

# **www.great\_tenants.org.uk**

**A social enterprise**  
created by

**Golden Lane Housing**  
For

**The SW London Learning Disability Home Finder Project**

# Contents

Vision	3
Golden lane Housing	3
Why is this service needed?	3
What will the service achieve	3
What about social housing and the local authority's statutory duty?	4
Why is safe access to the private rented sector crucial?	4
The private rented sector and people with learning disabilities?	5
Great tenants	5
Safeguarding the well-being of the tenants.	5
Matching people and landlords	5
Why hasn't this been done before?	5
Private sector inflexibilities	5
Will landlords still be reluctant?	6
How GLH creates access to the private rented housing market	7
What kind of properties can people afford?	8
What happens if we take a real example?	8
Who are the winners and losers from the new benefit system	9
What is the impact of this social enterprise?	9
How many people will be housed?	9
Funding and charges in the first 2 years	9
Funding and charges from year 3 onward	10
How will the service be resourced?	11
How will the trailblazer grant be spent?	11
How do we know it will work?	12
Legal and regulatory issues	12
Issues for resolution	14
Referral and pathway plan	16
Action plan	17
Appendix 1-Supported landlord services to tenants in private sector accommodation	20
Appendix 2 – Example properties available and rents	29
Appendix 3 – Out-turn income and expenditure over 5 years	33
Appendix 4 - Governance	35

**A social enterprise created by Golden Lane Housing and SW London Learning Disability Home Finder Project**

**Vision**

Golden Lane Housing supported by the South-west London Home Finder Project Partners will create a sustainable social enterprise to expand the range of choice of accommodation for people with learning disabilities. It will create a specialist housing and support service allowing people with learning disabilities to access the large pool of private sector buy-to-let properties.

**Golden Lane Housing**

GLH was established by Mencap in 1998 as a housing charity to help tackle the problems people with a learning disability have in exercising choice about where and how they live.

The nature of GLH's approach is to start with the individual first rather than simply allocate housing from a list. Using this approach we have successfully supported over 900 people across the country to get the housing they need by:

- Providing housing directly as GLH
- Offering shared ownership for individuals and families
- Making arrangements with suitable private sector landlords to provide accommodation.
- Supporting people to access other social housing if it is suitable and available.

Our mission is to provide a quality home around which individuals with a learning disability can build their lives. We work with a range of commissioning authorities, support providers and tenants with direct payments.

GLH presently houses and supports tenants in some of the authority areas. We are familiar with the diverse housing markets across the area. Our south east regional housing team are based in Norbury. In London we work in the following boroughs: Lambeth, Wandsworth, Croydon, Bromley, Bexley, Merton, Enfield, Hounslow, Brent, Ealing and Hammersmith & Fulham. We also work in Surrey.

**Why is this service needed?**

Housing opportunities for people with learning disabilities have been very limited.

Most adults still live with their families; many of which are headed by elderly carers. If people do live away from the family home they are most likely to live in registered care homes.

Because of the acute shortage of social housing few people obtain this form of accommodation.

Social housing is not always available where and in the form needed i.e. it is unlikely that 3 learning disabled friends who wanted to try living together to share a house would be able to bid for or be offered a 3-bed family house in the partnership area.

Whilst 70% of UK households are owner occupiers very few people with learning disabilities (thus far) has achieved this tenure.

The private rented sector is largely un-tapped form of accommodation save for the pioneering work undertaken in some of the partnership areas.

Finding other people to share with is often a stumbling block – part of the services role is to provide this service.

**What will the service achieve?**

- The service will house over 200 people directly at the end of the 2 years period
- The service will either have developed the necessary expertise within the partnership housing options services or continue to service the needs of the housing options services
- The service will act as a vehicle to spread the existing good practice within the partnership to all partners
- The service will be a viable social enterprise capable of growing to an optimum trading size of 500 tenants
- The service will be capable of replication and development to other partnership areas or client groups

- The service will provide advice and signposting into other housing tenure solutions in home ownership, family funded solutions and social housing (both rent and homebuy).
- The service will provide a bespoke supported housing management service to safeguard the well-being of vulnerable tenants in the private rented sector.

The aim of GLH is to create a viable social enterprise and if we can grow the business quicker to house more people; we will certainly do so.

### **What about social housing and the local authority's statutory duties?**

In most areas of the country affordable rented social housing is heavily oversubscribed. It is no different in the partnership areas in SW London. There is no short term prospect of any change. A primary objective of the service is to provide the local authority's housing options services with a realistic alternative to social housing. The service will always ensure people are properly referred into the housing options services but would work with each local authority housing partner to take that same referral back out of the housing options services and find solutions for individuals from the private rented sector (or other tenures). The project will encourage local authority housing options teams to shadow the delivery of solutions for their referrals to the service. We wish to help develop the necessary expertise within the housing options services; but equally learn from the good practice already taking place and help spread this across the partnership area.

Some local authorities are able to meet their homelessness obligations by helping homeless people into private sector housing. Some of these arrangements can be easily adapted to provide accommodation for people with learning disabilities. However not all local authorities have these types of schemes and not all are suitable for adaptation for use by people with learning disabilities. Where these services exist the project's role would be to support both the clients referred to navigate the service successfully and to help develop the necessary expertise within the service itself.

### **Why is safe access to the private rented sector crucial to offering real housing choice to people with learning disabilities?**

The private rented sector is a relatively small housing tenure in the UK (12% of all households) but it is extremely important because;

- It is flexible, quick and usually available in a location of your choice – subject to being able to pay the market rent.
- Often the first move away from the family home where people learn to live with their peer group, make relationships and understand the unwritten rules of the community. For most people this still tends to be within a support structure whether this is family, college or friends.
- Often the first move to a place of your own. The majority of people grow tired of the 'shared living' experience and decide at some stage to live with a partner or independently. Again the private rented sector provides most people's first experience of this.
- Economically essential to UK PLC as the easiest available housing tenure for those who need to move for work or personal reasons. Being able to move to more convenient locations may help people with learning disabilities to access more useful day opportunities and get employment.
- People move into the private rented sector as a short term solution while their long term ambitions are prepared. All too often people with learning disabilities have to wait many years for their 'long term' plans to be made, but remain in the family home or care home in the interim. There is no reason why they should not use the private rented sector temporarily.
- Often the private rented sector is only choice for lower and middle income people who wish to live in the south of England who do not qualify for social housing (or have to wait a long time) and can not afford to buy.
- The quality of accommodation and landlords is improving and across the country tenants are generally more satisfied with private sector landlords than social landlords (English Housing Survey [www.communities.gov.uk/documents/housing/xls/140477.xls](http://www.communities.gov.uk/documents/housing/xls/140477.xls) table S806)

People with learning disabilities have not had access to the private rented sector and consequently miss out on some of life's opportunities. This project will address this issue.

## **The private rented sector and people with learning disabilities**

There is a large existing pool of private rented accommodation in the general housing market, some of which may be suitable for people with learning disabilities. This pool of accommodation however is generally not accessible to people with learning disabilities.

Landlords are wary because;

- The majority of people with learning disabilities rely on benefits, many landlords with better quality accommodation are reluctant to accept tenants on any kind of benefit
- Landlords unwillingness to “get involved” with complex issues around support and social services
- Informed landlords are aware that people who are vulnerable will need additional services, in terms of maintenance, benefits and support to live in their home.

People with learning disabilities and their families can also be suspicious of the private rented sector for the following reasons:

- Perceived short-termist attitude of landlords and lack of security of tenure.
- Perceived poor quality of accommodation offered
- Perceived poor quality of service offered to tenants by landlords.

## **Great tenants**

Golden Lane Housing's experience of providing accommodation to people with learning disabilities is entirely contradictory to that of the private sector landlord. At Golden Lane Housing WE KNOW that if the tenants receive the right support, and have the right house in the right place, then people with learning disabilities will

- a. Pay their rent on time
- b. Look after the property as their own home
- c. Have a number of people and agencies meeting with them regularly to check on their wellbeing and the condition of the property.

We know that people with learning disabilities can make great tenants.

## **Safeguarding the well-being of the tenants.**

GLH believes there is a need to provide a specialist landlord support service to tenants living in private sector accommodation. This service is developing and changing to the needs of our tenants. It is detailed in Appendix 1. Our aim is to ensure that peoples experience of living as a tenant in their community is the same irrespective of who their landlord might be. GLH will give all tenants access to our help-line, our specialist housing officers. Our charge for this service is 10/person/week.

## **Matching people and landlords**

A key element of the service will be to match people looking for accommodation with rented properties available in the marketplace. GLH will keep a register of housing need which will be used to inform future planning requirements of social services and housing authorities.

## **Why hasn't this been done before?**

The service is made possible by the changes to housing benefit. In April this year housing benefit in the private rented sector was replaced with the local housing allowance. This gives an individual their own budget for housing. For some people with learning disabilities who are looking for shared or self-contained accommodation the local housing allowance it is sufficient to get the accommodation they need.

## **The private sector's inflexibilities**

The private rented sector has some clear operating criteria which need to be addressed if the social enterprise is to succeed in providing sustainable quality housing that people choose. These criteria are operated more vigorously as the quality of housing increases.

- Rent arrears are not tolerated and possession/eviction processes are swift and uncompromising.

- Damage is not tolerated; and the threshold of what is damage as opposed to wear & tear is much lower than traditional supported or social housing.
- Serious anti-social behaviour on most occasions will result in eviction.
- Adaptations/alterations will generally be refused permission unless there is a clear gain in value and/or tenants are legally bound to remove and re-instate upon leaving the accommodation.
- Deposits of 1½-2 months are common.
- Agents increase rents with market rents at the first opportunity – they are incentivised by their agency % commission to do this. There is more room for negotiation with landlords directly IF the landlord is satisfied they have a 'great tenant.'
- Some agents also charge sign on fees.
- Any 'unusual' arrangements will usually result in the referral by the landlord/agent to legal advice for which a prospective tenant will be asked to pay.
- Landlords do not take voids risks by letting rooms directly to tenants in houses in multiple occupation except at the very bottom end of the market and where there are live-in landlords; neither of which we think would be suitable for this project.

The project will need to operate and negotiate successfully in the marketplace. Despite or perhaps as a result of the poor market in home ownership, the rental market in London is still very active and rents have edged up in most locations. Nevertheless we know that people with learning disabilities, with the right support make great tenants; word will spread amongst landlords and agents once this is demonstrated as a reality of landlords' experience.

#### **Will landlords will still be reluctant?**

Our experience is that some will be reluctant and others less so. GLH will develop a variety of ways of working with the private rented sector to build up confidence and to create an ethical landlord sector who can be trusted to provide housing for vulnerable people and who can make reasonable market returns on their investment. How GLH will do this is detailed overleaf.

## How GLH creates access the private rented market?

Broadly GLH believes there are 4 routes by which people with learning disabilities can access the private rented market.

	How is access to private rented sector created?	What is the role if the project for this route?	What concerns and opportunities are there with this route?
1	Utilising existing private sector leasing schemes already operated by housing authorities and their partners.	The project's role would be to support an individual to access accommodation via this route if it was available. Not all housing departments are able to offer this service more widely than their current statutory housing duty because of the lack of accommodation. It may not be an option in some authorities. Not all applicants will be suitable or be able to use this service.	<u>Concerns</u> Some families have expressed concern over the quality of accommodation and the suitability of landlords but this can be overcome by viewing and meeting those involved. The 'short term' nature of the accommodation. Covering voids in shared housing. <u>Opportunities</u> Creates direct access to mainstream services. Easy to operate and quick to establish. Will educate landlord and help establish reputation of the service.
2	Facilitating direct access to the private rented market.	The project's role would be to assist people to access the private rented sector directly by acting as a personal agent for the prospective tenants; supporting them to locate accommodation from agents/adverts and carrying out assistive viewings and interviews with landlords. This is unlikely to appeal to most landlords who are not already in the accredited scheme referred to above.	<u>Concerns</u> Families have expressed concerns about direct relationship with private landlords and the short term nature of the accommodation. There may be a need to carry out accreditation or CRB type checks on landlords with direct access and relationships with tenants. Owner occupier landlords may be a particular issue. Covering voids in shared housing <u>Opportunities</u> Assisted viewings can be a good experience. Creates direct access to the market for individuals.
3	Taking leases from private landlords and sub-letting to tenants with a learning disability	The role of the project would be to secure the accommodation for a fixed period of time usually with 3, 5 or 7 years breaks. Landlords prefer this route because it gives security of income. Long term voids cover essential via commissioner agreements.	<u>Concerns</u> Covering voids Not enabling people to access housing solutions directly May take some time to secure accommodation and sign up landlords <u>Opportunities</u> Families and landlords prefer this route because it gives security and effectively places GLH in the landlord role. No deposits needed as GLH guarantees condition No rent in advance needed
4	Providing a specialist property managing agency services to private sector landlords	This will take 1-2 years to set up and operate successfully. To attract landlords to this service there must be a local track record of delivery for a period of time to negotiate landlords away from existing estate agency services and established businesses in this market This could be achieved by either setting up a new agency or working alongside an existing agency already operating in across the area.	<u>Concerns</u> May take some time to secure accommodation and sign up landlords. Working with an existing agent will help but it will be difficult to generate fees to sustain the project because the existing agent will make their charge. Covering voids in shared housing <u>Opportunities</u> Families will take some comfort from the fact that there is a recognisable organisation acting as an intermediary between the tenant and the landlord. Creates direct access to the market. Sustainable fees Access to landlords directly

It is our experience that no one solution or route will be able to deliver the aims of the project and meet the needs of people with learning disabilities.

### What kind of properties can people afford?

People with learning disabilities have income from potentially 4 sources to assist them with their housing costs AND the support they might need to access and be supported in their home.

1. The Local Housing Allowance (replaced housing benefit in April this year).
2. Income from benefits i.e. income support, DLA etc. or income from employment
3. Their own individual budget or direct payment.
4. Other community care budgets including supporting people.

Since April this year the government replaced housing benefit in the private rented sector with the Local Housing Allowance (LHA hereafter).

People who are in receipt of middle or higher rate DLA also presently qualify for LHA at the self-contained rate irrespective of whether they live in shared accommodation or self-contained.

The table below details the local housing allowances for the main population centres in the partnership area @ September 08

	Authority	Shared room LHA	Self-contained LHA
1	Richmond	Inner south west London £131.00 Outer south west London £98.08	Inner south west London £255.00 Outer south west London £196.15
2	Kingston	Outer South West London £98.08 Outer South London £82.54	Outer South West London £196.15 Outer South London £155.77
3	Merton	Inner South West London £131.00 Outer South West London £98.08 Outer South London £82.54	Inner South West London £255.00 Outer South West London £196.15 Outer South London £155.77
4	Wandsworth	Inner south west London £131.00 Outer south west London £98.08	Inner south west London £255.00 Outer south west London £196.15
5	Sutton	Outer South West London £98.08 Outer South London £82.54	Outer South West London £196.15 Outer South London £155.77
6	Croydon	Inner South East London £88.00 Outer South London £82.54	Inner South East London £178.85 Outer South London £155.77
7	Lambeth	Inner South East London £88.00 Inner South West London £131.00	Inner South East London £178.85 Inner South West London £255.00

### What happens if we take a real example?

An appraisal of the buying power of the LHA in the postcode KT2 in attached as Appendix 2. This demonstrates that:

- For people who wish to live on their 'own' in a self-contained flat the local housing allowance is £196.15/week and flats are readily available at £180/week.
- For 3 people sharing who do not qualify for LHA at the enhanced rate their allowance is £98.08/week each giving a buying power of £294.24/week in total. A smaller number of properties with 3 decent sized bedrooms are available from £275/week.
- For 3 people sharing who do qualify for LHA at the enhanced rate their allowance is £196.15/week each giving a buying power of £588.45/week in total. A large number of good quality 4 bedroom properties are available from £400/week.

There will be different incentives in each area; but the KT2 postcode demonstrates a pattern which we have seen repeated elsewhere.



## **Who are the potential winners and losers from the new benefit system?**

There will be different incentives in each area; but the KT2 postcode demonstrates a pattern which we have seen repeated elsewhere.

### Potential winners

- People who have middle or higher rate DLA and wish to share have adequate buying power to access accommodation provided they do not need ground floor accommodation.
- People who choose to live alone and do not need someone to sleepover at their home have adequate buying power to access accommodation but may have to compromise on size and location in some areas.

### Losers

- People who only receive lower rate DLA care have adequate buying power in most areas but may have to compromise location, facilities and quality. They will not be able to afford to have a sleepover room if needed for their support. The cost of sleepover accommodation will need to be met from their individual or other social care budgets.
- People who need to or choose to live alone but who need an additional bedroom for support workers to sleep-over do not have adequate buying power to access accommodation they need. The cost of sleepover accommodation will need to be met from their individual or other social care budgets.

Tenants are able to keep a maximum of £15/week each if their LHA exceeds their rent.

The DWP intend to consult widely on the new local housing allowance and how it works for people with disabilities in the next 2 years as it phases out the current housing benefit system for supported housing.

Whilst there are likely to be local variations within the project the LHA system is a huge improvement for some people on the current reference rent system.

The project has to offer choice to people. It is the tenants themselves who pay (or not) for the service after the 2 year period. The service will have to respond to its customers.

## **What is the impact of this social enterprise in SW London?**

At the end of the 2 year project the social enterprise will have achieved the following

For individuals

- Support over 200 people to access good quality accommodation (ultimately 500)

For the SW London Home Finder partners

- Real choices and opportunity in housing for people with learning disabilities in their area of responsibility.

As a social enterprise

- From year 3 onwards a self financing business which will grow to an optimum unit trading capacity size of 500 tenants. It will be capable of replication and development to a market potential of thousands of people with learning disabilities.

At a strategic policy level

- Break the taboo of the private rented sector as a choice in housing for people with learning disabilities by delivering sustainable good quality housing when it is needed, where it is needed, at a price people can afford.

## **How many people will be housed?**

73 or more people in the first 12 months

At least a further 159 people in the following 12 months. A total of 234 in the 2 year period

## **Funding and charges during the first 2 years.**

There are three funding requirements

1. Operational costs funded by Trailblazer grant for years 1 and 2 of £220,000 in total
2. Funding for contingent liabilities for deposit guarantees, rent in advance, etc

3. Tenants pay for the specialist housing support service; our charge for this service is £10/person/week

### **Funding and charges from year 3 onward = sustainability of the social enterprise.**

The business is sustainable once it grows to a level of 300 tenants based on the charges to tenants and landlords.

Charges to tenants as follows

1. Move-in fee payable by tenants, this will be paid from
  - the tenants individual budget
  - community care funds
  - by housing options services for successfully housing a referral
2. Tenants pay for the specialist housing support service; our charge for this service is £10/person/week
3. On occasion there may be an element of profit on rents received from tenants on local housing allowance and charges paid to landlords. If profits are to be made the partners will agree the best use of this fund.

GLH intends to charge landlords as follows

- Where GLH acts as a managing agent for landlords GLH will provide a residential housing management service to the private sector landlord for which GLH will charge private sector landlords a market level management fee (approximately 10% of gross rents).
- Where GLH takes a lease from a private sector landlord GLH will try to negotiate down to 80% of the market rent in order to cover its management and any small maintenance liability it accepts in these arrangements.

We have profiled a growth and a charging regime which are achievable. There is some flexibility in the model if the partnership wishes to increase charges to tenants or increase the speed of growth.

Landlords charges are set at market rates and increased charges are unlikely. An excel spreadsheet is sent electronically with this submission to enable partners to flex the model with different growth and charging targets.

The out-turn income and expenditure over the five year period is detailed in Appendix 3

The social enterprise will also probably need the following guarantees and commitments from the partnership in order for the social enterprise to create access to the private rented sector.

- An agreed method of funding of deposits, rent in advance or similar guarantees. If all the estimated 65 tenants accessing the private sector directly via route2 all need 1 months deposit and a months rent in advance @ £100/week –this will require a total fund or guarantees amounting to £57,000.
- Void cover for shared accommodation
- Void cover for properties where the social enterprise take a formal lease which guarantees rent to a private landlord

Other project charges and income

- The project could set out to maximise the surplus on sub-letting accommodation. The project could set aside these funds to cover the cost of funding future deposit or void losses enabling the partners to reduce or terminate their guarantees and commitments in these respects once a certain figure- to be agreed, is reached.

### **How will the service be resourced?**

Structure

GLH wishes to create a national social enterprise operating as [www.great\\_tenants.org.uk](http://www.great_tenants.org.uk).

We have some interest in this from a small number of authorities whom we hope to be able to persuade to support a pilot. This application is the most advanced stage of any negotiation. We are also in discussion with a large estate agency chain on the north-west and midlands. For the time being however we envisage the social enterprise will sit within GLH directly. Its future structure may be as a trading subsidiary of GLH.

## Project Governance

Details are provided in Appendix 4. The project governance will be the responsibility of a governance board made up of the partners and led by the lead authority. The operational project team will have lead operational representatives from each the partnerships and will be led by GLH. Operational detail and protocol will be the responsibility of the operational team to agree and set out in the prospectus referred to in the action plan. The governance board will approve/amend such arrangements.

## People

The project will be run by our south-east regional office in Norbury, LB Croydon. Overall operational responsibility will rest with our Senior Housing Consultant, Alison Hand also based at the Norbury office.

GLH will create the social enterprise by adding capacity as required to our existing staff structure to support the growth of the project. In this way it will be integral to all of GLH's operations. The total staff and overhead investment by GLH will be XXXXXXXX over the 5 year period to sustainability.

We anticipate the following lead roles in GLH which will deliver the project.

Business Development Manager	-Setting up contract, systems and initial project management.
Housing Consultant	-Operational responsibility to deliver the service with others
Housing Support Officer	-Housing management and delivering supported landlord services
Surveyor	-Fitness inspections, damage recharges and dilapidations
Support Services Officer	-help-line and other central services
IT lead officer	-Systems operational support and website

## How will the trailblazer grant be spent?

The grant will be spent in accordance with the business plan sent with this email. We have prepared a business model and not simply a list of grant 'expenses'. The model is sent electronically with this draft prospectus. At the same time as expenses are being incurred the social enterprise is also earning income from activities. This accounts for the difference between the costs incurred and the expenses. The costs incurred by the social enterprise will be £123,000 for year one and £192,000 for year 2; giving a total cost of £315,000.

The grant required is £220,000 with the balance being earned by the social enterprise from charge to landlords, tenants and social care commissioners.

A breakdown extract from the business plan is given below.

	Q1-Apr 09				Q1-Apr 10			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Salary costs (£,000)	10	14	16	18	23	26	29	33
NI + Pension costs (£,000)	1	2	2	3	3	4	4	5
Recruitment costs	6			5	3	3	2	3
Travel and Subsistence (£,000)	2	3	4	4	5	6	7	8
Other Expenses (£,000)	1	1	1	1	2	2	2	3
Generic Training	1	0	0		1	1	1	1
<b>Quarterly staff costs</b>	<b>21</b>	<b>22</b>	<b>24</b>	<b>28</b>	<b>37</b>	<b>42</b>	<b>45</b>	<b>53</b>
Legal	0	11	0	0	0	0	1	0
Banking	0	1	0	0	0	0	1	0
Regulatory	0	1	0	0	0	0	1	0
Consultants	0	0	0	0	0	0	0	0
Systems / IT	0	1	0	5	0	0	3	0
Publications	0	2	2	0	0	1	0	0
Website	0	0	0	0	0	0	0	5
Project specific training	2	3	0	0	1	2	0	0
<b>Quarterly non-staff set up</b>	<b>2</b>	<b>19</b>	<b>2</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>6</b>	<b>5</b>
<b>An. Non staff costs</b>				<b>28</b>				<b>15</b>
<b>An staff costs</b>				<b>95</b>				<b>177</b>
<b>An total project costs</b>				<b>123</b>				<b>192</b>

## **How do we know it will work - examples**

GLH has experience creating access into private and social housing sectors. Listed below are a few examples.

### 1. Access to public sector initiatives.

GLH have supported a tenant to move on from shared living with 24 hour support to move into their own flat via choice based lettings. We are also supporting the remaining tenant at the former shared house to seeking more independent accommodation.

### 2. Direct access to the private rented sector

GLH recently supported 3 tenants whose small registered care home was closing to lease directly from a private sector landlord as joint tenants in Salisbury, Wiltshire. This involved a series of negotiations starting from GLH taking a lease but finishing with the landlord's managing agent being happy to recommend a direct tenancy.

### 3. Lease

We have a range of agreements nationwide with landlords to lease properties from them and sub-let to tenants with learning disabilities. In each case there is an agreement between GLH and the commissioning authority to cover any void losses, sleepover rooms etc. There are short term arrangements of up to a year to 25 year arrangements with regular break clauses where required.

### 4. Managing Agency

One of the main aims of the project is to establish route 4- providing a specialist property managing agency services to private sector landlords. The position of the managing agents in negotiating between landlords and tenants is one that will increase access to the marketplace. It is key to the long term viability of the business. It may well be that this can be carried out in partnership with an existing agency; but it is a clear goal for the social enterprise to break into this market.

## **Legal and regulatory issues**

### **Safety and security of tenants**

The issue of access of private landlords to vulnerable people needs to be addressed in the operating procedures of the scheme. Prime facie vulnerable people are no more at risk from their landlord than any other member of the community however a risk review and agreed operational process needs to be carried out.

### **Housing in Multiple Occupation regulations (HMO hereafter)**

The interpretation and implementation of the HMO regulations continues to vary between authorities. Additionally the affect of the Housing Health and Safety rating System is still largely ignored by local authorities. Further operational changes can be envisaged in this area.

### **Managing Agents**

There are mandatory licensing schemes required for housing lettings agencies. GLH will register where necessary when it sets up a bespoke agency service.

### **Deposits**

There are also legal requirements in connection with the handling of other peoples rent and deposits. The Association of Residential Letting Agents and the Royal Institute of Chartered Surveyors have regulatory schemes which provide the template for compliance. GLH will join a regulatory complaint scheme if it anticipates receiving deposits from tenants.

### **Website security and data-protection issues**

GLH and the partners will take professional advice in connection with the website security and data protection and data sharing issues.

### **Energy Performance certificates**

From October this year all new lettings have to be accompanied by an energy performance certificate; there will be a small charge for this from agents and landlords which they will pass on to tenants.

#### Financial and legal advice

Options around ownership and family investment require everyone to receive independent financial and legal advice. The role of the service will be to offer general advice about how such arrangements may be put in place and where necessary liaise with people's own independent legal and financial advisors.

#### Monitoring, feedback and complaints

GLH will report quarterly to the project governance group the target outcomes.

GLH will agree with the partners in the service level agreement the arrangements for feedback and complaints. All the partners and GLH have a complaints process governing their activities. The service level agreement will determine which one is used in the first instance (probably GLH's); with recourse to the second if required (probably the partner authority's).

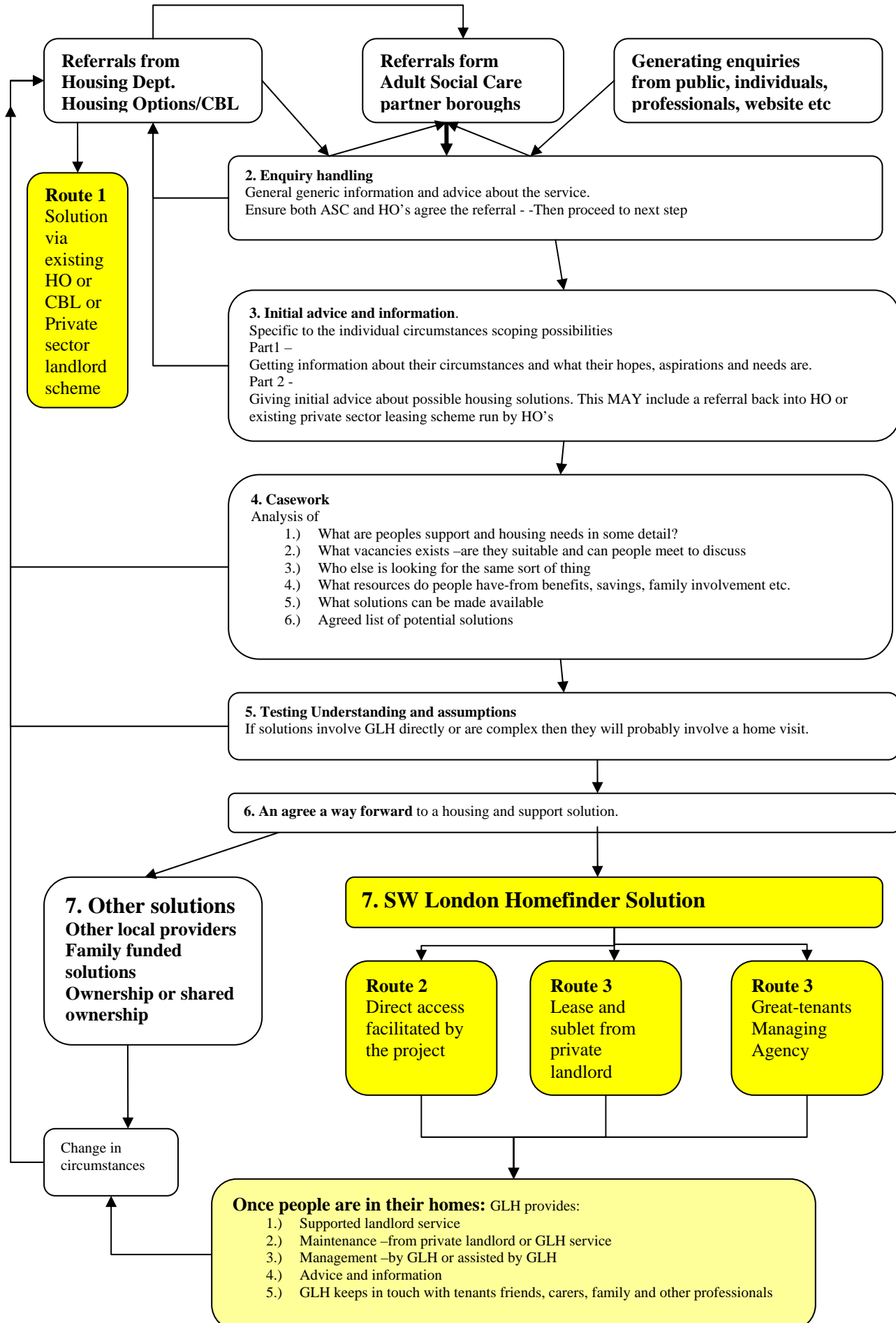
## Issues for resolution

Our action plan overleaf includes a programme of working through a number of issues whose resolution is necessary to the success of the venture. These are detailed below. Whilst GLH would lead this process all parties have been involved in suggested solutions.

Issue	Detail	Solutions
1. Referral routes into the private sector leasing scheme.	Is there open access to the scheme or will referrals only be taken via care management	A referral process is included overleaf. All referral will be routed via adult the local authority social care service and should have an agreed care plan or IB. All referrals will also be referred into local housing options services if this has not already been done.
	At what stage should referrals into the scheme have an agreed care plan or IB?	
	Who will run the house-seekers list and propose the matching of tenants and the filling of voids	We suggest this is the main aim of the project and should be run by the social enterprise.
2. Access to funds for deposits and rent in advance.	In normal circumstances tenants would be asked to find 1½-2 months deposit and 2 months rent in advance; a lot of money to find and most tenants will need assistance unless some of this can be replaced by g'tees to landlords and agents by the way the scheme is run.	Each local authority may operate different schemes. The project must make relationships and agree access to this form of assistance.
		Tenants may be able to access local micro-finance or credit union schemes. GLH has approached Triodos Bank to see if it would be able to provide micro-finance to tenants for deposits or rent in advance.
	In shared housing there are likely to be a number of people move in and out of the scheme; it is usually the last occupants who are left will the bill for repairs/reinstatement and who loose some or all of their deposit.	3 Options
		1. Interim inspections every time someone leaves a shared house. Time consuming and expensive; but the fairest way.
		2. Make a standard charge to the household account if it exists for the house. Potentially the last people there may have a windfall.
3. Responsibility for voids.	There are 4 parties which can take responsibilities for voids.	3. Do nothing – just like real life.
	The landlord	Establish a void cover fund from the profit rents where local housing allowance exceeds rent and maintenance costs paid to landlord. This is only available in route 4 the lease option.
	The tenant	Tenants take the void risk- as in real life where people share and advertise/market amongst friends and contacts for someone to move in. See joint tenancies below.
	The partners/commissioners	The partners guarantee voids up to a certain level. This may be necessary for the first 2 years to establish confidence of landlords and tenants
	The social enterprise	Once operating capacity (380-400 tenants) is reached there is the possibility for the social enterprise to take some void/bad debt loss.

4. Market rents, local housing allowances and sleepover rooms.	<p>Some people will not have enough LHA for the accommodation they need in the area they need to live.</p> <ul style="list-style-type: none"> <li>• Groups who have one or more person who does not have middle or higher rate DLA and get only the basic LHA</li> <li>• Groups as above who need a sleepover facility</li> <li>• Anyone who wishes/needs to live alone and needs a sleepover facility</li> <li>• Anyone with higher support needs who needs a property with extra space and facilities.</li> </ul>	<p>It is clear that the housing benefit system identifies additional facilities such as sleepover rooms etc as a support cost and this will have to be paid for by the social care authority where there is insufficient local housing allowance to cover this. This would be agreed and commissioned as part of an individuals package before any tenants moved in.</p>
5. Assistive technology.	<p>GLH is aware of a number of projects looking at how assistive technology can improve support and widen the range of people who can live safely in the community.</p>	<p>Conduct a review of AT information during the planning stages. In particular we are aware of a successful scheme in Norfolk using AT to access the private rented sector. Norfolk personnel have in the past been prepared to share their learning and experience directly.  <a href="http://www.integratedcarenetwork.gov.uk/_library/Resources/Housing/Support_materials/Reports/A_Measure_of_Success.pdf">http://www.integratedcarenetwork.gov.uk/_library/Resources/Housing/Support_materials/Reports/A_Measure_of_Success.pdf</a> )</p>
6. Adaptations.	<p>Unless the project can access modest funding to carry out alterations, this may restrict access to some people.</p>	<p>Try to establish a key personnel group in each authority – see next steps; to try to access existing resources.</p>
7. Joint tenancies	<p>In routes 1, 2 and 3 it is likely landlords will ask for joint tenancies.</p>	<p>The voids risk will pass to the tenants and they could be supported to budget in the household account to tide them over if people leave after having given notice. For some tenants they may have up to £15/week surplus on their LHA over their rent; so this will be possible in some circumstances</p>
8. Landlord Approval mechanism	<p>Need to agree for all partner areas an approval system for private sector landlords who have access to tenants. Don't want to create disincentives but we do need to be clear what is acceptable if authorities formally refer people into a service such as this.</p>	<p>HO partners may already have criteria which operate for their own PSL schemes.</p> <p>Seek advice from  <a href="http://www.anuk.org.uk">www.anuk.org.uk</a> or  <a href="http://www.londonlandlords.org.uk/accreditation/home">www.londonlandlords.org.uk/accreditation/home</a>  or Three Boroughs Accreditation Scheme  <b>Contact:</b> Lisa Collett, London Borough of Barking and Dagenham,;0208 227 5684  E:<a href="mailto:lisa.collett@lbbd.gov.uk">lisa.collett@lbbd.gov.uk</a></p>

## REFERRALS to SW London Homefinder Project





## Action plan

The plan below is indicative. It highlights the amount of pre-planning work needed to get to launch of a sustainable social enterprise.

GLH anticipates leading this process with the support of the governance group of partners.

The social enterprise business model is driven by the numbers of tenants. Increasing the number of tenants and fees, may enable sustainability to be achieved at a quicker pace. The establishment of route 3, the specialist management agency is key to the long term success but this can only be achieved once the social enterprise has a track record and has matured as a business in order to attract landlords away from their traditional estate agent services.

Resp	Actions	Month START	Month FINISH	Status	Cumulative No. of Tenants
	<b>Propose governance and operational structure of the project</b>				
1	Governance and ownership of the social enterprise by GLH and its role in service delivery to this project	0	0		
	Headline prospectus for how the project works - this would include matters such as referral routes and working arrangement with housing options teams in the boroughs, reporting and targets, access to deposit schemes, creating and management of databases and information sharing protocols, charging of tenants and commissioners. This is used as a basis of engagement of key stakeholder at events and seminars, internal operational meetings	0	1		
2	outline SLA with lead partner	0	1		
3	Draft service level contract based on prospectus includes monitoring and reporting processes back to Governance group	5			
4	Final service level contract signed	7			
5	Agree charging , commissioner agreements voids cover	1	3		
6	Payment commencement	1	1		
7	Research key operational staff in housing and social care in each partner authority	1	2		
8	Research key governance staff in housing and social care in each partner authority	1	2		
9	Identify one principal project operational lead in each partner authority	3	4		
10	Agree governance structure, operation and staff	2	3		
11	Agreement in principle to prospectus from governance and operational structure; with identified queries for resolution	3	4		
12	GLH recruitment	1	3		
13					
	<b>Engage contact personnel in partner authorities as below</b>				
14	Housing - Housing options, homelessness, private sector landlords accreditation, rent deposit schemes administrators etc - agree protocol	1	3		
15	Social Care - Commissioners, social workers, duty desk, supporting people teams, OT, assistive technology - agree protocol	1	3		
16	Voluntary sector groups, existing charities, support providers, advocacy and self-help groups	2	3		
17	Housing benefit and council tax benefit administration - agree protocol	1	2		
18	Deposit and rent in advance issue to be resolved in each partner area	2	3		
19	Corporate - legal compliance including data sharing issues; due diligence risk assessment; insurances	2	4		

and warranties

20	Identify legal, licensing , banking and compliance requirements of GLH the operator or any requirements of the partners	2	4
21	Corporate - IT and systems platform outline - agree e or paper templates - paperwork	2	4
22	Employment opportunities for people with learning disabilities as assessors or local coordinators	1	3
23	Private landlord associations and managing agencies - canvass support and trial terms	2	4
24	Private landlord - risk assessment and agreed due diligence arrangements	2	3
25	Tenant sharing - risk assessment and agreed due diligence arrangements	2	3
26	Business plan for financial modelling and target self-sustainability route	0	3

**Draft formal prospectus** - referral routes and working arrangement with housing options teams in the boroughs, reporting and targets, access to deposit schemes, creating and management of databases and information sharing protocols, charging of tenants and commissioners.

27	Housing	2	4
28	Social Care	2	4
29	Tenants & prospective tenants	2	4
30	Query resolution with operational leads	2	3
31	Complete financial modelling and target self-sustainability route	4	5
32	Recruitment of any additional staff required in GLH	3	5
33	Final prospectus	4	5
34	Partner formal approvals	4	5
35	GLH formal approvals	4	5
36	Legal or licensing applications approved	3	4

#### Soft launch & pilots

37	Set up social enterprise within GLH operating as Great Tenants	5	6
38	Soft launch	2	5
39	Pilot and trials	2	5
41	Review by operational group and report to governance	2	5
42	Agree materials and marketing	4	5
44	Full launch of service including reviews and monitoring as per service contract	5	6

#### Operational phase

0-3 month target	1	3	0
4-6month target	4	6	20
7-9 month target	7	9	43
10-12 month target	10	12	73
13-15 months	13	15	112
16-18 months	16	18	151
19-21months	19	21	190
22-24 months	22	24	243
24-30 months	25	30	318
31-36months	31	36	402
37-42months	37	42	496
43-48months	43	48	590

The action plan will be updated and a simple gant chart will be used to project manage time lines and activities.

This concludes the submission of GLH.

We are happy to discuss the approach and test the business modal against different criteria with the partners.

We have experience in the private rented market and housing people with learning

With Kind Regards

Mark McGoogan and all at GLH