

# Leasing Scheme Wales - Information for Landlords

## Overview

Leasing Scheme Wales (LSW) is a leasing scheme funded by Welsh Government and managed by local authorities. The scheme provides landlords in the private rented sector (PRS) with the opportunity to lease their property to the local authority for a guaranteed monthly rental income and full property management service for between 5 and 20 years.

The scheme will:

- Improve Access to homes in the private rented sector

Access to affordable and good quality homes in the PRS will be improved for those people who are on low income and at risk of homelessness.

- Provide longer term security of accommodation

Tenants will be able to access longer term, settled accommodation for up to 20 years.

- Offer affordable accommodation

Rents are restricted to local housing allowance levels to ensure affordability to tenants on low incomes and/or benefits.

- Provide Support

Regular support is provided to help tenants successfully maintain their tenancies.

- Improve Standards

Homes available through the scheme will need to meet a specific standard. Financial assistance will be provided to enable landlords to bring homes up to standard.

- Contribute to Reducing Homelessness

Properties will be used to help reduce homelessness.

## Benefits to property owners who lease their property to the local authority

- Leases of between 5-20 years.
- Guaranteed rent every month for the length of the lease at the relevant Local Housing Allowance rate, less an agreed management fee.\*
- Where necessary, an offer of up to £5000, as a grant, to bring properties up to an agreed standard and/or to increase the EPC rating to level C. Additional grant funding of up to £25,000 is available for long term empty properties.
- Property inspections, repair and maintenance throughout the term of the lease.

- The property returned in the same state as it was let, subject to reasonable wear and tear, and the landlord's liability for structural defects.
- Full management of the property for the term of the lease.
- Support given to the tenant throughout the tenancy. There will be no need for the landlord to have any contact with the tenant throughout the lease.

## Property standards

Properties are required to meet the following minimum standards. Grants are available to bring properties up to the standards, local authorities will provide landlords with additional guidance.

### *Requirement*

- The property must be structurally stable and free from disrepair
- The property must be free from damp
- The staircase and balustrade must be safe
- The property must have adequate fire alarms
- Mains powered smoke detectors must be installed on each floor
- Gas, solid fuel or oil service and safety certificates must be up-to-date.
- (certificates close to expiry may not be accepted) Required at the handover stage
- Electrical lighting and power installations must have been checked and certified safe by an appropriately qualified person
- External doors and windows must give a reasonable level of physical security
- If there is a garden it must be easy to maintain, reasonably private, safe and suitable for young children to play in
- The heating system must be EPC E or above (LA's will advise on grants available to bring the property up to the agreed standard and/or to increase the EPC rating to a C)
- External doors and windows must be adequately draught proofed
- The hot water tank must be effectively insulated
- There must be mechanical extract ventilation in the kitchen and bathroom
- The kitchen should be in good working condition
- The bathroom and WC facilities should be in good working condition
- There should be a working shower (this can be an over bath shower)
- Thumb turn locks required on all external doors
- A CO alarm should be in each room where there is a gas appliance
- **An asbestos survey (conducted by the LA) will be required**
- Fire risk assessment are required (with exception of a self-contained house)

## Grants

Grants of up to £5,000 are available to bring the property up to the agreed standard and/or to increase the EPC rating to a C.

For properties which have been empty for six months grants of up to £9,999 are available for five year leases and up to £25,000 for longer leases (see table below).

Grants are accessed on an individual basis and cannot be guaranteed.

Grants are non-repayable, where properties are removed from the scheme before the lease period has ended a default repayment will be charged. Grant funding **must** only be spent on identified works at the specified property.

## Renovation grant

£0 - £9,999

- Minimum length of lease 5 years
- Repayment of grant on default 100% to be repaid

£10,000 – £14,999

- Minimum length of lease 10 years
- Repayment of grant on default: Defaults between year 6-25 repayment amount to be proportion above £10K reducing by £1K per annum.

£15,000 – £19,999

- Minimum length of lease: 15 years
- Repayment of grant on default: Defaults between year 6-25 repayment amount to be proportion above £10K reducing by £1K per annum.

£20,000 - £25,000

- Minimum length of lease: 20 years
- Repayment of grant on default: Defaults between year 6-25 repayment amount to be proportion above £10K reducing by £1K per annum.

A property survey will be undertaken and discussed with you to identify the need for improvements.

All grants will be set as a local land charge against the property.

## Requirements for landlords wanting to join the scheme

To lease your property on the scheme you will need to meet the following criteria:

### *Requirement*

- Provide Gas Safety, Electrical Safety and Energy Performance Certificate (required at the handover stage)
- Provide Buildings Insurance (including Public Liability)

- Where relevant, provide written permission i.e. letter/email, confirming that your lender agrees to you leasing the property through the Scheme
- Meet mandatory property standard requirements set by Welsh Government (a grant is available to bring properties up to the agreed standard)
- Provide a copy of Land Registry to confirm ownership of property
- Be responsible for paying any service charges related to the property and any external works to the property

### What you can expect from us

- We will undertake the day-to day management of you property.
- We will meet rent payments during any period of inoccupation.
- We will regularly inspect properties, monitor tenant activity, and promptly deal with any issues, should they arise.
- We will maintain your property throughout the term of lease.
- We will complete an inventory and at the end of the lease period – subject to any wear and tear – the property will be returned in the same condition.
- You will receive regular communication regarding your property.
- We will be responsible for any bills/utilities if the property becomes unoccupied.

\*

		LHA per week	LHA per month approx.	LHA per month -10% approx.
Blaenau Gwent	Shared	£69.04	£299.00	£269.10
Blaenau Gwent	1	£75.00	£325.00	£292.50
Blaenau Gwent	2	£98.96	£428.82	£385.94
Blaenau Gwent	3	£112.77	£488.67	£439.80
Blaenau Gwent	4	£149.59	£648.22	£583.39

## Flow of Scheme – LA with Landlord

- Initial discussions with landlord about scheme/grants/costs/support etc
- Site visit view property
- If a mortgaged property, confirmation from mortgage company that property can be on Leasing Scheme
- Schedule of works\* to be requested (if needed)
- Discussion with LA and Landlord about access to grants
- Proceed if agreed – end if not suitable
- Works on going - keep in touch with Landlord – check schedule of works
- Work complete in property – final check re: schedule of works
- Landlord to provide Elec Cert, Gas Safety Cert, EPC, building insurance
- Grant payment released
- Headlease agreement to be signed – property provided to LSW

- LA to notify landlord of any updates on property quarterly (can be negotiated for less/more updates)
- 18 Months prior to end of lease – contact to be made with landlord with regards future – ending lease or extending
- 12 months prior to end of lease (whether break clause invoked or end of lease approach) confirmation of future.
- End lease property returned or extended.

\*Schedule of works can be submitted by your private contractors that you wish to carry out the works on the property. We could carry this out with our grants team within the local authority, but there could be extensive delays depending on current work load by those officers.