

FRANK FARR



Housing Benefit in relation to residential lettings – by Philip Suter, area letting manager for the Frank Farr division of Property Leeds and former Association of Residential Letting Agents council member

When you look through the accommodation to let sections of many local papers you can often see agents stating “DSS welcome” or “housing benefit claimants welcome”.

Unfortunately a lot of agents (including some who are relatively new to the letting market) do not know some of the pitfalls that can affect both landlord and agent.

Although the fact that a local authority will be paying rental it is not guaranteed.

If it is your intention to

take out legal protection insurance, in the event of claim the insurance company will probably not pay up unless satisfactory references were taken up before the tenancy commenced. If the tenant was unemployed at the commencement of the tenancy then obviously they would not be able to have financial references taken up on them.

At the end of the tenancy when the landlord wants the property back they could have great difficulties. The tenant would probably want to co-operate and move out, but by

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doing so would make themselves intentionally homeless. They would be advised by the local council to remain because if the tenant left then they would be homeless and the council would not be under an obligation to re-house.

The Department of the Environment state that a notice to quit should suffice for the tenant to take to the local authority to become re-housed. Unfortunately it appears that most local authorities are still insisting on a court order. This can take three to four months to obtain and can cost up to several hundred pounds in legal fees. If there were no financial references at the beginning then the legal protection insurance would be invalid.

If the rental is paid by the local authority direct to the landlord or agent the local authority will make the receiving body sign a form stating that they must repay any overpayments. The DSS send the paperwork through to the local authorities who pay the housing benefit.

If the DSS finds out that the tenant has started working again or they have overpaid rent when they should not have done, they can claim this back. It can take up to a few weeks for the DSS to communicate with the local authority and consequently the landlord or agent could be asked to return two to three months' rent. Sometimes this could be after the tenancy has expired and you do not have a current forwarding ad-

dress for your tenant.

If the housing benefit is paid to the tenant and the tenant decided not to pay this to the landlord there is nothing the local authority can do about it!

There are occasions when a tenant might have to claim housing benefit in the middle of a tenancy after satisfactory financial references have been taken up, e. g. redundancy, ill health etc, and under those circumstances the insurance company might pay any reasonable legal costs.

Take care because of the Government's policy of not building council houses, people still apply to the council for accommodation and the local authorities do not usually have much property available and have very long waiting lists. They usually suggest applying to a housing association and if they have a long waiting list as well they, or the local authority, suggest contacting local letting agents.

At the end of a private letting the reason that the local authority will want a court order is because they are legally bound to re-house a tenant. The tenant must be homeless and if they go without consulting the local authority they could be classified as being intentionally homeless. This situation is not fair on landlords or tenants. Some authorities will guarantee a deposit but at the end of the day it appears that bureaucracy, especially in relation to notices to quit, is holding things back.

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