
Meeting: Social Care Health and Housing Overview & Scrutiny Committee

Date: 13 September 2010

Subject: Let's Rent – Housing Option – An Update and Evaluation

Report of: Cllr Mrs Rita Drinkwater, Portfolio Holder for Housing

Advising Officer: Julie Ogley, Director of Social Care, Health and Housing

Summary: The report updates Members on the progress of this scheme, as endorsed by the Executive on 9 February 2010. It is an innovative private sector housing option that allows households in Central Bedfordshire a choice to access a regulated private sector home, with all requisite support mechanisms for tenancy sustainment, if required.

Contact Officer: Hamid Khan – Head of Housing Needs

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATION:

- 1. That the Social Care Health and Housing Overview & Scrutiny Committee note the contents of this report for information.**
- 2. That the Social Care Health and Housing Overview & Scrutiny Committee consider the content of the report and provide further suggestions or amendments to developing the Lets Rent Scheme.**

Reason for Recommendation: So that Members of Social Care, Health & Housing Overview & Scrutiny Committee can contribute to the continuing development of Lets Rent.

CORPORATE IMPLICATIONS

Council Priorities:

This Strategy will contribute to the managing growth effectively priority.

Financial:

There are no financial implications to the Council's General Fund or Housing Revenue Account. The scheme will be funded exclusively from the Governments' Homelessness Prevention Grant. If the grant is withdrawn then the scheme can become self financing as pointed out in Section 10 of the report

Legal:

Legal services have been involved in the Service Level Agreements between partners ensuring no liabilities for Central Bedfordshire

Risk Management:

There are no risk management issues arising directly from this report

Staffing (including Trades Unions):

There are no direct staffing implications

Equalities/Human Rights:

Central Bedfordshire Council has a duty to promote the equality of race, gender and disability, and to tackle discrimination experienced by other vulnerable groups. Vulnerable groups could include older people, disabled people, people with low levels of literacy, people from poorer socio economic groups, people experiencing domestic violence, some people from ethnic minority communities including migrant workers and Gypsies and Travellers, and people from lesbian, gay, bisexual and Transgender communities.

The "Let's Rent" scheme has the potential to tackle inequality by focusing on ensuring that the diverse housing needs of customers can be met across Central Bedfordshire, whilst increasing customer choice and control, and promoting high quality Sustainable homes.

The scheme has undergone an Equalities Impact Assessment

Community Development/Safety:

This scheme will contribute to creating more settled and safer neighbourhoods where good quality housing will contribute to the improvement in the health and well being of households

Sustainability:

One of the main outcomes of the scheme is to provide long term sustainable homes for a variety of households, thus contributing to longer term economic stability and indirect investment to local infrastructure

Introduction

1. "Let's Rent" is a private sector housing scheme, developed by the Housing Needs Service (Aragon Housing association in the North and CBC in the South). This scheme has been developed in partnership with private sector landlords, (PRS), Settled Housing Solutions, Bromford Support, the Revenue and Benefits service, Private Sector Housing, and other statutory and voluntary stakeholders. It will increase the number of good quality affordable homes within the private sector and will be available to households across Central Bedfordshire. The scheme was formally ratified by the Executive on 9 February 2010 and the Executive recommended an evaluation of the scheme after 6 months. Lets Rent was formally launched on 19 April 2010.
2. The scheme has been created to assist in preventing homelessness, to offer customers threatened with homelessness a viable and sustainable alternative to Social housing or temporary accommodation when placed in a situation of homelessness, and to promote customer choice and control within a Housing Options environment. "Let's Rent" provides a low cost and high quality alternative housing option, underpinned by value for money, with the efficient use of public money. "Let's Rent" does not require expensive rent deposits, but uses a unique insurance scheme to indemnify any losses for landlords. It is also worth noting the efficiencies to the Council in preventing homelessness and not using temporary accommodation.

Evaluation and Outcomes

3. " Let's Rent" also conforms to the principles of good practice, as set out in the Government review of the private sector housing market by Julie Rugg and David Rhodes, "The Private Rented Sector: It's Contribution and Potential" (2008). The Rugg Review promotes that local authorities should work closely and in partnership with the private rented sector and any market model would ideally include the following outcomes:
 - An increase in private affordable homes to rent
 - A scheme that is accredited and regulated
 - Good quality accommodation
 - Sustainable tenancies
 - Prevention of homelessness
 - Promote choice as an alternative to Council housingThe evaluation of Lets Rent will be measured by the outcomes above.
4. Since its launch on 19 April 2010, 11 families have successfully found a new home through this scheme. All these families were homeless and therefore the Council would have been legally obliged to provide them with temporary accommodation. The scheme has successfully prevented homelessness and contributed to Council efficiencies by not using expensive temporary accommodation. Importantly, it has provided customers with a genuine choice to Council housing.

5. All of the families who have successfully found a home through Lets Rent are still resident in their homes. 3 families are being supported in their home by Bromford Support. Therefore, at present the scheme has a 100% tenancy sustainment outcome, with support from Bromford for more vulnerable households.
6. 10 Of the properties have been of a good quality and property standard. Only one property has had lower standards and this was rectified by the Council's Private Sector Housing team, who are also actively involved in promoting and enforcing higher property standards. The Private Sector team is also providing training to the accredited Letting Agents to ensure they are better at recognising any potential hazards in a property before it is offered under the Let's Rent scheme.
7. The lettings agents used to procure properties for Lets Rent are both regulated and accredited by the National Association of Lettings Agents and Association of Residential Letting Agents. The Private Sector Housing team are working closely with the agents to ensure accreditation standards and develop this area further.
8. In terms of all the defined outcomes the scheme has been a success to date. Overall 37 families have been referred and some households were simply not suitable for the scheme due to a number of reasons, such as complicated support needs, chaotic lifestyles that require specialist support and so on. However all the families that have found homes are all vulnerable due to a number of factors.
9. Customer feedback has in general been positive, but has highlighted some practices by the Letting Agents that were not part of the agreed Lets Rent scheme. For example, two families were charged an extra administration fee of £50. This has now been returned to the families by the Letting Agents. Three households felt they were only given a limited choice of homes. These issues have been discussed with the Agents at the regular monitoring meetings and action is being taken to rectify this. As a consequence of this feedback all Lets Rent families will be visited in their home by a Housing Options Officer on moving in and contacted on a monthly basis. Although the scheme has provided more homes in the private sector, the demand from customers far outstrips the supply of properties from Agents. Both the Council and the Letting Agents are embarking on a joint marketing drive to procure more properties. However feedback from some individual landlords is that often the Letting Agents are charging too high a management fee of 12%. This has become a barrier to small landlords joining the scheme. The Council is now negotiating with the Letting Agents to try and reduce this fee for individual landlords who wish to join the Lets Rent Scheme.

Conclusion and Future Development

10. It is clear that the Lets Rent scheme is a success and is becoming popular with customers. Indeed we now have a waiting list of families requesting a Lets Rent property. The Council is working hard with Letting Agents to procure more properties. However, the model of Lets Rent works exceptionally well. It is worth noting that the Council itself can procure properties using the Lets Rent Model, directly with private landlords.

By charging only a 2 or 3% fee the scheme will not only generate income, but become self financing. Officers are exploring options that might be more attractive to landlords including the provision of a management service so that the scheme can be offered to more families. These options need to be explored given the increasing pressure on the council resulting from the rise in people approaching the council with a housing need (over 64% in recent weeks). The ambition is to continue to expand the scheme, opening out to those households who do not necessarily have a priority, but require a home and also to use the Home Connections Choice Based Lettings system to advertise Lets Rent properties to give customers even greater choice. The Council also is working with partners to procure specialised private sector homes that have some adaptations that may assist older and more vulnerable customers.