

Landlords fight back in benefit row

THOUSANDS of housing benefit claimants could become homeless as a consequence of what is being described as a "disastrous" UK Government policy.

According to the charity Shelter, Scotland already has a serious shortage of rented accommodation.

The warning about a deepening crisis comes from John Blackwood, director of the Scottish Association of Landlords.

It represents private landlords, most of whom are furious at the introduction last year of the Local Housing Allowance. Under the LHA's terms, housing benefit payments are no longer paid directly to the landlord. Instead the money is given to the tenant who is supposed to pass it on.

Mr Blackwood says the system isn't working and his members are losing thousands of pounds because some tenants are keeping the rent money.

Now the landlords have decided to fight back — by refusing to rent their properties to anyone receiving benefits and in some cases evicting tenants on benefits.

On Tuesday in Edinburgh, SAL's annual conference will hear a hard-hitting speech attacking the UK Government by John Blackwood.

Yesterday he said, "How many tenants need to be made homeless before the LHA is axed?"

"We warned the Westminster Government this policy wouldn't work but they ignored us. Now we've decided to take a tougher approach.

"We're not advising our members to deny accommodation to benefits claimants. This is the last thing we would ask members to do. Many private landlords are already doing so in protest and the number is growing every week.

Disastrous

"The threat of homelessness is on the rise and the UK Government doesn't care. We want to draw attention to this disastrous state of affairs and force the Department of Work and Pensions to reverse this policy."

Several landlords we spoke to last week confirmed their attitude to benefits claimants has changed.

John Wilson of Rentsure, a Glasgow-based letting agency, said, "Many landlords we represent don't want to take a tenant on housing benefit. They have now instructed us to insist on a deposit of two months' rent in advance for all new tenants.

"Very few HB claimants will have that kind of money and so will have to look elsewhere.

"With the economy in a mess and no sign of the credit crunch easing, more and more people will lose their jobs and possibly their homes. Families will end up on benefits but they will struggle to find good accommodation.

"There's already a shortage and it's just going to get worse."

Duncan McDonald of Broughton Property Management in Edinburgh

By Colin Grant

said, "We manage 500 properties for private landlords in Edinburgh and Fife.

"One vulnerable tenant, who has learning difficulties, received the rent from the authorities and spent it on Christmas presents. He genuinely thought he was getting a festive bonus. We have no chance of recovering that money from anyone.

"So far we have been asked by around half a dozen landlords to get rid of any tenants on benefit."

Stirling-based Frank Gilbride owns 21 properties with his brother across central Scotland.



■ Frank Gilbride.

He said, "Last September we rented a flat in Falkirk to an unemployed young woman who was claiming housing benefit.

"The rent was £375 per month. By December we hadn't received a penny and were more than £1000 out of pocket. We then got a call to say she'd moved out.

"She'd completely wrecked the flat. Doors were ruined, windows were smashed, the kitchen was badly damaged and the central heating had been left on 24 hours a day.

"We complained to the council and received a cheque for £140, a tiny amount compared to what we lost.

"Prior to LHA we never had a problem receiving rent. From now on, though, our policy is to prefer employed tenants."

Scott McColl, from Forres, rents out 11 properties across the country. He said, "I lost four months' rent, £1800, because a tenant refused to hand over the money he'd received from the DWP.

"When I contacted the local council, who make the payments, they refused to discuss the issue with me because they claimed doing so would breach data protection laws.

Annoying

"Because of the way I've been treated I am resistant to the idea of renting my properties to claimants."

Graham Morris of Red Box Property added, "It is annoying to go to a property where rent money should have been paid, to turn up and see a scattering of new shoe boxes and carrier bags from high street retailers spilling from the wheelie bin.

"It wasn't hard to work out where the rent money went."

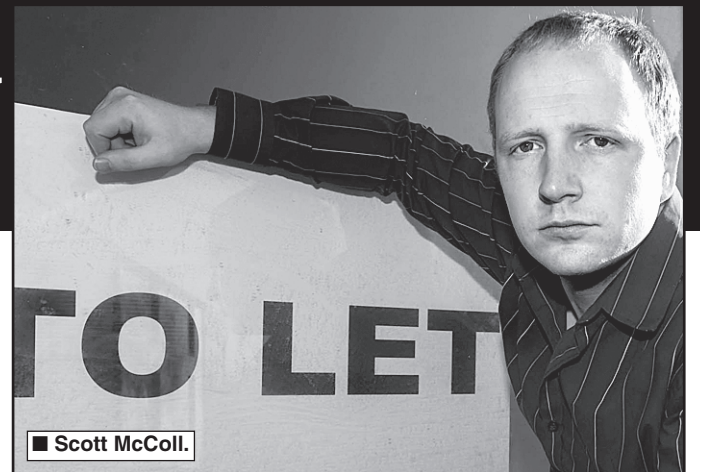
A spokesperson for the Department for Work and Pensions said, "We believe that Local Housing Allowance is a much fairer, simpler and more transparent way of calculating housing benefit.

"Where possible the benefit will be paid to the customer so that they can take more personal responsibility for their housing, helping to prepare for when they move into work.

"Safeguards are in place to protect tenants and landlords so that where

tenants are likely to have difficulty managing their financial affairs, or unlikely to pay their rent, payments can be made to the landlord.

"Despite landlords' initial fears, there is overwhelming evidence that people have responded extremely well to the responsibility of managing their rent payments."



■ Scott McColl.

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