

Executive Summary

A Regional Social Lettings Agency ~ DASH2 Rent

The proposal is to set up a Regional 'Social Lettings Agency' (SLA). SLA act in a similar way to commercial lettings agents however the tenants are people receiving local housing allowance and the agency is run on a 'not for profit' basis – any profits are recycled back into service delivery.

By operating the SLA via a regional body the operational costs are reduced. It allows a number of different LA's to work under the same model thus promoting closer working harmony, consistency in service provision, financial efficiency and potential for shared services.

The main objectives of the proposal are:

- the provision of well managed, decent homes for vulnerable people and those in housing need
- assurance that public monies (via Benefits) are expended on decent and safe homes under responsible management
- efficiency and value for money in developing a cross-boundary/region-wide service targeted to be self-financing within 3 years
- reduction in the use of temporary and supported accommodation
- reduction in homelessness and prevention of homelessness
- an expansion of housing options for the vulnerable and those in housing need
- a contribution toward community sustainability

The benefits a SLA can offer are:

- Building trust between tenants and the private rented sector, and between landlords and the social sector
- Preventing the 'revolving door' effect by supporting sustainable tenancies and reducing and preventing homelessness
- Expansion of housing options and housing choice
- Expanding the use of the private rented sector and improving housing and management conditions
- Provides links with area regeneration, Anti Social Behaviour, community cohesion, social inclusion etc.
- Assurance that any profits made are recycled into the delivery of landlord and tenant support services
- Efficiency and value for money via a cross-boundary/region-wide service - targeted to be self-financing after 3 years

Company Description

- A letting agency – recycling 'profits' into the delivery of tenancy sustainability services
- Customers: Landlords; housing register; homeless and potentially homeless households; Others in housing need
- Fixed percentage fee (no set-up or hidden fees) charged to the landlord at below market value.
- Tenant matching service AND a full property management service
- Offering greater housing choice for vulnerable clients
- Lowers the risk for landlords to accept tenants in receipt of LHA via safe-guards and incentives offered
- Operational structure - DASH2Rent will be able to deliver SLA services in the area of any East Midlands Local Authority that enters into a service level agreement with it. The service

level agreements will be tailored to reflect the provision of support services required, so that DASH2Rent can operate effectively within that area.

Market – East Midlands

- 136,545 households on local authority housing registers in the East Midlands
- 1,334 homeless households in priority need
- 32,176 concealed or overcrowded households - 1,500 mortgage possession orders issued in Quarter 2, 2009
- Letting Agents have a pick of tenants and are least likely to pick those in receipt of perceived complicated benefits
- DASH Landlords research exercise (2009) showed positive interest from landlords regarding DASH2Rent
- Property Investors are increasingly viewing tenants in receipt of LHA as a more desirable option as these tenants provide longer term tenancies and a regular source of cash flow.
- Current economic climate has led to an influx of rental properties available as properties are harder to sell
- 32% of agents in one LA would **not** let to tenants in receipt of LHA and a further 10% of agents set unrealistic criteria.

Competitive Position

- Housing Benefit specialists
- Strategic links within the city and across the region
- Unique access to large pool of tenants
- Unique access to LA services formalised via Service Level Agreements
- Tenants referred via existing homeless services, Housing Options, Supporting People, Housing Register, Choice Based Lettings...
- Landlords referred via: Mail-shots and marketing plan; strong DASH 'brand' with links to landlords and landlord associations, Accreditation schemes; Landlord databases; Landlord forums, Empty Homes Team...

Social Returns

- Majority of 'new lets' to homeless or potentially homeless households
- Create route into housing that normally would be avoided
- Reduce pressure on social and supported housing providers and hostels
- Reduce no. of people living in temporary accommodation who have skills but not the means to live independently
- Financial savings e.g. reduction of expensive temporary accommodation
- Prevention – engage people before they become homeless
- Employment opportunities and community cohesion strengthened by sustainable tenancies
- Links with Employment and Training Provision

'Invest to save'

Councils have a duty to provide emergency accommodation, often in the form of Band B - the worst kind of housing, disconnecting families from mainstream society and employment opportunities.

In Quarter 1, 2009 there were 930 homeless households in temporary accommodation in the East Midlands.

Government subsidy can be less than the amount of benefit paid out – council's bearing the cost of the difference - subsidy loss in 1 large Local Authority in: 2007/8 was £244k and in 2008/9 was £228k.