

### Extended LL direct provision

You will probably be aware that from 1 April 2011 there has been an extension of direct payment of HB to landlords.

In order to accommodate this the current safeguard regulations have been widened to include making payment direct to the landlord where it is considered that it will assist the customer in securing or retaining a tenancy. For a tenancy to be secured or retained it is a necessity that the rent should be affordable to the tenant.

It is important to point out that the Government have made it clear that this is only a temporary provision until longer term decisions about direct payments are made in relation to Universal Credit.

Birmingham City Council policy in line with the change in regulation will generally consider payments direct to the landlord where the contractual rent is equal to or less than the relevant Local Housing Allowance rate for new claims from 1<sup>st</sup> April 2011 and for existing claims when the 9 month transitional protection ends or where there is a change to the Local Housing Allowance rate, which results in the ending of the transitional protection before the 9 months.

Other circumstances for direct payment will be considered on an individual basis.

There is also an expectation that payment direct will be made on the basis of a BACS payment and not a cheque payment and that where there are recoverable overpayments that these will be repaid at the earliest opportunity.

We think this is a fair representation in relation to the extension of the regulations and by working together feel this can be of benefit to both yourselves and your tenants.

By reducing the level of rent in order to get direct payment, this could potentially assist you in the following ways:

- a) A saving in collection costs
- b) Gives you the opportunity to retain established good relationships with existing tenants
- c) Gives you the opportunity of taking on further tenants in receipt of Housing Benefit
- d) Helps maintain tenancies thus lessening the impact of empty property periods

The customer must be aware that a genuine reduction in rent has been applied and agree to it. Evidence of renegotiations will be required in all instances.

Once direct payments are agreed, they will continue unless the rent becomes unaffordable. The decision to pay direct will be reviewed if there is:

- a) An increase in rent

- b) A change in circumstances that results in the change in the category of the dwelling**

**The safeguard form has been updated to accommodate this provision and the Housing Benefit application form is also in process of being updated.**