

Making Qualifying Offers Work

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1. Introduction

This paper is aimed at providing information to local authorities on making qualifying offers to homeless applicants, in order to bring the homelessness duties to an end.

The paper covers the following areas:

- What is a qualifying offer?
- What's in it for a homeless household?
- What's in it for a local authority?
- Getting landlords on board
- What are the critical success factors?
- Some examples of best practice
- What's needed to get started?

If you need any further information after reading this paper, please contact Kirsty Jenkins or Lynne Duval at info@jenkinsduval.com or by telephone on 01425 618111.

2. What is a qualifying offer?

The Homelessness Code of Guidance says:

“The housing authority will cease to be subject to the duty under s.193(2) in the following circumstances:

iii) the applicant accepts a qualifying offer of an assured shorthold tenancy from a private landlord. The local authority must not approve an offer of an assured shorthold tenancy for the purposes of s.193, unless they are satisfied that the accommodation is suitable and that it would be reasonable for the applicant to accept it.”

An offer of an assured shorthold tenancy is a qualifying offer if:

- It is made to the applicant by a private landlord with the approval of the housing authority in pursuance of arrangements made between the housing authority and the landlord, with a view to bringing the s.193 duty to an end
- It is for a fixed term
- It is accompanied by a written statement that sets out the terms of the tenancy and explains in ordinary language that whilst there is no obligation on the applicant to accept the offer, the s.193 duty will end if he or she accepts it.

Crucially, the s.193 duty will not end with acceptance of an offer of a qualifying tenancy unless the applicant signs a statement acknowledging that he or she has understood the written statement accompanying the offer.

The key features of such an offer are that:

- It is voluntary
- It is with a private landlord
- It brings to an end the council's duty to provide accommodation once a household accepts it

3. What's in it for the homeless household?

The voluntary nature of QOs means that the council is likely in some circumstances to need to offer some incentive to the household. Such incentives might include:

- Accessing property in the private sector that is superior in quality to social housing
- More choice over the area of rehousing
- Finding a settled home more quickly than waiting for social housing, especially once the prospects of an offer of social housing are fully explained.
- Shorter time in TA and the uncertainty that this brings
- Ensuring the household do not lose any priority under the allocations policy as a result of accepting a QO (the council may choose to offer reasonable preference under the definition of threatened with homelessness due to the insecurity of the households tenure and on their previous experience of homelessness, although of course legal advice should be sought on this point)
- Demonstrating waiting time for those households who did accept a QO and went on to be housed via the housing register

However, the council may find that the insecurity of the private sector acts as a disincentive for some households. Therefore QOs will not be acceptable to all households.

4. What's in it for the Council?

There are a number of advantages to councils in making use of Qualifying Offers, including:

- They will help the council in making best use of all available housing stock in the area
- Using QOs can help to develop relationships with private landlords

and letting agents, and can help give a steer to a flagging Landlords Forum

- QOs are an integral part of the housing options approach – they enable the council to continually engage with homeless applicants about other options that are available to them that might better suit their circumstances
- Making use of QOs will help the council to reduce the numbers of households living in TA. This will therefore contribute to the 2010 reduction target.

5. Getting landlords on board

Landlords can be made aware of the QO initiative through newsletters, landlords forums and the accreditation scheme. Briefing the TA procurement team will help disseminate this information.

Landlords are likely to be more interested if they are aware of the TA target and they realise that the PSL properties are unlikely to be renewed.

Many councils report the successful use of incentives for landlords to encourage them to get on board and work with the council in making properties available that can be used as QOs. This might include a finders fee for example.

6. What are the critical success factors?

JenkinsDuval is working with a number of councils that report some successes each year in terms of making qualifying offers. Some of the critical success factors in making them work are:

- Being clear about what the advantages and disadvantages are for the applicant
- Being able to provide clear information at the initial interview about rehousing prospects via the housing register

- QOs being an integral part of the housing options process – QOs must be embedded in processes and staff fully trained
- Offering a QO at the point at which a homelessness duty is accepted (then if it is refused as a QO, it can then be offered as temporary accommodation)
- Some priority under the housing register is maintained
- Keeping QOs open as an option even once the household is placed in TA. Some households will reject a QO at the start of the application process because they believe they will quickly be offered social housing. Once they experience that this is not the case, they may be more open to the idea of a QO. Equally, once they are settled in an area in a leased property or similar they may look to the QO scheme to help them stay near schools, family and other support networks.
- Using 6 monthly housing options interviews to review housing alternatives for all those in TA

Councils should refer to the CLG Policy Briefing 19 – Homelessness Statistics June 2007 and Local Authority Survey of Homelessness Prevention – (<http://www.communities.gov.uk/index.asp?id=1511190>), to learn more on best practice in making QO's work.

29% of responding councils said they worked to arrange qualifying offers in discharge of the homelessness duty. During 2005/06 a total of 1334 qualifying offers were made and accepted by councils responding to the survey.

As part of the survey, councils were asked to share their top tips on making QOs effective. Overall, the main tools for making QOs work were seen to be:

- Comparing the choice afforded by the private rented sector over and above what can be offered in the social housing sector
- Dedicated staff, that can offer support and advice to applicants and landlords

- Practical assistance in locating property and in dealing with housing benefit issues
- Targeting marketing to those who are already in good quality temporary accommodation in the private rented sector and who might be reluctant to move to council accommodation
- Enabling applicants to retain their priority under the allocations scheme if a QO is accepted
- Incentives to landlords.

Councils also made some comments around their own critical success factors. These included:

- Fast tracking all housing benefit applications; using a dedicated housing benefits assessment officer.
- Accompanied viewings to properties being offered
- Provision of a basic furniture pack to assist the customer
- Providing information on local amenities – schools, GPs local shops
- Assistance with removal expenses
- Where attractive properties have become available, these are targeted at accepted homeless households

Councils should remember that the acceptance of a QO is voluntary. The terms of the offer must be written in ordinary language and the statement signed by the household to confirm their understanding of it.

7. Considering using QO's as part of a leasing scheme?

One option might be to set up a short term leasing arrangement with private landlords, on the understanding that the leases convert to QOs once a successful tenancy has been running. Under such a scheme, the council may look to lease properties for 12-18 months on the strict understanding that the landlord accepts a rent direct arrangement at the

end of that period, and are prepared to do so for a similar period of time.

Households who choose the option of this scheme would need to do so on the understanding that they would agree to a QO at the end of the short term lease. There would be nothing to stop the household changing their mind but if there are an array of incentives in place, they are likely to consider this carefully.

This initiative could help the council increase its number of QOs whilst continuing a core leasing activity. The short term lease helps the landlord and tenant develop a long term settled arrangement. This may be particularly useful for buy to let landlords who are looking for a long term investment opportunity. The scheme may also be attractive to RSLs.

8. What is needed to get started on Qualifying Offers?

Councils need to develop a plan around how and when QOs will be offered to households, and staff will need to be trained accordingly.

In establishing a QO scheme, councils will need to:

- Agree a plan over when and how QOs will be used and marketed
- Decide which staff will have responsibility for making QOs, and identify any additional staffing resources.
- Develop practical tools to assist in implementing the QO initiative such as getting together standard paperwork, customer leaflets and writing clear procedures (see appendices for helpful starters)
- Train key staff and brief others
- Raise awareness via a Landlords Forum

There are a number of opportunities for councils to offer QO's. The best times are:

- At the initial housing options interview

- Converting PSLs and HALs at the end of lease. Each tenant should be visited in the final months of the tenancy so that their housing options can be fully discussed. They should be asked if they are settled in their housing and wish to remain. The limited choice of alternative TA and a social housing tenancy might make this attractive to them. If the tenant agrees to a QO the council then needs to negotiate this with the landlord and a financial incentive may play a part in this negotiation.
- Where households in TA request a move to alternative accommodation due to overcrowding or need to move to another area
- At the same time as an offer of social housing is made. It may be that the offer of social housing does not meet the households expectations. There is nothing to stop the council offering the existing leased property (where the landlord is in agreement) or a similar property in the area as a QO at the same time as the offer of social housing. This increases choice and reduces the need for enforcement action if an offer of permanent housing is refused. Where an offer of a private sector property cannot be matched because of timing, there could be a commitment to offer and accept a QO as soon as one is available.

Acknowledgments & more information

JenkinsDuval would like to thank all those councils that have talked to us about QOs and happily shared their experiences and paperwork. Many thanks in particular to London Borough of Ealing, London Borough of Hillingdon and Swindon Borough Council who have shared some of the secrets of their successes with us.

If you would like to know more about QOs please call us for a chat. We can be contacted on 01425 618111 or by email at info@jenkinsduval.com.

Appendices

The appendices provided here should assist councils in setting up a qualifying offers scheme. These have been produced as standard documents, that, with minimal changes and the addition of the councils own logo, can be reproduced quickly to help get started. The appendices include:

- A standard leaflet for customers
- Standard letters
- A procedure note for staff

If you would like any of these as word documents, just email us and we will send them to you.

Appendix 1 - Suggested Customer Information Leaflet

Another Housing Opportunity for you to think about

Please read the following information carefully. It explains about a different way in which the Council can find private sector housing for you, using the 'Qualifying Offer' scheme.

It is up to you to decide whether you would like to be considered for this. If you do, there is a form to fill in at the end.

What is a 'Qualifying Offer' of accommodation?

A 'qualifying offer' of accommodation is an offer of suitable accommodation, which is let by a private sector landlord. It is let on an Assured Shorthold Tenancy. If you accept a 'qualifying offer' of accommodation, they will no longer be homeless and the Council will not have any further duty to find accommodation for him/ her. However, you will still be eligible to join the housing register and receive an offer of permanent social housing.

Do I have to accept a 'Qualifying Offer'?

No. It is entirely up to you whether you do or do not accept such an offer. There are a number of reasons that you may want to consider this scheme though, so have a look at the advantages listed below.

Do I have to decide now?

No. If you are interested in the idea of taking a 'qualifying offer', we can let you have a look at one or more available properties. When you view a property, you can decide whether or not you want to take it. If you do want it and the landlord accepts you as a tenant, you will sign a form saying you want to accept it as a 'qualifying offer'.

What are the advantages of taking a 'qualifying offer'?

- Properties become available regularly and you may be able to move into a property quickly.
- You can choose which area of the borough you want to live in and we will send you to see properties there.
- You will get more choice over where you want to live and the type of property that you wish to live in.
- You can choose to live near to schools, friends and relatives and other support networks (such as churches, local communities)
- You will not be forced to take a property you do not want it.
- Properties offered are of a good quality and standard.

If I am interested, what do I do?

You should carefully read and sign the attached form and return it to your Housing Options Officer, at the address below:

(add address)

Alternatively, if you want to find out more, please contact your Housing Options Officer.

QUALIFYING OFFER OF ACCOMMODATION

A ‘qualifying offer’ of accommodation is an offer of suitable accommodation, which is let by a private sector landlord. It is let on an Assured Shorthold Tenancy. If you accept a ‘qualifying offer’ of accommodation, they will no longer be homeless and the Council will not have any further duty to find accommodation for him/ her. However, you will still be eligible to join the housing register and receive an offer of permanent social housing.

- I have read the leaflet about qualifying offers and I am interested in being considered for a ‘qualifying offer’ of accommodation.
- I understand that this will be an Assured Shorthold tenancy with a private landlord and that if I take it, I will no longer be considered homeless and the council will not have any further duty to find accommodation for me.
- I understand that I do not have to accept a ‘qualifying offer’, even though I have said I am interested in being considered for one.
- I understand that I can ask my housing options officer for further information or explanation at any time.
- I understand that the Council is not bound to provide me with a ‘qualifying offer’, as a result of my signing this form, but that it will make efforts to find me one. I understand that I can still be made an ordinary offer of suitable accommodation, at any time.

Please complete the sections below, after you have read the above, if you agree with it, and want to be considered for a Qualifying Offer.

Signature:

Name in capitals:

Date:

Address:

.....

.....

Daytime/ mobile telephone number:

Email address.....

Case Officer:

Please return this form to your housing options officer at
(add name of office)

Appendix 2 – Standard QO Letter with Required Signature

QUALIFYING OFFER OF ACCOMMODATION

What is a qualifying offer?

- A ‘qualifying offer’ of accommodation is suitable accommodation offered to a homeless person.
- The accommodation is offered by a landlord, with whom the Council has made an arrangement, as an Assured Shorthold Tenancy.

- The tenancy is between the homeless person and the landlord only.
- If the homeless person accepts the tenancy, the Council will no longer have a duty to secure housing for him/ her.

Notes

1. The Council is satisfied that the accommodation at is suitable for you and your household.
2. The Council has made an arrangement with the landlord of the property, for him/her to offer you an Assured Shorthold Tenancy of this accommodation for a term of
3. You do not have to accept this offer. If you do not, the Council will continue to have a duty to secure housing for you.
4. If you do accept the offer, the Council will cease to have a duty to secure housing for you, under the Housing act 1996, Part VII.
5. If you become homeless again, in the future, you will be able to re-apply and the Council will assess your case and decide what duty, if any, it owes you.

Declaration

- Do not sign this document unless you fully understand what you are signing.
- Officers from the Housing Department will answer any questions you have.
- You are also free to seek independent advice from a solicitor or advice agency.

I wish to accept the offer of a fixed term Assured Shorthold Tenancy for

the accommodation at:

.....

I understand that I am under no obligation to accept this offer.

I also understand that when I accept this offer, the Council’s duty to help me under homelessness legislation (the Housing Act 1996, Part VII, as amended) will cease.

Signed:.....

Dated:.....

Witnessed:

Appendix 3 – Draft procedure note for QO

Purpose

The purpose of this procedure note is to outline to staff what actions need to be taken in order to make a qualifying offer of accommodation to a homeless person.

Legislative framework

Staff should have regard to the Homelessness Act 2002 and the latest published version of the Homelessness Code of Guidance.

An offer of an assured shorthold tenancy is a qualifying offer if:

- It is made to the applicant by a private landlord with the approval of the housing authority in pursuance of arrangements made between the housing authority and the landlord, with a view to bringing the s.193 duty to an end

- It is for a fixed term (within the meaning of Part 1 of the Housing Act 1988)
- It is accompanied by a written statement that sets out the terms of the tenancy and explains in ordinary language that whilst there is no obligation on the applicant to accept the offer, the s.193 duty will end if he or she accepts it.

Crucially, the s.193 duty will not end with acceptance of an offer of a qualifying tenancy unless the applicant signs a statement acknowledging that he or she has understood the written statement accompanying the offer.

The key features of such an offer are that:

- It is voluntary
- It is with a private landlord
- It brings to an end the council's duty to provide accommodation once a household accepts it

Information requirements

In order to complete this procedure, staff will need to have the following information available:

- A copy of the homelessness application file, showing family size and make-up
- The customer leaflet on Qualifying Offers
- The customer declaration on acceptance of a qualifying offer.

TASK	WHOM
The Housing Options Officer (HOO) should discuss Qualifying Offers with the homeless applicant at a number of stages including: <ul style="list-style-type: none"> • Initial interview • Subsequent housing options interviews • Interim housing options interviews during the stay in TA • At the end of lease • At the time of offer of permanent social housing 	Housing Options Officer
Once an applicant has indicated an interest in receiving a QO, the HOO should discuss the scheme in detail with them. This can be done either over the telephone, in a face to face interview or during a home visit. The HOO should give out and explain the customer leaflet. If the applicant is living in TA that is a PSL or a HAL, then the HOO should contact the landlord to negotiate with a view to converting the lease into a QO. The HOO can offer the agreed range of incentives as part of this negotiation process.	Housing Options Officer
If the applicant is living in another (non private sector) form of TA, their details should be added to the database of those waiting for QO.	Housing Options Officer/ Procurement Officer
In either of the above circumstances, once the HOO is in a position to make a QO, an interview should be set up with the applicant. This could be in the office or on a home visit.	Housing Options Officer
At the interview, the HOO will give the details of the private sector property to the applicant and explain again how the scheme works. An accompanied viewing should be organized with the landlord. The declaration form should be explained to the applicant and signed (if appropriate)	Housing Options Officer
Once the applicant has viewed the property, the HOO should meet with the applicant again. The purpose of this final meeting is to: <ul style="list-style-type: none"> • Get the applicant to sign the declaration form. A copy of this should be given to the applicant and a copy retained on file. • Complete the relevant housing benefit forms with the applicant if this has not already been done • Give the applicant a new housing register application form (and offer assistance in completing it if necessary) • Assess whether a referral to floating support services is relevant 	Housing Options Officer
After the interview, the HOO should ensure all paperwork is filed with the original homelessness application. The housing register form should be passed to the relevant team. The referral to floating support (if necessary) should be submitted.	Housing Options Officer
The QO should be recorded on the relevant database for reporting purposes.	Housing Options Officer