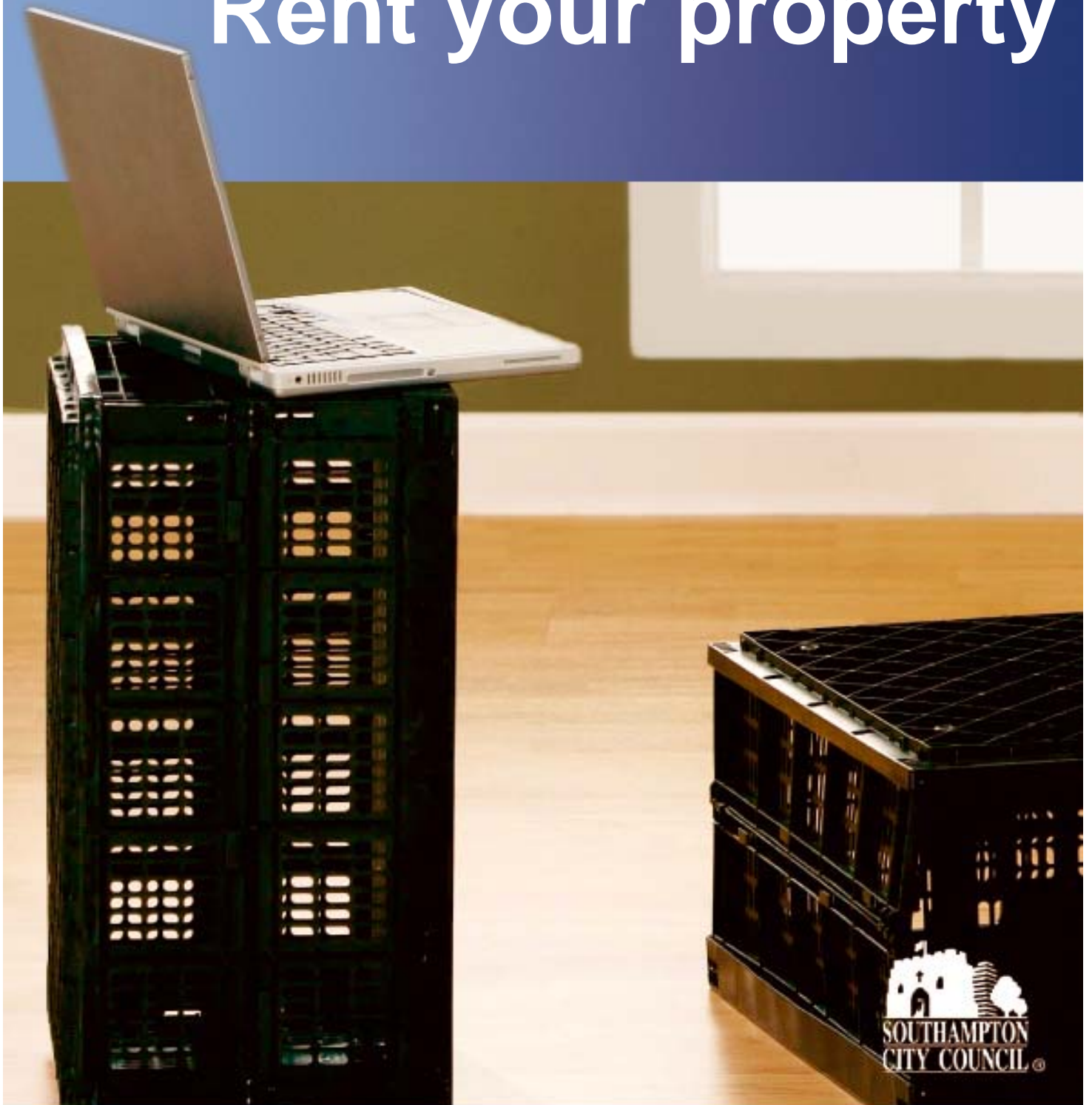


Helping you to Rent your property



Introduction

Preparing to let your property **4**

Permissions

Keys

Utilities

Council Tax

Decoration

Health and Safety **5**

Gas Safety

- Carbon Monoxide
- Electrical Equipment (safety) Regulation 1994
- Building Regulation – Part P Electrical Safety in
 - Dwellings
 - Smoke Detectors
 - Houses in Multiple Occupation
 - Furniture & Furnishing (Fire) (Safety) Regulations 1988 (Amended 1993)

- Window Locks

Taxation **7**

Income Tax

'Rent a Room' Scheme

Capital Gains Tax

Risk Management **8**

Tenancy Agreements

- Assured and assured shorthold tenancies
- Periodic tenancies

Rights and obligations of the tenant and landlord

- Landlords
- Tenants

Managing your property

10

Planned maintenance policy

Urgent & non-urgent repairs

Selecting a tenant

Setting the rent

Increasing the rent

- where agreements do not say anything about rent increases
- what if the tenant does not agree with the proposed rent increase

The Rent Officer Service

The Rent Assessment Committee

Inventory

Security Deposit

Tenancy Deposit Protection Scheme (TDP)

Fair Wear and Tear

When the tenant moves out

Rent books

Housing Benefit

18

What is housing benefit?

People who are entitled to housing benefit

How does your tenant make a claim?

How is housing benefit worked out?

Housing benefit payments

Over payments

Rent arrears

Introduction

This good practice guide should help you provide good quality, safe accommodation that meets national legal standards.

The information contained in this guide is a guide to housing law, which can change very quickly. Every effort is made to ensure that this package is kept up to date however the city council cannot be held responsible for any errors or mistakes. For independent legal advice you should always consult a solicitor.

Preparing to let your property

Permissions

Before letting your property you must obtain permission, as applicable, from:

- Your mortgage lender
- Your lease holder
- Your buildings insurer
- Any other person or persons who may have an interest in the property

Keys

It is important that you provide sufficient keys for each occupant on the tenancy agreement. It is also advisable to keep a copy of the keys in the event that your tenant becomes locked out or lose their keys.

Utilities

Ensure on the day your tenant moves in that you have agreed the meter readings, as a landlord you must inform the utility companies of any change of occupier. It is strongly suggested that you leave information at the property entailing the exact location of gas, electric and water meters including the isolation points. In the event that these meters have limited access by locked cupboards ensure a key is provided.

Council tax

The tenant will normally be responsible for paying council tax. However, if the property is a house in multiple occupation, you will be responsible for paying it although you can include the cost in the rent. A house in multiple occupation, for council tax purposes, is a property, which is constructed or adapted for occupation by individuals who do not form a single household or who have separate tenancies or who pay rent for only part of the property. If you are in

doubt as to who will be liable to pay the council tax, contact your local authority.

Decoration

If the property is let in good condition to start with, it will help reduce problems later. It will also help when trying to find a suitable tenant, and in setting the rent. The minimum standard is explained in the Housing Health & Safety Rating System (HHSRS).

Health & safety

Gas Safety (Installation and Use) Regulation 1998

These regulations were introduced under the jurisdiction of the Health & Safety at Work Act 1974. Landlords are required by law to ensure that all gas appliances and associated pipe work are maintained in a safe condition and inspected annually by a Gas Safe engineer.

The landlord must keep a record of these safety checks and issue a copy to the tenant within 28 days of each annual check. As a landlord you will also be required to supply a tenant with instructions for all gas appliances provided. Landlords are not responsible for maintaining gas appliances supplied by or belonging to the tenant.

Carbon Monoxide

Carbon monoxide is a colourless and odourless gas, and the symptoms of carbon monoxide poisoning can be confused with those of other illnesses. There have been instances of illness, injury and death caused by the use of neglected gas installations, particularly gas fires, back boilers and water heaters.

Electrical Equipment (Safety) Regulation 1994

These regulations make the supply of 'unsafe' electrical equipment an offence. The importance of electrical safety cannot be overstated given the potential risks of fire or electrocution. It is, therefore, essential that property is checked at regular intervals to ensure that the installation and all goods supplied are in a safe condition.

A record detailing who and when the tests were carried out should be maintained and a copy supplied to the tenant. It is strongly advisable to have the equipment checked before the start of each let. It would be good practice to have the equipment checked at regular intervals thereafter.

Building Regulations – Part “P” Electrical Safety in Dwellings

The Landlord Tenant Act 1985 puts the onus on the landlords to ensure the electrical installation in their property is safe at the commencement of a tenancy and maintained in a safe working condition during the tenancy.

From the 1st January 2005, all domestic electric installation work (particularly in kitchens and bathrooms) must be carried out by a government approved contractor. All contractors must be able to demonstrate that they comply with British Standard Safety Requirements (BS7671). Failure to comply with these regulations is a criminal offence and could result in fines of up to £5000 and / or imprisonment.

You can get a ‘periodic inspection report for an electrical installation’ from a member of NICEIC (National Inspection Council for Electrical Installation Contracting), or ECA (Electrical Contractors Association) confirming the safety of the electrical installation.

Smoke detectors

The Building Regulations 1991 require that all properties built since June 1992 must have mains operated interlinked smoke alarms fitted on every floor. If your property was constructed prior to this date then it is strongly recommended that under your ‘duty of care’ that you should supply battery operated smoke detectors.

House in Multiple Occupation (HMO)

The risk of fire, disrepair, poor management and overcrowding are far greater in this type of property compared to a single-family home. To try and control these risks central government empowered local authorities under The Housing Act 2004 to introduce a licensing scheme for houses in multiple occupation. For more detailed information on whether your property would fall under these rules contact your local authority or visit their web site.

The Furniture & Furnishing (Fire) (Safety) Regulations 1988 (Amended 1993)

It is your choice whether you provide furnished or unfurnished accommodation. As of 1 January 1997 all furniture supplied must comply with the Furniture and Furnishings (Fire) (Safety) Regulations 1988. Failure to comply with these regulations is a criminal offence and could result in fines of up to £5000 and/or imprisonment.

Window locks

If you are letting a property to a family, you should consider fitting window locks to the first storey and floors above to prevent accidents. If the windows

have a lock that is locked with a key, make sure that there are keys available to the tenant. Make sure that the tenants know how to use the window locks safely.

Taxation

Income tax

The rent after deducting allowable expenses will be subject to UK tax whether you are resident in the UK or not, and must be reported on your self assessment return. However with careful planning and good advice it is possible to minimise your tax liabilities.

Allowable expenses include:

- Mortgage interest
- Ground rent and maintenance charges, if leasehold
- Agency letting and management fees
- Insurances
- Repairs and maintenance but not the cost of improvements
- Legal and professional costs
- Marketing costs
- Travelling expenses
- 10% 'wear and tear' on furnished properties
- Accountant fees

This is not an exhaustive list and you will need to contact the Inland Revenue for further guidance and advice.

Rent a room scheme

You may want to take advantage of the special 'rent a room' rules which apply to furnished residential accommodation you let in your only or main home.

- Under rent a room you can be exempt from income tax on profits from furnished accommodation in your only or main home if the gross rent you get (that is, before expenses) is £4,250.
- For the purposes of the 'rent a room' scheme, gross income (receipts) include not only rents but also payments made to you for the provision of any other goods or services (such as meals, cleaning, laundry etc), in connection with the letting.
- The £4,250 limit may be halved if someone else gets rent from letting your home.
- 'Rent a room' applies to people who let a room in a home they rent as well as to people who own their homes. It is not relevant for tax purposes but you may want to check whether:
- Your lease allows you to take in a lodger.

- Your lender minds you taking in a lodger (where you have a mortgage on your home).

Capital Gains Tax (CGT)

Home owners do not incur CGT on their principle private residence when it is sold as currently there is relief from CGT.

A property that has been purchased for the purpose of renting will, when sold, be subject to CGT. There is an annual allowance but it is advisable to contact the Inland Revenue for further guidance and advice.

Risk Management

Investment in 'bricks and mortar' for the purpose of renting can have associated risks. Careful planning and a methodical approach can help minimise these risks.

Tenancy Agreements

A tenancy agreement contains clear information on the amount of rent payable and how often it should be paid, the amount of the deposit or bond, the duration of the tenancy, the landlords name and contact address as well detailing the rights and obligations of the landlord and the tenant.

We strongly recommend that you provide the tenant with a copy of the tenancy agreement and keep a copy once it has been signed.

Assured and assured shorthold tenancies

Landlords usually offer fixed term assured shorthold agreements of 6 or 12 months but you can give a longer period. Another type of contract is an assured tenancy. This gives the tenant more rights to remain in the property providing they are not in breach of the tenancy.

For more information on tenancy agreements can be found in the government booklet 'Assured and Assured Shorthold Tenancies – A Guide for Landlords'.

Periodic tenancies

If the original tenancy agreement is not for a fixed term or the fixed term on your agreement has come to an end and has not been renewed, it is then called a statutory periodic tenancy.

Rights and obligations of the landlord and tenant

There are a number of basic rights and obligations of both landlord and tenant, which a landlord should be aware of before letting a property:

Landlords

- To draw up a contract and decide conditions of tenancy before signing up.
- To charge a “market rent”
- To receive the rent when due from the tenant.
- To be informed of all disrepair.
- To inspect a property for disrepair after giving appropriate notice in writing.
- To be given a proper notice that the tenant wishes to leave. In accordance with the Landlord and Tenant Act 1985 you, as a landlord, are legally responsible for certain basic repairs:
 - The structure and exterior of the dwelling
 - Basins, sinks, baths and other sanitary installations in the dwelling
 - Radiators and fires
 - Water heaters
 - Water gas, electricity supply and meters
 - Cold water tanks and boilers

In the case of a flat, the repairing responsibility can include the building containing the flat, communal areas, steps, stairs, lifts and any other facilities (for example heating), which serve the flat. You also have to detail any additional repairing obligations in your tenancy agreement.

If you do not meet your obligations to carry out repairs the tenant can take you to court and claim compensation, as can any other occupiers or visitors who experience personal injury or damage to their property as a result of your failure to repair (Section 4 Defective Premises Act 1972).

Under the Housing Act 2004 councils can:

- Serve notice on you to start repair work by a certain date and give a date for completion. Prosecute you for not starting or carrying out the repair work.

and /or

- Do the work in default and charge the cost of the work to you. It is also an offence if you intentionally fail to comply with a repair notice (maximum fine £2,500). The repairs notice is a charge on the property and binds anyone who becomes an owner of the property.

Tenants

- To know the conditions of the tenancy.
- To know the name and address of the landlord/managing agent
- To have a rent book and receipt for the rent payments if the rent is collected weekly
- To have a decent standard of safety and repair.
- To be given notice in writing that the landlord wishes to inspect the property.
- To have “quiet enjoyment” whilst living in the dwelling.
- To be served with a court order if being asked to leave against their will.
- To permit the landlord reasonable access to carry out planned maintenance and repairs
- To know which tenancy deposit protection scheme their deposit is being held in.

Tenants must use the property in a responsible manner, for example if they are going away and there is a risk of burst pipes they should isolate the water. If there is a blockage then they should make all attempts to resolve the problem. They should notify the landlord immediately of any disrepair issues that fall outside the planned maintenance schedule.

The tenant should respect the property and their neighbours. They must also ensure that all their guests behave appropriately. If any damage is caused by the tenant’s neglect or misbehaviour, this is grounds for possession and you can claim compensation.

Managing your property

If you live locally this may well be the best option, as long as you can put the necessary time and effort into the job. The level of involvement will depend on the number and type of property you are letting and the number and nature of the tenancies.

If you intend on managing a house in multiple occupation (HMO) you will have a group of tenants sharing facilities. This will mean that you will have increased duties as a landlord; you will have more to do by way of rent collection and record keeping. The shared let also means that you may have to sort out disputes that inevitably arise when people share facilities, such as noise nuisance, tenants leaving dirty dishes for others to clean-up, or sharing bills. You may have to take on extra duties to avoid such disputes, such as collecting bill money from each tenant.

Letting a house or flat to a single family is more straightforward. The tenants can take on gas and electricity accounts in their own names, and the potential for disputes is reduced. You will of course have to decide whether you wish to take tenants with children, pets, etc. depending on your personal preference,

the situation of the property or any restrictive covenants there may be on the use of the property.

You must approach your managerial duties as a landlord as you would your regular employment. The following is a list of things that you will need to either consider or do:

- Make clear arrangements for the collection or payment of rent
- Make arrangements for reporting/carrying out repairs
- Have arrangements for dealing with emergencies
- Make sure the tenant knows how to contact you when necessary.
- Have a procedure for dealing with disputes
- Contact details for the tenant

Planned maintenance policy

Landlords should treat their properties as businesses, and to this end recognise that resources will need to be spent in investing in the long term protection of the property by a planned maintenance programme. Landlords should view their tenants as customers, and that when complaints are made they should be responded to within defined time periods, according to the level of risk.

Suggested planned maintenance programme:

The following maintenance will be completed as detailed in this schedule ensuring 24 hours written notice of the need to gain entry to the property has been sent to the tenant.

Quarterly

- Check smoke/heat detectors (fire doors, fire fighting equipment and fire extinguishers), and test fire alarm control panel
- Ensure electrical installations are in safe working condition.

Annually

- Inspect roof/doors/windows/walls/gutters etc. and maintain in reasonable repair.
- Check electrical circuits and fittings, and ensure the electrical installation is covered by valid test certificate supplied by a government approved contractor, and maintained in safe working order.
- Check all gas appliances and ensure that you have a valid gas safety certificate and you have provided this to your tenants. Ensure that your test and certificate has been supplied by a Gas Safe registered gas installer

Every three years, or as appropriate

- Re-decorate common parts.

Every five years, or as appropriate

- Re-decorate externally.

Urgent and non urgent repairs

Urgent complaints from tenants, such as leaking gas, water, blocked drains with sewage overflowing, and electrical defects, should be responded to as soon as possible but within 24 hours. Repairs that are medium risk, such as leaking guttering, should be responded to within five days. Low risk repairs such as a blown down fence panel should be responded to within twenty-one days.

There will always be difficulties in determining the priority of some repairs, but if you have a planned maintenance schedule and make a copy available to your tenants it will give your tenants confidence that they are dealing with a professional landlord.

Selecting a tenant

You should approach this as if you were interviewing. Prepare a list of questions to help you decide if this is the type of person you would like to have living in your property. Careful preparation and planning will help to minimise problems during the tenancy. The following offer assistance in deciding how to approach this:

- Get someone else to be present with you when interviewing, this will be of help when making a decision.
- Contact the prospective tenant a few hours before the appointment to check that they are still attending.
- Do not rush into making a decision on the spot; discuss it afterwards with your co-interviewer.
- If it is going to be a joint tenancy meet all the potential tenants in advance.
- It may be worth arranging to meet the tenant at their current property as this will give you an idea how they look after the property.
- Ask the tenant for contact detail of their current landlord and prepare questions to ask them.
- Make it clear to the tenant and put it in the tenancy agreement if you do not want pets or smokers.
- If the potential tenant is a single person and under 25 years old, and claiming benefits beware of the single room restriction.
- You may wish to arrange to have a credit check carried out by your bank or a financial institution.

There is a charge for this. This may be able to give background information on your potential tenant for example, county court judgements, bankruptcy etc.

Ask to see the following information:

- The prospective tenant's passport or driving license, birth certificate and make copies of these.
- National insurance number is one of the most important pieces of information that can be obtained from prospective tenant. Verify it with a pay slip or letter from the Inland Revenue or a letter from Benefit
- Ask to see a current utility bill; this is a common means of confirming a person's current or previous address.
- Get employer's details. This gives a landlord a point of reference and a means of claiming money
- (by attachment of earnings) should a tenant leave owing money.
- If you are a member of a landlord association you can arrange for checks to be carried out for nominal fee.

Setting the rent

A "market rent" may be charged for assured and assured shorthold tenancies. You have to decide what rent you want to charge for your property and the "market" decides whether you can attract a tenant willing and able to pay the amount you are charging.

You may need to consider the following:

- The quality of the accommodation and its size
- The services or furniture included
- The location of the property.

The prospective tenants may be on low income, or a tenant may have a change of circumstances affecting their income, and therefore have to apply for housing benefit. If this is the case there is a maximum that housing benefit will pay and this is set by the rent office. Obviously, you will want to ensure that the rent you receive covers your management costs and at least be cost neutral. However, if you set the rent too high you may have more problems in recovering the rent from the tenant and may end up incurring more costs in rent arrears and management costs, including possible court action.

Increasing the rent

If the tenancy agreement sets out the procedure for increasing the rent then this must be followed. There can be no application to the rent assessment committee. If the tenant has a fixed term tenancy the agreement will normally say:

- That the rent will be 'fixed' for the whole period of tenancy

Or

- That it will be reviewed one or more times at specified intervals when the fixed term comes to an end a new rent may be agreed when a new tenancy agreement is signed. If no new tenancy agreement is created, and the tenant remains, a statutory periodic tenancy has in fact been created. At this stage the landlord may propose a rent increase under the formal procedure in the Act.

Where agreements do not say anything about rent increases:

In these cases the landlord must inform the tenant of the proposed rent increase on a special form called "landlords notice proposing a new rent under an assured periodic tenancy or agricultural occupation" which can be obtained from law stationers. A minimum of one month's notice must be given where the tenant pays rent monthly or less (according to the tenancy agreement).

If the agreed tenancy/payment period is more, then the notice must be equivalent to that period.

What if the tenant does not agree with the proposed rent increase?

The increase in rent comes into force once the notice of increase expires. There is nothing to stop the landlord and tenant coming to an alternative agreement if they wish to do so. However, if the tenant disagrees and thinks the rent increase is too high, he/she may apply to the rent assessment committee and ask it to decide what the market rent should be. This must be done before the notice of increase has expired.

Rent Officer Service - (for housing benefit claimants)

Every local council has a rent officer service. It is independent of the council. Rent officers currently have two main functions:

- To determine registered or "fair" rents for private tenancies begun before 15 January 1989
- To assess the level of housing benefit payable towards the rents for the new lettings begun after the 15 January 1989 whether the claimant is a tenant or licensee.

Rent Assessment Committee (RAC)

The Rent Assessment Committee covers larger areas than just a council district. An RAC is an independent statutory body consisting usually of three

people: a lawyer, an expert in property valuation and a lay person. It decides what rent the landlord could reasonably expect to get for the property if he/she was letting it in the market. It does not take into account improvements to the property carried out by the tenant or previous tenants, neither does it take into account any reduction in value of the property caused by the tenants own neglect. Any hearing would be informal and there is no charge for the committee's services. If the landlord demands a higher rent than the committee has decided, and this cannot be accounted for as extra, e.g. service charges, the tenant does not have to pay it.

Inventory

An up-to-date detailed inventory is essential. Do it yourself, or if you are using an agent, ask them to do it for you. The inventory should note all contents and their condition and the general condition of décor. Clear, dated photos of rooms, floor coverings, doors and windows are all useful.

Two copies of the inventory should be prepared and at the very start of their tenancy the tenants should check, sign and return one copy within a stipulated time.

Without an inventory you could find it hard to deduct money from a tenant's deposit.

Security deposits

The tenant can be asked to pay up to six weeks rent as a security deposit to cover the non payment of rent or damage at the end of the tenancy. If you charge a deposit of more than 2 months rent, it could be regarded as a premium, which may give the tenant a right to give the tenancy to someone else or sub-let.

Tenancy deposit protection scheme - the Housing Act 2004

The legislation will ONLY apply to new assured shorthold tenancies entered into on or after the 6th April 2007. Any deposit paid for before this date will not need to be safeguarded by the tenancy deposit scheme.

To avoid disputes having to go to court all schemes will be supported by an Alternative Dispute Resolution (ADR) Service, but the use of the ADR will not be compulsory.

The government has awarded contracts to three companies to run the tenancy deposit protection scheme from 6th April 2007 and the landlord may choose which scheme they wish to use.

Custodial scheme:

Computershare Investor Services plc will operate the only custodial deposit scheme, with the Chartered Institute of Arbitrators doing the Alternative Dispute Resolution (ADR) service.

This scheme will be FREE for landlords and tenants to use and the interest accrued by the deposits in the scheme will be used to pay for the running of the scheme: Surplus interest will be payable to the tenant or landlord if appropriate.

The deposit will be paid back to the appropriate person within ten days of the tenancy coming to an end. In the event that there is a dispute ALL the deposit will be held until the dispute is resolved, maximum twenty-eight day turnaround. Landlords will be able to re-let their property whilst the dispute is being resolved.

Insurance-based schemes:

The Dispute Service Limited will operate insurance based scheme directed primarily at letting agents.

The National Landlords Association, in consortium with Hamilton Fraser Insurance, will operate an insurance-based scheme directed primarily at independent landlords.

Landlords will pay an insurance premium to be allowed to hold the deposit. At the end of the tenancy the landlord and tenant will inform the scheme how the deposit will be divided, and then the landlord will return all or some of the deposit to the tenant. In the event of a dispute the disputed amount MUST be handed over to the scheme for safekeeping. If a landlord fails to comply the insurance arrangements will ensure the return of the deposit to the tenant if they are entitled.

Main aims:

- To ensure good practice in deposit handling, so that when a tenant pays a deposit, and is entitled to get it back, they can be assured that this will happen.
- To assist with the resolution of disputes by having an alternative dispute resolution service (ADR). It will also encourage tenants and landlords to have in place, from the outset, clear agreement on the condition of the property through best practice, such as the use of inventories, and agreement on the condition of the property. Whichever scheme is chosen the deposit will still be paid to the landlord and they MUST inform the tenant in a prescribed format within 14 days of signing the tenancy agreement which scheme their deposit will be held in. Although there will be no prescribed inventory it is ESSENTIAL that

Penalties:

- The landlord will be unable to regain possession of the property using the 'notice only grounds',

Section 21.

- The tenant can apply to the court to have their deposit protected or to be given the prescribed information. Where the court believes the landlord is not complying with the TDP they must order the landlord within 14 days of making the order:

a) To pay the deposit to the custodial scheme administrator.

Or

b) To repay the deposit to the tenant

In addition the court **MUST** also order the landlord to pay the tenant a fine of **THREE TIMES THE DEPOSIT AMOUNT**

Fair wear and tear

As the landlord you cannot withhold the deposit because of general 'wear and tear'. The amount of wear and tear occurring will largely depend on the condition of the property when the tenant moved in and the length of time that they have lived there. Landlords are expected to re-decorate and replace carpets and furnishings every few years.

When the tenant moves out

Landlords should carry out another inventory with the outgoing tenant on the day that they move out. This needs to be checked against the one taken when the tenant originally moved in. Agree the amount of deductions that have to be made. Keep receipts of any works that you have had to do. Also take photographs or a video recording showing any damage. Check that the rent is paid up to date, that there are no unpaid household bills or any housing benefit overpayment outstanding. You can only claim for any financial loss that you have actually suffered.

You should detail your reasons in writing to the tenant (giving a breakdown of specific costs) why you are withholding the deposit. If the tenant does not agree the ADR will resolve the dispute.

Rent books (Landlord Tenant Act 1985)

Rent books are a means of recording the tenant's rent payments, and provide the tenant with a useful at-a-glance picture of rent due, payments made and a running total of any arrears or credit.

If the rent is payable on a weekly basis then landlords are required by law to provide a tenant with a rent book. It is mandatory to provide additional information in the rent book, most importantly the landlord's name and address. In order to make sure you have provided all the prescribed information you can buy ready printed rent books, which indicate the details needed. The type of tenancy that you have granted will determine which type of rent book you must supply. The most common one is entitled 'rent book for assured tenancy or assured agricultural occupancy'.

Although the legal requirement for landlords to provide rent books only applies to tenancies where the rent is payable weekly, it is a useful document for any landlord to provide, as it gives much more information to the tenant than receipts. A rent book can be particularly useful where the rent is coming from two different sources, so the tenant needs to know what has been paid by the third party. An example might be where some of the rent is covered by housing benefit and is being paid direct to you, with the tenant making up the rest. Furthermore, if the tenant is claiming housing benefit they will have to provide proof of their rent, and a rent book is ideal for this.

Housing Benefit

This section is only a brief guide to housing benefits. It does not cover every aspect of the scheme and it is not a full statement of the law.

What is housing benefit?

Housing benefit is a social security benefit available to tenants on low incomes. It is NOT rent money – but is intended to assist them to meet their rent liability. The housing benefit scheme is administered by local councils. They work out how much housing benefit your tenant may be entitled to, taking into account their income, savings, other benefits they are receiving, their personal circumstances, other members of the household and the amount of rent payable.

People who may be entitled to housing benefit

A person may be entitled to housing benefit if he or she is liable to make rent payments in respect of a dwelling in Great Britain, which he or she occupies as a home. Housing benefit is available to:

- Private Sector Tenants -including people who live in hostels and are provided with meals, who rent accommodation from a private landlord, housing association or co-operative.
- Lodgers and sub tenants
- Students -Since 30 September 1990, most students have been disqualified from claiming housing benefits but there are a few exceptions.

How does your tenant make a claim?

Tenants have to complete a claim form, obtained from their local authority. Housing benefit cannot be backdated unless the claimant shows 'good cause' for not claiming earlier. It is essential that the tenant supplies all the information requested and responds to all correspondence as not doing so generally leads to delays.

To ensure the smooth processing of a housing benefit claim the tenant will have to provide the following information:

- A completed application form signed by the tenant(s).
- Proof of the rent and charges made for services, fuel etc, signed by the landlord (e.g. tenancy agreement).
- National Insurance numbers of claimants (if joint tenancy - both tenants to supply).
- Two proofs of identity.
- Proof of the tenant's income e.g. Benefit books/letters, or earnings proof i.e. 2 monthly or 5 weekly payslips.
- Proof of capital savings (for example money saved in banks, building societies, premium bonds, ISAs etc.). All documentation should be supplied must be originals and it is advisable to ensure your tenant has all the appropriate information before agreeing to a tenancy. The initial claim can be submitted without all the documentation but if the tenant delays in providing it there will be a delay in the housing benefit department processing it.

How is housing benefit worked out?

An award of housing benefit depends on the applicant's income and their personal circumstances. Someone who is receiving Income Support from the Benefit Agency or whose income is at Income Support level could get all his or her rent paid by housing benefit. But there may be restrictions due to eligibility or high rents or if there are other people in the household classed as non-dependants.

Housing benefit regulations are extremely complex and cannot be detailed here.

Housing benefit payments

Payments can be made either 2 or 4 weeks in arrears when paid directly to the tenant or 4 weeks in arrears when paid directly to the landlord. The tenant must agree to the landlord receiving a direct payment and they can withdraw their consent, and have their rent money paid direct to them.

Overpayments

The housing benefit regulations place a responsibility on landlords in receipt of direct payment to report any known change in circumstances of the tenant. Where there is direct payment the regulations give extra powers of recovery to the local authority. They can not only recover overpayments from direct payments made on behalf of a claimant but also from benefit payments made on behalf of a different claimant but to the same landlord.

If you are receiving your rent directly it is important that you make regular inspections on your property and complete the routine inspection template. If your tenant is claiming housing benefit and an overpayment is made your inspection reports can be submitted as evidence that you were unaware of the change. It is worth remembering that anyone, due to an unexpected turn of events could end up claiming housing benefit.

Confidentiality

Details regarding a claimant's housing benefit application are strictly confidential. Information concerning housing benefit claims cannot be given out without the claimant's written permission, and even then only limited information can be made available.

Rent arrears

As a landlord it is essential that you have a clear strategy for preventing and managing rent arrears. When rent arrears do occur you should seek early intervention through personal contact with the tenant, offering advice and support and agreeing the best way forward. You should continuously evaluate your strategy for its overall effectiveness, considering its costs to you and the benefit to the tenant.

The following strategy is suggested:

Rent is one week in arrears:

Initially telephone the tenant to try to discuss the problem and back this up with a letter detailing the rent arrears and asking the tenant to contact you as soon as possible.

Rent two weeks in arrears:

Visit the property and if the tenant is not available leave a letter asking them to contact you as soon as possible, follow this up with a phone call.

Rent is three weeks arrears:

If there has still been no contact send a third letter advising the tenant that a notice seeking possession will be served if they do not make contact to discuss the arrears, follow this up with a phone call.

Rent is four weeks in arrears:

Visit the property and if the tenant is at home discuss the arrears and make an agreement to clear them, if not deliver letter four containing the notice seeking possession and ask the tenant to contact you as soon as possible.

If there has been no contact for seventeen days after the date of service you may start court proceedings. It would be appropriate at this point to seek legal advice from a qualified solicitor.

As soon as your tenant is eight weeks in arrears you should also contact the Housing Benefit Department in writing (keep a copy) and by telephone to inform them of the arrears. The housing benefit regulations allow the benefit to be paid direct to the landlord in these circumstances, at the Council's discretion, even if the tenant wanted payments made direct to them.