

Case Study One:

Private Rental Sector Consultation Exercise

The Client: The London Borough of Hackney

The Brief

In common with most other local authorities in the country, the London Borough of Hackney currently has a shortfall of available housing stock with which to meet demand. To plug this gap Hackney's Housing Service has used Private Rental Sector (PRS) properties under the terms of their Private Sector Leasing Strategy (PSL).



The Housing Service recently re-structured in order to deliver a more 'Preventive' Housing Service in line with the Department of Local Government and Communities 'Choice Based Lettings Strategy' and for that reason has highlighted a desire to improve their relationship with the local PRS market to enable better access to good quality accommodation which will support the service's Assured Shorthold Tenancy (A.S.T.) housing options.

Settled Housing Solutions were commissioned to undertake a comprehensive research based project to identify how partnerships with the local PRS could be developed and enhanced. The primary aim of the research was to identify both the commercial and strategic barriers that would need to be overcome in order to increase the supply of suitable accommodation under this tenure.

The research would highlight how the Housing Service's internal resources could deliver a more streamlined service and identify where potential cost savings could be made from current budgets.

Our Methodology:

Over a period of two months the Settled Housing Solutions consultants held face to face meetings with the housing service's key managers in Housing Supply, Housing Benefit, Prevention and Options, Temporary Accommodation, Income Collection, Housing Assessments and, significantly, front line staff of all services.

All of the interviewees were asked to 'walk through' the re-housing process and along the way highlight where they would like to see improvements in relation to the client eligibility, supply, allocations, tenancy support and property management processes.

Settled Housing Solutions also invited the borough's temporary accommodation suppliers and other leading professional letting agents to a PRS Consultation Evening.

The aim of the evening was to give the invited guests an overview of the Housing Service's new direction with regard to homelessness prevention, identify the commercial barriers and financial incentives that would be required to secure suitable accommodation and how commercial risks could be minimised during the PSL conversion process.

Supplementary one to one meetings with a number of the borough's PSL suppliers and letting agents also took place to discuss their future role and requirements under the proposed new Assured Shorthold Tenure.





The Outcome:

Our final report recommended a new PRS Framework that could easily be integrated into the Housing Service. The new framework would also encourage confidence and trust between the Housing Service as it offers a commercially viable investment option based on sustainability, protection from unreasonable financial losses and offers potential long term returns.

Settled Housing Solutions identified five key activities that need to be consolidated within a successful PRS Framework. The five activities are: Centrally Managed Housing Options, Tenancy Support and Sustainment, Standards, Staff Training and Improved Lines of Communication.

A further key component within the new PRS Framework is the Local Housing Allowance (LHA) Tenancy Sustainment Plan.

The plan would be amalgamated into the Housing Service's current Rent Deposit Scheme, improve the Housing Benefit Service Level Agreement and LHA Safeguard Policy. It incorporates pro-active LHA performance and monitoring procedures to ensure all responsible tenants avoid falling into rent arrears.

The successful ongoing management of the LHA Tenancy Sustainment Plan will enable the authority to offer the PRS landlord an indemnity against rent arrears, the very minimum in up-front financial incentives and significantly steer all available resources towards tenancy support and sustainment.

The new PRS framework will also have a positive impact on the London Borough of Hackney's wider strategic objectives including their Corporate Plan, Prevention of Social Exclusion, Supporting People Strategy and the Education Development Plan.

Case Study Two:

Development of a new Private Rental Sector Housing Option.

Client: Central Bedfordshire Council

The Brief:

Central Bedfordshire Council is continually looking at ways it can be more pro-active in the prevention of homelessness. To meet this outcome the housing service currently delivers homelessness prevention activities such as housing advice, family mediation and tenancy sustainment services.

The Housing Advice, Housing Options and the Private Sector Housing Services Team within the council have also identified that some of the 'Key Triggers' of tenancy failure and homelessness for clients who approach the service are the poor standards of properties, poor management of those properties, landlord and tenant disputes over deposits and homelessness caused by rent arrears.

Settled Housing Solutions Consultancy Service have been commissioned by the Landlord Services Directorate within the Housing Service to develop a new 'Preventive' and 'Sustainable' private rental sector housing option that enables homeless clients to gain access to the local PRS as opposed to being placed in temporary accommodation while waiting to be permanently housed by the district council.



Finally, the housing service has a genuine desire to use the newly developed PRS housing option as a means to establish an improved relationship with responsible landlords and letting agents in the district.



Our Methodology:

Settled Housing Solutions carried out extensive consultation with the local PRS to support the market research. Formal partnerships with a number of leading letting agents and landlords and property investors in the local area were also established.

To improve the relationship between the council and the local PRS a number of significant ongoing disputes between the two parties also needed to be resolved.

By also holding a number of meetings with key managers and frontline staff we were able to analyse the effectiveness of the service's current PRS engagement processes and procedures including tenant referrals, access to landlord advice, floating family support and property inspection. This exercise enabled us to identify where these can be utilised or enhanced within the newly developed housing option with the aim of delivering a more streamlined and unified re-housing process and significantly make substantial financial savings for the service.

We also held a number of meetings with the Head of the Housing Benefit Service to discuss formalising a new LHA Service Level Agreement between the Housing Benefit Service and the Housing Advice and Housing Options Team.

Finally, a Project Initiation Document (P.I.D) with supporting milestone plan and timescales was produced and circulated. The PID included key tasks and dependencies, project sponsors identified a controlled change management process and risk log. All key stakeholders highlighted within the project plan, including the local PRS partners, agreed in principle to support the plan and contribute to the successful delivery of the project.

The Outcome

The new PRS Housing Option 'Lets Rent' is scheduled to be launched in early May 2009. The new housing option will be centrally managed within the Prevention and Options Team.

An 'Accreditation' element has been integrated into the new option by introducing strict housing fitness criteria in line with the Government's Health and Safety Rating System and also by requesting that all approved letting agents who supply suitable accommodation for the new housing option are registered with a recognised professional body, such as the National Approved Letting Scheme (NALS) or the Association of Residential Letting Agents (ARLA).

This key element will establish a minimum level of service standards in property management and tenancy deposit protection.

'Let's Rent' will essentially deliver a 'Sustainable and Preventive' framework which supports a multi-agency private sector housing solution and provides eligible clients with access to good quality, well managed private sector accommodation.

The new housing option will also provide a platform to promote better partnership working between the council and the local private rental sector.

Case Study Three:

Landlord Accreditation Scoping Proposal

The Client: The Thames Gateway South Essex Sub-Regional Group



The Brief:

The Thames Gateway South Essex Sub-Regional Group acknowledges that the role of the private landlord, to operate a profitable business and to have responsibility for the health, safety and welfare of their tenants, is a challenging one. A successful landlord accreditation scheme, therefore, aims to provide its private landlords with as much support as it can, to enable the private rental sector to provide this essential service.

Settled Housing Solutions have been commissioned by the Thames Gateway South Essex Sub-Regional Group to produce a scoping proposal for the introduction of a self-regulatory landlord accreditation scheme.

The scheme will seek to address the sub-region's two key functions in their relationship with the local private rental sector which are to provide a strategic enabling role to help good landlords provide an essential housing service as well as a regulatory function that ensures that the health, safety and welfare of tenants is protected.

Our Methodology

Settled Housing Solutions carried out a comprehensive analysis of landlord accreditation schemes in other regions with similar market conditions. We engaged directly with the scheme operators to review the performance, management and monitoring arrangements currently employed.

Private Rental Sector partners that operate in the Thames Gateway Region were also consulted and invited to comment on areas such as the scope for developing potential partnerships to support accreditation schemes, how partners can bring into the scheme letting agents and landlords who would normally stay away and significantly, this enabled Settled Housing Solutions consultants to obtain a broader understanding of the local PRS market activity.

A questionnaire was also circulated amongst Thames Gateway Sub-Regional Members to obtain evidence on local issues, evidence of PRS consultation, resource and funding issues, and preferred landlord accreditation models.

The Outcome:

A draft report is currently being produced which will summarise our findings, the suitability and scalability of all the highlighted landlord accreditation schemes and actions required to mitigate the identified risks in order to ensure the long term success of the project.

The final report will aim to stimulate discussion within the Private Sector Housing Sub Group and form the basis of the group's recommendation for a future Thames Gateway South Essex Landlord Accreditation Scheme.

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