



SUPPORTING PRIVATE RENTING TO AVOID HOMELESSNESS

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CONTENTS

	Page No
1. Introduction	1
2. The main reasons for excluding benefit claimants from private renting	1-4
3. The main reasons why tenants in receipt of benefits fail to pay the rent	4-9
4. Our analysis of LHA gaps in the Borough	9-12
5. Main features of a new support package for private landlords and tenants on a low income	13-17
6. Summary of Recommendations	18-19
Annex A: LHA gaps in the London Borough of Richmond	20-24
Annex B: Example of advertisement for room in shared accommodation	25-27
Annex C: Availability of rooms in shared accommodation online for benefit recipients	28
Annex D: Support for people renting in Southwark	29

SUPPORTING PRIVATE RENTING TO AVOID HOMELESSNESS

How to support residents on low incomes to gain access to, and retain, private sector tenancies in the borough of Richmond

1. INTRODUCTION

1.1 It is well known that in the borough of Richmond upon Thames the demand for social housing far outstrips the provision available, with a waiting list of about 6000. Clearly the most urgent solution is the provision of more social housing in the borough. However pressure on social housing could be relieved if more residents on low incomes could gain access to housing in the private rented sector and maintain stable tenancies at affordable rents without the risk of being made homeless. In Citizens Advice Richmond our particular concern is for residents who will need support from Housing Benefit (HB) to pay the rent for private tenancies.

1.2 The Council examined many of the issues involved in its research into “Homelessness and the Private Rented Sector” published in November 2016. The report found that in May 2015 there were only 2874 people renting privately in the borough who were receiving HB paid as the Local Housing Allowance (LHA). More recently in February 2017 this number has fallen to 2643, which is the lowest number in all London boroughs except for Islington and Kensington and Chelsea, which both have much larger provision of social housing, and the City of London. Secondly the Council found in its research that the most common trigger for homelessness applications in the borough was the serving of section 21 notices to terminate assured shorthold tenancies in the private sector.

1.3 Under the provisions of the Homelessness Reduction Act 2017 from April 2018 local authorities will have a new duty to provide assistance to any tenant who applies for help to avoid becoming homeless within 56 days of a section 21 notice taking effect. In Citizens Advice Richmond we want to support the Council in carrying out this duty as effectively as possible. In this report we examine what central government and the Council could do to:

- improve access to private renting for residents on low incomes who need support from HB or other benefits and
- help tenants who are already renting privately to keep their tenancies and avoid becoming homeless.

1.4 Our recommendations are summarised in section 6 on pages 18-19.

2. THE MAIN REASONS FOR EXCLUDING BENEFIT CLAIMANTS FROM PRIVATE RENTING

Institutional barriers

2.1 Some letting agents and private landlords are prevented from accepting tenants who depend on benefits by barriers outside their control. Research recently commissioned by the Residential Landlords Association found that two thirds of

lenders of buy-to-let mortgages forbid landlords to rent to tenants in receipt of HB, and resident landlords who own a property on which there is still a mortgage are often restricted by the terms of the mortgage to let part of the property to a tenant in receipt of benefits. Secondly companies that provide insurance for buildings and contents usually charge a premium over standard rates where tenants are in receipt of benefits. These restrictions may influence the tendency of letting agents and some landlords to impose a blanket ban on acceptance of tenants in receipt of benefits for the properties that they offer for rent, sometimes featured as “No DSS” in vacancies advertised. Similarly we found in examining the rooms advertised for shared accommodation in the borough on the spareroom website (see paragraph 4.12 on page 12) that “No DSS” was recorded for nearly every room advertised.

Recommendations

2.2 It should be unacceptable for people to be denied access to private renting solely because they are in receipt of HB or other benefits. We believe that this is a form of discrimination that should be made illegal. Consequently the government should legislate to make any such restrictions on mortgages unenforceable. If this is done it should also be made illegal, with a substantial fine for infringement, for letting agents and landlords to refuse to consider applicants for their tenancies solely because they are in receipt of benefits. This would not alter letting agents’ and landlords’ discretion to choose the most suitable tenants available for their tenancies, but it would outlaw any decision based on a “No DSS” ban without consideration of all the prospective tenants’ circumstances. In addition insurance companies should be required to show that there is an accurate financial basis for the increased premia they charge to provide cover where tenants are in receipt of benefits.

Landlords’ concerns and suggestions

2.3 Some insight into private landlords’ concerns about letting to tenants in receipt of benefits is provided by a survey that the Council carried out with a questionnaire for letting agents and private landlords in the borough between 1 May and 12 June 2015.

2.4 A total of 75 private landlords answered the survey. Half of them reported that they were letting to tenants on low incomes, 46 % to tenants on middle incomes (the average annual income for the Borough being £44,000) and 4% concentrated on corporate lets. Key findings to emerge from the survey were:

- The top three reasons respondents gave for issuing Section 21 notices were rent arrears (26%) disrepair issues (17%) and the decision to sell the property (17%)
- Four in ten respondents let to tenants who receive Housing Benefit (LHA), a further 34% would do this in some circumstances (e.g. if their tenant had a change in their financial circumstances and had to apply for Housing Benefit (LHA) and 26% did not let to these tenants. Key reasons for not renting to Housing Benefit (LHA) tenants were the risk of rent arrears or delays in paying rent, issues around damage to the property caused by the tenant and

problems for this client group to raise sufficient funds for a new private tenancy if they were given notice and had to move out.

- Nearly two thirds of respondents (64%) indicated that they would be willing to rent to tenants who are in employment and claim Housing Benefit (LHA). The other respondents (36%) would still not rent to such tenants due to risk that the amount of Housing Benefit (LHA) may be reduced leaving them unable to make up the shortfall; concerns over how these clients would prioritise rent payments; previous bad experiences and having to take expensive court action to evict and better risks with tenants who can afford to pay more than LHA levels.
- Asked what support the Council could provide to landlords and tenants to prevent eviction, the most popular responses were: educating tenants on their responsibilities as tenants (34), financial assistance to prevent rent arrears (21) and legal assistance (21) to help landlords e.g deal with issues concerned with repairs.
- 61 respondents answered a question about whether if the Council provided support they would work with tenants and the Council to maintain tenancies. 46 responded positively and 15 negatively.
- The themes favoured for Council support were:

-property condition: providing management services; educating tenants; insuring property against damage.

-finance and rental payments: deposit & rental guarantees; payments direct to landlords; monitor tenants' payment of rent; pay market rates; improve/speed up the payment of the Housing Benefit (LHA); pay for any legal costs.

-the relationship between landlord and tenant: ensuring it doesn't break down; dispute resolution service; move tenants at end of S21 notice; do not advise tenants to wait for a court order.

2.5 Some respondents provided additional comments to highlight problems to be solved and opportunities for a better system. It was noted that there were sometimes frequent changes in the amount paid in Housing Benefit (LHA) making it almost impossible for landlords or tenants to work out how much rent should be paid in addition to the LHA element. Active support from the Council to help tenants move out within the notice period would avoid the need for landlords to take court action to evict tenants when the notice period expired. And if the Council could provide a letting service to bring together landlords and low income tenants this could avoid the need for landlords to pay fees to letting agents and enable landlords to provide longer term tenancies at a lower rent.

Recommendation

2.6 It seems clear that to encourage more landlords to accept tenants who depend on Housing Benefit (LHA) to pay part of their rent the Council will need to offer landlords a wider-ranging support package than it provides now. Currently the Council runs a Rent Deposit Scheme through which it can act as guarantor for a deposit equivalent to 6 weeks rent to cover non-malicious damage that tenants might

cause to the rented property or loss of rent. It also offers landlords a Short Term Leasing scheme under which it will enter into an agreement to support a tenant for a minimum period of a year (but it could be for as long as 3 or even 10 years), providing the following benefits:

- a professional management service so that there is no need to pay fees to letting agents
- monthly payments of the full rent in advance
- preparation of all legal documents (e.g the lease and tenancy agreements)
- quarterly inspection of the property
- responsibility for carrying out minor repairs
- the property returned to the landlord with vacant possession at the end of the lease

2.7 However both these schemes are available only for tenants who are either already homeless or at immediate risk of homelessness. So to persuade landlords to accept tenants in receipt of Housing Benefit (LHA) but not yet at immediate risk of homelessness both schemes would need to be developed to cover a wider range of tenants on low incomes.

3. THE MAIN REASONS WHY TENANTS IN RECEIPT OF THE LHA FAIL TO PAY THE RENT

3.1 So far we have considered why landlords are reluctant to accept tenants in receipt of HB through the LHA; but to be clear about the kind of support that the Council needs to provide to prevent homelessness we need also to examine why tenants who have been accepted run into difficulties with paying their rent.

Our clients' experience

3.2 To do this we have examined the case records of all those clients who raised issues about their private tenancies in the 6 months between October 2016 and the end of March 2017 that we considered might involve problems in paying their rent. We found 24 cases where paying the rent was a major problem. Often there were several overlapping reasons why our clients found it difficult, or impossible, to pay the rent but we identified the following main issues:

Loss of employment	10
Rent increase	5
Impact of Benefit Cap	4
Gap between LHA and Rent	3
Relationship breakdown	2
Total	24

To illustrate the impact of these issues on our clients we have selected some examples. (The names of the clients have all been changed to preserve confidentiality).

Loss of employment

3.3 A sudden drop in income due to loss of employment is obviously likely to make it difficult to continue paying the rent. Clients who had accepted private tenancies at

rents within their means on the basis of their salaries found that when they lost their jobs even with the benefits that they could now claim they struggled to meet their essential living expenses, including their rent, or to pay towards rent arrears and other debts.

3.4 In some cases this could just be a temporary problem until they found another job. **Abdul** and his wife were well able to pay £1850 a month to rent a three bedroom house for themselves and their three children while they earned £60,000 a year between them; but they both lost their jobs at the same time. Abdul then qualified for several new benefits in addition to Child Benefit (CB): Child Tax Credit (CTC), Jobseekers Allowance (JSA), Council Tax Reduction (CTR) and Housing Benefit (HB) at the Local Housing Allowance (LHA) rate of £1460 a month, leaving a rent shortfall of £390 a month. Despite receiving these benefits he and his wife struggled to pay their bills, including their rent, and faced the prospect of having their benefits reduced by nearly £200 a week (from £631.65 to 442.31) when a benefit cap was applied to them. However Abdul found a part time job with no fixed hours at Heathrow Airport. If he could work enough hours and his wife could find a job working enough hours to restore a reasonable level of earned income to reduce their reliance on benefits and stop the benefit cap they might be able to avoid falling into rent arrears and stay in their tenancy.

3.5 Another example of the impact of a temporary loss of job is the case of **Elaine**, a single mother with a 10 year old son. She was out of work for only three months, but in that time accumulated a month's rent arrears of £1075 and received notice from the letting agents of impending legal action. When Elaine returned to work her job was for 24 hours a week. Although she was receiving CB, CTC, Working Tax Credit (WTC), CTR and some help from HB her total income was only just more than her essential living expenses, including her rent, so that she had only £8 a month left over to pay towards her rent arrears. Consequently her chances of avoiding eviction depended on whether the Council would agree to make a Discretionary Housing Payment (DHP) to pay off her rent arrears.

3.6 In a few cases our clients had less chance of being able to stay in their tenancy because their loss employment was caused by serious injury or illness with little or no prospect of them ever returning to work.

3.7 **Arash** is a 55 year old single man living on his own who was working as a self-employed gas engineer and able to rent a three bedroom house for £1400 a month; but in 2015 he had a serious neck injury that stopped him working and restricted his mobility. He qualified for Employment Support Allowance (ESA) and Disability Living Allowance (DLA) bringing him about £200 a week but as a single person was eligible only for HB at the LHA rate for one bedroom at £909 a month, leaving him with a rent shortfall of £491 a month. To cover the shortfall he used his overdraft and borrowed from family and friends, but soon ran up rent arrears. Initially the Council accepted his application for a DHP to help with the rent and rent arrears, but he would have to reapply to the Council for the DHP to continue. In the meantime he applied many times to move to smaller and cheaper private rented accommodation; but letting

agents refused to consider him as a private tenant because he could not pay the rent without relying on HB.

3.8 In another case **Marjorie**, a 33 year old single woman with long term mental health problems was living in a one bedroom flat for which she paid £825 a month. She was signed off work with Post Traumatic Stress Disorder (PTSD) and then received ESA and HB at the LHA shared room rate of £339.64, leaving her a rent shortfall of £485.36 that she could not hope to meet from her ESA. The Council agreed to make good the shortfall with a DHP for 13 weeks, but Marjorie then had to reapply for a DHP to cover the shortfall after that date. It was not clear for how long the Council could continue to pay the whole of her rent for the flat if she did not recover sufficiently to return to work.

3.9 The clients mentioned so far all rented their own accommodation with assured shorthold tenancies and so could expect at least two months' notice of their tenancies being terminated; but in the London rental market sharing accommodation with a resident landlord is usually a cheaper option, and those who choose this option may have no time to work out how to continue paying the rent once they lose their jobs before they face eviction.

3.10 **David** is a 34 year old single man who had been renting a room in his landlady's three bedroom house, which she rented from a housing association as a social tenant. He paid £600 per month rent to share a bathroom, kitchen and lounge with her and another tenant but had no rental contract. When he was made redundant in the autumn of 2016 he claimed UC successfully but received only the LHA shared room rate of £368 per month so that there was a rent shortfall of £232 per month. He struggled to pay for day to day living expenses, including the rent, and his landlady told him that if he could not pay the full rent he would have to leave at the end of the month. As a lodger in his landlady's house he could not delay his eviction.

Relationship breakdown

3.11 Another obvious problem for paying the rent is the departure of the main breadwinner as a result of a breakdown in the relationship between the partners.

3.12 **Rebecca** found herself in financial difficulties when the relationship with the father of her 11 year old son and eight year old daughter broke down, and he left the family. She had to borrow money to pay her legal costs to fight a custody case, and struggled to meet the family's living expenses, including the rent, on the Income Support, CB, CTC and HB that she received. She was already in rent arrears when she came to the CAB for help, and was advised to apply for a DHP to cover all of her rent and her rent arrears. In the meantime the letting agent negotiated an agreement with the landlord to spread the repayment of her rent arrears over the remaining 10 months of the fixed term tenancy; but she still faced an uphill task to comply with the agreement or to continue to rent privately at the end of the fixed term.

3.13 In another case our client faced eviction because she could not get the rent element of her Universal Credit (UC) claim paid. **Cora** is the 40 year old mother of five children aged between four and 14. She lived with her husband in private rented

accommodation until he was arrested for domestic abuse and banned from retaining contact with the family. When she applied for UC as a single mother Jobcentre Plus refused to pay the rent element of her claim because the tenancy agreement was only in the name of her husband. When Cora produced copies of the letter from the police preventing contact from her husband and of the tenancy agreement on which she was mentioned as well as proof that she had paid the rent that month Jobcentre Plus called for a letter from the landlord to confirm that she was responsible for the rent; but the landlord refused to provide this letter. At the same time Cora applied to the Council for a DHP; but the Council refused to consider her application without proof that the rent element of her UC claim had been accepted. Cora then received a possession order to terminate the tenancy in two months' time. Consequently the Council was likely soon to receive an emergency homelessness application to find social housing for a single mother with five children.

Benefit Cap

3.14 Another obstacle to paying the rent for private sector tenants who rely on a contribution from HB is the imposition of the Benefit Cap. Although the cap is triggered by the total amount of means tested benefits received the reduction in the total amount required by the cap is applied only to HB. Consequently the private sector tenant who becomes subject to the cap suddenly finds it difficult, or impossible, to pay the rent, and the local authority responsible for the HB may need to compensate the tenant for the automatic reduction in HB with a DHP to cover the difference or face the prospect of a homelessness application for social housing.

3.15 Our research has revealed particular problems where tenants have already been placed in temporary accommodation in the private sector. **Sheila** is a 36 year old mother of five children under the age of five. When her relationship with the father of the children broke down and he left Sheila registered for social housing. The council did not grant her immediate priority for social housing but housed her and her family in temporary privately rented accommodation in a four bedroom house outside the Borough. This substantially increased Sheila's travel costs to take the children to and from their schools in Richmond and to care for her mother who lives in Richmond and suffers from dementia.

3.16 She was already becoming overwhelmed by the situation and taking medication for depression when the Council advised her that her benefit had been capped from 27 March 2016 so that she would receive HB of only £74.17 towards her weekly rent of £173.08, leaving her to contribute the remaining £98.91; but she already had rent arrears of £1143.37 and would clearly be unable to make up the rent shortfall due to the benefit cap. She was granted a DHP to cover the whole of her rent from 27 March to 11 December 2016 although she was expected to find a cheaper place to live and start working by then. However in September 2016 she was advised that the cap on her benefits had been lowered further so that she would now receive only £15.75 in HB, Once again she applied for HB to cover the rent shortfall and once again it was granted for a further period. In the meantime she and her family have been moved to temporary privately rented accommodation in Ham, which has substantially reduced her travel costs. Given her responsibilities to care for her

mother it is not clear whether Sheila will be able to do even part time work when all her children are older, and it seems likely that the Council will have little option but to continue to pay for her rent despite the benefit cap while she remains in temporary accommodation in the private sector.

3.17 In another case our client has been subject to the benefit cap despite already being placed in emergency temporary accommodation in the private sector prior to being moved to permanent social housing. **Rana** is a 40 year old refugee suffering from PTSD, chronic asthma, digestive disorders and sight and hearing problems. She came to the UK with her youngest son and was joined by her other two sons from a camp in Turkey in 2016. All three children are under the age of nine and have severe psychological problems. The Council placed the family in emergency temporary accommodation in the private sector and initially Rana received Income Support (IS), CB, CTC and HB to cover all the rent. However from March 2017 her HB was reduced by £77.14 because of a benefit cap, and she had to apply to the Council for a DHP to cover this rent shortfall and for a reduction in her Council Tax (CT), which was being charged at 15% of full CT liability. It is not clear why the Council did not take the initiative to grant Rana a DHP to compensate for the benefit cap. Secondly the clear evidence of her disabilities should have exempted her from CT liability but for the fact that the Council's exemption scheme for disabilities applies only to those who are already receiving specific disability benefits.

The application of the LHA shared room rate

3.18 Several of the cases already described have illustrated the impact of the gap between LHA rates and actual rents being charged, which is in effect another type of benefit cap. However national research by both the Chartered Institute of Housing and Shelter has identified the requirement that single people up to the age of 35 can only receive the LHA rate for a shared room as causing particularly severe financial difficulties for this group of tenants.

3.19 An example from our research is **Anita**, a 30 year old single mother with a baby whom the Council placed in a hostel charging £990 a month for a bedroom with a fridge, a cooker, and the cost of gas and electricity. She was only entitled to the Local Housing Allowance shared room rate of £368 per month, but this was reduced to £280 a month to take into account her maternity pay of £760 per month. As a result she had a rent shortfall of £710 a month and when she came to the CAB for help already had rent arrears of £2000 as well as other debts.

Rent Increase

3.20 For private sector tenants who are just managing to pay the rent on a low income even a small increase in rent may jeopardise their tenancies.

3.21 **Serena** is a 34 year old single mother of a seven year old son who is autistic. She had been renting a two bedroom flat for £1250 a month and receiving HB at the LHA rate of £1216 a month as well as CB, CTC and Council Tax Reduction; but as she was working on a zero hours contract she was struggling to meet the family's living expenses and to pay the extra £34 a month required for the full rent. When she was notified that to renew her fixed term tenancy she would need to pay £1300 a

month she knew that she could not afford to pay the additional £50 a month required from her current income. Initially she could get no help from the Department of Work and Pensions or from the Council. In addition she came under pressure from the letting agent to pay £90 for the extension of her fixed term tenancy and £42 for a “renewal documentation fee”.

3.21 **Constantia** is a 40 year old woman who had been renting a small studio flat for £750 a month. Her 60 year old mother came to live with her, which resulted in Constantia losing the 25% single person discount for her CT and becoming liable for the full amount. When her fixed term tenancy expired the landlady said that to renew the tenancy would require an immediate increase in the monthly rent to £850; but Constantia’s earned income had fallen to £1000 a month when her job changed from full time to less than 30 hours a week, and her mother earned only £300 a month working 12 hours a week. The combined income of £1300 a month was not sufficient to pay for all the living expenses including the increased rent. Constantia was advised that she might qualify for some HB; but it was not clear whether this would be enough to enable Constantia to pay the increased rent.

Summary of factors leading to rent arrears

3.22 The experience of our clients has exposed several factors that make it difficult, or impossible, for them to continue to pay the rent:

- **tenants dependent on means tested benefits or very low earnings find it difficult to cope with the gap between the LHA that they receive and the full amount of their monthly rent**
- **a substantial reduction in income due to loss of, or reduction in, employment or relationship breakdown makes it difficult for tenants to continue paying the rent**
- **tenants receiving HB who become subject to the Benefit Cap can no longer pay their rent unless and until the Council grants them a DHP**
- **tenants who were just managing to pay the rent on low earnings and/or with support from HB cannot cope with a rent increase unless and until the Council grants them a DHP**
- **rent arrears build up while the Council considers whether to grant a DHP**

4. OUR ANALYSIS OF THE LHA GAPS IN THE BOROUGH

4.1 The LHA gap is clearly an underlying problem for tenants renting privately who depend on means tested benefits or very low earnings. We decided to investigate its impact on tenants renting privately in our Borough.

4.2 The level of HB provided through LHA rates is based on statistics for market rents collected by Valuation Office Agency Rent Officers for different size flats and houses in what are called Broad Market Rental Areas (BMRAs) where tenants can be expected to live and find services. The principle behind the LHA rates is that most private tenants should be expected to contribute to the rent from their own income. At first the levels of HB were set at half the average market rent for each size of property in each BMRA, and the levels were reviewed each year and increased in

line with inflation; but from April 2011 the levels were reduced to 30% of the average rents being charged, and after the Election of 2015 it was decided to freeze LHA rates from April 2016 for the next four years to April 2020.

4.3 Research published by the Chartered Institute of Housing found that in the 152 BRMAs in England in April 2016 the following proportions of LHA rates were below the 30% percentile of the actual rents being charged:

	Shared rooms	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	All
England	85.5%	82.2%	78.3%	86.2%	86.8%	83.8%

Moreover an analysis published by Shelter in March 2017 highlights substantial gaps between LHA rates and market rents in London Boroughs. For example the average LHA gap for families renting two bedroom properties ranged between £383.51 in Hackney and £1252.87 in Kensington and Chelsea.

4.4 Against this background we decided to examine the supply of privately rented property in the three BRMAs in the London Borough of Richmond and the gaps between LHA rates and asking rents for each category of property.

The scope for renting one, two and three bedroom properties on a low income

4.5 To investigate the supply and rental costs of private tenancies in the Borough we first reviewed all the one, two and three bedroom tenancies advertised on Right Move’s website(www.rightmove.co.uk) in mid June 2017. (We excluded studio flats and four bedroom tenancies from our review because there were too few of them for analysis). This review however will not provide the full picture of the supply of tenancies for those on low incomes. For the most part Right Move advertises tenancies for letting agents so that tenancies offered by landlords without the involvement of letting agents will not appear on Right Move’s website. On the other hand there is usually no indication in the information provided on Right Move’s website about whether the tenancies advertised will be available for HB recipients. Consequently the supply of tenancies for those receiving HB is likely to be far less than the number of tenancies recorded in our analysis.

4.6 The LHA rates that apply to monthly rents for private tenancies in the Borough vary according to property type and location as follows:

Property Type	Outer West Region Whitton area	Outer South West Richmond, Kew, Ham, Twickenham, St Margarets, Hampton, Hampton Court, Hampton Wick, Hampton Hill areas	Inner South West Region Barnes, East Sheen, Mortlake areas
Shared	£357	£379	£409
1 bed	£761	£909	£1100
2 bed	£995	£1216	£1310
3 bed	£1180	£1460	£1536

4.7 We have examined the supply and rental costs of private tenancies offered in each of these areas separately. Our full analysis is presented in Annex A (on pages 20-24) but the main results are:

- a good supply of one bedroom tenancies in all parts of the borough except in Whitton and East Sheen/Mortlake, but only in Twickenham, St Margarets and the Hampton districts were a number offered at rents less than £100 above the LHA rate
- a good supply of two bedroom tenancies everywhere except in Whitton but only in Twickenham, St Margarets and the Hampton districts were a number offered at rents not more than £84 above the LHA rate
- a good supply of three bedroom tenancies except in Barnes and Hampton Wick but none at rents close to the LHA rates
- considerable variations in the extra that Housing Benefit (LHA) recipients would have to pay for the full rent to get a reasonable choice of tenancies, but an amount between £100-300 a month for one and two bedroom tenancies for most parts of the Borough and from £290 up to £1040 extra for three bedroom tenancies.

4.8 As mentioned in paragraph 4.5 the shadow hanging over these results is the doubt that many of the tenancies advertised on Right Move would not be offered to applicants known to require support from HB. Secondly even tenancies on offer at LHA rates less than £100 below the monthly rent being charged may be beyond the reach of tenants dependent on benefits or very low earnings.

The scope for renting shared accommodation on a low income

4.9 Organisations such as Right Move usually do not advertise shared accommodation although letting agents are often involved in providing it. However it seemed important to look into the supply and cost of shared accommodation in the Borough for private tenants on low incomes for several reasons. First for single people under the age of 35 HB is only available for private tenancies at the LHA's shared room rate which is much lower than the LHA rate for one bedroom flats, making renting a one bedroom flat unaffordable for those on low incomes. Secondly single people over the age of 35 may be driven to rent a room in a shared flat or house as a cheaper option than renting a one bedroom flat. Thirdly single people are not normally regarded as being vulnerable or in priority need of rehousing if they become homeless unless they have serious illnesses or disabilities. Consequently it is particularly important that they should be able to rent privately.

4.10 For this part of our research we analysed data from all the rooms on offer in June 2017 on the spare room website (www.spareroom.co.uk) for Richmond, Ham and Kew (where the Outer South West LHA shared room rate of £379 a month applies) and for Whitton (where the Outer West LHA rate of £357 a month applies). The advantage of this website is that for each room advertised it presents information in a common format about the house or flat where the room is located and the current occupants as well as "new flatmate preferences" for the sort of tenant who would be acceptable for the room. It identifies whether the rooms on offer are single or double rooms, whether there is a minimum or maximum duration of the

tenancy and whether some or all of the bills connected with the house or flat (e.g. for water, gas/electricity and council tax) are included in the rent. Where the cost of these other household bills is specified it is recorded as around £25 a week. This suggests that where these other bills are **not** included in the rent charged, to stay in the room without falling into debt the tenant will have to pay over £100 a month on top of the rent.

4.11 What is also clear from the information provided about current occupants and their preferences for a new flatmate is that, with a few exceptions, most rooms advertised on the spare room website are being let, or sublet, by young professionals who are looking for a flatmate of a similar age and with similar interests. An example of this is reproduced at Annex B on pages 25-27.

4.12 Our full analysis of rooms for rent in shared accommodation on offer on the spare room website in June 2017 is presented at Annex C on page 28. The main conclusions that we have drawn from this analysis are:

- there was a good supply of rooms to rent in shared accommodation in both the Outer South West LHA (Richmond, Ham, Twickenham and Kew) and Outer West (Whitton) areas, 55 in each or 110 in total; but only 5 of the rooms were definitely available for applicants on benefits
- many of the rooms were clearly intended for young working professionals to rent, not for older people or people who were unemployed or working in poorly paid, unskilled occupations
- although a few of the single rooms on offer in the two areas were advertised at rents fairly close to the LHA shared room rate, none of the double rooms were, and in some cases Housing Benefit (LHA) recipients would have to pay more than half the rent for these rooms out of their own pockets.

4.13 In short on the evidence available on the spare room website the scope for single people dependent on benefits or low earnings to rent shared accommodation in the Borough is severely restricted.

4.14 This conclusion could be challenged on the grounds that it is based on the examination of only one website. There are other websites for finding shared accommodation such as Gumtree (www.gumtree.co.uk) We had a look at rooms advertised on this website and found little difference in the rents charged or the desire to attract young professionals; but because far fewer vacancies were advertised on Gumtree and the type and amount of information provided varies for each vacancy and is not presented in a common format we considered that the information on the spare room website was a more useful basis for our research.

Alternative routes to renting shared accommodation

4.15 It is more difficult to check whether rooms in shared accommodation that are advertised in shop windows or by word of mouth are offered at cheaper rents and on better terms for those on benefits, and in some London boroughs there are many tenants, including single people, in registered Houses in Multiple Occupation (HMOs). In our Borough however there are only 49 registered HMOs and in June 2017 the number of tenants sharing this type of accommodation was only 373. So

HMOs are unlikely to provide a major new source of cheap shared accommodation in our Borough.

5. MAIN FEATURES OF A NEW SUPPORT PACKAGE FOR PRIVATE LANDLORDS AND TENANTS ON LOW INCOMES

5.1 On the basis of the evidence that we have considered we propose a package of measures both to attract more private landlords to accept Housing Benefit (LHA) recipients as clients and to support people on low incomes who could not otherwise afford to rent privately or to continue their private tenancies. This package is also designed to reduce the risk of homelessness both before and after section 21 notices have been issued.

Measures for central government

5.2 There are important steps for central government to take to improve access to private renting for Housing Benefit (LHA) recipients and reduce the risk of them becoming homeless:

- **to offer private landlords tax relief for longer term tenancies**

In the next section on measures for the Council to take we consider the possibility of offering private landlords additional support if they agree to provide longer term tenancies at lower than average rents to tenants who will receive Housing Benefit (LHA). We think that the government should provide an additional incentive for these schemes by offering tax relief to landlords who can demonstrate that they have maintained tenancies under these schemes for a minimum of 3 years.

- **to increase and review LHA rates**

LHA rates should be unfrozen and increased in line with either the 30th or 50th percentile of current market rents in each BRMA. In our Borough many three bedroom properties will continue to be unaffordable for Housing Benefit (LHA) recipients unless the LHA rate is raised to the 50th percentile of current market rents; but we recommend that nationally provision is made for the LHA rates to be raised immediately to the 30th percentile of current market rents with a review of the case to restore LHA rates to the 50th percentile.

- **to increase local authorities' resources for administering HB**

The experiences of our clients recorded in this report underline the crucial role that DHPs play in helping Housing Benefit (LHA) recipients continue to pay their rent when their circumstances change. With the requirement in the Homelessness Reduction Act that local authorities must be ready to help tenants as soon as they receive valid Section 21 notices there is likely to be greater demand for DHPs where tenants are struggling to pay the rent. So there is a strong case for increasing the funds allocated to local authorities for DHPs for 2018/19. In return local authorities could be expected to report on the impact of their use of DHPs in avoiding homelessness in 2018/19, and DHP budgets for future years should be adjusted if the funds allocated for 2018/19 are underspent.

However the most pressing problem in our Borough for both private landlords and tenants receiving Housing Benefit (LHA) is the time it takes for decisions to be reached on HB payments, which in the case of DHPs is currently 3 months. We understand that there are comparable delays in some other London boroughs. We recommend therefore that when the government is considering what resources to give to local authorities to fulfil their responsibilities under the Homelessness Reduction Act a specific allocation should be earmarked for staff resources to administer HB and the housing cost element of UC. In return for this allocation local authorities should be required to keep records of the time taken to reach decisions on HB payments, including DHP applications, once all the relevant information has been provided.

- **to modify the current system for making HB payments**

Two of the reasons that some landlords gave in their response to the Council's survey in 2015 for their reluctance to accept tenants who would rely on Housing Benefit (LHA) to pay the full rent were the fact that HB is paid in arrears and is now normally paid to the tenant and not directly to the landlord. We recommend that the payment system be modified to provide for the LHA to be paid a month in advance so that both the landlord and the tenant know that this element of the rent has been paid in line with the terms of the tenancy. Secondly we recommend that Housing Benefit (LHA) recipients should be free to opt for it to be paid directly to their landlord if this will help them secure the tenancy.

- **To require landlords to copy section 21 notices to their local authorities**

For local authorities to be able to intervene quickly to help tenants who have received Section 21 notices it is important for them to know that a section 21 notice has been served. If the tenant concerned does not come forward for help until close to the date for a possession order to take effect it will be difficult for the local authority to take remedial action in time. We recommend therefore that private landlords should be required to send a copy of the Section 21 notices served on their tenants to the local authorities where their rented properties are located.

Measures for the Council

5.3 We want to advance proposals for the Council to follow up the findings of its survey of landlords' views on accepting tenants dependent on HB and to prepare for its responsibilities under the Homelessness Reduction Act 2017 with a package of measures to:

- persuade more letting agents and private landlords to offer tenancies to Housing Benefit (LHA) recipients
- encourage some private landlords to offer tenants on low incomes long term tenancies (for at least three years) at lower than average rents
- provide emergency support for tenants served with section 21 notices in order to prevent them becoming homeless

Persuading more landlords and letting agents to offer tenancies to Housing Benefit (LHA) recipients

5.4 We propose that the Council launch a campaign on its website and in local media to advertise help that it will provide to all letting agents and private landlords who are willing to accept tenants who will need support from Housing Benefit (LHA) to pay their rent. This support will consist of the following elements:

- the Council will continue to act as the guarantor of the tenancy deposit to cover the risk of damage to the property or unpaid rent but will offer to do this for *any* tenant eligible for Housing Benefit (LHA) whom the Council considers is likely to be a reliable tenant, not just for those found to be at risk of homelessness. This will have the advantage that landlords who are reluctant to accept *any* tenants who will need Housing Benefit (LHA) to pay the rent can be reassured that the Council will guarantee a sum equivalent to six weeks' rent if things go wrong.

However in future more landlords may rely on insurance rather than a deposit from the tenant to cover the risk of damage to the property or loss of rent. An article in the Guardian (by Emma Lunn on 10 June 2017) reviews insurance schemes where either the landlord or the tenant pays a small sum (e.g. £129 for the landlord or a week's rent for the tenant) for insurance cover. The problem with these schemes is that if the insurance company pays for a landlord's claim it can still recover the cost from the tenant; so it is not clear that the tenant will be better off than by making a refundable deposit at the start of the tenancy. We have considered whether nevertheless if the landlord has chosen to pay a small premium for insurance cover rather than demanding a deposit from the tenant the Council should offer to pay the premium; but on balance we think that it would be unwise for the Council to get involved in insurance claims rather than dealing directly with the landlord or letting agent.

- the Council will make the monthly LHA contribution to the rent in advance, not in arrears as in the past (if the government legislates for this)
- the Council will guarantee to deal with any changes in the level of Housing Benefit (LHA) payments promptly and keep the landlord and tenant informed of progress
- the Council will provide a mediation service to deal with any unresolved conflict between the landlord and the tenant e.g. over repairs or payment of the rent. (This service will draw on a partnership with ourselves and other local organisations that can provide help with particular issues such as benefits or debts)

Encouraging landlords to offer tenants on low incomes longer term tenancies at lower than average rents

5.5 We envisage that the Council's campaign will also advertise a more comprehensive package of support for landlords who are prepared to offer longer term tenancies at lower than average rents and to agree to a cap on annual rent

increases. We propose that this package should incorporate all the support offered to landlords generally but also include most of the elements of the scheme for Short Term Leases that is currently offered to landlords who are willing to provide temporary accommodation for residents judged to be in priority need of rehousing (as described in paragraph 2.6 on pages 3-4).

5.6 The main differences will be that:

- to take part in the long term tenancy scheme landlords will need to sign up to fixed term tenancies of at least 3 years and agree a limit on annual rent increases with the Council;
- the Council will pay HB at the LHA rate rather than the full rent (unless the landlord limits the rent to the same level as the LHA rate).

However the Council will still in effect manage the tenancy, relieving the landlord of the need to pay for a letting agent. This will increase demand for the services of the Council's Property Management Team; but we hope that some of the Council's substantial budget for temporary accommodation can be diverted to support this scheme on the grounds that these longer term, more stable tenancies will gradually reduce the incidence of homelessness in the Borough and the need for temporary accommodation.

Providing emergency support for tenants served with Section 21 notices

5.7 We propose that where the Council becomes aware that tenants have been served with a Section 21 notice it should contact them to offer them help if they consider that they are serious risk of becoming homeless. If they take up the offer we suggest that there are several steps for the Council to take depending on the reasons for the Section 21 notice.

5.8 **If the tenancy is being terminated because of rent arrears** the priority will be to deal with the rent arrears and to see whether with support the tenant will be able to pay the rent in future. To achieve this the Council should be able to:

- pay a lump sum up to a maximum limit from a separate Rent Arrears Fund to eliminate or reduce the arrears, particularly where the arrears are partly or wholly due to a sudden change in the tenant's circumstances or to problems beyond the tenant's control with the payment of benefits;
- prioritise the payment of the Housing Benefit (LHA) if there has been a delay in payment
- make a fast track assessment of the tenant's eligibility for a DHP if the tenant needs help to meet the shortfall between their Housing Benefit (LHA) and the full rent
- offer to pay the Housing Benefit (LHA) directly to the landlord if the tenant agrees
- draw in support from ourselves or other organisations in the Borough to help the tenant deal with problems with benefits or with other debts that have contributed to the tenant's failure to pay the rent.

5.9 **If the tenancy is being terminated due to a dispute** over repairs or the tenant's damage to the property or alleged breach of a term of the tenancy the

Council should offer to mediate to see if a solution can be agreed that enables the tenancy to continue.

5.10 If the tenancy is being terminated for a reason that has no direct connection with the tenant (e.g. to sell the property or carry out major building work to improve it) the Council should offer to help the tenant secure a new private tenancy within the Borough. This could involve an approach to landlords who have signed up for the longer term tenancy scheme if the tenant can be recommended as a “good” tenant or at least to offer other landlords the standard package of support recommended at para 5.4. In addition the Council could enlist the help of local partners to advise the tenant on how to resolve problems with benefits and/or debt if these are an obstacle to acceptance for a new private tenancy.

Additional resources to market the Council’s support for private landlords and tenants

5.11 To make an impact in reducing homelessness in the Borough the measures that we have proposed for the Council’s packages of support will need to be widely publicised to letting agents, private landlords and tenants online on the Council’s website, through local media and in leaflets available in libraries and elsewhere. Southwark Council provides an example (at Annex D on page 29) of how one local authority has presented its support for tenants on line with a link to a self-help pack. There needs to be at least as much information for private landlords. We hope that the Council will include the resources for this vital publicity in its bid to central government for the funds needed to carry out its new responsibilities under the Homelessness Reduction Act 2017.

6. SUMMARY OF RECOMMENDATIONS

6.1 Greater support for private renting for people on low incomes and in receipt of benefits must come from both central government and local authorities.

Improving access to private renting

6.2 We recommend that the government legislate to remove institutional barriers to letting to tenants in receipt of benefits by:

- making restrictions on mortgages to forbid letting to tenants in receipt of benefits unenforceable and
- making it unlawful for letting agents and landlords to discriminate against applicants for assured shorthold tenancies on the grounds that they are in receipt of benefits, with substantial financial penalties for infringement

6.3 We recommend that the government reduce the financial barriers to letting to tenants in receipt of benefits by legislating to:

- raise LHA rates immediately to 30% of current market rents in all BRMAs, with a review of the case for restoring LHA rates to 50% of current market rents
- provide for all Housing Benefit (LHA) payments to be made a month in advance, not in arrears as currently and
- offer tax relief to landlords who have provided tenancies at lower than average rents for a minimum period of three years

6.4 We recommend that the Council launch a campaign to encourage more private landlords to offer tenancies to applicants who are in receipt of benefits by marketing changes introduced nationally to improve access to private renting for applicants in receipt of benefits (as recommended above) and offering **a package of support for all landlords willing to let to tenants in receipt of benefits** to include:

- acting as guarantor for the tenancy deposit of all tenants in receipt of Housing Benefit (LHA) whom the Council has approved as likely to be reliable tenants
- making the monthly Housing Benefit (LHA) contribution to the rent in advance, not in arrears as in the past (if the government legislates for this)
- guaranteeing to deal with any changes in the level of Housing Benefit (LHA) payments promptly, keeping the landlord and tenant informed of progress, and
- providing a mediation service to deal with any unresolved conflict between the landlord and the tenant e.g. over repairs or payment of the rent.

6.5 In addition we recommend that the Council market **a more comprehensive package of support for landlords who are willing to provide tenancies for at**

least three years at lower than average market rents for tenants in receipt of Housing Benefit (LHA), to include most of the elements of the scheme for Short Term Leases that is currently offered to landlords who are willing to provide temporary accommodation for residents judged to be in priority need of rehousing. We envisage that the new package will be funded by diverting some of the current budget for temporary accommodation.

Emergency support for tenants served with Section 21 notices

6.6 For local authorities to fulfil their responsibilities to help tenants served with Section 21 notices avoid becoming homeless they will need to know as soon as possible when these notices have been served. We recommend therefore that the government legislate to require landlords to send a copy of every Section 21 notice to the local authority where the property concerned is located.

6.7 We recommend that the Council contact tenants served with a Section 21 notice to offer them help as soon as it becomes aware of the notice. If tenants take up the offer of help:

where the tenancy is being terminated for rent arrears the Council should be able to

- pay a lump sum up to a maximum limit from a separate Rent Arrears Fund to eliminate or reduce the arrears, particularly where the arrears are partly or wholly due to a sudden change in the tenant's circumstances or to problems beyond the tenant's control with the payment of benefits;
- prioritise the payment of Housing Benefit (LHA) if there has been a delay in payment
- make a fast track assessment of the tenant's eligibility for a DHP if the tenant needs extra financial support to meet the shortfall between the Housing Benefit (LHA) and the full rent
- offer to pay the Housing Benefit (LHA) directly to the landlord if the tenant agrees
- draw in support from ourselves or other organisations in the Borough to help the tenant deal with problems with benefits or with other debts that have contributed to the tenant's failure to pay the rent.

where the tenancy is being terminated due to a dispute the Council should be able to provide a mediation service to see if a solution can be agreed that enables the tenancy to continue

where the tenancy is being terminated for a reason that has no direct connection with the tenant the Council should be able to help the tenant secure a new private tenancy through:

- an approach to landlords who have signed up for the longer term tenancy scheme if the tenant can be recommended as a "good" tenant
- offering other landlords the standard package of support recommended at para 6.4 and/or

- enlisting the help of local partners to advise the tenant on how to resolve problems with benefits and/or debt if these are an obstacle to acceptance for a new private tenancy.

6.8 The Council's bid for additional resources

The Council will require considerable additional resources to market and implement our proposals. We hope that the Council will take full account of our proposals in making its bidding for the additional resources required to fulfil its responsibilities under the Homelessness Reduction Act 2017.

ANNEX A

LHA GAPS in the London Borough of Richmond in June 2017

For each of the three Broad Market Rental Areas (BRMAs) that apply to our Borough we provide an overall assessment of the supply of one, two and three bedroom tenancies advertised on the Right Move website at different levels of rent and the gap between the actual monthly rents and the amount of Housing Benefit payable each month through the Local Housing Allowance, followed by tables that set out the detailed statistics on which our assessment is based.

1.Inner South West BRMA

Overall assessment

The higher LHA rates for this area reflect the fact that rents for tenancies in Barnes, East Sheen/Mortlake are among the highest in the Borough. There were some differences between the supply of, and rent for tenancies, in Barnes and East Sheen/Mortlake; so we have analysed the evidence for the two subareas separately. There was a better supply of one bedroom tenancies in Barnes than in East Sheen/Mortlake- 22 compared with 11- but in each area only 2 of the tenancies charged rents within £100 of the LHA rate. To get a reasonable choice of tenancies Housing Benefit (LHA) recipients would have to pay between £100-300 a month extra in Barnes and between £150-350 a month extra in East Sheen/Mortlake.

There was quite a good supply of two bedroom tenancies in both East Sheen/Mortlake and Barnes - 36 and 32 respectively. **In East Sheen/Mortlake rents for 2 of these tenancies were at or below the LHA rate** and the next cheapest 14 would require Housing Benefit (LHA) recipients to pay between £40-190 a month extra. In Barnes none of the two bedroom tenancies charged less than £1500 a month, and the cheapest 13 would require Housing Benefit (LHA) recipients to pay between £190-440 a month extra.

There were only 4 three bedroom tenancies on offer in Barnes, charging rents that would require Housing Benefit (LHA) recipients to pay between £214-714 a month extra. There were 17 three bedroom tenancies on offer in East Sheen/Mortlake of which 14 would require Housing Benefit (LHA) recipients to pay more than £214 a month extra.

Barnes

Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
1 bed	2	1000+-1200	1100	100
1 bed	3	1200+-1300	1100	100-200
1 bed	7	1300+-1400	1100	200-300
1 bed	5	1400+-1500	1100	300-400
1 bed	5	1500 - 1750	1100	400 - 650
Total	22			

Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
2 bed	13	1500+-1750	1310	190-440
2 bed	10	1750 - 2000	1310	440 – 690
2 bed	9	2000 - 2250	1310	690 - 940
Total	32			
Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
3 bed	3	1750+-2000	1536	214-464
3 bed	1	2000+-2250	1536	464-714
Total	4			

East Sheen/Mortlake

Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
1 bed	2	1200	1100	Up to 100
1 bed	8	1250-1500	1100	150-350
1 bed	0	1500+-1800	1100	400-700
1 bed	1	1850	1100	750
Total	11			
Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
2 bed	2	1200-1300	1310	0
2 bed	14	1300+-1500	1310	Up to 190
2 bed	9	1500+-1750	1310	190-440
2 bed	10	1750+-2000	1310	440-690
2 bed	1	2100	1310	790
Total	36			
Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
3 bed	3	1650-1750	1536	114-214
3 bed	3	1750+-2000	1536	214-464
3 bed	2	2000+-2250	1536	464-714
3 bed	7	2250+-2500	1536	714-964
3 bed	2	2500+-2750	1536	964-1214
Total	17			

2.Outer South West BRMA

Overall Assessment

There was a good supply of properties with one, two and three bedrooms in this BRMA, but not always at affordable rents. Rents were on the whole cheaper in Hampton/Hampton Hill/Hampton Wick and in Twickenham and St Margarets than in Richmond, Kew and Ham. In the Hampton areas 10 of the 44 one bedroom properties on offer, and in Twickenham and St Margarets 10 of the 87 one bedroom tenancies on offer, required less than £100 extra to pay for the monthly rent above the LHA rate. In the Hampton areas another 21, and in Twickenham and St Margarets another 43, were on offer at rents that would require between £91- 290 a month extra. In Richmond, Kew and Ham only one of the 93 one bedroom tenancies on offer required more than £90 a month to pay on top of the LHA rate, and only another 10 would require between £91- 290 a month extra.

In the Hampton areas 17 of the 38 two bedroom properties on offer, and in Twickenham and St Margarets 23 of the 128 two bedroom properties on offer, would not cost more than £84 extra on top of the LHA rate. In the Hampton areas the next 7 cheapest, and in Twickenham and St Margarets the next 31 cheapest, would require between £84 and £184 a month extra. In Richmond, Kew and Ham only 3 of the 135 two bedroom tenancies on offer charged monthly rent within £84 of the LHA rate, and only another 7 would require no more than £84-£184 a month extra.

There were relatively few three bedroom tenancies at affordable rents in this BRMA. In the Hampton areas 8 of the 17 on offer would not require more than £290 extra on top of the LHA rate, in Twickenham and St Margarets the comparable figure was 23 out of 52, and in Richmond, Kew and Ham 11 out of 32. The LHA gap for the rents required for the remainder of the three bedroom tenancies on offer in the BRMA ranged from above £290 to £1040.

Hampton/Hampton Hill/Hampton Wick

Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
1 bed	10	900-1000	909	91
1 bed	21	1001-1200	909	91-291
1 bed	5	1201-1300	909	292-391
1 bed	7	1301-1400	909	392-491
1 bed	1	1401-1500	909	492-591
Total	44			
Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
2 bed	17	1200-1300	1216	84
2 bed	7	1301-1400	1216	84-184
2 bed	1	1401-1500	1216	184-284
2 bed	6	1501-1750	1216	284-534
2 bed	5	1751-2000	1216	534-784

2 bed	2	2001-2600	1216	785-1384
Total	38			
Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
3 bed	3	1400-1500	1460	40
3 bed	5	1501-1750	1460	40-290
3 bed	3	1751-2000	1460	290-540
3 bed	4	2001-2250	1460	540-790
3 bed	2	2251-2500	1460	790-1040
Total	17			

Twickenham and St Margarets

Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
1 bed	10	900-1000	909	Up to 91
1 bed	12	1001-1100	909	92-191
1 bed	31	1101-1200	909	192-291
1 bed	20	1201-1300	909	292-391
1 bed	10	1301-1400	909	392-491
1 bed	4	1401-1500	909	492-591
Total	87			
Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
2 bed	23	1200-1300	1216	Up to 84
2 bed	31	1301-1400	1216	85-184
2 bed	38	1401-1500	1216	185-284
2 bed	36	1501-1750	1216	285-534
Total	128			
Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
3 bed	2	1400-1500	1460	Up to 40
3 bed	21	1501-1750	1460	41-290
3 bed	15	1751-2000	1460	291-540
3 bed	8	2001-2250	1460	541-790
3 bed	6	2251-2500	1460	791-1040
Total	52			

Richmond, Kew and Ham

Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
1 bed	1	900-1000	909	91
1 bed	10	1001-1200	909	91-291
1 bed	21	1201-1300	909	291-391
1 bed	16	1301-1400	909	391-491
1 bed	17	1401-1500	909	491-591
1 bed	25	1501-1750	909	591-841

1 bed	3	1751-2000	909	841-1091
Total	93			
Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
2 bed	3	1200-1300	1216	84
2 bed	7	1301-1400	1216	84-184
2 bed	33	1401-1500	1216	184-284
2 bed	50	1501-1750	1216	284-534
2 bed	42	1751-2000	1216	534-784
Total	135			

Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
3 bed	1	1400-1500	1460	40
3 bed	10	1501-1750	1460	40-290
3 bed	13	1751-2000	1460	290-540
3 bed	8	2001-2250	1460	540-790
Total	32			

3. Outer West BRMA

Overall Assessment

Far fewer properties were offered in Whitton than in the larger areas covered by Outer and Inner South West. For the 7 one bedroom properties Housing Benefit (LHA) recipients would have to pay between £140-340 extra for the full monthly rent. For the 9 two bedroom properties only one was within £100 of the LHA rate. For the next cheapest 6 properties Housing Benefit (LHA) recipients would need to pay between £105-305 a month extra. Rent for all 14 of the three bedroom properties on offer ranged between £1500-2000 a month, so that Housing Benefit (LHA) recipients would have to pay somewhere between £320-820 a month extra.

Whitton

Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
1 bed	4	900-1000	761	139-239
1 bed	3	1001-1100	761	239-339
Total	7			
Property Size	No of Properties	Rent on Rightmove	LHA/month £	Rent Gap £
2 bed	1	1000-1100	995	5-105
2 bed	4	1101-1200	995	105-205
2 bed	2	1201-1300	995	205-305
2 bed	1	1301-1400	995	305-405
2 bed	1	1401-1500	995	405-505
Total	9			
Property Size	No of	Rent on	LHA/month	Rent Gap

	Properties	Rightmove	£	£
3 bed	8	1500-1750	1180	320-570
3 bed	6	1751-2000	1180	570-820
Total	14			

ANNEX B

EXAMPLE OF ADVERTISEMENT FOR ROOM IN SHARED ACCOMMODATION

Room for rent in Barnes/East Sheen



Large room to let in a two bedroom professional flat share in Barnes/East Sheen/Mortlake area.

The flat is in good standard, neutrally decorated, fully furnished and include: a large living room with a balcony, two double bed rooms, kitchen, bathroom and separate toilet.

The flat is situated in a lovely green, quiet and safe residential area and has a good

transport location (the bus stop for buses 33,337,493 is just by the doorstep). Direct connections to Richmond, Hammersmith, Putney and Clapham.

East Sheen and Mortlake are one of the best areas for living in London. Richmond Park is only 15 minutes by walk. There are also only few minutes to the riverside -the venue where The Boat Race between Oxford and Cambridge Universities is.

We are looking to share a flat with an individual.

About us, we are both professionals, work different hours during the week. At the free time we like to travel, go to concerts, go out at weekends but sometimes also stay for chill out at home. We like to keep the flat clean and not very noisy.

We would like to find not just a flatmate but also a friend.

We are looking for someone like us who likes to share common areas for a dinner, some drinks, watch films or TV. We are sociable couple so we are looking for the person who is sociable too.

Price for room is £575 plus bills

Sorry No Party Animals

No Students or DSS.

Reference checks will be carried out.

- **Flat share**
- **East Sheen**
- **SW14** ([Area info](#))
- **Barnes Station**
 (0-5 minutes walk)
- [London Rail and Tube services map](#)

- **£575 pcm** (double)

Availability

Available	01 Aug 2017
Minimum term	12 months
Maximum term	None

Extra costs

Deposit	£637.50
Bills included?	No

Amenities

Furnishings	Furnished
Parking	No
Garage	No
Garden/terrace	No
Balcony/Patio	Yes
Disabled access	No
Living room	shared
Broadband included	Yes

Current Household

# flatmates	2
Total # rooms	2
Ages	33 to 35
Smoker?	No
Any pets?	No
Language	English
Occupation	Professional
Interests	history, political science, psychology, vintage music
Gender	1 Female, 1 Male

New Flatmate preferences

Couples OK?	No
Smoking OK?	No
Pets OK?	No
Occupation	Professional
DSS	No
References?	Yes
Min age	25
Max age	40
Gender	Males or females

Contact the advertiser

ANNEX C

Availability of rooms in shared accommodation online for Housing Benefit (LHA) recipients: Source: Spare room website in June 2017

Supply and cost of single and double rooms to rent in Richmond, Ham & Kew

Single rooms in shared accommodation

- vacancies were available for 14 single rooms in shared accommodation
- 12 vacancies included other household bills in the rent, 2 only some of them
- none of the vacancies was available for anyone on benefits (“No DSS”)
- only two of the vacancies were at monthly rents close to the LHA shared room rate (£400 compared with £379)
- for the other 12 rooms the LHA rate gap ranged from £61 to £401 a month

Double rooms in shared accommodation

- Vacancies were available for 41 double rooms in shared accommodation
- 28 included all household bills in the rent, 4 included some of the bills, but 9 did not include them
- 2 vacancies were open for applicants on benefits, 35 vacancies were not and 4 did not mention this
- None of the rents was close to the LHA shared room rate, but the LHA rate gap varied between £71 and £621 a month
- for the two vacancies available for those depending on benefits applicants would have to pay £201 and £341 a month on top of the LHA rate

Supply and cost of single and double rooms to rent in Whitton

Single rooms in shared accommodation

- 7 single rooms were available
- 6 included all household bills in the rent, one only some of the bills
- 6 of the vacancies were not available for applicants on benefits, one did not mention it
- The monthly rent for 3 vacancies was within £41 of the LHA rate, the LHA rate gap for the other 4 varied between £60 and £143

Double rooms in shared accommodation

- 48 double rooms were available
- 39 included all household bills in the rent, 4 some of the bills and 5 did not include them
- 3 vacancies were open to applicants on benefits, 38 would not accept them and 7 did not mention it
- None of the rents was close to the LHA rate; the LHA rate gap varied between £138 and £538 a month
- for 2 of the vacancies open to people on benefits applicants would have to pay £243 a month on top of the LHA rate, for the other vacancy an extra £393.

Annex D

Support for people renting in Southwark Council

Southwark Council's Financial Inclusion Team provides the following services to local tenants who live in social or private sector housing:

- we manage the [Discretionary Housing Payment fund \(DHP\)](#), which is used to help tenants cope with housing costs
- we manage the **Rent Arrears Fund**, which provides a maximum payment of £500 to stop landlords evicting tenants because of rent arrears
- we provide advice and assistance to those affected by welfare reforms, such as the Social Sector Size criteria (otherwise known as Bedroom Tax), [Benefit Cap](#), [Local Housing Allowance](#) reforms or [Universal Credit](#))
- we help with budgeting and finding alternative solutions to housing needs (for example, providing a deposit so that you can move into a more affordable property) We advise and assist tenants at risk of losing their homes or worried about their current housing situation. We actively work with other agencies, including Job Centre Plus who help tenants find employment or downsize through [Smart Move](#) or [Mutual Exchange](#).

The Southwark repossession prevention fund

In partnership with the Southwark Credit Union, Southwark Council now offers its residents small one off loans up to a maximum of £5,000 to help prevent repossession or eviction in the short term.

This fund is for people who have had a temporary setback but whose income is likely to recover. These loans are available to both homeowners and tenants.

For more information ring the housing options service on 020 7525 5950 to book a Housing Options Appointment.

Trouble with your landlord?

We can help if you think that your landlord is treating you unfairly. We have a special team to deal with landlords and private tenants called the private tenancies team (PTT). We may be able to help if:

- Your landlord is asking you to leave, or has given you a notice.
- You are having problems getting your deposit back or repairs done.
- Your landlord is trying to put up your rent.
- We can also tell you where you can go for help if you owe rent to your landlord.
- See attached link for a self-help pack for tenants issued with a Section 21 notice: <http://www.southwark.gov.uk/finding-a-new-home/advice-for-people-renting-privately?chapter=3>

Call the housing options advice line on 020 7525 5950 for an appointment or further advice.