



WLGA • CLILC



Llywodraeth Cymru  
Welsh Government

# **Working Towards 2015: Adopting a housing solutions approach to homelessness**

## **Toolkit Two**

Accessing the Private Rented Sector

# Contact

## **Welsh Local Government Association**

The WLGA's primary purposes are to promote a better local government, its reputation and to support authorities in the development of policies and priorities which will improve public service and democracy.

It represents the 22 local authorities in Wales with the 3 fire and rescue authorities and 3 national park authorities as associate members.

### **Welsh Local Government Association**

Local Government House, Drake Walk, Cardiff CF10 4LG

Tel: 029 2046 8600

[www.wlga.gov.uk](http://www.wlga.gov.uk)

**Published:** January 2014

**Copyright:** Welsh Local Government Association

**ISBN:** 978-1-78286-008-2

Section	Description	Page
<b>Introduction</b>		5
<b>One</b>	Getting Started: How to use the Private Rented Sector toolkit	7
	The five key steps in developing a Private rented sector access scheme:	7
Step 1	Putting the scheme together – decide what package of incentives you need to provide	7
Step 2	Putting the team together	8
Step 3	Putting the processes in place	9
Step 4	Marketing your lettings scheme	10
Step 5	Consider what additional incentives you might need to provide	11
<b>Two</b>	Developing the financial offer to landlords	14
<b>Three</b>	The Landlord Packs:	19
Pack 1	A guide for landlords wishing to let their House or Flat	20
Pack 2	A guide for residential landlords looking to rent a room or rooms in their home – ‘The Lodgers Scheme’ information pack	40
Pack 3	A guide for landlords looking to rent a room or rooms in a House in Multiple Occupation (HMO)	66
Pack 4	A guide for Lettings Agents	81
<b>Four</b>	Templates, forms, agreements and for your PRS access scheme	89
	Resource 1: Consent to share information with a landlord: form for a prospective tenant	91
	Resource 2: Agreement between the landlord, local authority and the tenant that a payment of rent in advance made by the local authority to the landlord must be repaid	94
	Resource 3: Request on behalf of the tenant that local housing allowance is paid direct to the landlord:	98
	Resource 4: Agreement between the council and a private sector landlord to register deposit with a protection scheme	107

	Resource 5: Comparing cost to a landlord of letting their accommodation through a letting agent compared to the Council's PRS Access Scheme	110
	Resource 6: Summary of landlord's legal responsibilities when letting a property	112
	Resource 7: Form to confirm the property and landlord meet the standard and regulations for letting property	116
	Resource 8: An example of a tenant ready certificate	125
	Resource 9: Agreement between the Council and the Tenant to repay a loan to cover a cash payment	127
	Resource 10: Agreement between the Council and a tenant for the tenant to make payments to cover the deposit	130
	Resource 11: An indemnity agreement between the tenant and Council that the tenant will repay the Council for any payment it has to make to a landlord under its Deposit Guarantee	132
	Resource 12: Standing order mandate	133
	Resource 13: Example of a Fixed Term Assured Shorthold Tenancy (AST) Agreement:	135
	Resource 14: A guide to be given to prospective tenants which explains the Council's PRS Access scheme	144
	Resource 15: A suggested set of eligibility criteria for the Council's PRS Access Bond Guarantee.	153
<b>Five</b>	Two guides for access schemes:	155
Guide 1	Setting up a shared housing scheme	155
Guide 2	Advice note covering the issues to consider if you wish to set up a social letting scheme	169

## INTRODUCTION

The new homelessness legislation that will be introduced in Wales in April 2015 will focus on homelessness prevention and will place a duty on authorities to 'take reasonable steps' to prevent homelessness that is threatened within 56 days.

Two toolkits have been developed to support Authorities to make the necessary changes to their housing options and homelessness services in preparation for the new legislation. They have been developed by the WLGA with funding from Welsh Government and are part of a project to support the improvement of local authority homelessness prevention services. The toolkits have been written by Andy Gale (consultant) and guided by a project steering group of senior housing practitioners.

This is the second toolkit and has been developed to help authorities improve access to the private rented sector (PRS) by establishing PRS access schemes. The limited supply of social housing and restricted access to owner occupation means the private sector will need to play a key role in homelessness prevention. Authorities therefore need to develop a good understanding of their local housing market and build a positive partnership with local landlords.

Housing markets differ across Wales and authorities will need to develop an approach that works locally. This toolkit (No. 2) provides resources and templates to help authorities to improve access to the private rented sector. The templates are designed to be customised by authorities in response to the local private rented market and the resources available.

The main focus of the toolkit is on developing private sector access schemes, but the toolkit also includes advice on other options in section 5 including an advice note on the outcomes an authority should be seeking from a social lettings agency and advice on setting up shared accommodation schemes.

## **Developing a private rented sector access scheme**

The 3 essential components of an effective private rented sector access scheme are:

- a professional service that landlord's trust
- getting the landlord package right
- marketing and selling the service in a professional way

**Section 1:** Outlines how to use the toolkit and the key steps you will need to go through to establish an access scheme

**Section 2:** Helps you develop the financial incentives and suggests ways of negotiating the offer.

**Section 3:** Includes the landlord packs for four types of lettings: houses or flats, lodgers, rooms in an HMO and a guide for lettings agents. This section also includes an example of the agreement, claim form and procedure for a bond scheme. The landlord package for all four types of letting suggests providing a free, high quality letting and after care service as this is most likely to attract landlords.

**Section 4:** contains template forms, agreements and resources for a PRS access scheme which can be adapted to meet your local needs.

**Section 5:** contains two guides, one for setting up shared accommodation schemes and an advice note on the outcomes an authority should be seeking from a social letting agency, whether it is in house or operated by an RSL or third sector organization.

## **Section 1:**

### **Getting started, the five key steps**

**There are 5 key steps involved in establishing a successful private sector access scheme:**

Key step 1: putting the scheme together

Key step 2: putting the team together

Key step 3: putting the processes in place

Key Step 4: marketing your lettings scheme

Key Step 5: considering additional incentives

It is sensible to develop a project plan with a clear target for when you want to have a successful PRS access scheme in place. The plan should include marketing the scheme, and developing the team, procedures and processes needed to make it all work. The important actions are set out below:

#### **Key step 1: Putting the scheme together**

##### **Developing the landlord package**

First consider the financial incentives you currently offer landlords and use section 2 of this toolkit to decide what new arrangements need to be developed, including the financial package to offer to landlords and any aftercare or ongoing support.

Work with your local housing strategy team to develop a good understanding of the local housing market and the profile of local housing need and decide what types of housing in which areas you want to target. Then go through the landlord packs for each of the four different lettings schemes below and decide which ones you wish to offer. You will also need to work with your legal services team to consider any changes you would like to make the template.

The four types of letting agreement are:

- Landlords letting a flat or house;
- Residential landlords letting rooms in their home;
- Landlords looking to let a room/s in an House in Multiple Occupation;
- Working with letting agents.

It is important to do everything you can to maximise the number of properties available within the scheme. This can be done by direct marketing to landlords, targeting agents and using properties that applicants have found.

## **Key Step 2: Putting the PRS access team together**

It is recommended that a dedicated person or team is put in place to develop and operate the private rented access scheme. The size of the team will depend on the size of your authority and the resources available, but there are 2 distinct roles and these will ideally be undertaken by two people.

Role 1: procurement and landlord negotiation. This involves selling the deal to landlords and agents, viewing properties and accepting them onto the scheme.

Role 2: lettings, sign ups, landlord aftercare service, responding to landlord problems and queries and general administration of the scheme.

You should also consider how to provide tenancy support that will be an important part of your 'aftercare service' for landlords. Support can be provided through a member of the PRS access team or via a floating support project.

### **Key tasks for the team**

- Interviewing and assessing clients
- Promoting the scheme to private landlords and building and maintaining relationships
- Marketing and finding accommodation
- Inspecting properties to ensure they meet standards, completing inventories and



accompanying viewings

- Building and maintaining the relationship with the housing benefit department and helping the tenant make a housing benefit claim
- Dealing with claims against the deposit guarantee
- Financial and general administration, including issuing bonds and guarantees and making payments
- Assessing or arranging for the assessment of tenants for support plans
- Coordinating and linking in with support providers to make sure aftercare is provided where it's needed
- Responding to problems and enquiries from tenants and landlords
- Problem solving where the tenancy is threatened
- Encouraging take-up of 'savings scheme' amongst tenants such as saving with a Credit Union and monitoring payments into any scheme

### **Key Step 3: Putting the processes in place**

Setting up the processes and paperwork for the team and linking them into other services and processes is very important to the success of the scheme. There will need to be a process and target times behind every aspect of the landlord package including:

- Housing benefit payments, including dealing with queries and fast tracking claims
- Helping the tenant fill out HB paperwork and the tenancy agreement
- Undertaking or arranging for the Private Sector Housing team to undertake property inspections
- Arranging for supporting people services to provide tenancy support
- Responding to potential landlords and applicants who wish to use the scheme
- Making arrangements for viewing potential properties

- Compiling inventories. (Using a digital phone or digital camera is far quicker than written information)
- Landlord checks with the private sector housing team to ensure there have been no cases of illegal eviction in the past
- Checking a valid gas certificate has been provided
- Matching tenants to properties
- Checking prospective tenants, making sure they meet the requirements of the 'Tenant Ready Certificate' promise to landlords
- Providing accompanied viewings

## **Key Step 4: Marketing Your Lettings Scheme**

It is important to do everything you can to maximise the number of properties in the scheme. This can be done in three ways

**1. Direct marketing to landlords:** use a wide range of approaches

**2. Targeting agents:** If the package you are offering is good enough an agent will persuade a landlord to let their property through your scheme. The agent will then then receive income for letting and possibly managing a property including letting, reference, inventory and management fees. You may decide to also pay the agent a small letting fee to provide an added incentive.

**3. Properties found by applicants:** A large number of properties will be found by applicants when you have advised them how and where to look for accommodation. You can assist applicants who qualify for your scheme to find accommodation by providing them with an information leaflet for landlords that explains the scheme. A template for landlords information leaflet is included in this tool kit.

Suggestions for marketing the scheme:

- Flyers in the authority's public access points throughout the district
- Flyers to voluntary sector partners.

- Flyers in local shops, supermarkets, doctors surgeries, Citizens Advice Bureau offices, churches, Housing Benefit offices, etc
- Landlord Forums
- Housing benefit payment mailings
- Develop a landlord mailing list: if possible use the databases held by the Private sector Housing Team including the HMO Register, Housing Benefit Service, Environmental Health, Empty Homes Officer, Rent Officer, and Landlords Associations. If you are unable to access this information directly ask these services to mail out directly
- Write an article in the Council newsletter
- Contact letting and estate agents
- Direct advertising in the local paper
- Launch the scheme with a well-advertised open day, inviting the press, estate agents, landlords and other agencies
- Use the local media, offering articles and press releases to the press, trade publications and local radio
- Place an advertisement in the “property/accommodation to let” sections of local newspapers or a weekly paragraph in the properties section of the local paper or online version
- Attend events that landlords are likely to attend, such as property auctions
- Set up a dedicated website or webpage on the Council’s site or a link on the council’s site to your dedicated site.

## **Step 5: Agreeing additional incentives for Landlords**

It is suggested that you develop a standard landlord offer that includes a cashless bond guarantee, and services relating to letting the property and an aftercare service. A cashless bond can be used to cover loss of rent and damage up to a maximum of one month’s rent. The template offers a 12 month guarantee rather than for the lifetime of the tenancy and you also may also wish to require the tenant to save to cover the deposit

after the 12 month expires.

### **Extra landlord Incentives**

There may be additional incentives you wish to offer in addition to your standard landlord offer to encourage landlords to offer properties of a particular size or type or in high demand areas. These could include:

- free help and advice on Energy Performance Certificates, buildings insurance, the Housing Health and Safety Rating System (HHSRS), Gas Safety check requirements, Carbon Monoxide monitors, fire alarms and fire safety requirements etc
- advice on loans or grants the landlord might be eligible for eg Empty homes, Fire safety, Energy Efficiency, repair and improvement etc.
- the cost of landlord accreditation (particularly if this is a requirement of your scheme)
- automatic consideration for the Authorities leasing for a landlord who provides a certain number of properties for the letting scheme
- free training for landlords on our scheme on all the rules and regulations eg planning rules; building control; housing benefit and welfare reform etc.
- free carbon monoxide alarms, smoke detectors and discounted rates on hard wired smoke detectors.
- a comprehensive repair service through the Councils DLO ( if this is available) at competitive rates.
- full management of the property by a social lettings agency if one is available ac

### **Customizing the standard offer for individual landlords**

There will always be instances where the landlord offer needs to be customized for example:

- you may need to offer a cash deposit for some properties but it is better not to include this in your standard landlord offer

- the tenant ready certificate and guarantee might be very attractive to landlords, but some potential tenants will not meet the guarantee. Such cases will need to be discussed with the landlord along with any tenancy support you can offer

## **Section 2:**

### **Developing the financial offer to landlords**

This toolkit contains a model of a standard package to offer landlords which will need to be customized to reflect your local housing market and the resources available. It includes:

- Setting minimum standards for the services and any aftercare service following a letting.
- Providing a photographic or written inventory
- Providing accompanied viewings as standard
- Providing a 'tenant ready certificate,' confirming that certain checks have been made. It assumes your housing benefit service has agreed to make direct payments in the majority of cases and can fast track Housing Benefit claims
- Providing an aftercare service which ensures the landlord can contact a named officer if there is a problem and a telephone check with the landlord to check after 2 months to ensure there are no problems
- Providing a 12 month cashless bond that covers rent arrears up to 1 month and damage valued at no more than a months rent

#### **Current practice**

Local authorities in Wales currently offer one or more of the following:

- A Bond Guarantee (no cash) only
- A Bond Guarantee (no cash) plus a rent in advance payment
- A cash deposit only
- A cash deposit and rent in advance payment
- A cash deposit and or rent in advance payment and a fee paid to the landlord for letting through your scheme.

#### **Developing your financial offer for landlords**

Your financial offer to landlords needs to be good enough to persuade a landlord to let through your PRS access scheme, but at the least cost to the authority. The more professional the letting and aftercare services, the more likely it will be that a landlord will accept a lower financial package or financial guarantee.

The package you develop will depend on your local housing market. At the one end of the spectrum are a few authorities who will be able to charge a landlord a fee for letting their property, however this is only likely to work in areas where there is an oversupply of privately

rented properties. At the other end of the spectrum the market will require a package that guarantees rental payments in order to obtain access. You need to develop a good understanding of the private rented sector in your area to decide on the most appropriate and efficient package.

The financial offer to landlords should consist of a standard element, with the option of adding other elements depending on the local housing market and the level of need. Most Authorities will need to offer a rental bond guarantee (non-cash) as part of the standard offer. Ideally this will be sufficient, when combined with direct payment of housing benefit and a professional letting and aftercare service to access enough properties to meet local needs.

However in some areas it may be necessary to add two further elements – rent in advance or a small incentive payment or cash deposit, rather than the cashless deposit guarantee. These additional elements can also be offered to landlords who are not prepared to accept the bond guarantee only. Some authorities may also wish to consider making different offers available in different locations to reflect market conditions. However where it is necessary to add incentives to the package the aim should be to minimise the financial cost to the Council.

### **Standard element 1: a bond guarantee equivalent to one month's rent**

It is suggested that each landlord pack contains a sample legal agreement for a bond guarantee, the application procedure, eligibility criteria and a claim form.

You will need to decide whether the guarantee:

- covers damage and rent loss, or only damage
- lasts for the lifetime of the tenancy or for a limited period e.g. 6 or 12 months
- will be the same for families and single people, or whether single (potentially non priority homeless) should receive a lower guarantee. This will depend on the resources available.

You will need to decide what additional financial incentives you wish to offer either as part of the standard offer or as additional incentives offered on a case by case basis, or in locations where there is a limited supply of affordable privately rented accommodation.

### **Standard element 2: Rent in Advance**

Landlords may find payment of rent in advance attractive. If rent in advance is made

directly to the landlord it needs to be clear that it is not a deposit or an incentive payment for the landlord to keep. Where the household is on full housing benefit it can be recovered at a date agreed between the Council, landlord and tenant direct from a 4 weekly housing benefit payment. Where it has been paid on behalf of a tenant who works and is not on housing benefit or receives partial housing benefit, it can be recovered from the tenant

Two templates are included in the toolkit:

- A legal agreement for the rent to be paid back to the Council's scheme from a housing benefit award at a date set. The period can be as short as the first Housing Benefit payment that is due in 4 weeks, or the last payment at the end of the tenancy. **See template 1**
- A legal agreement to be used where the tenant works and is not on benefit. This requires the rent in advance to be paid back to the Council's scheme by installments. **See template 2**

### **Standard Element 3: A Cash Deposit**

The standard financial offer for landlords should be a cashless deposit guarantee. However if a landlord is not prepared to accept a deposit guarantee, a cash deposit may be paid but it should be covered by an agreement to ensure the cash deposit is registered in a deposit guarantee scheme in the name of the Council.

Two templates are included in the toolkit

- An agreement between the Council and the landlord stating that where a cash deposit has been provided it must be placed into one of the 3 national tenancy deposit protection schemes in the name of the Council, so control over any claim or negotiation lies with the Council. This will ensure that if there is no claim the deposit will be returned to the Council and not the tenant. **See Template 3**
- An agreement between the council and a tenant for a deposit has been paid by the Council to a landlord, and where the tenant agrees to make payments by installments to replace the deposit. **See Template 4**

### **Additional Incentives**

You may need to consider adding further incentives on a case-by-case basis or where the



housing market is very challenging:

### **Additional incentive 1: A placement fee paid to the landlord**

A placement fee should only be paid where the market is difficult and a landlord will not let without an incentive payment. You may also decide that in order to obtain properties through a letting agent, an extra incentive payment to the agent is necessary. Ideally an incentive payment should be large enough to be attractive, but not so large that it becomes the equivalent of a deposit. A figure of £200 to £300 might be a reasonable figure to offer.

You might decide to only offer an incentive payment if a landlord is prepared to accept the deposit guarantee (non-cash) and doesn't insist on a rent in advance payment. The toolkit includes a simple agreement with a landlord that confirms the incentive payment is made subject to certain terms. **See template 5**

### **Additional incentive 2: Council rent guarantee scheme**

In some areas it may be necessary to go a step further and provide a guarantee of full rent. This is becoming more and more the standard package offered by letting agents but should not be part of a standard landlord offer. Agent's schemes largely operate on the basis of

- An insurance scheme with the landlord paying the agent to insure against loss of rent  
or
- The rent is guaranteed in return for the agent paying the landlord a lower rent than the market rent, leaving the agent to either use the difference to insure their risk or to build up a fund that can be used if there is a default on rent.

The toolkit includes a template which sets out options for the Council to guarantee the rent and a suggested agreement between the Council and the Landlord. **See Template 6**

### **Making the landlord an offer: A worked example**

It is important to be flexible in meeting a landlord's needs and concerns. The access scheme could develop a matrix of options that could make up the landlord offer and the officer allowed the flexibility to negotiate the best possible deal within set boundaries. Start to negotiate with the basic offer of a bond guarantee (non-cash) and increase the offer depending on how much you need the property. For example "We can offer you ...":  
*Our damage guarantee for one month's rent*

***Negotiation extension***

*We could extend this to a damage and rent loss guarantee of one month's rent*

***Negotiation extension***

*We can add on a rent in advance payment and agree a date when this must be paid back by you the landlord (if the person is on full HB) or will be paid back by the tenant*

***Negotiation extension***

*Alternatively rather than offer rent in advance we can offer you a one off payment of £x (£200-£300) if you let your property through our scheme, but we cannot offer both*

***Negotiation extension***

*If you are not prepared to accept the bond guarantee we can make a cash payment to cover the deposit, but this will have to be registered in the Council's name in one of the tenancy protection schemes*

***Negotiation extension***

*We can offer you our guaranteed rent scheme but we cannot offer any other financial incentives such as a bond guarantee for damage or rent in advance*

***Negotiation extension***

*We can offer you our guaranteed rent scheme and we can offer you our bond guarantee to cover any damage*

## **Section 3:**

### **Landlord Information Packs for the private sector access scheme**

This section of the toolkit contains four landlord information packs for different types of accommodation, a flat or house; a room in their home (the lodger's scheme); a room in an HMO; and properties let through a letting agent. The packs also include examples of a bond agreement, claim form and procedures.

#### **Pack 1:**

A guide for landlords wishing to let their House or Flat

#### **Pack 2:**

A guide for residential landlords looking to rent a room or rooms in their home – 'The Lodgers Scheme' information pack

#### **Pack 3:**

A guide for landlords looking to rent a room or rooms in a House in Multiple Occupation (HMO)

#### **Pack 4:**

A guide for lettings agents. This does not include the bond agreement form as this duplicates the agreement and paperwork for the bond guarantee contained in pack 1

## **Landlord Information Pack 1: Guide for Landlords wishing to let a House or Flat**

This guide contains a standard landlord package which can be adapted to take into account the resources available.

The guide below covers:

- setting minimum standards for the services you will offer to landlords including aftercare services
- providing a photographic or written inventory
- providing accompanied viewings
- a tenant ready certificate, confirming certain checks have been made
- providing direct housing benefit payments and fast track arrangements for HB applications
- providing an aftercare service which enables the landlord to contact a named officer if there is a problem
- providing a two month telephone check with the landlord to ensure there are no problems

## **Information leaflet for Landlords letting a house or flat**

### **Introducing our xxxx Lettings Scheme**

This pack provides a comprehensive guide to our lettings service for landlords wishing to let a house or a flat through our scheme. We are looking for good quality rooms, flats and houses and have prospective tenants waiting who have gone through our comprehensive tenant checks and been issued with a tenant ready certificate. We pride ourselves on having developed a careful and considered approach which takes all the worry out of letting your property.

This information pack for landlords letting a house or a flat contains:

- a guide to our scheme and our excellent landlord package.
- a bond guarantee agreement
- a claim form and claim procedure for the Bond Guarantee

We have developed an excellent landlord package and all our lettings services are completely free and guaranteed. Many agents will charge for these services, or will not be prepared to offer them. We can offer our services free because the scheme is backed by the local council and helps families and individuals find a home. The private rented sector is a popular option for many people, but they are often prevented from accessing it because they cannot afford to pay large rent in advance payments, or high deposits and fees. Our scheme helps them, which is why our services are free to you.

You may be concerned that letting properties can sometimes be risky and the regulations and legislation confusing. We will protect your investment through providing you with an excellent service that gives you a secure income and a hassle-free service. Our dedicated landlord liaison managers are highly skilled and experienced. We don't just provide a lettings service and walk away, we pride ourselves on providing a high quality lettings and aftercare service which sustains long term lettings and long term income.

Our service guarantees are included below and will help you to let your property quickly and with no hassle. Also check the table at the end of this pack which sets out typically how much it is likely to cost you to let through an agent and how much you will save by letting through our lettings service

### **Next Steps – It's all very easy**

Contact us on our dedicated landlord line xxxxxxxxxx or e mail us at xxxxxxxxxxxxxx. We will

be happy to talk through our landlord package and how we can help you. We can also come and see your property within 24 hours.

## **Our Service Guarantees**

We will:

- view your property and find you a suitable tenant
- provide a source of tenants and fill vacancies fast with no advertising costs, lettings fees, administration fees, set up fees or renewal fees
- view your property within one working day of you contacting us to reduce the time your property is empty to a minimum
- inform you at the viewing whether the property meets the standard required to be accepted onto the scheme
- give you a written list of any work required if it doesn't meet our standards
- agree the rent with you, the rent won't change once we have agreed it
- provide you with a full photographic inventory at no charge
- provide a suitable tenant to view your property within 48 hours of accepting the property onto the scheme
- accompany all prospective tenants when viewing your property
- provide a new tenant within 24 hours if the initial viewing is unsuccessful
- provide you with a bespoke tenancy agreement if you wish, including any reasonable terms that you may wish to add
- will supervise the signing of the assured short hold tenancy agreement between you and the tenant. Most tenancy agreements provided by Agents, Solicitors or through the internet provide standard terms only and agents and solicitors often make a charge for providing the agreement

## **Tenant Ready Certificate**

We go the extra mile to ensure our tenants are checked and will make good tenants. Our tenant ready certificate guarantees that we will:

- interview all prospective tenants to ensure they are suitable for your property
- check any previous tenancy records to make sure there was no history of rent arrears, antisocial behaviour or previous damage to property
- check the prospective tenant can afford the property by carrying out a full detailed budget health check so we are satisfied that they can manage their money
- carry out credit referencing checks where these are appropriate

## **Financial package, tailored to meet your needs**

We offer a very comprehensive financial guarantee package which we can discuss with you prior to viewing your property or at the property viewing appointment. Remember we charge no fees for letting your property and we will:

- provide a deposit guarantee of a minimum of one month's rent to cover any rent loss or tenant damage
- We may make a rent in advance payment in addition to the deposit guarantee. Alternatively you may qualify for our landlord 'goodwill' incentive payment at the start of the tenancy
- In the majority of cases we are able to arrange for housing benefit to be paid to you if you have requested this

## **Help with Housing Benefit**

Many landlords are worried about taking tenants on housing benefit. However if a tenant is on benefit in most cases the council can pay the rent direct into your bank account on a set date every month. This avoids the hassle of chasing up tenants who have missed a payment.

- We will give you clear advice about the housing benefit payment system and

whether the tenant is likely to qualify for full or partial housing benefit. We will provide this information prior to you signing the tenancy so you are completely clear about how the rent will be paid

- We will help the tenant to complete the claim and provide the supporting documentation to evidence their claim prior to them moving in. We will also arrange for the claim to be dealt with quickly by the housing benefit service
- In the majority of cases we can arrange for housing benefit payments to be paid direct to you if you have requested this. We will ensure that the housing benefit will be paid into your bank account every four weeks
- We will provide a prompt housing benefit service for you and you will have direct access to the housing benefit team. Any tenant accepted onto our scheme will have signed a consent form which will allow you to access information on their housing benefit claim from the housing benefit service
- We will provide you with information within 24 hours if you have any query regarding the rental payment of housing benefit
- We will help the tenant(s) to set up utility accounts for the property
- We will advise our council tax department of the new tenant's details

## **Free tenancy aftercare support service**

Once the tenancy has been set up we don't just walk away. Our free tenancy aftercare support service is there if you have any queries or problems. We also recognise that some landlords are new to letting and may need support and advice on the legislation and regulations that apply to renting a property.

We will:

- provide you with your own dedicated post tenancy liaison manager who can assist with any questions and help to resolve any problems that occur.
- provide you with a dedicated landlord telephone number to contact the team and your aftercare support service manager.



## **Our post tenancy 2 month health check guarantee**

If you let your flat or house through our scheme we will:

- provide free professional advice on all matters relating to renting a home including planning, building and private sector housing legislation and regulations
- arrange a telephone appointment to go through our 2 month health check when we will check with you and the tenant that:
  - the tenant has settled in and you are happy with how the tenant is conducting
  - the tenancy
  - the tenant is looking after the property and keeping up with the rent
  - whether the tenant may need any additional support which can be provided through the scheme for free
  - we will check with the housing benefit department to establish that the claim is
  - in payment and there are no problems relating to the claim

## **The bond guarantee and why is it better than a cash deposit**

We offer an excellent bond guarantee that pays out if there is damage to the property or non-payment of rent. The scheme is simple and quick and we can send you a detailed explanation of what it covers and how it works. The benefit for a landlord or letting agent of the bond is that it reduces bureaucracy and gives a landlord a far greater level of cover than a traditional cash deposit.

It avoids the hassle of having to lodge a cash deposit in one of the national deposit protection schemes and the paperwork required by the deposit protection schemes before they will release a deposit or (if applicable) deduct money from the deposit. In the event of a deposit dispute there can be considerable delay in funds being released from the national deposit schemes.

With our bond guarantee there is no deposit to secure and if money needs to be paid at the end of the tenancy the council can make payments quickly. Our scheme has an excellent record for 'paying out' on bond claims, and our turnaround is a matter of days.

We pride ourselves on the aftercare service we offer to both landlords and tenants. As a result we estimate that in no more than 10% of lettings will a landlord ever feel the need to claim against the deposit guarantee.

## Will the scheme pay rent in advance?

We will consider paying rent in advance, but the payment will have to be recovered from the tenant's first housing benefit payment or at a date agreed between the landlord and the Council. This is because a 'rent in advance' payment is not a deposit payment against rent loss or damage. These costs are covered by our deposit guarantee scheme.

## Will the council scheme pay a goodwill payment to a landlord?

In certain circumstances we can pay a goodwill payment to a landlord. The payment will depend on the type of letting and whether a landlord requires rent in advance or a cash deposit. We normally do not pay a goodwill payment for landlords letting a room in their home or a room in a HMO.

## How much money can I save by letting through the Councils letting scheme compared with letting through an agent?

The table below compares the costs:

<b>Comparison of costs to the landlord – Letting through an Agent providing management and letting through the xxxx Lettings Service – estimated costs for a typical letting</b>	<b>Agent</b>	<b>Council</b>
Agent's Management commission estimated to be 12% of the annual rent	£1000	0 – Free aftercare service
Inventory	£100	0 – free inventory
Sign-up lettings fee and administration	£300	0 – free service
Rent Insurance and Legal Protection estimated to be 3% of the annual rent	£300	0 – Rent loss guarantee up to 6 weeks rent plus free advice on taking court action.
Total Estimated costs	£1,700	£0

## **What to do if you want to join our letting scheme**

We are looking for good quality properties and a full list of our requirements is set out in the landlord pack. When you ring us tell us if you are letting a house or flat, a room in your home or an HMO. We can explain the different schemes and send you the relevant pack. Our services are free for all types of lettings.

In summary all properties or rooms accepted by the scheme must:

- Be clean, well maintained and presented.
- Fully furnished properties should include suitable furniture and white goods that are in reasonable condition and meet relevant fire and safety regulations
- have secure and suitable light fittings, curtain tracks, carpets or laminate flooring throughout as well as vinyl / laminate in the kitchens and bathrooms
- be fitted with operational smoke alarms that meet relevant fire and safety regulations.
- have a carbon monoxide alarm or alarms.
- Ensure all structural elements of the property (such as rainwater goods, doors, windows etc) operate as designed and are in reasonable condition and repair.
- Have a gas safety certificate

Landlords will be responsible for managing all repairs and maintenance to the property and for managing the tenancy.

## **Our Contact Details and Our Service Promise to You**

Our office hours are 9am to 6pm Monday to Friday. You can contact us on xxxxxxxx or

E-mail: [xxxxxxxxx@.gov.uk](mailto:xxxxxxxxx@.gov.uk)

All e-mails will receive a response within 1 working day.

All contact with our landlords and tenants is logged so should your dedicated Tenancy Manager be on leave, another member of our team will be able to assist you.

All landlords will be given the contact details of a dedicated tenancy manager from the first time you contact the service.

## **Bond Guarantee scheme for landlords wishing to let a flat or a house**

This pack contains all the specimen paperwork for our Bond Guarantee Scheme including:

- The criteria for a landlord to qualify for the Bond Guarantee
- A suggested legal agreement
- Claims form and claims procedure
- Suggested inventory

Contact us today to talk about our landlord package and any questions you may have about our Bond Guarantee Scheme

Our office hours are 9am to 6pm Monday to Friday.

You can contact us on xxxxxxxx or

E-mail: [xxxxxxxxx@gov.uk](mailto:xxxxxxxxx@gov.uk)

## Bond Guarantee Scheme: Agreement

This is an agreement to underwrite a deposit with our bond guarantee for:

The property known as *(insert address here)*\_\_\_\_\_

The tenant known as *(insert full name here)*\_\_\_\_\_

The Landlord or Agent known as *(insert full name here)*\_\_\_\_\_

Date tenancy commenced\_\_\_\_\_

***(Insert name of Council)*** agrees to indemnify, the landlord or their lettings Agent in respect of loss or damage to the property let under the Council's private sector Lettings scheme subject to the following conditions set out below:

- The loss or damage must be attributable to the tenant or their household
- Any payment against the bond will be paid at the termination of the tenancy or as agreed by the Council, if a claim is made whilst the tenant remains in occupation and the landlord is willing not to terminate the agreement as long as a bond payment is made to cover any loss or damage
- The bond guarantee does not extend to the depreciation of any items attributable to fair wear and tear
- The bond indemnifies the landlord or their lettings agent in respect of loss rent to a maximum of ONE MONTHS RENT or up to the figure of £xxx.00
- The bond indemnifies the landlord or their lettings agent in respect of loss or damage to the property for any items in the inventory caused by the tenant or his/her family or his/her visitors and which is not caused by fair wear and tear to a maximum of ONE MONTHS RENT or to the figure of £xxx.00
- The bond Guarantee agrees to indemnify the landlord against agreed losses occurring during the period but the total liability under this bond shall not exceed the maximum sum of ONE MONTHS RENT or to the figure of £xxx.00
- Any claim must be made within 7 days of the tenant leaving the property or the landlord becoming aware that the tenant has left the property
- The pre letting inspection inventory will be used to determine the claim where the

claim is for loss due to tenant damage. Photographic evidence of the damage will assist in dealing with claims

- A written and evidenced claim must be made to the Council with a breakdown of the works required and costs. The Council must be given the opportunity to inspect this damage if required before any confirmation is made to make a payment against the claim
- This guarantee will last for a period of 12 months and is effective from the first day of occupancy and subject to the limit stated as the maximum claim amount. The landlord can contact the local authority at the end of the 12 month period if they wish to make a claim against the bond guarantee. (N.B. During the 12 month period during which the bond remains in place, the local authority will have encouraged the tenant to save an amount of money as a cash deposit to replace the bond guarantee in full)
- It is a condition of this bond guarantee agreement that the landlord contacts the Council prior to, or at the time of serving any notice. We are committed to providing every support to resolve any issue between you and your tenant and if this cannot be resolved, to ensure the tenant moves out in a timely and planned manner
- Rent does not include payment for electricity, gas, water or telephone bills, council tax, nor legal or other fees or expenses incurred in attempting to recover arrears of rent
- Where the Tenant has agreed to pay the Council a sum equivalent to the maximum liability under this Bond Guarantee they will have the opportunity to see claim submissions made by the landlord to the Council before any payment to settle the claim is agreed

We, the undersigned agree to the terms laid out in the above agreement.

Signature of Landlord/agent.....

Date.....

Signature on behalf of the Council.....

Date .....

## **Note for Landlords:**

This is a copy of an agreement and has been provided for your information only because:

- The prospective tenant must be eligible for the bond guarantee scheme for it to be valid. Do not sign any agreement with a prospective tenant until the council confirms that the prospective tenant qualifies for our bond scheme
- The landlord must offer accommodation which the council has assessed the prospective tenant can afford. Our assessment is based on whether they work or not and their income; whether they qualify for housing benefit or not and if they do, and the rent is more than the award of Housing Benefit, they can afford to pay the difference
- The landlord must offer a minimum of a six-month tenancy if the tenancy is an Assured Shorthold Tenancy (AST), or is committed to providing accommodation for this period if the occupier is a licensee
- The accommodation must be in a good state of repair, in reasonable decorative order and must meet all statutory and regulatory standards for letting accommodation and have been inspected by the council
- The landlord must not have a previous record of harassment or illegal eviction and the property must not be subject to any enforcement action or concern from the Council's Private Sector Housing or Environmental Health Team
- The council cannot provide a bond if the prospective tenant is related to the landlord

## **Bond Guarantee Scheme: Procedure**

If there is a need to claim against the bond guarantee the following procedure should be followed:

- The landlord (or agent) who is party to the bond agreement is required to inform the council within 7 days of the tenant leaving the property that they wish to make a claim against the bond guarantee
- This claim form should be submitted within 7 days of the Council being informed. You should email to [xxxxx@xxxxx.gov.uk](mailto:xxxxx@xxxxx.gov.uk) or write to XXXXXX
- The Council will investigate the claim when the landlord (or agent) informs the Council that they wish to make a claim against the bond guarantee
- If damage has occurred, a visit to the property by the Council will normally be arranged. The Council will decide whether they agree there is a valid claim for loss due to damage that should be settled under the agreement. Quotes and receipts must be provided for the cost of repairing or replacing items
- Landlords are encouraged to provide photos of any damage caused by the tenant to compare with the original photographic record inventory
- In the event of a claim for rent arrears, a settlement will be approved once the Council has confirmed with their housing benefit service that no outstanding liability is owed to cover payment of rent
- In the event of a claim for theft by the tenant, matters should be reported to the police and a crime number obtained
- It is for the Council to decide whether there is a valid claim to be settled under the bond guarantee scheme and it will act reasonably in making this decision. Where a landlord is dissatisfied with the Council's decision, the claim will be considered by the Council's Lead Officer for the Housing Service



## Bond Guarantee Scheme: Claim Form

Fill out all the details required below and e mail to [xxxxx@xxxxx.gov.uk](mailto:xxxxx@xxxxx.gov.uk) or send to xxxx address)

Landlord's name

Address

Contact Telephone

E mail.

Claim in respect of - Address

Tenants Name

Details of claim

Loss or damage – Yes/No (please give details below and enclose photographs to support your claim, and estimates/receipts for replacement or repairs)

If theft has it been reported to police and if so please give crime number.

Loss of Rent – Yes/No ( please provide an up to date rental account clearly showing Housing Benefit and rental payments received from the tenant and the amount of rent outstanding).

---

---

---

---

---

### Amount Claimed - £xxx.00

Under the Bond Guarantee Agreement between the landlord and the Council, the Council agreed to indemnify the landlord against agreed losses, but the total liability under this bond shall not exceed the maximum sum of ONE MONTHS RENT or the figure stated in that agreement.

**Declaration**

I confirm that this information is correct. I have received no monies from the tenant or any other source in respect of this claim. I understand this claim will be investigated by the Council, who will decide if a payment is to be made under the scheme and I agree to co-operate with the Council in any investigation connected with this claim.

Signed

Name

Date

## Bond Guarantee Scheme: Inventory

Date of Inventory

Property address

Note: This is a written inventory. It can be replaced by a photographic inventory or photographs used to help provide an accurate inventory. Where photographs are used it will still be important to complete the comments section for each room/area of the property. Once completed scan and email a copy to the landlord and retain a copy on file.

### Entrance / hall

Item No	Condition				
	New	Good	Fair	Poor	No value
Comment					
Floor					
Walls					
Woodwork					
Door					
Windows					
Ceiling					
Lighting					

### Living room / dining room

Item No	Condition				
	New	Good	Fair	Poor	No value
Comment					
Floor					
Walls					
Woodwork					
Door					
Windows					
Ceiling					
Sofa					
Armchair (s)					

Dining chair (s)  
Table  
Mirror  
Lighting  
Curtains

### Bedroom (location)

Item No.	Condition				
	New	Good	Fair	Poor	No value
Comment					
Floor					
Walls					
Door					
Windows					
Ceiling					
Bed frame					
Mattress					
Coverings					
Wardrobe					
Drawers					
Armchair (s)					
Table					
Lighting					
Curtains					

### Bedroom (location)

Item No	Condition				
	New	Good	Fair	Poor	No value
Comment					
Floor					
Walls					
Woodwork					
Door					
Windows					
Ceiling					
Bed frame					
Mattress					
Coverings					

Wardrobe  
 Drawers  
 Armchair(s)  
 Table  
 Lighting  
 Curtains

### Bedroom (location)

Item No	Condition				
	New	Good	Fair	Poor	No value
Comment					
Floor					
Walls					
Woodwork					
Door					
Windows					
Ceiling					
Bed frame					
Mattress					
Coverings					
Wardrobe					
Drawers					
Armchair(s)					
Table					
Lighting					
Curtains					

### Bedroom (location)

Item No	Condition				
	New	Good	Fair	Poor	No value
Comment					
Floor					
Walls					
Woodwork					
Door					
Windows					
Ceiling					
Bed frame					
Mattress					

Coverings  
Wardrobe  
Drawers  
Armchair(s)  
Table  
Lighting  
Curtains

## Kitchen

Item No	Condition				
	New	Good	Fair	Poor	No value
Comment					
Floor					
Walls					
Door					
Windows					
Ceiling					
Unit & fittings					
Cooker					
Refrigerator/freezer					
Vacuum cleaner					
Kettle					
Knives					
Cutlery					
Utensils					
Pans					
Crockery					
Glasses					

## Bathroom

Item No	Condition				
	New	Good	Fair	Poor	No value
Comment					
Floor					
Walls					
Door					
Windows					
Ceiling					
Bath					

Shower  
Wash basin  
Toilet  
Cabinet  
Mirror  
Curtain

**Keys provided: Number of Keys**

Front door  
Back door  
Other

**Utilities**

Gas Mains	Token/key	Coin	Supplier	Meter reading
Electricity Mains	Token/key	Coin	Supplier	Meter reading
Water Mains	Meter	Supplier		Meter reading

**Additional comments**

**Signatures**

**Landlord**

**Tenant**

**Council Officer**

## **Landlord Information Pack 2: For landlords renting a room or rooms in their home**

This guide contains a standard package to offer landlords who wish to let a room or rooms in their home. You will need to adapt this package according to your own resources and your local housing market. It covers:

- setting minimum standards for the service you will offer landlords and any aftercare service
- providing a photographic or written inventory
- accompanied viewings as standard
- a 'tenant ready' certificate confirming certain checks have been made
- direct payments of housing benefit and fast track system for housing benefit
- your aftercare service enabling the landlord to contact a named officer if there is a problem and a telephone call to the landlord two months after the start of the tenancy to check there are no problems

### **Our Lodgers Scheme information pack**

The council has a list of prospective lodgers who have gone through our comprehensive checks and are looking for landlords who wish to let a room in their home. This information pack provides details of our lettings service for residential landlords who wish to let one or more rooms in their home.

We offer our lettings services free, while many lettings agents will charge for these services or not provide them and we pride ourselves on our careful and considered approach that takes all the worry out of finding a lodger.

This information pack contains:

- a guide to our landlords package for the lodgers scheme
- our Lodgers scheme bond guarantee agreement
- the lodgers scheme claim form and claim procedure for the bond guarantee
- a suggested occupation agreement for lodgers
- a suggested inventory for lodgers



## **Our Lodging scheme for Resident landlords**

Our lodging scheme is designed to help you let a room in your house. It provides resident landlords with a number of services. These are explained in more detail below.

- Lodgings scheme service guarantee
- A lodger ready certificate
- A housing benefit check
- An after letting support service for landlords
- A two month health check

### **What is the Lodgings 'Rent a Room' scheme?**

We are promoting and supporting the Government's 'Rent a Room' Lodgings scheme as one of the lettings schemes we are running for landlords. Many single people wish to lodge with a resident landlord and the Government is supporting this by giving resident landlords a tax free incentive to rent out a room or rooms in their home. If you are a resident landlord you can earn up to £4,250 per year (2013/14) tax free by renting out a room.

### **Are you a resident landlord?**

You are considered to be a resident landlord if you let out part of the property which is your only or main home. The important point is whether you are using the property as '*your only or principal home*', both at the start of the letting and throughout. It is accepted that for short periods a landlord may not live in the property but they will still be considered to be resident as long as he or she intends to return, and this is clearly the case. For example if you have left belongings at the property.

### **What is the Lodgings Scheme Service Guarantee?**

We can take the worry out of letting a room in your home as a residential landlord by offering the following services as part of our Lodgings Scheme Guarantee:

- We will provide suitable single people for the room or rooms you wish to let and will fill vacancies fast with no advertising costs or lettings fees. There are no administration fees, set up fees or renewal fees
- We will view your property and the room or rooms you wish to let within one working day of you contacting us to keep the time rooms are empty to a minimum

- We will inform you at the viewing whether the room/s meet the standard to be accepted onto the scheme
- We will give you a written list of any work you need to do to your home if we cannot accept you immediately onto the scheme
- We will recommend and agree a market rent with you and the rent won't change once we have agreed it
- We will provide you with a full photographic inventory at no charge
- We will provide a suitable lodger to view your property within 48 hours of accepting the room/s onto the scheme
- We will accompany all viewings your property
- We will provide a new suitable potential lodger within 24 hours if the initial viewing is unsuccessful
- If you wish we can provide a bespoke lodgings occupancy agreement (example in this pack) including any reasonable terms that you may wish to add. We can also supervise the signing of the occupancy agreement between you and your lodger. Most occupancy agreements provided by agents, solicitors or through the internet provide standard terms only and they often make a charge

### **What is our Tenant Ready Certificate?**

We will go the extra mile and ensure that prospective lodgers are checked. Our 'lodger ready certificate' verifies that we have checked whether there are any previous problems with rent payments or behaviour and the prospective tenant can afford to pay the rent. We will:

- interview all prospective occupants before showing them your property, to ensure they are suitable
- check any previous lettings record to make sure there is no history of rent arrears, antisocial behaviour or previous damage to a property
- check the prospective occupant can afford the rent by carrying out a full and detailed budget health check
- carry out credit referencing checks where these are appropriate

## **Our financial payments and incentives**

We offer a range of financial incentives or guarantees and these can be discussed with you prior to viewing your property or at the property viewing appointment. Remember we charge no fees for letting your property:

- We will provide a deposit guarantee of a minimum of one month's rent to cover any rent loss or damage
- In some circumstances we make a rent in advance payment in addition to the deposit guarantee
- In the majority of cases be able to arrange for housing benefit payments to be paid direct to you rather than the tenant if you have requested this

## **What is your Housing Benefit Check?**

Not all prospective lodgers will need help from housing benefit to pay the rent, but some will. Many residential landlords are worried about taking lodgers on housing benefit. However in most cases the rent can be paid directly into your bank account on a set date every month without the hassle of having to chase missed a payment. Our lettings service takes the worry out of chasing the rent.

- We can give you advice about the housing benefit system and whether the occupant is likely to qualify for full or partial housing benefit. We will give you this information before you sign the letting agreement so you understand how the rent will be paid
- We will help your lodger apply for housing benefit and help them provide the information required to process their claim before the occupancy agreement is signed
- In the majority of cases be able to arrange for direct housing benefit payments to be paid to you, if you have requested this. We will ensure you receive payment of rent by direct payment to your bank account every four weeks if you request this
- We will provide a prompt housing benefit service with direct access to the housing benefit team. The occupant will have signed a consent form when they were accepted onto our scheme that will give you access to information on their benefit claim from the housing benefit service

- We will provide you with information within 24 hours if you have any queries regarding payment of housing benefit

### **What is our free after care support service?**

Once the room has been let we don't just walk away! Our free after care support service is there if you have any queries or problems.

- We will give you with your own dedicated after letting liaison manager who can help with any queries and can help to resolve any problems if they occur
- We will give you with a dedicated landlord telephone number to contact the team and your aftercare liaison manager

### **What is our 2 month health check?**

Two months after the lodger has moved in we will arrange a telephone appointment to go through our 2 month health check. We will check that:

- The occupant has settled in and you are they are happy
- The occupant is looking after the property and keeping up with the rent
- Whether the occupant needs any additional support that can be provided by the council at no cost if there is a support need
- If there are any problems relating to the housing benefit claim

# The Lodging Scheme: Frequently Asked Questions

Below we answer the common questions a resident landlord might want to ask about the lodging scheme. We are here to help so if you wish to discuss any of the details contact XXXXXXXXX on the following phone number XXXXXXXXXXXXX

## How does the Lodging scheme work?

- You can let a room or rooms in the property you live in as your home (or main residence). It can be a whole floor, but not a self contained flat
- It must be furnished
- You don't have to own the property but you will need your landlord's permission
- If you don't normally fill out a tax return and the income is below £4,250 per year (2013/14 tax year) ie about £350 per month or £82 per week, you have automatic exemption. If you earn more than that amount and you don't fill in a tax form just let the tax office know
- If you usually fill out a tax return you should consider whether you're better off registering with the tax office for tax relief under the 'rent a room scheme' or not. Under the 'rent a room' scheme you can't claim expenses for wear and tear, insurance and so on, so you may be better paying tax under the rules for residential lettings. This will allow you to offset certain expenses against income. If you usually fill out a tax return and have an accountant you should check with them to see whether you'd be better off under the scheme or not
- If you're not registered for the Rent a Room scheme, you will be charged income tax on any rental income you receive after deducting business letting expenses. Examples of business expenses are insurance, maintenance, repairs (but not improvements) and utility bills. If you have an accountant they can advise you whether it is best to register your income under the rent a room scheme or not
- If you charge your lodger extra for meals or laundry services this all counts towards your tax free £4,250 so bear this in mind. In addition, if you take in a lodger and co-own your property (with your partner for example) then the allowance is split between the two of you

## **Do I have to Register anywhere for the Rent a Room scheme?**

If you take in a lodger you don't have to join a rent a room scheme or register with the local authority, or the Government or any other body. You only have to register for income tax purposes if you earn more than £4,250 (2013/14 tax year) from the lodging. You must complete a tax return if you earn more than that amount. Only then do you need to decide whether to opt into the scheme or not.

Alternatively you can choose not to opt into the scheme and instead record your income and expenses on the property pages of your tax return if this is better for you because you will pay tax on any rental income you receive after deducting business letting expenses (see above section).

## **Setting the rent and bills**

- **Council Tax** - As a resident landlord you are responsible for paying the council tax. You can include part of the council tax in the rent you charge the lodger. However you must tell your council if you are no longer entitled to a single person discount because you have a lodger
- **Utility bills** - If you pay the utility bills for the entire house, you can include a charge in the rent or can even install a pre-paid meter. Getting a meter installed in the lodger's room may be expensive and impractical so you may instead wish to charge a proportion of the utility costs to the lodger
- **Deposits** - Resident landlords aren't legally required to protect a lodgers deposit with one of the government-approved schemes. However, if you charge a deposit the council is prepared provide a deposit guarantee to cover loss of rent or damage as many lodgers won't have the money to pay a deposit themselves. Full details of the scheme are set out elsewhere in this pack

## **What sort of agreement should I sign with my lodger and can I get them to leave easily if it doesn't work out or I change my mind?**

Lodgers don't have the same rights as a tenant would and once you've given them reasonable notice that you want them to leave, they have no right to stay. This means the risk involved in taking in a lodger is fairly minimal.

An agreement needs to cover the basics such as the amount of rent, when it's payable and what the lodger gets in return. We suggest you insist that rent is paid by standing order. This means you'll both know when payment is due and also takes the personal element out of collecting rent. The agreement should also cover what both parties need to do in order to end the arrangement (including what notice, if any either of you need to give).

You will also need to be clear about what's included in the rent for example, utilities and council tax. Some rents are 'all inclusive' so the amount the lodger pays covers absolutely everything, while some just cover the rent and nothing else. When looking for somewhere to live most people will need to know what is included in their money. Setting this out in writing in advance will also avoid any unnecessary disputes later on.

### **What type of occupancy agreement must I give my lodger and how do I put one together?**

The way you share your home with a lodger affects the kind of agreement they have. This will affect their rights and how you can end the tenancy. We recommend that you sign an agreement with your lodger which makes them an 'excluded occupier' and provides them with a 'periodic excluded licence' or a 'periodic excluded tenancy' which runs from one rent period to the next. This is the simplest arrangement and means you can end the agreement with reasonable notice, without needing a court order.

There are alternative types of tenancies or licences. For example you can let to your lodger on a fixed term agreement rather than a periodic agreement. A fixed term agreement will last for a set number of weeks, months or years however it will be more difficult to end the agreement before the end of the fixed term in the agreement.

Your lodger is likely to be an excluded occupier as long as:

- they live in your home and
- you or a member of your family share a kitchen, bathroom or living room with them

If they are an excluded occupier because they live in your home and you (or a member of your family) share a kitchen, bathroom or living room with them, the next question is whether the agreement should be an excluded tenancy or an excluded licence?

Generally where a resident landlord lets room(s) in his or her home and shares the lounge etc with the occupier, but is not servicing the room it is likely to be an excluded tenancy. Where the arrangement includes the cleaning or servicing of the room/s it is likely to be an

excluded licence. In both cases you only have to give your lodger reasonable notice to end the letting and you don't need to get a court to evict them.

## **How do I end the Agreement with my Lodger?**

If it is a periodic tenancy i.e. one that runs from one month to the next, or from week to week you or your lodger can each end the tenancy by giving notice to the other. The amount of notice your or your lodger need to give depends on the tenancy, licence or occupation agreement. If you receive the rent monthly usually 1 months' notice is required.

If the agreement is a fixed term excluded tenancy or licence, for a set number of weeks, months or years you or your lodger cannot end it unless there is a break clause in it or you and your lodger both agree to end the agreement.

We recommend that you issue an **excluded occupation agreement** and whether this is an excluded tenancy or an excluded licence will depend on whether there are any services provided by you such as cleaning the Lodgers room or laundry for sheets and bedding.

Ending the tenancy and asking the lodger to leave is quite straightforward whether it is an excluded tenancy or an excluded licence. In the case of an excluded tenancy, notice to leave would be the length of the rental period and the notice should end on a rent day. However you and the tenant are free to agree in advance that notice could be shorter in certain circumstances such as poor behaviour. For excluded licences, the notice just needs to be reasonable and this is a matter of fairness and common sense, taking into account for example, the licensee's conduct, or how easy it would be for him or her to find alternative accommodation. So, reasonable notice could be a day, a week or a month depending on the circumstances. Notice does not need to be written but it is a good idea to give it in writing.

If your lodger does not leave when the notice expires you can change the locks on your lodger's room, even if they've left their belongings there, but you cannot do this if your lodger is in the room. You must of course make arrangements to give their belongings back to them.

There are rules covering when you must provide a rent book, but it is best to give your lodger a rent book or a written statement to confirm when you have received their rent payments.



## **What should be in the Agreement between you and your lodger?**

A suggested agreement is provided in the lodger-pack. There is no obligation to use this and you can draw up your own agreement. The suggested agreement covers:

- details of the rent amount and frequency of rent payments
- the lodger's obligation to make proportionate contribution to the payment of utility bills. Our standard lodger's agreement assumes that payment for bills, etc, will be made on top of the rent payment and will not be included in the rent payment
- the lodger's obligation to keep their room (and shared areas) in good condition
- the lodger's obligation to not keep pets
- details of the parts of the property that the lodger can and cannot use (e.g. garden, lounge, etc.)
- the type of agreement e.g. an excluded tenancy agreement
- the term of the agreement and the possibility of terminating the lodger agreement early (We recommend a periodic tenancy that runs from one month to the next)
- what happens at the end of the agreement

## **Can I choose my Lodger?**

Of course you can! Our scheme can introduce and support both parties, but we do not force a prospective lodger on a landlord nor a landlord on a lodger. We know that lettings work if they are built on confidence and trust and that is what creates long-term sustainable tenancies.

Getting a lodger works well for most people, but it boils down to letting a complete stranger move into your home, so isn't without risk. Before you take the decision you might want to think about whether it's right for you. If you live on your own this might mean that you will have some company, but it also means that you'll be giving up some of your privacy.

## **What information does the scheme provide about the prospective lodger and their circumstances?**

We know that taking a lodger into your home maybe a concern, particularly if you don't know a great deal about their background. Our scheme reduces the risks associated with letting a room/s in your home to someone you do not know:

- We will discuss basic information about the prospective lodger with you prior to the viewing

- We can check whether they can afford the rent and any previous problems when they have rented property, but we are unlikely to have much more information about them
- We won't refer a lodger to you if we are aware of any behaviour or criminal record that could pose a risk to you or any other members of your family
- Due to data protection law we cannot provide you with any personal information about a prospective lodger, although if they give us written consent we can share with you the information we hold. If the prospective lodger does not want to share their personal information then we must respect their right to do so. To do otherwise would be in breach of data protection law that applies to any organisation helping to find a tenant, such as an estate agency or lettings agency. However, if you wish to have more information on the prospective lodger after meeting them at the viewing we can ask them to share information with you

Remember, lodgers don't have the same rights as a tenant and once you have given them notice, they have no right to stay after your reasonable notice expires.

### **What accommodation and services must I provide?**

The main thing you're providing is the room itself and if you're operating under the 'Rent a Room' scheme it must be furnished. The lodger will expect to have use of communal areas such as the kitchen, toilet and bathroom and it is up to you whether they share any other communal living space with you. Some resident landlords are happy for their lodger to fully share the accommodation as if you were both renting a flat together. Others prefer the lodger to just use their room with access to the kitchen, toilet and bathroom. It's up to you.

It is reasonable to expect your lodger to do their share of cleaning parts of the house you share, and take care of their own laundry and cooking. Of course, if you get on well with your lodger, you may well end up with an informal arrangement for the sharing of your home and even the cooking!

It is best to set everything out fully in the agreement at the start. Additional services traditionally associated with lodgers in the past such as laundry and providing meals are not the norm these days. However you can provide these services and charge extra.

If you do charge extra for meals and other services you'll need to take this into account when you calculate your income for tax purposes. The tax free limit of £4,250 (2013/14

tax year) includes all income so if the charges for extra services take your income over this limit you'll have to declare it.

The room must be furnished and in good condition with a good standard of decoration. You might want to hang pictures or posters on the walls or allow the lodger to hang their own pictures or posters. If you don't want the lodger to use 'blue tac', you might want to provide a notice board or pin board.

The furniture you provide in the room will depend on the size of the room, but you should provide the following:

- a comfortable bed and mattress. It is a good idea to fit a waterproof cover over the mattress
- a desk or table with lamp and chair
- shelves or a small bookcase
- a bedside table and lamp
- a wardrobe and chest of drawers

#### *Furniture and Furnishings (Fire)(Safety) Regulations 1988*

All of the furniture must comply with the 'Furniture and Furnishings (Fire)(Safety) Regulations 1988'. This covers beds, headboards, mattresses and bases, sofa beds, futons, settees, armchairs, padded upright chairs, cushions, seat pads and pillows, loose and stretch sofa covers but not items such as wardrobes. Most furniture will have been made after 1988, but if you're using older furniture it is a good idea to check for labels to ensure that furniture meets the regulations. Labels can be found on items such as padded headboards, sofas, mattresses, pillows, cushions, cloth covers on seats, curtains.

#### *Annual gas safety check and electrical goods*

Landlords are responsible for ensuring that gas appliances (gas hobs and boilers etc) are maintained in good order and checked for safety at least every 12 months by a registered Gas Safe engineer. You must keep a record of the safety checks, and should issue it to the Lodger within 28 days of each annual check.

Any portable electrical equipment such as cookers, kettles, toasters, washing machines, etc should be tested to make sure they are safe to use and we can advise you on this. Resident landlords who wish to take in any more than two lodgers will need to comply with Houses in Multiple Occupation (HMO) management regulations. We can advise you on these requirements.

#### *Equipping the Kitchen*

It might be best to provide the lodger with access to pots and pans, cups, plates and cutlery so there isn't too much clutter in your kitchen and you should make some space for them to store their food in your kitchen cupboards and fridge and freezer. You should allow proper access to cooking facilities and an area in the kitchen and fridge for the lodger to store their food.

### *Making an inventory*

As part of our free service we will take photographs of the room that the lodger will use before you let it, to record its condition for the deposit guarantee we will give you. For pots and pans and cutlery etc that are not covered by the deposit guarantee you might want to provide an inventory which is a written record of the items you provide. We have provided a copy of an inventory in this pack.

The lodger will need access to the bathroom and WC! For the bathroom you might want to discuss times when the lodger can use the bathroom to avoid problems during any busy times such as early mornings if you both have to get up for work.

## What house rules should I set?

It is important to set some rules about what you will and will not allow in your home. For example, you might not want a lodger to smoke in your home and very few resident landlords allow pets. Whilst you don't want to develop a list of rules which is too long, it is important to make clear the standards of cleanliness and tidiness you expect.

One thing you will need to consider is the issue of visitors. If your lodger has a partner who ends up visiting every night you'll end up sharing your home with two people instead of one (and only one of them will be paying rent).

You might end up getting on really well with your lodger, eating together on a regular basis and buying most of your food together. If this happens that's great, but it's unreasonable to expect it. Your lodger isn't necessarily looking for a new friend, so don't expect them to become your new best mate automatically. Allow them space and the freedom to enjoy the property and you'll be off to a good start.

You will need to explain your house rules when you meet your prospective lodger for the first time, so they can decide whether they would be comfortable living in your home. We will come along to your first meeting when they come to look around your home. This meeting gives you an opportunity to explain the basic rules of the house and find out whether they're someone you're happy to share your home with.

## Do I need permission to take in a lodger?

**Owner-occupiers:** If you own the property outright, you do not need permission to let from anyone. If you have a mortgage you will need to get the mortgage lender's agreement to let part of the property, otherwise you could be in breach of the mortgage terms. You should advise your lender that you intend to let a room or rooms in your property and you may need their written permission. Some lenders charge an administration fee for this. There may also be a variation in the interest rate of your mortgage. If the property is leasehold, the head lease will specify whether or not you need permission from the freeholder or the freeholder's managing agent.

**Tenant of a social landlord** (i.e. council or housing association): if you have a secure tenancy you have the right to take in a lodger if your landlord gives their consent. If you are an assured tenant it is highly likely you have the right to take in a lodger but you will require the council's or housing association's consent. In both instances it is a good idea to let your landlord know you are thinking about taking in a lodger as they might be able to offer you help and advice.

**If I live in a social housing property and under-occupy my home, will I still be affected by 'the bedroom tax' if I take in a lodger?**

If you under-occupy your home by one bedroom and you take in a lodger to live in that bedroom and your lodger uses your home as their only home, your home will be assessed as being fully occupied. The amount of housing benefit you receive will not be reduced. If you were under-occupying your home by two bedrooms and took in one lodger, you'd be considered to be under-occupying your home by 1 rather than 2 bedrooms and the amount of your rent that will be eligible for Housing Benefit will increase from 75% to 86%.

***Who else should I inform that I'm taking in a lodger?***

If you take in a lodger you need inform the following organisations and we can help you with this:

*Buildings and Contents Insurers:* You should contact your Buildings insurer (if you own your home) and Home Contents Insurer/s and inform them you are taking in a lodger. This may affect your insurance premiums – so check.

*Council Tax:* If you are a single person and receive a single person discount on your Council Tax you will need to inform the Council Tax section you have a lodger.

*Department of Work and Pensions (DWP):* if you are receiving benefits you will need to let the DWP know that you have a lodger, and the amount the lodger pays each week.

*Housing Benefit:* if you are on a low income and receive Housing and Council Tax Benefit, you will need to let the Housing Benefit department know.

## Bond Guarantee Agreement: Lodgers Scheme

This is an agreement to underwrite a deposit with our bond guarantee for:

A room in the resident landlords property known as *(insert address here)*

The lodger known as *(insert full name here)*

The resident landlord *(insert full name here)*

Date tenancy commenced

*(Insert name of Council)* agrees to indemnify the landlord in respect of loss or damage to the room or the resident landlord's property let under the Council's Lodgings scheme, subject to the following conditions set out below.

- the loss or damage must be attributable to the tenant
- any claim against the bond will be paid at the end of the occupancy, or as agreed by the Council if a claim is made whilst the tenant remains in occupation and the landlord agrees not to terminate the agreement as long as a payment is made to cover the loss or damage
- the bond guarantee does not extend to the depreciation of any items attributable to fair wear and tear
- the bond guarantee does not covers pots, pans, crockery, cutlery, bedding or other similar items
- the bond indemnifies the landlord in respect of loss rent to a maximum of ONE MONTHS RENT or up to the figure of £xxx.00
- the bond indemnifies the landlord in respect of loss or damage to the property for any items in the inventory caused by the tenant and which is not the result of fair wear and tear to a maximum of ONE MONTHS RENT or to the figure of £xxx.00
- The bond guarantee agrees to indemnify the landlord against agreed losses occurring during the period but the total liability under this bond shall not exceed the maximum sum of ONE MONTHS RENT or to the figure of £xxx.00
- any claim must be made within 7 days of the tenant leaving the room and the

property

- the pre letting inspection inventory will be used to determine the claim where the claim is for loss due to tenant damage. Photographic evidence of the damage will assist in dealing with claims
- a written, evidenced claim must be made to the Council with a breakdown of the works required and costs and the Council must be given the opportunity to inspect this damage before any confirmation will be made of a payment against the claim
- This guarantee will last for a period of 12 months and is effective from the first day of occupancy and is subject to the limit as stated as the maximum claim amount. The landlord can contact the local authority at the end of the 12 month period if they wish to make a claim against the bond guarantee. (N.B. During the 12 month period the Bond remains in place the local authority will have encouraged the tenant to save an amount of money as a cash deposit to replace in full the bond guarantee)
- It is a condition of your bond guarantee agreement that the landlord contacts the Council prior to or at the time of serving any notice. We are committed to providing you with every support to resolve any issue between you and your tenant, and if this cannot be resolved to ensure the tenant moves out in a timely and planned manner
- Rent loss does not include the contribution required from the lodger under the terms of the occupancy agreement between the resident landlord and the lodger for electricity, gas, water, telephone bills, council tax, nor legal or other fees or expenses incurred in attempting to recover arrears of rent
- Where the lodger has agreed to pay the Council a sum equivalent to the maximum liability under this bond guarantee they will have the opportunity to see claim submissions made by the resident landlord to the Council before any payment to settle the claim is agreed

We, the undersigned agree to the terms laid out in the above agreement.

Signature of Landlord.....

Date.....

Signature on behalf of the Council.....

Date .....



**NOTE: Where a copy of this agreement has been provided for information to the landlord before it has been signed it is a specimen for information only as:**

- the prospective lodger must have been found eligible for the bond guarantee scheme for it to be valid. Do not sign any agreement with a prospective lodger until we have confirmed that they qualify for our bond scheme
- we will assess whether the prospective lodger can afford the rent. Our assessment is based on whether they work or not and their income; whether they qualify for housing benefit or not and if they do, and the rent is more than the award of housing benefit, can they afford to pay the difference
- the room and property must be in a good state of repair and in a reasonable decorative condition and must meet all statutory and regulatory standards for letting accommodation and have been inspected by a member of the Council's lettings scheme
- the landlord must not have a previous record of harassment or illegal eviction and the property must not be subject to any enforcement action or concern from the Council's Private Sector Housing or Environmental Health Team
- the prospective lodger must not be related to the landlord

## **Bond Guarantee Scheme for lodgers: Procedure**

If there is a need to claim against the Bond Guarantee the following procedure should be followed:

- The resident landlord is required to inform the Council within 7 days of the tenant leaving the property that they wish to make a claim against the Bond Guarantee
- This claim form should be submitted within 7 days of the council being informed e mail to [xxxxx@xxxxx.gov.uk](mailto:xxxxx@xxxxx.gov.uk) or write to the following address .....
- The Council will investigate the claim after the resident landlord has informed the Council that they wish to make a claim against the bond guarantee
- If damage has occurred, the council will normally visit the property and inspect the room. The council will decide whether they agree that there is a valid claim for loss or damage that should be settled under the agreement. Quotes and receipts must be provided for the cost of repairing or replacing items
- Resident landlords are encouraged to take photos of any damage caused by the tenant to compare with the original photographic record inventory
- In the event of a claim for rent arrears, a payment will be made when the council has confirmed with their housing benefit service that no further payments or rent are due
- In the event of a claim for theft by the tenant, matters should be reported to the police and a crime number obtained
- It is for the Council to decide whether there is a valid claim against the bond guarantee scheme and it will act reasonably in making this decision. Where a resident landlord is dissatisfied with the council's decision, the claim will be further considered by the council's lead officer for the housing service

## Bond Guarantee Scheme for lodgers: Claim Form

Fill out all the details required below and e mail to [xxxxx@xxxxx.gov.uk](mailto:xxxxx@xxxxx.gov.uk) or send to (address)

Resident Landlord's name

Address

Contact Telephone

Email

Claim in respect of - Address

Lodgers Name

Details of claim

**Loss or damage: Yes/No** (please give details below and enclose photographs to support your claim and estimates/receipts for replacement or repairs).

If theft has it been reported to police and if so please give crime number.

**Loss of Rent – Yes /No** (please give details below) An up to date rental account clearly showing housing benefit payments and rent payments received from the lodger is required, This should clearly indicate the amount of rent outstanding.

--

**Amount Claimed - £xxx.00**

The bond guarantee agreement between the resident landlord and the Council indemnifies the resident landlord against agreed losses. The total liability under this bond cannot exceed the maximum sum of ONE MONTHS RENT or the figure stated in the agreement.

## **Declaration**

I confirm that all this information is correct. I have received no monies in respect of this claim from the lodger or any other source. I understand that this claim will be investigated by the council, who will decide if a payment is to be made under the scheme. I agree to co-operate with the Council in any investigation connected with this claim.

Signed: (Landlord)

Name:

Date:

## **Agreement: between a resident landlord and a lodger in the landlord's home.**

The landlord and the Lodger should complete the lodger's agreement.

- Print two copies
- Have both copies signed by you and your lodger
- Give one signed copy to your lodger

### **The Property**

(Address) \_\_\_\_\_

**The Room** Describe the location of the room at the property that the lodger will occupy

\_\_\_\_\_

### **The Resident Landlord**

(Name) \_\_\_\_\_

### **The Lodger**

(Name) \_\_\_\_\_

### **The Shared Areas**

List the rooms in the property which the landlord has agreed the lodger can share with the landlord and any other persons living at the Property.

Bathroom and WC

Kitchen

Living Room

x

Any rooms not listed above **cannot** be used by the Lodger.

## Terms and type of agreement

This is a periodic excluded licence / periodic excluded tenancy (please delete as appropriate - see below). Rent is payable monthly and the occupant does not have exclusive possession of the landlords property.

**Periodic excluded licence:** applies if services are provided e.g. cleaning or servicing the room.

**Periodic excluded tenancy:** applies if no services are provided.

## Payment

The rent will be £ \_\_\_\_\_ per calendar month for a periodic tenancy or licence, and payable on the first Monday of each month. This sum covers the rent due to the landlord and any contribution by the lodger to council tax.

In addition to the rental payment the lodger will pay the landlord £\_\_\_\_\_ per month as the lodgers contribution for the use of the landlord's utilities (electricity, water and gas). The landlord will provide the lodger with a breakdown of how this figure has been calculated.

## Termination

This is a periodic excluded occupancy agreement which runs from one month to the next. The resident landlord or the lodger can end the occupancy by giving one months' notice or give the period of notice set out in the early termination clause below. The length of the notice will normally be the length of the rental period, which is monthly. The notice should end on a day when the rent is due. The landlord reserves the right to end the agreement with a shorter period of notice as a result of the lodgers conduct.

## Early termination

By mutual agreement, either party may at any time end this agreement earlier than the end of the rental term by giving the other written notice of XX days (insert the number of days or weeks that has been agreed between the 2 parties)

## The Deposit

The deposit is the sum of £XXXXXXXX which is refundable at the end of the agreement, after eligible deductions have been made.

## The Inventory

This lists the resident landlord's possessions that the lodger is permitted to use, including the room. See Appendix A of this agreement that lists the possessions.

## **Terms and Conditions**

This agreement is personal to the lodger and is not assignable. It will terminate automatically with no notice if the lodger ceases to reside at the property, or fails to make two or more rental payments that are due.

### **The lodger's obligations**

- To pay monies owed to the resident landlord at the times set out in the agreement
- To keep the interior of the room and the shared rooms in a good and clean condition and not to cause damage to any part of the room or property
- Not to make any alterations to the room or property without the resident landlord's consent
- To only use the facilities of the shared areas of the property in conjunction with the occupation of the room
- To retain in the room all items listed in the inventory and to keep them in a good condition
- Not to keep a pet
- Not to smoke in the property
- Not to cause or permit any behaviour which may be a nuisance to neighbours; nor to engage in activities which are criminal or may prejudice the insurance on the property
- To use the room in a residential manner and not to run any business from it
- Not to invite visitors to the property without the resident landlords' consent. The lodger will not let or share their room
- To leave the room in good condition at the end of the term
- To only use the storage space provided for them in the kitchen and to respect the privacy and personal items of the resident landlord
- To provide the resident landlord with access to the room, subject to prior notice, to inspect the condition of the room and furniture and carry out repairs to fixtures and fittings

### **The Resident Landlord's Obligations**

- To give the lodger a rent book, or a written statement, that confirms the amount of rent due and the dates when payments were made
- To keep the room in a good decorative condition and the room and the property in a good state of repair and ensure that all statutory regulations relating to the letting of this type of accommodation are met
- Give the lodger the right to live in the accommodation and use the shared rooms with the landlord and any family/friends that live in the property
- To allocate storage space in the kitchen for items of food and drinks to the lodger and respect the lodger's privacy

- To pay all taxes (Council Tax) and utility bills (electricity, water and gas [if a gas supply is provided to the property] and to ensure that the property is heated adequately and has a supply of power and hot and cold running water

### **The Deposit**

Use either paragraph 1 or 2 below is applicable, depending on whether the lodger has paid a cash deposit or the council has provided a deposit guarantee bond.

#### ***Where a cash deposit has been paid by the Lodger:***

A deposit of £xx.00 will be held by the resident landlord for the duration of the agreement and will be refunded to the lodger at the end of the term, less any reasonable deduction for costs incurred by the resident landlord to make good damage to the property caused by the lodger, or to cover losses incurred by the landlord where the rent has not been paid. No interest is payable on the deposit.

At any time during the term the landlord may use any part of the deposit to cover reasonable costs incurred as a result of the lodger's breaches of obligations. The lodger may be called upon to make additional payments to make good any losses or costs incurred by the landlord as a result of the lodger's actions or behaviour.

#### **Where the Council has provided a deposit guarantee Bond**

Where the Council has provided a deposit bond guarantee, the terms of that agreement and any claim against the deposit guarantee will be contained in that agreement

**Signature of Resident landlord**

**Name**

**Signature of Lodger**

**Name**

**Date**



## Appendix to the Agreement: The Inventory

Note: This is a written inventory. It can be replaced by a photographic inventory or photographs used to help provide an accurate inventory. Where photographs are used it will still be important for both parties to complete the comments section for each room/item/facility included.

Room Occupied by the Lodger	New	Good	Fair	Poor	No value
-----------------------------	-----	------	------	------	----------

Bed					
-----	--	--	--	--	--

Mattress					
----------	--	--	--	--	--

Bedding					
---------	--	--	--	--	--

Desk					
------	--	--	--	--	--

Wardrobe					
----------	--	--	--	--	--

Television					
------------	--	--	--	--	--

Shelves or Bookcase					
---------------------	--	--	--	--	--

Living Room: List any items the  
Lodger has Access to

Any other Inventory Items

## **Landlord Information Pack 3: For Houses in Multiple Occupation (HMO)**

This guide contains a standard package to offer to landlords that can be adapted to suit your local situation and the resources available.

It includes:

- Setting minimum standards for the service you will offer to landlords and any aftercare service
- Providing a photographic or written inventory
- Accompanied viewings
- A tenant ready certificate covering confirming certain checks have been made
- Arrangements for direct payments of housing benefit and fast track housing benefit claims
- an aftercare service that ensures the landlord can contact a named officer if there is a problem and you can offer telephone contact with the landlord after 2 months to check there are no problems

## **Houses in Multiple Occupation (HMO) Lettings Scheme: Landlord Information Pack**

This landlord information pack explains our lettings service for landlords wishing to let one or more rooms in a property designated as a house in multiple occupation (HMO).

We are looking for rooms in HMO properties and have prospective tenants waiting who have gone through our comprehensive tenant checks. We have developed a comprehensive landlord package and all our lettings services are completely free and guaranteed. We pride ourselves on having a careful and considered approach that takes all the worry out of letting your property.

Our information pack includes:

- A guide for landlords explaining the HMO letting scheme
- Our HMO scheme bond guarantee agreement
- The HMO scheme claim form and claim procedure for the Bond Guarantee

Contact us today to discuss letting a room in your home and we can answer all your questions.

Our office hours are 9am to 6pm Monday to Friday.

You can contact us on xxxxxxxx or E-mail: [xxxxxxx@.gov.uk](mailto:xxxxxxx@.gov.uk)

## **Our House in Multiple Occupation (HMO) Lettings Scheme**

We are looking for good quality HMO accommodation to let to single people and couples and have developed a lettings package that takes the worry and cost out of letting a room in your HMO.

- We will provide a guaranteed source of suitable single people or couples for the room or rooms you wish to let. We will fill vacancies fast with no advertising costs or fees for lettings, administration, set up or renewal
- We will view your property and the room or rooms you wish to let within one working day of you contacting us
- We will inform you at the viewing whether the room/s meet the standard to be accepted on the scheme
- We will give you a written list of any work required if we cannot accept you immediately onto the scheme
- We will recommend and agree a rent with you and the rent won't change once we have agreed it
- We will provide you with a full photographic inventory at no charge
- We will provide a suitable tenant to view your property within 48 hours of accepting the room/s onto the scheme
- We will accompany all viewings by prospective tenants
- We will provide another suitable potential occupant within 24 hours if the initial viewing is unsuccessful
- We can provide you with a bespoke occupancy agreement including any reasonable terms that you may wish to add, and will supervise the signing of the agreement between you and the occupant. Most occupancy agreements provided by Agents, Solicitors or through the internet provide standard terms only and agents and solicitors often make a charge

## **Our Tenant Ready Certificate Guarantee**

We ensure that our prospective occupants are checked and will make good tenants. We can provide a 'Tenant Ready Certificate' which guarantees we have checked they can afford to pay the rent and whether there have been any previous problems with rent or behaviour.

- We will interview all prospective occupants before showing them your property to ensure they are suitable
- We check any previous lettings record to make sure there is no history of rent arrears, antisocial behaviour or previous damage to property
- We check the prospective occupant can afford the property by carrying out a full detailed budget health check
- We carry out credit referencing checks where these are appropriate

## **Our Financial Payments and Incentive Scheme**

We offer a range of financial incentives that we can discuss with you before viewing your property or at the property check appointment.

- We will provide a deposit guarantee of a minimum of one month's rent to cover any rent loss or occupant damage
- In some circumstances we can make a rent in advance payment in addition to the deposit guarantee
- In most cases we can arrange for direct housing benefit payments to be paid to you not the tenant if you have requested this

## **Our Housing Benefit Service**

Not all prospective occupants will need help from housing benefit to pay the rent, but some will. Many landlords are worried about taking people on housing benefit, however in most cases we can arrange for housing benefit to be paid directly into your bank account on a set date every month, without the hassle of having to chase missed payments.

- We will give you clear advice about the housing benefit payment system and whether the occupant is likely to qualify for full or partial housing benefit. We will provide this information prior to you signing the tenancy so it is clear how the rent will be paid

- We will help the occupant to make their housing benefit application and ensure they have provided all the information necessary to process their claim before the occupancy agreement is signed
- In most cases we can arrange for direct housing benefit payments to be paid to you rather than the occupant, if you have requested this. We will ensure you are paid part or full payment of rent from the Local Housing Allowance system by direct payment to your bank account every four weeks if you request this service
- We will deal with any housing benefit queries promptly service. Prospective tenants who are participating in this scheme are asked to allow their landlord access to information on their housing benefit claim direct from the Housing Benefit service

### **Our free aftercare support service**

Once the room has been let we don't just walk away, our free aftercare support service is there to assist with any queries or problems.

- We will provide you with your own dedicated aftercare liaison manager who can answer any queries and help to resolve any problems if they occur
- We will provide you with a dedicated landlord telephone number to contact the team and your aftercare liaison manager

### **Our 2 month health check**

We will arrange a telephone appointment to go through our 2 month health check and will check with you and the occupant that:

- The occupant has settled in and you are they are happy
- The occupant is looking after the property and keeping up with the rent
- Whether the occupant needs any additional support. This can be provided at no cost as part of our letting scheme
- Whether there are any problems with the housing benefit claim

On the following page we answer the common questions an HMO landlord may want answered.

## Our House in Multiple Occupation (HMO) Lettings Scheme: Further Details

We can help you let out a room or rooms in a property that you live in or own and is classified as a House in Multiple Occupation (HMO). The rooms must be furnished.

### Setting the rent and bills

You need to be clear about what's included in the rent in terms of utilities and council tax. Some rents are all inclusive so the amount the occupant pays covers absolutely everything and some cover just the rent, with all other charges classified as service charges. You need consider how you want to charge for the following:

***Council Tax:*** As a HMO landlord you are normally responsible for paying the Council Tax and can include proportion of the cost of this in the rent you charge

***Utility bills:*** If you pay the utility bills for the entire house, you can include a charge in the rent or install a pre-paid meter. Installing a meter in the occupant's room is the normal practice for HMO lettings.

***Deposits:*** Non - resident landlords are legally required to protect a deposit with one of the government-approved schemes. If a tenant doesn't have the money to pay a deposit themselves the letting scheme can provide a deposit guarantee to cover loss of rent or damage. Full details of the scheme are set out elsewhere in this pack.

### What do I need to include in the agreement?

An agreement needs to cover the basics such as the amount of rent, when it's payable and what the tenant gets in return. If the occupant works and is not on housing benefit we advise you to insist that rent is paid by standing order. This means you'll both know when payment is due and it also takes the personal element out of collecting rent.

### What type of Occupancy Agreement must I give?

If the occupant has exclusive occupation of their room it would normally be an Assured Short hold Tenancy (AST) with a fixed term of 6 or 12 months. If services are provided such as changing of linen and cleaning it might be a Licence and may be an excluded Licence. We can give you some advice on the right type of occupancy agreement to use.

## **Can I choose the occupant?**

Of course you can! We can help with our tenant ready certificate which covers checks on the person's suitability ability to afford the rent and any history of previous problems where they have rented property.

## **What must I provide in the HMO?**

The main thing you're providing is the room itself and this should be furnished. The occupant should also have access to a kitchen and bathroom.

- The room must be furnished and in good condition with a good standard of decoration
- The furniture you provide will depend on the size of the room, but you should provide the following as a minimum:
  - comfortable bed and mattress. It is a good idea to fit a waterproof cover
  - desk or table with lamp and chair
  - shelves or a small bookcase
  - bedside table and lamp
  - wardrobe and chest of drawers

It might also be best to provide the occupant with access to pots and pans, cups, plates and cutlery so there isn't too much clutter in your kitchen. You should also make some space for them to store their food in your kitchen cupboards and fridge and freezer.

## **Should I provide an inventory?**

An inventory can avoid disputes at the end of the letting. As part of our free service we will take photographs of the room before you let it and record its condition for the deposit guarantee we provide. Pots and pans and cutlery etc are not covered by the deposit guarantee and you might also want to compile an inventory or written record of the items you provide. We have provided a copy of an inventory in this pack.

## **What rules should I set?**

It is important to set some rules about what you will and will not allow. For example, you might not want the occupant to smoke in the property or allow pets. Whilst you don't want to develop a list of rules that is too long, it is important to set out the standards of cleanliness and tidiness you expect of your occupant.



You will need to tell the potential occupant about these rules when they view the property. To help you and the potential occupant we come along to the viewing when you have an opportunity to meet them and they can have a look around. This meeting gives you an opportunity to explain the basic rules and find out whether they're someone you're happy to rent the room to.

### **What rules and regulations must I meet if I let rooms in a House in Multiple Occupation (HMO)?**

HMO is a term used to describe a property where accommodation is shared by a number of people who make up more than one household. The term generally applies to the following:

- A house split into bedsits
- A shared house or flat where each tenant has their own tenancy agreement
- Students or young people living in shared accommodation

In these arrangements the tenant either shares the kitchen or bathroom facilities or uses facilities provided in their bed-sit type room. There should ideally be a sink in the room with hot and cold water supply or access to a sink in the main kitchen for food preparation and washing up.

You may be required to licence your property. A licence is required by law for all HMOs that are three storeys or more in height (including basements and where the HMOs is above a shop), that have five or more occupiers, and where some or all of the occupiers, share a facility (ie bath, WC or kitchen).

If you have a property that is already used as shared accommodation and comes under the above definition you probably already know about the regulations that apply to an HMO. However, if you are thinking of letting a property for shared housing for the first time you should speak to the Council's Environmental Health Department who can advise you. The main rules are contained in the Housing Act 2004 and the related regulations.

There have also been changes to planning laws regarding when you would need planning permission to operate a shared house. In April 2010 a new planning use class of HMO was enacted called C4 (3 or more people sharing as opposed to a minimum of 6 previously).

A property that is considered to be a house in multiple occupation (HMO) also requires additional fire and other safety measures.

You also need to comply with the following regulations:

*Furniture and Furnishings (Fire Safety) Regulations 1988*

The furniture must comply with the Furniture and Furnishings (Fire Safety) Regulations 1988. Items covered include beds, headboards, mattresses and bases, sofa beds, futons, settees, armchairs, padded upright chairs, scatter cushions, seat pads and pillows, loose and stretch sofa covers, but not items such as wardrobes. Most furniture you are providing will have been made after 1988, but if you're using older furniture it is a good idea to check for labels to ensure that furniture meets the regulations. (Labels can be found on items such as padded headboards, sofas, mattresses, pillows, cushions, cloth covers on seats, curtains).

*Annual gas safety check and electrical appliances*

Landlords are responsible for ensuring that gas appliances (gas hobs and boilers etc) are maintained in good order and checked for safety at least every 12 months by a registered Gas Safe engineer. You must keep a record of the safety checks, and must usually issue it to the occupant within 28 days of each annual check.

Any portable electrical equipment such as cookers, kettles, toasters, washing machines, etc should be tested to make sure they are safe to use. We can advise you on this.

## Bond Guarantee Agreement: HMO Landlords

This is an agreement to underwrite a deposit with our bond guarantee for:

A room or bedsit room in the landlord's property known as (insert address)

The Tenant known as *(insert full name)*

The Landlord *(insert full name)*

Date tenancy commenced

*(Insert name of Council)* agrees to indemnify, the landlord in respect of loss or damage to the room or the landlord's property let under the Council's xxx scheme subject to the following conditions set out below.

- The loss or damage must be attributable to the tenant
- Any payment against the bond will be paid at the termination of the tenancy or as agreed by the Council, should a claim is made while the tenant remains in occupation and the landlord agrees not to terminate the agreement on condition that a payment is made to cover the loss or damage
- The bond guarantee does not extend to the depreciation of any items attributable to fair wear and tear
- The bond guarantee does not cover pots, pans, crockery, cutlery, bedding or similar items
- The bond indemnifies the landlord in respect of loss of rent up to a maximum of ONE MONTHS RENT or to the figure of £xxx.00
- The bond indemnifies the landlord in respect of loss or damage to the property or items in the inventory that has been caused by the tenant and which is not the result of fair wear and tear to a maximum of ONE MONTHS RENT or to the figure of £xxx.00
- The bond guarantee indemnifies the landlord against agreed losses occurring during the period, but the total liability under this bond shall not exceed the maximum sum of ONE MONTHS RENT or to the figure of £xxx.00

- Any claim must be made within 7 days of the tenant leaving the room and the property
- The pre letting inspection inventory will be used to determine the claim where the claim is for loss due to tenant damage. Photographic evidence of the damage will assist in dealing with claims
- A written evidenced claim must be made to the Council with a breakdown of the works required and costs. The Council must be given the opportunity to inspect this damage before any confirmation will be made of any payment against the claim
- This guarantee will last for a period of 12 months and is effective from the first day of occupancy and subject to the limit as stated as the maximum claim amount. The landlord can contact the local authority at the end of the 12 month period if they wish to make a claim against the bond guarantee. During the 12 month period the bond remains in place, the local authority will encourage the tenant to save money to replace in full the bond guarantee
- It is a condition of the bond guarantee agreement that the landlord contacts the Council prior to, or at the time of serving any notice. We are committed to providing every support to resolve any issue between you and your tenant
- Rent loss does not include the contribution required from the tenant for electricity, gas, water, telephone bills, council tax, that has been agreed between the landlord and tenant nor legal or other fees or expenses incurred in attempting to recover arrears of rent
- Where the tenant has agreed to pay the Council a sum equivalent to the maximum liability under this bond guarantee they will have the opportunity to see claims made by the landlord to the Council before any payment to settle the claim is agreed
- We, the undersigned agree to the terms laid out in the above agreement

Signature of Landlord.....

Date.....

Signature on behalf of the Council.....

Date .....

**NOTE: Where a copy of this agreement has been provided for information to the landlord before it has been signed it is a specimen for information only because:**

- The prospective tenant must be eligible for the bond guarantee scheme for it to be valid. The landlord must not sign any agreement with a prospective tenant until we have confirmed that they qualify for our bond scheme
- To be eligible for the scheme the landlord must offer accommodation which we consider the prospective tenant can afford. Our assessment of affordability is based on their income, whether they qualify for Housing Benefit and if they do qualify, whether they can afford to pay any difference between the rent and the award of Housing Benefit
- The room and property must be in a good state of repair, in reasonable decorative condition and must meet all statutory and regulatory standards for letting accommodation and have been inspected by a member of the Council's Lettings scheme
- The landlord must have no previous record of harassment or illegal eviction and the property must not be subject to any enforcement action or concern from the Council's Private Sector Housing or Environmental Health Team
- The prospective tenant must not be related to the landlord

## Inventory for HMO lettings

Note: This is a written inventory. It can be replaced by a photographic inventory or photographs used to help provide an accurate inventory. Where photographs are used it will still be important for both parties to complete the comments section for each room/item/facility included.

Facility/Item	Condition				
	New	Good	Fair	Poor	No Value
The Room					
Bed					
Mattress					
Bedding					
Desk					
Wardrobe					
Television					
Shelves or Bookcase					
Kitchen					
List Items that the Tenant can use and describe the condition The guarantee only applies to kitchens where the tenant has exclusive use and does not cover kitchens that are shared between 2 or more residents of the HMO					
Any other Inventory Items					

## HMO Bond Guarantee: Procedure

If there is a need to claim against the Bond Guarantee the following procedure should be followed:

- The landlord is required to inform the Council within 7 days of the tenant leaving the property that they wish to make a claim against the Bond Guarantee
- This claim form should be submitted within 7 days of the Council being informed e mail to [xxxxx@xxxxx.gov.uk](mailto:xxxxx@xxxxx.gov.uk) or write to xxxxxxxxxx address)
- The Council will investigate the landlord's claim, following notice from the landlord informing the Council that they wish to make a claim against the bond guarantee
- If damage has occurred, the council will normally visit to view the property and room, to decide whether there is a valid claim for loss that should be settled under the agreement. Quotes and receipts must be provided for the cost of repairing or replacing items
- Landlords are encouraged to provide photos of any damage caused by the tenant to compare with the original photographic record inventory
- In the event of a claim for rent arrears, a settlement will be approved once the Council has confirmed with the Housing Benefit service that no outstanding liability is owed to cover payment of rent
- In the event of a claim involving theft by the tenant, matters should be reported to the police and a crime number obtained
- The Council will decide whether there is a valid claim to be settled under the bond guarantee scheme and it will act reasonably in making this decision. Where a landlord is dissatisfied with the Council's decision the claim will be further considered by the Council's Lead Officer for the Housing Service

## HMO Bond Guarantee Scheme: Claim Form

Fill out all the details required below and e mail to [xxxxx@xxxxx.gov.uk](mailto:xxxxx@xxxxx.gov.uk) or send to xxxx address)

Landlord's name

Address

Contact Telephone

Email

Claim in respect of - Address

Tenant's Name

Details of claim

**Loss or damage** – Yes /No (please give details, enclose photographs to support your claim and provide estimates/receipts for replacement or repairs).

If theft has taken place and it has been reported to police please give the crime number.

**Loss of Rent** – Yes /No (please give details below. An up to date rental account clearly showing Housing Benefit and the rental payments received from the tenant detailing the amount of rent outstanding is required).

Amount claimed

---

Under the bond guarantee agreement between the landlord and the Council, the Council indemnifies the landlord against agreed losses, but the total liability shall not exceed the maximum sum of ONE MONTHS RENT or the figure stated in that agreement.

**Declaration:** I confirm that all this information is correct. I have received no monies in respect of this claim from the tenant or any other source. I understand this claim will be investigated by the Council who will decide if a payment is to be made under the scheme. I agree to co-operate with the Council in any investigation connected with this claim.

Signed

Name

Date



## **Landlord Information Pack 4:**

### **A Guide for Lettings Agents**

Authorities may wish to talk directly to agents about developing an arrangement, depending on what accommodation you are looking for and the package their landlords are looking for.

This information pack contains a standard package to offer lettings agents. You will need to adapt this package according to your own resources and you may also wish to customize it to meet the specific needs of the lettings agents in your area.

It covers:

- Setting minimum standards for the service you will offer landlords and any aftercare service
- Providing a photographic or written inventory
- Accompanied viewings
- A tenant Ready certificate confirming that certain checks have been made
- Arrangements for direct housing benefit payments and fast track housing benefit claims
- An aftercare service in that the landlord can contact a named officer if there is a problem
- A 2 month telephone check with the landlord to ensure there are no problems

The templates included in Landlord Information Pack 1 for flats and houses are also appropriate for letting agents.

## **A Guide to the letting scheme for Lettings Agents**

This information pack explains our landlord's package, for you to offer to your landlords. All our lettings services are completely free and guaranteed and we can also give an agent's bonus for every property let through our scheme.

We are looking for good quality flats and houses and have prospective tenants waiting that have gone through our tenant checks.

Our dedicated landlord liaison managers are highly skilled and experienced and we don't just provide a tenant for your landlord's property and then walk away. We pride ourselves on providing a high quality tenant introduction and aftercare service to both landlords and their agents that sustains long term lets and long term income.

Contact us today to discuss letting your landlords properties through our letting scheme and we will answer all your questions.

Our office hours are 9am to 6pm Monday to Friday.

You can contact us on xxxxxxxx or E-mail: [xxxxxxxxx@.gov.uk](mailto:xxxxxxxxx@.gov.uk)

## **Name of Lettings Scheme – Information for Letting Agents**

We are looking for good quality flats and houses and have prospective tenants waiting that have gone through our tenant checks and been issued with our 'Tenant Ready Certificate'. We offer an excellent service that gives your landlord a secure income and a hassle-free service and enhances your reputation as a letting agent.

We understand that landlords and agents sometimes see renting property as a risky and complicated business with confusing legislation and regulation. We also understand the concerns landlords and agents may have when letting properties to tenants who, whether they are working or not, may need help from housing benefit to pay the rent.

Our dedicated landlord liaison managers are skilled and experienced. We don't just provide a tenant for your landlord's property and then walk away. We pride ourselves on providing a high quality tenant introduction and aftercare service to both landlords and their agents that sustains long term lets and long term income.

We have developed an excellent landlord package for you to offer to your landlords. We are able to make this offer because the scheme is backed by the local council and helps families and individuals find a home. The private rented sector is now a popular option for many people, but they can sometimes find it difficult because they are unable to pay large amounts of rent in advance, high deposits and fees. Our scheme helps find people a home, which is why our services are free to you and your landlord.

### **Next Steps – It's very easy**

Contact us on our dedicated landlord line xxxxxxxxxx or e mail us at xxxxxxxxxxxxxx. We will be very happy to explain our landlord and agents package and how we can help you. We can also come and see you to talk about the scheme and view any property you may be interested in offering to our scheme within 24 hours.

### **Viewing your property and finding a good tenant - our guarantee**

- We will provide a guaranteed source of suitable tenants so you can fill vacancies fast for your landlords, with no finder's fee to pay to us
- We will view any property you want to offer to us within one working day of you contacting us
- We will inform you at the viewing whether the property meets our standards

- We will give you a written list of any work required if it is not accepted
- We will provide a suitable tenant to view any property within 48 hours of accepting the property onto the scheme and recommend someone to view within 24 hours if the initial viewing is unsuccessful
- We will accompany all prospective tenants with you when viewing a property

### **Our Tenant Ready Certificate**

Our 'tenant ready certificate' guarantees we have checked whether there are any previous problems with rent or behavior and that the prospective tenant can afford to pay the rent.

- We will interview all prospective tenants before showing them your property to ensure they are suitable
- We will check any previous tenancy record to ensure there is no history of rent arrears, anti-social behaviour or previous damage to property
- We will check the prospective tenant can afford the property by carrying out a detailed budget health check
- We will carry out credit referencing checks where these are appropriate

### **Our Financial Package**

We offer a comprehensive financial package that includes:

- A fee for letting the property to a person on our scheme. This is in addition any fee you receive from the landlord for letting the property
- A deposit guarantee of a minimum of one month's rent to cover both rent loss and tenant damage. Our deposit guarantee does not have to be registered with a Tenancy Deposit protection scheme and therefore reduces your administration. It also offers more comprehensive cover than most tenancy deposit schemes
- We can make a rent in advance payment in addition to the deposit guarantee and will agree a date when the rent in advance will be returned to our scheme

- In most cases we can arrange for Housing Benefit payments to be paid direct to you if you have requested this

### **Our Housing Benefit service**

- We recognise that many landlords and their agents are worried about taking tenants on housing benefit. Not all of our prospective tenants will need Housing Benefit to cover all or part of their rent, but where they do, in most cases we can arrange for rent to be paid directly into your bank account. Our service takes the worry out of chasing the rent
- We will give you clear information about the housing benefit payment system and whether the tenant is likely to qualify for full or partial housing benefit. We will provide this information prior to your landlord signing the tenancy, so it is clear how the rent will be paid
- We will help the tenant to apply for housing benefit and help them provide all the required information, to ensure their housing benefit application can be processed before the tenancy is signed
- In the majority of cases we can arrange for housing benefit payments to be paid direct to your bank account every four weeks, if you have requested this
- We will provide prompt housing benefit payments and direct access to the housing benefit team. As part of the scheme, prospective tenants agree that their landlord's agent can access information on their housing benefit claim
- If you have a query regarding payment of housing benefit and you don't want the trouble of chasing the query directly we can provide you with information within 24 hours
- We will help the tenant(s) to set up utility accounts for the property
- We will advise the Council Tax department of the new tenant's details

### **Our free after care support service**

Once the property has been let we don't just walk away! Our free after care support service is there if you have been instructed to manage the property, or is there for the landlord if your commission is only to let the property.

- We will provide you or the landlord with your own dedicated tenancy liaison manager who can help with any queries and help to resolve any problems
- We will provide you or your landlord with a dedicated landlord telephone number to contact the team and your tenancy liaison manager
- We will arrange a telephone appointment with you or the landlord to go through our 2 month tenancy 'health check' when we will check with you or the landlord and with the tenant that:
  - The tenant has settled in and you or the landlord are happy with how the tenant is conducting the tenancy
  - The tenant is looking after the property and keeping up with the rent
  - Whether the tenant needs additional support which can be provided through the scheme for free
  - We will check with the housing benefit department to establish that the claim is continuing in payment and that there are no problems relating to the claim

### **How to get a property accepted on our lettings scheme**

We are looking for good quality properties that meet our letting standards. We can discuss these with you when we meet, but in summary all properties must:

- Be clean, well maintained and presented
- Fully furnished properties should include suitable furniture and white goods that are in reasonable condition and meet relevant fire and safety regulations
- Have secure and suitable light fittings, curtain tracks, carpets or laminate flooring throughout as well as vinyl / laminate in the kitchens and bathrooms be fitted with operational smoke alarms that meet relevant fire and safety regulations
- have carbon monoxide alarm or alarms
- Gas safe certificate must be provided
- All structural elements of the property (such as rainwater goods, doors, windows etc) should operate as designed and be in reasonable condition and repair

- The landlord will have responsibility for managing all repairs and property maintenance, and either managing the tenancy directly or appointing another agent to undertake this.

## **Our Financial Package: the details**

Our financial package provides a bond guarantee, which is better than a cash deposit. In some circumstances we can also pay rent in advance or a goodwill payment.

### **What is the bond guarantee scheme and why is it better than a cash deposit?**

We offer a bond Guarantee Scheme that will pay out if there is damage to the property or non-payment of rent. Our scheme is simple, quick and there is no hidden small print. What we cover is fully set out in our guide to the bond guarantee scheme that we can send to you.

Many landlords and agents prefer the bond guarantee scheme as it avoids having to lodge a cash deposit in one of the national deposit protection schemes. Our scheme has an excellent record for 'paying out' on claims, and our turnaround is a matter of days. We pride ourselves on the aftercare service we offer to both landlords and tenants which means successful tenancies. As a result we estimate that in no more than 10% of lettings will a landlord ever feel the need to claim against the deposit guarantee.

### **Can you pay rent in advance?**

We can discuss the option of paying rent in advance to help reassure a landlord, especially if a tenant relies on housing benefit to help pay the rent.

We can pay rent in advance, but it will have to be recovered from the tenant's first Housing Benefit payment, or at a payment date agreed between the landlord or their agent and the Council. It is not a payment of rent for the landlord to keep for good and is not a deposit payment against rent loss or damage.

### **Can you make a goodwill payment?**

In certain circumstances we may make a goodwill payment to the agent or the landlord as instructed by you. The fee depends on the type of letting and whether a landlord requires rent in advance or a cash deposit. We normally do not pay a goodwill payment for landlords letting a room in their home or a room in a House in Multiple Occupation.

We are happy to talk through our lettings scheme and package for lettings agents.

Contact us on our dedicated landlord line xxxxxxxxx or e mail us at xxxxxxxxxxxxxx and we can come and talk to you within 24 hours.

Name of Lettings Scheme and any Tag Line



## Section 4:

### Templates, Forms and Agreements

This section of the PRS toolkit contains forms, agreements and resources to help you develop your PRS access scheme. Each document is listed below with a short description of when it might be useful to use.

**Resource 1: Consent to share information with a landlord: form for a prospective tenant.** This form can be used if you need the tenant's consent to share information about them with a prospective landlord, or where the tenant needs to consent to their landlord accessing information about their housing benefit claim.

**Resource 2: Agreement between the landlord, local authority and the tenant that a payment of rent in advance made by the local authority to the landlord must be repaid.** The rent in advance payment must be paid back to the local authority at a date agreed between all 3 parties and can be paid back from the tenant's housing benefit payment. It assumes the tenant is on full housing benefit and that rental payments are being made direct to the landlord under DWP safeguarding criteria.

**Resource 3: Request on behalf of the tenant that local housing allowance is paid direct to the landlord:** This takes into account chapters 5 and 6 of the DWP's statutory guidance for the payment of rent direct revised in December 2009.

**Resource 4: Agreement between the council and a private sector landlord where the council has paid a cash tenancy deposit and the council requires the deposit to be registered with one of the approved deposit protection schemes.** The agreement is for the deposit to be lodged in the name of the council and returned to the council if there is no claim against it.

**Resource 5: Table comparing the typical cost to a landlord of letting their accommodation through a letting agent with letting through the Council's PRS Access Scheme.**

**Resource 6: Summary of landlord's legal responsibilities when letting a property**

**Resource 7: Form to confirm the property and landlord meet the standard and regulations set by the PRS access scheme for letting property**

**Resource 8: An example of a tenant ready certificate** providing a landlord with a record of the checks that have been made on the tenant.

**Resource 9: Agreement between the Council and the Tenant to repay a loan to cover a cash payment** made by the Council to a landlord for a cash deposit or for a payment of rent in advance

**Resource 10: Agreement between the Council and a tenant for the tenant to make payments to cover the deposit** When sufficient payments have been made to cover the sum guaranteed the tenant agrees that the saved sum will be used to substitute for the deposit guarantee.

**Resource 11: An indemnity agreement between the tenant and Council that confirms the tenant will repay the Council for any payment made to a landlord under its Deposit Guarantee scheme**

**Resource 12: Standing order mandate** for the repayment of a loan given by the Council to the Tenant to cover either a cash deposit or a rent in advance payment

**Resource 13: Example of a Fixed Term Assured Shorthold Tenancy (AST) Agreement:** for a landlords letting property under the Council's PRS Access Scheme.

**Resource 14: A guide to be given to prospective tenants which explains the Council's PRS Access scheme and is designed for the prospective tenant to pass on to potential landlords.**

**Resource 15: A suggested set of eligibility criteria for the Council's PRS Access Bond Guarantee.**

## **Resource 1:**

### **PRS Access Scheme: Tenant's consent to share information**

This is a consent form for a prospective tenant to sign, giving consent to the Council to share information about them with the landlord. The form can be used to confirm the tenant's consent to:

- The council sharing information about the tenant with a landlord, when a landlord has requested more information on the tenant following a viewing
- The housing benefit department sharing information with the landlord and the PRS access scheme about the tenant's housing benefit claim

### **Consent to share information: information for tenants**

You have been accepted onto the Council's Private Rented Sector Access scheme. This scheme involves the Council working with:

- Other Council departments such as Housing Benefit, Council Tax, Private Sector Housing and Environmental Health
- Prospective private landlords, including the landlord for any property you wish to live in or currently live in
- Other third sector bodies such as agencies providing tenancy support or advice to people occupying private sector accommodation

It is important that the council is able to share your personal information in order to help you find accommodation, or avoid losing your accommodation. This may involve the council giving them information that we hold, or asking them to give us information that they hold about you. We need your consent to do this.

Examples of the type of information that might be shared includes personal, family and social circumstances and information to help us assess your housing needs (including your health, financial and employment details), plus information on a housing benefit claim you have made or might need to make in the future.

These are examples and the list is not exhaustive, but we will make sure that information will only be sought or given when it is necessary to help you find accommodation, or to

avoid losing your accommodation.

The information you have provided or might provide in the future is protected by the Data Protection Act 1998. This means that we cannot share this information unless you agree, or the law allows us to use it for those purposes. The Data Protection Act also allows you to have access to the information that we hold about you, with a small number of exceptions. Please contact the Housing Service if you wish to see a copy of your file.

It is a condition of being accepted onto the Council's Private Rented Access Scheme that you consent to your information being shared for the purposes set out below. You are under no obligation to agree, however if you are unwilling to agree we will still help you to find accommodation in the private rented sector, but we cannot provide a bond guarantee or our landlord package which helps persuade landlords to let to people who approach the Council for help.

If there is information you do not want disclosed to a landlord please give us the details and we will decide if you can be accepted onto the scheme. However, if a potential landlord asks for information about you we will have to inform them that you have not given consent for all the details to be shared.

**Below is a consent statement allowing the Council to share your information.**

Applicants Name/s:

I/We authorise you to share any information held by the Council's Housing Service or the Housing Benefit Service with any prospective landlord who may wish to offer me accommodation, or any named landlord who has agreed to provide me with a tenancy through the Council's private sector lettings scheme.

I/We authorise you to make any relevant enquiries, both now and in the future, with any recognised Credit Reference Agency; Council Department (including Benefit Services and Social Services); Government Department or Agency; Police; Hospital; Doctor; School and also suppliers of Gas, Water, Electricity, Digital Communications, Satellite TVs, Mobile telephones and Landlines, with regard to the letting and sustaining any tenancy under the Council's private sector lettings scheme.

I/We authorise the Council's Housing and Housing Benefit Department to share information about my housing benefit claim and to disclose information to the my landlord or the landlord's letting agent regarding my claim; any amounts of monies paid by the Housing Benefit Services; any information needed to assess or continue my claim for

Housing benefit and details of the recipient of these monies.

This information will not be used by the local authority for any reason unrelated to the Council's private rented sector access scheme or any claim for housing assistance.

**First Applicant:**

**Print Name**

**Signature**

**Dated**

**Second Applicant:**

**Print Name**

**Signature**

**Dated**

## Resource 2:

### Agreement to repay 'rent in advance' payment

This is a standard agreement between the landlord, local authority and the tenant, that a payment of rent in advance made by the local authority to the landlord must be paid back to the local authority at a date agreed between all 3 parties. It also confirms that the payment of rent in advance can be paid back from the tenant's housing benefit payment. It assumes that the tenant is on full housing benefit and rental payments are being made direct to the landlord under DWP safeguarding criteria.

(N.B. even where a landlord is not prepared to have the rent in advance paid back to the council before the end of the tenancy, this agreement will still need to be signed and clause 4 below used. In this situation the landlord is not entitled to the last month's housing benefit payment because rent has already been paid in advance at the start of the tenancy. If this form is not signed the landlord will receive a double payment, as the housing benefit service will be obliged to make the last payment of rent at the end of the tenancy.

**Agreement between the landlord who will receive the rent in advance payment, the Local Authority who has agreed to make the payment and the tenant on whose behalf the payment has been made.**

Date of this agreement:

This agreement is between *(Insert details of the PRS Access Scheme or the Name of the Local Authority)*\_\_\_\_\_

and

**Landlord's name** \_\_\_\_\_

Address

**The Tenant's/s name** \_\_\_\_\_

and is an agreement concerning the landlord letting to the property described as

**Address of property** \_\_\_\_\_

The landlord and tenant have entered into an Assured Shorthold Tenancy ("the Tenancy") of the above property prior to the date of this agreement.

**The council agrees to make a payment of rent in advance**

The Council shall, subject to the conditions below, pay to the landlord within 2 weeks of the date of this agreement the sum of £\_\_\_\_\_ ("the First Month's Rent") to cover the tenant's liability for the rent for the first month of the tenancy.

This is a rent in advance payment to cover the tenant's liability for rent for the first month of the tenancy where payment is required in advance. It is not a rent deposit payment or any incentive payment or premium for the landlord to keep or to hold longer than the date agreed in this agreement. Any deposit guarantee to cover rent loss or damage is covered by a separate scheme and agreement.

The first month's rent will only be payable to the landlord by the Council upon confirmation that the landlord has granted a tenancy to the tenant for the named premises prior to the date of this agreement.

**The landlord and tenant agree to the following**

The tenant agrees that the payment of rent in advance made by the Council will be paid back to the Council from the tenant's housing benefit award on the date stated in this agreement.

Where the 4 weekly award, or equivalent of a 4 weekly award of housing benefit does not cover the full rent in advance payment made by the Council to the landlord, the difference will be a debt owed by the tenant to the Council and may be subject to a separate agreement between the Council and the tenant for recovery of this debt.

The landlord agrees that the payment of rent in advance received from the Council shall be paid back to the Council, using a payment of housing benefit due to the tenant which is being paid direct to the landlord under the local authority's safeguarding housing benefit rules.

The landlord and local authority agree that where the tenant does not qualify for any award of housing benefit, the repayment of the rent in advance payment to the landlord shall be a matter between the local authority and the tenant. The landlord will be under no obligation to repay the amount.

Both the landlord and tenant agree that the payment of rent in advance that has been paid by the local authority through its private rented access scheme, shall be paid back to that scheme using any housing benefit award due to the tenant for the period stated below. Both the landlord and the tenant authorise the Authority's housing benefit service to make the payment to the authority's Private Rented Access Scheme or any Council account authorised by that service. The payment will be made at the following agreed period when an award of Housing Benefit is due.

**Choose the agreed relevant clause from the five options below and delete the other options:**

- The date upon which the first payment of any housing benefit is due to be paid, which is 4 weeks after the commencement of the tenancy, and where a valid claim for housing benefit has been made by the tenant and is in payment
- The due date after 3 months, or the 3rd payment of any housing benefit due after the commencement of the tenancy and where a valid claim for Housing benefit has been made by the tenant and is in payment and remains in payment at that date
- The due date after 6 months or the 6th payment of any housing benefit due after the commencement of the tenancy, and where a valid claim for housing benefit has been made by the tenant and is in payment and remains in payment at that date
- At the end of the tenancy following the vacation of the property by the tenant/s, and taken from the last payment of any housing benefit due to the tenant where a valid claim for housing benefit exists
- Any other agreed period

If the tenant vacates the premises earlier than the date agreed for the repayment of 'rent in advance' the Landlord must notify the Council and pay back the first month's rent within 2 weeks of the tenant vacating the premises. This will apply only where the tenant has qualified for housing benefit and it is still in payment at the date the tenant leaves the accommodation.

Signed on behalf of the Council: .....

Name:

Position:



Dated:

Signed by the Landlord: .....

Name:

Dated:

Signed by the Tenant: .....

Name:

Dated:

## **Resource 3:**

### **Request for Local Housing Allowance to be paid direct to the landlord**

This is a request on behalf of the tenant being accommodated through the PRS access scheme, that any local housing allowance (LHA) should be paid direct to landlord as per chapters 5 and 6 of the DWP's statutory guidance for the payment of rent direct (revised December 2009).

The referral is made either:

- On behalf of the applicant who has given their consent to the referral and to the support of the Housing Options Service in gathering and submitting evidence on their behalf or
- directly by the Housing Options Service as the household is either; a case that has been accommodated under the Council's Homeless Prevention Scheme which has assisted the household to obtain accommodation in the private rented sector or
- on the evidence available to the Options and Homelessness Service through its statutory duties to assess and prevent homelessness, it is concluded that the household are either unlikely to pay their rent or may have significant difficulty in managing their affairs and therefore paying their rent

### **The role of the Homelessness Options and Prevention Service**

The local authority Homelessness service or Homelessness Prevention Team has statutory responsibility to provide help and advice to prevent homelessness and to assess applicants for housing under the Housing Act 1996. The team are therefore likely to have, or can obtain, evidence needed to assess whether a person meets the safeguarding criteria. This will include information on any vulnerability issues which could lead to difficulty in paying the rent, due for example to medical or addiction problems, an offending background or difficulty in managing financial affairs. These matters are considered routinely in any assessment of a homelessness application and work to prevent homelessness. Any assessment of a homelessness application will include whether a person has made themselves intentionally homeless, for example, as a result of deliberately not paying their rent. This evidence is likely to be useful in any assessment as to whether a person is unlikely to pay their rent.

**DWP statutory guidance for the payment of rent direct revised in December 2009. Chapter 5: Paragraph 5.63 - The role of the service in recommending cases where rent should be paid direct because an applicant is unwilling, unlikely or may have difficulty in paying even where an applicant is unwilling to cooperate.**

The guidance suggests that *“The local authority should always aim to interview the claimant, unless it already has satisfactory written evidence to make a decision”.*

The housing options team can provide satisfactory written evidence of past or current difficulties or unwillingness to pay the rent, without the need to formally interview the claimant. So for example, where someone is at risk of homelessness due to an unwillingness to pay the rent and a landlord is threatening to evict a prevention officer could provide the evidence to assist in making a decision to apply safeguarding without the local authority needing to interview the claimant (who may be unwilling to cooperate in any interview due to their unwillingness to pay the rent).

**The guidance supports landlord rent direct payments should be made to PRS access schemes because of their role in preventing homelessness.**

*“Many households that are in housing need or are at risk of becoming homeless approach the local housing authority for help in finding alternative accommodation. Often they seek help from the authority because they are unable to obtain a home without assistance. This may be because they have no, or a low, income, problems with debt or problems with previous tenancies which have failed. There may also be financial barriers to households obtaining a letting in the private rented sector. Consequently, these are people who are likely to have difficulty paying their rent.*

*In some cases, housing authorities prevent homelessness by helping the household to obtain accommodation in the private rented sector. Typically, authorities may help households to obtain a private tenancy by providing the landlord with a cash or cashless bond that provides security against non-payment of rent or damage to the property. Authorities may also offer landlords an incentive payment or placement fee, and in some cases, a rent deposit. Authorities may also provide support to the tenant during the period of the tenancy.*

*In other cases, for example, where homelessness cannot be prevented, the housing authority may have a duty to secure accommodation for someone under the homelessness legislation (Part 7 of the Housing Act 1996). The authority may make arrangements with a private landlord to provide a direct letting to the person, either as temporary*

*accommodation or, if the person agrees, as settled accommodation that brings the duty to an end.*

*Most local authorities offer assistance schemes directly or through a voluntary sector partner as part of the authority's strategic approach to preventing homelessness. Where a person obtains a private tenancy with assistance from a local housing authority (an LA assisted tenancy), this will often be reliable evidence that a person has had difficulties managing their rent in the past and in many cases safeguarding is likely to be appropriate."*

## **Suggested Referral Form between the Homelessness Service and the Housing Benefit Service**

Applicants Name

Current Address

When did they move into the property?

Is there a current live HB Claim?

Where this is a new tenancy has a claim for Housing Benefit been submitted?

For cases where an applicant is about to move into a new rented property under the Council's Homeless Prevention Private Sector Access scheme insert that address here:

Landlord's name for property where safeguarding is requested

Landlord's address

Reason/s Why Rent should be paid Directly to Tenant's landlord

(N.B more than one may apply)

- 1 Applicants have secured their home with assistance via the Council's deposit guarantee scheme
- 2 Homeless or history of being homeless
- 3 Previous history of not maintaining rent payments
- 4 Current rent arrears
- 5 Applicants are or will reach eight weeks in arrears (including assessment time)
- 6 Learning disabilities
- 7 Physical disabilities
- 8 Mental health/Depression

- 9     Addiction
- 10    Difficulty in managing affairs due to lack of English
- 11    Personal Circumstances
- 12    Other outstanding debts
- 13    Receiving ongoing support
- 15    Deductions from income
- 16    Other reasons (see note)

I confirm we have the above evidence relating to why 'safeguarding' needs to be applied and we will retain this evidence should the Housing Benefit Service require it.

Signed .....

Date .....

Name

Housing Options/ Homeless Prevention Officer

### **Additional Evidence relating to the above reasons why rent should be paid direct to the claimant's landlord**

#### **Applicants who have secured their home with assistance via the Council's Deposit Guarantee Scheme**

The claimant is being assisted into the private rented sector through the Housing Options team, PRS access scheme directly or through a voluntary sector partner as part of the authority's strategic approach to preventing homelessness.

#### **Applicant is homeless or has a history of being homeless**

Someone who has a history of being homeless or is homeless may be more vulnerable especially when combined with other medical, mental health, background or addiction problems.

**Previous problems in maintaining rent payments**

*History of having fallen into rent arrears in the past, which has led to eviction and possibly homelessness; or history of rent arrears and possession action being taken with suspended possession orders being granted and repayment schedules - All demonstrating inability to manage financial affairs.*

**Current rent arrears**

*Rent currently owed. Provide evidence of any action taken by the landlord to recover these debts, e.g. rent arrears letters, action entered into court notice, warning letters, notice of intention to seek possession, suspended possession order or eviction notice.*

**Applicants are or will reach eight weeks in arrears (including assessment time)**

*On the evidence the applicant is or will be likely to reach 8 weeks in rent arrears. This includes the period for which housing benefit is paid in arrears.*

**Any learning disabilities that may cause problems in paying rent**

*This would be more appropriate for people with severe learning difficulties e.g. difficulties with everyday practical skills like cooking or using public transport, or social skills like holding a conversation or managing financial affairs.*

**Any physical disabilities or medical conditions that may result in problems in paying rent**

*Physical disabilities and how these may affect a person in managing their affairs. For example, a severe impairment in sight or hearing may mean additional problems with communication, mobility and access to information. There may also be physical problems because of age.*

**Any mental health problems that may hinder a person's ability to pay their rent**

*Some people coping with mental illness/depression may be less able to manage their financial affairs and may feel that organising rent payments is too much to cope with.*

*Provide evidence of:*

*Anxiety*

*Phobias*

*Alzheimer's*

*Depression*

*Dementia*

*Eating Disorders*

*Schizophrenia*

*Postnatal Depression*

*Obsessive Compulsive Disorder*

*Personality Disorders*

*Bipolar Affective Disorder*

**Coping with addiction?**

*Someone who is experiencing (or has a history of) addiction, for example alcohol, drugs or gambling, may find it difficult to prioritize their financial outgoings.*

**Difficulties in managing their affairs because of a lack of understanding of English or difficulty reading and writing English?**

*The barriers faced by people who are not fluent in English or have difficulty reading and writing English can inhibit their ability to deal with public agencies and organisations or seek help. This can extend to banks and/or landlords or letting agents when trying to organize rent payments and the receipt of benefits.*

**Recent changes that mean a person may need additional support, or if they anticipate needing this in the near future.**

*A change which means a person may need additional help over a short period of time. This could include bereavement, relationship breakdown (possibly violent), recently left prison, coming out of hospital, going into hospital or a severe illness to themselves or a close relative.*



**Other debts, evidence of poor credit rating, county court judgements, un-discharged bankruptcy, voluntary agreement or evidence that they are unable to open a bank account, mounting utility bill arrears or other priority debts.**

*Any of the above are good indicators of a person's inability to manage their financial affairs and as a result may be unlikely, unwilling or have other difficulties in paying their rent.*

**Currently receiving ongoing support from an agency, organisation, friend or family member to help make rent payments?**

*Evidence of support from any organisation that provides help with basic skills or provide support or care packages.*

**Deductions made from other income, such as DWP benefits to help repay debts.**

*Department of Work and Pensions deductions from benefit for rent arrears, council tax or utility debts. Deductions from earnings to pay the Child Support Agency or to repay council tax arrears.*

**Other reasons.**

*List:*

**For the Housing Options Team: How long do you consider direct payments need to be made to the landlord? (give period and reasons)**

**Tenant's Declaration** (*N.B Where this application is made by the Housing options Team based on their evidence that the applicant is unlikely or unwilling to pay their rent, the Tenant's declaration is not required*). The information given is true and correct and I apply for my Local Housing Allowance be paid directly to my landlord to cover the contractual rent. I will contact the Benefits Service should I feel I am able to receive my benefit directly. I have read and understood the declaration.

Please sign and date the form below (if you have a partner they should also sign below)

Signature  
Date

Partner's Signature  
Date

### **Housing Options Officer Declaration**

The information given is true and correct

I believe it to be in the best interest of the tenant for Local Housing Allowance to be paid directly to their landlord, I have read and understood the declaration.

Name  
Position

Signature

Date

## Resource 4:

### **Agreement for a deposit to be lodged with one of the deposit protection schemes**

This is a template for an agreement between the council and a private sector landlord where the council has paid a cash tenancy deposit and the council requires the deposit to be registered with one of the approved deposit protection schemes. The agreement is for the deposit to be lodged in the name of the council and returned to the council if there is no claim against it.

**Agreement between the council and private sector landlord where the council has paid a statutory tenancy deposit and the council requires the deposit to be registered with an approved deposit protection scheme in the name of the council and returned to the council if there is no claim against it.**

This Agreement is dated the \_\_\_\_\_ of \_\_\_\_\_

Between:

The Local Authority \_\_\_\_\_

And

The Landlord

Who is the landlord for the address of \_\_\_\_\_

Which is occupied by the Tenant/s *name/s*

\_\_\_\_\_

Whereby the Landlord and Tenant have entered into an Assured Short hold tenancy of the property stated above and the Council has agreed to make a payment of a deposit to cover a deposit which is required by the landlord from or on behalf of the tenant as a condition of agreeing to let the property to the Tenant.

## **The Council agrees to pay a cash deposit**

The Council shall, subject to the conditions below, pay to the landlord within 2 weeks of the date of this agreement the sum of £\_\_\_\_\_ which is paid as a cash deposit. This is a payment to cover the deposit that is required by the landlord. The payment of this deposit is made through the Council's 'Rent Deposit' scheme.

The Council is acting as a third party in making this payment and requires the landlord to register the deposit into one of the 3 nationally approved 'Deposit Protection Schemes' and to deposit this sum of money in the name of the Council and not in the name of the tenant.

## **The landlord agrees to abide by the following:**

The landlord will inform the deposit scheme administrator that:

- 1) The Council, as the third party that has paid the deposit, requires the deposit to be returned directly to them at the address provided below if there is no claim against the deposit; and
- 2) The Council as the named party that is paying the deposit must be involved at the end of the tenancy in all negotiations regarding whether the deposit will be repaid in whole or in part. If there is a dispute the Council must be involved in discussions relating to the dispute resolution.
- 3) Under this agreement the landlord will provide the Council with all the information the law requires within 30 days of receiving the deposit. A copy of this notification should be sent to the Tenant for information. The landlord will provide a written notification via letter or email detailing:
  - the landlord's name and contact details
  - the amount of deposit paid and the address of the tenanted property
  - details of the tenancy deposit protection scheme the landlord has chosen to use
  - a copy of the deposit protection certificate signed by the landlord

The deposit should be registered in the name of the \_\_\_\_\_ Council's Tenancy Deposit Scheme.

## **Information for the landlord on the payment of the deposit**

Sections 212-215 of the 2004 Housing Act established a statutory framework of tenancy deposit schemes from 6th April 2007. The statutory requirements are set out in the Housing (Tenancy Deposit Schemes) Order 2007.

From the start of April 2007, any landlord who takes a deposit from a tenant or from a third party for an assured short hold tenancy must ensure that the deposit is held in an approved tenancy deposit scheme. The law has two objectives: to protect the deposit money itself and to facilitate the resolution of disputes that may arise in relation to deposits when a tenancy ends.

A deposit is defined as a sum of money paid to a landlord or an agent as security for the performance of any obligations of the tenant or the discharge of any liability arising from the tenancy (s.212 (8)).

The Council's payment is the payment of a deposit to the landlord or the landlord's agent as security for the performance of any obligations of the tenant or the discharge of any liability arising from the tenancy under (s.212 (8)) of the aforementioned Act.

A landlord who receives a deposit from an assured shorthold tenant is required to pay that money into a Deposit Protection Scheme and that money will be held in that account until the end of the tenancy.

At the end of the tenancy, the landlord and, in this case the Council as the third party that has paid the deposit, shall agree whether the deposit will be repaid in whole or in part. If there is a dispute the Scheme provides for a resolution through the alternative dispute procedure.

From 6th April 2012, all cash deposits for new ASTs in England and Wales must be protected within 30 calendar days of receipt by the landlord.

## **The deposit scheme and the Local Authority as the 'relevant person'**

Where, as in this case, a third party provides the deposit, then under the Housing Act 2004, that body (in this case the local authority) is the relevant person and must be given a copy of the information listed above.

'The custodial scheme' (DPS) and the 'My deposits' insured scheme both use a "Lead Tenant" system. This applies in any situation where more than one person has an interest

in the deposit. In this case the tenant/s have agreed, as a condition of the local authority being willing to pay a deposit that the local authority who has provided the deposit will be the lead tenant and only the local authority therefore has the authority to deal with the deposit at the end of the tenancy.

**Address and Contact details for the deposit scheme being used:**

This landlord agrees to notify the council of the contact details of the deposit scheme being used and to provide these details by letter or by e mail (details of the address and e mail contact below) within 30 days of receiving the deposit.

Address \_\_\_\_\_

Email

For any notification or correspondence from the landlord or Deposit Administrator in relation to any claim against the deposit please record the address and e mail details above

For the return of a deposit by cheque, it should be made out to

\_\_\_\_\_  
And sent to the address stated above.

If Payment is to be made by BACS \_\_\_\_\_

Signed on behalf of the Council: .....

Name:

Position:

Dated:

Signed by the Landlord: .....

Name

Dated:

## Resource 5:

### Comparison of the typical cost for landlords of letting their accommodation through a letting agent compared to letting through the Council's PRS Access Scheme.

Comparison of costs to the landlord	Agent	Council's PRS access scheme
Agent's Management commission est 12% of the annual rent	£1000	0 free aftercare service
Inventory	£125	0 free inventory
Sign-up lettings fee and administration	£300	0 free service
Rent insurance and Legal Protection approx 3% of the annual rent	£400	0 Rent loss guarantee up to 6 weeks rent plus free advice on issuing notices and taking court action.
Total Estimated costs	£1,825	£0

## Resource 6:

### Summary of landlord's legal responsibilities when letting a property

Landlord responsibilities vary depending on how the property is let and the number of people living in it. The following note sets out the standards for properties that are let to one household. There are also separate requirements that apply to both bed-sit style housing and shared housing where a group of people who are not related share a house or flat. These are called Houses in multiple occupation or HMO's. A brief description of the standards and regulations that apply to HMO properties is also included.

#### Fire Safety

There must be an adequate fire escape route and access should not be blocked. Make sure that sufficient smoke alarms are fitted and as additional precautions (for your tenants and to comply with your own legal liability), provide additional fire fighting equipment such as a fire safety blanket in the kitchen area.

#### Fire Safety & Furnishings

All upholstered furniture which is provided in any property that is rented for residential use must comply with the requirements of the Furniture and Furnishings (Fire Safety)

Regulations 1988, as amended. The regulations require:

- Furniture to pass a cigarette resistance test
- Cover fabric, whether for use in permanent or loose covers, to pass a match resistance test
- Filling materials for all furniture to pass ignitability tests as specified in the regulations

These regulations apply to any of the following items of furniture that contain upholstery:

- Beds, headboards, mattresses, sofa beds, futons
- Garden furniture which is suitable for use in a dwelling
- Scatter cushions and pillows
- Loose and stretch covers for furniture

These regulations do not apply to:

- Sleeping bags
- Loose covers for mattresses
- Pillowcases
- Curtains
- Carpets



- Furniture manufactured before 1950

All furniture (except mattresses, bed bases, loose and stretch covers) manufactured since 1988 is required to carry a permanent label providing information about its fire retarding properties.

### **Smoke Detectors**

Any building built after June 1992 is required to have mains operated smoke detectors fitted on each floor. In pre-1992 buildings, there is no legal requirement to have smoke detectors fitted however we recommend at least one detector is provided per floor.

### **Gas Safety**

Under the Gas Safety (Installation and Use) Regulations 1998, as amended:

- Landlords must ensure that gas fittings and flues are maintained in a safe condition (note this does not apply to flues and chimneys solely connected to an appliance owned by the tenant)
- An annual safety check of each gas appliance/flue must be carried out by a installer registered with the Gas Safe Register
- Issue a copy of the safety check record to each existing Tenant within 28 days of the check being completed or to any new Tenant before they move in
- Keep a record of each safety check for two years
- Safety checks also apply to portable appliances such as LPG (Calor gas) heaters

If a gas appliance fails a safety check you must carry out the work to pass the test or replace the appliance. Any safety defect must be repaired by a 'Gas-Safe' registered engineer before the equipment is used again. It is an offence to use or allow the use of a gas appliance you know to be unsafe and in no circumstances should it be reconnected until the fault has been rectified, to do so will place you at risk of prosecution.

### **Carbon Monoxide**

A carbon monoxide protector should be provided to protect against carbon emissions.

### **Electrical Safety**

Under the Electrical Equipment (Safety) Regulations (1994) any portable electrical appliances (e.g. refrigerators, lamps, vacuum cleaners, televisions) that are provided as part of the tenancy must be safe to use and in proper working order. As a minimum,

appliances should be visually inspected for any faults or damage and ideally should be periodically tested by a qualified electrician (PAT Testing Portable Appliance Testing). Testing of the electrical installation is not currently a legal requirement.

### **Energy Performance Certificates**

Energy Performance Certificates (EPC) are a legal requirement for all rented properties. An EPC shows Energy Efficiency & Environmental Impact Ratings on a scale of A – G (like domestic white goods) where A = most energy efficient with lowest CO2 emissions, and G = least energy efficient. It also includes recommendations of measures to improve energy ratings, However there is no obligation on the landlord to carry out this work out.

Residential property must have a valid EPC when it is let. The EPC must be issued by an accredited domestic energy assessor and is valid for 10 years. If a tenant moved into the property prior to 1st October 2008, an EPC is not required for that property until the tenant moves out and before a new tenant moves in. The EPC must be made available to each potential tenant when the property is marketed.

### **Repairs**

Under the Landlord & Tenant Act 1985, the Landlord is responsible for the following repairs:

- structure and exterior of the property
- bath, sinks, basins and other sanitary installations
- heating and hot water installations
- water, gas and electricity supply and meters
- common parts

### **Tenancy Deposit Protection**

The tenancy deposit legislation applies to all deposits accepted for assured short hold tenancies after 6 April 2007. Landlords (or their Agents) must protect the deposit within 30 days and give the prescribed information to the tenant including where the deposit is protected. The deposit can be protected by one of four providers; The Deposit Protection Service, MyDeposits, The Dispute Service or Deposit Guard.

### **Houses in Multiple Occupation (HMOs)**

HMO is a term used to describe a property occupation that is occupied by people who share part of the accommodation. It applies to both bedsit style housing and shared housing where a group of people who are not related share a house or flat. HMO's require additional fire and other safety measures.

The term HMO generally refers to one of the following:

- A house split into bedsits
- A house or flat share where each tenant has their own tenancy agreement
- Students living in shared accommodation
- It also includes a property where there is an owner-occupier resident and he or she has more than 2 lodgers who have a licence or tenancy to occupy the accommodation

HMO tenants will either share kitchen or use facilities provided in the tenant's room, as in a bed-sit type arrangement. There should ideally be a sink in the room with hot and cold water supply or access to a sink in the main kitchen for food preparation and washing up.

Depending on your property, your tenants and where you live, you may be required to obtain a license for your HMO. Licensing is a mandatory requirement for all HMOs that are three storeys or more in height (including basements and HMOs above shops), have five or more occupiers, and some or all of the occupiers, share a facility (bath, WC or kitchen).

If you have a property that is already shared and comes under the above definition you probably know about the regulations that apply to an HMO. However, if you are intending to use a property for shared housing which hasn't been used in that way before you should speak to the Council's Environmental Health Department who can advise you.

In April 2010 a new planning use class of HMO was created for accommodation where 3 or more people sharing. Planning permission was previously only requires for properties where 6 or more people shared.

### **Buildings insurance**

You should have buildings insurance to cover the risk of damage to the structure and permanent fixtures and fittings in a building. Tenants are responsible for providing their own contents insurance to cover their personal belongings, but you may also wish to insure the contents that you have provided such as the furniture.

### **Obtaining permission from your lender to let**

If you have a mortgage on the property, you should ask the mortgage lender's permission to let all or part of the property, otherwise you could be in breach of the mortgage terms. You may need written permission and some lenders will charge an administration fee for issuing a consent letter. There may also be a variation in the level of interest rate for the mortgage. If the property is leasehold, the head lease will specify whether or not you should gain permission from the freeholder or the freeholder's managing agent.

## **Resource 7:**

### **Property Inspection Report**

The PRS access scheme should agree a minimum standard for properties let through the scheme. This form helps to record the condition of the property and whether it and the landlord meets the standard and regulations set for letting property. This form can be used by Housing Options PRS Access Scheme Letting Officers.

#### **Property Inspection Form**

The first part of the form helps you to record whether the property is in reasonable condition and uses the Housing Health and Safety Rating System (HHSRS) as a framework for this. The second part of the form covers other regulations a landlord must comply with including providing of a Gas Safe Certificate, EPC Certificate, etc. It also includes common sense checks that you should make to ensure that the Council has no record of the landlord being guilty of illegal eviction or harassment.

If your authority wishes to ensure that any property let through the PRS access scheme is free from category 1 or 2 hazards this will require a technical inspection by a formally trained HHSRS officer. This report does not constitute a formal technical inspection under the HHSRS.

Where you are inspecting a room/s in a HMO this form can be used, but the officer will need to check with the relevant Council Department, normally the Environmental Health Team or Private Sector Housing Team, that the property complies with all HMO standards.

Property Address:

Date inspected:

Landlord Name:

Landlord Contact details:

#### **Property details:**

Number of Bedrooms:

Floor Level or House:

Lift:

Parking:

Store/Shed:

External Stairs:

Internal Stairs:

<b>Issue</b>	<b>Tick if no issue</b>	<b>Minor or significant problem M/S</b>	<b>If there is a problem, can it be remedied and by when</b>
--------------	-------------------------	---	--

### **Damp and Mould Growth**

Evidence of mould growth

Evidence of persistent condensation

Evidence of rising or penetrating dampness

### **Excess cold/Heat**

Heating in each bedroom and living room

Heating in each room controllable

Heating checked to determine it works and is capable of providing reasonable warmth

Windows and doors in good repair/draughts?

Windows can be opened to allow natural ventilation

### **Security**

Secure locks in good working order fitted to main access door/s – Yale or similar approved night latch and a Chubb or similar approved five level mortise deadlock

### **Lighting**

All habitable rooms and staircases, provided with adequate natural and artificial lighting

### **Kitchen and preparation of food**

Kitchen in reasonable state of repair

Safe and hygienic facilities for the preparation and storage of food

### **Sanitary facilities**

Bath and toilet facilities in a reasonable state of repair with no leaks to toilet sanitary ware

## **Risk of falls and trips**

Landings, entrance lobby and hallways level, unobstructed and free from dangerous projections

Staircases and balustrade in good state of repair

Staircases is not excessively steep or winding

Where doors have one sheet of glass only, this is safety glass

## **Risk of falls between levels**

Upper windows have openers secure from young children or opening limiters

Where balconies - adequate guarding

Stair balustrades are sufficiently safe to prevent falls between levels.

## **Electrical hazards**

Electrical sockets, light fittings, switches and meters are in a good state of repair

Adequate number of sockets for the premises

No sign of overloading of

sockets

**Structural Collapse and falling elements.**

The property both internally and externally in such a condition so that occupants are not at risk of being struck by falling elements such as chimney pots, roof coverings, ceiling plaster, defective internal walls

**General decorative condition.**

Property is in reasonable decorative condition with regard to paintwork, wall and ceiling decorating

**External Condition**

Property in reasonable external condition regarding:

Chimney Stack:

Roof:

Ext Brickwork:

Paths/Porch:

Fascia Boards:



Gutters:

down pipes/Drains:

Garden(s):

Fences/ Boundary wall:

**Electrical equipment  
supplied with the  
accommodation meets the  
requirements of regulations  
5 and 7 of the Electrical  
Equipment (Safety)  
Regulations 1994(1)**

All portable electrical equipment  
supplied has had portable  
appliance test in the last 12  
months

**Landlord has taken  
appropriate fire safety  
precautions with the  
accommodation and any  
furnishings supplied with it**

Any items of furniture and  
furnishings comply with the  
Furnishings Fire Safety  
Regulations 1988 (as amended)  
- carry and display a label  
securely attached in a  
prominent position on the  
furniture. Includes:

Beds, headboards of beds, Sofa  
beds

Nursery furniture

Scatter cushions and seat pads

Pillows

Loose and stretch covers for furniture

Battery or hard wired smoke alarm that works

Appropriate escape route in case of a fire

**Landlord has taken precautions to prevent the possibility of carbon monoxide poisoning in the accommodation**

Landlord has or will install a carbon monoxide alarm/s to prevent the possibility of carbon monoxide poisoning.

**Property has a current gas safety record in accordance with regulation 36 of the Gas Safety (Installation and Use) Regulations 1998(5)**

A current gas safety certificate has been seen and a copy obtained (attached) or will be sent in

**Residential property which requires a valid energy performance certificate as required by the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007(4);**

valid Energy Performance Certificate for the property and a copy will be given to the tenant

**A written tenancy agreement, which the landlord proposes to use has been seen and is considered to be appropriate.**

**The landlord is a fit and proper person to act in the capacity of landlord. Check the following.**

A – Checked private sector housing records record of any offence involving fraud or other dishonesty, violence, illegal drugs, or any offence listed in Schedule 3 to the Sexual Offences Act 2003(2) (offences attracting notification requirements)

B - private sector housing records checked to ensure no record of unlawful discrimination on grounds of sex, race, age, disability, marriage or civil partnership, pregnancy or maternity, religion or belief, sexual orientation, gender identity or gender reassignment

D – Check the accommodation is not an HMO subject to licensing under section 55 of the Housing Act 2004, and is not licensed or is not a property subject to additional licensing under the Council's own selective licencing scheme and is not licensed

Having inspected the property inspection I am/I am not ( delete) satisfied that the property meets all letting requirements and is/is not( delete) suitable to use for the Council's letting scheme.

Name of officer inspecting the property.....

Signature

Date

The landlord has been informed to complete the following work to enable the property to meet the standard required.

Having re-checked the property I am now satisfied that the property meets all letting requirements and is suitable to use for the Council's letting scheme

Name of officer inspecting the property .....

Signature

Date

## Resource 8:

### Tenant Ready Certificate

This is an example of a 'tenant ready certificate for a PRS Access Scheme. It provides the landlord with a record of the tenant checks that have been made.

#### Full name of tenant/s:

We go the extra mile to ensure that our prospective tenants are checked and will make good tenants. Our tenant ready certificate guarantees that we have checked whether there are any previous problems with rent or behaviour, and confirms that they can afford to pay the rent.

- We assess all prospective tenants before showing them your property to ensure they are suitable
- We have checked any available previous tenancy records to make sure there is no history of rent arrears, anti social behaviour or previous damage to a property. If there have been previous problems we will only accept someone onto our scheme if they have resolved their difficulties
- We will check that the prospective tenant can afford the rent for your property by carrying out a full and detailed financial 'health check' so we are satisfied their income can cover the rent and their other commitments
- We will check if the tenant has any debts including credit card or payday loans and will help them to resolve any debt through professional debt advice to ensure that they can manage their finances and pay the rent
- We will carry out credit referencing checks where these are appropriate
- We will ensure that where the tenant needs a little more help from us to manage their tenancy this can be provided at the start of the tenancy or anytime during the tenancy if they need it
- if the prospective tenant requires housing benefit to help pay the rent we will check whether they are likely to qualify for an award of full or partial housing benefit, estimate what that figure is likely to be and provide this information to you prior to you signing the tenancy agreement. We will ensure you understand how the rent

will be paid and how much the prospective tenant is likely to receive in housing benefit

- We undertake our full tenant ready health check that includes help with : budgeting, setting up a bank account and direct debits, paying bills and managing gas and electricity and the likely costs
- If the tenant needs housing benefit to help pay the rent, we will help them apply for benefit and will help them provide all the required information so their claim is processed before the tenancy agreement is signed
- In the majority of cases we can arrange for housing benefit to be paid direct into your bank account every 4 weeks if you request this

## **Resource 9:**

### **Agreement between the tenant and the Council to repay a loan where the tenant does not receive Housing Benefit**

This is a template for an agreement between the Council and the tenant where the tenant does not receive housing benefit, and the landlord insists on a rent in advance payment. The tenant agrees to repay a loan made by the council to cover a payment to the landlord of a cash deposit or for a payment of rent in advance.

If a tenant receives housing benefit, the repayment of rent in advance will normally be covered by an agreement with the landlord for the rent in advance to be paid back to the Council from the housing benefit payment at a date agreed.

In most tenancies the aim should be to give a landlord a deposit guarantee rather than a cash deposit payment so this agreement is only applicable where the landlord will not accept a deposit guarantee and the Council wishes to have the deposit repaid by the tenant.

The loan should be paid back as quickly as possible and this period will depend on how much the tenant can afford to pay each month. As a starting point, divide the amount of money loaned by the period over which you require it to be repaid. For example a loan valued at £450 with a lifespan of 18 months could be repaid at £25 per calendar month (£450 divided by 18 months equals £25) or you may want it to be paid back later if you judge the repayment to be unaffordable, or sooner if a higher amount is affordable.

When the underwritten amount of the loan has been repaid you should arrange for the landlord to transfer the name of the payee under the deposit protection fund from the Council to the tenant as it will now be the tenant's money that is protected.

## **Agreement between xxxx Council and a Tenant to repay a loan made by the Council to a Landlord to cover a rent deposit or a payment of rent in advance**

This loan agreement is made the      day of

This loan agreement is between *(Insert details of the PRS Access Scheme or the Name of the Local Authority)*

and

**The Tenant/s name** (the borrower)

For a loan relating to the property described as

### **Address of property**

The tenant has entered into a tenancy agreement for the above property and the Council has agreed to make a payment to the landlord on behalf of the tenants behalf: *(delete below as applicable)*.

- A rent in advance payment of £xxx.00
- A cash deposit payment of £xxx.00

Payment must be made either directly to the Council's bank account (.....) or by cash at the Council's offices. Payment must have been received by the due date and the borrower agrees to repay the amount of the loan by installments by their due dates.

**"Term of agreement"** – x months

**"Amount of loan"** £xxx.00

**"Installments"** - £ .....each, payable on the ..... day of each consecutive month, commencing on the .....day of.....

**"Interest"** 0%



## **Breach of the agreement**

If the borrower fails to pay any installment within 14 days of its due date the council may end this agreement and require the borrower to immediately pay the outstanding balance under the agreement. In the event of further non-payment the council will follow its debtor procedure and provide support to the borrower around money / debt advice. A copy of the Council's debtor procedure can be obtained from the Council on request.

The borrower may end this agreement at any time by giving written notice of termination. The Borrower must then pay the outstanding balance under this agreement and the council will notify the Borrower of the amount outstanding.

This agreement shall be governed by English Law and the parties agree to the exclusive jurisdiction of the English Courts in all matters.

## **Agreed by the parties**

Signed on behalf of the Council:

Name:

Position:

Dated:

Signed by the Borrower:

Name

Dated:

## Resource 10:

### **Agreement between the Council and the tenant for the tenant to repay a deposit guarantee**

This is a template for an agreement between the Council and a tenant, where the tenant agrees to make payments to fully cover the deposit guarantee given to the landlord by the Council. When sufficient payments have been made to cover the sum guaranteed, the tenant agrees that the saved sum will be used to substitute for the deposit guarantee.

This agreement is applicable where the Council has given a deposit guarantee which might last for a set period of say 12 months, or until the tenant has saved sufficient money through this arrangement for the cash to be used as a cash deposit. The landlord will then be required to lodge this sum in a tenancy deposit protection scheme.

This arrangement allows the council to substitute the Council's deposit guarantee promise for a tenant's cash deposit over a given period. The Council also has the option of providing the deposit guarantee for the life of the tenancy or for a set period and not requiring the tenant to replace it with savings.

**Agreement between the Council and a tenant for the tenant to make payments as set out in this agreement to fully cover the deposit guarantee given to the landlord by the Council. When sufficient payments have been made to cover the sum guaranteed the tenant agrees that the saved sum will be used to substitute for the deposit guarantee.**

**This Agreement is made the    day of**

This agreement is between *(Insert details of the PRS Access Scheme or the Name of the Local Authority)*

and

**The Tenant/s name**

and relates to the granting by the council of a deposit guarantee for the property described as

**Address of property**

The tenant has entered into a tenancy agreement for the above property and the Council has provided the landlord with a deposit guarantee against rent loss and damage to a maximum amount of £xxx.00

The Tenant agrees to provide payments under this agreement as detailed below to cover the deposit guarantee given to the landlord by the Council on behalf of the tenant.

Payment must be made either directly to the Council's bank account (.....) or by cash at the Council's offices (*insert code for cash payments to be credited to*). Payment must have been received by the due date.

**"Term of agreement"** – x months

**"Amount"** £xxx.00

**"Installments"** £ .....each, payable on the ..... day of each consecutive month, commencing on the .....day of.....

**"Interest"** 0%

The tenant may end this agreement at any time by giving written notice of termination. The tenant must then pay the outstanding balance under this agreement and the council will notify the tenant of the amount outstanding.

## **Agreed by the parties**

Signed on behalf of the Council: .....

Print Name:

Position:

Dated:

Signed by the tenant .....

Print Name:

Dated:

## Resource 11:

### **Agreement between the tenant and Council that the tenant will repay the Council for any payment it has to make to a landlord under its Deposit Guarantee**

This is a template for an agreement between the Council and the Tenant/s where the Tenant agrees to indemnify the Council against a valid claim made under the Council's Deposit Guarantee scheme.

To be completed by Tenant/s for *(address)* before the Tenancy is signed.

We, the Tenant(s) jointly and severally agree to reimburse to xxxx Council any monies that the Council, through its xxxx scheme, has guaranteed to my landlord in the event that the Council is obliged to pay to the Landlord under the Deposit Guarantee given.

**Signed:** ..... **Date:** .....

**Name**

**Signed:** ..... **Date:** .....

**Name**

## Resource 12:

### **Standing order mandate for the repayment of a loan given by the Council to the Tenant to cover either a cash deposit or a rent in advance payment**

#### **Standing Order Mandate**

##### **To My Bank:**

Name of bank or building society:

Postal Address:

Please pay by banker's standing order and cancel any previous instructions regarding the following payee:

##### **Pay To:**

Bank Name: *fill in Council account details here and below*

Sort Code:

Account Number:

Account Name: xxxxx Council

Payment reference:

Amount (figures):

Amount (words):

Date of first payment:

And then every:

Until .....or further notice by me

**My account:**

Name of account:

Sort Code:

Account Number:

I hereby authorise you to set up this standing order payment on my account

Signed:

Date:

Name (block capitals):

Address:

## Resource 13:

### Example of a Fixed Term Assured Shorthold Tenancy Agreement (AST)

This model agreement can be offered to landlords to use for properties let through the Council's PRS Access Scheme. It is an assured short hold tenancy and if amended can also be used a fixed term assured short hold tenancy.

The terms of the agreement have not been numbered to allow the landlord and tenant to delete amend or add terms. The agreement being offered to the tenant should be checked by the local authority and the final terms numbered.

#### **ASSURED SHORTHOLD TENANCY AGREEMENT**

This agreement is dated the *xx* day of *xx* 20*1*

#### **Landlord**

**Name** .....

**Address** .....

#### **Tenant/s**

**Name** .....

**Address** .....

(In the case of joint tenants, the term 'tenant' applies to each of them and the names of all joint tenants should be written above. Each tenant individually has the full responsibilities and rights set out or implied in this agreement).

The premises will be used to only accommodate:

*(List occupants)*

**Property:** The house [and garden] at:

Together with any fixtures, furniture and effects therein and more specifically described in the inventory attached to the agreement

### **Term**

A term of    x months from the    day of 201x

### **Rent**

£    per calendar month payable in advance on the ... day of every month ("Due Date") during the term of the tenancy, except that the landlord acknowledges that where payment of any housing benefit is made directly to the landlord, such payment will be deemed to have been paid in advance, though made in accordance with the housing benefit regulations currently in force.

### **Letting**

The Landlord lets and the tenant takes the property for the term at the rent.

### **Deposit**

1 or 2, below depending, on whether a deposit guarantee has been accepted by the landlord.

The landlord has accepted a deposit guarantee from the local authority on behalf of the tenant to the value of one month's rent and is subject to a separate agreement between the local authority and the landlord.

or where a cash deposit has been paid by the tenant or by the local authority on behalf of the tenant.

The tenant must pay a deposit of £    ("**Deposit**") to the Landlord or the Landlord's agent on the signing of this Agreement.

The deposit is a "tenancy deposit" as defined in section 213(8) of the Housing Act 2004. The landlord must deal with the Deposit in accordance with an authorised scheme under section 213(1) of that Act.

The deposit is paid as security for the performance of the tenant's obligations in this agreement. The landlord may use the deposit to compensate for the reasonable costs of any breach by the tenant of those obligations.

The deposit is to be held by the landlord in accordance with an approved tenancy deposit protection insurance scheme.

The landlord has provided or will provide within 30 days of the deposit being received, the information required under section 213(5) of the Housing Act 2004 as set out in the



Housing (Tenancy Deposits) (Prescribed Information) Order 2007 (SI 2007/797).

The landlord and tenant agree that interest (if any) accrued on the deposit shall be paid to the landlord. The landlord shall notify the tenant within 10 working days of the tenancy ending if the Landlord intends to withhold all or part of the deposit.

The landlord must inform the administrator of the tenancy deposit scheme within 20 working days of the end of the tenancy, either that the deposit is to be repaid and the sum has been agreed between the landlord and tenant, or that the parties are in dispute as to the amount to be repaid.

### **Increasing the rent**

The landlord may increase or decrease the rent by giving the tenant not less than four weeks' notice in writing of the increase or decrease. The notice shall specify the rent proposed. No increase shall take effect before the end of the fixed term or, thereafter 12 months from the date of the last increase.

With the exception of any changes in rent, the terms of this agreement may only be altered following agreement between the tenant and the landlord.

### **Serving notice**

The address to which the tenant may serve notices on the landlord (including notices in proceedings) under section 48 of the Landlord and Tenant Act 1987 is:

.....

Any notice, or any other communication arising from this agreement, shall be posted using recorded delivery and will be considered valid if it is not returned. Alternatively it can be personally served on the tenant

### **Serving notice: fixed term tenancies:**

The landlord can remove the tenant from the property by giving the tenant notice in writing of his intention to seek a possession order (under either Sections 8 or 21 of the Housing Act 1988) and by obtaining a court order. The court will only order the tenant to leave the property before the expiry of the term if one of the following reasons is proved (Schedule 2 to the Housing Act 1988):

**Ground 8:** that both at the date of service of notice of the landlord's intention to commence proceedings for possession, and at the time of the court hearing there is at least two months' rent unpaid where the rent is payable monthly.

**Ground 10:** that there is some rent outstanding both at the date of service of notice of the landlord's intention to commence proceedings and on the date on which proceedings are begun.

**Ground 11:** that the tenant has persistently delayed paying rent.

**Ground 12:** that any obligation of the tenancy has been broken, or not performed.

**Ground 13:** that the condition of the property or the common parts has deteriorated because of the behaviour of the tenant, or any other person living there.

**Ground 14:** that the tenant or someone living at or visiting the property (a) has been guilty of conduct which is or is likely to cause a nuisance or annoyance to neighbours or (b) has been convicted of using the property or allowing it to be used for immoral or illegal purposes or has committed an arrestable offence in, or in the locality of, the property.

**Ground 15:** that the condition of any furniture has deteriorated because it has been ill-treated by the tenant or someone living at the property.

**Ground 17:** that the landlord was induced to grant the tenancy by a false statement made knowingly or recklessly by either the tenant or a person acting at the tenant's instigation.

### **Serving Notice: Periodic Tenancies**

Once the fixed term ends, s.5 Housing Act 1988 will create a statutory periodic tenancy on identical terms (save the fixed term). The landlord under the subsequent periodic tenancy can only recover possession on the above grounds

This will preclude the landlord using the rest of the grounds under Schedule 2, Housing Act 1988 and s.21.

### **The tenant's obligations**

To take possession of the premises at the commencement of the tenancy and not to part with possession of the premises, or assign, or underlet the tenancy.

#### *Paying rent and for utilities*

- To pay the rent monthly and in advance as per xxx
- To pay all charges for gas and electricity consumed during the occupation of the premises by the tenant
- To observe and perform any obligation on the part of the tenant arising under the

Local Government Finance Act 1992 or regulations made there under to pay council tax or any similar tax in respect of the premises or its occupant

#### *Use of the premises*

- To use the premises for private residential purposes as the tenant's only or principal home and not to operate a profession, trade or business at the premises or to allow them to be used for any illegal, immoral or disorderly purposes
- Not to carry out internal decorations to the premises without previous consent in writing from the landlord
- Not to alter the premises, nor to alter nor install electrical or other services without the previous consent in writing of the landlord
- Not to change any of the service providers or metering equipment without the written consent of the Landlord
- To pay the television licence fee in respect of any television set at the Property.
- If the tenant has hired any television receiver, video equipment, cable equipment or similar to arrange for its return to the hirer at the end of the tenancy
- Not to allow more than the person(s) stated at the start of this agreement to reside in the premises and not to take in lodgers
- Not to do or suffer to be done on the premises anything which may invalidate the insurance of the premises or otherwise increase the ordinary premium for such insurance
- Not to use or keep on the premises mobile gas heaters, gas cylinders, oil burning appliances, paraffin or petrol
- To inform the landlord if the premises are unoccupied for a period of longer than 21 days
- Not to use the Property in a way which contravenes a restriction affecting the Landlord's freehold (or superior leasehold) title which the Landlord has brought to the Tenant's attention
- Not to display any notice or advertisement that is visible from outside the Property

#### *Maintenance of the property*

- To use the property in a reasonable and careful manner, and not allow it to deteriorate and to keep the interior of the property in good and clean condition
- To make good all damage caused to the property (including the landlord's fixtures and fittings) or to any other property owned by the landlord through, any breach of the obligations set out in this agreement; or any improper use by or negligence of the tenant or any person at the property with the tenant's permission
- To replace all light bulbs batteries and electrical fuses which become defective
- To clean the windows at least every 3 months and at the end of the tenancy and to replace any damaged or broken glass where the Tenant his family or visitors have

caused the damage or breakage

- To place all refuse in a proper receptacle and to ensure that rubbish is regularly collected by or on behalf of the local authority
- Not to cause any damage to the premises, fixtures, furniture or effects and not to remove any of them from the premises. To make good or pay for any damage to the premises or to fixtures, furniture and effects or to the common parts caused by the tenant or any invited visitors to the premises, fair wear and tear excepted, and to pay to the landlord any reasonable and proper costs incurred by the landlord in carrying out any works in default
- To leave the premises in the same clean state and condition as it was in the beginning of the tenancy. A note of the condition of the premises and an inventory are attached to this agreement, and the premises, fixtures, furniture and effects must be left in at least as good repair and condition at the end of the tenancy (fair wear and tear excepted)
- To report to the landlord promptly any disrepair or defect for which the landlord is responsible in the structure or exterior of the premises or in any installation therein or in the common parts

*Nuisance and acting in a good tenant manner*

- Not to cause or allow members of their household or invited visitors to cause a nuisance or annoyance to neighbours
- Not to commit or allow members of their household or invited visitors to commit any form of harassment which may interfere with the peace and comfort of, or cause offence to, any other neighbour, member of their household, visitor, the landlord or employee or contractor working on their behalf
- Not at any time to play or allow to be played any audio equipment or a musical instrument so loudly that it causes nuisance or annoyance to neighbours, or can be heard outside the premises between the hours of 11.00 p.m. and 7.30 am
- Not to keep a dog, cat or any animal that may cause a nuisance to neighbours or damage the landlord's property, without the previous written consent of the landlord. This written consent can be subsequently withdrawn by the landlord. Any pets must be kept under control and any damage or nuisance caused is wholly the responsibility of the tenant
- Not to smoke inside the property without the landlord's consent
- Not to make or have made any duplicate keys to the property nor to replace or add any new locks to the property without the previous written consent of the Landlord (except in emergency) and the tenant undertakes that one full set of keys for the new locks shall, at the Tenant's expense, be provided to the Landlord or the Landlord's agent
- Not to erect or place in or affix to the property any satellite dish or television aerial

without the prior consent in writing of the Landlord

*Where there are communal areas*

- To share responsibility with other residents for ensuring that communal areas are kept in a clean and fit condition and are not obstructed in any way or used to store any items, even temporarily

*Where there is a garden*

- To maintain the garden to a standard at least as good as it is at the commencement of the tenancy

*Allowing Access*

- To allow the Landlord and/or his agent or anyone with Landlord's written authority together with any workmen and necessary appliances to enter the Property at reasonable times of the day to inspect its condition and state of repair and to carry out any necessary repairs provided that the Landlord has given reasonable notice (with regard to the work to be undertaken) beforehand and not to interfere with or obstruct any such persons
- In cases of emergency, to allow the landlord or anyone with the landlord's authority, to enter the property at any time, and without notice
- During the last 60 days of the tenancy to allow the landlord and/or his agent to enter and view the property with prospective tenants or buyers of the property at reasonable times of the day and subject to reasonable notice (usually 24 hours)
- To allow the landlord and/or his agent access to inspect the property, by prior arrangement at quarterly intervals throughout the tenancy, and in the final month of the tenancy

*At the end of the tenancy*

- At the end of the tenancy to remove the tenant's belongings from the property and leave the property clean and tidy so that the property is ready for immediate re-occupation. The landlord accepts no responsibility for anything left behind at the premises by the tenant at the end of the tenancy
- To leave the fixtures, furniture and effects detailed in the inventory at the end of the tenancy in the rooms or places in which they were at the beginning of the tenancy
- To hand over to the landlord or the landlord's agent on the last day of the tenancy all keys to the property. If the tenant fails to comply with this sub-clause the landlord shall have the right to change all security locks to the property at the tenant's expense

## The landlord's obligations

The landlord agrees:

- To repair and maintain in working order the structure and exterior of the property including drains gutters and external pipes and any installations provided by the landlord for space heating, water heating and sanitation and for the supply of water, gas and electricity
- That the Tenant may quietly possess and enjoy the property during the tenancy without any interruption from the landlord (or any person claiming under or in trust for the landlord) except where:
  - i Access is required to inspect the condition of the premises or to carry out repairs or other works to the premises or adjoining property; or
  - ii A court has made an order for possession; or
  - iii The tenant has ceased to reside in the premises and the tenancy has been determined by notice to quit
  - iv The tenant has clearly abandoned the property

## Terminating the agreement

The Landlord must give not less than 2 months prior written notice at any time to end this agreement, provided that such notice must expire on the last day of a rental period, and must not expire sooner than 6 months from the start of the tenancy.

The tenant may give not less than 2 months prior written notice at any time to end this agreement, provided that such notice must expire on the last day of a rental period and must not expire sooner than 6 months from the start of the tenancy.

*N.B. The landlord and tenant may wish to consider inserting a break clause if the fixed term is one year and to insert that after the fixed term expires either the landlord or the tenant can give one months' notice to terminate the 12 month fixed term agreement. This could be helpful to both the landlord and the tenant as it ensures that:*

- The landlord does not try to claim rent for the whole term if the tenant leaves early;
- The tenant can move if they are unhappy at the tenancy or their circumstances change
- The landlord can regain possession early if he or she is not happy with the conduct of the tenancy

Signed by

Landlord  
Print Name

Signed by  
Tenant/s  
Print Name

## **Resource 14:**

### **A guide for prospective tenants explaining the Council's PRS Access scheme, including a letter they can pass on to prospective landlords**

#### **Tenant's guide to the Council's PRS Access scheme**

This guide explains how we can help you find accommodation in the private rented sector and includes a letter for any landlords that may have accommodation you wish to rent. You have been provisionally accepted onto our scheme to help people find accommodation in the private rented sector. This may mean (subject to a number of final checks we'll make once you have found accommodation) that you qualify for our bond guarantee scheme. This scheme is designed to help people who have difficulty in paying a deposit to cover the first month's rent in advance.

Unfortunately we don't have any properties available for you to view today but if we find accommodation that might be suitable, we will contact you using the contact details you have provided. This may take some time, so we suggest you start to look for accommodation.

This leaflet explains our lettings scheme which includes a bond guarantee scheme and a package of incentives for landlords. It also includes a letter for you to give to any landlord who may be willing to let accommodation to you through our PRS access scheme.

#### **What is a Bond Guarantee?**

A bond guarantee is a written agreement between the landlord, yourself and the council which confirms that if the landlords property and you qualify for the scheme, the council will be financially responsible for the cost of any damage or rent loss (up to the value of one month's rent or a maximum of £xxx.00).

#### **How the scheme works**

You have been provisionally accepted as eligible for the bond guarantee scheme. We have set out below details of the local housing allowance (LHA) rate so you can judge whether you might qualify for assistance. This will help you and landlords to understand whether any of the rent might be covered by benefit payments.



If you find a suitable property, and the landlord will consider letting to you they should contact our private renting team on xxxxxxxxxxxx. Alternatively we can contact them if you give us their contact details. We will discuss our landlord package with them, explain how the bond guarantee scheme works and provide them with more detailed information about our letting scheme. We will also arrange to view the accommodation to make sure it is suitable.

If the landlord is interested in letting accommodation to you, we will undertake our final checks to ensure that you qualify for our 'Tenant Ready Certificate'. This will involve a full check of your income and expenditure; that you can afford to pay the rent and you have no history of poor behaviour or rent arrears related to any previous tenancy.

If you pass our final checks, the accommodation is suitable and both you and the landlord wish to proceed, we will arrange for a formal viewing and help you both with the formalities such as signing the tenancy agreement and an inventory, and issuing the Bond Guarantee Certificate and providing details of our free after care service.

**Please make sure that you show any potential landlord the following letter which sets out that you provisionally have been accepted under our 'help to find accommodation' scheme and explains our Landlord Package which is free and guaranteed.**

## Information for Landlords: The PRS Lettings Scheme

**Prospective Tenants Name/s.....**

This is to confirm that the person named above has been provisionally accepted onto our PRS access scheme which helps people find accommodation in the private rented sector.

We have an excellent lettings scheme that includes a comprehensive landlord package. All our lettings services are completely free and guaranteed because the scheme is backed by the council and helps families and individuals find a home. Many landlord's agents don't offer these services or charge for them.

We will protect your investment by providing you with an excellent service that gives you a secure income and hassle-free lettings. Our dedicated landlord liaison managers are highly skilled and experienced and we don't just provide a lettings service and walk away, we pride ourselves on providing a high quality lettings and an aftercare service that sustains long term lets and long term income.

At the end of this guide you will find an estimate of what the person can afford to pay in rent, and whether they are likely to need help through the local housing allowance system to help pay the rent.

### **Next Steps – It's all very easy**

Contact us on our dedicated landlord line xxxxxxxxx or e mail us at xxxxxxxxxxxxxx. We will be happy to talk through our landlord package and how we can help you. We can come and see your property within 24 hours. We have developed a specific landlord package for the type of accommodation you are offering whether this is a flat or a house, a room in your home or a House in Multiple Occupation.

We welcome you to xxxxx Lettings, providing the best local lettings service in the district.

## **Our Service Guarantee**

### **Viewing your property and finding you a good tenant.**

- We provide a guaranteed source of suitable tenants and fill vacancies fast with no advertising costs, fees for lettings, administration, set up or renewal
- We view your property within one working day of you contacting us to reduce the time your property is empty
- We inform you at the viewing whether the property meets the standard to be accepted to the scheme
- We give you a written list of any work required if it is not accepted
- We agree the rent with you and the rent won't change once we have agreed it
- We provide you with a full photographic inventory at no charge
- We provide a suitable tenant to view your property within 48 hours of accepting the property onto the scheme
- We accompany prospective tenants when viewing your property
- We provide a new tenant within 24 hours if the initial viewing is unsuccessful
- We can provide a bespoke tenancy agreement including any reasonable terms you wish to include, and will supervise the signing of the agreement between you and the tenant. Most tenancy agreements provided by agents, solicitors or through the internet provide standard terms only, and agents and solicitors often make a charge for providing the agreement. If you are renting a room in your home we can provide a bespoke occupancy agreement

### **Our Tenant Ready Certificate Guarantee**

We go the extra mile to ensure our tenants are checked and are suitable tenants. We will undertake to:

- interview all prospective tenants before showing them your property to ensure they are suitable

- any previous tenancy record to make sure there is no history of rent arrears, poor behaviour or previous damage to property
- check the prospective tenant can afford the property by carrying out a detailed budget health check so we are satisfied that they can manage their money
- will carry out credit referencing checks where these are appropriate

### **Our Financial Guarantee Package**

We offer a very comprehensive financial package for landlords. We can discuss the details with you prior to viewing your property. Remember we charge no fees for letting your property.

- We provide a deposit guarantee of a minimum of one month's rent to cover any rent loss or tenant damage
- We may make a rent in advance payment in addition to the deposit guarantee, or you may qualify for our landlord 'goodwill' incentive payment at the start of the tenancy
- In the majority of cases we are able to arrange for housing benefit payments to be paid to you and not the tenant, where you have requested this

### **Our housing benefit service**

Many landlords are worried about taking tenants on housing benefit. In most cases we can arrange for housing benefit to be paid directly into your bank account on a set date every month. Our Lettings service takes the worry out of chasing the rent.

- We will give you clear advice about the housing benefit payment system and whether the tenant is likely to qualify for full or partial housing benefit. We will provide this information prior to you signing the tenancy so you are completely clear on how the rent will be paid
- We will help the tenant to complete the claim form prior to moving into the property, and help them provide the supporting documentation to evidence their claim and will arrange for the claim to be dealt with promptly
- In the majority of cases we can arrange for housing benefit payments to be paid to

you and not the tenant where you have requested this. We will ensure that any payments through the local housing allowance system will be paid into your bank account every four weeks if you request this service

- You will have direct access to the housing benefit team, as we require tenant to consent form for you having access information to their housing benefit payment details as a condition of them joining our letting scheme
- We will provide you with information within 24 hours where you have any query regarding the rental payment of housing benefit
- We will help the tenant(s) to set up utility accounts for the property
- We will advise Council Tax of the new tenant's details

### **Our After care support service**

Once the property has been let we don't just walk away! Our free aftercare tenancy support service is there for you if you have any queries or problems. We also recognise that some landlords are new to letting and might need help to understand all the rules and regulations that apply to renting a property.

- We will provide you with your own dedicated after letting tenancy liaison Manager who can help with any questions, queries and can intervene to resolve any problems if they were to occur
- We will provide you with a dedicated landlord telephone number to contact the team and your Post Tenancy Liaison manager
- We will if you need our help provide free advice to you at the end of the tenancy on how to correctly end the tenancy
- We will provide landlords that let through this scheme with free professional advice on all matters relating to renting a home including planning, building and private sector housing legislation, regulations and requirements
- We will arrange a telephone appointment to go through our 2 month health check
- We will check with you the landlord and with the tenant that:

- The tenant has settled in and you are happy with how the tenant is conducting the tenancy
- That the tenant is looking after the property and keeping up with the rent
- Whether the tenant needs any additional support which we provide
- We will check with the housing benefit department to establish that the claim is in payment and that there is no problems relating to the claim

### **Here to help you if things go wrong**

The majority of our tenancies are trouble free however there may be instances where you need our help. Our after letting service guarantees we will offer help to resolve any problems. However should this fail and you wish to serve the tenant with a notice seeking possession of the property we can advise you.

We will also help you if your property appears to have been abandoned. This is a rare occurrence but it needs to be dealt with carefully to ensure there are no “illegal eviction” claims by the tenant. We can help you:

- Check with the housing benefit department to see whether the tenant’s claim has been cancelled or re-started at a new address
- Make enquiries with neighbours of the property
- Make enquiries with any support workers who are known to be working with the tenant
- Provide you with a full record of our investigations so that you can take a decision whether to recover the property as abandoned with appropriate evidence

### **How to join our scheme**

We are looking for good quality properties and a full list of requirements are set out in the landlord packs. There are different information packs for different types of lettings:

- A room in the landlord’s own home where someone lives as a lodger
- A flat or a house
- A room or rooms in a large house which is shared or in a large property with bedsits (these are commonly known as HMOs)

When you ring us tell us if you are looking to rent a room or an HMO and we can talk you through these separate schemes and send you the relevant pack. Our services are free for all type of lettings.

All properties or rooms must:

- Be clean, well maintained and presented
- Fully furnished properties should include suitable furniture and white goods that are in reasonable condition and meet relevant fire and safety regulations
- Have a minimum of secure and suitable light fittings, curtain tracks, carpets or laminate flooring throughout as well as vinyl / laminate in the kitchens and bathrooms
- Must be fitted with operational smoke alarms that meets relevant fire and safety regulations
- Must have a carbon monoxide alarm or alarms
- All structural elements of the property (such as rainwater goods, doors, windows and so forth), should operate as designed and be in reasonable condition and repair
- Gas safe certificate must be provided

The landlord will be responsible for managing all repairs and maintenance to the property and for managing the tenancy.

## Estimated income from Local Housing Allowance and how much the prospective tenant can afford to pay in rent

Assessment of the prospective tenants circumstances	Estimated Entitlement to Local Housing Allowance
1 We estimate the person/household to whom this letter is addressed is unlikely to qualify for any local housing allowance due to their income. We estimate they have the income to meet the full cost of the rent from their earnings.	<b>£000.00</b>
2 We estimate the person/household to whom this letter is addressed may qualify for full local housing allowance rate.	<b>£xx.00</b>
3 We estimate the person/household to whom this letter is addressed may qualify for some local housing allowance but because they work will have to meet the difference from their earnings. We can discuss the likely amount of LHA benefit they may qualify for and what we estimate they will have to pay to you directly when you contact our service.	<b>£xx.00</b>

### Local Housing Allowance (LHA) Levels for 2013/14

Size of accommodation	Weekly Local Housing Allowance Rental Rate for this Area
Single Person under 35 qualifying for a single room	
Single person over 35 or a household that may qualify for 1 Bedroom self- contained accommodation	
2 Bedrooms	
3 Bedrooms	
4 Bedrooms	
5 Bedrooms	



## **Resource 15:**

### **Suggested tenant eligibility criteria for the Council's PRS Access Bond Guarantee**

It is important to have eligibility criteria and an application process for your bond guarantee scheme. It should be accessible to all priority need and non-priority households who have been assessed as homeless or are at risk of becoming homeless. You will also need to decide whether priority and non-priority applicants will qualify for the same bond guarantee.

A 'two tier' scheme could operate depending on resources, so for example 'homeless, priority need' or 'potentially priority need at risk of homelessness' may qualify for both a damage and rent loss guarantee, whereas homeless or potentially homeless non-priority applicants you might offer damage guarantee or rent loss guarantee only. The scope and amount covered by the guarantee can be customized depending on the resources available.

Eligibility criteria could include the following. (The list is not exhaustive):

- Whether a household are homeless or at risk of homelessness
- Whether a household is are in priority need or not
- Local connection and whether this involves the full scope of the definition of residence, family associations, employment or special circumstances, or whether you wish to use a more limited definition for example length of residence and employment. The length of residence is not set by the homeless legislation so can be any period the Council considers reasonable
- No history of eviction for rent arrears from the social sector or PRS. (In the last how many years? What if the household have paid off the former rent arrears?)
- No one with savings or capital assets that can afford to cover a deposit themselves
- limited to applicants who agree to save to cover the cost of any potential claim against the Bond by either 1) Paying weekly/monthly a sum of money to the Council to cover the cost of any claim up to the maximum liability or 2) Paying weekly/monthly a sum of money to a Credit Union or similar, to cover the cost of any claim up to the maximum liability or 3) make regular savings for a cash deposit

for any subsequent property

- No one related to the landlord
- No one who cannot afford the rent
- No one who has refused to consent to their information being shared with the
- Limit by area ( eg not provided for properties in another authority area
- Only for properties that meet the letting standard set by the Access
- No Bond Guarantee within 12/24 months of a previous claim against your bond scheme or another bond scheme. You might want to exclude applicants who have subsequently repaid an amount claimed by a previous landlord
- No one who has deliberately made their position worst
- No one who has become homeless as a result of perpetrating violence, harassment or domestic abuse

## **Section 5:**

### **Guides for setting up an access scheme for shared accommodation and a social letting agency**

#### **Guide 1: For Local Authorities setting up a shared housing scheme**

Many single person households who may be at risk of homelessness have limited opportunities to access social housing, not least of all because of the high demand for one bedroom properties caused by the welfare reform changes.

For most single people under 35 the only accommodation they can afford if they are on benefits is accommodation in a shared house; a room in an HMO; a room or lodging with a resident landlord or a bed and breakfast hotel or hostel room. All this accommodation is in very short supply and this is resulting in single person households becoming 'stuck' in temporary accommodation as there are so few vacancies for someone to move onto.

One of the answers is to develop shared housing schemes where 2 or 3 single people share an ordinary 2 or 3 bedroom flat or house, with each having their own room and sharing the kitchen, toilet, living room and other facilities. There are few shared houses schemes available and this short guide aims to help you put a scheme together.

There are some obvious challenges which can be overcome that need to be properly planned for and managed:

- Tenancies will need a high level of management, however in some instances where the authority has a duty to provide temporary accommodation the costs can be recovered from the subsidy provided for temporary housing
- The scheme may result in three complete strangers sharing the communal areas of a house or flat. Matching people is therefore going to be important as is assessing anyone who could be a risk to the others in a house
- It will be important to draw up a common sense sharing agreement
- Higher rent charges are likely in this form of accommodation and may be unaffordable for someone who is working
- You will need to be involved in sorting out some of the practical issues such as charging for gas and electricity and water rates and recovering these costs from the tenants

## **Who could run a sharing scheme?**

The 4 options are:

- a placement service where the authority provide sharers for a landlord who wants to let rooms in a 2/3 bedroom house in this way
- a scheme run by a voluntary sector body that is provides properties and the authority manages the tenancies for them
- a scheme where the Council leases or takes accommodation on licence, and uses it to provide shared accommodation
- a scheme where a Registered Housing Association leases or takes accommodation on licence, and uses it for single people who want to share

For **option 1** to work, you will need to find a landlord willing to let a house or flat to 2 or 3 single individuals. The Council's involvement would be limited to providing the people and a bond guarantee and possibly support services. If the rooms are not being serviced, the landlord will have to decide whether to offer a joint Assured Short hold Tenancy (AST) or individual ASTs. If the landlord offers a joint AST and one sharer left, the other parties to the AST would be liable for rent, damage etc. The landlord would also potentially have the problem of dividing utility costs and collecting payments or the cost of installing a meters. The key problem is that the tenants will only receive benefit at the shared accommodation rate.

In **option 2** a voluntary sector organisation may be able to manage the tenancies more effectively than an individual landlord, especially if they can access housing related support funding. However, again the rent they would receive from housing benefit would only be payable at the shared accommodation rate.

In **options 3 and 4** the Council or a Housing Association would lease the property or take the accommodation on licence, and let it as individual tenancies. If the accommodation has been leased or taken on licence under the DWP Temporary Housing local housing allowance (LHA) subsidy rules, the rent payable can be up to the 1 bedroom LHA rate for each unit, as long as the costs of the rent and management are eligible for LHA and can justify a rent equivalent to the 1 bedroom LHA rate.

## **How the temporary accommodation housing benefit subsidy rules apply to single people sharing accommodation**

The temporary housing benefit subsidy system allows a local authority or Registered Housing Association to hold accommodation under a lease or licence for the purpose of

either meeting a temporary accommodation homeless duty or for preventing homelessness. Under the temporary housing subsidy rules the subsidy rate is based on the unit of accommodation and not the household size. It therefore allows a single person in shared accommodation to receive LHA at the 1 bedroom rate, rather than the lower shared accommodation rate. The rules allowing accommodation to be used to both prevent homelessness and to meet a homeless duty provide the flexibility that will make it possible to establish shared housing.

The rules relating to the temporary housing are set out in 3 subsidy circulars issued by the DWP. These are HB/CTB S7/2009, S3/2010 and S1/2011. Circular S1/2011 consolidates all of these changes into one subsidy circular with cross references to the other circulars and the actual subsidy regulations.

The main changes came into effect on April 1<sup>st</sup> 2011 and are detailed in Circular S1/2011. This confirms the changes brought about by the regulation - *Income-related benefits (subsidy to authorities) (temporary accommodation) amendment order 2010 no. 2509*.

The regulation sets a formula to control the level of housing benefit subsidy a local authority can receive for temporary housing for claimants living in what is described as 'homeless accommodation'. This regulation sets out the rules that apply to accommodation owned by a local authority or a housing association, such as a hostel. However for the purposes of this guide, which focuses on shared accommodation for single people, we will concentrate on the rules set out in the regulation that cover accommodation which has been leased or held on a licence by a local authority or Registered Housing Association.

The Local Housing Allowance rates used in the formula to calculate DWP subsidy payable by the DWP are fixed at the January 2011 LHA rates. In 2013 the DWP confirmed that the subsidy system for temporary housing would remain in place until further notice, and will continue be based on the January 2011 LHA rates.

It covers "accommodation has been made available to that person, by the Local Authority to either discharge a statutory homelessness function (which means meeting a homelessness duty) or to prevent the person being or becoming homeless"

The Subsidy Order sets out the detail of the regulation and the relevant section is: 'that the authority makes the accommodation available to (the claimant):

- To discharge (*meaning, meeting any accommodation duty not ending it*) any of its functions under Part 3 of the Housing Act 1985, Part 7 of the Housing Act 1996 or Part 2 of the Housing (Scotland) Act 1987; or

- To prevent (the claimant) being or becoming homeless within the meaning of Part 7 of the Housing Act 1996 or (in Scotland) Part 2 of the Housing (Scotland) Act 1987.'

Homeless prevention will therefore include accommodation taken on a lease or licence by a local authority or Registered Housing Association and used to accommodate a household who is:

- At risk of homelessness within 28 days and where accommodation will prevent them from becoming homeless within the meaning of Part 7 of the Housing Act 1996 "becoming homeless within the meaning of Part 7 of the Housing Act 1996"

and

- Includes accommodation taken on a lease or licence by a local authority or Registered Housing Association and used "to prevent (the claimant) being homeless within the meaning of Part 7 of the Housing Act 1996". So prevention includes people who are already homeless, but have accepted accommodation that is leased or held on licence to prevent them from continuing to be homeless. It is not a requirement for HB subsidy purposes that a homelessness application must have been triggered as the subsidy rules separate accommodation held on a lease or licence and made available to a person to discharge (*meaning meet any temporary accommodation duty*) under Part 7 of the Housing Act 1996 from accommodation held on a lease or licence and made available to a person to prevent them being or becoming homeless within the meaning of Part 7 of the Housing Act 1996

As long as the local authority are satisfied that the person is homeless, or at risk of homelessness within 28 days the temporary accommodation subsidy system can be triggered whether there is a homeless application or not. However, it is important that it has been demonstrated by the local authority that there was actually a threat of homelessness (i.e. they were actually homeless or homelessness was imminent within 28 days) which has been prevented, for the conditions in the Subsidy Order to be met.

## **The DWP subsidy calculation for single people living in accommodation held on lease or licence by a local authority or Registered Housing Association.**

The temporary housing subsidy rules do not apply the shared accommodation rate to accommodation held on a lease or licence by a local authority or Registered Housing Association. This is because there has long been recognition by the DWP of the higher rent and management costs for temporary housing.

The DWP allows for a higher level of subsidy on rents for non-self-contained accommodation held from a private landlord on a lease by a local authority or a Registered Housing Association, than accommodation held on a licence from a private landlord.

For non-self-contained accommodation held on a licence the subsidy rate is 100% of the one bedroom LHA rate in January 2011.

For non-self-contained accommodation held on a lease the subsidy rate is 90% one bedroom LHA rate (in January 2011), plus £60 in Wales

A local authority can lease a property and choose to let that property to 2 or 3 individual tenants who individually have exclusive use of their own room, but have to share facilities such as the kitchen and bathroom and therefore live in non-self-contained accommodation. The rules allow a local authority to charge a rent for each individual tenancy using the subsidy formula of up to 90% of the one bedroom rate plus £60 a week.

### **Setting a rent for each tenancy in shared accommodation**

The housing benefit service may want to see a rent matrix for the accommodation to ensure that the rent charged is the actual cost to the local authority, made up of rent to the landlord, management and service charges. When setting the rent and service charges it is essential that these charges are transparent and can be justified in relation to the housing benefit rules. Just because HB subsidy can be paid at say 90% of the LHA rate plus £60 a week doesn't mean that the rent can automatically be set at that level. There has to be a clear audit trail detailing the breakdown of the rent and any service charges and what is, and is not, eligible for housing benefit. The Housing benefit rules are very clear and will not pay rent where a rent has been contrived. Regulation 9 (1) states:

"When an arrangement appears to be constructed in such a way as to create or increase an entitlement to benefit consider whether it is contrived to take advantage of the benefit scheme" *HB Reg 9(1)(l)*.

The rent will be made up of:

- The rent that has been contractually agreed to pay to the landlord
- Management and administration costs
- Eligible service charges

All charges in respect of providing general counselling and support services (supporting People services) are not eligible for housing benefit.

### Calculating the costs to the authority and setting the rent

The table below illustrates how to calculate the rent covering rent to the landlord, the management and administration costs and service charges, some of which may not be eligible for housing benefit. It will be sensible to show the housing benefit service the calculation.

Core Rent	Eligible (tick) or not-eligible for HB	Rent or Service Charge
The weekly rent paid to the landlord divided by the number of tenants		Rent
<b>Staff costs (apportioned)</b>		
Staff to manage the units		Rent
Staff to manage the rent accounts		Rent
Placement and administration staff		Rent
Management time for the team		Rent
Internal costs to Council such as HR, IT, Health and Safety		Rent
Staff Travel		Rent



## Premises

Responsive repairs		Rent
Cyclical repairs		Rent
Maintenance of CCTV, laundry and other equipment		Rent
Electricity	No – not for the individual room that the person occupies as a tenancy. Only for the electricity in the communal area, not for cooking	Service charge
Gas	No – not for heating by gas central heating the individual room that the person occupies. Only eligible for gas central heating in the communal areas, not for cooking	Service charge
Water Rates	Not eligible	Service charge
Purchase of fixtures and furniture (not owned by occupier).		Service charge
Grounds Maintenance		Rent
Council tax	Council will be responsible for Council tax and can charge the cost out to the tenant as part of the rent and will be eligible for HB.	Rent
In shared facility accommodation Communal heat, light, fuel, window cleaning, and furniture replacement		Service charge

## Property

Voids	Rent
Bad debt provision	Rent
Hand back costs	Rent

## Service Charges and Housing Benefit

Money paid to a landlord will include service charges some of which are eligible for housing benefit some that are not:

### *Ineligible service charges*

Service charges are not eligible unless they are a condition of the tenancy and therefore not optional. They are counted as rent for housing benefit purposes unless they are made ineligible by *Regulation 12(3) of the Housing Benefit Regulations 2006*, and/or *Schedule 1* of those regulations, and therefore deducted from eligible rent under regulation 12(3).

### *How much rent will qualify for Housing Benefit Subsidy under the Temporary Housing Subsidy rules?*

Two examples are given below:

- A 3 bedroom property has been leased from a private landlord and let to 3 tenants who share the communal facilities. The 1 bedroom rate for the Local Authorities BRMA is £100 per week. As long as the actual costs for rent to the landlord, management, administration and eligible service charges justify the rental charge, each of the 3 tenants can be charged 90% of £100 plus £60 a week ie £150 a week. As there are 3 tenants in the property the income is up to £450 a week, but there must be a cost of £450 to the local authority, otherwise you can only charge the actual costs
- A 3 bedroom property has been leased from a private landlord and let to 2 tenants who share the communal facilities. The 1 bedroom rate for the Local Authorities BRMA is £100. As long as the actual costs for rent to the landlord, management and administration and eligible service charges justify that rental charge each of the 2 tenants can be charged 90% of £100 plus £60 a week ie a charge of £150 a week. As there are 2 tenants in the property the income is up to £300 a week, but the actual costs must be £300

It may make sense to have 2 rather than 3 tenants per property as long as this is financially viable for the scheme.

### **Do you need to set a rent for the whole scheme or for each property within the scheme?**

This will depend on the requirements of the housing benefit service and should be subject to early discussions.

You could set a budget for the scheme as a whole (say you are going to run a scheme with 10 properties providing 30 tenancies), and proportion the staff and administration costs across the scheme. Alternatively you can set a budget for each property to calculate the rent for each tenant within that property. This might be a better arrangement, especially where there are different management arrangements for different properties (e.g. one property is designated for tenants that will require a higher level of management than others)

### **Charging for Utilities (gas, electric and water rates)**

If the local authority has leased the property and let it with individual tenancies, the authority will be responsible for council tax, water rates and gas and electricity.

For **council tax** take the relevant tax band and divide the charge by the number of occupants. Council tax is eligible for housing benefit.

For **water rates** take the charge and divide by the number of occupants. Water rates are not eligible for housing benefit and the charge will have to be collected directly from the tenant as a separate service charge.

For **Gas and Electricity** there are 2 options:

**Option 1:** It may be sensible to have gas and electric key meters installed and leave the cost of paying for gas and electric to the individual tenants. It is not going to be possible to have these installed in each room and even if it were, there would still be the gas and electricity costs for the communal areas to cover. Therefore one key meter per property for gas and one for electricity is likely to be the best solution.

**Option 2:** The Council pays the gas and electric bills and then recharges these costs to the tenants. You could take the last years heating, lighting and gas bill for the property from the landlord and divide by the number of tenants and set a service charge which will

have to be recovered from each tenant and charged as a weekly service charge. Alternatively, take the estimated costs of gas and electric from the EPC certificate to calculate the charge.

**Option 1** may well be the best and simplest option for the Council and means there is no administration in chasing service charges for gas and electricity. However, this option is more likely to lead to disputes between tenants. Heating and lighting for communal areas are eligible for housing benefit, but fuel for cooking is not. It is likely that the costs for communal areas will make up the minority of the gas and electric bills, with the majority of the bill being the costs for heating and electric to the rooms occupied by the individual tenants. These costs are not eligible for housing benefit.

Estimate of the costs for heating and lighting for the communal areas and add these to the rent, but make it clear to the housing benefit service that the non-eligible heating and lighting charge and water rates are being charged separately as a service charge to the tenant, and do not form part of the rent for housing benefit purposes. A charge for the use of fuel in communal areas will be met where that charge is separately identified from any other charge for fuel used within accommodation.

To determine the charges for gas and electricity that to be included the rent estimate the total annual bill for gas and electricity (taken from previous landlord records or an EPC certificate) and divide by the number of rooms including communal rooms in the house, and divide by the number of occupants. This will give you a charge per occupant for the communal areas that can be added to the rent. It will also give you a figure to charge individuals for their individual room and for cooking. This will have to be charged as a separate service charge, along with the water rates as none of these costs are eligible for housing benefit.

As always check this out with the housing benefit service beforehand.

### **What Type of Tenancy should be provided?**

The local authority should provide the tenancy agreement as they have leased the property from a private landlord.

This will be an individual tenancy, with shared access to the communal areas. It is important not to use a joint tenancy as this would create significant management problems as each person would have joint liability for the rent and would be liable for the rent arrears of other joint tenants.

More importantly the local authority could only charge one rent for a 3 bedroom property at the subsidy rate of 90% of the 3 bedroom rate plus £60 which is unlikely to cover the rent due to the landlord and the extra management costs.

Given that the intention is to provide each person with exclusive occupation of their own room they are likely to be a non-secure tenant of the local authority as opposed to a licensee. A licence would only apply where services are being provided to the room which require unrestricted access such as daily cleaning, changing bed linen etc

All the elements of a tenancy are likely to be present, but there would no risk of it being a secure tenancy as the local authority have leased the accommodation and do not own it.

When possession is required, the local authority will have to serve the notice and gain possession through a court order if the person fails to leave at the end of the notice period.

If the authority wishes to provide a licence instead of a tenancy they will need to take careful legal advice on setting up a licence. A local authority may want to provide a licence because it 1) Does not want to go through the possession process or 2) Is only providing the accommodation as interim accommodation to meet an interim homeless duty while a person's homelessness application is determined. In either case it is essential the agreement is a genuine licence.

### **Matching the right tenants**

There is no perfect system for matching tenants and a local authority will be under financial pressure to let accommodation as soon as it becomes empty. However taking some time to match the person with other tenants may save a lot of management time later on. One option is to provide move-on accommodation for people from supported housing that have become friends and need to move on.

Below are 2 resources to help you get the right tenants sharing, both have been adapted from the Crisis PRS resource packs.

- An assessment of the person's suitability to share
- Example of a sharers' agreement for all tenants to sign as a condition of their tenancy

## Assessment of suitability to share

### Experience and abilities

Previous experience of sharing with others (including family history and periods “sofa surfing”).

Understanding of how their own behaviour affects others, and willingness to adapt to take account of other’s needs.

Understanding of the impact of different lifestyle preferences and differences eg cleanliness and clearing up, routines, noise and music, visitors and privacy.

Attitudes and preferences in relation to domestic tasks

Attitudes to visitors

### Explore in more detail

How successful was this – did they leave on friendly terms were they asked to leave? If there were problems, what were they about?

What expectations do they have of other people and their behaviour in shared accommodation? What aspects might they find irritating or frustrating? What practical difficulties can they imagine might arise if they are sharing with others and what steps might they take to deal with these? What might they enjoy?

What kind of lifestyle do they prefer – “keeping themselves to themselves” or more social and participative? Are they aiming to work and would it matter if others around them keep different time patterns?

Are they particularly affected by the levels of noise and/or music around them?

How do they feel about domestic tasks in shared areas such as kitchens and bathrooms? Do they like structure and regular rotas, with people sharing tasks or do they prefer everyone to clear up after themselves as they go along? Is a spotless bathroom or kitchen particularly important to them or are they comfortable with washing up left to the end of the day?

Do they worry about visitors and associates of other tenants coming to the property? What aspects of visitors might present a problem?

Do they worry about negative influences that might encourage them to drink, take drugs or offend?

Risk of violence to others

Do they have any history of harm to others? If so, they may not be suitable for sharing or will need to be placed with extreme care. Some people with a history of violence may have low self-esteem and difficulties in making and sustaining meaningful relationships.

A risk assessment should be carried out which takes account of the potential vulnerabilities of all other tenants in the property.

Are they vulnerable to harm from others?

Are there indications that they are particularly vulnerable to abuse or harm from others from their previous history? Do they have a learning disability? Are they lonely and isolated? Have they been subject to financial or sexual exploitation in the past? In these cases it is important to have an idea of who they will be sharing with, and whether they will present any risks.

Is the person vulnerable in some way?  
Alcohol or drug dependency?

How suitable will they be for sharing accommodation and would they be better off in appropriate supported accommodation with onsite support?

Lack of daily living skills such as shopping, cooking and cleaning?

Difficulties with communication or building relationships?

Difficulties with maintaining personal hygiene?

Problems with drug or alcohol misuse?  
Mental illness, depression or anxiety?  
Learning disability?

## Example of a sharers' agreement

### ***We recognise we are all responsible for the things we share and we agree:***

- To share the following and to allow each other equal access: kitchen; washing machine/drier; TV, remote control and video. If there are any arguments over what to watch we will .....
- Not to use up all the hot water
- Not to put the heating on unless the others agree
- To pay our share of all bills (including any top-up for the rent) and to contribute £ X per week to a kitty for common items such as toilet paper and washing up liquid

### ***We recognise each other's right to live in a clean and peaceful environment, therefore we agree:***

- To keep the common areas tidy. This includes cleaning the bathroom and washing up
- Not to play our stereo, radio or TV so loud at night that it can be heard outside our room. If our music is annoying another resident or neighbour at any time it must be turned down
- Not to smoke cigarettes/only to smoke cigarettes in .....
- To tell the others in advance if we wish to have more than one visitor and to make sure our visitors do not cause any nuisance
- Not to threaten one another and to sort out disagreements as peacefully as possible

### ***We recognise that we all have our own possessions and need our own space, therefore, we agree:***

- Not to borrow anything without permission
- Not to use one another's food without permission
- To keep out of one another's rooms unless invited

Note: If you have separate tenancy agreements for your rooms, and have TVs in your individual rooms, you will each need to get your own TV licence. If you only have a TV in a communal area, such as a shared kitchen, only one licence is needed. You can be prosecuted if you need a TV licence and don't buy one.

## **Signed by the Tenant:**

**Name:**

**Date:**



## **Guide 2: Advice note for Local Authorities on social lettings agencies**

### **Introduction**

- 1.1 The demand for private rented sector housing is likely to continue to grow. New homelessness duties will enable local authorities to make greater use of the private rented sector for those who are homeless or threatened with homelessness. Welfare reform will mean that many may be looking to move from social housing to the private rented sector. The gap between supply and demand for social housing is increasing, and the demand and need for social housing continues to outpace supply
- 1.2 Local authorities will therefore need to do more to generate a supply of affordable private rented homes, and to work more closely with the private rented sector to ensure they can provide a supply of good quality, affordable housing for those who need it
- 1.3 There is currently a very uneven geographical spread of social lettings across Wales. The number of social lettings per local authority area in March 2013 varied from 337 properties in one area, to single figures in four areas, and no properties at all in one
- 1.4 Discussions with the majority of authorities visited as part of WLGA's Private Rented Sector Improvement Project identified the need to increase the number of socially let properties in their areas. Social lettings were considered valuable because of their potential to make available good quality, well managed, affordable privately rented accommodation for people in housing need or on low incomes

### **Essential characteristics of social lettings**

- 2.1 There has not always been clarity about what characterises a 'social letting', and how this differs from any other private letting. WLGA research has shown that not all existing social lettings agencies currently provide the level of quality, management, affordability or accessibility that local authorities, landlords, and tenants should expect
- 2.2 WLGA's research concluded that social lettings need to:
  - provide affordable accommodation( LHA rents or below)
  - be free to tenants (particularly those who receive LHA) at the point of access
  - prioritise people in housing need or on low incomes
  - provide good quality stock

- promote sustainability (to reduce the risk of failure to both the landlord and the tenant)
- be responsive to and supportive of tenants in terms of management
- be geared to accessing higher levels of support for tenants where needed and that agencies providing social lettings need to:
  - be market aware
  - recognise that local authorities have the strategic responsibility for determining need, and be accountable and willing to work in partnership with local authorities
  - be able to source property in the right areas to meet the strategic needs of the local authority
  - have a clear social purpose
  - be open and transparent

### **Types of social lettings agencies**

- 3.1 Currently, social lettings in Wales are provided by social lettings agencies run in-house by local authorities, by housing associations, or by third/voluntary sector organisations
- 3.2 Local authorities need to carefully consider how best they can grow social lettings in their area. This may be by working more closely with existing social lettings agencies, by 'growing their own' agencies (individually, or in partnership with other authorities/housing associations/third sector organisations, by brokering agreements with local private lettings agencies, or by a combination of all three)
- 3.3 The focus needs to be on the outcomes that are needed from social lettings (see 2.2 above), regardless of the vehicles chosen for their delivery
- 3.4 Many authorities are now developing, or considering developing, in-house agencies. It could be argued that there are advantages to this approach. For example, in-house agencies may not be so driven by business requirements, they can form an integral part of a housing options approach, they can have close links with Housing Benefit services, and, in authorities with retained stock, they can benefit from the experience and input of the parent body (eg. re accreditation of building standards, sign-ups, arrears, general management)
- 3.5 However, even in-house agencies need to be business-focused and have due consideration for efficient management and cost effectiveness, and there is no reason why out-of-house agencies, or even private lettings agencies, could not also

be an integral part of a housing options approach, and benefit from local authority experience and input

- 3.6 Local authorities need to specify clearly the outcomes they expect from social lettings, and the input they will make in order to achieve those outcomes, whatever organisation is managing those lettings

### **Funding arrangements**

- 4.1 There is no conclusive evidence from WLGA's research about the funding needed to set up and manage social lettings
- 4.2 Most (but not all) existing social lettings agencies in Wales have received some form of set-up funding (from the Welsh Government, local authorities, housing associations and third sector agencies). Some set-up costs are likely to be necessary to establish new social lettings agencies, although it is not clear what such costs amount to
- 4.3 Several agencies are now self funding (some from social lettings fees alone and others as part of a wider self funded unit), but many others rely on on-going subsidies from local authorities, housing associations, Probation, etc. It is clearly possible for agencies to become self-funding when they reach a certain critical mass, although the number of properties this takes will depend on a number of factors including rent levels, staffing levels, and what other costs are borne by the agency
- 4.4 It is also apparent that, when a certain number of properties has been reached, additional 'step-up' funding is likely to be needed to increase the number of those properties still further (for example, at the point where additional staff are needed)
- 4.5 In the light of growing financial constraints, it is crucial that full value for money is achieved from any costs incurred in setting up and managing social lettings. The amount of subsidy received by existing agencies does not correlate with the numbers of properties they have brought into management. Some agencies who have received considerable amounts in subsidy have very few properties in management despite having been operational for 2 or 3 years. Local authorities will need to ensure that any funding they are able to provide in the future is linked much more closely with the outcomes they expect in return for that funding

- 4.6 Agencies who currently manage, or are considering managing, social lettings, will need to carry out careful financial modelling to ensure that the approach they take is sustainable

### **Number of properties managed**

- 5.1 The number of properties managed by social lettings agencies in Wales increased by at least 19% in 2012/13. However, this rate of increase is very unlikely to be enough to meet projected demand. Local authorities will need to give careful consideration as to how the current rate of growth can be increased
- 5.2 Currently, 'local' social lettings agencies which operate mainly in one local authority area appear to be most successful in growing the numbers of properties in management, and some agencies have spread themselves too thinly across a wide number of local authority areas. However, there are exceptions to this, and there is no reason that a non-local agency cannot be successful. Factors associated with such success include sufficient resources, a recognisable local presence, a thorough knowledge of the local market and local landlords, and close working with local authorities to meet their strategic priorities

### **Types of properties managed**

- 6.1 The majority of properties managed by existing social lettings agencies in Wales are family properties. Relatively few units of shared accommodation are in management
- 6.2 In the light of benefit reforms for the under-35s, shared housing is a critical part of the future housing market. If social lettings are to meet local authorities' present and future strategic demands, the number of shared socially let properties will need to be greatly increased
- 6.3 For this to happen successfully, most agencies providing social lettings will need to develop expertise in managing shared housing. Some agencies (particularly those run by third sector agencies) already have a wide experience of this. It will be important that agencies without such experience seek to learn from those who currently manage shared housing

### **Condition of properties**

- 7.1 It is fundamental that socially let properties should be in good condition

- 7.2 Local authorities and agencies managing social lettings should ensure (via agreed minimum standards, joint inspections with EHOs, links to accreditation, etc.) that all socially let properties meet a good quality standard

### **Costs to landlords and services provided**

- 8.1 Current social lettings agency management fees in Wales generally vary between 8% of rental income to 10% + VAT
- 8.2 Most agencies also charge landlords 'set-up' fees, which can include, for example:
- initial property inspection
  - safety certificates
  - inventory & condition report (sometimes with photos)
  - finding tenant (sometimes involving advertising)
  - tenant verification (which can include credit checks, landlord references employment references, address checks)
  - setting up tenancy agreements
  - initial Housing Benefit verification
  - collecting bonds and deposits
  - organising utilities
- 8.3 Some agencies also charge other fees, for example:
- 'let-only' fees for landlords who do not want the agency to manage properties on their behalf
  - 1-2% in addition to the management fee (collected through rents) for a maintenance fund, until the fund is up to a limit agreed with the landlord
  - charges for advertising space in their shops
- 8.4 It is clearly desirable, in the light of growing funding constraints, that social lettings are, as far as possible, self-funded from landlords' fees. Some existing agencies (not necessarily those charging the highest fees) are already achieving this. It is also necessary to attract landlords by ensuring fee structures are reasonable and competitive
- 8.5 Costs to landlords need to be clearly related to the extent and quality of services provided, and those services need to be clearly specified
- 8.6 Local authorities and agencies providing social lettings need to consider, for example:

- the frequency with which properties should be visited. Most existing agencies visit all properties at least quarterly, and more frequently if there are issues that need to be addressed
- the use of bond certificates, and where these can be obtained at no cost to the tenant
- the provision of rent in advance, and where this can be obtained at no cost to the tenant. In one existing agency, one month's rent in advance is paid by the agency itself. It is not paid to the landlords, but held in a secure account until the end of the tenancy
- the availability of rent and damage guarantees. A few existing agencies currently run their own schemes at relatively low cost
- arrangements for carrying out repairs. The majority of existing agencies use approved contractors to carry out repairs to a value agreed with the landlord, but a few use in-house teams set up as social businesses (one run by service users and ex service users)
- the use of low cost loans or grants to landlords for repairs or improvements, on condition that the property is made available for social letting. One existing agency, for example, offers grants for work up to £1k (eg. for smoke alarms, new carpets, and other small scale expenses necessary to make a property lettable) in exchange for 5 years letting below LHA rates

### **Charges made to tenants**

- 9.1 It is absolutely essential that social lettings are affordable to the tenants for which they are intended
- 9.2 If social lettings are to be let to those on housing benefits or on low incomes, rents charged will need, wherever possible, to be at Local Housing Allowance rates or less
- 9.3 In addition, social lettings need to be free to tenants in receipt of benefits at the point of access. If there are up-front costs to tenants for accessing a property (such as the cost of bonds, deposits, rent in advance, rent guarantee checks, introductory fees) they will not be affordable to many people in housing need
- 9.4 Service charges, too, need to be kept to an absolute minimum, or the cumulative on-going costs will make the property unaffordable to those in need of social lettings, and increase the poverty trap for those moving from benefits into paid training schemes or employment

## **Management of tenancies and the support provided to tenants**

- 10.1 It is essential that social lettings are well managed, and that support is available to tenants as necessary to help them to sustain their tenancies
- 10.2 Local authorities and agencies providing social lettings need to consider, for example:
- the frequency with which properties should be visited. Most existing agencies visit all properties at least quarterly, and more frequently (with frequency determined by risk) if there are issues that need to be addressed
  - how additional support will be made available to those who need it. One existing agency, for example, works closely with the local authority Tenancy Support Service to ensure that it can get instant take-up of floating support where necessary. Another makes use of a Shelter Money Savers worker where financial and budgeting support is needed. In several local authority areas, support needs assessments are done for everyone coming through the homelessness route, and referrals made to relevant support bodies
  - how out-of-hours incidents will be dealt with, for instance in relation to nuisance/ASB

## **Client group housed/ allocations**

- 11.1 It is essential that social lettings are available to those who need them most
- 11.2 Agencies providing social lettings need to have clear and transparent policies and procedures regarding who properties will be let to, and how applicants will be prioritised
- 11.3 There needs to be absolute clarity about, for example:
- the priority that will be given to those who are homeless or threatened with homelessness (and how homelessness and threat of homelessness will be defined). One existing agency, for example, gives 1<sup>st</sup> priority to homeless priority need, 2<sup>nd</sup> to hostel or B&B residents, 3<sup>rd</sup> to homeless not priority need, and 4<sup>th</sup> to others
  - how referrals from local authorities will be dealt with
- 11.4 There also needs to be clarity on how landlord preferences will be taken into account. Some landlords may be unhappy to accept, for example smokers, or those with criminal records, a history of tenancy failure, or drug/alcohol problems. However, if landlords considered all such people unacceptable, many of those the local authority needs to house would be excluded from social lettings

- 11.5 Most existing agencies try to match people to properties to manage risk. One agency, for example, says that, if a tenant has a long history of failure/damage, it will house them with more experienced portfolio landlords, but probably not 'in a property inherited from Mam'
- 11.6 Agencies providing social lettings need to put processes in place to manage risk and to provide the necessary support to tenants. Most existing agencies have found that most landlords are happy to let to 'difficult' clients if that risk management/ support is in place, and stress the need to be upfront with landlords about risks posed and the support that will be put in place to mitigate those risks. One agency, for example, in a domestic violence case, agreed an exit strategy with the landlord if the tenant's whereabouts were discovered

### **Social lettings performance**

- 12.1 It is critical that agencies providing social lettings collect and monitor key performance information in order to ensure the efficient and effective management of their properties.
- 12.2 Key performance information needs to include, for example:
- client groups housed
  - arrears
  - voids
  - tenancy sustainability
  - tenant satisfaction
  - landlord satisfaction
  - local authority satisfaction
- 12.3 Tenancy sustainability, in particular, needs to be a priority in all social lettings, and agencies providing social lettings need to do all they can to reduce the risk of failure to both the landlord and the tenant

### **Relationship of social lettings agencies to local authorities**

- 13.1 Local authorities have strategic responsibility for meeting housing need in their area. Authorities need to take a clear view on the role they want social lettings to play, alongside other private rented sector access and other schemes, in meeting that need
- 13.2 Local authorities already beginning to take a more strategic approach to working with the private sector, and the WLGA's Private Rented Sector Improvement Project has been geared to supporting them to do this, and to ensuring that the private



rented sector becomes a fully integrated part of all Local Housing Strategies<sup>1</sup>. Authorities need to carefully consider the role that social lettings can play in the context of an enhanced strategic approach to increasing access to the private rented sector

- 13.3 Agencies providing social lettings should be attempting to meet local authorities' strategic needs. To ensure that this is the case:
- local authorities and agencies providing social lettings in their area should enter into formal agreements clarifying expectations on both sides
  - agencies providing social lettings should regularly report back to local authorities on their performance
- 13.4 Formal agreements between local authorities and agencies providing social lettings should cover:
- the number of properties needed to meet current demand, and targets for increasing that number over time to meet projected demand
  - the types of properties needed (family properties, shared accommodation, etc.)
  - minimum standards for properties in management, and how the authority can help to ensure these standards are met (eg. via joint inspections with local authority EHOs, links to accreditation, etc.)
  - what costs will be charged to landlords
  - what services will be delivered to landlords (including what is included in set-up fees, frequency of visits to properties, etc.)
  - what charges will be made to tenants
  - what level of support will be provided to help tenants retain their tenancies;
  - what the authority can do to help to access higher levels of support (from the authority or other relevant organisations) if this becomes necessary
  - how nuisance/ASB relating to properties will be dealt with
  - who properties will be let to (homeless, referrals from local authorities and other organisations, etc.), how priorities will be decided between different groups, and how far landlords' preferences will be taken into account
  - what performance information will be provided to the authority (eg. on arrears, voids, tenancy sustainability, landlord/tenant satisfaction)
  - what support, promotion and funding the local authority will provide

---

<sup>1</sup> See [reference WLGA PRS website pages](#) for guidance on including the private rented sector in Local Housing Strategies, and for a range of other tools to assist local authorities in working with the private rented sector.

- 13.5 A proforma agreement, which authorities and agencies may find useful for tailoring and structuring their own agreements, is included in WLGA's report on social lettings agencies<sup>2</sup>

---

<sup>2</sup> **Insert reference to report on WLGA's website.**