

## Contact information

Farhana  
07526 308432  
farhana@oneroof.org.uk

## Leicester City Council's private rented sector schemes



## Landlords of Leicester - we need you!

There is currently not enough social housing in Leicester to meet the needs of its residents. We are regularly approached by people in housing need for a variety of reasons from overcrowding, to relationship breakdowns, to parental exclusions.

The private rented sector now has a very big part to play in meeting critical and urgent housing needs. Leicester City Council wants to support landlords to provide long-term, stable private rented tenancies to those in the city who need housing the most.

Good quality, stable housing improves the lives of families, allows children

to achieve more from education, and generally benefit communities and the city as a whole.

Our schemes aim to create around 200 new tenancies each year, and to support those tenancies going forward to ensure they succeed. Leicester City Council has been working in partnership with local landlords for many years and we have now improved and simplified our schemes based on feedback and experience.

So, if you would like to help us, and benefit at the same time, please read on.



## What's in it for landlords?

As a private landlord or agent you can benefit from letting your property to people who have approached the council for housing assistance.

Our schemes offer a range of options to suit every landlord – from those who want to remain 'hands-on' to those that would rather take more of a back seat.

### **Free services, normally at cost through an agent**

The schemes also offer many services that an estate agent would charge for. Depending on which 'offer' you are interested in, you could benefit from:

- FREE tenant matching, FREE advice and support, FREE welfare checks on your property, cash incentives, and more.

### **Non-payment intervention**

In the rare instance that tenants we match have difficulties or fail to pay their rent

in full, we can intervene in a number of ways to avoid you having to take costly eviction action.

### **Stable, Long-term tenancies**

On average, tenancies created through the schemes last 3 years+, and we still have some tenancies in place from 2013.

### **Flexibility**

We are very flexible so although the following pages outline the differences between the scheme levels, we are happy to negotiate with landlords and come to agreements that work best for all concerned.

### **Happy landlords**

Simply put, our aim is to make sure you, as a landlord, are happy, so we can continue to work with you to provide more housing solutions in future.

## Who qualifies for the schemes?

### **Prospective Tenants**

In order for tenants to qualify for the scheme and be referred by Leicester City Council, they must be assessed as having a serious housing need. For example, very serious overcrowding, or an impending eviction notice.

As such, each tenancy created solves a critical housing issue for a particular household.

We also ensure that all prospective tenants referred have not worsened their own circumstances, and do not have risk factors that would indicate a tenancy could fail.

Prospective tenants will only be put forward for the schemes if we consider them to be a good fit. We do our utmost to complete background checks on tenants, obtain references from previous landlords with regard to clear rent account histories, and tenancy readiness.

Although not everyone helped under the schemes is living on a low income, applicants will only be considered for the scheme if the Private Rented Sector Team is satisfied that they are capable of paying their rent regularly and in full.

If we feel that the prospective tenant would benefit from support within the tenancy, we would always ensure that is in place by making referrals to our commissioned partners and arrange for a support worker to be in place for the tenant in addition to the support provided by us to the landlord.

Where there are any concerns, we would agree disclosure between tenant and landlord, and the landlord has the final say on whether things go ahead.

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# private rented sector schemes

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## Gold Offer

### Rent Guarantee Scheme - All sized accommodation

In return for letting a family-sized property at 90% of reasonable market rent, with an initial fixed-term of 12 months or more, the benefits are:

- No commission or set up costs
- FREE property inspection to check the housing health and safety rating system standards
- FREE tenant finding service with thorough vetting process
- Regular tenancy health checks, including early intervention and tenancy sustainment if problems arise
- Non-refundable cash incentive of up to £1000
- Deposit guarantee agreement covering damage up to the value of one month's rent

- 12-month rent guarantee agreement (terms and conditions apply) and FREE non-payment intervention. If requested, our team will take action to get the rent paid directly to you and attempt to recover any rent loss
- Landlord dedicated support team for advice with excellent links to Department of Welfare and Pensions (Local Housing Allowance and Universal Credit questions answered quickly)

Note: Management of property would remain the landlord's responsibility

### How does this compare with letting through a private agency?

Below is a comparison on typical rental costs between a letting agent and the council's Gold Offer for a 3-bedroom property in Leicester over 12 months.

	Letting Agent	Gold Offer
Rent	£10,920	£10,920
8% agent fee vs 10% scheme rent reduction	£873.60	£1092
Tenant Finder charge to Landlord	-£500	FREE
Rent Insurance vs 12m Rent Guarantee Agreement	-£350	FREE
Set-up costs - References, inspection, inventory	-£150	FREE
Up-front Incentive payment	NONE	£1000
<b>Net Landlord Benefit:</b>	<b>£9196.40</b>	<b>£10,828</b>

# Silver Offer

## Deposit Guarantee Scheme - any size accommodation

By letting a property of any size (bedsit, 1-bedroom, family-sized) at a reasonable rental market rate for Leicester, the Silver Offer benefits are:

- No commission or set up costs
- FREE property inspection to check the housing health and safety rating system standards
- FREE tenant finding service with thorough vetting process
- Regular tenancy health checks, including early intervention and tenancy sustainment if problems arise
- Non-refundable cash incentive of up to £250
- Deposit guarantee agreement covering damage up to the value

of one month's rent

- FREE non-payment intervention. If requested, our team will take action to get the rent paid directly to you and attempt to recover any rent loss
- Landlord dedicated support team for advice with excellent links to Department of Welfare and Pensions (Local Housing Allowance and Universal Credit questions answered quickly)

Note: Management of property would remain the landlord's responsibility.

## How does this compare with letting through a private agency?

Below is a comparison on typical rental costs between a letting agent and the council's Silver Offer for a 3-bedroom property in Leicester over 12 months.

	Letting Agent	Silver Offer
Rent	£10,920	£10,920
8% agent fee	£873.60	NONE
Tenant Finder charge to Landlord	-£500	FREE
Rent Insurance vs Rent Guarantee Agreement	-£350	NOT INCLUDED
Set-up costs - References, inspection, inventory	-£150	FREE
Up-front Incentive payment	NONE	+£250
<b>Net Landlord Benefit:</b>	<b>£9046.40</b>	<b>£11,170</b>

# Bronze Offer

## Deposit & Advance Rent Contribution Scheme

The Bronze Offer is best for landlords that prefer to 100% independently manage their property tenancy without the council's involvement or support.

The council can simply help the tenant to overcome initial financial barriers such as deposit payments and/or advance rent.

Tenants must still have an assessed housing need.

## Scheme levels – benefits overview:

	Gold Offer	Silver Offer	Bronze Offer
<b>FREE Full managed service</b> – hands off source of income, including full tenancy management and day to day repairs at no cost.			
<b>FREE Part-managed service</b> – including non-payment intervention, welfare checks, links to services, advice and support for landlords	✓		
<b>Rent Guarantee agreement</b> (conditions apply with regard to Gold Scheme)	✓		
<b>Deposit Guarantee agreement</b> (or deposit not required in case of Platinum)	✓	✓	
<b>Up-front incentive payment</b>	Up to £1000	Up to £250	
<b>FREE Initial property inspection</b> to ensure compliance with the Housing Health & Safety Rating standards	✓	✓	
<b>Financial assistance for Tenant's</b> up-front costs, if applicable.	✓	✓	✓
<b>FREE Tenant Finder service</b>	✓	✓	✓

## Leicester City Council's track record

We pride ourselves on being able to

- vet and match prospective tenants with landlord and properties
- maintain good landlord and tenant relationships through mediation
- proactively remain involved and monitor tenancies to ensure lease arrangements are met and to avoid problems arising

All of these things result in successful tenancies.

Since April 2018, more than 360 tenancies have been created under our schemes with 95% still in place three years on. In addition, only 1 single tenancy

was terminated due to unresolvable issues with the tenant.

The tenancies in place under the schemes since 2018, and prior, have an average length of 3 years. The longest tenancies have been as much as 8 years, and we still currently have tenancies in place from 2013.

Of the tenancies that did end, 100% of claims made by landlords against bond guarantee agreements were agreed and paid with no hassle at the agreed bond amount, and over 75% of landlords chose to use our schemes again to re-let the property.

## Landlord Testimonials

"We will definitely be recommending this scheme to other landlords who are looking to do a similar thing with their property, and will definitely be in touch with you for our future ventures"

## Landlord Testimonials

"Thank you. I appreciate the efforts the team go to in providing support to landlords as part of the schemes. The support, speed of processes, and regular correspondence has been excellent. Always there if I need them!"

"The LCC team have been professional at all times, going the extra mile to ensure we are comfortable with the schemes and the whole process, and that we understand everything. We just wanted to take some time to say THANK YOU."

## Tenant Testimonials

"My officer at Leicester City Council was so supportive and helpful, and understood my problem. He helped me to find a tenancy and helped me to set up by universal credit claims so everything was sorted."

"I don't know how to thank you. I'm so glad I came to Leicester City Council for help. My family is the only thing I have, and now we have a safe home to live in."

"Words cannot express how appreciative I am of all the efforts the LCC Officer put in. Having help from the schemes meant that I could find myself a tenancy and get help with the set up costs."

# Frequently Asked Questions

## What does the incentive payment cover?

The incentive payment is to secure the tenancy, it is not rent and you don't have to pay it back. It is a payment to show our appreciation for providing your property to someone who is in great need, and helping address the housing issues in the city.

## Do I have to refund the payment if the tenant leaves within the 12 month period?

No, provided the tenancy has been ended lawfully.

## How much rent can I charge?

You can charge a rent equivalent to a reasonable rental market rate. As a guide;

Type	Monthly Rent*
Room in HMO	£340 - £460
One bed flat	£450 - £605
Two bed	£565 - £765
Three bed	£675 - £910
Four bed	£890 - £1200

\*Price point in ranges cited above are dependent on location, condition, and other factors.

**Note:** For the Gold Offer there is a requirement to lower the rent to 90% of market rate value in exchange for services and the rent guarantee agreement - excellent value.

## Are Local Housing Allowance or Universal Credit payments made to the landlord?

Not by default, but can be either at the tenant's request or if intervention has been required as a result of non-payment of rent.

## What are my responsibilities as a landlord under the schemes?

You will know that property management can be complex as well as rewarding. Landlords looking to lease under the Platinum Offer will pass management, rent collection, and day-to-day repairs responsibilities to the council's Leaser, HomeCome. The Lease Agreement will detail remaining responsibilities.

Private landlords that would like to work with us under either the Gold, Silver, or Bronze offer should be familiar with their responsibilities and liabilities when renting a property out. As a minimum, landlords should:

- Ensure their property is free from health and safety hazards. This includes providing up to date gas safety certificates, ensuring all appliances and electrical fittings are free from faults, and following fire safety regulations
- Carry out repairs and maintenance in a reasonable time period. For urgent or emergency repairs, this should be no longer than a few days
- Let the tenant have quiet enjoyment of the property. If either you or a contractor / workman need to access the property to carry out

non-emergency repairs, you should visit at a time that is convenient for the tenant

- Provide a tenancy agreement for tenants that includes the terms, who pays what and when, who is responsible for maintenance and your contact details (we can help with a standard agreement if necessary)

We will always meet with landlords to assure ourselves before entering into any agreements in order to protect the interests of prospective tenants.

We require the property to meet all the usual safety standards and will carry out inspections for all new properties on the scheme.

## What support is available to Landlords after the tenancy starts?

We provide support throughout, on all matters concerning the rent and any other tenancy issues. We have excellent links with Local Housing Allowance and

Universal Credit professionals and can resolve issues quickly.

## What if I have problems with the tenancy or they do not pay rent?

Very few of the tenancies arranged through the schemes experience management issues.

When they do arise, we can advise and/or intervene in a number of ways to get the matters solved and the tenancy back on track. This can range from providing advice or issuing warnings to mediation between landlord and tenant.

In the event of rent payment issues we can intervene and switch Local Housing Allowance and Universal Credit payments to be direct landlord payments as well as resolve any back payments. When this is not possible, landlords on the Gold Offer can also benefit from the additional terms within the Rent Guarantee Agreement, which can be discussed upon expression of interest.

### DISCLAIMER

Leicester City Council's only responsibility towards a tenancy created as part of either the Gold, Silver and Bronze offer is for the amount agreed as part of any guarantees mentioned for the agreed fixed term of the tenancy. All other responsibilities are between the tenant and landlord. Where the amount of the landlord's claim under the scheme is more than the amount of protection

provided under the guarantee, the landlord may wish to seek recovery from the tenant directly. There is no legal relationship or responsibilities with Leicester City Council. Legal responsibilities relating to leasing arrangements you may enter with HomeCome (Platinum Offer) or other partners will be discussed prior to any agreement being formalised.