

Oxford City Council

Home Choice Scheme Frequently Asked Questions

1. Question

What is Home Choice?

Answer -

It is a specialist team run by Oxford City Council to find and sustain long term tenancies in the private rented sector for local residents at risk of homelessness, instead of waiting for a Council house. The service has been running since 2003 and helped over 1700 families with currently around 900 on our books with 450 agents and landlords.

2. Question

What is a Local Housing Allowance (LHA) tenant?

Answer-

Local housing allowance (LHA) is housing benefit for people who rent a home from a private landlord. It is based on the lower end of market rent. The rates are set for Broad Rental Market areas – the Oxford Broad Rental market area includes Charlbury down to Didcot and Witney to Wallingford.

The LHA rate will depend on how many bedrooms are needed to accommodate the household, not the amount of the rent.

Rent Officers determine 5 different LHA rates for the following categories of property: Shared accommodation (room in a shared property), 1 bedroom, 2 bedrooms, 3 bedrooms and 4 bedrooms. Rent levels can be found on <http://lha-direct.voa.gov.uk/search.aspx>

Universal Credit is being rolled out across Oxfordshire and the rollout is expected to be completed by 2022. For private sector tenants, their Universal Credit amount for housing costs will be whichever is lower out of their actual costs or the Local Housing Allowance rate. For more details see -

<https://www.gov.uk/government/publications/universal-credit-and-rented-housing--2/universal-credit-and-rented-housing-guide-for-landlords>

3. Question

I have a home to let, what does the Home Choice scheme offer?

Answer

- Rent in advance
- Pay two months cash deposit or bond, subject to law the bond may cover up to six month rent. In certain circumstances – this includes any HB overpayment recovery/legal costs
- Set up direct payment of housing benefit (Oxford only, other districts it's discretionary)
- Pay a finder's fee of £750 for one bed; £900 for 2 beds and £1,000 for 3 or 4 beds- the finder's fee can be split between agent and landlord.
- Our tenants have no known previous tenancy failure
- We will offer tenant ready workshops on budgeting, behaviour and tenancy law
- The two months deposit/bond covers damages as identified in the inventory check out.

- We offer a rent guarantee scheme for some homes. Please see https://www.oxford.gov.uk/info/20114/landlords_and_agents/1219/rent_guarantee_service

Support:

- We offer a dedicated account manager to help sustain the tenancy which involves advising on tenancy savings accounts, benefit queries and tenancy issues. This will reduce the hassle for you with a single point of contact if unable to resolve with tenant.
- We seek data protection disclosure agreements to discuss rental issues with you.
- We also check people's identification and immigration status.

4. Question

What are the benefits of Home Choice to me?

Answer

- It is socially satisfying helping a family in need, LHA tenants stay put, saving re-let costs, it's treated as a long-term home unlike some short term professionals.
- Avoid lettings fees
- Receive a finder's fee
- Access to energy efficiency grants
- Access to experienced letting staff

5. Question

How successful is Home Choice?

Answer

Last year we helped over 100 families find homes in the private rented sector, in the past 12 months have worked with over 20 different landlords and can put you in touch with some who have used our services. (See Landlord guide for quotes)

6. Question

Can the Council manage my home for me?

Answer

We do not directly manage homes but if you do not want to self-manage you can use a letting agent. For repairs you can use our Direct Services Team (for a portfolio of 20 properties or more).

Contact the team on 01865 335400 or visit the website

<http://www.oxforddirectservices.co.uk/>. Alternatively you can look at the My Hammer for contractors.

7. Question

What do I need to know about paying tax?

Answer

Tax is payable on property income, but the good news is that costs can be deducted. For example fees, financing costs (some mortgage interest), maintenance costs, and bad debts are tax deductible.

- Capital gains tax is the net proceeds from when you bought and when you sell taking into account all transaction costs.
- You also have exemptions

It's always wise to seek advice from a specialist accountant as we cannot advise. You may also like to visit the government and HMRC websites <https://www.gov.uk/renting-out-a-property/paying-tax> and <https://www.gov.uk/government/publications/hmrc-property-rental-toolkit>

8. Question

What does property yield mean?

Answer

It's the total amount of rent, less running costs divided by the total value invested in the home.

9. Question

What are the legal regulations / best practice for properties let out?

Answer

The main legal regulations / best practice are:

- Fire resistant furnishings
- Annual gas safety check
- Electrical check every five years
- Energy performance certificate (EPC) ratings must be A-E
- Smoke/Carbon monoxide alarms
- Home is in good condition according to the Housing Health and Safety ratings System
- Proof of ownership
- Licence if House of multiple occupation (HMO) -three or more people not related
- Disability reasonable adjustments
- Building insurance.
- All deposits must be protected by a government approved scheme
- All agents should be registered with a redress scheme such as the Property Ombudsman.
- Right to rent checks
- Provide How to Rent Guide - <https://www.gov.uk/government/publications/how-to-rent>

For more information see the government website <https://www.gov.uk/renting-out-a-property>. Our Direct services team may be able to help you meet some of the safety checks at low cost if the home is in Oxfordshire.

10. Question

Is there anything else I need to know?

Answer

We recommend that you join the council's Landlord Accreditation Scheme - https://www.oxford.gov.uk/info/20114/landlords/342/landlord_accreditation_scheme

If you have to exit the rental market we can prioritise the rehousing of the tenant for a no-fault section 21 notice - tenants still with an Oxford connection. (Less than two years tenancy if outside city boundary).

11. Question

What type of tenancy do you expect?

Answer

A 12 month Assured Shorthold Tenancy (AST) (but will accept six-month with intention to renew or convert to a statutory periodic tenancy for more than two years). We can help draw this up.

12. Question

Will a benefits tenant be a bad tenant?

Answer

90% of tenancies after two years are still problem free. You can get bad or good tenants in all walks of life.

If you have had a bad experience please meet the prospective tenant, you can always say no, we usually offer three choices.

13. Question

What are the causes of homelessness?

Answer

Families become homeless for lots of reasons, including:

- The majority from the private rented sector for no-fault of their own
- Relationship breakdown
- Tensions at the parents' home usually due to overcrowding
- Financial difficulties because of redundancy.

All referrals we offer have no previous tenancy failures and have received advice on how to keep a tenancy.

Summing up

If the home is ready we can arrange an inspection within 48 hours and if it's suitable we can supply up to three viewing clients or just have a discussion for potential future tenancy with us.

Home Choice is a satisfying, low risk, ethical investment. There are trustworthy experts on hand offering good service without charges to support landlords make their choice.

Guides can be downloaded from our website or posted out.

How do I contact you?

Telephone 01865 252501 or www.oxford.gov.uk/landlords