

# LHA Direct Payment Policy

## Introduction

Under the new Local Housing Allowance (LHA), claim payments will be paid directly to the claimant (tenant), rather than the landlord.

In recognition of the difficulty some claimants may have with this, for a number of reasons, there will be safeguards in place within the assessment process to enable payment to be made to a third party, for the protection of both tenants and landlords. Broadly, this may be where the claimant is either considered to be 'vulnerable' or they owe rent arrears of eight weeks or more.

The policy is designed to help claimants be responsible for their own income and expenditure.

## **People who should not be considered as vulnerable**

- People who have been appointed to act on behalf of a claimant who is 'unable for the time being to act for themselves' and
- The claimants they act for, until such time as they cease to have an appointee acting for them.

## Vulnerable Claimants

The Council has the discretion to pay the landlord directly where it considers the claimant is likely to have difficulty managing his or her affairs.

## **Identifying potentially vulnerable claimants**

We may receive requests for consideration from the claimant, landlord or a third party such as DWP, Social Services, GP, friend or family member. The request should be made in writing – this will normally be using a Direct Payment Application Form from the Councils benefit offices or website. If it comes from anyone other than the claimant we must contact the claimant either by phone, or preferably by conducting an interview, to find out what his or her issues are.

We will only respond to the landlord or third party if there is written consent from the claimant to do so. If no consent is given then the third party should be told that we will investigate the matter.

There are two indicators to consider when trying to identify vulnerable claimants – the cause and the effect. It is necessary to consider either or both when trying to establish vulnerability, although a claimant is not automatically vulnerable because they match one of the indicators.

## Causes

Each case must be considered on its own merits when making a decision on vulnerability, taking into account any supporting evidence. Many circumstances may affect a person's ability to manage his or her financial affairs. For example;

- **Learning Disabilities** – These can range from mild to severe. In more severe cases, the claimant is likely to have an appointee to act on his or her behalf, in which case a decision not to pay the landlord should be made.
- **Medical Conditions** – Those which seriously impair someone from managing his or her affairs on a day-to-day basis, e.g. mental illness (schizophrenia, Alzheimer's, senile dementia). However, again, there may be an appointee acting on a claimant's behalf in most of these situations.
- **Illiteracy or an inability to speak English.**
- **Addiction to drugs, alcohol or gambling.**
- **Fleeing domestic violence; single homeless (care leavers); people leaving prison.**

## Cause – examples of evidence required

Description	Examples of evidence required
Learning Disability	Written evidence from GP, Social Services, Care Workers, DWP, etc.
Medical Condition	Written evidence from GP, Social Services, Care Workers, hospital, etc.
Illiteracy / Inability to speak English	Written evidence from support organisations, etc.
Addiction to drugs / alcohol / gambling	Written evidence from support organisations, etc.
Fleeing domestic violence / single homeless / leaving prison	Written evidence from support organisations, probationary service, social services, etc.

## Effects

The effects of vulnerability can illustrate quite clearly the inability of a claimant to manage his or her own affairs. Some examples are;

**Severe debt problems / recent County Court Judgements.**

**Undischarged Bankrupt.**

**Inability to obtain a bank account** – in practice everyone should be able to obtain a basic bank account at one of the High Street banks or building societies.

**DWP making deductions from IS/JSA IB to pay utility companies directly to clear outstanding arrears** – should only be considered if part of the debt is still outstanding.

**In receipt of Supporting People (SP) help.**

**In receipt of help from a homeless charity.**

If the claimant fails to provide the information / evidence required, this may in itself demonstrate vulnerability, especially when coupled with another factor.

### Effect – examples of evidence required

Description	Examples of evidence required
Severe debt problems / recent CCJ's	Evidence from help groups, creditors, court orders, solicitors, etc.
Undischarged bankrupt	Copy of court order.
Inability to open a bank account	Letters from banks or money advisers.
DWP making payments of IS / JSA direct to utility companies with outstanding arrears	Only consider if there is evidence part of debt is still outstanding.
In receipt of Supporting People help	Evidence from social services and support providers.

## **Tenants with rent arrears of eight weeks or more**

Claim payments will be made direct to the landlord where the tenant has built up rent arrears of eight weeks or more. The landlord will have to provide documented evidence of rent arrears and any recovery action taken. The Council may decide to continue paying the landlord even after the arrears have fallen below eight weeks.

### **Making a Decision**

It is important to note that just because a claimant falls into one or more of the above categories, this does not necessarily mean he or she is are 'vulnerable'. Each case must be treated on its own merit, based on the information and evidence collected. In some circumstances it may be appropriate to conduct an interview with the claimant, or at the very least a telephone call could be used in addition to paper evidence prior to making a final decision.

Information received from a non-independent source, such as landlord, friend or family member, does not carry as much weight as that received from an independent source, and should therefore be viewed only in support of other evidence.

To ensure consistency with the decision-making, information and evidence should always be obtained, and the judgement on whether to treat a claimant as vulnerable and to therefore make payment directly to the landlord will be the responsibility of a senior officer.

A report will be written for all decisions stating what information / evidence was taken into account and why it resulted in direct payment being granted or refused. This will assist with reviews of the decision and potential appeals.

### **Reviewing the Decision**

Two types of review can take place;

1. An appeal from a relevant person (the rules for appealing are the same as the rules for Housing Benefit).
2. A review of the claimant's circumstances, to establish whether the 'vulnerable' decision is still appropriate.

The decision to treat a claimant as 'vulnerable' will be reviewed after an appropriate period of time as decided by the Council.