



Let's Rent Offer

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Service	Adult Social Care		
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Version Control

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1.0	06/02/17	Jo Bellamy	Development of first draft	Nick Costin
1.1	13/02/17	Nick Costin and Julie Piercey	Amendments to first draft incl. eligibility criteria correction and clarification of services and products.	Jo Bellamy
1.2	15/02/17	Jo Bellamy	Addition of Discretionary Housing Payments and Local Welfare Provision.	Nick Costin and Julie Piercey
1.3	20/02/17	Nick Costin	Minor amendments	Jo Bellamy
1.4	24/04/17	Nick Costin	Amendments following engagement event – rent guarantee specification revised.	Nick Costin, Charlotte Gurney, Monique Houillet, Elisea Ruocco, Cheryl Stimson and Julie Piercey
1.6	18/05/17	Sarah McIntyre	Several changes required to reduce risk and ambiguity.	Nick Costin

SECTION 1. INTRODUCTION

The Let's Rent scheme is part of the Council's housing option approach that aims to increase the availability of good quality affordable homes within the private rented sector to assist in preventing homelessness. The Let's Rent properties offer customers threatened with homelessness a viable and sustainable alternative to high demand social housing or temporary accommodation when placed in a situation of homelessness.

Private sector landlords are often cautious about letting to Local Housing Allowance (LHA) tenants for various reasons, including:

- administrative delays in processing claims and receiving payment,
- the risk of overpayments being reclaimed from them,
- the perceived risk of tenants on LHA being more likely to accrue rent arrears,
- the association of anti-social behaviour and damage to property with benefit claimants, or
- a condition of the mortgage agreement and/or insurance policy prohibits them from letting to claimants.

There is also "competition" from non LHA tenants who are chasing the same available accommodation. The Let's Rent Scheme seeks to overcome these real or perceived barriers by offering financial products to mitigate these issues, where possible, to enable private sector landlords to rent their property to a Let's Rent registered client. Services to set up the tenancy and resolve tenancy issues provide further incentives within the scheme offered.

SECTION 2. PURPOSE

The Let's Rent housing option was first introduced by Central Bedfordshire Council (CBC) in 2010 in partnership with local landlords, accredited letting agents, the CBC Revenues and Benefits service, and local floating support services. It aims to allow households to have a choice of good quality, well managed private sector accommodation.

The objectives of the Let's Rent scheme are to:

- Prevent homelessness,
- Increase the number of good quality affordable homes within the private sector,
- Increase the availability of an alternative housing option to social housing,
- Reduce the reliance on temporary accommodation,
- Provide client choice and control, and
- Support tenants and landlords to sustain tenancies.

SECTION 3. SCOPE, DEFINITIONS AND RELATED POLICIES

Scope

The Let's Rent scheme offers several tools to help the Council prevent homelessness. It is part of the prevention pathway which includes other services and tools such as; Home Improvements Loan, Empty Homes Loan, Gateway Housing Support, the social housing register, and enforcement activity to improve availability of decent private sector accommodation. These other prevention tools interact with Let's Rent but they are not in the scope of this policy.

Definitions

Homelessness Duty – This is a duty on local housing authorities to secure accommodation of unintentionally homeless people in priority need. The duty is set out in the Housing Act 1996.

Private Rented Sector Offer – is defined by section 193 of the Housing Act 1996 as an offer of an assured short hold tenancy made by a private landlord to an applicant. The tenancy must be for a period of at least 12 months, but the Council will try to secure two-year agreements with landlords, where possible. The local authority must have arranged the availability of the property to discharge its homelessness duty.

Related policies

Empty Homes Strategy
Private Sector Housing Assistance Policy
Discharge Homelessness Duty to a Suitable Home Policy
Housing Allocation Scheme
Homelessness Strategy
Discretionary Housing Payment Policy
Local Welfare Provision Policy

SECTION 4. POLICY DETAILS

Eligibility criteria

Tenant

The eligibility criteria for an applicant to register with the Let's Rent Scheme is based on the criteria for a suitable Private Sector Offer (PSO) set out in the Discharge Homelessness Duty to a Suitable Home (DHDSH) Policy.

Specifically, this is anyone who has a local connection to Central Bedfordshire who:-

- Is a UK citizen with recourse to public funds.
- Has been given notice to leave their present home or is homeless.
- Must be able to afford the rent every month.
- Must not have lost accommodation due to any anti social behaviour orders, county court judgments or breach of tenancy agreement.

Clients in temporary accommodation are normally given priority, particularly if they are in priority need.

Those applicants that do not qualify for Let's Rent as outlined above can still be considered for certain elements of the Let's Rent scheme at a lower level of assistance, for example rent deposit assistance and loan for repayment of rent arrears using Homeless Prevention funding. Normally this is where the applicant concerned finds suitable accommodation themselves or are able to remain in their present home.

Property

The DHDSH Policy sets out when a property would not be suitable for a PSO and therefore not suitable for the Let's Rent Scheme. See Appendix B of the DHDSH Policy. In addition to this is a Let's Rent minimum re-let standard.

Housing Assistance Loans are available to support landlords to bring the property to a lettable standard. These are included in the Council's Housing Assistance Policy.

Landlord

For a landlord to register a property with the Let's Rent Scheme, he/she must be considered by CBC a fit and proper person as defined by Housing Act 2004 and Localism Act 2011 and Suitability Order (England) 2012. This decision will be based on Housing Solution's assessment of the Council's records for evidence that could indicate whether a landlord or

agent is not a 'fit and proper' person, supported by the landlord signing a statement that the owner(s) are fit and proper people.

Tenancy

The tenancy agreement must be for at least 12 months. The rent must be reasonable in comparison to local market rates and taking in to account the benefits of the Let's Rent tenancy.

Let's Rent Products and Services

The Let's Rent products are options available for the Council to overcome the barriers faced by landlords to renting a property to a Let's Rent registered applicant. The products available for consideration are as follows although some products are in development at time of policy development:

- a. Rent deposit
- b. Rent in advance
- c. Rent guarantee
- d. Rent top ups
- e. Discretionary Housing Payment
- f. Malicious damage insurance (future)
- g. Rent Arrears insurance (future)
- h. Lease agreement
- i. Private Sector Housing Assistance

Full details on the rationale and limits of the products are set out in Appendix A: The Let's Rent Offer Products Guide.

Ad hoc requests for support beyond the products set out above that are reasonable and meet the aims of the Let's Rent Scheme can be considered. These requests would have to be authorised by the Head of Housing Solutions, where supported by a Team Manager.

The *Let's Rent Offer Products Guide* will be reviewed annually and approved by the Head of Housing Solutions. Subsequent versions will be published on the Council's website.

Pre- and in-tenancy support is also available from the Housing Service to remove barriers for landlords letting to Let's Rent clients. These are listed below, with full details set out in Appendix B:

- Advertising properties and managing viewings
- Tenancy sign up service
- Tenancy sustainment support and advice services
- Local Welfare Provision
- Property repairs service
- Let's Rent landlord support and advice services
- Tenancy management (future development – currently considered on a case by case basis)

The service specification and procedures to deliver these services will be developed to manage expectations and ensure a consistent level of service.

Agreeing the offer with a landlord

The Let's Rent offer (services and products) is agreed by negotiation with the landlord for each let on a case by case basis. Practice guidance will be developed to ensure a consistent approach to these negotiations.

The officer considering the extent of the offer will assess whether the value of the products is reasonable and proportionate, taking in to account:

- the property
- the tenant's circumstances and urgency of housing need
- the availability of alternative, more cost effective suitable accommodation
- the remaining funds available to support the scheme in the financial year.

Where monthly monitoring of the budget projects an end of year overspend, the offer will be limited to maintain delivery of the scheme throughout the remainder of the year. In these situations, to manage costs, clients in priority need will be prioritised and top ups will be reduced.

Following a cost analysis to assess the viability of the offer, a business case will be set up for management approval.

When a business case is approved, a service level agreement setting out the terms and conditions of the offer will prepared for the landlord's agreement.

Agreeing the offer with the tenant

The applicant will be required to agree to the following to be able to sign up to the tenancy:

- terms and conditions of the tenancy agreement,
- terms and conditions of the Let's Rent products offered including payment plans where applicable.

Tenant re-payment plans

Where CBC Housing Solutions offers a one-off rent deposit, rent in advance payment or rent guarantee payments, the tenant must agree, where appropriate, how this will be paid back at a later date. The tenant will repay the:

- rent deposit in full at the end of the tenancy,
- rent guarantee payments by payment plan, subject to an affordability assessment, and
- rent in advance by payment plan, subject to an affordability assessment..

SECTION 5. LEGAL AND REGULATORY FRAMEWORK

Housing Act 1996 – Duty on local housing authorities to secure accommodation of unintentionally homeless people in priority need.

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- Set out the priority need definition. *The Homelessness (Priority Need for Accommodation) (England) Order 2002* updated this legislation.

– Enabled local authorities to discharge their duty towards homeless households in priority need by using privately rented housing irrespective of whether the household is in agreement with this.

The General Consents under Section 25 of the Local Government Act 1988 for (Local Authority assistance for private let housing) 2010). This allows housing authorities to provide financial assistance to private landlords in order to secure accommodation for people who are homeless or at risk of homelessness.

Supplementary Guidance on the homelessness changes in the Localism Act 2011 and on the Homelessness (Suitability of Accommodation) (England) Order 2012 – explains the changes the Localism Act made to the homelessness legislation.

Homelessness Code of Guidance for Local Authorities (2006)

- the local authority must have regard to the guidance when discharging the duty to the private rented sector. Under this code, local authorities also have a duty to ensure that advice and information about the prevention of homelessness is available free of charge to any person in their local authority area.
- sets out that there is no limit set on the amount of financial assistance that can be provided, however authorities are obliged to act reasonably and in accordance with their fiduciary duty to local tax and rent payers

Housing Act 2004 – Introduced the Housing Health and Safety Rating System (HHSRS), which is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. Potential landlords will need to meet these requirements.

Housing and Planning Act 2016 – which allows amongst other things a banning order to be made where a landlord or property agent has been convicted of a banning order offence and local authorities to update a database of rogue landlords and property agents.

The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 gives the power for local housing authorities to provide assistance for the purpose of improving living conditions in their area.

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Discretionary Housing Payment (Grant) Order 2001 governs payments under the Child Support, Pensions and Social Security Act 2000.

SECTION 6. EQUALITY AND DIVERSITY

The Let's Rent Offer complements the intentions of the Equality Act 2010 by increasing the housing options available to households made vulnerable by the threat of homelessness.

An Equality Impact Assessment will inform the policy to identify and where possible mitigate any negative impacts of the service on people with the protected characteristics.

SECTION 7. MONITORING AND REPORTING ARRANGEMENTS

An operational action plan will be developed, implemented and monitored within Housing Solutions to effectively implement the Let's Rent service.

The Let's Rent function is monitored by the Directorate's Performance Board through reporting of key performance indicators.

The budget to support the delivery of the Let's Rent Offer (including repayment plans) is monitored and reported upon monthly by the Head of Housing Solutions to ensure the scheme can be delivered throughout the financial year.

SECTION 8. TRAINING

The action plan will set out the training available to staff to raise awareness of this policy and its associated procedures and practice guidance.

SECTION 9. RESPONSIBILITIES

The Head of Housing Solutions will be responsible for implementing, monitoring and reviewing the offer.

The Head of Housing Solutions will have delegated responsibility to approve the annual review of products and services available to incentivise landlords (appendix A).

Ad hoc requests for support beyond the products set out in Appendix A would have to be authorised by the Head of Housing Solutions.

SECTION 10. EVALUATION AND REVIEW

This policy will be reviewed every three years unless amendments are required before this time.

The range of products and services available to incentivise landlords (appendix A) will be reviewed annually as part of the budget setting and approval process.

There will be an evaluation of the effectiveness of this Offer document and its implementation within 12 months of approval (individual services provided to tenants and/or landlords will be reviewed on an individual basis at regular intervals through Manager's operational reviews).

Appendix A – Let’s Rent Offer Products Guide 2017/18 (subject to annual review)

Let’s Rent landlord incentive product	Rationale	Limitations	Administration
Rent deposit	Clients may find the initial outlay of a deposit a barrier to accessing housing. The rent deposit removes this barrier.	<p>In the first instance, where appropriate, the tenant will be asked to apply for a Discretionary Housing Payments to cover the cost of a rent deposit.</p> <p>Where DHP is not available or appropriate, CBC (Housing Solutions) will offer the value of up to 6 weeks rent as a deposit.</p> <p>Officers have the discretion to exceed this value in exceptional circumstances where the decision is reasonable due to the perceived risk of tenancy failure.</p>	<p>See DHP section below.</p> <p>The rent deposit will be registered with a Government Scheme.</p> <p>The Government Scheme will return the rent deposit to the tenant at the end of the tenancy and Housing Solutions will reclaim this deposit from the tenant.</p>
Rent in advance	Landlords may require rent in advance to mitigate the financial risk of potential tenancy failure.	<p>In the first instance, where appropriate, the tenant will be asked to apply for a Discretionary Housing Payments to cover the cost of rent in advance.</p> <p>Where DHP is not available, appropriate or sufficient CBC (Housing Solutions) will offer up to one month’s rent in advance.</p> <p>Officers have the discretion to exceed one month’s rent or later extend the rent in advance period in exceptional circumstances where the decision is reasonable due to the perceived risk of tenancy failure. This may be a form of a loan or housing benefit direct payment (to the Council) agreement being agreed and developed, i.e. where housing benefit is paid directly to Housing Solutions</p>	<p>See DHP section below.</p> <p>The rent in advance will be paid directly to the landlord.</p> <p>If an Affordability Assessment indicates that client has sufficient income to repay the rent in advance, the tenant will be required to repay the Council through an agreed Payment Plan.</p>

<p>Rent guarantee</p>	<p>Landlords may require assurances from the Council that the rent is guaranteed to mitigate the financial risk of potential tenancy failure.</p>	<p>CBC will guarantee providing an occupier for up to 12 months ensure a stable payment of rent. Rent may be paid directly to the landlord by the Council as automatic monthly payments on behalf of the tenant and the Council will recoup the rent from the tenant subject to the Council being able to obtain the tenant's Housing Benefit payment direct, where this is claimed.</p> <p>Part of any contract with the landlord will deal with if a tenant defaults on rent payments to the Council or accrues in excess of the value of two months' rent arrears. In these circumstances, the Council will request that the landlord serve notice to evict the tenant.</p> <p>In the event that the tenant leaves the tenancy, the contract will give Central Bedfordshire Council the ability to offer the property to another tenant for the remainder of the rental term. In some cases, Central Bedfordshire Council may ask the landlord to shorten or extend the agreement for a further 12 month's or terminate the contract where a new tenant is offered an AST tenancy and the guarantee is no longer needed. If the landlord refuses to let the property to the new tenant put forward by the Council, and the grounds for refusal are not deemed reasonable by a Housing Solutions manager, the rent guarantee will be forfeited and payments will cease and any overpayments will be recovered from the landlord.</p>	<p>See DHP section below.</p> <p>The rent guarantee will be set out as a Service Level Agreement in the contract with the landlord and included in the tenancy agreement.</p> <p>Rent guarantee payments will be collected back from the tenant by the Council and this arrangement will be set out in the Let's Rent agreement with the tenant</p>
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<p>Rent top ups</p>	<p>Local Housing Allowance (LHA) rates are typically lower than market rent, creating a barrier to housing for those on low incomes and receiving LHA.</p>	<p>In the first instance, where appropriate, the tenant will be asked to apply for a Discretionary Housing Payments to cover or go towards the cost of rent top ups.</p> <p>Where DHP is not available, appropriate or does not cover the shortfall, CBC (Housing Solutions) will top up rent up to the value of £200 per month (this limit is reviewed annually). The agreement will be reviewed every six months. Conditions may be set for the tenants to be met before a top up is continued</p> <p>The value of the top up will be dependent on the Case Officer assessment of what is reasonable taking in to account, alternative suitable properties, the tenant's financial situation, the tenant's level of co-operation and budgetary pressures. What is achievable must also be realistic, looking at the circumstances objectively.</p> <p>Top ups can be varied to prepare the tenant for the cost of market rent once the Let's Rent offer ends. In some cases rent (or rent top up) could be paid 6 months in advance which must be supported by a business plan and approved by a manager. This option could be used where a landlord will only consider this option and where the costs of temporary accommodation would be more than the value of the 6 months rent paid for. Again the officer will need to see if the Tenant can repay the rent through housing benefit or loan agreement.</p>	<p>Top up payments are not reclaimed.</p> <p>Should in year budgetary pressures lead to restrictions on the Let's Rent Offer, top ups will be the first product to be reduced.</p>
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Discretionary Housing Payments	Housing authorities may make DHPs to a private landlord to meet a shortfall between the rent and the amount of housing benefit payable to a person who is homeless or at risk of homelessness. DHPs are intended to provide extra financial assistance where there is a shortfall in a person's eligible rent and the housing authority consider that the claimant is in need of further financial assistance.	<p>Tenants can only apply for DHP if they receive Housing Benefit from Central Bedfordshire Council or the housing costs element of Universal Credit, and they live in Central Bedfordshire.</p> <p>There is a limited budget for DHPs and applications are treated on a case-by-case basis. Some applicants will be given priority because of their special circumstances.</p>	<p>A DHP application must be completed by the tenant.</p> <p>Applications are treated on a case-by-case basis, in accordance with the Council's DHP policy.</p>
Malicious damage insurance	A landlord may have concerns about how a tenant may look after their property and insurance could provide the reassurance that costs associated with damage can be minimised.	<p>CBC recommends as good practice that all landlords purchase insurance to protect against malicious damage for all properties let through Let's Rent.</p> <p>Where reasonable CBC may provide insurance cover which the landlord can purchase that insures them against malicious damage per year for up to a maximum of 2 years. This is currently in progress to be developed and may form part of any overall package offered to the landlord.</p>	<p>CBC offer insurance to the landlord or encourage the landlord to obtain the insurance themselves.</p> <p>The Council may negotiate on the excess where the Council offers insurance to the landlord and their property.</p>

<p>Rent Arrears insurance</p>	<p>This is an alternative to the rent guarantee product that could be offered to landlords that may wish to minimise the risk of losing rental income.</p> <p>This is to remove the barrier that landlords often have insurance perception that social tenants do not pay their rent.</p>	<p>CBC recommends as good practice that all Let's Rent landlords purchase insurance to protect against the risk of non-payment of rent.</p> <p>Where reasonable CBC will offer insurance that the landlord could purchase to cover guarantee rent per year for up to a maximum of 2 years. This is currently in progress to be developed and may form part of any overall package offered to the landlord</p>	<p>CBC may offer insurance to the landlord or encourage the landlord to obtain the insurance themselves..</p> <p>The Council may negotiate on the excess where the Council offers an insurance package to the landlord and their property.</p>
<p>Lease agreement</p>	<p>A landlord may want a property to be fully managed over a long term</p>	<p>A lease scheme could be considered especially for larger unit projects. The consideration of a lease agreement is through a business case process, which outlines costs and benefits, indicating whether the proposals would be cost effective.</p>	<p>CBC would bring the property to the standard required and set about a lease agreement to manage the property over a certain term of up to 10 years.</p>
<p>Private Sector Housing Assistance</p>	<p>The Private Sector Housing Assistance Policy sets out the funding available for landlords to improve their properties in readiness for letting to Let's Rent tenants.</p>	<p>Home Improvement Assistance - Loan Assistance to remedy Cat 1 hazards, non decent homes (disrepair, inadequate facilities etc) of up to £15,000 (or £20,000 in exceptional circumstances) with 30 year repayment condition.</p> <p>Empty Homes Loan - Loan assistance of up to £15,000 for owners of long term empty homes that require works to be made habitable.</p> <p>Loan assistance is 75% of costs, up to maximum assistance of £15,000.</p> <p>Enhanced levels of Housing Assistance are available where landlords form an agreement with the council in terms of nomination rights and rents at affordable levels. These agreements will be assessed on a case by case basis, depending upon the extent that local housing needs are met.</p>	<p>Full details on eligibility and delivery of Housing Assistance products are available in the Private Sector Housing Assistance Policy.</p>

The products above are options available for the Council to mitigate risks to landlords when renting a property to a Let's Rent registered tenant and to remove the barriers tenants face when letting a property. The final offer for each landlord is agreed by negotiation on a case by case basis and is dependent on what is considered by CBC as a reasonable level of support for each individual situation.

All products above are typically available up to two years when the Council's homelessness duty ends, however where the business case shows that a tenant is at risk of homelessness if the support immediately ceases after the two year period, the support will be reviewed and may be extended where reasonable. The support will then be reviewed regularly with a view to readying the tenant for housing without Let's Rent support.

Ad hoc requests for support beyond the products set out above that are deemed reasonable by the Council and meet the aims of the Let's Rent Scheme may be considered. These requests would have to be provided as a business case and be authorised by the Head of Housing Solutions. The Let's Rent Offer Products Guide will be reviewed annually and approved by the Head of Housing Solutions. Subsequent versions will be published on the Council's website.

Appendix B – Let’s Rent Offer Services Guide 2017/18 (subject to annual review)

Let’s Rent service	Details	Lead
Pre-tenancy support		
Supporting landlords to be Let’s Rent ready	Advice (which may be offered for a fee) on preparing the property for the Let’s Rent minimum re-let standard. This includes inspections and specification of works which supports access to Housing Assistance loans.	Housing Solutions
Advertising properties and managing viewings	<p>The Let’s Rent register is maintained to log potential landlords, properties and tenants which allows CBC to provide a tenant/landlord matching service.</p> <p>The Council will find a suitable tenant on behalf of the landlord and guide tenants through the process. In some cases, applicants will find suitable properties themselves, which might also be considered as suitable properties for Let’s Rent assistance.</p>	Housing Solutions
Tenancy sign up service	<p>This includes:</p> <ul style="list-style-type: none"> • All the tenant checks such as Housing Benefit, Police, Experian and affordability checks. Where information from these checks is to be provided to the landlord, the Council will obtain full and informed consent from the applicant. • Tenancy agreement sign up • Advising tenants at sign up to their responsibilities as a tenant including a You Tube video on expectations of the service and landlord. 	Housing Solutions
In-tenancy support		
Tenancy support and advice services	<p>The Independent Living Team will provide support to Let’s Rent tenants to sustain their tenancy. This includes Housing Gateway support which provides floating support to tenants with issues such as debt, employment, landlord issues etc.</p> <p>Housing Solutions provide homelessness prevention support and advice.</p>	Independent Living Team
Local Welfare Provision	This is grant assistance for those in crisis/exceptional hardship or those needing help to establish or maintain their independence within Central Bedfordshire. Tenants can apply for LWP to help furnish an unfurnished Let’s Rent property. An eligibility criteria applies and this is set out in the Local Welfare Provision Policy.	Housing Solutions

Housing repairs service	This is a stand alone service co-ordinated via the Housing Service's Housing Management function, which allows landlords to make use of the Council's contracted service to respond quickly to property maintenance issues. Landlords repay CBC for the cost of the repairs and any associated administration costs and will be subject to separate terms and conditions.	Asset Management
Let's Rent landlord support and advice services	CBC provides a professional information and advice support service (which it may charge for) to provide guidance on how to deal with tenancy issues such as decent homes standards (HHSRS) and eviction.	Housing Solutions
Tenancy management:	There is the potential to develop a tenancy management service using the expertise and resources within the Housing Management service or through an in-house lettings agency, when one is developed as planned. This is a future development that will be provided as an additional incentive to landlords when developed and approved.	CBC Housing Management or lettings agency – (to be confirmed)

The Let's Rent Offer Services Guide will be reviewed annually and approved by the Head of Housing Solutions. Subsequent versions will be published on the Council's website.