

LANDLORD INCENTIVES - INTRODUCTION TO HELP TO LET

Housing and Health Advisory Committee - 28 September 2021

Report of: Chief Officer People and Places

Status: For consideration

Key Decision: No

Executive Summary: To provide an overview of the new landlord incentive, Help to Let.

Portfolio Holder: Cllr. Kevin Maskell

Contact Officer(s): Rebecca Wilcox, Ext. 7272

Recommendation to Housing and Health Advisory Committee:

To received and note report

Reason for recommendation: To highlight the need to promote the use of the private rented sector to support the increasing demand on our housing register and homeless prevention service. To advise the committee of the re-branded and revised offer to private landlords in order to secure private sector housing for our clients. The offer has been reviewed in the light of the feedback from the Landlord and Letting Agent event held in May 2021 and chaired by Cllr Maskell. Feedback provided has been incorporate into our new offer including an insurance scheme and a financial offer towards repairs each year.

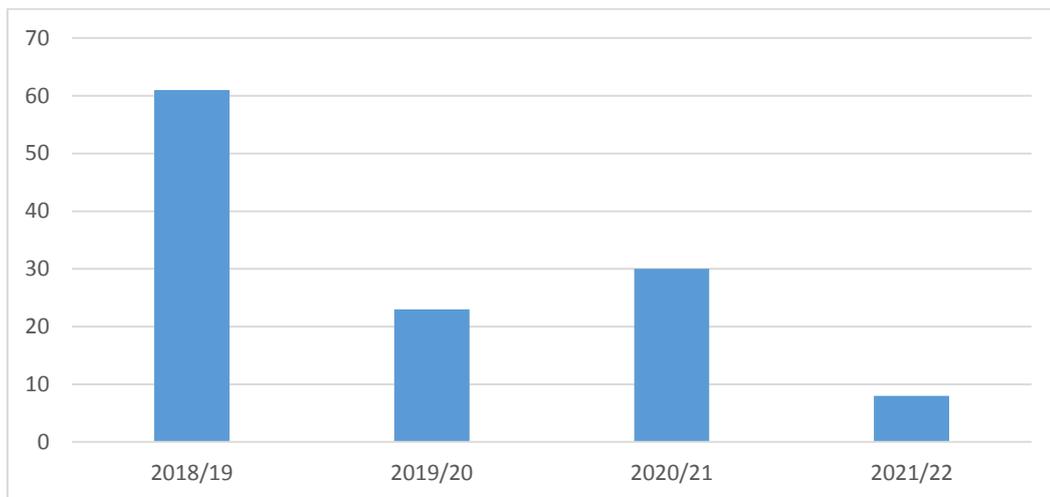
Overview

- 1 This aim of this report is to highlight the need to promote the use of the private rented sector to support the increasing demand on our housing register and statutory homelessness prevention service. Under the Homelessness Reduction Act 2017 (HRA 2017) local authorities are able to discharge their homelessness duties into the private rented sector (minimum of 6 months under our prevention duty and a minimum of 12 months under relief or full main housing duty). The authority has seen the increase in demand for social and affordable housing in the district in which the housing

register alone is unable to meet we need to engage and procure additional private rented sector accommodation, this includes a more attractive landlord incentive scheme.

- 2 Sevenoaks District Council (SDC) have offered a landlord incentive since 2010, our current offer; the Private Sector Lettings (PSL) has seen over the last 18 - 24 months a low uptake (see graph a below).

No. of properties procured under the PSL scheme



Please note 2021/22 is Q1 data only.

- 3 The PSL scheme is managed by our Landlord Liaison Officer who forms part of the newly created Accommodation Services Team.
- 4 In May 2021, Housing held a virtual engagement event for landlords and letting agents who have an existing relationship with Sevenoaks or who were interested in the potential to work with us. This event was well attended and gave us the opportunity to present our new partnership with Help2Rent a landlord insurance/guarantee scheme which will be offered free of charge to new landlords and property acquisitions.
- 5 Following the virtual event, the current landlord incentive scheme was reviewed with the intention of a re-brand and launch in September 2021, this paper highlights the key incentives the new scheme will offer.

Help to Let - support incentives

- 6 The aim of Sevenoaks District 'Help to Let' scheme is to encourage landlords to work with us to help us to assist local families in housing need whilst reducing the risk and hassle of private sectoring renting.

- 7 Help to Let will provide a tenant matching service for local landlords from our client base, this will primarily be households that we have a duty to prevent or relieve their homelessness by securing alternative accommodation within the private rented sector.
- 8 In addition to the tenant matching service the scheme will offer the following services free of charge:
 - a. No letting agency fees for tenant finding/matching services
 - b. 'Right to rent' checks carried out
 - c. A full electronic inventory prepared
 - d. Check in and check out
 - e. A single point of contact within our Accommodation Team
 - f. Post - tenancy visit within the first 6-8 weeks
 - g. One property inspection per 12 month tenancy
 - h. £500 towards repairs during each 12 month tenancy period

Help to Let - financial incentives

- 9 The financial incentives available under Help to Let are flexible and be tailored to our individual households depending on the households needs.
- 10 The basic financial incentives are as follows:
 - a. Bond or cash incentive (equivalent of 6 weeks rent)
 - b. Free landlord insurance provided in partnership with Help2Rent
- 11 These financial incentives support the landlord with the provision of local housing allowance (LHA) weekly/monthly rates for rental throughout the agreed period.
- 12 All incentives with our *Help to Let* scheme are funded through our Homeless Prevention Grant, this grant is allocated by central government on an annual basis.

Help2Rent

- 13 Help2Rent is a company that provide a number of products and services to support customers into the private rented sector. One of their products is their rent guarantee scheme.
- 14 The rent guarantee scheme is an insurance product, which incorporates a Landlord Content, Legal Expenses and Rent Guarantee insurance policy. The scheme is administrated by Sparta Insurance and underwritten by Legal Protection Group and Sparta Insurance.

- 15 The rent guarantee scheme covers 99% of all local authority customers from working clients to those who are unable or not currently working including those in receipt of out of work benefits. SDC are also working with Dartford Borough Council, Maidstone Borough Council and LOCATA (the Kent wide housing register and homelessness management support system) to create a new interface for the tenant/landlord matching product Help2Rent have created.
- 16 This matching platform acts in a very similar way to such sites as Right Move, where prospective landlords are able to advertise their properties (free of charge) with prospective tenants being able to select and note an interest.
- 17 Each client sets up a profile (incorporated into their personal housing plan) supported by our Homeless Prevention Team which then allows them to review available private sector properties. If a client and landlord match and are in agreement the prospective client can then access our rent guarantee scheme to secure the property.
- 18 Help2Rent presented at our recent virtual engagement event with very positive reviews, the reason they were asked to present was when our Landlord Liaison Officer had been negotiating with prospective landlords their main area of concern was rental income, and this scheme provides piece of mind for prospective landlords.
- 19 Help2rent is a pay as you go scheme, meaning that SDC will only pay for the policies required. The fee is a one off payment per property based on household and property size, the initial cover period is 12 months.

Other options Considered and/or rejected

To leave the scheme as it was (Private Sector Lettings); however, as point 2 highlights we have seen a reduction in uptake of the PSL over the last few years which has had an impact on our ability to source private sector accommodation.

With the feedback provided from our landlord and letting agents it was clear that their main concerns were related to rental income, offering a landlord insurance as part of our new incentive supports the interaction and feedback from our engaging landlords.

Key Implications

Financial

The scheme will be funded within existing prevention/relief budgets as part of the Homelessness Prevention Service.

Legal Implications and Risk Assessment Statement.

All documentation regarding Help2Rent has been reviewed by legal services.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users

Conclusions

The launch of the new branding will take place in September 2021 with new marketing material to promote the service.

An additional member of full time member of staff will be employed initially until 31 March 2022 to support the launch of *Help to Let* and encourage sign up to our scheme.

The new landlord incentive encapsulates the feedback from our engagement event in May while also offering a number of incentives not offered by other local authorities.

Appendices

Not applicable

Background Papers

[Help2Rent](#)

Sarah Robson

Deputy Chief Executive and Chief Officer - People and Places