

CAMPAIGN FOR TENANT CHOICE

c/o The Residential Landlords Association, 1 Roebuck Lane, Sale, Manchester, M33 7SY
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23rd September 2011

Rt Hon Iain Duncan Smith MP
Secretary of State
Department for Work and Pensions
Caxton House
Tothill Street
London
SW1H 9DA

Dear Secretary of State,

Tenants Should Have the Right to Choose

As organisations representing housing tenants, consumers, landlords and managers in the private and social rented sectors, and mortgage lenders, we call on both parties in the Coalition to abide by their pledges made prior to the election to allow tenants to choose to have the housing element of the new universal credit paid directly to their landlord (see attached).

It is a policy which is overwhelmingly supported by tenants as a means of enabling them to manage their finances responsibly and would provide much needed support to landlords in both the public and private sectors to be able to access the financing needed to address the housing shortage. In a recent survey carried out by the research consultancy Policis, working with the National Housing Federation, 93% of tenants in the social rented sector argued that it is better for housing benefit to be paid direct to landlords. In 2009, Shelter revealed that of those claimants who would choose payments to be made directly to their landlord, 95% were struggling to manage their finances.

By denying tenants the opportunity to opt for payments to be made to their landlord, the Government is failing to provide them with options to be able to make informed decisions about what is best for their own circumstances. This is not compatible with the Government's objectives of personal responsibility and choice.

As a leading credit reference agency, Moody's, has warned, withdrawing the ability for payments to be made directly to landlords could harm the credit-ratings of social housing providers making it more difficult to access financing for much needed new housing. This will also have an impact on the private rented sector which is seeing much greater demands being placed on it.

We call on the Government to support tenants to make rational decisions about what is best for them by giving them a choice, and to accept an amendment, supported also by Shelter and Homeless Link to the Welfare Reform Bill in the House of Lords to ensure that this can happen.

Yours sincerely,



Alan Ward
Chairman, Residential Landlords Association



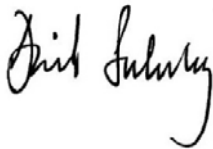
Michael Gelling OBE
Chairman, Tenants and Residents
Organisations of England



Joanna Elson OBE
Chief Executive, Money Advice Trust



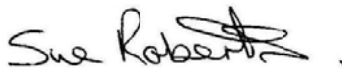
Gillian Guy
Chief Executive, Citizens Advice Bureau



David Saulsbury
Chairman, National Landlords Association



Paul Smee
Director General, Council of Mortgage Lenders



Sue Roberts MBE
Chairwoman, National Federation of ALMOs



Ian Potter
Operations Manager, Association of Residential
Lettings Agents



Lesley Baird
Chief Executive, Tenant Participation and
Advisory Service (Scotland)



Ilene Campbell
Director, Tenants Information Service



Nick Bennett
Chief Executive, Community Housing Cymru



Ian Fletcher
Director of Policy (Real Estate), British Property
Federation



David Orr
Chief Executive, National Housing Federation



Mary Taylor
Chief Executive, Scottish Federation of Housing
Associations

Christopher Williamson

Christopher Williamson
Chief Executive, Northern Ireland Federation of
Housing Associations

CC Rt Hon Eric Pickles MP, Secretary of State for Communities and Local Government

Rt Hon Simon Hughes MP, Deputy Leader of the Liberal Democrats and Co-Chair, Liberal Democrat Parliamentary Policy Committee on Communities and Local Government

Lord German of Llanfrechfa, Co-Chair, Liberal Democrat Parliamentary Party Committee on Work and Pensions

Lord Tope of Sutton, Co-Chair, Liberal Democrat Parliamentary Policy Committee on Communities and Local Government

Hugh Harris, Number 10 Policy Unit

Sheridan Westlake, Special Adviser, Department for Communities and Local Government

Philippa Stroud, Special Adviser, Department for Work and Pensions

'The Times' newspaper

COALITION COMMITMENTS TO TENANT CHOICE

In October 2009, outlining Conservative proposals to introduce tenant choice, Grant Shapps MP told Crisis:

"Fearful that rent money may never be paid, some landlords routinely include the words NO HB in their ads, further restricting the supply of housing for affordable rent.

"At the same time some of the most chaotic tenants have struggled to manage their finances, meaning that the cash is already spent by rent pay day.

"It strikes me that the current situation is bad for everyone and I can see no reason why people on Local Housing Allowance shouldn't enjoy the freedom to have their Housing Benefit paid direct to their landlord. Our proposal will destigmatise the system and increase the amount of affordable homes available."

Speaking to the NLA's "UK Landlord" magazine during the 2010 election campaign, Sarah Teather MP, the then housing spokesperson for the Liberal Democrats argued:

"The Liberal Democrats opposed making it compulsory to pay tenants housing benefit when the new LHA rules were proposed, and we continue to feel that individuals should have the choice. Many people genuinely don't want to manage their rent and feel safer if their housing allowance is paid directly to their landlord."