



# NOTTINGHAM CITY COUNCIL MAKING THE MOST OF OUR PRIVATE RENTED SECTOR TO PREVENT HOMELESSNESS

Listening to Private Landlords in Nottingham

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## **Introduction**

The aim of this project is to look at the private sector operating in Nottingham and, by listening to landlords, adapt current services that will prevent and relieve homelessness in the City in terms of:

- Better understanding the private rented sector operating in Nottingham and engaging with private landlords, reduce the number of evictions in the sector and expand the amount of housing options that are available to those who are homeless and/or in housing need within the City; and
- Facilitating the greater use of planned moves to deal with potential homeless situations thereby reducing the numbers of people and householders having to use Part VII Housing Act 1996, namely homelessness, the emergency statutory process that results in an offer of accommodation.

It is hoped that findings from this project can be utilised to:

- improve services and relationships with the private sector
  - through effective homeless prevention,
  - reducing the number of households requiring a formal homeless decision;
  - reducing the anxiety and stress potential and actual homelessness places on applicants; and
  - reducing the use of inappropriate temporary accommodation.

## **Executive Summary**

Although the Council has obtained a lot of knowledge about how many properties there are in the private sector within Nottingham City Centre, there is little known about who lives there, their circumstances, etc ie the demographic of those occupying the sector.

The Council should utilise the database of private rented accommodation identified by the Selective Licensing Team and undertake a local survey of all those properties to set the base line demographic for future strategic and operational objectives with this sector in the future.

Statistical information currently available from the Government does not show what impact selective licensing and changes in legislation has had upon improving the private sector and in particular homelessness reduction from that sector.

It is therefore recommended that analysis of H-CLIC is undertaken by the Council to see what impact, if any, this has had.

Private landlords are very sceptical about notifying the Council when they serve notice due to historical issues with tenants being told to stay until the bitter end and no-one supporting the landlord where it is obvious that they have a “bad” tenant who is choosing not to perform to their tenancy agreement or a tenant who can’t comply with their tenancy conditions and isn’t going to be able to in the future.

In order to engage with landlords further and encourage them to report notices earlier and agree to terms to facilitate homelessness prevention, a Protocol/Agreement between Parties needs to cover as many eventualities as possible to give both landlords and tenants assurances that early intervention will be beneficial to them. There is a current protocol in operation with the Council. Attached at Appendix 3 is an example Protocol/Agreement parts of which the Council may wish to consider including within their current Protocol arrangements.

In terms of the landlords’ grievance that, prior to the introduction of the Homeless Reduction Act 2017, tenants were being told to stay, obviously putting a tenant into temporary accommodation is very costly and, in many circumstances, results in numerous moves which is not appropriate, particularly if children are involved. However, it may be that tenants are not notifying the Council until it is too late and so temporary accommodation has to be provided.

It is therefore recommended that the Council undertake analysis of homeless approaches in the last 12 months to determine at what point tenants are notifying the Council. Also, undertake ongoing research with new applicants, determining at what point they are approaching when under threat of homeless due to loss of private rented accommodation and if they are not approaching at the point when the notice is served, ask them why they aren’t.

In terms of providing a sustainable housing solution to satisfy the Council’s prevention and relief duties, it has to be accepted NPRAS and any subsequent extension to a Social Lettings Scheme is not going to be for every landlord.

It is recommended that the Council should target the extension to NPRAS to those landlords with only one or two properties who manage the properties themselves and having just brought the property as an

investment or inherited it, don't want the bother of having to ensure they are compliant with ever shifting legislation, etc and are happy for someone to either keep them abreast of it and/or let someone take control of their property for up to 5 years of guaranteed income.

Added to that it is recommended that any future Scheme should ensure that information obtained from and about tenants, subject to consent, is shared with the landlord to comply with their insurance requirements.

To achieve this, the Council could create a tenant register which identifies who would and who would not be considered, as a tenant, for the Scheme, just as a landlord would not be if they did not meet certain requirements, like being registered with DASH and applying for their licence. Ensure that landlords who are agreeing to be involved with the Scheme are fully informed as to what the criteria for being accepted in the Scheme for tenants will be.

Where the tenant does not meet the requirements for the Scheme but still requires housing and will obtain support to achieve the areas where there are issues, the Council should ensure that the landlord is informed of this and advised of who will be assisting and all their contact information.

## **Methodology**

Key to this project was the need to listen to private landlords operating within the City to go through their experiences in terms of being a landlord, their experiences, if any, with the Council, both corporately and, more specifically, with Housing Aid as well as consult with them about what measures the Council could improve, amend or introduce that would encourage them to provide effective communication regarding tenants they already have and enable the Council to utilise their properties for tenants in the future.

In order to do this, I introduced the project to a Landlord Forum, attended by over 100 landlords, set up by the Selective Licensing Team with the aim of encouraging landlords to attend a subsequent stakeholder event as well as respond to a questionnaire developed for the project.

I also liaised with and interviewed key personnel of the Council, involved with the private sector, including members of the Safer Housing Team. I also interviewed several private landlords and letting agents both in person and on the telephone as well as representatives from East Midlands Property Owners and National Landlords' Association.

I had access to email correspondence from landlords and letting agents submitted to the Council. The Council also provided key documentation including results from a survey undertaken in the Spring of 2017, involving 61 private landlords as well as results of a survey of some 55 landlords who had served s21 notices on their tenants between 9<sup>th</sup> and 23<sup>rd</sup> July, 2018 undertaken by Housing Aid.

I would like to thank all those who did engage with me to help inform this project.

### **What does the Private Sector look like in Nottingham?**

A lot of work has been done by the Council to determine the size and condition of the private rented sector.

The BRE Study in 2016 identified that there are approximately 43,000 privately rented properties within the Nottingham City Centre region. Nationally, private rented accommodation makes up just under a fifth of accommodation. However, in Nottingham, the private rented sector constitutes approximately one third of the accommodation available. The sector is made up of Houses of Multiple Occupation and approximately 32,000 individually let properties.

Even with an over-representation of private rented properties in Nottingham, demand for this accommodation is very high, not least due to the fact that there are two excellent universities within the City, one of which has a city centre campus. There is also demand from professionals working in the City.

The research undertaken by the Council identified that, as with many areas nationally, there were parts of the private rented sector where properties had Category 1 Housing Health and Safety Rating System standards and so the Council were successful in securing permission from the Ministry of Housing Communities and Local Government on the above and other grounds specified by the Government to enable this ambitious project to selectively licence private rented accommodation within the City of Nottingham to ensure that residents of such accommodation were occupying accommodation free from hazard.

The project commenced last year and is to last for 5 years.

### **Homelessness from the Private Sector**

Nationally, and reflected in Nottingham, one of the main reasons for homelessness is loss of private rented accommodation.

The English Private Housing Survey 2017/18 shows that the demographic of private rented properties is altering and that movement within the sector ie the turnover of tenants, is increasing.

There is a lot known about the demographic nationally but given that the private rented sector is over-represented within Nottingham, such demographics may not be relevant to the City.

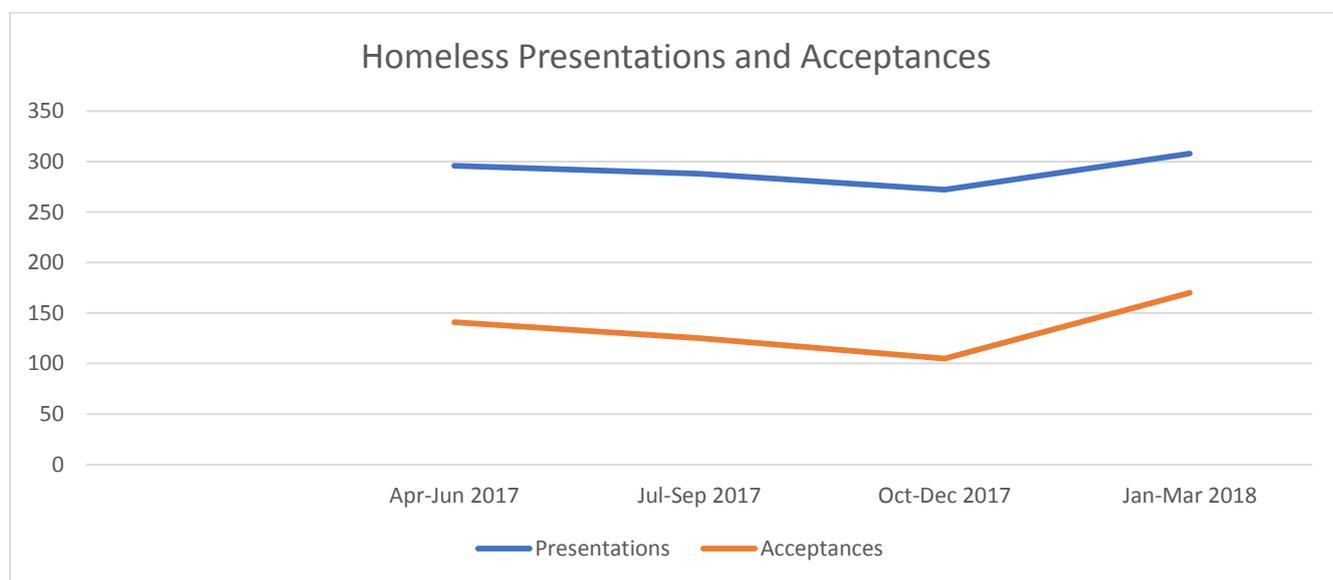
*Recommendation: The Council utilise the database of private rented accommodation identified by the Selective Licensing Team and undertake a local survey of all those properties to set the base line demographic for future strategic and operational objectives with this sector in the future.*

*A specimen questionnaire is set out at Appendix 1 on Page 22*

### Homelessness and the Private Sector

Prior to the introduction of the Homeless Reduction Act 2017 on 3<sup>rd</sup> April, 2018, Chart 1 below identifies the number of presentations the Council were receiving on a quarterly basis together with how many of those were been accepted as requiring the Council to provide accommodation

Chart 1



Source: P1E Government Return

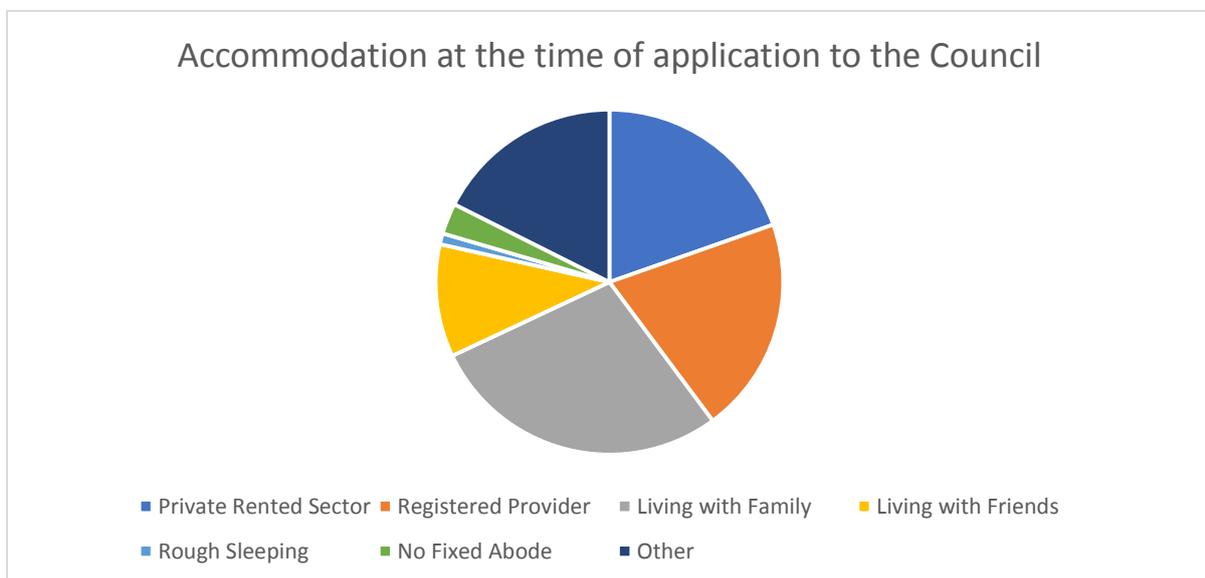
As can be seen, acceptances were generally around half of the number of people presenting

Since the introduction of the Homeless Reduction Act 2017 a new way of recording statistical data for the Government has been developed which makes comparison against previous years more difficult. Also, so far they

have only released statistical returns relating to the period April, 2018 to June 2018 ie the second quarter but within that quarter alone, the Council received a total of 627 presentations, a 100% increase on the previous quarter. Of these 126 went to a full duty decision and of those 90 were accepted by the Council as having a full duty owed to them under Part VII of the Housing Act 1996. This total is significantly less than the previous number of acceptances.

Of those presenting between 1<sup>st</sup> April, 2018 and 30<sup>th</sup> June, 2018, a quarter, or 155, were living in private rented accommodation, as can be seen from Chart 2 below

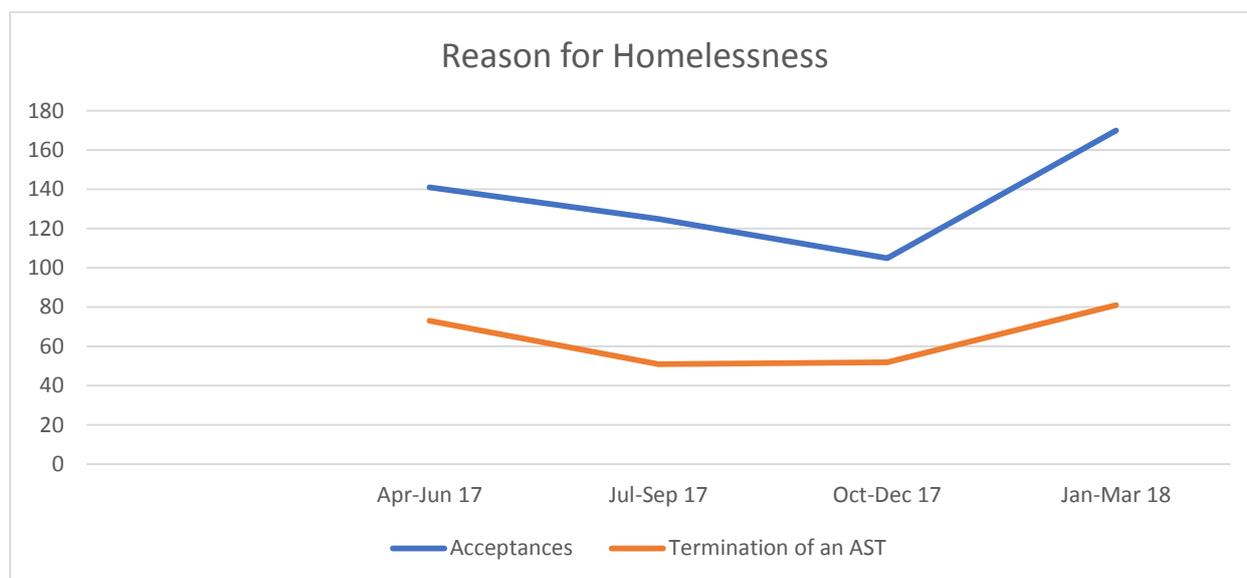
Chart 2



Source: H-CLIC – Government Return

As stated above, the difference between statistical return collection on the two systems makes analysis very difficult but looking at the previous year, although it was not possible to identify who had come from the private sector, it is possible to see that of those that were accepted as homeless, how many were as a result of a termination of an Assured Shorthold Tenancy in the private sector. Chart 3 below sets this out, and it be seen that, as stated previously, and as recognised nationally, nearly half of those accepted as homeless were coming from the private sector.

Chart 3



□

Source: P1E Government Return

Although it looks on the face of it that physical numbers approaching the Council for homeless assistance from the private sector have in actuality gone up, from 81 in Quarter 1 of 2018 (1<sup>st</sup> January 2018 – 31<sup>st</sup> March 2018) to 155 in Quarter 2 of 2018 (1<sup>st</sup> April, 2018 – 30 June 2018), the fact that only a quarter of those presenting to the Council between April and June 2018 would mean that given the private sector represents a third of all accommodation in the City, there has, in fact, been an under-representation of presentations from this sector.

Given that I only have one quarter to conduct analysis against and since there have been significant changes within the private rented sector, with the introduction of Selective Licensing and changes in the legislation through the Deregulation Act 2016 around the ability to serve valid s21 notices, I do not think that this analysis can be heavily relied on but it does provide a base line position.

*Recommendation: Analysis of H-CLIC is undertaken by the Council to see whether the introduction of Selective Licensing and changes to the Legislation, including the Deregulation Act 2016 have had an impact on the number of applicants approaching for assistance due to loss of private rented accommodation*

Although not available from the new Government statistical return, the last P1E statistics showed that for 2017/18, in almost all cases the landlord had used a Section 21 notice to end the tenancy.

### **Why do private landlords use Section 21?**

Looking at the national picture, through the English Private Housing Survey, the number of possession actions taken by private landlords in 2018 had gone up by some 9% from the previous year.

Generally, landlords tend to use s21 notices as their preferred way of ending the tenancy as it guarantees possession and it also avoids confrontation with the tenant.

As part of the project, I spoke with several landlords and agents as well as undertook a questionnaire to which there were some 48 respondents. The full analysis of the findings from that questionnaire are set out in Appendix 2 at page 24 of this report.

From the questionnaire responses, many of the landlords had originally brought their properties as an investment or to be their pension fund, some 65% of those surveyed, whereas only 6 (1%) had brought property and managed it as a business and their main source of income.

When asked whether there was anything that the Council could do to encourage them not to pursue possession, although almost half (23) said there was nothing the Council could do, the others gave some interesting solutions. The specifics are set out in Appendix 2 (Page 24), but the impression given by the landlords and agents was that, historically, the Council, upon dealing with a customer who had been served with a s21 notice would advise them to stay in the property until the landlord obtained a Possession Order and executed the warrant, regardless of why the landlord had served the s21 notice in the first place. There was no communication with the landlord in this respect.

This aggrieved many of the landlords as they indicated within the questionnaire that as an investment or business property, the landlord's interest is more around having good long-term tenants which they try to achieve through stringent reference checks.

Some of the landlords indicated that they would avoid those on benefits not because of the person but because of the unpredictability of benefit payments, even more so as payments are no longer made direct to the

landlord, as well as issues with their mortgage provider in some circumstances.

However, such rigorous referencing does not always preclude getting a “bad” tenant who does not pay their rent and/or look after the property. It also does not preclude a situation where the tenant’s circumstances change making the property unaffordable and/or unviable for them in the future.

When this occurs, although the landlord could serve notice using grounds, they are concerned that this might not secure possession so utilise s21 regardless of the reasons just for peace of mind.

Added to this, given that it can take anywhere between 17.1 weeks to 28.7 weeks, from Ministry of Justice statistics to secure possession, they want to ensure that it is going to be guaranteed, if they have to go to Court.

Given the historic approach of the Council, referred to above, there is no incentive for landlords to give early notification. Added to this, notices have been challenged by the Council and even where it is clear that the tenant is causing this situation due to their behaviour eg not paying the rent when the money is available to them or causing nuisance or damage to the property or that the tenant genuinely can’t sustain the tenancy anymore due to a change in their circumstances, no assistance has been afforded to the landlord to help them deal with the situation.

Landlords that I spoke to and who responded to the questionnaire, indicated that deciding to serve notice to end a tenancy was not a decision they took lightly and would generally only be done where no other option appeared to be available. They indicated that they would like recognition that sometimes there are “bad” tenants who choose not to pay their rent or look after the property, won’t engage with their landlord or give access for repairs and other statutory obligations such as Gas Safe check, etc.

Those that did make suggestions wanted the Council to not automatically take sides with the tenant but listen to the circumstances and come up with action plans, provide education to tenants, where necessary, and landlords, where required, around the obligations and responsibilities of each party.

Where the tenant is refusing to comply with agreed terms, then they would like the Council to assist them with a swift removal of the tenant from their property so they can get it repaired and ready to let to another tenant rather than force the landlord to get a Court Order.

It should also be noted that if the landlord does have to pursue for a Court Order then given it could take anything from 17 to 28 weeks to get it, during which time they may not be receiving rent, then this could jeopardise their ownership of the property given that they merely have to be 12 weeks in arrears of their mortgage before the mortgage lender can pursue for repossession.

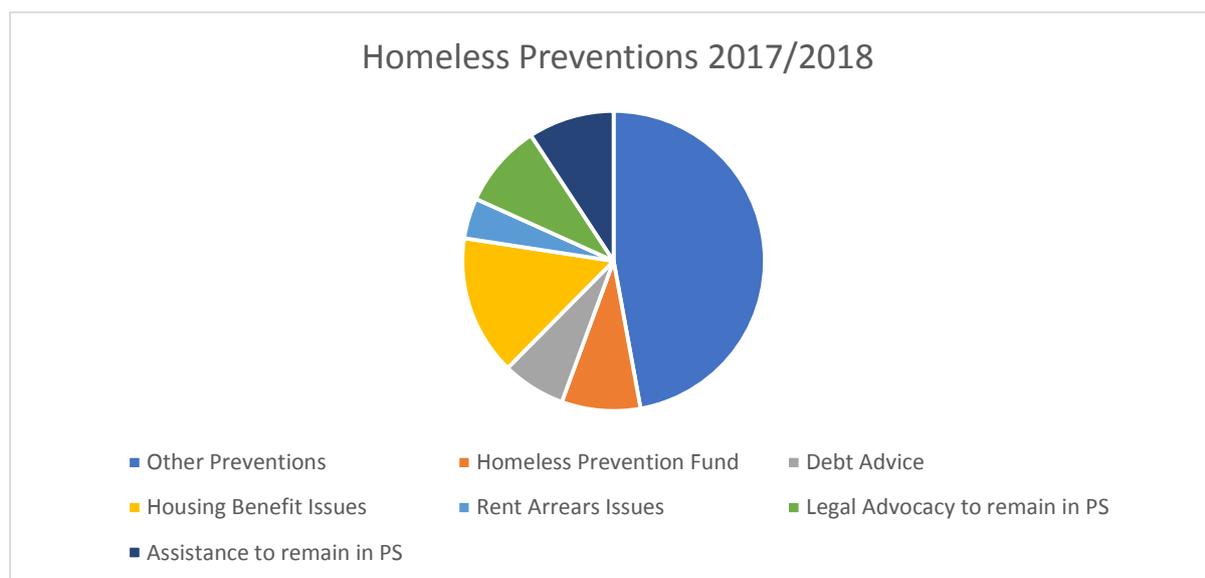
The results from the questionnaire that I undertook added to those taken by NPRAS in July 2018 where they surveyed 55 landlords who had served valid notices on their tenants.

Of those surveyed some 41% (23), the largest sample, had served notice due to the tenant's conduct. Interestingly, 6 of those landlords had used a Section 8 notice rather than a s21 notice, utilising the mandatory Ground 8 due to the breach of tenancy being rent arrears.

It was also noted in that survey that some of the other reasons for serving notice were for financial reasons (36%) and because they needed the property back to live in themselves (12%).

Looking at the Homelessness Statistics for 2017/18, under the old recording system, it is clear that in terms of preventing homelessness, the Council has been very effective in their use of tools available to them such as debt advice, resolving rent arrears and housing benefit issues, etc as set out in Chart 4 below.

Chart 4



Source: P1E Government Return

Therefore, it is essential to get private landlords and their tenants to engage with Housing Aid at the earliest opportunity, rather than at point of crisis, to enable the greatest possibility for homelessness prevention.

This has been recognised by Housing Aid who have introduced a Prevention from Eviction Protocol “Sort it before you Serve it” to encourage both landlords and tenants to notify Housing Aid at an early stage if there are any issues with the tenancy including rent increases, anti-social behaviour, landlord and tenant disputes, etc whereby they will assist to try and resolve these issues to enable the tenancy to continue.

*Recommendation: In order to engage with landlords further and encourage them to report notices earlier and agree to terms to facilitate homelessness prevention, a Protocol/Agreement between Parties needs to cover as many eventualities as possible to give both landlords and tenants assurances that early intervention will be beneficial to them. Attached at Appendix 3, on Page 34, is an example Protocol/Agreement parts of which the Council may wish to consider including within their current Protocol arrangements.*

The above approach and recommendation will only work where there is early intervention. Unfortunately, it is not possible to see at what point tenants are currently approaching the service.

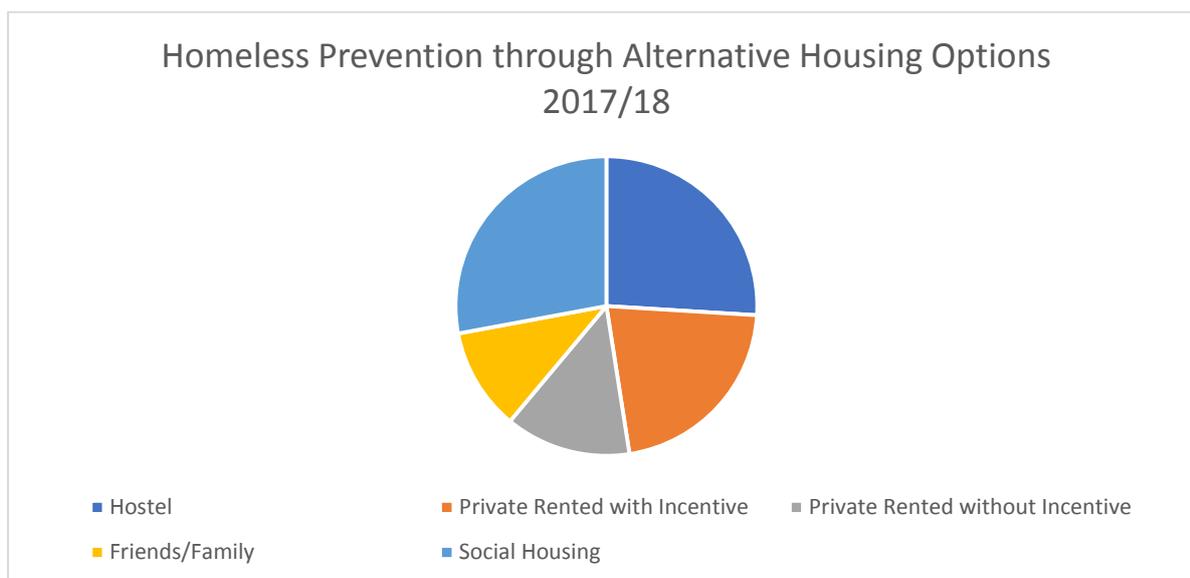
*Recommendation: Undertake analysis of homeless approaches in the last 12 months to determine at what point tenants are notifying the Council. Also, undertake ongoing research with new applicants, determining at what point they are approaching when under threat of homeless due to loss of private rented accommodation and if they are not approaching at the point when the notice is served, ask them why they aren't.*

### **Using the Private Sector to discharge the Council's Prevention and Relief duties and alleviate the use of Temporary Accommodation**

Having access to only one quarter since the introduction of the Homeless Reduction Act 2017, it is difficult to see how effective the Council currently is in securing private rented accommodation as a mechanism to end the Prevention or Relief Duty within the need for a formal homeless decision.

From prevention statistics for 2017/18, as seen in Chart 5 below, obtaining tenancies within the private sector both with and without landlord incentive was very effective.

Chart 5



Source: P1E Government Return

Although there is an over representation of private rented accommodation within Nottingham there is healthy demand for this accommodation. This means that the rent levels that are achieved can be significantly higher than those charged in the social rented sector and the Local Housing Allowance rate applicable to those who require benefit to assist with their rent.

As a result, this makes accessing the private rented sector for those on benefits, those setting up home for the first time and those on low incomes very difficult, not least in trying to achieve the rent levels but also, potentially, with regard to monies required to get a tenancy in the first place including deposits, rent in advance and agent fees, where applicable.

Whilst undertaking this project, the Tenant Fees Act 2019 had been given royal assent and came into force in full on 1<sup>st</sup> June, 2019 and it may be that in the future, upfront fees and deposits will be reduced and make accessing the sector easier for those on benefits and/or lower incomes.

The Council has a private sector incentive scheme, known as NPRAS which provides support to both landlords and tenants in obtaining accommodation in the City for homeless households.

In terms of services and support to private landlords, they ensure that all prospective tenants are assessed for suitability for tenancy prior to accepting them onto the Scheme. This is done by establishing a five-year

address history, a risk and support needs assessment, benefit entitlement and affordability assessment as well as referral to community support services if necessary.

They also assist with a written guarantee and rent in advance. They can also assist tenants with housing benefit applications and get benefit paid direct to the landlord and can also, in cases where someone is in receipt of Universal Credit, “make arrangements for the rental element to be paid to the landlord at the beginning of the tenancy.”

These services are provided free of charge to both the tenant and landlord.

All landlords who wish to be involved with the Scheme must be licensed and have a current Gas Safe Certificate as well as an EPC rating of more than 38.

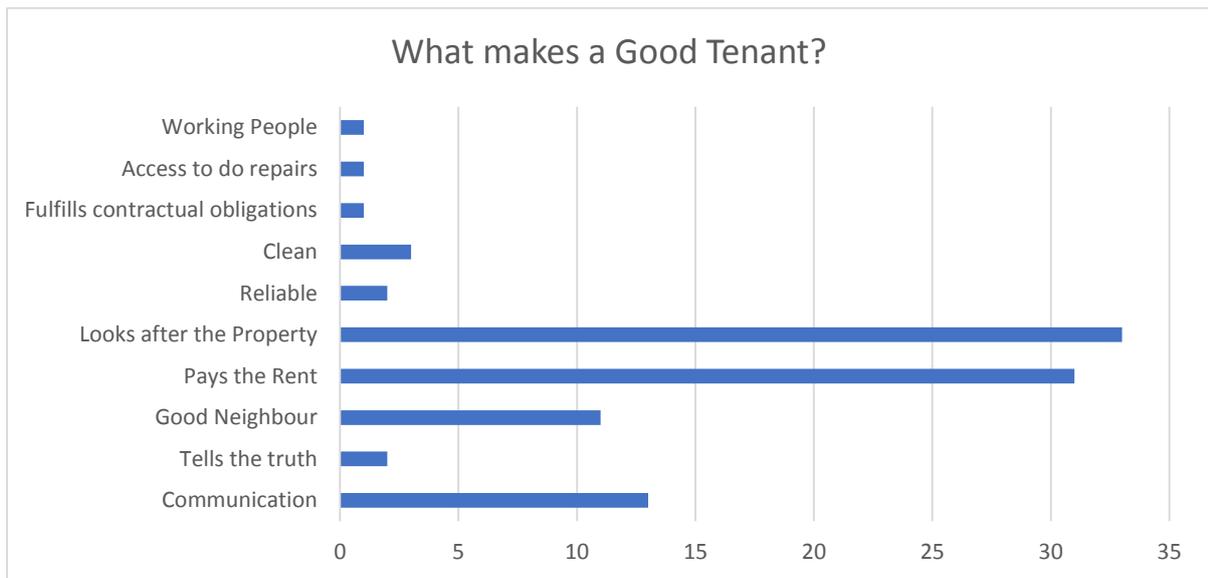
The Scheme is popular as evidenced in Chart 5 above. I understand from discussions with Council Officers that following the recent Nottingham Together Newsletter a further six landlords came forward to be considered for the Scheme.

From discussions with the landlords that were involved in this project, they generally felt that this Scheme was useful for both new landlords and also those who only had one or two properties to let and who didn't want to use letting agents.

Just under a third (32.6%) of those who responded to the questionnaire undertaken as part of this project only have one or two properties.

As part of the questionnaire, when asked what made a good tenant, the majority wanted, unsurprisingly, someone who would pay their rent and look after the property. Chart 6 below sets out the full responses to the questionnaire.

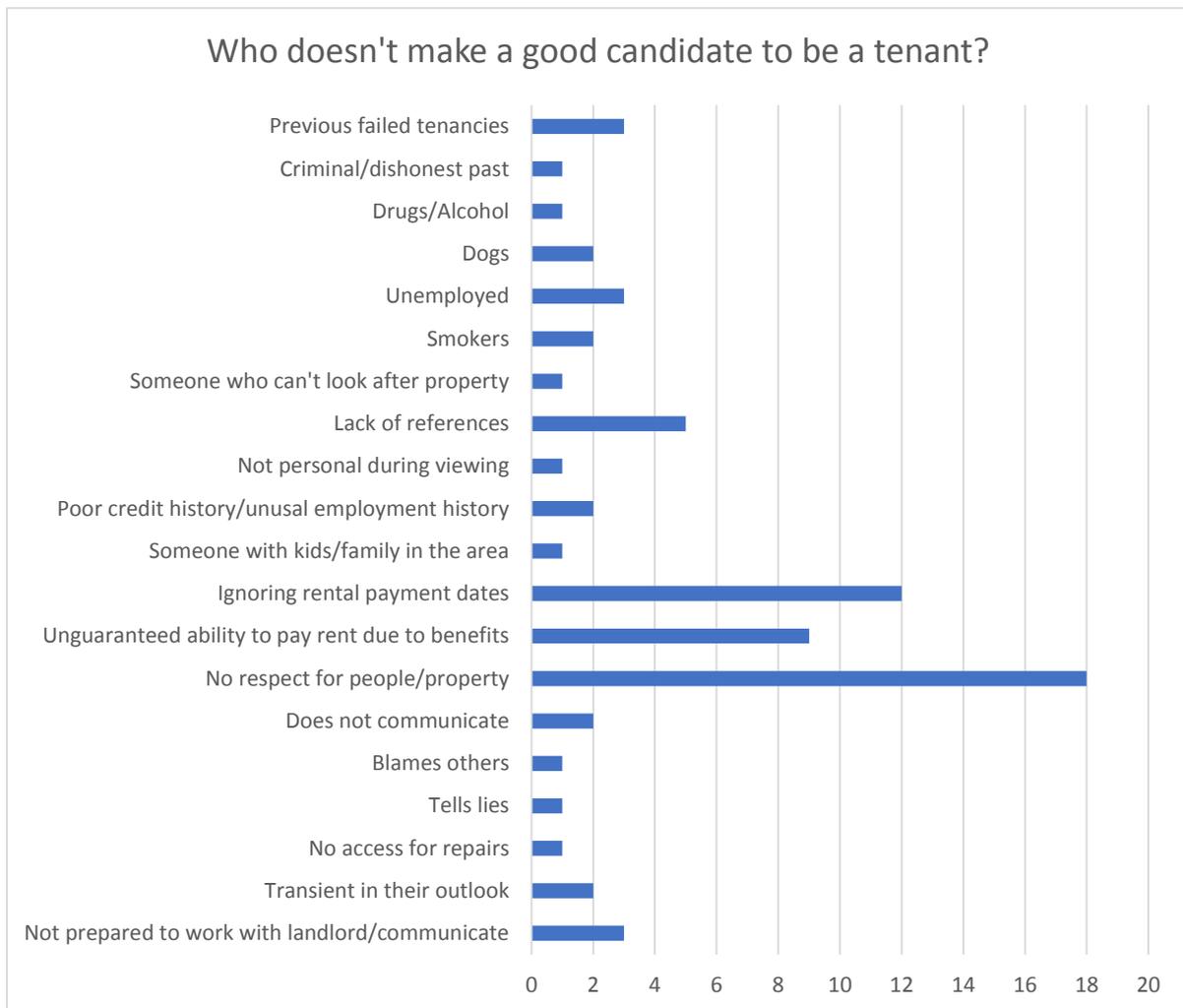
## Chart 6



Source: Response to Landlord Questionnaire

On the flipside, I asked who would not make a good candidate as a tenant. The response from the landlords was more varied but the main issue was someone who had no respect for people or property and someone who ignored rental payment dates. The full list from the questionnaire is set out in Chart 7 below

Chart 7



Source: Landlord Questionnaire

When asked whether there was anything that the Council could do to assist them in securing their tenant aspirations, 18 (37.5%) of the landlords who responded to the questionnaire said no. Of those, 4 said this was because they use letting/managing agents who do this for them.

Of the remaining, you will see in Chart 8 below, that the main focus was the Council listening and supporting them when dealing with a bad tenant.

## Chart 8



Source: Landlord Questionnaire

Landlords, as part of the questionnaire, were asked whether they would be interested in any managing agency that the Council set up and 80% said no. However, 20% of a private rented sector of approximately 32,000 is still a very large pool of potential landlords and properties.

*Recommendation: Target the extension to NPRAS to those landlords with only one or two properties who manage the properties themselves and having just brought the property as an investment or inherited it, don't want the bother of having to ensure they are compliant with ever shifting legislation, etc and are happy for someone to either keep them abreast of it and/or let someone take control of their property for up to 5 years of guaranteed income.*

Some of the issues raised by landlords when asked why this Scheme would not work for them were around the level of rent that you wish to pay, namely Local Housing Allowance. For several of the landlords who responded, this would not work for them as it would not enable them to effectively meet their mortgage repayments, given the additional, albeit one off selective licensing payments and the impact of the removal of tax relief next year.

Added to that if a landlord purchases on a buy to let mortgage, the mortgage company will require the landlord to have landlord insurance. Part of that will include rent guarantee insurance. In order to get this, most rent guarantee insurance policies insist the tenants have either appropriate references or a guarantor. Appropriate references include

written references from a previous managing agent or landlord, an employer and a credit check. It's important that the landlords make sure they comply with any and all reference demands otherwise the insurer could refuse to pay out and the policy would be a waste of money. The insurer might also insist on a particular type of tenancy agreement, as well as protection of the tenant's deposit under one of the government's approved tenancy deposit schemes.

In terms of the deposit, it may be that a Guarantee or Bond would be acceptable. However, in terms of the documentation provided, although a five-year address history is obtained, there is no indication that previous landlord references are obtained. The information on the webpage for the Scheme states that a character reference may be obtained.

For the purposes of the insurance, landlord and employer, where applicable, references will be required. Added to this, from looking at different policies and their requirements, there is always reference to employers which would indicate that where there is no employer, ie if the person is unemployed and on benefits, the rent guarantee element of the policy may be invalidated.

On 1 March 2019, the MHCLG outlined plans to review letting adverts which potentially discriminate against would-be tenants on Housing Benefit. Of 4.5 million households living in private rental accommodation, 889,000 receive housing benefit to help pay their rent. According to the MHCLG, the latest figures show around half of landlords said they would not be willing to let to tenants on housing benefit. Ministers will be meeting leading industry representatives, including mortgage providers, landlord associations, tenant groups, and property websites, to clamp down on blanket exclusions in adverts, with a view to stopping them completely.

Obviously, this will assist in the future, but in the meantime, landlords are finding that they are caught in the middle, in many circumstances, as they need insurance to get the mortgage and the insurer may not pay out if the person is not employed. Several of the landlords and agents I liaised with felt that was fair enough, especially with the introduction of Universal Credit and the perceived inability to get rent paid direct to the landlord which was historically available under the Housing Benefit regime.

### *Recommendations:*

*Ensure that information obtained from and about tenants, subject to consent is shared with the landlord to comply with their insurance requirements.*

*To achieve this, create a tenant register which identifies who would and who would not be considered, as a tenant, for the Scheme, just as a landlord would not be if they did not meet certain requirements, like being registered with DASH and applying for their licence. Ensure that landlords who are agreeing to be involved with the Scheme are fully informed as to what the criteria for being accepted in the Scheme for tenants will be.*

*Where the tenant does not meet the requirements for the Scheme but still requires housing and will obtain support to achieve the areas where there are issues, ensure that the landlord is informed of this and advised of who will be assisting and all their contact information.*

### **What other Social Lettings Schemes are currently operating to help inform how Nottingham's NPRAS Scheme should be expanded.**

Subsequent to this project, the Government invited bids for funding to assist with accessing the private sector, which Nottingham has applied for.

The aim of this, regardless of whether the bid is successful, is to expand the NPRAS Scheme to include a Social Lettings Agency. Part of this project was to look into where there were agencies currently in operation elsewhere in the country and what services they provide.

Added to this support was required to look at what infrastructure would be required, etc to enable any Social Letting Agency developed to be sustainable. In that regard, I make reference to the Crisis guide to "Social Lettings Agencies: How to Plan, Develop, Launch and Sustain an income generating SLA"

([https://www.crisis.org.uk/media/236932/social\\_lettings\\_agencies\\_2015.pdf](https://www.crisis.org.uk/media/236932/social_lettings_agencies_2015.pdf))

My research has identified several social letting agencies operating around the country and below are details of the Schemes and how they operate:

## **Salix Living – Salford Manchester**

This is the private sector leasing and sales arm of Salix Homes, a Salford based social housing provider.

They provide a complete private letting property management service across Salford, Trafford and Manchester.

They offer three levels of service:

Lettings only – This is basically a tenant finding service for which they charge landlords £300 plus VAT. The property is advertised on their website as well as on Facebook and Twitter and is displayed in their office. They also hold a waiting list of potential applicants.

Their application process is similar to that currently operated by NPRAS although includes credit checking as well as seeking satisfactory landlord and employer references.

They also offer a Property Management Service whereby not only do they source the tenant as set out above but they also manage every aspect of the tenancy for them for a monthly fee of 12.5% of the monthly rental income plus VAT.

The final level of service is a private sector leasing scheme which they state is their most popular service for periods of 3 to 5 years. There are no set up charges but they charge the landlord 25% of whatever monthly rent they charge, which is taken on a monthly basis.

Further details about this scheme can be found at <https://www.salixliving.co.uk/media/1000/1000/1b2674d0-7339-446c-863e-37a2d8559700.pdf>

## **Let to Birmingham – Birmingham City Council**

They too offer three levels of service:

A Tenant Find Service – similar to the basic level provided by NPRAS currently.

No Hassle Lettings Service – This is akin to the “tailored” elements of the current NPRAS service eg doing inventories, arranging and attending viewings, etc. Their requirement for providing this service is that the landlord provides a 12 month fixed term Assured Shorthold Tenancy.

Full Management Service – similar to that provided by Salix Living above.

Let to Birmingham don't charge set up fees but it does not say that they charge for any of the above services.

The only charges referred to on their webpage relate to costs of obtaining compliance certificate, inspecting, providing estimates and undertaking repairs on behalf of the landlord.

For further information go to <https://www.lettobirmingham.com/brining-your-property-standard>

Generally, my research has found that many operate on the same terms as set out above, with different or no charge mechanisms. Some of the others that I found include:

### **Neath Port Talbot Housing**

[https://www.neathportalbothousing.co.uk/index.php?section=accommodation&options=property\\_bay\\_wales](https://www.neathportalbothousing.co.uk/index.php?section=accommodation&options=property_bay_wales)

### **Croydon Lettings**

<https://www.croydon.gov.uk/housing/yourhome/croydon-lettings/what-we-do>

**Homes4Let** – Part of East Boro Housing Trust covering Dorest/Somerset area – [www.homes4let.org.uk](http://www.homes4let.org.uk)

**Ethical Lettings** – they work with several local authorities and guarantee rent and are fee free save for repair costs/tests which the landlord pays for – [www.ethical-lettings.com](http://www.ethical-lettings.com)

**Wychmove** – They offer the three services of tenant finding, assisted letting and managed lets but there are no fee details on the site. Interestingly they advertise the properties they get through their CBL scheme – [www.wychavon.gov.uk/wychmove](http://www.wychavon.gov.uk/wychmove)

There are other schemes provided by the London Boroughs of Havering and Harrow (Help2Let) and Worcester City Council (City Life Lettings)

## APPENDIX 1 – EXAMPLE SURVEY OF PRIVATE TENANTS IN NOTTINGHAM

1	Which area of Nottingham do you live in?	Arboretum Aspley Basford Berridge Bestwood Bilborough Bridge Bulwell Bulwell Forest Clifton North Clifton South Dales Dunkirk and Lenton Leen Valley Mapperley Radford and Park St Ann's Sherwood Wollaton East and Lenton Abbey Wollaton West
	<b>ABOUT THE PROPERTY</b>	
2	What type of property?	Detached House Semi-detached House Terraced House Detached Bungalow Semi-detached Bungalow Flat Room in a Shared House
	If you live in a Flat, what floor level?	
3	How many bedrooms?	
4	How much is the rent?	
	<b>ABOUT YOU</b>	
5	How many adults are in your household ie over 18?	
6	How many children are in your household?	

7	Do you work?	Full time Part time No
8	If not, are you?	Student Retired Unable to work
9	Do you receive benefit to help pay for your rent?	Yes No
10	If yes, does it cover the whole of the rent?	Yes No
11	If not, how much do you have to pay?	£
12	How long have you lived at the property?	
	ADDITIONAL QUESTIONS YOU MAY WANT TO ASK	
13	Would you say that the property is affordable?	Yes No
14	If not, why not?	
15	Would you say the property met your housing requirements in terms of size, layout, etc	Yes No
16	If not, why not?	
17	Where did you live prior to this property	Owner Occupier Private Rented Social Rented With Family/Friends No Fixed Abode
18	How did you find out about the property you are currently living in?	Estate Agent Letting Agent Social Media NPRAS Through friends/family Other
19	If other, please state:	

## **APPENDIX 2 – ANALYSIS OF PRIVATE SECTOR LANDLORD QUESTIONNAIRE**

### Introduction

In order to ascertain the reasons why landlords ask their tenants to leave and what can be done to try and alleviate this as well as identify what measures are required to encourage them to house those who approach the Council requiring housing, it is important to ask them.

In July 2018 work had been done by Housing Aid to look at the reasons behind why landlords were serving notices on their tenants and making them homeless, which showed that in almost half of those cases it was because the tenant was not complying with the terms of their tenancy agreement.

The purpose of this consultation and questionnaire was to build on this and identify with landlords:

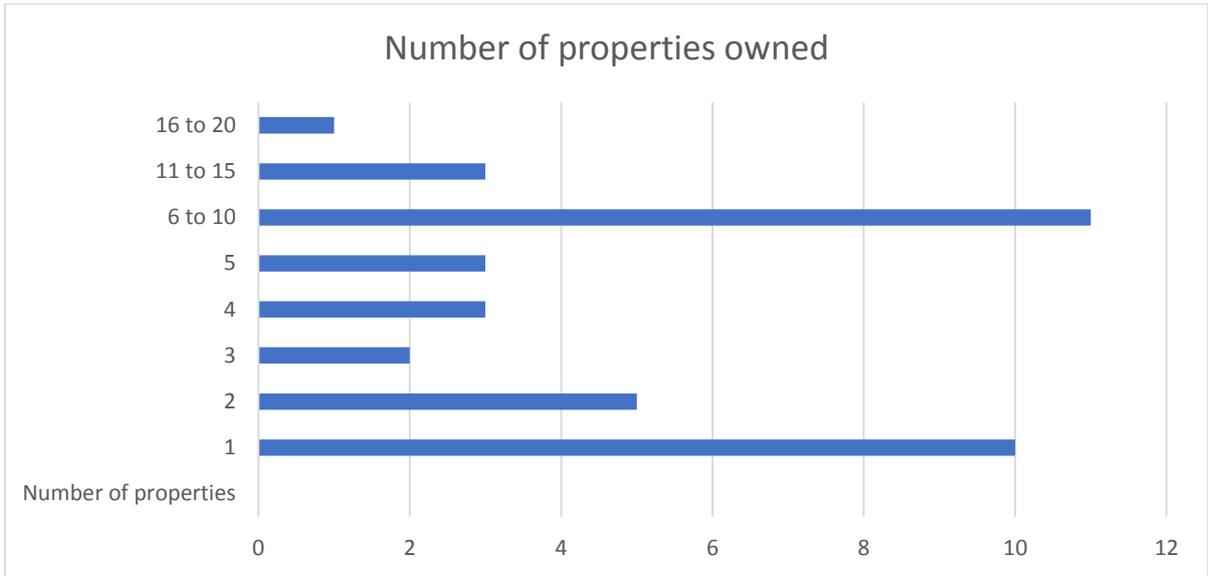
- what they are looking for from a tenant,
- who they won't house and why; as well as ascertain
- whether they would work with the Council to provide alternative housing solutions, if not why not and if they would what would need to be put in place to facilitate this.

It has to be said at the outset, that the Council had recently introduced selective licensing for all private rented accommodation within the City Centre, approximately 32,000 properties and there were many aspects of this that the landlords were unhappy with. Needless to say, this will definitely have reflected in the responses received.

The questionnaire was made available on line through the Council's portal and some 48 landlords responded.

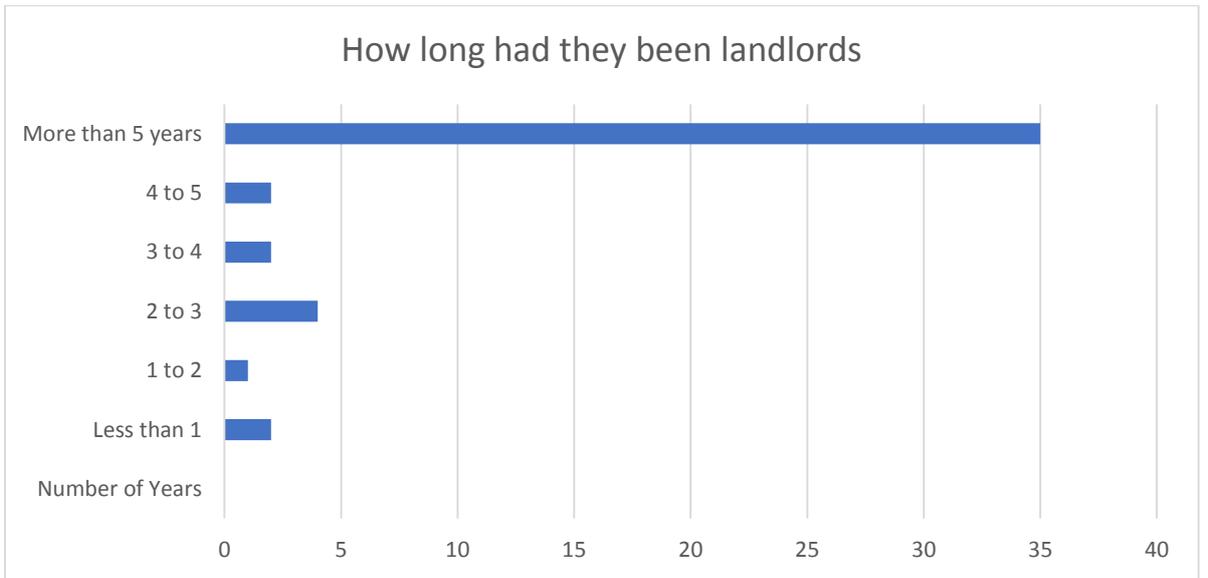
Chart 1 below shows that of those who responded the majority had between one and five properties with nearly a quarter only having one.

Chart 1



Over three quarters of the landlords who responded had had their properties for over 5 years

Chart 2



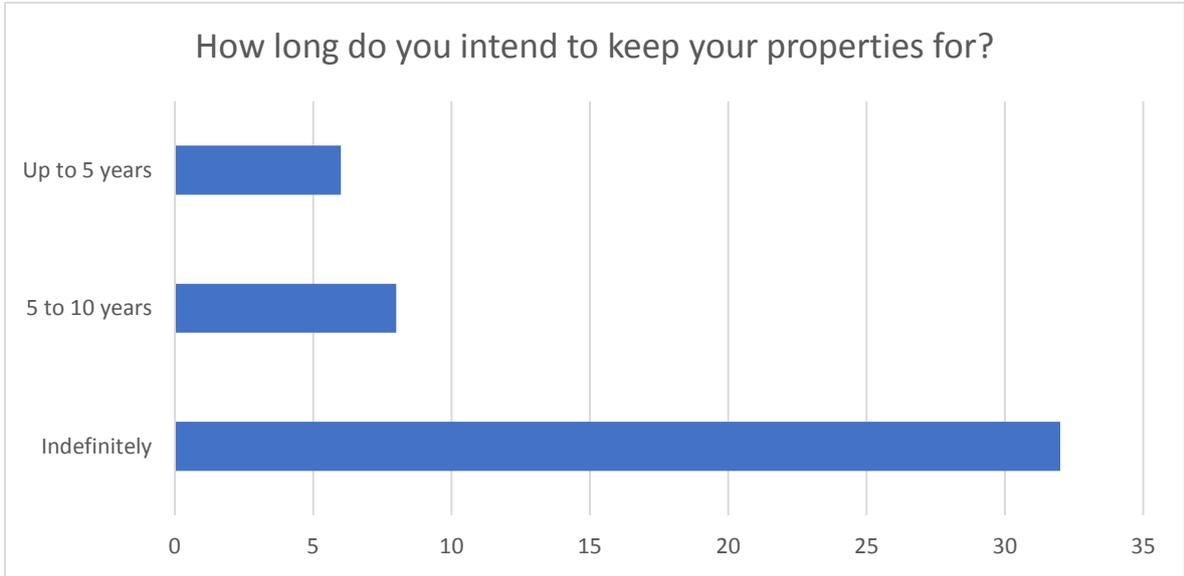
Most of the landlords had purchased properties as an investment (31) although for some being a landlord was their business (6). Chart 3 sets out the reasons why they became a landlord

Chart 3



Landlords were also asked how long they intended to keep their properties, so that consideration could be given to alternative options such as private sector leasing which is being explored by Nottingham City Homes on behalf of the Council. Generally, the landlords who responded intended to keep their properties indefinitely as can be seen from Chart 4 below.

**Chart 4**



Given that the Council wants to expand its NPRAS Scheme to become a social lettings agency, landlords were asked how many of them currently

used a Lettings Agency. It was almost an even split with 52% saying no and 48% saying yes.

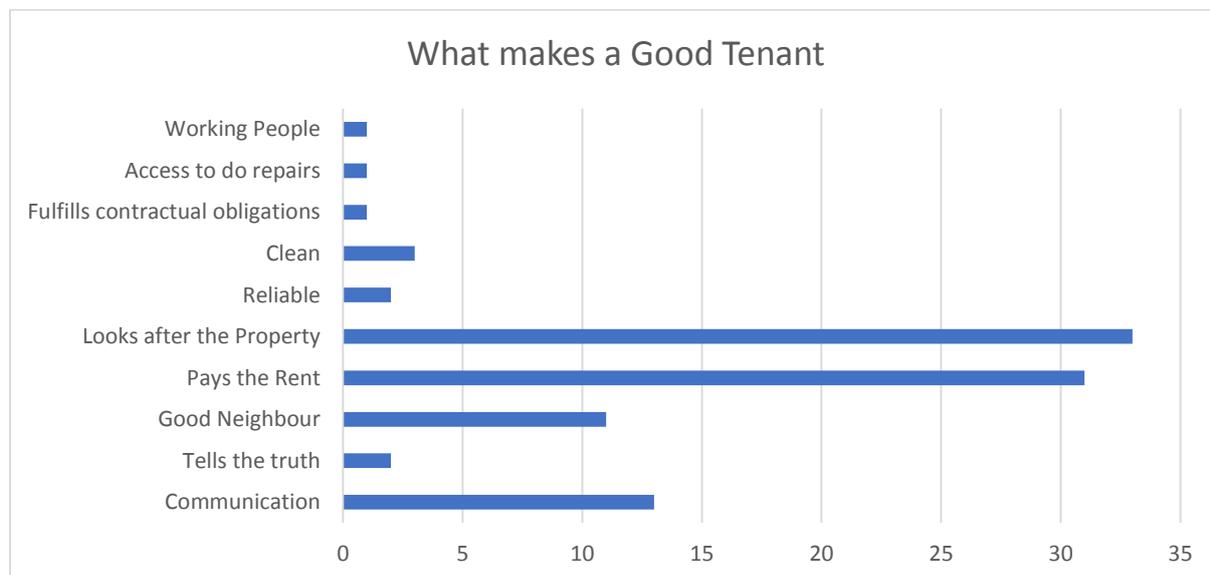
Of those that were not currently using a Letting Agent, 62.5% of those went on to state that they had never used an Agent

Nearly 85% of the landlords that responded offered fixed term Assured Shorthold Tenancies although 7 of those that responded were happy for their tenancies to become periodic

Landlords were then asked what makes a good tenant. The purpose of this was to look at the sort of things that landlords would be looking for in a tenant which could be included in any options being considered by the Council to encourage private landlords to assist them in discharging their prevention and relief duties.

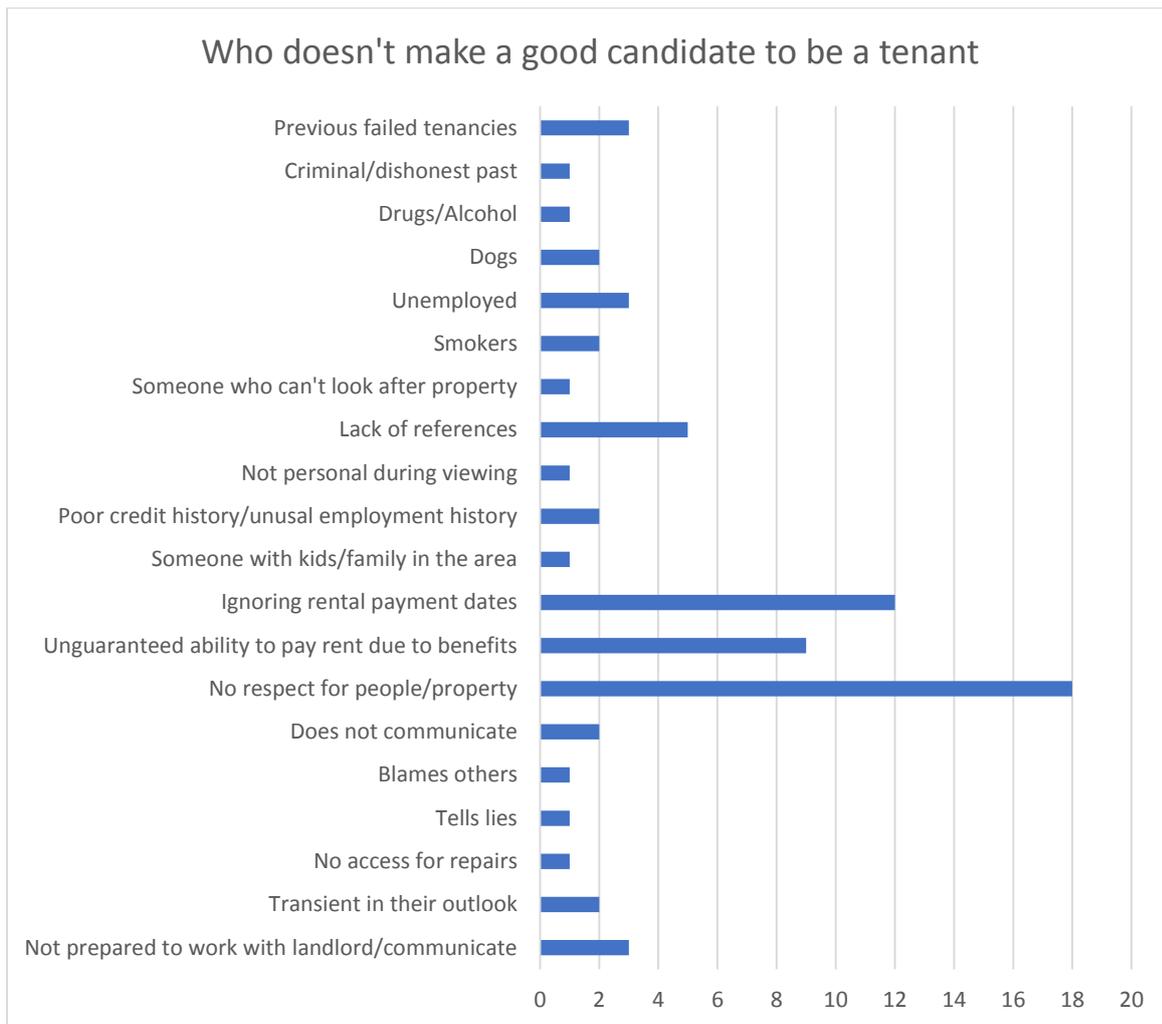
Chart 5 below sets out their responses. It should be noted that this was an open text response and landlords were able to make more than one suggestion and many did.

Chart 5



They were then asked what would not make a good candidate for a tenant in their opinion and although the usual responses appeared and many mirrored the flipside of Chart 5 above, it was interesting to note that the main priority for landlords is trying to find someone who will look after their property and respect both it and other people, with, obviously, paying their rent, coming a very close second. Again this was an open text question and Chart 6 below sets out their responses.

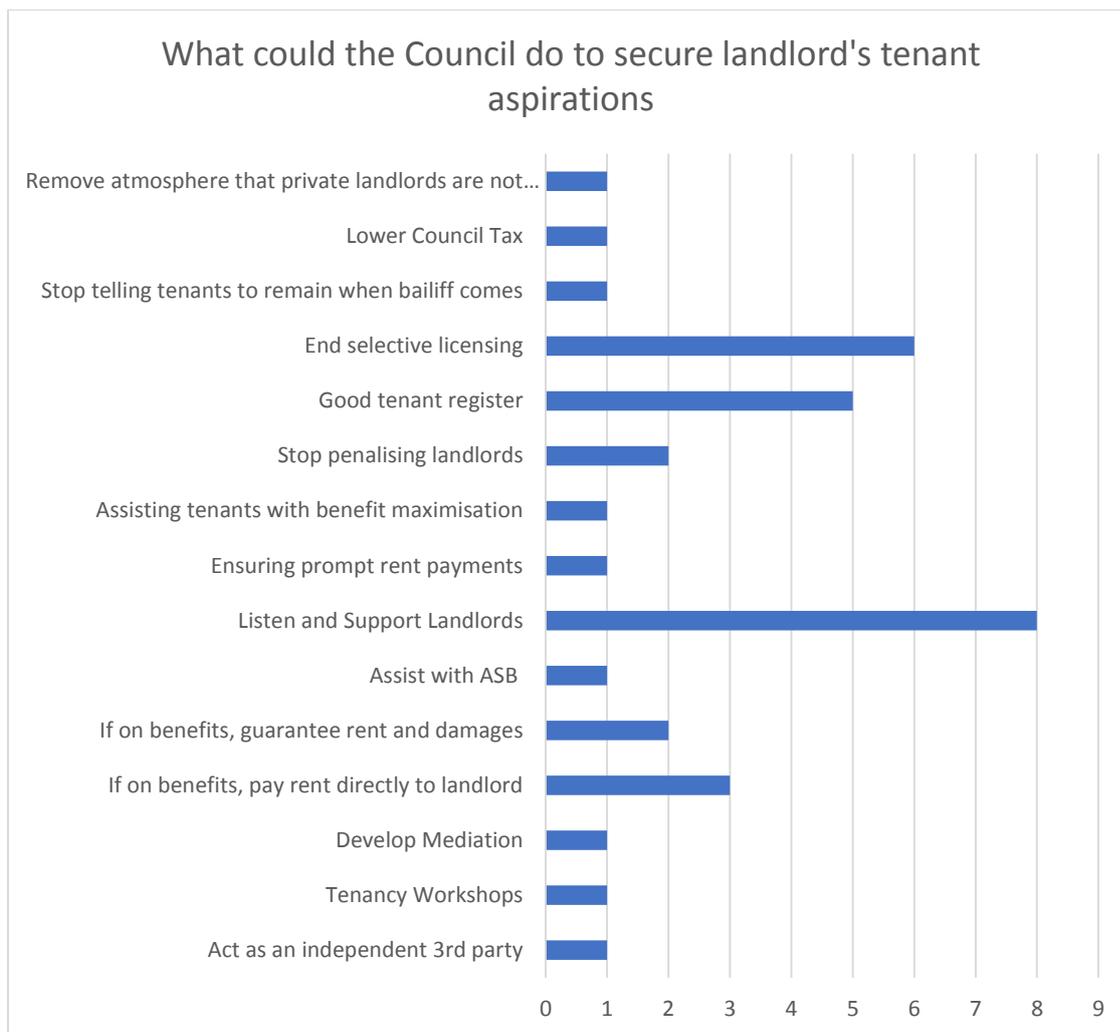
Chart 6



The questionnaire then went on to get the landlords to identify whether there was anything that the Council could do to help them achieve their tenant aspirations. Many said no (18) of which 4 said this was because they currently use a Letting Agent but of those that did respond generally, landlords wanted support from the Council and someone to listen to them.

There were also suggestions of a tenant register. It is clear that through historic involvement between the Council and private landlords when trying to end a tenancy, there is a belief that the Council don't listen or help landlords, being focussed on assisting the tenant regardless of how they have performed as a tenant. This is the perception I derived from my face to face interviews with landlords and agents and is reflected in the responses set out in Chart 7 below, again an open text question, and, I believe, sets the tone for some of the feedback set out later in this analysis.

Chart 7



When asked if there was anything that the Council could do to help landlords meet their responsibilities to their tenants, over half (28) said no. Where landlords did identify issues that the Council could help with, there was no clear measure that they preferred. Therefore, set out below is a list of the responses that were received, namely:

- Help landlords get access
- Assist where the tenant is not willing or able to comply with their responsibilities
- Provide a legal advice service for landlords
- Listen to both sides in a tenancy dispute
- Write an ASB policy the Council would be happy with
- Don't make us fix things that the tenant has damaged
- Provide support and maintain good living standards
- Reduce associated cost when the property is empty eg Council Tax
- Pay bonds for riskier tenants, in advance not arrears
- Help with getting grants to keep properties in good condition

- Give preferential trade rates
- Don't tell tenants to stay where they are when the breach the tenant and possession is having to be sought
- Help landlords when their tenant is experiencing ASB
- Don't always presume the landlord is bad
- Tenancy workshops for bad tenants.

As with many of the other questions, landlords were given the opportunity to write freely about what they wanted rather than a range of options to select from. This approach continued with the next question where landlords were then asked to consider whether, if they were going to end the tenancy, whether there was anything that the Council could do to encourage them to keep the tenant.

As before, a significant number, 23, just under half, said no. Of those that did respond, again there were no clear indicators so I have set all their responses out below, namely:

- Early intervention when the notice is served
- Action plans
- Joint working so tenants don't play the landlord against the Council
- Listen to both sides
- Fix stuff the tenant damages and educate them
- Pay an incentive to landlords who offer longer tenancies
- Make it easier to get rid of rogue tenants
- When in arrears, get Housing Benefit to the landlord immediately
- Make eviction quicker and easier
- Pay above the market rent or guarantee the rent
- Completely take over the management of the property including minor repairs.
- Offer temporary accommodation whilst the property is being refurbished
- Provide support around tenancy sustainment
- Don't tell tenants to stay when they are persistently not paying their rent.
- Improve non housing services such as Police and ASB support.

The Council are looking to expand their NPRAS Scheme to include a Social Lettings Agency. Of the landlords who responded to the questionnaire, 61% said that they would not let their properties through the NPRAS currently and 39% said that they would.

When asked if they would be interested in the Council managing their property, via a Social Lettings Agency, 80% (37) said no with only 9 (20%) saying that they would.

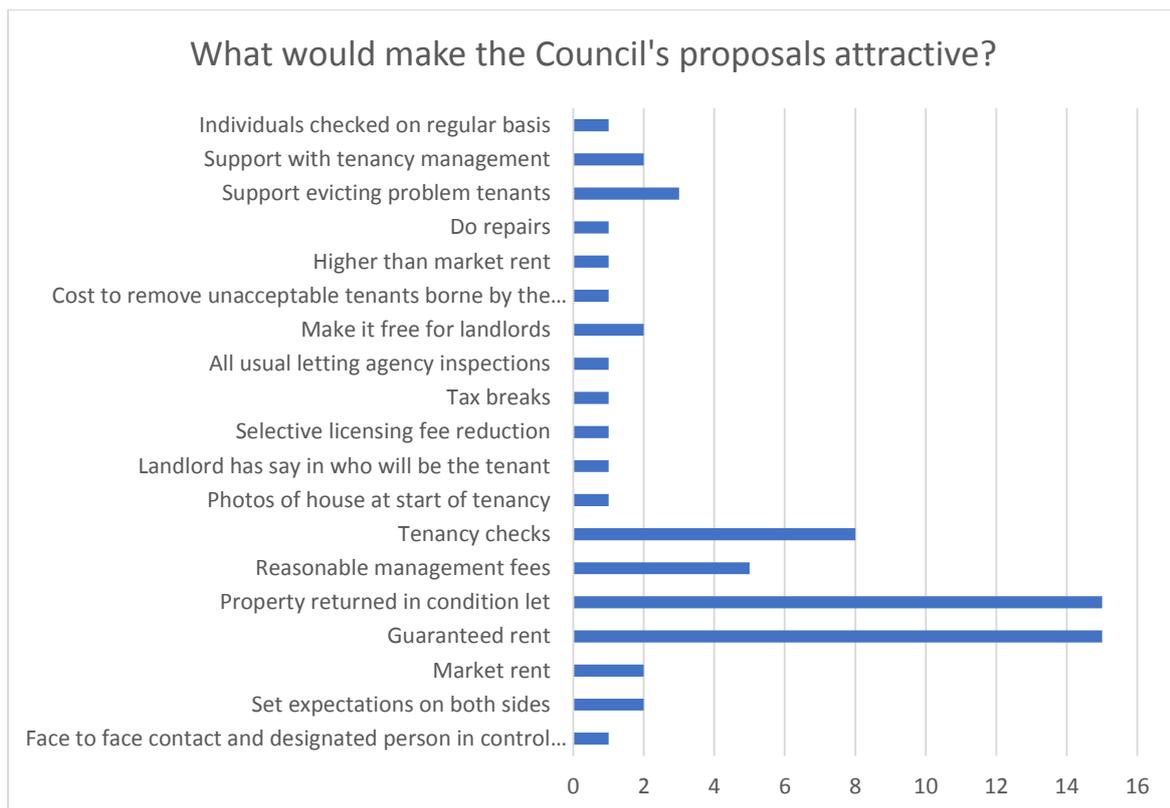
They were then asked if they would use any Private Sector Leased Scheme if that were pursued by Nottingham City Homes. The response to this was more even with 54% (25) saying no and 46% (21) saying yes.

When asked why these options would not work for them, again there were no clear indicators and the landlords responded as follows:

- For the amount of saving to the Local Authority, why pay less than the market rent
- Happy to find my own tenants
- Risk of alienating themselves to other property owners if the Council don't manage the property as well as they currently do
- Prefer to let their own
- Previous bad experience letting a property to the Council. It cost £20,000 to put right when it was handed back
- Don't trust the Council or Nottingham City Homes
- Potential turnover of tenants and impact on the community
- Could cause issues with the mortgage
- Disorganised/unprofessional
- Concerns about getting money on time
- No get out clause
- Can't manage own properties and keep in order so not having mine
- Want flexibility
- Wish to keep my house in good condition

When asked what would need to be in place to make these options more attractive to them, landlords were able to respond in their own words rather than via a list of pre-determined responses. Their responses are set out in Chart 8

Chart 8



Finally, landlords were asked if there was anything else the Council could do to enable them to take long terms tenants. Their responses predominantly focussed around ensuring that rent was guaranteed and that it was at a market level.

They raised concerns about difficulties they might have in assisting as mortgage lenders and landlord insurers don't allow people on benefits. Even where their mortgages did allow it they felt that the bureaucratic process set by Government to get benefits and maintain them was too much of a risk.

A lot of work needs to be done to remove the distrust that landlords have with the Council. One comment made was that "mostly the tenants the Council give us are s\*@t. They are what the landlords have kicked out before." This was backed up by a comment from another landlord stating that they would need to be clear and truthful understanding of why the tenant's previous tenancy had ended and what issues the landlord may have to deal with.

Landlords reiterated that demand for private rented accommodation in Nottingham is massive and that they "don't need the council's crap tenants."

They say that, unsurprisingly, selective licensing and universal credit are causing evictions.

They want a quick and cheap way to remove “bad” tenants. Added to that they say that Nottingham City Council should end its “hostile environment policy to landlords if they want a future relationship” and that the Council should “try working with landlords not against them”. A final comment by one of the landlords was that the “Council has a reputation for being anti-landlord”. They went on to say that they were currently selling in Nottingham and investing elsewhere.

Again, I reiterate that this questionnaire and the responses thereto, were made at a time when selective licensing had just been introduced and there was much disquiet about it, which will reflect in some of the comments made. However, there does appear to be a huge distrust in the Council both in terms of their lack of support when trying to end a tenancy, particularly in circumstances where the tenant’s behaviour has resulted in the notice, as well as the lack of information and support when they do provide accommodation for the Council, being left to deal with very difficult tenants and the subsequent issues of getting possession, what they say is a vicious circle.

## **APPENDIX 3 – EXAMPLE PROTOCOL/AGREEMENT BETWEEN THE COUNCIL, PRIVATE LANDLORDS AND THEIR TENANTS, WHEN A VALID S21 NOTICE HAS BEEN SERVED**

*THIS PROTOCOL SHOULD NOT BE USED WHERE THE LANDLORD JUST WANTS THE PROPERTY BACK, FOR FINANCIAL REASONS, TO SELL OR FOR THEIR OWN USE.*

- 1.1 The aim of the Protocol/Agreement is to
- Encourage more pre-action contact and exchange of information between the Landlord, the Council and the Tenant; and
  - Enable the parties to avoid litigation by settling the matter, if possible.

### **INITIAL CONTACT**

- 2.1 When deciding whether to serve notice, the Landlord should advise the Tenant that they are going to send a copy of the Notice to Housing Aid.
- 2.2 If using a s21 Notice, the Landlord should include with the Notice details of why they have served it and what they have done to ensure that the tenant is aware of the issues eg emails, texts, phone calls, letters, etc.
- 2.3 Upon receipt of the Notice the Council should contact the Tenant to see if they need and/or want any assistance from them.
- 2.4 If nothing is heard back from the Tenant after 14 days, the Council should notify the Landlord and the Landlord should then pursue for possession through the Court.
- 2.5 If the Tenant contacts the Council, an assessment under the Homeless Reduction Act 2017 should be undertaken and the Prevention Duty invoked.
- 2.6 The Council should ask the Tenant why they believe the Notice has been served. Where their response mirrors that of the Landlord then the Council should discuss what measures are appropriate and achievable with the Tenant in terms of trying to resolve the issue.
- 2.7 Once agreed, the Council should contact the Landlord to see if those terms can be agreed.

- 2.8 If the terms require payment of monies from the Homeless Prevention Fund to resolve the issue, then the Landlord should agree to a further term of the tenancy for at least 6 months with no rent increase within that time, so that it can be recorded as a Homeless Prevention.
- 2.9 Where the reasons for the Notice are NOT agreed or where the terms to resolve the issue are not agreed, then the Landlord and Tenant should be referred to mediation to try and resolve the issues. Such mediation should be undertaken within the notice period, where possible ie whilst the Tenant/Applicant is still in the Prevention Duty.
- 2.10 Where this is not possible, the Landlord should agree not to issue proceedings until the mediation is complete or other matters such as benefit issues are resolved. In order to facilitate this, in circumstances where benefits or Discretionary Housing Payments are likely to be made then the Council should guarantee such a payment or provide a Bond for this payment until it is received by the Landlord to satisfy any potential issue this breach may be causing with the landlord's Mortgage Lender.
- 2.11 Where terms are agreed to resolve the matter, then an agreement should be drawn up and signed by both the Landlord and Tenant and witnessed by the Council as a true record of the agreement.
- 2.12 Both the Landlord and Tenant should be advised that the terms agreed are achievable and that failure to comply with the agreement will result in an intentional homeless decision for the Tenant or the Tenant remaining in the property until the Landlord has obtained possession through the Court.
- 2.13 Once the agreement is signed it will be deemed that unless breached the Notice served by the Landlord will not be pursued and it will be treated as a Homeless Prevention as the Tenant will no longer be homeless or under the threat of homelessness.
- 2.14 If, for some reason, the terms of the agreement can no longer be adhered to, the Landlord/Tenant must notify each other immediately to re-negotiate terms, with the assistance of the Council, if necessary.
- 2.15 If the Landlord refuses to engage in the process then they should be advised that the Tenant will be advised of their rights to remain

until a Possession Order is granted and eviction undertaken and the Tenant will be afforded assistance by the Council, at the latest, upon eviction, with either an alternative housing solution or, if unable to secure something suitable within the time, temporary accommodation, until such time as a suitable alternative accommodation solution is obtained. If Court costs are incurred to the tenant these will not be taken into account by the Council for the purposes of both Part VI and Part VII Housing Act 1996 in terms of disqualification and intentionality.

- 2.16 If the Tenant fails to engage in the process, then they will be advised that the Council will, on activation of their Relief Duty, at the end of the Notice period, offer temporary accommodation for a limited period to enable a minded to and subsequent homeless decision letter to be issued. The accommodation provided will be time limited to reflect the homeless decision that will be made and the Council may have no further duty to provide accommodation after that time. The Tenant will not have any rights whilst occupying that accommodation due to its nature and will be afforded no protection from the Protection from Eviction Act 1977 so when the time period of occupation ends, they will be required to leave. The Tenant will have a right to review/appeal this decision as afforded to them under Sections 202 and 204 Housing Act 1996. Added to that, due to their behaviour, any application to the Council's Allocation Scheme will be disqualified for a period determined at the time of the application. The Tenant will have a right to appeal the disqualification and/or the period they are disqualified for under the terms of the Allocation Scheme.
- 2.17 If Temporary Accommodation is provided to the Tenant due to their non-engagement or if the property is no longer affordable or viable for the Tenant, at the end of the notice period, the Landlord will be required to consider offering the property to someone recommended to them by the Council who they are trying to assist as their current accommodation is ending or is no longer viable for them.
- 2.18 The Council will ensure that the Landlord is provided with sufficient information and references to satisfy their Lender's requirements on a Buy to Let Mortgage. Alternatively, the Landlord could agree to place their property into the expanded NPRAS Scheme or consider

leasing it to the Council through any scheme developed by Nottingham City Homes.