

# Landlords' Guide

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## to the Home Choice Scheme



**Building a world-class city for everyone**

“Don’t immediately discount the Local Housing Allowance market. Tenants in receipt of benefits tend to stay longer; there isn’t the same churn, which in turn saves on lost rent and re-advertising your property. Tenants on Housing Benefit make the place their home rather than just seeing it as one step on the road to buying their own place.”

**E Mcleod, landlady to a number of Home Choice tenants**

“Over a number of years working with the Home Choice Team, I have always received professional service and the satisfaction of helping families in Oxford from being homeless.”

**E Aldworth, landlord to Home Choice tenants**

“On the rare occasion of tenancy complications the Home Choice Team have supported me throughout the process and always been fair when negotiating bond/deposit deductions and honouring the agreed deductions in a timely fashion.”

**J Keown, landlord to Home Choice tenants**

## **Introduction**

This landlords’ guide provides helpful information for you if you are an existing landlord or you are thinking about renting out a self-contained property. For more information on houses of multiple occupation visit [www.oxford.gov.uk/hmo](http://www.oxford.gov.uk/hmo) or your own local authority.

The guide also provides information about the ‘Home Choice Scheme’. We (Oxford City Council) introduced this scheme in 2003 to help the private rented sector and to encourage more landlords to let their properties to people who are claiming benefits or living on a low income.

We hope that this guide will encourage you to contact us more often (and much earlier) when you need help.

We are already working very closely with many private landlords and letting agencies and we are keen to work with even more.

## **Tackling homelessness**

In Oxford, high house prices and a shortage of affordable homes for rent can make it difficult to find suitable housing.

Faced with a serious homeless challenge, we have set up a number of schemes to prevent homelessness and to make it easier for people to find privately rented housing.

We will usually give priority for housing to families with children if they become homeless through no fault of their own and have a connection to the local area.

## Home Choice Scheme

If a family is threatened with homelessness, the local authority may have a statutory (legal) duty to rehouse them. The Home Choice Scheme gives people the opportunity to move into a home of their choice and to avoid homelessness and a long stay in temporary accommodation.

By providing advice, support and financial help, we have made more housing options available to people who are homeless or threatened with homelessness.

The Home Choice Scheme is very flexible.

We can use it, for example, to prevent private tenants from becoming homeless by helping them to stay in their current accommodation or by helping them find alternative accommodation when their current tenancy comes to an end.

It also helps you to rent out your properties to people introduced to you by our Home Choice Team.

Research shows that tenants who receive Housing Benefit stay in a property twice as long. This means fewer properties stay empty for long periods, and tenants may be more likely to look after the property as they would be treating it as their long-term home.

## Should I choose the Home Choice Scheme?

- The Home Choice Team helps to minimise the risks involved in letting out properties and to provide landlords and tenants with an efficient and effective advice and support service.
- The Home Choice Team is able to help landlords deal with enquiries and problems relating to Local Housing Allowance (Housing Benefit) and tenancy matters.
- The Home Choice Scheme usually has a steady supply of people looking for private rented accommodation.
- We can pay up to two months' rent deposit that reduces the risk of rent loss, damage or legal fees. This can be in the form of cash or a deposit bond guarantee.
- We can pay a month's rent before the tenants move into the property.
- We can refer tenants with a good housing record and advise on how to keep a tenancy for the long term, avoiding losses from empty properties.
- We can arrange for Housing Benefit to be paid direct in Oxford, South Oxfordshire and Vale of the White Horse district council areas.
- We can pay a Finder's Fee incentive (a payment to landlords whose tenants receive Housing Benefit) in most cases.
- We can advise on bank accounts so that rent paid by Universal Credit in 2014 will continue to go directly to you.
- We can provide employment training for tenants to reduce the risk of benefit caps by quickly finding work for your tenants.
- Where appropriate, we can try to arrange Discretionary Housing Payments.
- We can offer a team of expert staff to give further support to the tenant and you or the agent, which

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would include priority rehousing for a 'no fault' Section 21 Notice. (This is when you have served notice on the tenant that you want your property back (not due to anything the tenant has done but, for example, if you are selling the property)).

- We will make sure all tenants fill in data-protection forms so that we can give you information about Housing Benefit claims or any other tenancy issues.
- You may be able to improve your property through the Green Deal Scheme. See [www.oxford.gov.uk/greendeal](http://www.oxford.gov.uk/greendeal) for further information.

### **The Home Choice Team will do the following.**

- Not charge you or the letting agent for its services.
- Provide a legally binding tenancy agreement, usually up to 12 months if required.
- Give guidance to landlords on tenancy matters, if necessary.
- Advise you on the likely rent level for the property that is acceptable for Housing Benefit (or Universal Credit) purposes, before tenants move into the property.
- Work with benefits departments and monitor tenants we have referred to make sure Housing Benefit is paid on time and the tenancy runs smoothly.
- Make sure, as far as is reasonably possible, that tenants we refer are suitable to rent in the private sector and are able to keep their tenancy by paying their rent and looking after the property.

## **Before you start**

### **Who you need to consult**

You should tell the following people that you would like to let your property.

- Your mortgage lender. They may insist that you let your property on an assured shorthold basis.
- Your insurance company. If you move tenants in without telling your insurers, you are unlikely to be covered by your insurance policy if there is an accident, damage or theft.
- Your landlord.
- Your partner or joint owner.
- Your freeholder, if you want to let a leasehold flat.
- For tax queries, go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

You may also want to speak to a solicitor and accountant.

### **Meeting the minimum standards**

Before a property can be let under the Home Choice Scheme, an officer from the Home Choice Team will usually visit the property to check that it is in a reasonable condition.

- If there is a gas supply, the officer will insist on seeing a valid gas safety certificate.

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- By law, the property also has to have an energy performance certificate.

To be suitable for letting, a property must be:

- structurally stable;
- free from serious disrepair or hazard; and
- free from damp which could harm the health of the tenants.

It must also have the following.

- A supply of piped water (hot and cold).
- Adequate kitchen facilities, with satisfactory areas for storing and preparing food. There should be a sink (with hot and cold water), together with a work surface and a cooker installation point.
- Toilet and bathroom facilities.
- A cooker, fridge and freezer.

The plumbing, gas and electrical supply and all gas and electrical appliances must be checked regularly and kept in good condition.

As well as meeting the above standards, the property must have adequate fire precautions, and all furniture and furnishings must meet all fire regulations.

## **Managing your property**

### **Home Choice Team**

We are committed to working with landlords in the private rented sector to make it easier for people on a low income to find good-quality private rented accommodation. The Home Choice Team works closely with Housing Benefit services across Oxfordshire to make sure Housing Benefit is paid promptly direct to landlords and aims to sort out any outstanding problems quickly. We plan to set up a relationship with the Universal Credit Agency. (Universal Credit may replace Housing Benefit in 2017.)

The Home Choice Team will, if necessary, provide you with tenancy agreements free of charge and help you set up tenancies.

### **Types of tenancy**

Most of the tenants we help will want to stay in their home for as long as possible.

Under the Home Choice Scheme, tenants will normally take on an assured shorthold tenancy, initially lasting 12 months. Hopefully, the tenancy will be renewed at the end of this fixed term.

### **Inventory**

We strongly advise you to draw up an inventory (even if your property is unfurnished) as this will help avoid disputes involving the condition of the property and the return of deposits or bonds. An inventory is a list of all equipment and furniture provided with the accommodation. It is important that you make a detailed record of the condition of the property and write down details

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of any existing damage to walls, carpets, paintwork and so on. We recommend that you take photographs of the inside of the property.

You will need to approve the contents on the inventory jointly with the tenants, and all of you need to sign it at the beginning of the tenancy. You should give everyone a signed copy of the inventory, including the Home Choice Team.

At the end of the tenancy, make a record of the condition of the property and its contents. Make a note of all damaged or missing items.

The Home Choice Team will, if necessary, give you an inventory list free of charge.

## **Your responsibilities**

You must do the following.

- Give the tenant your name and address (even if there is a managing agent) and details of what to do in an emergency.
- At the start of the tenancy, give the tenant a written tenancy agreement stating all the terms of the tenancy.
- At the beginning of the tenancy, give the tenant a detailed inventory, which records the condition of the property and its contents.
- Register the cash deposit with a government-authorised tenancy deposit protection scheme and give the tenant confirmation of this.
- Keep accommodation in a good state of repair and make sure it is safe and fit to live in.
- Make sure the gas supply, electrical installations and any gas or electrical appliances are safe. You must get, and produce, an annual gas safety certificate for the property. All furniture and furnishings must meet current fire regulations.
- Allow the tenant 'quiet enjoyment of the property'. This means the tenant's legal right to live in the property as their home.
- Provide the correct notice in writing if you want the tenant to leave.
- Apply for a court order if the tenant does not leave by the end of the notice period.
- Insure the property correctly (for example, make sure it has building insurance).
- It is good practice to carry out inspections twice a year, giving the tenant appropriate notice.

## **Money matters**

### **Rent**

You need to agree the amount of rent with the tenant before the start of the tenancy and state it clearly in the tenancy agreement.

You can get up-to-date guidance on rent levels from the Home Choice Team.

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Although not everyone we help under the Home Choice Scheme is on a low income, we will only consider people for the scheme if they can show that they are able to pay their rent regularly and in full.

If the tenant is entitled to Housing Benefit, their Housing Benefit will be paid to you. This may change under the Universal Credit Scheme and we are looking for ways for direct payment to continue.

So that Housing Benefit claims are processed quickly, the Home Choice Team will make sure that the tenant provides all of the information needed to assess the claim.

## **Tenancy deposit**

We will pay a tenancy deposit direct to you or the letting agent before the tenant moves into the property or within two weeks of the tenant moving in.

We pay the deposit on the condition that the deposit is registered with a tenancy deposit scheme. At the end of the tenancy, you (or the agent) will refund direct to us all or part of the deposit you have received, after allowing deductions of any reasonable costs for rent arrears or damage to the property. Or, we can provide a deposit guarantee bond.

## **What is Local Housing Allowance?**

Local Housing Allowance helps people on a low income to pay their rent.

In Oxford, it is managed by us (Oxford City Council). If your property is not in Oxford City, see the link below to confirm which authority may support your tenant with Local Housing Allowance. [www.gov.uk/apply-housing-benefit-from-council](http://www.gov.uk/apply-housing-benefit-from-council)

## **Who can claim Local Housing Allowance?**

Anyone on a low income who has to pay rent for their home can claim Local Housing Allowance.

## **How does a tenant claim?**

As soon as they decide to rent the accommodation, the tenant must claim Local Housing Allowance and provide the following.

- A correctly filled-in Local Housing Allowance (Universal Credit) application form.
- A written and signed tenancy agreement.
- Proof of income and savings.
- Identification (for example passport, driving licence or birth certificate).

The Home Choice Team helps and advises on assessing and processing claims.

## **How is Local Housing Allowance paid?**

Tenants under the Home Choice Scheme have their Local Housing Allowance paid directly to you, their landlord. It is calculated on a weekly basis and paid every four weeks in arrears (for the four weeks just gone).

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## Help and advice

The Home Choice Team can help you and your tenant deal with any tenancy problems that you cannot sort out yourselves. If you contact us, we aim to call you back with advice within two working days.

The Home Choice Team wants to make it easier for people on a low income to find private rented accommodation in an area they choose, and also make sure that they can keep the tenancy and if possible renew it at the end of the original fixed period.

The Home Choice Team also wants to make it easier for you to rent out your properties, with as few problems as possible.

## For further information

Home Choice Team  
Housing and Property Services  
Oxford City Council  
St Aldate's Chambers  
Oxford OX1 1DS  
Phone: **01865 252501**

### Other useful contacts (Oxford City only)

- Environmental Health and Tenancy Relations Officers
- Housing Benefit
- Council Tax

**01865 249811**

Gas safety: [www.gassaferegister.co.uk](http://www.gassaferegister.co.uk) or call **0800 4085500**

### Landlords - A good-practice guide

Although we have made every effort to make sure that the contents of this guide are accurate, it offers general guidance only and is not intended to provide a complete and authoritative statement of the law.

If you are not sure about your legal position, you should get advice from a solicitor.

