

# North Devon Conservatives

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## **Housing benefit system is failing North Devon's most vulnerable tenants** *New call to reform the controversial Local Housing Allowance*

PHILIP MILTON, Prospective Member of Parliament for North Devon, this week issued a stark warning that Gordon Brown's changes to housing benefit rules are harming the most vulnerable tenants and reducing the availability of affordable accommodation.

Last year, Labour Ministers introduced a new 'Local Housing Allowance', with housing benefit being direct to the tenant rather than to the landlord. But vulnerable tenants often struggle to manage their finances and spend their rent money on other things. Homeless charity, Crisis, has warned that this can result in rent arrears and eventually homelessness.

Landlords who were previously happy to take on tenants on housing benefit have suffered from non-payment of rent. Many landlords now routinely refuse to let to Local Housing Allowance claimants. According to the National Landlords Association, half of all landlords are reluctant to lend to tenants on Local Housing Allowance and many adverts in the local press for properties to let now specify "Employed only".

2,221 people in North Devon are on local housing waiting lists, and a sizeable proportion of them are on housing benefit. Housing waiting lists have risen by thirty-eight per cent under this Labour Government – reflecting the shortage of affordable accommodation.

Conservatives have pledged to change Labour's failed policy. Tenants will be able to choose whether to have their housing allowance paid direct to their landlord. This will increase the availability of quality low-cost housing.

Philip said:

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“Labour’s new housing benefit rules are failing the most vulnerable in our society. Landlords are put off from renting to those on benefit, slashing the availability of decent places to live. Some tenants struggle to manage their finances, using up their benefit money by rent pay day. They get into arrears and trouble as a result.

“Tenants should have greater choice, and be free to specify that their housing benefit should go direct to the landlord. This will help those most in need. Indeed, as a Landlord myself I am familiar with these situations and know that many vulnerable tenants prefer for monies to be paid direct to Landlords rather than having to deal with the payments themselves.”

## Notes to Editors

### LOCAL HOUSING ALLOWANCE

Local Housing Allowance was introduced in April 2008 and is a new way of calculating housing benefit for tenants living in the private rented sector. The housing benefit is paid direct to tenants.

[http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/On\\_a\\_low\\_income/DG\\_10018928](http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/On_a_low_income/DG_10018928)

A recent survey by the homelessness charity, Crisis said that 82 per cent of respondents had noticed tenants falling behind on their rent since the introduction of Local Housing Allowance. The same number said that the Allowance was leading to more tenancies being terminated. More than two-thirds reported landlords “stipulating conditions over and above those requested for working tenants” while 38 per cent said that fewer landlords will accept housing benefit recipients since the introduction the new system. They warn: “These findings raise some major concerns about the way in which LHA currently operates. It appears that LHA may be working against the Government’s fundamental aims for the scheme along with Government policy to prevent and reduce homelessness.”

Crisis, *Local Housing Allowance: One Year On*, April 2009.

<http://www.crisis.org.uk/research.php?fullitem=237>

Research conducted by the National Landlords Association has found that 52 per cent of landlords have decided they would not let, or be ‘less likely’ to let, to tenants on Local Housing Allowance. A further 43 per cent of landlords who have already tried the new system said they would now be leaving this part of the market because of increased uncertainty about rent payments.

<http://www.landlords.org.uk/support/campaigning/lha.htm>

### LOCAL FIGURES

There are currently 1.8 million families on the social housing waiting list. The table below shows the current levels, the change since 1997, and the proportion of households in each area how are on the waiting list.

<i>Households on housing waiting lists</i>	<i>1997</i>	<i>2008</i>	<i>Increase under Labour</i>	<i>Waiting lists as % of all households (in 2008)</i>
ENGLAND	1,021,664	1,770,116	+73%	8.2%
SOUTH WEST	84,411	161,353	+91%	7.3

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<i>Households on housing waiting lists</i>		<i>1997</i>	<i>2008</i>	<i>Increase under Labour</i>	<i>Waiting lists as % of all households (in 2008)</i>
Devon		9,376	21,826	+133%	6.8
	North Devon	1,604	2,221	+38%	5.7

Source: DCLG, Live Tables, *Table 600*.

<http://www.communities.gov.uk/documents/housing/xls/table600.xls>

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