



ISSUE 18

THE NEWSLETTER OF SANDWELL LANDLORDS' FORUM

THE BUGLE

SPECIAL EDITION



 **Sandwell**
Metropolitan Borough Council
Homes & Communities

WELFARE REFORM: HOW WILL THIS AFFECT YOU AND YOUR TENANTS?

NOTES FROM THE EDITOR

Over the last two to three years we have seen significant changes in the world of benefits.

In 2013, we have even more changes coming through that will affect substantial numbers of Sandwell residents, including many of your tenants.

To grab your attention, the biggest change of course will be the abolition of Housing Benefit in its current form and replacement with the new Universal Credit. But there's more on top of that and it's important that you understand the depth and pace of change that's coming.

We've brought out this special edition of the Bugle to tell you what we currently know and we have

also held a special briefing session for landlords on the benefit changes which was very well attended.

Working together with our colleagues in Revenues and Benefits we will do everything we can during the coming months to continue to keep you updated as supporting detail emerges and of any further changes.



Liz Mooney
Editor

WANTED
2 bedroomed
properties
in Sandwell

Private Sector Leasing

If you have a 2 bedroomed property and would like to have guaranteed rent paid for 2 years at the Local Housing Allowance rate, with no deductions, then contact Liz Mooney on 0121 559 5256



About MLAS

The Midland Landlord Accreditation Scheme is managed by Homestamp with the primary focus of accrediting professional landlords and agents across the Midlands.

For useful advice and information concerning the private rented sector visit the Homestamp website.

<http://mlas.org.uk>

MLAS ACCREDITATION DAY SEMINAR

During the Accreditation Day Seminar we cover a variety of topics that are relevant to the private rental sector in the UK and also essential information for your accreditation.

Schedule for each Accreditation Day Seminar.

See timings for Seminars below (unless stated otherwise against the course date).

Registration: 09:30

Seminar starts at 10:00 prompt.

Seminar finishes at 18:00



If you have any questions, or would like us to contact you concerning a seminar booking, please call us on 0121 288 2008 or email talk@mlas.org.uk

TUESDAY 16 APRIL 2013

Birmingham City University

Lounge North, Union Building, Birmingham City University, Franchise Street, Perry Barr, Birmingham B42 2SU.

Registration 09:30.
Seminar starts: 10:00.
Seminar finishes : 18:00

TUESDAY 7 MAY 2013

Highfield House Business Centre

1562-1564 Stratford Road, Hall Green, Birmingham B28 9HA

Registration 09:30.
Seminar starts: 10:00.
Seminar finishes : 18:00

TUESDAY 14 MAY 2013

Molineux Conference Centre

Molineux Stadium, Waterloo Road, Wolverhampton WV1 4QR.

Registration 09:30.
Seminar starts: 10:00.
Seminar finishes : 18:00



THE BUGLE

THE ELECTRONIC NEWSLETTER OF SANDWELL LANDLORDS' FORUM

CHANGES AFFECTING YOU AND YOUR TENANTS

If you've been a landlord for more than a year or two, you will already seen some fairly substantial changes in the area of welfare benefits and in particular the Housing Benefits paid to tenants.

2013 will see the introduction of even more change, affecting not just private tenants but tenants in the social sector with substantial reforms to just about all areas of welfare provision. Its essential that landlords keep up to date with what's happening and how it will affect their tenants so we are putting out this special edition of the Bugle.

Welfare Reform

As of the 1st April 2013, virtually all claimants, whether they are in or out of work and irrespective of their circumstances will be affected by the Welfare Reforms. The government says that the reforms will:

'create the right incentives to get more people into work, protect the most vulnerable in our society, whilst 'delivering fairness to those claiming benefit and to the tax payer.' (Source: DWP website)

As well as changes from central government, local authorities have also been allowed more responsibility for implementing changes and shaping the provision of some benefits in their own areas. It's not possible to condense all of the changes into this short newsletter and we also don't yet know all of the details. As always, there are qualifying rules, exemptions and a long list of 'ifs and buts,' so this is not intended as a definitive guide. For more information, please check either the DWP or the Council website. We have however; set out some of the key facts and we will do everything we can to keep you up to date as things change.

Housing Benefit

From a landlord's point of view, this is obviously the biggest concern. As you know, Housing Benefit for private tenants has already changed significantly in the last couple of years, but bigger changes are still to come. Housing Benefit in its current form will be abolished and replaced with a housing element contained in the new benefit, Universal Credit. This will be paid wherever possible to the claimant, not the landlord, monthly and in arrears. There will be some protection in place to ensure that vulnerable tenants or those with substantial rent arrears can have their rent money paid direct to the landlord, but as yet we do not know the details of how this will work or which tenants it will apply to.

The Bedroom Tax

This applies to social tenants only and is a new set of regulations regarding 'under occupation,' for social tenants; it's not actually a tax. The good news is that it won't affect private tenants, but as we have already had queries from private tenants and landlords, we are including it here. These regulations which take effect from April 2013 will restrict the amount of Housing Benefit for council and housing association or 'social' tenants to amounts based on the size of accommodation they need for their household. In real terms it simply brings their benefit into line with benefit for private tenants who, as you know, have their benefit based on the appropriate Local Housing Allowance (LHA) rate for their household size.

Council Tax

From April 2013, Council Tax Benefit in its existing form is being replaced with a new benefit called the Local Council Tax Reduction Scheme. (LCTRS) The rules for LCTRS are set by each local authority in its own area. Sandwell has taken most of the rules from the old benefit, with several minor changes in how benefit is worked out and one significant change in that there will be a **two year residency qualification** before a person can claim LCTRS in Sandwell. Claimants will normally need to have been resident and on the electoral register for two years before they can qualify for LCTRS. (There are some exceptions, including returning service personnel and certain persons covered by statutory duties required from the council).

This change will not affect landlords directly; but they do need to be aware of this if discussing the affordability of their property with a potential new tenant, moving into Sandwell. Although a prospective tenant might be entitled to full Housing Benefit, if they are then responsible for paying the full Council Tax, they might not be able to afford to live in Sandwell.



Abolition of Council Tax discounts for most empty homes.

Although this does not strictly come under welfare reform its an important change directly affecting landlords. The current Class A exemption for properties where 'structural alterations or major repairs are required or ongoing' and Class C discounts for properties that are empty and unfurnished' are both being abolished. The 10% discount on furnished but untenanted properties is also being abolished. This means that landlords will be liable to pay the full council tax on untenanted properties from day one of the void period. Once a property has been empty for two years, it will be charged at a higher rate of 150% of standard Council Tax for the relevant property band.



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Replacing the Social Fund

From April, Social Fund Loans and Community Care Grants which have been available from the Department of Work and Pensions to people on low incomes to meet emergency or various types of unexpected expenditure are being abolished.

They are being replaced with a new scheme called **'Local Welfare Provision,'** which will be administered by councils setting their own local rules. In Sandwell, applications will be made to the Revenues and Benefits Service. One important feature in Sandwell is that there will be a two year residency qualification meaning that people who have lived in Sandwell for less than two years will not normally be eligible to apply. The full qualifying conditions and details of how to apply for help will be published on the council website.

The Benefit Cap

From summer 2013, the government is putting a limit on the total amount of benefit that a household can receive, although as always with DWP decisions there are some exceptions and qualifications to this. This is known as the 'Benefit Cap' and its set at: £500 per week for couples with or without children, £500 per week for single people with children and £350 per week for single people without children. If total income from benefit exceeds the cap, it will be restricted by making reductions from the claimant's Housing Benefit, meaning that they are then liable to make up any resulting shortfall in their rent. As yet, the government haven't announced a firm date for the cap to be introduced, but it is expected to be before the end of summer. This change won't affect substantial numbers of private tenants in Sandwell, but there will be some.

Changes to disability benefits

There will be significant changes to benefits for many disabled people. The main disability benefit called Disability Living Allowance is being replaced with a new benefit called Personal Independence Payments (PIP). If you have any tenant who is receiving Disability Living Allowance, it is important that they comply with any requests for information from the DWP or requests to attend interviews etc.. More information about this change is available on the DWP website.

Universal Credit

Universal Credit (UC) is being introduced from October 2013, to replace a list of existing benefits including Job Seekers Allowance, Employment Support Allowance, Child Tax Credits, Working Tax Credits and Housing Benefits.

People entitled to one or more of these will now just receive one award of UC which will include an element for their housing costs if appropriate. The aim is to simplify a system made up of dozens of different benefits and thousands of pages of regulations that even benefits staff can struggle to understand. Under UC most claimants will just have to make one claim for one benefit to cover most of their living costs, irrespective of where or who they live with, or if they are out of work or working but on a low income. As people's circumstances change, such as a move in or out of work or an increase in their earnings, they will only need to report the changes once, to one agency.

For claimants who are already in work, the IT systems administering the credit will link in with the government's tax systems to ensure that people's claims are updated in 'real-time.' And their benefits can be adjusted to take account of changes in earnings. The expectation is that most claims will be made on-line and support will be available for people who don't have internet access.

The credit is being phased in gradually from October 2013 until 2017. Different groups of claims will move onto UC at different times, but new claims will go onto UC from October. This is likely to include anyone previously claiming benefits who has had a break in their claim and then re-claims.

Keeping on top of rent arrears

As a landlord you don't need telling that whatever may be happening with your tenant's benefit they need to keep on top of any problems and up to date with their rent. If tenants need help or advice

they should make sure they get advice promptly and never leave a benefit issue unresolved.

The council's revenues and Benefits staff are always available to talk to the public as a first point of contact on 0845 351 0020 and if necessary can refer tenants on to a Welfare Rights Advisor. Until Universal Credit comes in; if a landlord is concerned that their tenant may be receiving Housing Benefit, but not using it to pay the rent, they should report their concerns direct to the Council's Housing Benefit Service (see below).

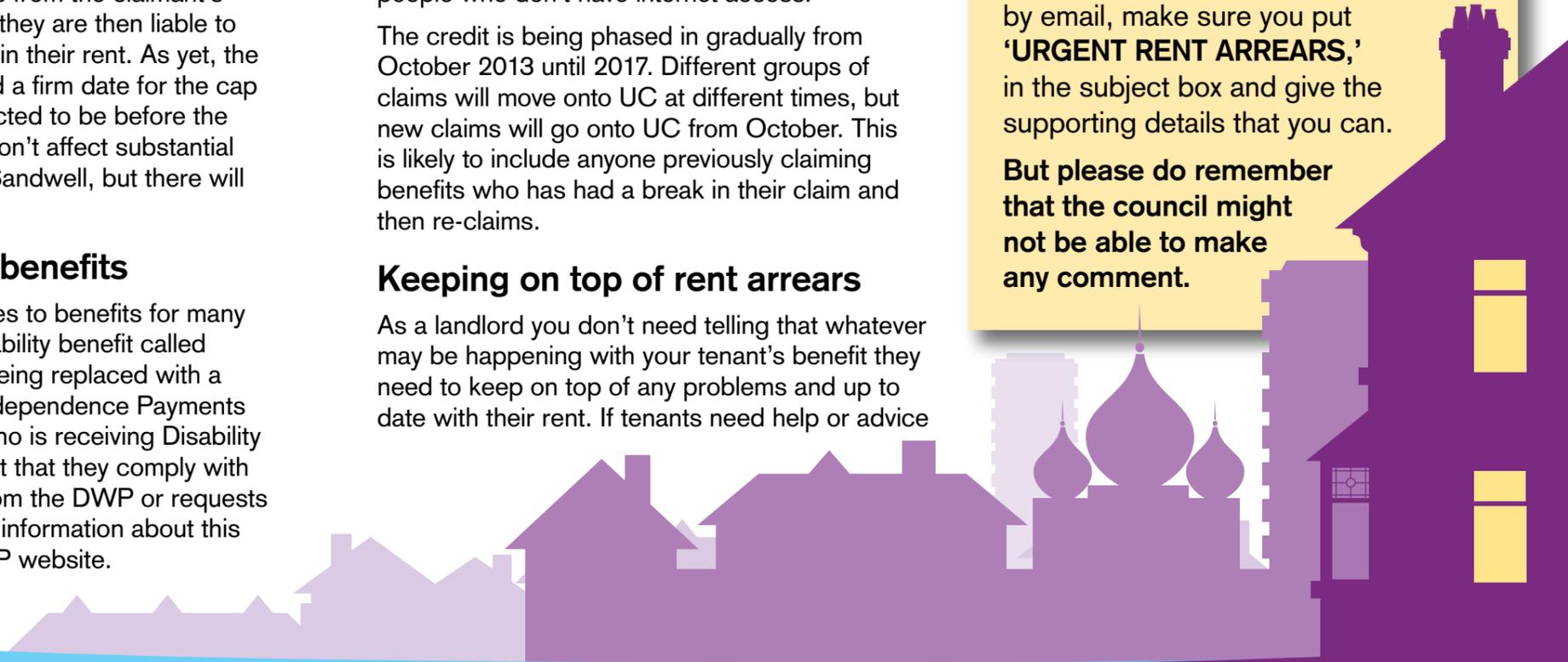
Data protection considerations might mean that the council cannot share any information with the landlord or even confirm that the tenant is actually claiming Housing Benefit. However, the council will look into your concerns 'behind the scenes' and if they find that Housing Benefit is going astray, they will arrange, if possible, for future payments to go directly to the landlord.

You can report concerns about rent arrears by phone on 0845 351 0020 or by email to:

revsbens_custenq@sandwell.gov.uk.

If you are making your report by email, make sure you put **'URGENT RENT ARREARS,'** in the subject box and give the supporting details that you can.

But please do remember that the council might not be able to make any comment.





Welfare Reform benefit changes
Are you prepared?

1. Universal Credit

The Government is making big changes to benefits. Find out how the changes could affect you.

Prepare & act now!
www.sandwell.gov.uk/welfarereform

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Welfare Reform benefit changes
Are you prepared?

2. Disability Living Allowance

The Government is making big changes to benefits. Find out how the changes could affect you.

Prepare & act now!
www.sandwell.gov.uk/welfarereform

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Welfare Reform benefit changes
Are you prepared?

3. Housing Benefit

The Government is making big changes to benefits. Find out how the changes could affect you.

Prepare & act now!
www.sandwell.gov.uk/welfarereform

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Welfare Reform benefit changes
Are you prepared?

4. Getting into work

The Government is making big changes to benefits. Find out how the changes could affect you.

Prepare & act now!
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Welfare Reform benefit changes
Are you prepared?

5. Managing your money

The Government is making big changes to benefits. Find out how the changes could affect you.

Prepare & act now!
www.sandwell.gov.uk/welfarereform

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