

Private Sector Lettings Scheme Landlord Information pack

[Leeds City Council for Leeds Housing Options](#)

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Please call ahead should you wish to discuss the scheme in person or speak to a member of the Private Sector Lettings Scheme team

About the scheme

Who are Leeds Housing Options?

Leeds Housing Options is a housing advice service for families and single people who are at risk of becoming homeless.

There are many reasons a person could lose their home, for e.g loss of employment or family breakdown and with a lack of available social housing often the quickest housing solution is to secure affordable accommodation within the private rented sector.

Many customers struggle to secure their own private rented accommodation as they do not always have the financial resources to fulfil the requirements needed by many letting agents and landlords. Though the Housing Benefit Local Housing Allowance rates (explained in section 7) can cover the rent charged on properties available in the private sector, many people do not have the income to pay the administration fees, bonds or rent in advance often charged.

In order to meet the increasing demand for affordable housing we have set up the **Private Sector Lettings Scheme** to help families and single people in Leeds find safe private rented accommodation.

This scheme is designed to assist customers in urgent housing need to find suitable accommodation quickly and also to offer **incentives to landlords** who are willing to work in partnership with us to help prevent homelessness.

What is the Private Sector Lettings Scheme?

The Private Sector Lettings Scheme is aimed at matching customers who require housing with private sector landlords who have a property to let.

Many customers need properties which are ready to move into almost immediately. We therefore would like to work with landlords who have properties available for tenants to move into at short notice. The property does not have to be furnished but it is required to pass an inspection to ensure that it meets minimum housing standards and has the appropriate valid safety certificates.

A large proportion of our customers tend to be on low income receiving Job Seekers Allowance, Income Support or on low wages. This can prevent them from securing a suitable tenancy. In view of this we require landlords **not** to charge a bond or any administration fees. We do however cover any potential losses due to tenant damage or non-payment of rent through our **damage liability scheme** (see section on damage liability).

Benefits of the Scheme

It's free!

We advertise your property to potential tenants. In Leeds there is a high demand for affordable, good quality, private rented accommodation in all areas. We currently assist around 120 customers per day. This means there is an ongoing demand from our service for available private rented accommodation via our scheme.

Retain full control over your property. As a landlord you will still retain full control over your property. We may refer many customers to view your property but you will make the final decision on who you wish to accept. In addition, you are still able to advertise the property elsewhere and if you find your own tenants just let us know and we will update our records.

*Please note that if you do find your own tenants then the benefits of our scheme will not apply for the duration of that particular tenancy.

Direct Housing Benefit Payments. We ensure all Housing Benefit payments are paid directly to the landlord or letting agents.

Competitive rental income. Housing Benefit for the private rented sector is called Local Housing Allowance. This is explained in more detail in section 7.

Income assessments completed on potential tenants. We conduct checks on our tenants background and can disclose any potential risks involved so that you are able to make an informed decision on whether to accept them. We also complete a Housing Benefit pre-calculation to ensure that they can afford the rent you wish to charge.

Ongoing support offered for tenants and landlords. Our team is always on hand to answer any queries you have throughout the process. We also ensure customers who need extra support to maintain their tenancy have this in place.

Your property is covered under the damage liability scheme. See full details below.

Damage Liability

When renting to any tenant there is always the risk of rent arrears or damage to a property. Although we offer no bond your property will be covered under our scheme for a fixed period. Our damage liability cover acts in a similar way to a bond and will provide the same amount of protection.

It is not designed to assist with refurbishment or to improve the standard of your property but it ensures that in the event of any damage occurring, **you are able to claim the equivalent of one month's rent** to cover the cost of repairs. Similarly, if a tenant has not paid their rent you will also be covered financially for up to one month's rent at the end of the tenancy.

Landlords or letting agents will still be expected to make their own reasonable checks on their property to minimise the potential for damage. We would also expect landlords to put in reasonable claims for damages and not charge for unnecessary works.

Please be aware that when renting to any tenant general wear and tear can occur and this is **not** covered.

All landlords are now required by law to place bond payments in a government backed scheme, such as the Deposit Protection Service or the Tenancy Deposit Scheme. To access a standard bond to cover damage or recoup loss of rent you need to apply to the protection scheme for funds.

Properties using our scheme do not have to register bonds and claims are normally fulfilled more quickly.

Housing Demand

In Leeds there is demand for all types of accommodation across the city. We have found that high demand is related more to the size of the property than its location.

Although the size of a property often plays the biggest part in how quickly a property can be let. Properties with good public transport links are also desirable to tenants.

Our highest demand is for shared accommodation, followed by one bedroom/studio flats and then two and three bedroom properties.

Four bedroom and larger properties can take a little longer to let (for a number of reasons, including the Bedroom Tax and recent Benefit Cap), but they are still regularly used on the scheme.

Inspections and Housing Benefits

Housing Standards

We need to ensure that the properties on our scheme meet minimum legislative standards for rented property before they are accepted. So, we require all properties to be inspected by qualified officers from the Leeds City Council's Private Sector Housing Team before joining the scheme.

1. What are the inspectors looking for?

The inspectors conduct a Housing Health and Safety Rating System (HHSRS) assessment as outlined in the Housing Act 2004. The assessment is based on statistics on illness and injuries which commonly occur in the home. Our inspectors check that any properties offered on the scheme are safe and do not contain hazards that could cause the occupier injury or ill health.

The purpose of the inspection is to check that the property is compliant with relevant housing standards and current legislation as well as to highlight any disrepair or improvements that can be made.

2. What are hazards?

Housing hazards are factors which present a risk of illness or injury to occupiers or visitors of a property. Although 29 hazards are identified by the legislative guidance, some are far more common than others such as Cold, Damp and Mould, Falls, Fire, etc.

To consider the effect of Cold for example, the inspector will check that the property has adequate heating in all rooms and that there are no unnecessary draughts or areas of heat loss which could cause heating to become ineffective, unaffordable and result in poor health.

In general many of the checks made are common sense. Items such as doors and windows should all operate as intended, without large gaps around frames when closed. External doors and windows should be able to be secured. Properties are expected to have appropriate fire detection for their layout and handrails on flights of stairs to help prevent falls.

The officers will provide you with a full report of any works required and will also recommend improvements and repairs. Following this advice will make your property safe, enabling you to attract more tenants and sustain longer term tenancies. It will also ensure that as a landlord you are meeting your legal responsibilities

3. What happens if my property fails the inspection?

The inspectors will advise you what work is required to bring the property up to minimum private rented housing standards. These standards apply to **ALL** private rented properties regardless of whether a tenant is eligible for housing benefit or pays the rent themselves, or whether Housing Options have been involved or you have found your tenant privately. When this work is completed you would then be able to join the scheme.

Useful links

Hazards guide - <http://www.leeds.gov.uk/docs/Common%20Housing%20hazards.pdf>

For Fire Safety Standards - <http://www.leeds.gov.uk/docs/fire%20safety%20in%20homes.pdf>

For Space Standards -

<http://www.leeds.gov.uk/docs/Advisory%20standards%20HMOs%20Jan12.pdf>

For all other documents (including fire safety) -

<http://www.leeds.gov.uk/Business/Pages/Standards-and-Guidance.aspx>

National HHSRS Guidance for landlords - <https://www.gov.uk/government/publications/housing-health-and-safety-rating-system-guidance-for-landlords-and-property-related-professionals>

Housing Benefits and the Local Housing Allowance Rate

1. What is the difference between Housing Benefits and Local Housing Allowance?

Local Housing Allowance is the name for the Housing Benefit paid to tenants and landlords for private rented accommodation.

2. How is Housing Benefit calculated?

Housing Benefits is an income based benefit. This means the amount of Housing Benefit a family will receive is calculated based on their overall income. It also considers the size of the family and the amount of bedroom space they are entitled to. The maximum Housing Benefit a family can receive is calculated in accordance with the current Local Housing Allowance rates.

3. How are bedroom requirements calculated?

- Single people under the age of 35 are entitled to the shared rate of Housing Benefit.
- Single people over the age of 35 or a couple of any age are entitled to one bedroom.

Bedroom requirements are;

- one room per couple in the household
- two children of any sex under the age of ten are entitled to one bedroom
- two children of the same sex up to the age of sixteen are entitled to one bedroom,

- an additional bedroom for any member of the household over the age of sixteen.

Currently the Local housing Allowance rates are:

- £64.60 per week – Shared accommodation
- £100.05 per week – 1 Bedroom
- £122.36 per week – 2 Bedroom
- £151.50 per week – 3 Bedroom
- £199.94 per week – 4 Bedroom

Even if families require more than four bedrooms, the maximum Housing Benefit they receive will not exceed the four bedroom Local Housing Allowance rate.

4. How much will a potential tenant receive?

Typically the majority of our scheme's customers are entitled to the full rate of Housing Benefit appropriate for their needs. Some low income working families may also be entitled to Housing Benefit though they may not get the full rate. We ensure this information is disclosed to you before arranging a viewing for the customer.

We pre-calculate the amount they will be expected to receive in Housing Benefit and ensure that both customers and landlords are fully aware of any top up amount the customer needs to pay from their own pocket should their Housing Benefit entitlement not cover the contractual rent.

Housing Benefit will not pay more than the rent charged on a property.

Please note the rates are the maximum a family will receive for the size of property they require.

For example:

If a family require a three bedroom sized property, and they rent a three bedroom property at £130 per week (£563.33pcm) this is the maximum they will receive in Housing Benefit.

Likewise, if the family rents a three bedroom property at £160 per week (£693.33pcm) the maximum they can claim in Housing Benefit is the £151.50 per week and the family will be required to pay a top up towards their rent.

The family may find a four bedroom property at £151.50 per week (same rent as the three bedroom LHA rate). As they only require a three bedroom property Housing Benefit will still pay the three bedroom rate of £151.50 per week.

If the family was to find a four bedroom property charging £199.94 per week (the same as the LHA for a four bedroom entitlement) they would still only be paid £151.50 per week because they are only entitled to three bedrooms not four.

Letting larger properties and shared accommodation

Letting larger sized properties

We often find we have the lowest demand for properties that have 4 or more bed spaces. This is due to tenants being affected by the benefit cap.

We find landlords with larger properties who are prepared to accept the 3 bedroom rate (£151.50 per week) have greater success in finding suitable tenants for their properties more quickly.

More experienced landlords may consider altering these properties so that they can be let out as single rooms in shared accommodation. There is very high demand for this type of accommodation and it can net a higher rental income.

However, before doing so you should ensure that you have checked that you have the required planning permissions and building control approvals. You then need to check that the property meets the necessary 'Houses In Multiple Occupation' (HMO) standards - For e.g. You may have more complex space and fire safety requirements. A HMO licence may be needed. You also need to be prepared to undertake the additional duties and responsibilities inherent in managing the property. Our Housing Inspectors can advise you whether your house would be suitable.

What is the Benefit Cap

What is the Benefit Cap?

The Benefit cap is new legislation introduced during 2014. It was implemented to prevent families and single benefit claimants from receiving a higher income than an average working person.

The legislation means that claimants with dependent children cannot receive more than £384.62 per week in total from the benefits. Single claimants or couples with no children cannot receive more than £257.69 per week in benefits.

Who does this affect?

Although some single claimants and couples without children can be affected by the Benefit Cap, it is usually only larger families who are affected. However, there are still some families who are entitled to receive the full four bedroom rate (£199.94 per week), although this is less common now the Benefit Cap has been introduced.

When a person makes a claim for Housing Benefit, if they receive any of the following benefits: Income Support; Job Seekers Allowance (income based); or Employment and Support Allowance (income related), they are automatically entitled to the full rate of Housing Benefit appropriate to the size of their household.

This is because the Local Authority already knows that they are already on a low income. The Benefit cap means many other benefits such as Child Benefit and Tax Credits will be counted as received income under it.

Why is Housing Benefit capped as opposed to a reduction in other Benefits?

A person's Housing Benefit entitlement is calculated based on the income they are currently in receipt of. Therefore, when a person makes an application for Housing Benefit the Local Authority already holds details of their income. This makes it the most effective way to implement the Benefit cap.

Example:

Mr and Mrs Smith make an application to Housing Benefit, they have four children, a son aged three, a daughter aged eleven, a daughter aged fourteen and a son aged seventeen. Their bedroom requirement is four bedrooms (one for Mr & Mrs Smith, one for their son aged three, one for their two daughters as they are both of the same sex and under the age of sixteen and one for their son aged seventeen).

Their income is a joint claim for Job Seekers Allowance of £113.70 per week, Child Benefit of £61.15 per week (they still receive this for their eldest son as he is in full time education) and Child Tax Credits of £222.23 per week. Their income in total is £397.08 per week.

Prior to the Benefit Cap the family would have been entitled to the full four bed of rate Local Housing Allowance (£199.94 per week) as they receive Job Seekers Allowance. But under the cap it takes their total income over the threshold to £597.02 per week. As a result their Housing Benefit is now reduced by £97.02 per week so they can only receive £102.92 per week in Housing Benefit, in order to reduce their total income to £500 per week and comply with the Benefit Cap.

Who is exempt from the Benefit Cap?

As stated previously some tenants still qualify for the full Local Housing Allowance Rate as certain benefits, such as Disability Living Allowance, are exempt from the Benefit Cap. Also the cap does not apply to working tenants.

For more in-depth details on the Housing Benefit cap visit: www.gov.uk/benefit-cap

Tenants affected by the Benefit Cap:

When a housing advisor arranges a viewing with you they will be able to tell you how much Housing Benefit you can expect to receive. In most shared houses and one, two and three bedroom properties the tenant is likely to be entitled to the full Local Housing Allowance Rate if they already receive benefits. This will be fully checked before we contact you to arrange viewings.

Please note we offer ongoing support to all tenants and advise them fully of their responsibilities to meet any additional rental liability.

Landlords who are willing to reduce the rent on a four bedroom (or larger) property to the three bedroom Local Housing Allowance rate of £151.50 per week have their properties rented out much

quicker as a result. It increases the property's chance of being let because there are more families who are entitled to the three bedroom rate. They are less likely to be affected by the benefit cap and more likely to receive the full rate of £151.50 per week.

For tenants affected by the cap like Mr & Mrs Smith in our earlier example above it means they will only have to pay a £48.58 top up per week instead of £97.02 per week which they are more likely to be able to afford.



Joining the Scheme

Who is suitable to join the Scheme?

Anyone can join the scheme providing they have a property they wish to let and will allow the property to be inspected. Whether you only have the one property or have been a professional landlord for a number of years, we would love to hear from you.

You are still expected to carry out your normal landlord duties such as undertaking routine inspections and carrying out essential maintenance on the property. If you currently use a letting agent to deal with the day to day running of the tenancy you can still continue to do so.

Our requirements are:

- That no bond or admin fees are charged as this is covered via damage liability.
- That the property passes the inspection

Please remember when renting out a property once the tenant signs the tenancy agreement you are giving them permission to occupy the premises for quiet enjoyment. This means you will not be able to enter the property without giving the tenant at least 24 hours notice. You should not intrude into your tenants home without good reason as it may be considered harassment.

For more specific information on your rights and responsibilities as a landlord there is advice available at <http://www.leeds.gov.uk/Business/Pages/Standards-and-Guidance.aspx>, www.landlords.org.uk and www.rla.org.uk

How do I join the Scheme?

If you think you would like to join the scheme please contact us via: PSLS@leeds.gov.uk

If you require more detailed information, please email the above address or call us on **0113 378 4701**