



How to...

Work in partnership with the
PRS to tackle homelessness



How to... work in partnership with the private rented sector to tackle homelessness

1 The challenge of homelessness

In recent years, homelessness has become an increasingly challenging problem and this has coincided with increased pressure on local authority housing budgets and continued constricted housing supply.

A tougher economic climate and welfare reform is also likely to present further challenges to households who may be at risk of homelessness and to local authorities who will have to respond.

This 'how to' will look at how local authorities can develop relationships with the private rented sector to tackle homelessness and to support tenants to sustain their tenancies in the private rented sector. It will not look at homelessness prevention initiatives. If you would like to find out more about prevention look at the 2012 DCLG report [Making Every Contact Count](#) which explores partnership approaches to preventing homelessness.

Opportunities for working with the private rented sector to tackle homelessness

The private rented sector is very varied and within the same local authority area there will be a range of tenant profiles and sub markets. In addition, there are many different types of private sector landlord.

The private sector already plays a key role for local authorities in connection with their homelessness duties, in meeting temporary accommodation needs.

There are significant opportunities for both housing providers and tenants through effective working with the private rented sector to tackle homelessness. These include:

- supporting more realistic expectations around tenancy options among homeless applicants
- potential savings to local authorities generated from ending the need to secure temporary accommodation
- potential greater access to social housing for non-homeless households by facilitating access to wider housing options
- enabling homeless people to be moved into a settled home more quickly.

What challenges does working with the private rented sector present?

Despite the potential for the private rented sector to support measures to tackle homelessness, there are concerns about its use, specifically:

- **affordability:** [The Housing Report](#) showed that average private rents increased from £133 per week in 2009-10 to £137 in 2010-11 presenting continuous pressures on affordability. Shelter also note that 55 per cent of local authorities in England now have a median private rent for a two bedroom home which costs more than 35 per cent of median take home pay in that area
- **quality:** the 2008 [Rugg Review](#) of the private rented sector identified a number of concerns about the overall quality of private sector landlord management. The report found that while many private sector landlords operate professionally and to a high standard, some were part-time or accidental

landlords with very little experience of tenancy management or support; and a small proportion acted illegally

- **access:** some private sector landlords are not prepared to let housing to people deemed statutorily homeless or in receipt of Local Housing Allowance (LHA) or other welfare benefits. A 2012 poll by flat and house share website SpareRoom.co.uk found that in a survey of more than 1,000 UK landlords, 59 per cent were stating 'no housing benefit tenants' on their adverts.

How the Localism Act 2011 has changed approaches to homelessness in England

The Localism Act 2011 introduced some major changes to the way in which homelessness is approached by local authorities in England. Local authorities still have a duty to house people who are eligible, in priority need and unintentionally homeless but they can now end the main homelessness duty with a suitable offer of accommodation in the private rented sector without securing the applicant's agreement.

To do this the assured shorthold tenancy offered must be for a minimum fixed term of 12 months and if the applicant becomes unintentionally homeless again within two years of accepting the private rented offer, the main homelessness duty will recur again regardless of priority need.

Following [consultation](#), on 17th October the [Homelessness \(Suitability of Accommodation\) \(England\) Order 2012](#) was laid before parliament, coming into force on 9th November 2012. The Order establishes matters to be taken into account in determining whether accommodation secure by a local authority (from the private rented sector) is suitable for a person (2); and circumstances in which that accommodation is not to be regarded as suitable for a person (3).

In determining whether accommodation is suitable for a person, a local housing authority must consider the location of the accommodation including:

- where the accommodation is outside of a local authority area, the distance of that accommodation to the local authority
- any disruption which might be caused by the location of the accommodation to employment, caring responsibilities, or education to the person or people in their household
- proximity and access to medical facilities, local services, amenities and transport.

For the purposes of a private rented sector offer under section 193(7F) of the Housing Act 1996, accommodation will not be regarded as suitable if the local authority is of the view:

- the accommodation is not in reasonable physical condition
- electrical equipment supplied with the accommodation does not meet requirements of regulations 5 and 7 of the Electrical Equipment (Safety) Regulations 1994(a)
- the landlord has not taken reasonable fire safety precautions
- the landlord has not taken reasonable precautions to prevent the possibility of carbon monoxide poisoning
- the landlord is not a fit and proper person to act in the capacity of a landlord
- the accommodation is a house in multiple occupation (HMO) subject to licensing under section 55 and 56 of the Housing Act 2004 and is not licenced
- the accommodation does not have a valid energy performance certificate
- the accommodation does not have a current gas safety record
- the landlord has not provided the local authority a written tenancy agreement which he or she proposes to use for the purposes of a private rented sector offer which is considered to be adequate by the local authority.

A checklist for local authorities

Local authorities need to develop a clear understanding of the profile of the private rented sector in their area, to develop strategies to both engage with and support private landlords; and to improve access to and support tenants making use of the private rented sector, particularly where this is due to the discharge of the homelessness duty.

Develop relationships with private sector landlords locally: there are particular challenges affecting the relationship between private sector landlords and tenants who have experienced homelessness and/or are in receipt of welfare benefits and local housing allowance, for example:

- local housing allowance payments are generally paid in arrears but many private landlords often require rent to be paid in advance
- tenants who are in receipt of local housing allowance often have very low incomes and may struggle to secure a deposit for their landlord
- some private landlords wrongly assume that tenants in receipt of welfare benefits are more likely miss rental payments or to not look after properties, which reinforces an attitudinal disincentive not to let to these tenants
- buildings and contents insurance premiums can be higher if a landlord lets to people claiming local housing allowance or sometimes insurance is refused to landlords altogether.

Action – a local authority should:

- develop a comprehensive understanding of the private rented sector in its area. This can be done through:
 - o local housing market assessments to determine the number of rented properties in the area
 - o Rent Officer data to determine rents representative of the private rented sector and Local Housing Allowance rates
 - o the local authority Environmental Health Department, for example by looking at the number of enforcement actions taken in relation to the private rented sector to identify where problems might exist and the types of issues involved
 - o work with local letting agents to develop knowledge of landlords, rental levels properties available and tenancy conditions
- develop direct relationships with private landlords locally to develop a better understanding of their needs and expectations. Consider contacting private landlords personally, in writing, via local letting agents; or by holding an Open Day
- consider establishing regular communication networks with private landlords locally e.g. through a dedicated website or landlord forum
- establish relationships with other local social housing providers who may be diversifying their portfolio of housing by providing private rented accommodation at full market rents
- consider developing a local private sector landlord accreditation scheme to develop relationships with and confidence in the private rented sector locally
- consider establishing or entering into partnerships to develop private sector leasing schemes which offer incentives and guarantees to private sector landlords
- work with partners to challenge negative stereotypes about vulnerable people or low income households claiming welfare benefits
- provide incentives for private sector landlords who own empty homes to bring them back into use.

Agree the standards you expect the private rented sector to meet locally: agreeing the standards you expect from the private rented sector relates to both the quality of tenancy management and the quality of accommodation provided.

Quality of tenancy management: there are some challenges associated with tenancy management in some parts of the private rented sector. This may include landlords failing to take their landlord responsibilities seriously or in extreme cases harassing their tenants.

Action - a local authority should:

- offer support (e.g. web based forums), provide information about the standards you expect from the private rented sector and/or give training to private landlords locally
- establish a private sector accreditation scheme with the aim of raising management standards and ensuring a consistent tenancy management approach in private sector accommodation locally
- consider establishing a private sector leasing scheme whereby a landlord can lease their property to the local authority for a defined period of time and offer time defined guarantees to the landlord on rent and quality; in exchange for longer term lets (e.g. 12 months) to tenants
- make clear that your local authority will take decisive and affirmative action against incidents of harassment and illegal eviction by private sector landlords and use enforcement powers available.

Quality of accommodation: in England, the Homelessness (Suitability of Accommodation) (England) Order 2012 has determined the circumstances in which accommodation is deemed suitable in terms of quality (3a-d and h, j) (see above).

Action – a local authority should:

- work closely with Environmental Health to determine enforcement actions taken by the local authority against private rented sector landlords who let properties of poor quality
- make it a requirement of joining a private sector leasing scheme that landlords must demonstrate a commitment to quality: e.g. by bringing their property up to Decent Homes Standard. Also make it a requirement that properties have undergone electrical and gas safety checks and can produce an Energy Performance Certificate.

Learning from others

Newham Council has recently approved the introduction of a compulsory private sector licensing scheme to cover the 35,000 private tenancies in the borough. The measure is due to come into force in January 2013. Private landlords will pay licencing fee. Landlords who fail to license will receive a substantial fine.

www.newham.gov.uk/News/2012/June/PioneeringschemetolicenseallNewhamprivatelandlordsapproved.htm

Government action to tackle 'rogue landlords'

DCLG has established a national taskforce, comprising the UK Border Agency, the Metropolitan Police, the Serious and Organised Crime Agency, the Local Government Association, local government, HM Revenue and Customs and the Department for Work and Pensions to tackle 'rogue landlords', and to close down properties which do not comply with the law. DCLG has also allocated almost £2m to local authorities to help them tackle rogue landlords and any homelessness which results from this action.

www.communities.gov.uk/news/housing/2208160

Support tenants who enter the private rented sector: some tenants who have experienced homelessness may have particular vulnerabilities which could lead to tenancy failure in the private rented sector. Anticipating what these challenges may be can help tenants to sustain their tenancies in the private rented sector.

Action – a local authority should:

- provide relevant information to people who are going to move into private rented sector tenancies and consider providing a tenancy pack
- offer pre-tenancy support for people who are going to move into private rented sector tenancies
- offer private rented sector tenants access to homeless prevention funds where this is possible. Consider providing a dedicated homeless prevention fund for private rented sector tenants
- consider establishing a rent deposit scheme which will give tenants struggling to raise a deposit options to rent from the private rented sector
- facilitate access to financial inclusion initiatives including specialist debt advice as well as to credit unions and community banking
- publicise and make discretionary housing payments available to private rented sector tenants
- provide floating support services to help vulnerable households which could include: information, budgeting and finance support, facilitating access to welfare benefits, physical and emotional health and wellbeing, debt advice, mediation, etc
- take decisive and affirmative action against incidents of harassment and illegal eviction by private sector landlords.

Constructive approaches to welfare reform: government has introduced major reforms to Local Housing Allowance (LHA) including: absolute caps to the maximum available LHA rates for the size of the property and at . 30 per cent of market rent down from 50 per cent previously. The shared accommodation rate age limit has been increased from 25 to 35 years. In addition, the Welfare Reform Act contains two additional measures which will affect LHA claimants living in the private rented sector: using the Consumer Price Index (CPI) inflation measure to adjust the levels of LHA; and limitations to the total amount of benefits an out-of work household can receive to the equivalent of average earnings, currently £26,000 a year after tax. There are concerns that these policy changes are likely to decrease the supply of decent, affordable, private rented homes for claimant households renting privately in the short and long term.

Action – a local authority should:

- provide clear and accessible information for local private sector landlords and support them to understand the implications of welfare and homelessness reform
- provide information locally for people living in your area on welfare reform and how it may affect them www.centralbedfordshire.gov.uk/money-and-benefits/check-eligibility-for-benefits/welfarereform.aspx
- refer vulnerable tenants to other agencies and services where appropriate, for example budgeting advice, help with benefits and mediation and partnership working with credit unions
- support private sector landlords by linking them with the legal and financial services of the National Landlords Association www.landlords.org.uk

Learning from others

Building relationships with the private rented sector

- Accreditation Network UK and the Local Government Association have produced a handbook for private sector landlords which explains the basic level of knowledge required for a landlord. It is also intended to be used by Accreditation Scheme Operators www.anuk.org.uk/aboutus/aboutus.asp
- Cardiff Council provides advice and support for private sector landlords. It also issues a periodic newsletter and hosts an Annual Landlord Open Day at City Hall www.cardiff.gov.uk/content.asp?nav=2867,3424,5082,5266&parent_directory_id=2865
- Crisis has produced a toolkit to help agencies and housing providers supporting young homeless or vulnerably housed people to access and sustain tenancies in the private rented sector www.privaterentedsector.org.uk/youngpeopletoolkit

Improving access through social lettings agencies

- Help2let: Harrow has set up a social lettings agency which matches tenants to properties and offers a full managed service that includes rent collection and inspections www.help2let.co.uk/about_us.php
- CanDo Lettings is a social lettings agency, set up in 2007 by Cadwyn Housing Association to help tackle homelessness and improve the quality of housing for people on low incomes in Cardiff www.candolettings.co.uk

Private sector leasing schemes

- Norwich City Council has established a private sector leasing scheme whereby a landlord can lease their property to the council for a period of four years. Norwich City Council then guarantee to pay the rent to the landlord whether or not the property is let www.norwich.gov.uk/Housing/PrivateSectorHousing/pages/PrivateSectorLeasingScheme-LetNorwichCityCouncil.aspx
- Exeter City Council has established a private sector leasing scheme whereby a landlord leases their property to the Council who then sub-lets to a tenant, guaranteeing the landlord a monthly income. As a requirement of joining the scheme, the landlord must bring their property up to The Decent Homes Standard, ensuring there are no Category one or two hazards as measured on The Housing Health And Safety Rating System (HHRS), undergo an NICEIC electrical check, a Gas Safe Register gas check, provide an Asbestos Report and an Energy Performance Certificate (EPC) www.exeter.gov.uk/index.aspx?articleid=3503

Achieving quality through private rented sector accreditation

- Central Bedfordshire Council is developing a free voluntary scheme for private sector landlords in their area. The scheme aims to raise the overall standard of private sector accommodation and to provide a quality standard for privately rented properties which is consistent across Central Bedfordshire. <http://plaintext.centralbedfordshire.gov.uk/home-and-housing/housing/renting-private-sector-landlord-tenant-information/private-landlords-property-accreditation-scheme.aspx>
- National Landlord Association (NLA) has launched an accreditation which aims to ensure that private sector landlords understand regulations governing, and best practice for, the letting of homes. The NLA offers a national scheme that all tenants in England and Wales can recognise as a mark of quality, signifying that a landlord is committed to professional development. www.landlords.org.uk/support-advice/landlord-accreditation

Helping tenants to pay through rent deposit schemes

- Mydeposits.co.uk is a government-authorised tenancy deposit protection scheme. It is designed to enable landlords and letting agents in England and Wales to take and hold a deposit for the duration of the tenancy www.mydeposits.co.uk
- Canterbury City Council offers a rent deposit scheme to people who have specified vulnerabilities, a local connection within the Canterbury area, and cannot afford a deposit. www.canterbury.gov.uk/main.cfm?objectid=875

Useful resources and information

LGA Shaping and Improving your private rented sector (2012)

www.local.gov.uk/c/document_library/get_file?uuid=fb081a06-4350-4e9d-a0d0-d671737fe77e&groupId=10171

UK migrants and the private rented sector, JRF (2012)

www.jrf.org.uk/publications/uk-migrants-private-rented-sector

Homelessness (Suitability of Accommodation) (England) Order 2012

www.legislation.gov.uk/uksi/2012/2601/pdfs/uksi_20122601_en.pdf

A better deal: towards more stable private renting, Shelter (2012)

http://england.shelter.org.uk/__data/assets/pdf_file/0009/587178/A_better_deal_report.pdf

Shelter private rent watch: report one: analysis of local rent levels and affordability, Shelter (2011)

http://england.shelter.org.uk/__data/assets/pdf_file/0008/386828/Private_Rent_Watch_Report_1.pdf

Briefing Paper on the impact of forthcoming changes to Housing Benefit and Local Housing Allowance, CIH (2011)

www.cih.org/resources/policy/CIH%20briefing%20papers/Housing-Benefit-Briefing-April-2011.pdf

Widening the rental housing market, CIH (2010)

www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/Widening%20the%20rental%20housing%20market.pdf

Rugg J and Rhodes D (2008) The Private rented sector: its contribution and potential

www.york.ac.uk/inst/chp/publications/PDF/prsreviewweb.pdf

Crisis (undated) Local lettings agencies: a good practice guide Providing access to the private rented sector while generating income

www.crisis.org.uk/data/files/3xe_locallettings_agency_guide_final.pdf

National Landlords Association (NLA)

www.landlords.org.uk

Chartered Institute of Housing

Octavia House

Westwood Way

Coventry CV4 8JP

Tel: 024 7685 1700

www.cih.org