

LET TO BIRMINGHAM

2016 CASE STUDY REPORT



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with Ben Pattison

March 2017

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Glossary

This research explores a number of little known aspects of housing and welfare support provision related to Private Rented Housing. Readers may find this short summary of some of the more technical terms useful to have to hand when reading the report. Some of the most obscure of these turned out to be significant in understanding the scope for and limits to Social Lettings Agencies.

- AST** Assured Shorthold Tenancy – standard 12 month tenancy term for new PRS tenancies used by most SLAs. Shorter introductory tenancies of 6 months may also be used and accounted for one in five of Let to Birmingham lettings in 2016.
- HALD** Housing Association Leasing Direct scheme. This covers properties leased from private landlords by registered providers (RPs) and allows a level of housing benefit subsidy above LHA to be claimed (currently 90% of LHA plus £60 a week outside London). Under HALD the RP is responsible for all costs relating to the procurement, management and maintenance of the property including repairs and dilapidations, lettings and voids. 80% of the properties let by Let to Birmingham in the first three years were under the HALD scheme.
- DHP** Discretionary Housing Payments. Small fund available to local authorities that can be used to help tenants with deposits or to prevent loss of tenancies
- HCA** Homes and Communities Agency – funding and regulatory body for social and affordable housing in England at the time of this study. Registers and regulates housing providers. Now Known as Homes England but HCA used throughout report.
- LHA** Local Housing Allowance sets the maximum amount of housing benefit that may be claimed by tenants within a Broad Rental Market Area. While LHA levels are theoretically set to include the bottom three deciles of rents in an area, they do not map against actual market rent levels and have not been updated since 2011. In Birmingham an analysis by the local authority found that only 8% of local market rents would be accessible to clients depending on LHA alone to cover their rent.
- LtB** Let to Birmingham – the social lettings agency established by Birmingham City Council with a private company, Omega Lettings, from January 2014. Omega and LtB are now subsidiaries of Mears.
- PRS** Private rented sector. Major and growing tenure of particular importance for younger households, including those unable to access home ownership or social housing. ‘Generation rent’ refers to the growing proportion of all under 35s living in the PRS in England (up from 28% in 2001 to nearly 50% in 2011 and continuing to grow).
- QAF** Quality Assessment Framework used to assess the service level provided by Supporting People (SP) providers. Birmingham also uses QAF as the description for the quarterly returns provided by LtB on new lettings.

- RP** Registered Provider. Housing body registered with HCA. These include non-profit housing associations and for profit providers such as Omega Lettings who won the SLA contract in Birmingham. Being an RP enables eligibility for HALD.
- SEA** Supported Exempt Accommodation (SEA). SEA providers are eligible for housing benefit at above LHA level. SEA providers may include Upper-tier County Council, housing association, registered charity or voluntary organisations *‘where the body providing the accommodation, or a person acting on its behalf, also provides the claimant with care, support or supervision’*. Supervision *‘must not be a trifling amount and must be made use of by the claimant’*. Under the Housing Benefit and Universal Credit (Supported Housing) (Amendment) Regulations 2014 ‘SEA’ sits outside of UC and is exempt from bedroom tax and benefit caps. The future of supported exempt accommodation one of the main issues to be addressed by the 2017 Green Paper on transfer of exempt accommodation and supported housing funding to local authorities 2019. SEA was the main form of subsidy used by the two third sector SLAs in our case studies that provided shared accommodation for single homeless. SEA rents of up to £200 a week compared to the median shared accommodation LHA claim of £258.41 a month in Birmingham.
- SLA** Social Lettings Agency. The focus of this research. Defined by Evans (2105) as agencies that *‘help people access the PRS who are homeless or on low-incomes’*.
- SP** Supporting People. Funding available through local authorities for housing related support costs. ‘Floating support’ can sometimes cover support for households placed in private rented accommodation. However, availability has declined dramatically in recent years as the budget is no longer ring fenced.
- VIP** Let to Birmingham’s VIP landlords are those who place a portfolio of properties with the SLA and receive a high level of service.
- WMHOG** West Midlands Housing Officers Group represents West Midlands local authorities with a strategic housing function and shares information and best practice. Oversees a forward looking housing research and part funded this project.

Acknowledgements

Thanks to Rashid Ikram at Birmingham City Council for providing invaluable support throughout as Project Lead Client and to staff at Let to Birmingham and Birmingham City Council for responding to our requests for information and assistance with the research.

Thanks to Dr Ben Pattison of Sheffield Hallam University for data analysis feeding into Chapter 2, to Reelika Riepulk for research assistance in sampling and setting up interviews for Chapter 3.

Thanks to Dr Ricky Joseph and Mirela Luca Nechita for undertaking earlier research in 2015 as part of the first wave of study of Let to Birmingham and to Webb Memorial Trust for part support of that earlier study.

Finally, thanks to the West Midlands Housing Officers Group for contributing to the costs of the project and providing expert advice through our Project Advisory Group and to Vicki Popplewell for managing the overall project.



**David Mullins and Halima Sacranie,
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March 2017**

1. Introduction and Background

Social Lettings Agencies (SLAs) have been described succinctly by Shelter Scotland (Evans, 2015) as agencies that “*help people access the PRS who are homeless or on low-incomes*”. SLA is a general term applied to schemes that secure access to decent, affordable private rental accommodation for households in need and on low incomes who would previously have been likely to access social housing. The growth of SLAs has been a consequence of the falling supply of social housing, growth in the private rented sector, expansion of ‘housing options’ approaches since the Homelessness Act 2002 and discharge of homeless duties in the private rented sector since the Localism Act 2011.

The West Midlands Housing Officers Group has supported this project by the Housing and Communities Research Group at the University of Birmingham to explore the current and potential future role of SLAs in the region. Its relevance to current policy has increased considerably since the time of its commissioning.

This report covers the ‘second wave’ of research on Let to Birmingham undertaken in Autumn 2016. It supplements our earlier report in Autumn 2015 which covered the background to the establishment of Let to Birmingham in January 2014 as a social lettings agency by Birmingham City Council in partnership with Omega Lettings (now a division of Mears) and the first 18 months of its operation (Mullins, Joseph and Nechita 2015).

The 2015 case study had covered the set up and first 20 months of LtB based on interviews with council and LtB staff and a small number of tenant (3) and landlord (2) interviews. It identified the reasons for procuring the SLA from Omega, a leading PRS agent for London Boroughs, and for setting up LtB as a partnership with majority council representation on the local board. It also highlighted the appointment of an experienced Birmingham City Council officer as the first manager of LtB. It reviewed the arrangements put in place to ensure the quality of accommodation and management, the bond scheme and the avoidance of tenant deposits.

It showed the predominance of smaller properties amongst the first 500 lettings and success in sourcing properties across Birmingham’s different market areas and the predominance of younger tenants. It highlighted the difficulties in attracting landlords which had caused targets to be revised downwards and problems with referrals due to staffing reductions on the council side. It recorded generally positive experiences of our small sample of landlords and tenants who had been attracted.

It showed that despite being stimulated by the discharge of duties under the Localism Act, LtB had not been used for statutory homeless clients because the council had not agreed to implement that provision of the Localism Act.

Competition with other statutory agencies seeking similar sources of housing for their clients and changes to the policy environment were identified as potential barriers to the expansion of the scheme.

The importance of the start-up funding from a DCLG prevention grant and an underpinning of ongoing viability by the HALD scheme allowing rents above LHA levels to be charged were already emerging as distinctive features of LtB which may limit its replicability to other authorities.

In this report we update the earlier analysis of procurement and letting of rented properties by Let to Birmingham, which had a stock of 400 private rented homes in management across the City by the end of 2016. We set this analysis in the context of wider trends in the use of private lettings to house lower income households in England and Birmingham. We fill a gap in the literature on the operation of social lettings agencies in England by analysing the experience of landlords and tenants drawing on 22 semi-structured interviews (15 with tenants and 7 with landlords) undertaken in Autumn 2016. We complete our analysis by reviewing the learning that can be drawn on policy and process based on the data set out above and interviews with officers at Let to Birmingham and at Birmingham City Council about the operation of the scheme.

This report is one of three published in March 2017 by the Housing and Communities Research Group at the University of Birmingham with support from the West Midlands Housing Officers Group. The purpose is to explore the current and potential future role of SLAs to address the needs of low income households seeking decent, secure and affordable rented homes in the Midlands.

Alongside this in-depth study of Let to Birmingham, we have undertaken an evidence review and developed a typology of SLAs, held three peer learning events to share experience and ideas on whether and in what respects the PRS could become the 'new social housing' (in terms of security, affordability and quality issues), undertaken case studies of other SLAs in the region and of the financial context set by trends in market rents and LHA levels operating in each part of the region.

MARCH 2017 – PROJECT FINAL REPORTS

REPORT 1 – SOCIAL LETTINGS AGENCIES IN THE WEST MIDLANDS: PEER LEARNING EVENTS, CASE STUDIES, REGIONAL CONTEXT & POLICY RECOMMENDATIONS

REPORT 2 - LET TO BIRMINGHAM 2016 CASE STUDY REPORT (This report)

REPORT 3 - WEST MIDLANDS SOCIAL LETTING AGENCIES RESEARCH PROJECT:
LITERATURE REVIEW AND TYPOLOGY

PUBLISHED IN 2015 – LET TO BIRMINGHAM 2015 CASE STUDY

2. Data Analysis

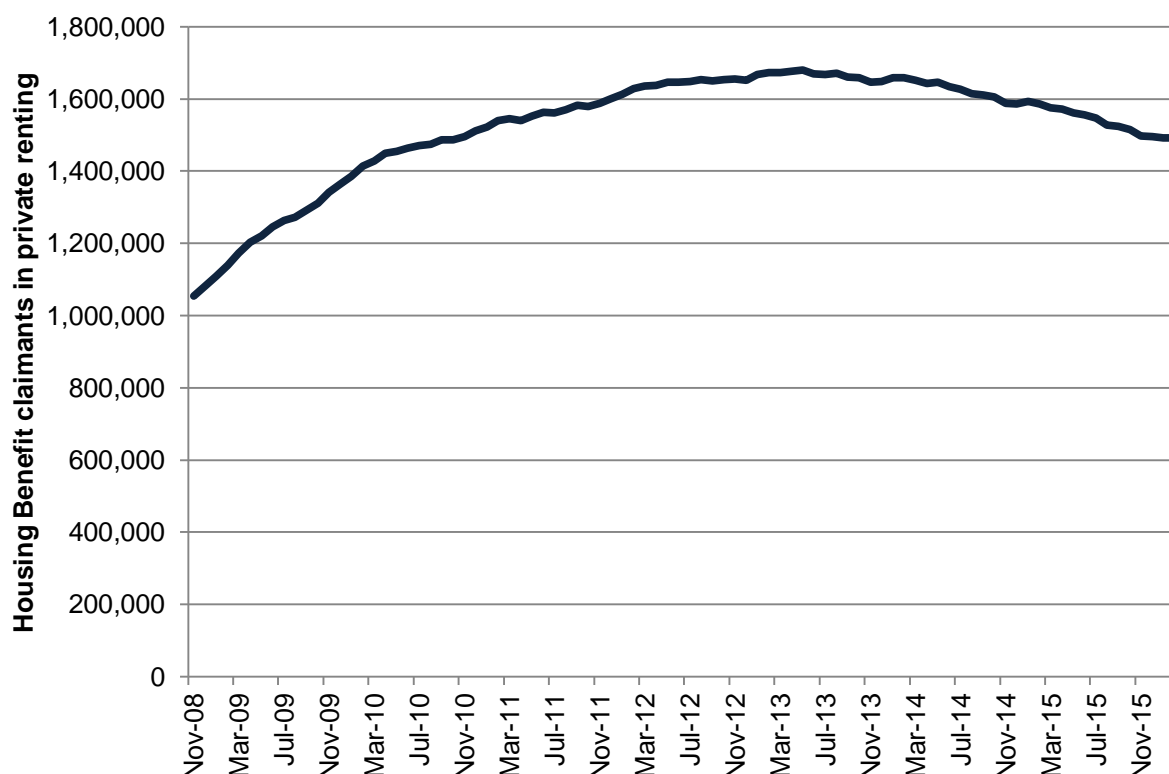
2.0 Introduction

This chapter begins by providing an overview of recent trends in the use of private rentals for lower income households in Great Britain and in Birmingham. It then presents an analysis of lettings by Let to Birmingham over the first three years of its operations (2014-2016). The final section of the chapter shows the role Let to Birmingham is playing in the wider market by comparing tenant and property profiles between the Let to Birmingham portfolio and the overall private rental stock in the city.

2.1 Wider Trends in the use of Private Rentals for lower income households in Great Britain

In order to understand the changes in Housing Benefit claimants in Birmingham it is necessary to briefly reflect on the national picture. Figure 2.1 highlights the trends in the number of households claiming Housing Benefit within the private rented sector. This group increased rapidly reaching a peak of 1.68 million in May 2013 then declined to just less than 1.5 million claimants in early 2016.¹

Figure 2.1: Number of Housing Benefit claimants in the private rented sector, Great Britain, November 2008 to February 2016²

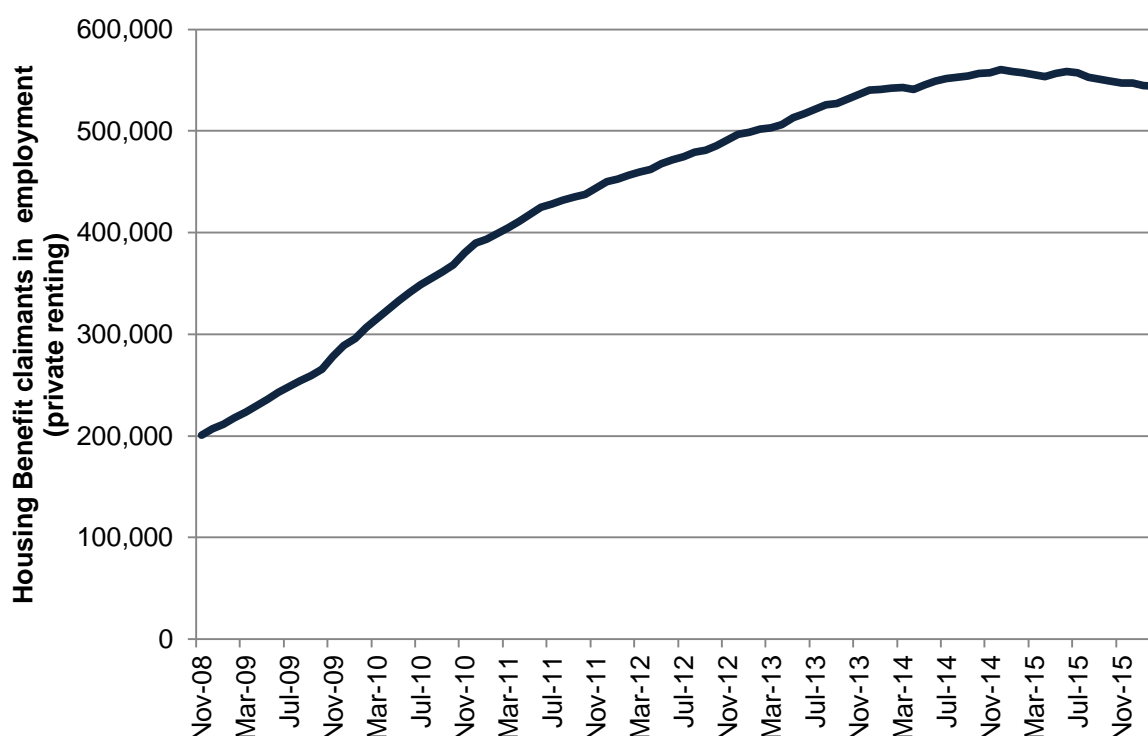


¹ This decline may be associated with claimants transferring to Universal Credit.

² Data from DWP STATXplore, accessed August 2016

Within these increases there have also been important changes in the type of households claiming Housing Benefit in the private rented sector. One of the most important changes is the rapid growth in the number of claimants who are in employment. This group increased from around 200,000 claimants in November 2008 to 560,000 claimants in just four years (see Figure 2.2). The average cost of Housing Benefit awards has increased in recent years. In November 2008 the average weekly claim within the private rented sector was £100.35. This increased to £111.76 in April 2011 before a decline to £105.22 in December 2012. The average cost of awards has steadily increased since this point to £109.71 in February 2016.

Figure 2.2: Number of Housing Benefit claimants in employment (not on passported benefits), private rented sector, Great Britain, November 2008 to February 2016³

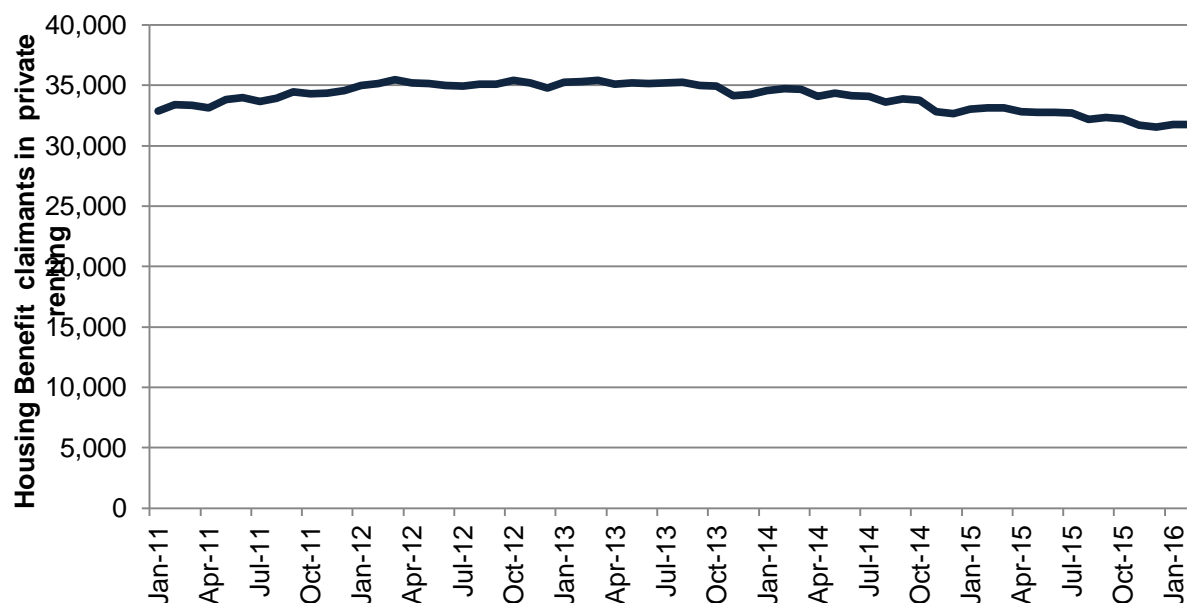


2.2 Trends in Housing Benefit claimants in Birmingham

Local level statistics for Housing Benefit claimants are available for the last five years from January 2011. During this period the number of Housing Benefit claimants in the private rented sector in Birmingham has been largely stable (see Figure 2.3). There was a slight increase from 32,900 claimants in January 2011 to a peak of 35,500 in March 2012. Since this point there has been a gradual decline to 31,800 in January 2016.

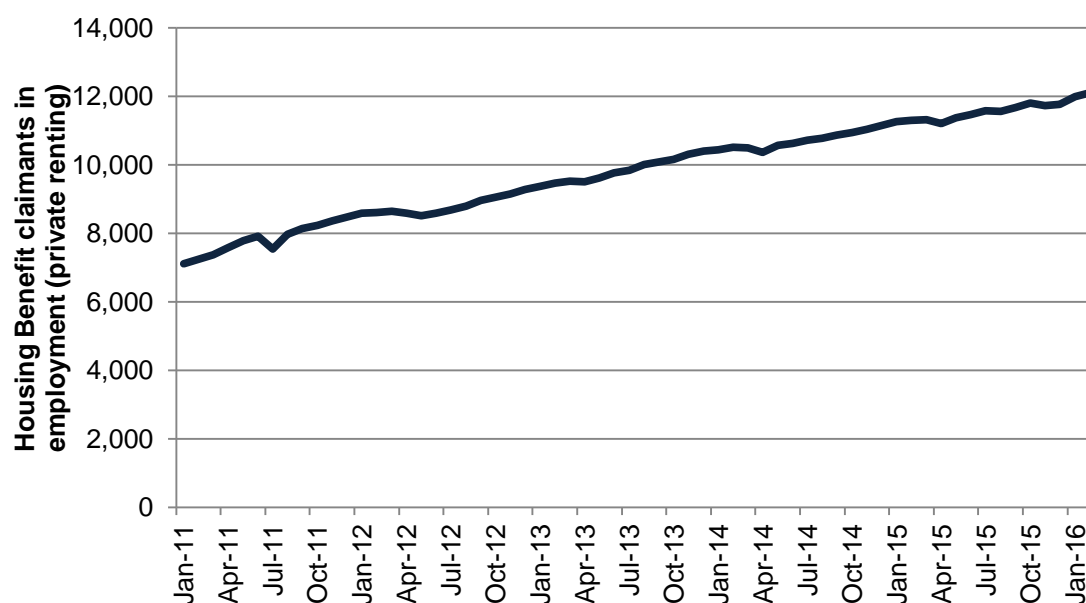
³ Data from DWP STATXplore, accessed August 2016

Figure 2.3: Number of Housing Benefit claimants in the private rented sector, Birmingham, January 2011 to February 2016⁴



The relative stability of overall claimant numbers in Birmingham masks a number of notable changes in their characteristics. Figure 2.4 highlights a rapid increase in the number of in-work claimants. This group increased from 7,100 in January 2011 to 12,100 in February 2016.

Figure 2.4: Number of Housing Benefit claimants in employment (not on passported benefits), private rented sector, Birmingham, January 2011 to February 2016⁵



⁴ Data from DWP STATXplore, accessed August 2016

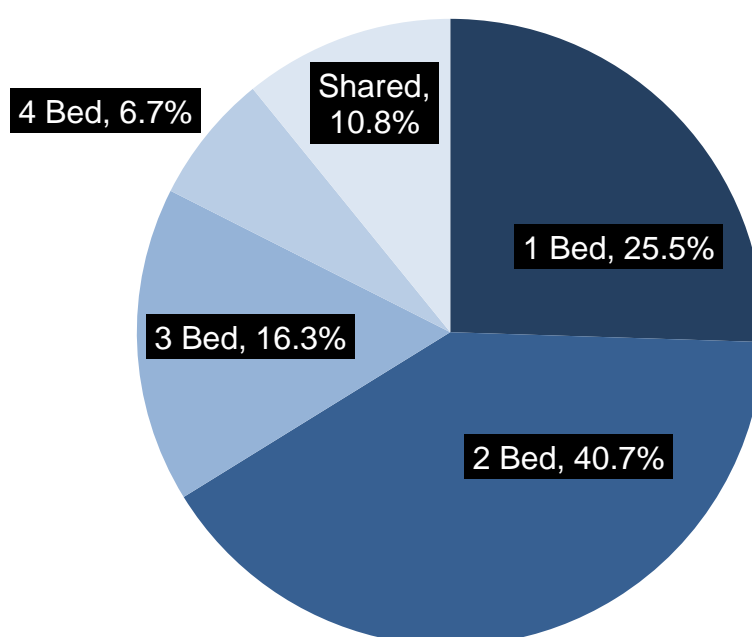
⁵ Data from DWP STATXplore, accessed August 2016

There were also changes in the age of claimants with a particularly large decline in Under 25s following reductions to benefit entitlements for under 25s in the 2015 summer budget. The stated rationale for these changes was to *'ensure that young people in the benefits systems face the same choices as young people who are in work and who may not be able to afford to leave home'* (Wilson, 2015). In contrast middle aged claimants (aged 45 to 59) were the groups who increased most rapidly during this period.

2.2.1 LHA claimants in Birmingham

More details on these trends can be found by analysing individual level data on Local Housing Allowance (LHA) claimants in Birmingham. Figure 2.5 shows the size of property occupied by LHA claimants in Birmingham in 2016. One and two bed properties account for two thirds of claimants within the city. This can be compared to the size of properties occupied by LHA claimants in April 2011. At this time shared rooms accounted for 18% of properties but had declined to 11% by 2016. This is likely to be associated with the decline in the number of Under 25s highlighted in the previous section.

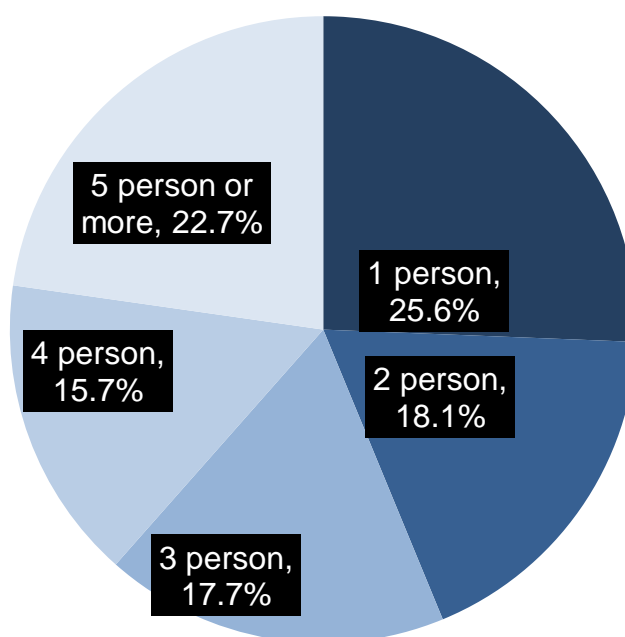
Figure 2.5: Size of property for LHA claimants, Birmingham, April 2016⁶



The changing profile of claimants can also be seen in household size. Figure 2.6 shows the household size for LHA claimants in Birmingham in April 2016. Small households are most common with almost half of claimants being one or two person households. However, there is evidence of increases in larger household sizes since 2011. The proportion of one person households declined from 40% in April 2011 to 26% in April 2016.

⁶ Author's calculations based on Single Housing Benefit Extract

Figure 2.6: Household size, LHA claimants, Birmingham, April 2016⁷



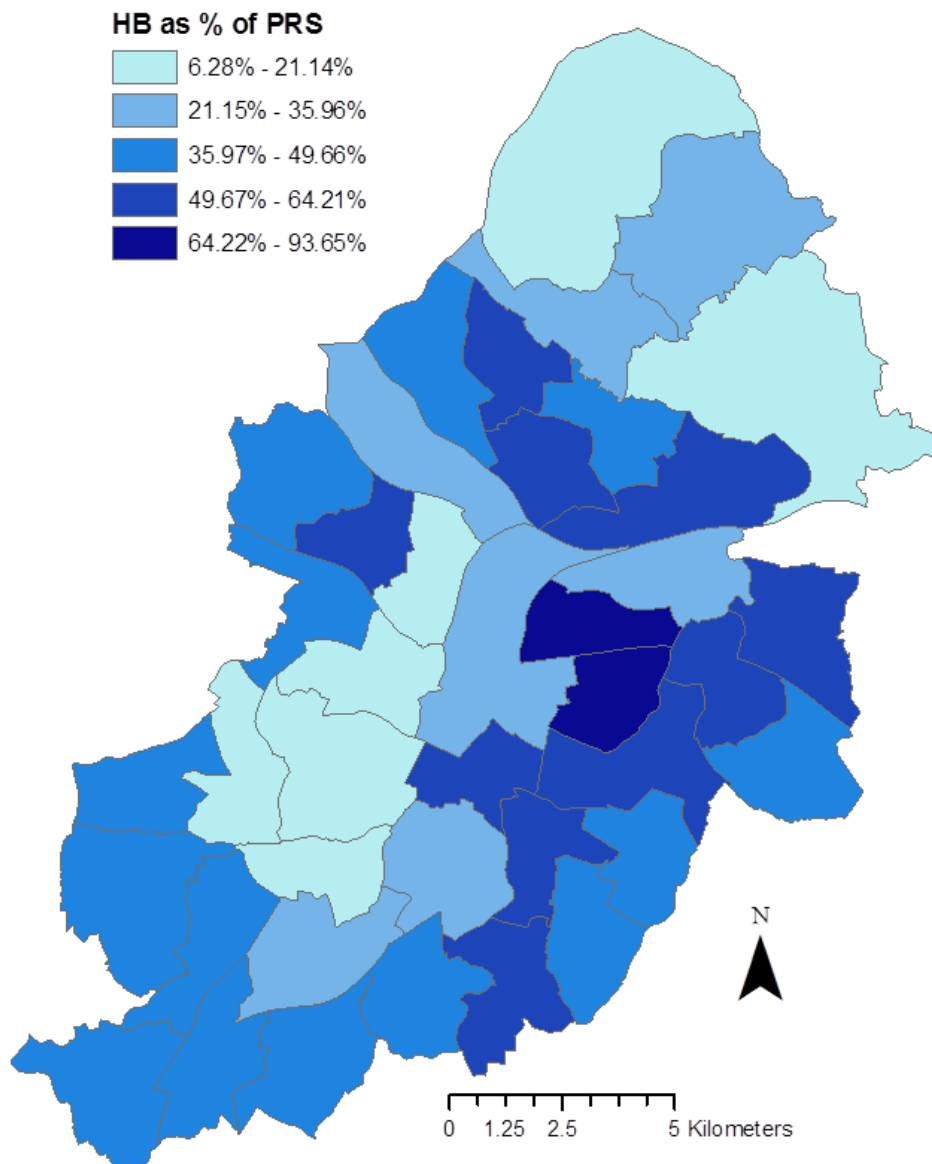
2.2.2 The distribution of LHA claimants in Birmingham in 2011

The spatial distribution of households within the private rented sector in Birmingham who were claiming Housing Benefit is shown in Figure 2.7. Combining postcode data on Housing Benefit claimants with data from the 2011 census on tenure provides an indication of the proportion of private renters who are claiming Housing Benefit in each ward.

In 2011 there was considerable variation in the proportion of Housing Benefit claimants across the city. The highest rates of Housing Benefit as a proportion of all private renters were found in Washwood Heath (94%) and Bordesley Green (92%). These adjacent wards situated to the East of the city had unusually high levels of claimants. The next highest proportion of Housing Benefit claimants was 64% of private renters in Kingstanding. Other areas with high proportions of Housing Benefit claimants were situated on the Eastern and Northern fringes of the city centre. At the other end of the spectrum Housing Benefit claimants made up only a small proportion of private renters in some wards within the city. The lowest levels were found in Ladywood (6%) and Selly Oak (11%) situated on the South Western fringe of the city centre.

⁷ Authors calculations based on Single Housing Benefit Extract

Figure 2.7: Housing Benefit claimants as percentage of households renting from a private landlord, 2011⁸



The distribution of Housing Benefit claimants is likely to be linked to the characteristics of these wards - particularly their socio-economic profile and available housing stock. Wards with low proportions of housing benefit claimants tended to be those which were dominated by students and young professionals. The housing stock available in these areas was dominated by Houses in Multiple Occupation (HMOs), particularly Selly Oak, and purpose-built flats (e.g. Ladywood). Wards with higher levels of Housing Benefit claimants within the private rented sector were characterised by availability of terraced accommodation. This type of accommodation fits with the type of households claiming Housing Benefit in 2011 (e.g. small household size in 2/3 bed properties).

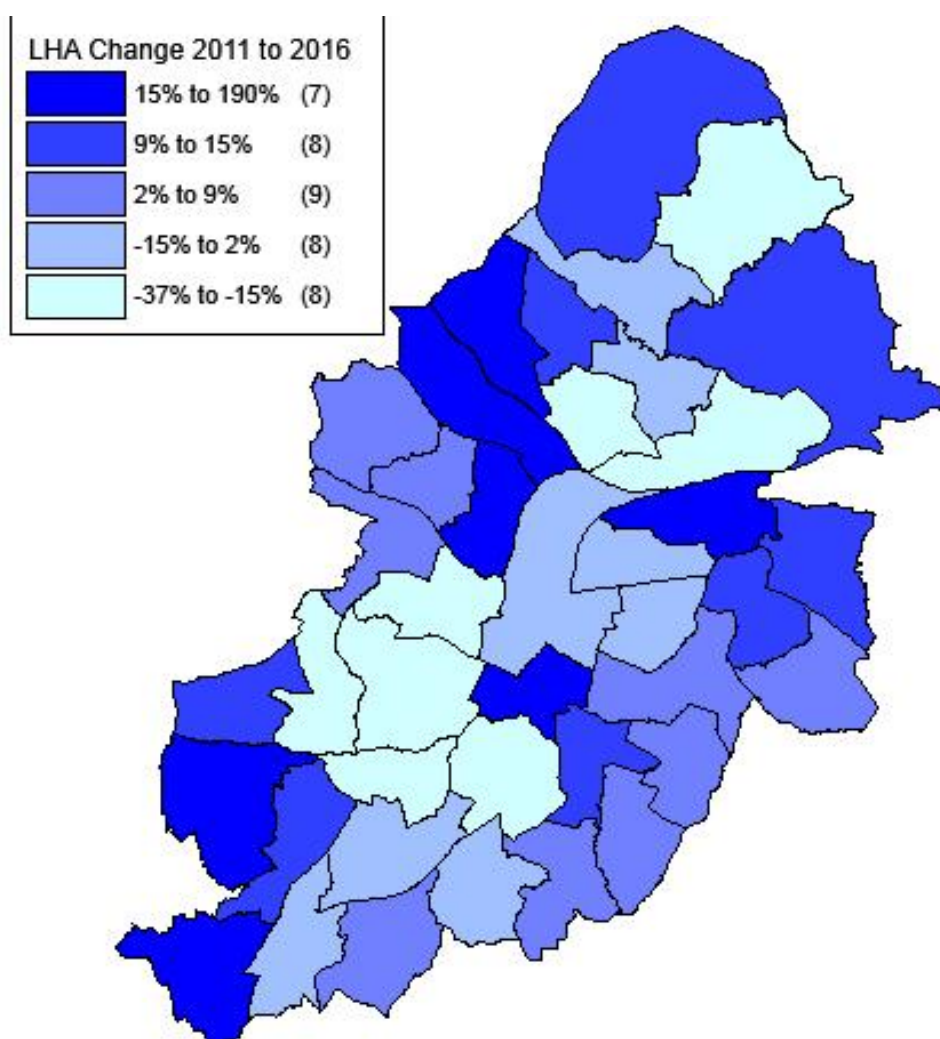
⁸ Author's calculations based on data from Table KS402EW of the 2011 Census and Housing Benefit data from Birmingham City Council

Wards such as Bordesley Green were characterised by highly diverse populations with low levels of income. These wards appeared to be acting as 'escalator areas' which provide relatively easy access to lower cost accommodation for a range of different groups including Housing Benefit claimants.⁹

2.2.3 Changes in Distribution of LHA Claimants 2011-16

Housing Benefit data from 2016 highlights the changing geography of claimants across the city. Figure 2.8 maps the changes that occurred between 2011 and 2016.

Figure 2.8: Local Housing Allowance claimants change, 2011 to 2016



Between 2011 and 2016 there was a 4% increase in claimants within Birmingham but these were not spread evenly (Table 2.1 shows the absolute numbers and percentage changes for each ward between 2011 and 2016).

⁹ See: Phillimore, J (2013) Housing, Home and Neighbourhood Renewal in the Era of Superdiversity: Some Lessons from the West Midlands, Housing Studies, Volume 28, Issue 5.

Table 2.1: Changing distribution of LHA claimants, April 2011 to April 2016

	Apr-11	Apr-16	Percentage change
Aston	280	811	189.64%
Hodge Hill	391	831	112.53%
Perry Barr	507	794	56.61%
Oscott	590	733	24.24%
Longbridge	462	561	21.43%
Bartley Green	391	468	19.69%
Sparkbrook	1065	1265	18.78%
Sutton New Hall	170	195	14.71%
Springfield	1210	1380	14.05%
Sutton Four Oaks	174	198	13.79%
Shard End	604	681	12.75%
Kingstanding	698	780	11.75%
Weoley	447	493	10.29%
Quinton	441	482	9.30%
Stechford and Yardley North	659	720	9.26%
South Yardley	1167	1267	8.57%
Lozells and East Handsworth	986	1069	8.42%
Handsworth Wood	944	1023	8.37%
Kings Norton	313	334	6.71%
Sheldon	368	390	5.98%
Soho	1176	1236	5.10%
Billesley	539	565	4.82%
Acocks Green	906	934	3.09%
Hall Green	546	559	2.38%
Northfield	448	442	-1.34%
Sutton Vesey	271	259	-4.43%
Bordesley Green	1603	1518	-5.30%
Erdington	800	741	-7.38%
Brandwood	387	357	-7.75%
Nechells	885	811	-8.36%
Washwood Heath	1460	1278	-12.47%
Bournville	520	444	-14.62%
Stockland Green	1279	1045	-18.30%
Selly Oak	367	298	-18.80%
Harborne	464	373	-19.61%
Tyburn	559	448	-19.86%
Sutton Trinity	337	269	-20.18%
Moseley and Kings Heath	701	551	-21.40%
Ladywood	449	304	-32.29%
Edgbaston	532	339	-36.28%

From Figure 2.7 and Table 2.1 it can be seen that several wards experienced rapid increases in the number of claimants during this period. The number of claimants in Aston and Hodge Hill more than doubled between 2011 and 2016. Areas which had the highest proportion of claimants in 2011 saw a slight decline over the following five years. The number of claimants in Washwood Heath and Bordesley Green declined by 12% and 5% respectively.

Several wards experienced a notable decline the number of claimants. These tended to be wards such as Edgbaston (-36%) and Ladywood (-32%) which had a low percentage of Housing Benefit claimants in 2011.

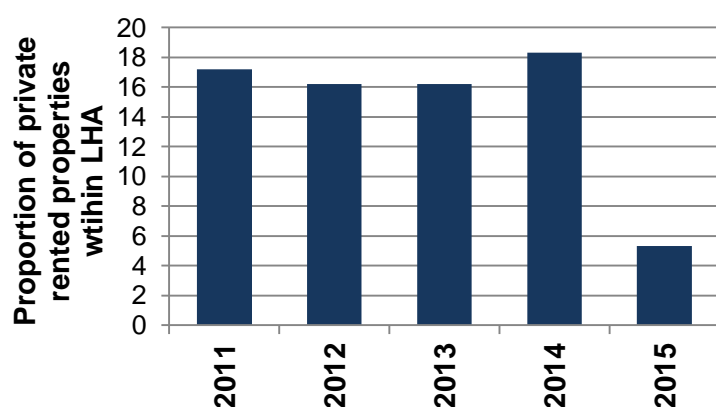
In general terms it the distribution of claimants appears to have spread more widely across the city, particularly to the North and Western fringes of the city centre. It is likely that these trends are associated with the changing profile of Housing Benefit claimants during this period. The decline in claimants living in shared accommodation and growth in slightly larger households sizes is likely to have necessitated a shift towards areas of the city where suitable housing stock was available.

2.2.4 Private sector rents and the LHA rate in Birmingham

Accommodation costs for claimants within Birmingham followed a similar profile to national trends increasing from 2008 to 2011. Average weekly costs then declined until 2013 before steadily increasing again. However, the cost band of £100 to £125 per week was the most common within the city from 2008 through to 2016.

Data collected by Birmingham City Council on the proportion of rents of new lettings in the private rented sector in Birmingham that are within the Local Housing Allowance rate provides some indication as to why there may have been changes. Figure 2.9 suggests that the proportion of private rented properties below the LHA rate was relatively stable between 2011 and 2014. However it then dropped considerably from 18% of properties in 2014 to just 5% in 2015.

Figure 2.9: Proportion of private rented lettings below the Local Housing Allowance level, October 2011 to October 2015¹⁰



¹⁰ Authors calculations based on data from Birmingham City Council

2.3 Let to Birmingham Lettings Analysis 2014-16

2.3.1 Background

Let to Birmingham provide regular quarterly data to Birmingham City Council in the form of a 'QAF spreadsheet'. This provides details of lettings activity in the previous quarter. Properties let are classified by size, location, lettings term and rent type (HALD, LHA or other). Tenants of properties let are classified by age group, ethnicity, gender and disability. Management information on numbers of properties advertised and the length of time taken at various stages of the lettings process are also recorded. The QAF relates to lettings activity and not to the stock of properties at any point in time or handbacks to landlords. Other records are held by the LtB manager, but to date the main management information provided to Birmingham City Council has been confined to the QAF.

The following analysis draws on the QAF data, using the fourth quarter QAF returns for 2014.2015 and 2015 which each include a summative column with totals for the year.

For some of the data presentations we have used a sub-sample of the data covering the 18 month period January 2015 to June 2016.

In using these annual totals we have ignored some reconciliation problems with the raw quarterly data and some minor changes in data formats between years (such as the inclusion of totals for properties advertise but not for those actually let in 2014).

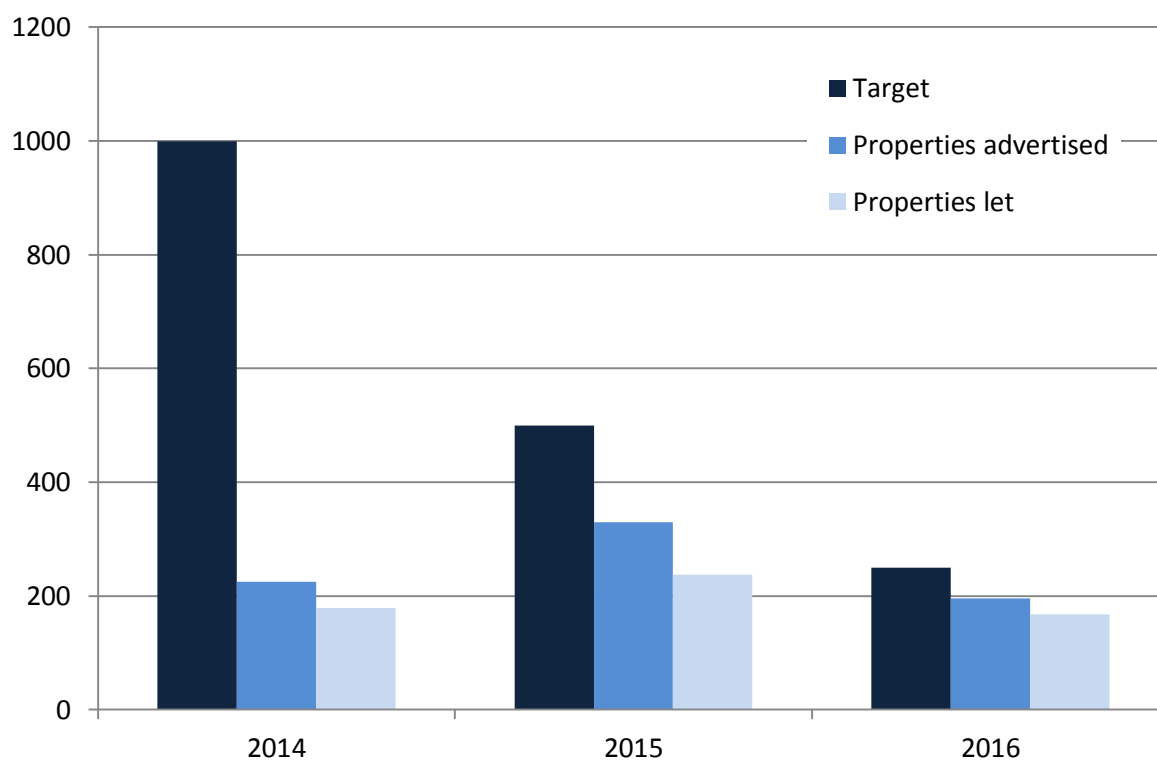
2.3.2 Properties sourced

A key objective of LtB was to source as many good quality properties as possible to provide Birmingham City Council with a reliable source of additional housing supply to assist with its homelessness prevention duties. Targets were set for the numbers of properties to be secured and performance was monitored through totals advertised and totals actually let. One of the reasons for the discrepancy between the latter figures is that some advertised properties were withdrawn when either the council was unable to refer a suitable nominee or the landlord withdrew the property for some other reason.

Lettings against target 2014,2015 and 2016

Figure 2.10 highlights the changing targets and numbers of properties being let by Let to Birmingham. Initial targets were revised from 1000 in 2014 to 500 in 2015 and 225 in 2016. The numbers of properties advertised and let increased from 2014 to 2015. There was a dip in both of these in 2016, but a further increase was anticipated in 2017.

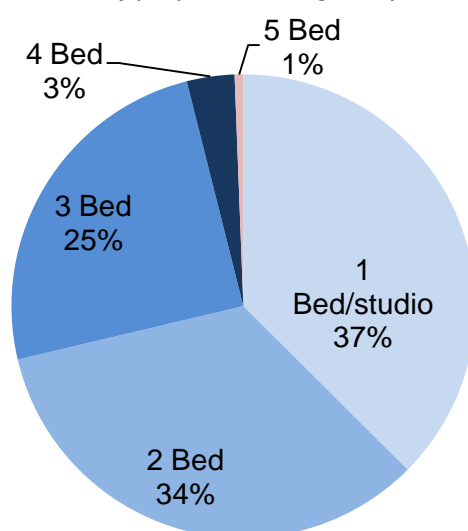
Figure 2.10: Targets and actual outturn for Let to Birmingham¹¹



Size of Properties sourced and Let

Figure 2.11 highlights the size of properties being let through the scheme. Most properties being let were small with over two-thirds being 1 or 2 bed. Only 4% of properties were larger than 4 bed or larger.

Figure 2.11: Size of properties being let by Let to Birmingham¹²

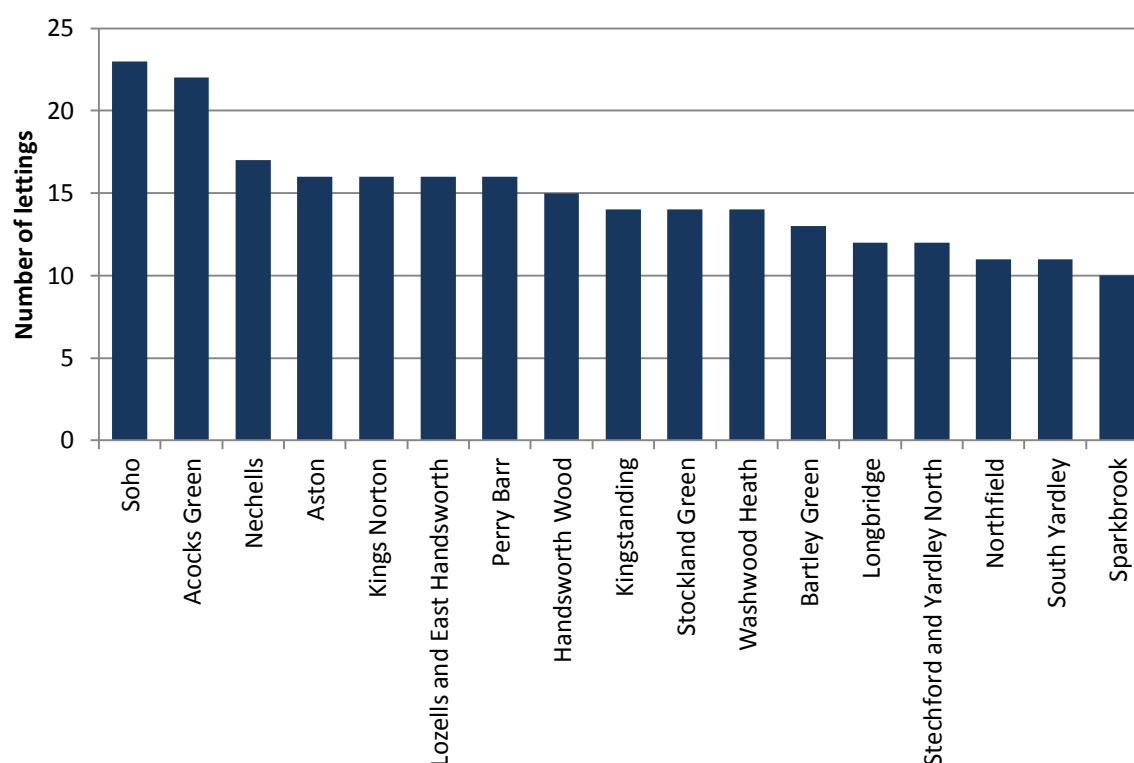


¹¹ Authors calculations based on data from LtB for 2014-16

Location of Properties sourced and let

Figure 2.12 highlights the number of lettings by ward (for those with ten or more lettings). The figures show that 38 out of 40 wards had at least one letting during this period and almost half of the wards (42%) had 10 lettings or more. The number of lettings is mapped in Figure 2.13 to highlight the spatial pattern of areas with higher numbers of lettings. The top five wards were spread across different parts of the city (Soho, Nechells, Acocks Green, Aston and Kings Norton).

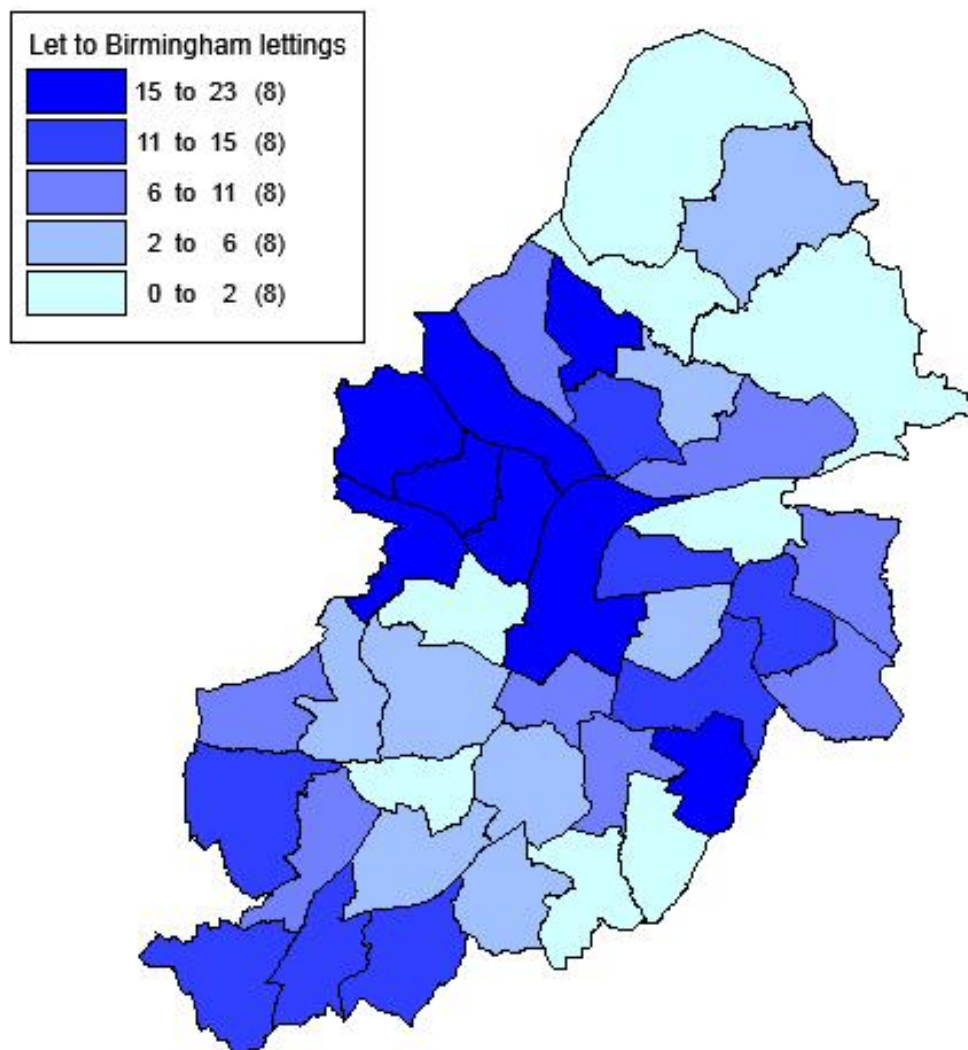
Figure 2.12: Let to Birmingham Number of lettings by ward¹³



¹² Authors calculations based on data from LtB from January 2015 to June 2016

¹³ Authors calculations based on data from LtB from January 2015 to June 2016

Figure 2.13: Map of Let to Birmingham lettings by ward¹⁴

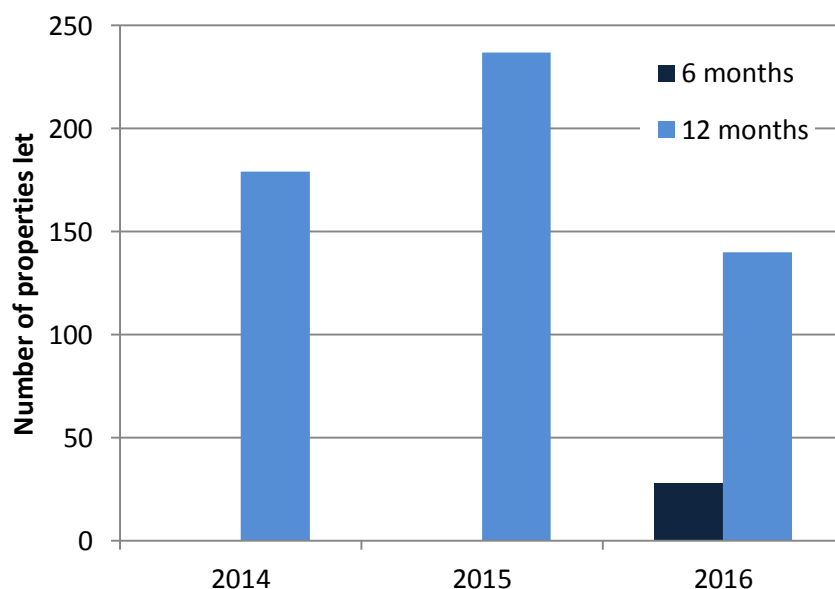


¹⁴ Authors calculations based on data from LtB from January 2015 to June 2016

Lettings Term

The term length of new lettings is outlined in Figure 2.13. It highlights the emergence of six month lettings in 2016. Prior to this point all lettings had been on twelve month terms. The shorter six month tenancies represented a minority of lettings in 2016.

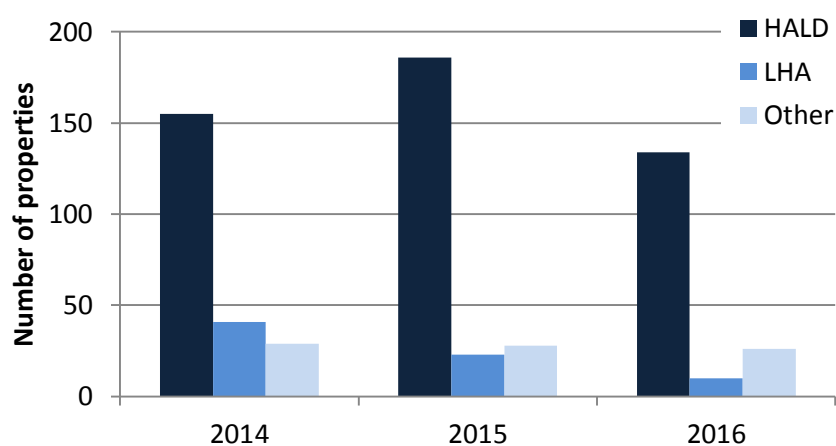
Figure 2.14: Let to Birmingham Lettings terms¹⁵



Rental Type

The changes in type of rental between 2014 and 2016 are highlighted in Figure 2.15. It shows that HALD represents the largest source in each of the years accounting for the majority of lettings. There has been a reduction in LHA lettings over the three years. Other rental types include 'sub-HALD' where rents are flexibly negotiated with landlords at somewhere between LHA and HALD.

Figure 2.15: Type of rental for Let to Birmingham properties¹⁶



¹⁵ Authors calculations based on data from LtB

¹⁶ Authors calculations based on data from LtB

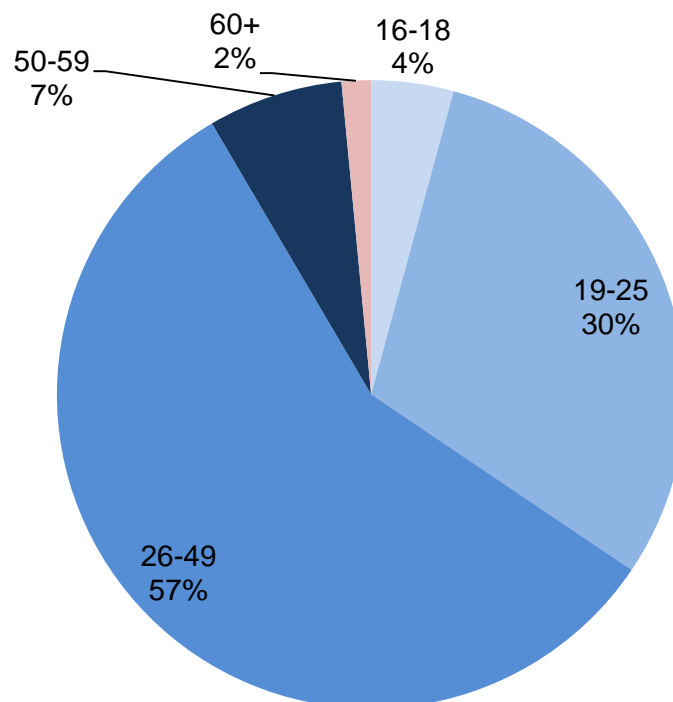
2.3.3 Tenant Profile

The QAF data provides some useful information on the demographic profile of tenants assisted through LtB, but it does not provide any reliable information on nominations and referrals or the homelessness status of applicants. It is understood from qualitative interviews that LtB has not so far been used to discharge statutory homelessness duties or to move people on from homeless temporary accommodation. The main focus has been on homelessness prevention and housing options, and there have been a small number of self-referrals/direct applicants and council tenants waiting for transfer taking up new PRS tenancies through LtB.

Age Group

The age group of tenants can be seen in Figure 2.16. One-third of lettings (34 %) are to younger tenants aged 25 years or under. Less than 10% of lettings are to older households aged 50 years or over.

Figure 2.16: Age group of Let to Birmingham tenants¹⁷

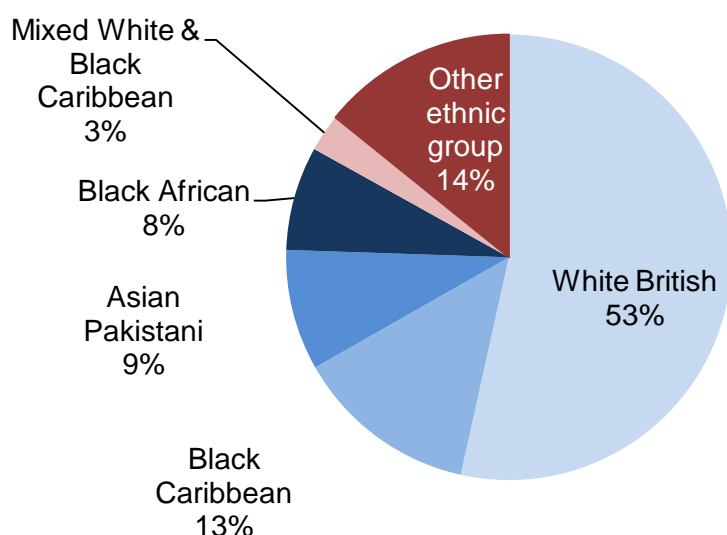


¹⁷ Authors calculations based on data from LtB from January 2015 to June 2016

Ethnicity

Figure 2.17 highlights the ethnic groups of tenants. 'White British' ethnicity accounts for more than half of lettings. In total, 17 different ethnic categories are identified in monitoring data which highlights the diversity of tenants.

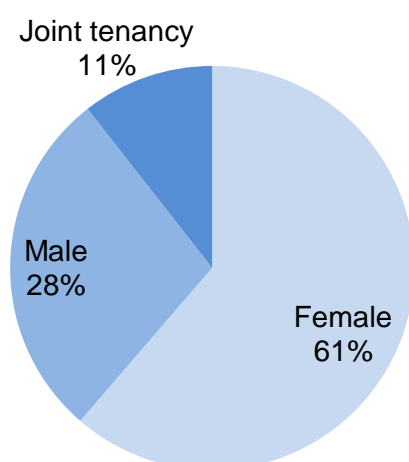
Figure 2.17: Ethnicity of Let to Birmingham tenants¹⁸



Gender and joint tenancies

The gender split of tenancies can be found in Figure 2.18. It shows that the vast majority of lettings (almost 90%) were made on single tenancies. In addition there are twice as many females as males on single tenancies.

Figure 2.18: Gender of Let to Birmingham tenants¹⁹



¹⁸ Authors calculations based on data from LtB from January 2015 to June 2016

¹⁹ Authors calculations based on data from LtB from January 2015 to June 2016

Disability

Figure 2.19: Disability status of Let to Birmingham tenants²⁰

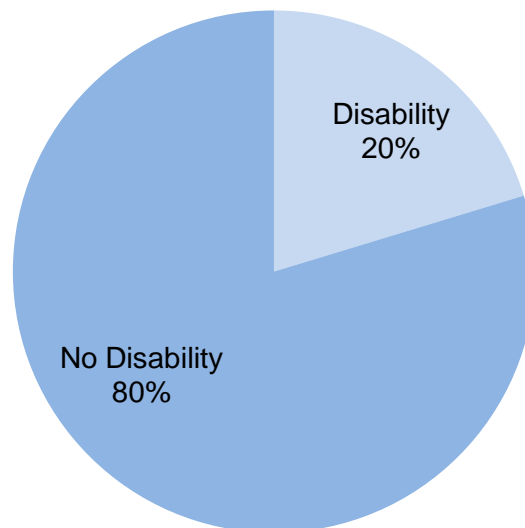


Figure 2.19 indicates that one-fifth of tenants disclosed a disability. The most common disabilities being disclosed were:

- mental health (39% of those with a disability),
- mobility (18%)
- learning disability (10%)

Employment Status

While the QAF data does not include employment status, interviews with LtB staff confirmed that because of the rent levels and benefit entitlements it is very unusual to place households working more than 16 hours a week into HALD properties which make up around 80% of the LtB stock. LHA properties are sometimes used for people in work, but the majority of LtB tenants are not in full time work. Furthermore in our interviews with LtB tenants who were seeking work indicated that they would be likely to move out if they were successful in getting a full time (see Chapter 3).

²⁰ Authors calculations based on data from LtB from January 2015 to June 2016

2.4 Conclusions: Comparing Let to Birmingham to the LHA market

From the analysis in sections 2.2 and 2.3 of the report it is possible to draw out some key comparisons between the PRS niche occupied by LtB and the wider housing benefit market in Birmingham. It should be noted that the number of lettings from LtB is small when compared to the wider Housing Benefit niche. This means that comparisons should be treated with caution. Some of the key findings relate to:

- **Size of property.** The size of property in LtB lettings is not dissimilar to the wider Housing Benefit market. Around two-thirds of properties are one or two bedrooms in both cases. This is split more towards one-bed properties in the LtB group than the wider market.
- **Shared accommodation.** LtB does not source shared accommodation or HMOs, it therefore has a different market position to some other access schemes reviewed in our other reports.
- **Age.** The age profile of LtB tenants was much younger than the wider Housing Benefit market. Only 6% of HB claimants in the PRS were under 25 compared to 34% of LtB lettings.
- **Ethnicity.** There is no available data on ethnicity of the Housing Benefit niche but it is likely that it is comparable to the private rented sector as a whole. In 2011, 61% of private renter households in Birmingham were 'White'.²¹ This suggests that the 53% of LtB lettings to 'White British' tenants is broadly representative of the wider population.
- **Gender.** Comparison between LtB and national data on Housing Benefit claimants can be used to assess gender and tenancy type. A higher proportion of LtB lettings went to households headed by single female claimants (61%) than at a national level (52%).²² The proportion of joint lettings was lower in Birmingham (11%) than nationally (22%).
- **Disability.** There is no direct comparator for the LtB lettings in relation to disability. However, the proportion of LtB lettings to people who are self-reporting disabilities appears to be noticeably higher than might be expected amongst the wider population.
- **Location.** LtB lettings are being made across the city covering a range of different types of sub-market. 38 of 40 wards had at least one letting and over half had ten or more over the 18 month period January 2015 –June 2016.

In summary this suggests that LtB lettings are generally to younger, single households and they appear to more likely to have a disability and less likely to be in full time employment. This can be contrasted with a shift to older, in-work tenants in larger properties amongst the wider Housing Benefit market within the city. There is also evidence of growing affordability pressures within low cost accommodation in Birmingham. This suggests that LtB may be meeting a gap in the market particularly for accommodation for younger people who find it increasingly difficult to access either social housing or other affordable private rented accommodation.

²¹ Authors' analysis of census data.

²² National figures based on authors' calculations of DWP Housing Benefit summary statistics.

3. Tenant Experience of Let to Birmingham

3.0 Aims and Methods

Our review of existing literature on social lettings agencies (SLAs) identified the lack of evidence on the experience of tenants and of landlords as a major gap in knowledge. In order to determine whether SLAs are successful, we need to know more about how they are viewed by tenants who should be the primary beneficiaries of schemes that aim to “*help people access the PRS who are homeless or on low-incomes*” (Shelter Scotland 2015). We also need to know more about what motivates landlords to let properties through SLAs rather through other channels.

We therefore worked with Let to Birmingham to secure access to a sample of tenants and landlords involved with Let to Birmingham lettings in Autumn 2016 to map their experiences and views of the scheme.

Tenant Interviews

For the tenant interviews we constructed a purposive sample of 15 of the 400 households in LtB tenancies in November 2016 aiming to reflect the population in relation to age, household type and size of accommodation, ethnicity and disability, rent regime (HALD or LHA) and length of time in LtB tenancies. We sampled from five wards in north, central and south Birmingham to represent different parts of the market identified in Chapter 2.

Table 3.1 compares the achieved sample to the targets showing that the sample broadly reflects the population by age, size of accommodation, household type and ethnicity but slightly over-represents clients with disabilities. In terms of length of time in LtB tenancies we broadly achieved our aim of a mix of recent and more long-standing (over 12 months) tenants. In terms of location we slightly over-represented the north and underrepresented the south of Birmingham and in terms of rents we had slightly fewer HALD and LHA than anticipated because of the emergence of a sub-HALD category (above LHA rates but below full HALD rate).

Table 3.1 Achieved Let to Birmingham tenant sample characteristics against targets

Criteria	Target	Achieved
AGE 18-25	5	6
AGE 26-49	9	7
AGE 50+	2	2
One Bed Flat	5	5
Two bed Flat	6	5
Two bed Bungalow	-	1
Three Bed House	3	3
Four Bed House	1	1
Ethnicity – White	9	10
Ethnicity – BME	6	5
Disabled	3	4
Under 6 months with LtB	5	6

6-12 months with LtB	5	4
Over 12 months with LtB	5	5
Rents HALD	12	10
Rents Reduced HALD	-	4
Rents LHA	3	1
Ward Perry Barr (N)	5	6
Ward Aston (N)		1
Ward Acocks Green (C)	5	5
Ward Kings Norton (S)	5	2
Ward Northfield (S)		1

Work on sampling and fixing tenant interviews was undertaken by a Housing and Communities student who had work experience as an intern with Let to Birmingham and who worked with the LtB lettings officer to secure the sample. Tenant interviews were by pre-arranged appointments at the tenant's home address with the male project lead interviewer accompanied by the female student assistant. Four of the tenant interviews were undertaken by phone. Tenant Interview recordings and notes were held securely on password protected laptops by the research team.

The 15 tenant interviewees were provided with a participant information sheet about the project and completed consent forms before interview recording began. They were anonymised and are simply referred to as T1-T15 in the sections below where quotations are presented.

Homeless Hub Advice Session Observation

Additional information on tenant experience was provided by observation of one of the LtB drop in advice sessions at the Birmingham Homeless Hub in Newtown on December 7th 2016. During a period of little more than an hour eight applicants and potential applicants were interviewed, with several of them successfully securing appointments to view properties within the next week.

Applicants came from a range of age and ethnic backgrounds, mainly women, some with young children, several in work or seeking work, some quite recently living in Birmingham. Some were clearly anxious, one with family member as interpreter, others quite knowledgeable, confident and articulate. All shared a need for accommodation, some very urgently.

These observations were written up as an anonymous note immediately after the session and this was used as background information for parts of this chapter (particularly in sections of 3.1 on barriers and enablers to housing through LtB). No personal identification information was obtained or held by the research team about these interviewees.

We used semi-structured face to face or telephone interviews taking around 20 minutes for tenants. These interviews were recorded after informed consent had been secured using a participant information sheet and consent form. All interviews went well and were completed with few gaps in the questions covered. We used a common framework of motivations, barriers and enablers (see Figure 3.1) to organise findings on tenant perceptions of the scheme.

3.1 Tenant Experience

3.1.1 Access Group

As was established in Chapter 2, the majority of the 400 LtB tenants in November 2016 can be classified as 'homeless prevention' or 'housing options' clients referred by Birmingham City Council rather than statutory homeless acceptances or other groups. This allows the council to record all LtB clients housed as homeless prevention cases for its returns to DCLG.

Mapping Tenants in relation to use of SLAs			
Types:	Motivation:	Barriers:	Enablers:
FOUND	Security/conditions/costs	Council tenancy advantages	Access Route Information
1. Prevention	Independent home	Deposits and references	Confidence and Trust
2. Housing options	Convenient Location for family/work ties	Stock size, type and location	Deposit scheme Higher quality stock (HALD scheme)
3. Direct approaches – self-referrals by HB tenants	Move-on from short term accommodation	Eligibility/Access requirements	
4. Council Tenant Transfers		Limited Supply	
NOT FOUND		Work disincentives (higher rent HALD scheme)	
1. Statutory Homeless			
2. Other statutory agencies placing in PRS			
3. Moves from TA			

Figure 3.1 Mapping Tenant Perceptions of Let to Birmingham

While the majority of new tenants are now sourced through three times a week visits by the LtB lettings officer to the Councils' Homeless Hub in Newtown, interviews indicated that other routes may be successfully followed by those seeking accommodation including direct approaches to LtB and transfers from council properties in Birmingham. Thus while prevention and housing options are highlighted in Figure 3.1 as the main types of LtB tenants, two other categories were also found: self-referrals and council tenants.

An example of the first access route was provided by a BME household who had moved to Birmingham from a council property in another local authority where they had lived for six months. They had found the LtB office when up for the day from Cheltenham for house-hunting.

'I saw the Let to Birmingham office when I was looking for accommodation agencies in Birmingham. They seemed like friendly people. I needed a place for my misses myself and three

kids. They said they had a few places available.....and they had pictures of different properties with energy ratings and all. This place was available, it had just been refurbished'. (T9)

Another family had been on the Birmingham council transfer list for a number of years and were desperate to leave their tower block flat but their points level meant they were well down the queue on all of their bids for council properties. They were referred to LtB by an advice worker from a Social Services supported advice service (Home Start) and received an offer very speedily after application. They accepted this first property they viewed. It met their needs much better than the council flat they had left, having a garden and friendly neighbours, and being close to the special schools attended by their two children.

3.1.2 Household types

Survey results in Chapter 2 indicate that LtB tenants tend to be younger than private tenants as whole and more likely to have a household member with a disability. A high proportion are not in work with single parents and older people with long term disabilities being strongly represented in our interview sample.

The experience of worklessness made the HALD scheme advantageous for these groups in the medium term but had potential longer term disadvantages. Property quality was generally good but rents were seen as expensive under HALD and several tenants planned to move on to less expensive properties elsewhere in the PRS if they got a job.

One single woman interviewed compared LtB favourably with other housing options mainly because of the accessibility and responsive repairs service. However, she intended to get into work and move on to an independent PRS property as she felt that she would not be able to afford the rent or feel that it represented value for money if she were paying from a weekly wage.

'It's OK but its round about £140 a week but I'm hoping to get a job and would want to pay no more than £80 a week. Once I start working full time I'm going to move out of here and get somewhere proper where I want to live. I would apply to the council but I doubt that I'd get anywhere because I've got no kids...I'd be on the list three to five years before they'd give me a property' (T8)

Analysis of the interviews revealed some differences in experience and attitudes between these two key important client groups younger single parents and households with disabilities.

This may simply reflect lifecycle stage with younger people having higher aspirations and being more likely to be dissatisfied in many similar surveys such as standard social housing satisfaction surveys. It may also reflect differences in the types of accommodation occupied. For example in this sample most of the young mums lived in apartment blocks, two of which had a significant number of single parents because all the flats had two bedrooms; whereas several of the older people including households with disabilities were renting whole houses and bungalows.

Summing up the views of four young mums interviewed at the new apartment block illustrates the mix of views. They were most positive about the speedy access compared with council housing and the higher standard compared to what they could have accessed directly in the PRS on housing benefit. The bond scheme which gave two years to save for a deposit was seen as an immediate advantage in accessing housing when they needed it.

Two tenants were less happy with LtB policies on transfers, these were both mums with young children on the third floor of the walk up block, one whose child had serious medical condition. They had difficulty with lugging things up and down the stairs and had asked to move to the ground floor when flats were vacated there. They were both told they were not entitled to transfer within the term of the tenancy. One said that if she had known about this restriction when she moved in she would not have accepted the tenancy.

'I have a double push chair, I'm on the top floor, I have to go up and down it's a nightmare...I've tried to let them know and asked if I could move to a property on the ground floor that was empty and they said no, that really annoyed me. They said once they have housed you they can't rehouse you, so now I have to wait until I can save for a deposit to get a private place or go back on the council list' (T5)

3.1.3 Tenant motivations

The general motives for using LtB were fairly clear amongst interviewees. They were usually in urgent need of housing but not eligible or in sufficient priority to secure a social housing offer and unable to get the kind of accommodation they needed in the private rent sector, for example because of the need for a deposit. Motivations tended to vary with household type and experience of other housing options.

One single male tenant had experienced homelessness and poor health and been 12 months sofa surfing and been on street after having to leave family home after domestic dispute. Although not accepted as statutory homeless he had been referred to LtB by the Council:

'It was a family matter, yeh? I had to move out. She kicked me out and the police told me that I can't go back there.so I was homeless on the streets, move from friend to friend, sleep in cars, that's going on for nearly a year . I didn't get nowhere until this August. Let to Birmingham say the person who was living here was going to leave, and it was ok' (T11)

Another tenant, a former student, had approached LtB when she was sofa surfing with various friends for 6-12 months and was not assisted by the council as she did not meet the priority need criteria:

'when you are homeless you have no place to go ..I went many times to the council but each time it was very depressing for me there were protocols you have to meet and I didn't because I was moving around. But then council office referred me to LtB who really helped me with finding a place....showed me a few places and then somehow I got this place.' (T12)

One family had four children and were sharing with their parents in a council property. They needed a four bedroom house and it had been very difficult for the council to identify accommodation of a suitable size. They were delighted to find a four bedroom former council house in South Birmingham which LtB had secured at the LHA rate from a right to buy purchaser who had migrated to Australia:

'We needed to move out of my mum's (council) place as we were overcrowded. The Council said they didn't have no four bedroom places and it would be illegal to give us a three bed

because of the overcrowding. They referred us to LtB who sorted us out straight away. This is much better than I had rented before, cheaper as well (T1)

Another had moved from unsuitable PRS accommodation in another part of the Midlands for family support and health reasons:

'the (PRS) property we were in was old and very cold plus my father was ill and we needed to be over here to help him. We applied to the council but that was a nightmare because we were not priority but then we saw LtB on the back of a bus and contacted them' (T3)

Some existing council tenants had found difficulty in getting a transfer to a suitable property, for example to accommodate mobility problems. They had been referred to LtB by advice agencies:

'We was in a council high rise in Birmingham, we had two autistic children of 9 and 12 of opposite sexes sharing a room for the best part of four years but the sharing age kept going up and we needed out. Bidding for council properties had been demoralising but we had an adviser from Social Services (Home Start) who talked to City Council and explained the situation. (T10)

3.1.4 What are the barriers to tenants letting through Let to Birmingham?

However similar circumstances to those set out above would apply to a high proportion of the 23,000 clients on the housing register in Birmingham, whereas only a few hundred have been housed through LtB so far.

Often they were referred to LtB by homeless prevention caseworkers or other housing advisers and it was clear that access to information was important in enabling them to choose this option. While 40 or so homeless case workers at the Newtown hub receive regular information about LtB vacancies, there is unevenness in the extent to which this information is filtered to their clients.

We were told by the Homeless Hub manager that most BCC applicants want a council property (because of the security, rent levels and RTB) and are prepared to wait for it. This was said to be the main reason for the relatively low level of referrals to LtB by the council. This suggests that for most applicants to the council, LtB is not seen to offer comparable benefits to a council tenancy.

Therefore, caseworkers are only likely to refer those clients who they feel are open to considering alternatives.

After initial filtering by homeless advisers, even for those who were aware of LtB there was a large amount of luck involved based on whether LtB had managed to access accommodation of the size they needed in their areas of choice.

An important barrier that would have prevented some applicants from securing PRS properties without help from LtB is the need for a deposit and rent in advance in order to move into a property. The existence of a bond scheme was therefore seen by tenants and landlords as a key success ingredient of LtB.

3.1.5 What enables tenants to secure lettings through Let to Birmingham?

Some of the enablers to securing lettings through LtB were illustrated by the drop in session that we observed at the Newtown Homelessness Hub on December 7th 2016.

The process seemed very informal. LtB staff had a current vacancy list and used this and an assessment of clients' circumstances and preference to make speedy decisions on whether LtB could help at that time.

Interviews varied in content but usually covered LtB role, BCC shortage of supply and long waiting times, client housing situation, employment and financial circumstances and what size and location of property looking for. Most clients had filled in application forms in advance. In some cases these were scanned and updated during the interview. Supporting information would be taken later at property viewing stage.

LtB staff used judgement to respond to different client needs. They were clear about the high level of HALD rents and the need to avoid putting people into places they could not afford. Knowledge of welfare benefits was used to assess the suitability of different properties for the clients interviewed (rent levels, number of bedrooms and location being the main deciding factors).

This approach appeared to take some clients by surprise. Some were clearly expecting a more formal process and came armed with evidence of medical needs etc. which are more commonly part of council rehousing processes.

Several clients were given the prospect of a speedy property inspection and offer, once their forms referenced, HB sorted and properties come through. Some are less lucky as no properties in their areas or sizes (no bedsits or one bed flats were available on the day). The general feel was of a very un-bureaucratic process in which viewing and sign up could be a matter of days away from first contact interview with LtB. This process is driven by what properties are on offer with LtB trying to let these as rapidly as possible. It is an amalgam of commercial lettings agent and social housing practices.

3.1.6 Tenant comparisons of LtB with social housing and PRS

Tenants with experience of the private rented sector tended to rate their LtB properties higher than those in the sector as a whole. LtB was seen to have a positive effect on private landlords with regard to repairs and the higher HALD rates generally allowed tenants to enjoy better quality properties than they could have accessed individually at LHA rates.

"It's better than places I have rented before. I like the way its carpeted, well-kept and it's not cold, it's centrally heated but that's a bit expensive. (T15)

Our interviews found that most LtB tenants do not make direct comparisons with social housing but that when they do LtB lettings tend to compare favourably on property quality and location and particularly on waiting time.

One interviewee saw no real difference between LtB and a council property and saw LtB as the council's way of managing the lack of supply of council homes and the landlord's way of securing a

regular income by switching from the student HMO market to family housing supported by housing benefits.

A distinctive pattern was apparent among some of the older households with greater experience of council housing in earlier periods of their lives. Three households in this category were particularly positive about the advantages of their LtB property compared to either council housing or direct access to the PRS.

One older couple who had been council tenants for 15 years had moved from a two bedroom council flat to a two bedroom LtB bungalow which met their mobility needs and was in a good location. It was the only property they had looked at and they had secured it within 6 weeks of being referred to LtB. They were very happy to have moved and were positive about LtB

‘There were no problems with the council but the lettings agency they sort of got us what we wanted....we had seen it driving up and down and saw this place was what we wanted ...we were just lucky...It’s lovely nice and warm and plenty of space...lovely big garden’ (T14)

Another former tenant household were also very positive about the experience of moving in to a LtB street property and becoming part of a community.

‘ When we moved in it was totally redecorated . We also needed to be close to our children’s special school.....met the landlord in the first three or four weeks and got on famously with him....we lived in the three tower blocks before for the last 14 years and I’d on only ever known two of my neighbours to speak to, since we’ve been here I talk to over 20 neighbours. I get on with everybody’. (T10)

More than any other case this one shows that PRS can provide an equivalent or better sense of well-being than council housing where there is a decent property, a good service provider, a trust based relationship with the landlord, encouragement of self-help and home making and apparently robust financial support. However it remains the case that these outcomes rely more on individual personalities and relationships and are not underpinned by similar levels of legal protection to a council tenancy

As noted earlier there were some different perspectives from interviews with four single mums in a new LtB apartment block. Although most had family experiences of council housing, none of them seemed to regard LtB as an alternative to council housing but as part of the PRS. They all either wanted to stay with LtB or to move on to another PRS property. This suggests that for their generation the transition from council housing is already well advanced. Getting a council property is no longer regarded as a realistic option and housing careers are being planned around a succession of private rentals to fit life changes such as pregnancy, stable family formation and moving into regular employment.

3.1.7 Does Let to Birmingham provide comparable benefits to tenants to social housing?

In order to assess whether social lettings agencies can enable the PRS to become ‘the new social housing’, we need to consider the experience and perceptions of those who have been housed through LtB to see how that experience rates on the four main advantages that social housing has traditionally offered compared to private rental for low income households: quality, security, cost and needs based access (Mullins, 2016).

Quality

Taking property quality first, the sample of tenants visited generally confirmed the views expressed by council and LtB officers that these properties were generally at least as good as and often better than council properties.

The tenants visited were occupying a range of property types including new purpose built apartment blocks, whole terraced and semi-detached houses, a bungalow and some converted flats. LtB does not procure shared housing so there were no examples of HMOs.

Comments on the quality of housing were generally positive.

This family were very pleased with their house in Perry Barr that had been completely renovated by the landlord after conversion from a student HMO when the nearby campus closed:

'I would say it's a nice property, just a few flaws like the front door that needed attention'
(T9)

This young mum was delighted with the newly built two bedroom flat that she had been able to choose through LtB:

'I was pregnant and come and viewed the place and had the pick of the flats which were just being built...its lovely.....there's never been any problems.' (T4)

Another tenant living in a self-contained apartment within an older converted house was also pleased and compared it favourably to other PRS properties:

'It's better than places I have rented before. I like the way its carpeted, well-kept and it's not cold, it's centrally heated but that's a bit expensive.' (T15)

LtB was also generally seen to be providing a better service than tenants could have expected by securing PRS direct or through commercial lettings agents (condition on letting, avoid deposit and responsive repairs). One direct example of this was provided by a tenant whose mother's landlord had left LtB but she had continued to rent from him and noticed a deterioration in the service. This showed the difference that LtB management had made to the tenant experience:

'My mum lived in a LtB property that's how I got this one. But her landlord left LtB ...the contract ended so they left and she's pretty useless. LtB used to be on to the landlord but now she has to deal with it. Now the drains are all blocked and there's damp in the kitchen and it's so cold in the winter.' (T4)

Other positive comments about LtB services included

'well honestly speaking the staff at LtB will listen to your problems and sort them out.' (T12)

Security

This is the dimension on which LtB clearly fares least positively than social housing since properties are let on Assured Shorthold Tenancies (mostly for 12 months, but recently for some lettings on 6 month introductory tenancies).

However, it was notable that despite the absence of legally protected security, a number of LtB tenants appeared to feel secure. Some anticipated that their landlords would continue to let to them well beyond the terms of the AST agreement, and there was a degree of confidence that if their landlords did want their properties back LtB would be able to supply an equivalent property.

'If the landlord like wanted his property back the letting agent has said he'd give three months to get somewhere else and we (LtB) would get you somewhere else...get you what you want ...as long as this is here we will stay..this is it our last move.... we hope to be here for many years. It never entered our mind that we might lose it.'(T14)

A surprising number of interviewees answered our final question on where they expected to be living in two years' time that they expected to still be in their LtB properties. It is still quite early to assess the realism of these expectations, but we found a number of tenants who had been with LtB for over 18 months of its three year life.

However, some tenants saw their LtB accommodation as more temporary and in some cases as not a 'real home' (especially the restrictions on decorations) and were looking to move on once relationships and work allowed.

'you can't decorate here, no it's the rules. It makes it feel less like home...'(T6)

A more flexible approach was encountered by some tenants including the following older couple who had struck up a good individual relationship with their landlord. She had let through LtB after experiencing a major trashing of her property by a previous tenant who had been sourced privately. She was so pleased with her new LtB tenants and was willing to be flexible about repairs:

'Omega said weren't allowed to decorate for 18 months, but we met the landlady and she said do it when you want, it's your home'. (T3)

A similar confidence was shared by a middle aged family with children:

'I was told that I had to ask permission first so they could see what the landlord views are whether it's ok or not ok. I will ask them as I want to put up wallpaper and carpets. I don't think there will be a problem cos I met the landlord already' (T9)

Cost

As the analysis in chapter 2 showed that the vast majority of the properties sourced by LtB have been let on HALD rates which are significantly above local LHA levels. This has been an important factor on securing better quality accommodation as shown above.

Tenants were also aware that council rents were still considerably lower than PRS and general and LtB in particular and this was seen as particularly important for those paying the full rent themselves:

'Of course I would have liked a council property. If you have to pay your own rent it's usually less than a private landlord' (T15).

Some households were clearly facing difficulties with the rents, where top ups were involved:

'The rent is more than we can afford really, the housing benefit covers just under half, but they have been flexible and we have met the landlady'. (T3)

And for some the high HALD rents were seen as a reason for seeking alternative accommodation once employment and family circumstances allowed:

'It's OK but its round about £140 a week but I'm hoping to get a job and would want to pay no more than £80 a week . Once I start working full time I'm going to move out of here and get somewhere proper where I want to live' (T8)

'I couldn't stay long term because the rent's too high.....I would hope to pay around £100 less for a private flat shared with my boyfriend' (T6)

Access in the basis of housing need

LtB clearly provides an additional opportunity for households in need to access good quality housing in Birmingham. The most striking advantage that LtB can offer over council housing is speed of access. This was remarked upon in similar terms in several of the tenant interviews:

'we ended up on the waiting list and we rang LtB who said there was nothing they could do but then he said hang on if I send you the forms where do you want to move....the next thing we knew he said do you want to come and have a look...we loved it and signed the papers there and then '(T3)

'Next thing we know we got a phone call from Let to Birmingham and the gentleman we spoke to said we have got this property available this afternoon, we came in and had a look around. It was take it or leave it so we took it within a week we were in'.(T10)

Speed of response was also a key feature of our observation of the drop in session at the Newtown hub. A common reaction to dealing with LtB was that:

'it all happened so fast'

However, it must be recognised that this advantage that distinguishes LtB from a typical social housing access process is a direct result of their focus on letting properties speedily rather than necessarily housing those with the greatest need. So in this respect the traditional focus of social housing allocations systems on housing need is not a key feature of LtB's lettings process. Instead there is greater emphasis on commercial lettings agent practices of vetting tenants and letting speedily.

3.1.8 Conclusion

This Chapter has filled an important gap in the existing publications on SLAs reviewed in our Evidence Review and Typology Report by providing research evidence on tenant perceptions and experience of SLAs. While the sample is relatively small, it has illustrated the sheer diversity of experience and perceptions among tenants. There is a strong impression of differences in satisfaction between younger family households and older couples and households with member with disabilities. This may reflect differences in expectations and life-chances repeated in other similar surveys. It may also reflect differences in the types of accommodation sourced by LtB for different household types, with younger families more likely to be found in apartment blocks alongside other families in their cohort creating a sense of impermanence not found in single house residences enjoyed by some of the older cohort.

From the evidence summarised in paragraph 3.1.7 we cannot conclude from tenant experience that LtB has been able to create a 'new social housing', recreating the advantages of the old social housing model. While property quality is generally good and the service levels and accessibility are widely appreciated by tenants, it has been more difficult to match the cost and security features of social housing.

Arguably, for economically inactive groups including retired people, people with limiting disabilities and young mums focused on childcare rather than employment of over 15 hours a week, the HALD rates have not been a major impediment. Indeed have contributed to the property quality aims by enabling LtB to source better private rentals than they could have done at LHA rates. However, for tenants looking to move into employment the high rents can be a benefit trap forcing them to consider moving home rather than seeing their LtB property as a secure base from which to get a job.

Security has probably been the most significant shortfall in comparison with social housing but this is entirely related to the current predominance of assured shorthold tenancies in the PRS. However, in practice many tenants do not appear to be unduly troubled by insecurity and there are expectations that they will be able to retain their tenancies in the medium term. Failing that they appear to trust that LtB will be able to provide equivalent tenancies in the event of their landlord withdrawing. However, there was another sense in which some younger tenants interviewed saw their LtB properties as insecure and not quite home. This related to the need for permission for decorations by the tenant.

By focusing on LtB tenants our analysis could be seen to present a misleading picture of the impact of LtB since it excludes the vast majority of homeless prevention and housing options clients seen by BCC who do not opt for LtB. Many of these may not be aware of its existence, and even if they were the scale of LtB is still miniscule in relation to annual prevention casework.

During the research we became aware of other access schemes operating in different parts of the market, notably the scheme operated by Spring Housing set out in a case study in our regional publication which is targeted in single people living in shared accommodation. It will be important in the future for a wider range of access schemes to be established to reach a higher proportion of those excluded from social housing and having difficulty accessing decent PRS accommodation. Such access schemes need to learn from the experience and views of Let to Birmingham tenants and build their services to meet the criteria that are most important to tenants. However, to do so they will need to attract many more private landlords and respond to their motivations and requirements as well. The next chapter therefore moves on to review new evidence about the landlords who have worked with Let to Birmingham.

4. Landlord Experience and Motivations

4.0 Aims and Methods

Section 3.0 set out the rationale for the qualitative interviews with landlords and tenants conducted in Autumn 2016 and the methods used in the tenant interviews. This paragraph sets out the methodology for the landlord interviews.

For the landlord interviews we aimed for a sample of 10 landlords from the 100 or so letting through LtB in November 2016. The sample aimed to reflect the mix of landlords by size of portfolio, location and type of properties, and length of time as LtB landlords and to match some landlords with tenants already included in the tenant sample.

Work on sampling and fixing landlord interviews was undertaken by a Housing and Communities student who had work experience as an intern with Let to Birmingham and who worked with one of the LtB acquisitions officers to secure the sample. Thanks to his help we achieved 7 interviews in 2016, to add to the two achieved in 2015. Despite several requests he was unable to persuade the owner of a large new block where three of the tenant interviews were held to take part in the study. Landlord interviews took place at a variety of locations including landlord's homes, offices and rented out properties and by phone. All landlord interviews were undertaken by the project lead. Landlord Interview recordings and notes were held securely on password protected laptops by the research team.

We used semi-structured face to face or telephone interviews taking around 30 minutes for landlords. These interviews were recorded after informed consent had been secured using a participant information sheet and consent form. All interviews went well and were completed with few gaps in the questions covered. We used a common framework of motivations, barriers and enablers (see Figures 4.1) to organise findings on landlord perceptions of the scheme.

The 7 landlord interviewees were provided with a participant information sheet about the project and completed consent forms before interview recording began. They were anonymised and are simply referred to as L1-L7 in Table 4.1 and in the sections below where quotations are presented.

Mapping Landlords in relation to use of/signing up to SLAs			
Types:	Motivation:	Barriers:	Enablers:
Individual long term (e.g. inherited)	Let property for secure income	Confidence to let to low income households and benefit claimants	Competitive package (fee/services)
Individual Buy to Let	Maximise rent income	Trust that support will be provided when it is needed	Bond scheme
Accidental landlords (job move rent:let)	Receive professional services	Dealing with Housing Benefit /Universal Credit	Tenancy support
Portfolio small	Some may have more social orientation (attracted by focus on housing need)		Difficulties in finding tenants/ maintaining occupancy
Portfolio large			Previous difficulties with managing themselves
Switching from other niches (e.g. students)			Lack of trust of commercial lettings agents
			Social aims of scheme

Figure 4.1 Mapping Let to Birmingham Landlord Motivations

4.1 Types of Landlord

Unlike the tenant profile summarised in the first column of Figure 3.1 which is very focused on certain access groups, the landlord profile summarised in the first column of Figure 4.1 is very broad. LtB is supported by over 100 landlords with all of the niches described in Column 1 above represented to a degree in the interviews. Some of this diversity is illustrated by the range of property types, sizes and locations visited for our tenant interviews shown in Figure 4.2.

As discussed in 4.0 we sought help from LtB acquisitions officers to arrange interviews with a mix of different sizes and types of landlords so that we could learn about the different motivations they might have for participating in an access scheme like LtB.

In practice a good spread was achieved among the landlords interviewed. As Table 4.1 shows, the achieved sample of 7 collectively owned 94 properties, 33 of which were managed by LtB , accounting for just under 10% of their portfolio in November 2016.

Sample no	Landlord Type	No of Properties	No let by LtB	
L1	Portfolio (VIP)	16	?	Landlord since 1990, all properties are in Birmingham. 13 properties were student HMOs. Has been shifting some to LHA market with LtB.
L2	Portfolio (VIP)	28	6	Landlord since 1986, has mix of HMOs and business lets. Upgrading HMOs to self-contained some of these let through LtB.
L3	Single property bought as investment	1	1	Former council property bought after retirement as investment for grandchildren. Previous tenants trashed property so let through LtB to reduce risk.
L4	Single property inherited after death of mother	1	1	Handling mother's property on behalf of 4 siblings. Grew up in property and wanted it used for social purpose while generating income. Considering buying some other investment properties.
L5	Family business in retail premises with 5 flats above	5	5	Handling lettings on behalf of mother. Had difficulties with some tenants and decided to let through LtB who helped resolve existing issues.
L6	Portfolio (VIP)	40	17	Has own letting agency – owns 12 properties and manages 28 for others. Operates in a number of niches. In 2014 decided to use LtB for the LHA niche.
L7	Individual Buy to Let Investor	3	3	Re-mortgaged own house to buy as retirement investment. Now lives in high cost area but came from Birmingham so decided to buy there. Used LtB because of local management. Also attracted by social aims of LtB.

Table 4.1 Profile of 2016 Let to Birmingham Landlord Sample

Landlords: Mix of Individual and portfolio landlords



Figure 4.2 – Property Types and Landlord Types in the Let to Birmingham Portfolio

4.2 Motivations

As is already apparent from the brief details provided in Table 4.1 the LtB landlords had a variety of motivations for renting out properties and for using LtB to assist them in this task.

Underpinning the difference in motivations are the processes whereby landlords acquired their properties in the first place. The case studies show that this may be as a result of business investment decisions, as a consequence of other business activities such as owning retail premises with residential accommodation above, more personal factors such as inheritance and retirement planning or as a result of policies such as the Right to Buy and MIRAS.

'I'm in it for the money not the people but If they are good people and look after the property, you look after them'. (L1)

'I bought my first property in 1986 when I was still living with my parents and there was mortgage interest relief (MIRAS) so I thought I'd buy a property to let out – this is it ' .(L2)

However, in addition to considering why landlords own property in the first place, a crucial consideration for agencies such as LtB is why and how landlords become involved in the low income

LHA niche which accounts for a relatively small part of the overall rental market. The same long-term landlord recently decided to let six of his converted properties through LtB as a way of taking some of the trickier people parts of the business over leaving him to focus on the properties.

'I seen it advertised on a bus and out of interest thought that could be just the job for me, they market the property, vet the tenant and allocate and it seems that most of their tenants have some sort of support worker.....' (L2)

Another landlord interviewed had been forced to switch markets when demand for his student HMOs dried up due to a University campus relocation. He had found it easy to source student tenants without the need to advertise, but when he refurbished the properties to let as self-contained accommodation to the LHA market he decided to try out LtB as his management agent :

'it was easier to let them do it' (L1)

Many landlords still think 'no DHSS' when they are considering which market niche to place their properties in (indeed increasingly so with the introduction of universal credit ending provisions for direct payments and caps and cuts in entitlement which have increased the proportion of their clients having to top up rents from other income).

So in this context landlord perceptions of risk and confidence in the ability of lettings agents to mitigate risks become important:

'I'm very happy with the (LtB) service. It's their responsibility now, they've done the vetting and if there is a problem they will notify me but apart from that I have nothing to do whereas before it was a nightmare because I'm here all the time running the shops as well' (L5)

Financial returns are generally the most important motive:

'I'm pleased with the rent, its more than I got from my last tenant (Before LtB) and its more secure' (L3).

But there are differences between landlords in the balance between the level of rents and the certainty of income. This was apparent in differing responses to the idea of a guaranteed but lower income which LtB had been trying out with landlords at the time of our research and which we discuss further in section 4.4.

The social purpose of the SLA is an attraction to some landlords who like the fact that their property is meeting a social need and who sometimes form close relationships with tenants. Two of the landlords interviewed had specific reasons for wanting let to LtB clients.

One had grown up with her four brothers and sisters in the former council property left by her mother that she was now letting on their behalf through LtB. She was also currently providing lodgings in her own house for unaccompanied minors. She said she supported the social aims of LtB and:

'we remembered what it was like for mum in the 70s; trying to get a council place' (L4).

Another who had professional experience from the social care sector said that one reason for choosing to let through LtB was that:

'we wanted to give something back if you know what I mean, don't get me wrong it's for our retirement but in the meantime we know from our own work (in Local Government Social Services) how difficult it is for people on benefit to get housing...it's as simple as that'. (L7)

Thus there was a mix of motivations among the interviewed landlords on why they had decided to let through LtB. The following sections distinguish between barriers to letting to low income households and enablers that LtB can provide to encourage and support landlords to provide access to good quality homes for their clients.

4.3 Barriers

The most frequently mentioned barrier to letting to the LHA market niche was Income uncertainty due to dependence on LHA. Specific barriers mentioned included: HB delays, void periods, rent caps and end of rent direct. Most landlords interviewed made some reference to these problems and some saw a key selling point for LtB as being its links with the council and good liaison with the Housing Benefits team. This was seen by some as a key distinction between LtB and commercial lettings agents who were less focused on this part of the market and less connected to the housing benefit department.

'They can save landlords from hassle because they are good at dealing with housing benefit and tenants' support' (L1)

Landlords were also concerned about wider financial barriers that could affect their long term commitment to expanding or maintaining their property portfolios. The increase in stamp duty on property purchase and the phasing out of tax relief were mentioned alongside LHA caps and sanctions. While LtB can do a lot less about these factors, it can maintain confidence and ensure that landlords meet their expectations from the lettings business.

The next major barrier discussed, and already picked up in section 4.2 relates to tenant behaviour and the potential for damage to the property and to relationships with neighbours. This was referred to by several landlords as a barrier to letting to the LHA market.

'my Mum's been on that road since 1972 and I knocked on the neighbour's door to say that I'm letting through Let to Birmingham and that there are no young children there so hope they will not be disturbed.the tenants are low risk social people, no ASBOs, no rent arrears, just needing somewhere to live. Cos you don't want any disruption with your neighbours; those people have bought their houses and are enjoying retirement. So you're looking for the right family to move into the house' (L4)

One landlord had had previous experience of more severe problems with tenants and was looking for help with legal action:

'the last tenant that we had was a nightmare and I felt that we didn't need that sort of stress...we had to go through all the procedures of issuing a section 21 notice and they don't take any notice when it's you that they see all the time and there's direct contact' (L5)

Another had had her property trashed by a previous tenant sourced by a private lettings agent. She had gone to LtB for the next tenancy because she trusted them to carefully vet potential tenants to ensure they were suitable.

A more general barrier to letting property is the sheer time and trouble this can involve and this can be a major reason for employing an agent

'I prefer to deal with the property than with the tenancy issues' (L2)

'whatever way we would have gone we would have had to have someone managing for us because of the distance' (L7)

Private letting agents were discussed in some of the interviews including the one mentioned above. One of the interviewees was himself a letting agent as well as a portfolio landlord and he gave some deeper insights into the different niches operating in the local market and the reasons he has chosen to let some of his portfolio through LtB.

'I bring the landlords on board and bankroll the whole project. I make sure they get their cheque. It's not actually a guaranteed rent but more an agreement that we have. There are about five main landlords I work with. We have a split portfolio, professionals as well. My wife tracked down LtB and we approached them to deal with our LHA properties. We had dealt with LHA before and we realised there can be a lot of support issues. If they don't fill the forms in right you don't get the money. You need to work closely with the Council. I would go in and see them. So when I came across LtB I gave them a slice of the portfolio and left it to them to deal with it'.(L6)

4.4 Enablers

From the interviews it appears that one of the main enablers that LtB has going for it is its reputation and trust from landlords:

'I think you don't have too much to worry about (with LtB) what you see is what you get..you get the right person with the right support and that's going to tell you the truth..you've got no upfront fees to pay but you're not going to get away with a lot because you have got a standard that you have to keep to or I don't see Let to Birmingham taking on your property' (L4)

It was apparent that some of this relates the rapport that has been built up with landlords by the LtB team and the Jewellery Quarter office.

'I can honestly say it feels like a personal relationship, not like talking to some estate agent, they level with you and we like that' (L7)

There were good personal contacts with team members and one landlord said that personal trust was the main factor that would decide his future decisions on whether to let further properties through LtB.

There were also more concrete comments on specific aspects of LtB Performance .

'LtB are more efficient than the council. They have less management tiers and lower overheads and good arrears control. They are very professional, friendly and knowledgeable, but I prefer to deal with the repairs myself' (L2)

This view about the repairs service was repeated by several of the landlords interviewed. One key factor here was that at the time repairs ordering and monitoring were dealt with by Omega from their London office rather than from the LtB Jewellery Quarter office. There were criticisms of cost, distance and communication style.

'They were amazingly costly for what it was... a minor job on one of the houses –taken from rent – god a couple of hundred quid just for screwing something in'.....Omega let you down on communications I don't get who they are, you are just a number there, it's a nightmare chasing up anyone at Omega lettings. I remember taking a bit of umbrage with their letters on a kitchen repair...tenants would not give access but all Omega did was sent a snotty letter. They need to look at their standard letters. In the end this was resolved by LtB visiting the tenant and sorting the repairs. - It has to be localised it really does'.(L7)

It is understood that LtB now has a multi-trade repairs officer at the Jewellery Quarter office, but the Omega system is still used for reporting, ordering and monitoring repairs.

Nevertheless for some smaller landlords who did not want a direct involvement in repairs, the availability of a full management service option was seen as important enabler to letting out their properties. Several of the interviews reported earlier in the need to avoid the hassle especially in dealing with people and the Housing Benefits department and hand that over to LtB.

There was remarkably little discussion on LtB fees. This may be because the negotiation with landlords tends to be around net rent payments to them after fees. Most were happy with the rents they received and compared them favourably with those they had previously had for the same properties. Not everyone was aware of the HALD scheme but they could see that their net rents were around or above the LHA level. One landlord who currently gets a full management service was a bit critical of the annual cost of this, but appreciated that his net rent was still at the LHA level.

Guaranteed Rents

The new guaranteed rent option is intended to retain landlords concerned about risk and willing to trade a lower rent for certainty of income. The extent to which landlords were dependent on rent to repay mortgages or had more of a cushion because they had either bought properties when prices were lower or no longer had any mortgage debt was important here:

'the way it's going because people are suffering. The big one is the guaranteed rent ..because I need the money to pay the mortgage each month' (L7)

'when I signed the leases I was under the understanding that I would be guaranteed the rent but now I realise that's only if they get the money. It hasn't really given me cause for concern as yet.....yes a guaranteed rent would give me a bit more certainty but I would be reluctant at the same time to take less than the Local Housing Allowance because what I give is equal or superior to any other landlord- I can't not do it right' (L2)

4.5 Conclusion

Interviews with landlords provided a picture of the wide range of circumstances in which people come to own and rent out property and the mix of business and social strategies they have for deciding how to let them out. While for most landlords financial return is the main driver, the social purpose of LtB does have attractions for some who may remember their own family's difficult housing experiences or have professional contacts which make them aware of current levels of social housing need. Moreover, the mix of financial motives between maximising short term return, managing risk and maintaining the long term capital value of the property varies considerably.

Agencies like LtB can play an important role for landlords who decide or need to operate in the LHA market; and they may have limited choice where this is the predominant niche in the areas where their property is located. Compared to commercial lettings agencies LtB is seen as having particular expertise in dealing with the housing benefits department, vetting tenants before letting and accessing support services. They have a growing reputation and are trusted by the landlords who work with them to cover the 'people risks' that are seen as the biggest barrier to letting in this niche. At the time of the interviews the repairs ordering and monitoring service was the least valued aspect of LtB by landlords, partly because it was not localised in Birmingham and partly because some landlords would prefer a more hands on role with repairs and tended to see the LtB charges for repairs as quite expensive. The appointment of a multi-trades repairs officer at LtB is a welcome development in this regard.

Landlords are clearly willing to pay for the service, and partly because of the HALD scheme, they were generally very happy with the net rents that they obtained through LtB. Some were very concerned about future risks associated with LHA rent caps and universal credit paid direct to tenants. However reactions to LtB proposals for lower but guaranteed rents varied according to the capacity of landlord to manage the non-payment risk themselves. Those needing regular rental income to pay off mortgages were in a very different position to those with low historic mortgages or outright ownership of assets that were now worth much more than when they had bought them.

A positive feature of the interviews was the extent of trust and confidence enjoyed by LtB with the landlords, some of whom saw this as almost a personal relationship. There were several stories of how LtB had won this trust by going the extra mile (e.g. in helping resolve issues with existing tenants before taking the properties on). There were also indications of how much individual staff members at the Jewellery quarter office were valued; and the importance of maintaining the personal touch as the organisation expands. Another important message was the need to avoid a

remote telephone based service or overly bureaucratic and impersonal styles of communication, as some landlords perceived the repairs monitoring service to be was.

This trust and confidence was reflected in the number of landlords who said they would recommend LtB to other landlords, some of whom said they had already done so. There was a concern that LtB is still not very well known, although several said they had seen the adverts on busses, indicating the effectiveness of that early campaign.

One interesting, and slightly unexpected finding was the extent to which some larger scale landlords had engaged strategically with LtB to manage parts of their portfolio. This was mainly to minimise the hassle of dealing with housing benefits and tenant support need. But also for assistance in shifting niches e.g. from student housing to LHA. The scope for further strategic partnerships with portfolio landlords along the lines of LtB's existing VIP landlord scheme was apparent. This could also potentially assist in providing greater market intelligence than has been secured so far by LtB's single market niche focus and thereby help the council to move towards Rugg and Rhodes' vision for SLAs as a tool to manage the market:

"Social lettings agencies could be established to deal with all the private renting procurement required by statutory agencies in a given area. These agencies should charge a standard management fee, and move the housing benefit market away from a culture of 'incentive inflation.'" (Rugg and Rhodes 2008)

5. Process and Policy

5.0 Introduction

This section draws on the evidence presented in chapters 2,3 and 4 giving quantitative and qualitative perspectives on the operation of LtB, a further set of interviews with staff at LtB and the City Council, and a peer learning event that presented and discussed preliminary findings with actors from these two parties and with other local authorities from Met authorities within the West Midlands (the later is more fully written up in our report on Social Lettings Agencies in the West Midlands).

Interviews were held with the Manager, Acquisitions Officer and Lettings Officer at LtB and with several key staff at the City Council including Homelessness Hub and Commissioning Teams.

The peer learning event was held at Birmingham Library on January 26th 2017 and was attended by 30 people from across the Midlands Met authorities.

It uses these sources to identify some key process and policy issues for LtB and to develop some learning point that feed into our conclusions and recommendations.

5.1 Process Issues

The basics...Why, when, how and by whom was the SLA set up?

January 2014 by BCC using DCLG grant funding following feasibility study and commissioning process. Stimulated by the 2011 Localism Act discharge of duty but not so far deployed for homeless discharge.

What is the service offer?

The service offer to landlords includes finding a suitable tenant and completing housing benefit and other relevant documentation, property management and repairs ordering options and tenancy management (including response to non-payment of rent and anti-social behaviour). There is a 2 year bond scheme to cover non-payment of up to one month's rent, tenants are expected to save up to cover this themselves after two years. Other risks associated with voids and arrears were passed to the landlord, but a new option of guaranteed rent (similar to a leasing model) is now being trialled to respond to growing landlord concerns about Universal Credit. Guaranteed rents will be lower but secure enabling landlords to plan their finances.

The offer to tenants is of speedy access to good quality accommodation, generally on 12 month ASTs at locations throughout Birmingham without the need for a deposit. Where rent is paid and tenancy conditions are observed tenants can expect their terms to be extended or equivalent accommodation to be provided at the end of tenancies. Rents tend to be high and this can create problems moving into paid work. Quality is at least equivalent to council housing but legal security is much lower and there is no Right to Buy. While clients should be registered with the council, access is discretionary and limited by available supply at any point in time.

How is it funded/ what is the current business model?

Set up grant was important but there was some claw back of this when initial ambitious targets were not met. The move towards viability was greatly assisted by eligibility for the HALD scheme and use for over 80% of the managed stock. The biggest threat is increasing risk to landlord income from Universal Credit, with guaranteed rent option offered as a response. LtB has started to spread its costs by growing integration into Mears as a regional office, for example managing a PRS portfolio in Warwickshire for a local charity.

Was an external subsidy needed initially?

DCLG Homeless Prevention Grant of approx. £1.5million was used to set up the scheme. However, some of this covered costs on the council side and payments to LtB were reduced due to penalties for not meeting the ambitious lettings target of 1.000 pa.

Do landlord fees cover costs and is there scope for cross-subsidy?

Rents are set by negotiation with landlords. There is a margin to cover management fees. In the case of HALD properties, LtB management costs are generally covered by the difference between LHA rates on which landlords are paid and HALD rates that are recouped through housing benefit. This leads to an overall break even. It is hard to identify which properties cross-subsidise others, but in general the small LHA part of the portfolio is less likely to cover costs since there is less potential for a gap between rents from tenants and payments to landlords.

How is it organised operationally?

LtB has a stand-alone office in the Jewellery Quarter in the centre of Birmingham. There are currently five staff working with the LtB manager there; two acquisitions officers, a lettings officer a housing manager and a handyman, small repairs tradesman. The operation is also partly supported by Omega lettings London office (repairs reporting and monitoring and finance). LtB staff have begun to manage other services for Mears who acquired part of Chapter 1's PRS stock in Warwickshire in April 2016, this portfolio is currently managed by the LtB office.. Although Omega and LtB became part of Mears in October 2014, integration into the company has been quite gradual; but interviews in November 2016 indicated a speeding up of integration of business processes, KPIs and performance.

What is the scope for growth and challenges of expansion?

Mears are currently looking at 're branding' all of the operational portfolios that sit within Mears Housing Management, however it has already been decided that LtB will remain as a distinct brand under the Mears Housing Management. The Mears stock portfolio nationally has grown from 6,000-12,000. There are a number of possible new activities with BCC including remodelling a council sheltered housing scheme as single persons housing.

Our research identified further potential for expansion of agencies such as LtB across the region. The 2017 Combined Authority devolution arrangements, could provide scope to market this offer to other West Midlands authorities attracted by SLAs but not wanting to take the risk of setting up new agencies. No one in attendance at the peer learning events was currently running an agency with the

primary aim meeting general housing needs, however there was some common interest amongst LAs to explore the scope for SLAs providing housing for preventing homelessness, or for those the council has a duty to house (including the new duties in the Homelessness Reduction Bill).

Within the current housing market and policy context, expansion would need to be considered alongside demand across the region, for the supply of decent homes standard temporary accommodation. Many local authorities sourcing accommodation often do so already outside of their administrative boundaries a regional approach could, help provide consistency in the procurement in property standards and commissioning of support services. Scope to shape this part of the private rented and housing support sectors is based on proposed changes to the funding model about to be set out in the Government's Green Paper on how supported housing will be funded post 2019.

A regional approach could also mitigate a scenario of local authorities across the region being forced into competition with each other. There are however limitations and barriers to importing a centralised 'Birmingham solution' to the different markets and local community needs across the region without local governance. A franchise approach: 'Let to Coventry' and so forth might prove more sellable. There are further underlying barriers related to welfare reforms, Local Housing Allowance Rates and the 2016 Benefit Cap. There is further discussion of the regional market in our parallel publication on Social Lettings Agencies in the West Midlands.

What is the ideal scale and extent of niche specialism for future schemes?

LtB has stabilised at around 400 properties after 3 years after initial ambitious initial targets of 1000 and then 500 a year. There is some evidence from landlord interviews that a key strength of LtB has been the relatively small scale and local office base. For example landlords differentiated between the LtB service which they liked and the Omega service (generally by phone from London) which they saw as remote and unresponsive.

5.2 Policy Issues

What are the criteria for property procurement and client nomination/referrals?

The client referral process is rather informal based on on-the-spot interviews at the Newtown Homeless Hub office. Nominations are not monitored by the council, but quarterly returns are provided by Let to Birmingham and all lettings are included in the Council's homeless prevention statistics. There are some self-referrals.

Tenant Criteria and Landlord Guarantees

LtB has adopted the process of assessing whether applicants are 'tenancy ready' before properties are offered to them. In particular, they outlined the process of managing tenant risk in the context of benefit deductions and the need to provide housing options for people in low wage employment. These include considering the affordability, long term aims and negotiations with landlords to discuss appropriate rents for different tenant circumstances. Landlords also worry about welfare reform and LtB has therefore put forward proposals for guaranteed rents, usually at a lower level.

They feel they are moving forward to help landlords to manage these risks as this is increasingly what landlords require.

A further incentive for landlords is that LtB are pro-active with arrears and will first guarantee the rent and then work towards reclaiming the money owed from the tenant. Tools are used to encourage and enable a tenant to pay.

The criteria for high risk tenants are those who have arrears with no payment plan, ASB cases where support is not available and clients who have no tenancy history. These clients will now be placed on a 6 month AST, rather than the blanket 12 months offered in the first two years of operations. This change was made due to the previous abandonment of properties and issues around sustaining a tenancy. If a landlord requires their property back and the tenants have been good tenants, they will be moved on and a replacement property provided.

Property Quality

A high standard specification is set out in the 'Birmingham standard' against which LtB's performance is monitored. Initially properties were inspected by Environmental Health offices from BCC, but after year 1 by Let to Birmingham's two acquisition officers. Properties are rented with a cooker (because of the gas certificate) and a fridge. Landlords often gift furniture to the properties while LtB offer flooring and blinds. Property standards are taken into account in setting rents with landlords; the highest standards are required for properties in the HALD scheme. The quality of the furnishing inside the property will increase the rent level. Landlords are asked to furnish the property before a tenancy and LtB will maintain any minor repairs to the property, while severe repairs are negotiated with the landlord. LtB feel that they are achieving the right balance between cost, value and quality.

What interaction is there with homelessness applications/CBL, interaction with LHA rates (avoiding poverty traps)?

None of the clients have been accepted as priority homeless with a duty to discharge. Many are registered on CBL but most have low points bandings and prospects of very long waits for social housing, once in a LtB property their CBL application is suspended.

What are the targets for growth and achievements so far?

Target lettings modified down from the original 500 properties a year (and the very ambitious 1,000 p.a. in the original contract). Actual new lettings achieved were 225 in year 1, 237 in year 2 and 168 in year 3; a total of 630. LtB is currently bringing on more new stock than it is losing through handbacks.

Is there interaction with placements by other agencies (e.g. London Boroughs)

Quite limited interaction although they are competing for the same stock.

Is there scope to coordinate users of PRS to avoid competition and ‘culture of incentive inflation’?

This has not been a priority for LtB but is an important issue for the City Council in order to manage the competition that currently exists with other statutory agencies, including other council departments with similar requirements for good quality, affordable and secure accommodation for low income and often vulnerable client groups.

There are arguments that rather than expecting a single relatively small scale agency like LtB working with one main client group this is a strategic challenge that might best be met at the Regional level.

6. Conclusions and Recommendations

6.0 Introduction

In this report we have updated earlier analysis (Mullins, Joseph and Nechita 2015).of procurement and letting of rented properties by Let to Birmingham, which had reached a total of 400 homes across the City by the end of 2016. We have set this analysis in the context of wider trends in the use of private lettings to house lower income households in England and Birmingham. We have filled a gap in the literature on the operation of social lettings agencies in England by analysing the experience of landlords and tenants drawing on 22 semi-structured interviews (15 with tenants and 7 with landlords) undertaken in Autumn 2016. We have reviewed the learning that can be drawn on policy and process based on the data set out above and interviews with officers at Let to Birmingham and at Birmingham City Council about the operation of the scheme.

6.1 Data Analysis

Chapter 2 provides an overview of recent trends in the use of private rentals for lower income households in Great Britain and in Birmingham. It then presents an analysis of lettings by Let to Birmingham over the first three years of its operations (2014-2016). The final section of the chapter shows the role Let to Birmingham is playing in the wider market by comparing tenant and property profiles between the Let to Birmingham portfolio and the overall private rental stock in the city.

In summary this suggests that LtB lettings are generally to younger, single households and they appear to more likely to have a disability and to be out of full time employment. This can be contrasted with a shift to older, in-work tenants in larger properties amongst the wider Housing Benefit market within the city. There is also evidence of growing affordability pressures within low cost accommodation in Birmingham. This suggests that LtB may be meeting a gap in the market particularly for accommodation for young, single people who find it increasingly difficult to access affordable private rented accommodation.

6.2 Tenant Experience

Chapter 3 filled an important gap in the existing publications on SLAs reviewed in our Evidence Review and Typology Report by providing research evidence on tenant perceptions and experience of SLAs. This relatively small sample has illustrated the sheer diversity of experience and perceptions among tenants. There is a strong impression of differences in satisfaction between younger family households and older couples and households with member with disabilities. This may reflect differences in expectations and life-chances repeated in other similar surveys. It may also reflect differences in the types of accommodation sourced by LtB for different household types, with younger families more likely to be found in apartment blocks alongside other families in their cohort creating a sense of impermanence not found in single house residences enjoyed by some of the older cohort.

From the evidence summarised in paragraph 3.1.7 we cannot conclude from tenant experience that LtB has been able to create a 'new social housing', recreating the advantages of the old social housing model. While property quality is generally good and the service levels and accessibility are widely appreciated by tenants, it has been more difficult to match the cost and security features of social housing.

Arguably, for economically inactive groups including retired people, people with limiting disabilities and young mums focused on childcare rather than employment of over 15 hours a week, the HALD rates have not been a major impediment. Indeed have contributed to the property quality aims by enabling LtB to source better private rentals than they could have done at LHA rates. However, for tenants looking to move into employment the high rents can be a benefit trap forcing them to consider moving home rather than seeing their LtB property as a secure base from which to get a job.

Security has probably been the most significant shortfall in comparison with social housing but this is entirely related to the current predominance of assured shorthold tenancies in the PRS. However, in practice many tenants do not appear to be unduly troubled by insecurity and there are expectations that they will be able to retain their tenancies in the medium term. Failing that they appear to trust that LtB will be able to provide equivalent tenancies in the event of their landlord withdrawing.

By focusing on LtB tenants our analysis could be seen to present a misleading picture of the impact of LtB since it excludes the vast majority of homeless prevention and housing options clients seen by BCC who do not opt for LtB. Many of these may not be aware of its existence, and even if they were the scale of LtB is still miniscule in relation to annual prevention casework.

During the research we became aware of other access schemes operating in different parts of the market, notably the scheme operated by Spring Housing set out in a case study in our regional publication which is targeted in single people living in shared accommodation. It will be important in the future for a wider range of access schemes to be established to reach a higher proportion of those excluded from social housing and having difficulty accessing decent PRS accommodation. Such access schemes need to learn from the experience and views of Let to Birmingham tenants and build their services to meet the criteria that are most important to tenants. However, to do so they will need to attract many more private landlords and respond to their motivations and requirements.

6.3 Landlord Experience

Interviews with landlords provided a picture of the wide range of circumstances in which people come to own and rent out property and the mix of business and social strategies they have for deciding how to let them out. While for most landlords financial return is the main driver, the social purpose of LtB does have attractions for some who may remember their own family's difficult housing experiences or have professional experience which make them aware of social housing need. Moreover, the mix of financial motives between maximising short term return, managing risk and maintaining the long-term capital value of the property varies considerably.

Agencies like LtB can play an important role for landlords who decide or need to operate in the LHA market; and they may have limited choice where this is the predominant niche in the areas where their property is located. Compared to commercial lettings agencies LtB is seen as having particular expertise in dealing with the housing benefits department, vetting tenants before letting and accessing support services. They have a growing reputation and are trusted by the landlords who work with them to cover the 'people risks' that are seen as the biggest barrier to letting in this niche. At the time of the interviews the repairs ordering and monitoring service was the least valued aspect of LtB by landlords, partly because it was not localised in Birmingham and partly because some landlords would prefer a more hands on role with repairs and tended to see the LtB charges for repairs as quite expensive. The appointment of a multi-trades repairs officer at LtB is a welcome development in this regard.

Landlords are clearly willing to pay for the service, and partly because of the HALD scheme, they were generally very happy with the net rents that they obtained through LtB. Some were very concerned about future risks associated with LHA rent caps and universal credit paid direct to tenants. However reactions to LtB proposals for lower but guaranteed rents varied according to the capacity of landlord to manage the non-payment risk themselves. Those needing regular rental income to pay off mortgages were in a very different position to those with low historic mortgages or outright ownership of assets that were now worth much more than when they had bought them.

A positive feature of the interviews was the extent of trust and confidence enjoyed by LtB with the landlords, some of whom saw this as almost a personal relationship. There were several stories of how LtB had won this trust by going the extra mile (e.g. in helping resolve issues with existing tenants before taking the properties on). There were also indications of how much individual staff members at the Jewellery quarter office were valued; and the importance of maintaining the personal touch as the organisation expands. The need to avoid remote telephone based service or overly bureaucratic and impersonal styles of communication, as some landlords perceived the repairs monitoring service to be was an important message.

This trust and confidence was reflected in the number of landlords who said they would recommend LtB to other landlords, some of whom said they had already done so. There was a concern that LtB is still not very well known, although several said they had seen the adverts on busses, indicating the effectiveness of that early campaign.

One interesting, and slightly unexpected finding was the extent to which some larger scale landlords had engaged strategically with LtB to manage parts of their portfolio. This was mainly to minimise the hassle of dealing with housing benefits and tenant support need. But also for assistance in

shifting niches e.g. from student housing to LHA. The scope for further strategic partnerships with portfolio landlords along the lines of LtB's existing VIP landlord scheme was apparent. This could also potentially assist in providing greater market intelligence than has been secured so far by LtB's single market niche focus and thereby help the council to move towards Rugg and Rhodes' vision for SLAs as a tool to manage the market:

"Social lettings agencies could be established to deal with all the private renting procurement required by statutory agencies in a given area. These agencies should charge a standard management fee, and move the housing benefit market away from a culture of 'incentive inflation.'" Rugg and Rhodes 2008)

6.4 Policy and Practice Learning

The following learning points were identified by Let to Birmingham in an interview in November 2016 at the start of the second wave case study

- Promotion and support by council needs to be ongoing – a full time nominations officer is essential
- Investment in IT and monitoring is needed to keep focused on aims and maximise efficiency of processes
- Bonds need to be larger and longer.
- Landlords need to be indemnified against rent losses and tenants protected at two year point when bonds currently expire
- A hardship fund is needed to avoid 'revolving door' evictions when rent unpaid and tenants not to blame.

In our wider regional research we found one case where a similar problem of high rents working well to provide good quality accommodation and cover management costs for people out of employment but failing to support people wanting to move into employment. Like HALD rents, exempt accommodation rents are significantly above LHA and are not affordable for tenants moving in to work.

Spring Housing is an exempt accommodation provider operating across five Midlands authorities working with single homeless people including young people and refugees, and unlike LtB provides predominantly shared housing. They have developed an ingenious cross-subsidy mechanism which means that by avoiding bad debts they can make some of their accommodation more affordable to people moving into work. Their business plan allows for 1.5-2 % bad debts. By bettering these assumptions the organisation has been able to build up a Rent Relief Fund. Over £140,000 has been allocated since November 2014 and this has been used to reduce rents for 45 existing tenants who have found work and 76 new employed tenants. There are currently 80 people in work amongst Spring's 429 tenancies.

Rent relief can be given on up to 50% of the rent for an initial 2-4 month period with an option to renew. This enables tenants to save up for a deposit and furnishings for their next home. Spring has also developed a new shared housing scheme with 7 units of accommodation specifically for people in work but at risk of homelessness. This accommodation is fully furnished with all household bills covered and no maximum length of stay.

Independent evidence of the effectiveness of this scheme was provided to the research team by Crisis, Birmingham whose case study of a young man of 23 shows

'The impact of moving into Spring accommodation on this young person has been enormous. 12 months later he is still in his accommodation; his mental and physical health have vastly improved, his social networks have increased and he is still in employment. Without Spring's Rent Relief Scheme; their attention to detail around managing income fluctuation and instability and their general level of support this young person would have been in a very different - and possibly quite desperate – position'. (See Social Lettings Agencies in the West Midlands for a fuller account of the case study).

Other relevant regional learning includes the Crisis Skylight outreach service working with homeless and vulnerable housed people. By providing 12 week programmes, taster sessions, training leading to qualifications and jobs and one to one support this service fills a gap in relation to support needs that could be relevant to some LtB clients.

One specific area where these services are relevant is in relation to failed tenancies/abandonments involving young people with no prior experience of independent living. Crisis run a 'Renting Ready' pre-tenancy training programme and can also deliver this course on a one to one basis as homeless prevention (i.e. to enable people to sustain their tenancies when they are struggling) and can also train external organisations to deliver the material independently. Something like this could avoid excluding some of the more 'risky' tenants from accessing SLAs.

<http://www.crisis.org.uk/pages/crisis-skylight-birmingham.html>

<http://www.crisis.org.uk/pages/pre-tenancy-training.html>

Other regional case studies of SLAs at Worcester and Spring Housing also found examples of pre-tenancy training and tenancy sustainment work.

6.5 Recommendations

Drawing in particular on our depth interviews with tenants and landlords and on discussions with those involved in making LtB work we have identified three sets of recommendations. These are intended to assist in the further success of LtB but also to draw out issues that are of wider relevance to other SLAs setting up and to local authorities across the region. Further recommendations to the region and to national government are set out in our accompanying report on SLAs in the West Midlands.

These recommendations were presented at our Regional Research Event at the Library of Birmingham on March 10th 2017. Positive initial responses were received from speakers from Let to Birmingham, Birmingham City Council Homelessness Hub and Birmingham City Council Commissioning Centre. Fuller responses are expected in the medium term.

6.5.1 Recommendations to LtB

The first set of recommendations to LtB reflect the findings of the evaluation that compared to social housing LtB performed relatively well in relation to property quality and access speed but much less well in relation to affordability and security. Building on tenant interviews and wider research in the region we make the following recommendations to LtB:

Affordability

- LtB should make more lettings at or close to LHA rates to enable more people in work to afford the rents.
- There should be an internal cross-subsidy scheme to charge lower rents for people moving into work for a period similar to the Spring Housing Rent Relief Fund (see 6.4 above)
- There should be a hardship fund to avoid ‘revolving door’ evictions when rent unpaid and tenants not to blame.
- Pathways into employment, training and education should be considered similar to the Crisis Skylight scheme

Security

- Pending possible legislative extensions to Assured Shorthold Tenancy terms, it is proposed that longer term rental agreements are made with LtB tenants to match the terms of guaranteed leasing arrangements with landlords.
- There should be greater clarity on transfer policy (especially within blocks) and reasons transfers are not granted (e.g. rent arrears/tenancy condition breaches) so that tenants are more aware of their opportunities to move as household circumstances change.
- There should be move-on options for young mums from kids only blocks which feel to some tenants like temporary housing.
- Rules on decorations could be applied more flexibly with agreement of landlords to help tenants to feel that this is their home.

- Pre-tenancy training and sustainment programmes such as the Crisis 'Rent Ready' programme could avoid excluding some of the more 'risky' tenants from accessing LtB and reduce problems of failed tenancies/abandonments involving young people with no prior experience of independent living.

Recruiting and Retaining Landlords

The next set of recommendations to LtB builds on our research on landlords' experience and motivations and is intended to assist LtB in its goal to recruit and retain more landlords.

- Some of the landlord interviewed were critical of the repairs ordering and monitoring service and would welcome more responsive repairs options (and better communication). This could be achieved by building on the in-house LtB repairs post, localising more services at LtB and reviewing communications with landlords.
- Landlord interviews were useful in identifying what they saw as the key added value of LtB compared to a commercial lettings agent. The main added value was seen as the 'people' rather than 'property' aspects (tenant selection and support, and benefit payments). The 'people focus' should be emphasised in LtB's marketing and service development. This added value might be strengthened by recruiting Housing Support Officers, this might also help to widen the tenant profile to include a higher proportion of vulnerable and higher risk tenants.
- The 2 year bond scheme was seen as key success factor by both landlords and tenants. But it was suggested that bonds need to be larger and last longer. Landlords need to be indemnified against rent losses and tenants protected at two year point when bonds currently expire where tenants have not saved the requisite amount.
- Landlords are concerned about increasing risks, especially in relation to Universal Credit and Benefit Caps. Guaranteed Rents (leases) have been proposed by LtB as a way to attract landlords by transferring risk. Landlord interviews suggest that attitudes to risk and reward vary considerably with experience, size of portfolio and the extent of gearing and mortgage commitments. It is therefore suggested that a range of offers to suit different landlord types could also help LtB to manage its own risks.

Potential for Expansion across the Region

There is discussion in 5.1 above of the scope for agencies such as LtB to expand through a regional offer and further discussion of this in the accompanying report on SLAs in the West Midlands. The 2017 Combined Authority devolution arrangements could provide scope to market this offer to other West Midlands authorities attracted by SLAs but not wanting to take the risk of setting up new agencies. However, there are a number of barriers particularly to a centralised response to the different needs of different markets without local governance arrangements and a franchise model might prove easier to sell:

- It is proposed that LtB might explore a range of options to support SLA expansion in the region in collaboration with Combined Authority devolution arrangements.
- One option might be a franchise system: 'Let to Coventry', 'Let to Sandwell' etc. with some common back office services but locally managed and responsive front of house services to landlords and tenants.

6.5.2 Recommendations to Birmingham City Council Homelessness Hub

Our next set of recommendations is to the Homelessness function within BCC, and particularly to the Homeless Hub service at Newtown which collaborated with the project. LtB was established during a period of major service re-organisation and staff reductions at BCC, and partly as a result of this the nominations and referral process has not operated as originally intended. The flow of referrals has sometimes been slow and it has proved difficult to find suitable applicants for some lettings resulting in handbacks by LtB. Full information on client histories and support needs is not always available and it has proved difficult to tackle what council staff depicted as a 'culture of waiting' for council accommodation with lower rents, greater security and right to buy having a greater attraction for many than swift access to a good quality PRS property.

Nevertheless there has been a good level of co-operation and LtB staff have been welcomed to the Homeless hub reception area where regular advice and assessment sessions are held (as described in para 3.1.5). The Council has welcomed the lettings achieved through LtB which have been recorded as homelessness preventions. The Homeless Reduction Bill is expected to provide a further stimulus to expand effective use of good quality PRS options. These recommendations reflect our observation of the hub and discussions with staff on both sides of the fence and are intended to assist in building on the substantial achievements to date and to enhance future effectiveness:

- Promotion and support by council needs to be ongoing – a full time nominations officer is regarded as essential by LtB. The importance of this would increase were Mears to have a less close relationship with BCC once the LtB partnership comes up for renewal. LtB might find more effective ways of filling properties to the detriment of the Council's homelessness duties.
- LtB would like to see more timely referrals from the housing options team so that appropriate lettings are made to those in recognised housing need and undue delays and handbacks are avoided.
- There is a need for a nominations process with monitoring by BCC to keep focused on aims and maximise efficiency of processes. The current QAF process provides only partial information on the status of applicants and the extent to which homelessness is being responded to and prevented.
- There is a large number of Homeless hub advisers with variable levels of knowledge about LtB. It is therefore important that they are regularly briefed on advantages LtB tenants have experienced to identify interested referrals. Case studies from this research could assist in this process.
- There is potential for greater use of video promotions at the Homeless Hub to promote LtB with tenants in the reception areas.

6.5.3 Recommendations to Birmingham City Council Commissioning Centre

LtB was procured in 2013 as a result of a full options appraisal to improve on earlier in house experiments with PRS access. There were certain unanticipated consequences of the procurement process that subsequently proved to be very advantageous. Although the emphasis was on gaining private sector expertise by appointing a field leading organisation procuring private rented accommodation for local authorities, the hidden bonus was the private Registered Provider status of the appointed body which enabled them to claim the higher HALD rates of housing benefit which proved central to its business model for the first three years of operation. Again the emphasis on private sector skills belied the genius of appointing a Manager with over 20 years' experience of the ways of working inside Birmingham City Council, an advantage that has undoubtedly explained the successful navigation of local relationships by the contractor.

Despite its undoubted success, LtB has made only a partial contribution to homelessness prevention and none so far to homelessness discharge. Furthermore it has left some clear spaces for other organisations to operate in: homelessness temporary accommodation, shared housing and accommodation for single homeless people with support needs for example. Then there is the gamut of competing statutory agencies seeking to house their clients in good quality, affordable housing in the PRS (Other local authorities (including London Boroughs), refugees, care leavers, probation services, advice agencies, domestic violence projects) to name but a few. It is therefore important to acknowledge that in Birmingham's complex private rental market, with around 32,000 housing benefit claimants, LtB has been a drop in the ocean, making the aspirations of some of the early academic proponents of the SLA concept seem unduly ambitious:

"Social lettings agencies could be established to deal with all the private renting procurement required by statutory agencies in a given area. These agencies should charge a standard management fee, and move the housing benefit market away from a culture of 'incentive inflation.'" Rugg and Rhodes 2008)

This section therefore returns to the procurement question as the results of the 2013 decision are nearly played out with the end of the 5 year partnership contract agreement in December 2018 and in a very different policy environment to that which existed when LtB was procured. We consider where next for the relationship with LtB and others, the scope for new SLA type initiatives to cover other parts of the low income statutory procurement market especially exempt accommodation sector where major locally driven change will be required in 2019 and finally the scope to manage the market:

- The Council needs to consider the position at end of contract period at the end of 2018 – will LtB governance structure continue? If not how much access can BCC expect to have to future lettings generated by LtB/Mears?
- Going forward what relationship does the Council want to retain or develop with Mears and other potential contractors?
- Should there be further SLAs or new initiatives such as a Real Lettings Fund to purchase properties to let as temporary accommodation or move-on accommodation (adding to the 7-800 properties within BCC's 'peak temporary accommodation' portfolio)? This proposal

might be best taken forward at regional level and is therefore discussed in our accompanying report.

- The Council should explore the scope to manage the 2019 transfer of responsibility for exempt accommodation payments to BCC from DWP and consider how this opportunity can be used to generate service and access improvements for users of specified supported exempt providers
- Managing the Market – The Council should consider how can the market intelligence gained from LtB and from landlord interviews in this project be used strategically to begin shaping manage the social lettings agency sector as recommended by Rugg and Rhodes.
- Given the extent of overlapping uses across Midlands authorities (e.g. homeless TA placements by Birmingham in Sandwell and Solihull in Birmingham) and the regional basis of several contracts such as refugees and care leavers it is recommended that this market shaping work is undertaken in close collaboration with other authorities through Combined Authority devolution arrangements. There is further discussion of this in the accompanying report on SLAs in the West Midlands.

Responses to our recommendations from Birmingham City Council Commissioning Centre at the Regional Research Presentation on March 10th included:

- Continued appetite to engage with contractors who can provide access to the private rented sector
- PRS accommodation recognised as a vital part of housing supply and essential to helping to meet need
- New financial models are needed – policy environment has changed and models need to adapt
- Supported Housing Strategy to be developed to determine approach to exempt accommodation payments

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