risen steadily and is 12% currently. However, these apparently low figures mask those of 49% of successful applications for safeguard in 2009, rising to 66% in 2009. The trend therefore continues to rise the more we make customers and landlords aware of the provisions and are proactive and supportive in seeking out and helping the more vulnerable.

Elmbridge feels that we have got the balance right and we know that this is supported



by our 'Housing' ethos. We were pleased when the DWP Performance Development Team (PDT) asked to come and visit us to see what was happening regarding safeguards at Elmbridge. This felt like overdue vindication for the time that we have felt like a maverick in our approach amongst many of our peer authorities. Most importantly it reinforced to us that we had got it right and we're doing a pretty good job.

## Case study 3 – Beating homelessness in Coventry

### *Introduction*

Coventry became a pathfinder authority for Local Housing Allowance in January 2004. Since this time Coventry's benefits service has used the Local Housing Allowance scheme as an opportunity to develop and enhance the type of services it offers to some of the most vulnerable people in our community.

In addition to a comprehensive set of procedures to deal with vulnerable people, Coventry has taken innovative steps to create proactive processes to provide housing solutions in the private rented sector for vulnerable people. Broadly, there are two key initiatives which operate in Coventry.

### *Homestart*

Firstly, Coventry Benefits Service has introduced the HomeStart programme. Through close working with a variety of charities, voluntary and statutory agencies and private landlords, the scheme aims to prevent and alleviate homelessness within the city.

Homelessness affects thousands of individuals and families each year and is a much wider issue than people often think. Many individuals, young and old, as well as families may have a roof over their heads but the accommodation may be inadequate, overcrowded, temporary or even hazardous. Some may be victims of circumstance, living with abuse, alcoholism or drug addiction.

In conjunction with private landlords within the city, Coventry's Safeguard and Resettlement officer has established a database of landlords who work with the Benefits Service and the statutory, voluntary and charitable agencies. These landlords have agreed to forgo an initial bond, deposit or rent in advance for a property, on the basis that the customer and a support worker works with the Safeguard and Resettlement officer in understanding their financial responsibilities.

On this basis, payments of housing benefit are made direct to the landlord for a 6 or 12 month period, depending on the circumstances of the case and on the length of the tenancy. Tenants are encouraged to save what money they can and this may help towards a future deposit or bond to enable tenants to take responsibility for themselves and eventually have the ability to move on and make the transition into work.

Since the introduction of the HomeStart programme many vulnerable families and



single adults have been advised and supported in securing a new home in the private rented sector. By developing the HomeStart programme and continuing to increase the number of landlords and agencies that we work with we are reducing the level of homelessness in the city and enriching the lives of those most vulnerable within our communities.

### *Homeless People to Private Rented scheme*

In addition to the HomeStart programme, Coventry's Benefits service, in conjunction with the Nominations and Advice service, operates the Homeless People to Private Rented (HPPR) scheme.

The HPPR scheme identifies PRS housing solutions for people who have presented themselves as homeless. The Nominations and Advice team, in conjunction with the Coventry Accredited Property Scheme (CAPS), work to cultivate a database of landlords who can provide properties which meet the requisite accreditation standards. The landlords provide the properties in the absence of a deposit on the agreement that benefit payments will be made directly to the landlord for the first 12 months of the tenancy. During this time the Safeguard and Resettlement officer and the Money Management advisor will work with the customer to prepare them for financial independence after the 12 months has elapsed.

For both the HPPR scheme and the HomeStart programme the cultivation of cooperative landlords and the involvement of partner organisations is essential to the success of the schemes. A range of approaches are adopted in order to ensure buy-in from landlords and other stakeholders including

- Attendance/presentations at landlord forums
- Direct marketing to landlords through mailshots
- Leaflets/posters and other publicity material are sent to landlords and support organisations

### *Vulnerability provision*

Underpinning Coventry's proactive HPPR and HomeStart schemes is a comprehensive framework of policies and procedures for responding to vulnerable customers. With Local Housing Allowance legislation requiring direct payments to tenants, it is imperative that Coventry maintains an effective mechanism for identifying and responding appropriately to the needs of more vulnerable customers. The following bullet points are an extract from Coventry's safeguarding policy and



procedures and details some of the circumstances that customers may present to us

- Tenants with learning disabilities
- Tenants with a medical condition
- Illiteracy
- Inability to speak English
- Addiction to drugs, alcohol or gambling
- Severe debt problems/recent county court judgements
- Un-discharged bankruptcy
- An inability to obtain a bank account

In all cases Coventry's Safeguard and Resettlement officer and Money Management advisor work collaboratively to ensure that vulnerable customers receive comprehensive and seamless support to ensure their housing needs are met and protected, whilst also engaging some of the underlying issues which many of our customers experience.

## Case study 4 – Helping tenants to manage their budgets in Peterborough

Peterborough City Council's Accredited Landlord Scheme (known as PALS) is working with the Rainbow Saver Anglia Credit Union (RASCUL) to process Housing Benefit payments for local landlords, which has the added benefit of helping tenants to manage their budgets.

### *Overview and description of initiative*

This initiative guarantees that Housing Benefit is paid to and reaches landlords, thus reducing the need for the local authority to introduce safeguarding procedures.

### *Objectives and purposes of initiative*

Known as Rainbow Saver, the initiative offers a processing service for landlords who sign up to PALS. The purpose of the initiative is to ensure that landlords receive rent from their tenants in a smooth transaction. Often when benefit payments are made straight into a tenant's bank account, they can become mixed up with other monies. Rainbow Saver ensures that Housing Benefit payments go straight to the landlord, so that tenants don't incur rent arrears.

### *Participants*

The scheme is run jointly by Rainbow Saver Anglia Credit Union (RASCUL), accredited landlords and Peterborough City Council.



### *How the initiative was delivered and promoted*

Prior to the launch of the scheme, discussions took place to ascertain if accredited landlords were interested in the scheme. An officer discussed with RASCUL Peterborough branch what they could offer – and products and processes were identified to help improve money management and budgeting for tenants, as well as to reduce timelines for landlords and local authorities.

Following a presentation from RASCUL to PALS/Housing Benefit team/steering group, an internal procedure was set up to ensure that the RASCUL forms of appropriation could be used and that external procedures, which landlords could easily access, were set up between RASCUL/Peterborough City Council. The scheme was launched and promoted using the local media and the council's website. It was also publicly given RASCUL and Accreditation Officer endorsement.

### *Resources, funding, staffing, equipment, value for money*

No funding was required for this scheme from the local authority, but the Accreditation Officer gives time and energy to it. Tenants pay £2 to set up a co-operative account whilst landlords pay £5 a month, or per property, to ensure that payment takes place and that RASCUL makes contact in the event that a tenant attempts to cancel the transaction. The council's Benefits Department is aware of RASCUL and the conditions under which payment is made.

### *Evaluation and measuring success*

- The value of Peterborough's initiative can be measured by the number of landlords using the scheme. Comparison data for other local authorities in the Eastern Region who have used RASCUL's services, shows Peterborough City Council in a very favourable light. For instance, across Peterborough City, 496 tenants are using the service as against 41, which is the highest number in another area of the Eastern Region. It has been endorsed by Waverly and Great Yarmouth Councils and enquiries have been received from LB Greenwich Council and Aylesbury Vale District Council about setting up a similar service.
- The initiative continues to be of benefit and is the driving force for landlords interested in the Peterborough accreditation scheme itself. There are several improved outcomes from utilising the scheme
  - » Tenants are reporting peace of mind that rent is being paid regardless of the condition of their account (appropriation) and landlords are assured that their rent is guaranteed
  - » There are benefits to RASCUL as the scheme contributes to the overall objectives of the union in offering safe savings, fair loans and financial guidance to vulnerable households in the private rented sector.
  - » Benefits can be measured in enhanced delivery speeds, as the processes in place are increased due to the speed of money transferred by BACs, thus ensuring drawing of cheques and MDD (Managing Direct Debits) set ups are no longer necessary.



- » RASCUL has shared best practice with other Credit Unions who have received enquiries from local authorities. These are credit unions in: Ipswich and Suffolk, Nottingham, South East Northumberland, Bristol, Wrexham County Borough, York and North Yorkshire Project, Castle and Minister, Hillingdon, Watford, South Tyneside, Norfolk and Hertsaver in Hertfordshire.
- » The initiative encourages economic progress of participating landlords in line with Hampton principles. It provides, to participating landlords, valuable advice and collaborative working through the Accredited Landlord Scheme and reassures them that their good working practices reduce the risk of regulatory intervention.

### *Benefits to local communities*

The initiative contributes to the priorities of the Council's Sustainable Community Strategy, by creating opportunity and tackling inequalities. A key outcome of this priority is regenerating neighbourhoods so that the most deprived communities can achieve their full potential. Tenants in the private rented sector are some of the most vulnerable in the city and the initiative increases the ability of landlords to provide and promote this market sector.

### *Lessons learned*

Initially, problems had to be ironed out regarding recognition of RASCUL's membership number on the direct credit request form. However this was an internal problem and was quickly rectified.

### *Future developments*

The initiative will continue to be offered to landlords and tenants for as long as PALS continues to run and membership grows.

### *Contact for further information*

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