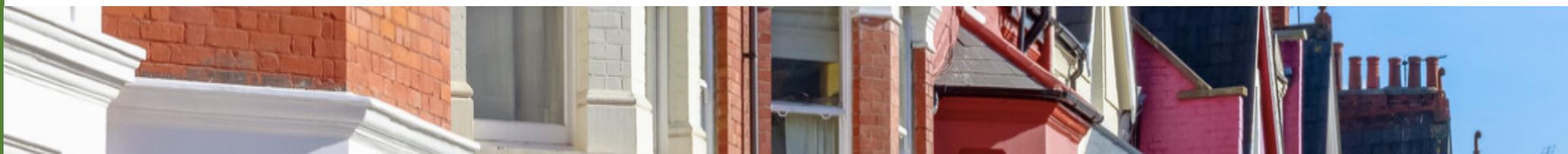


Ethical Lettings

Social Impact Report 2020



Ethical Lettings Background

Incorporated in 2012, as a community interest company, Ethical Lettings offers guaranteed rent and free property management services to private landlords in order to procure affordable and sustainable accommodation in the private rented sector to house households who are homeless or threatened with homelessness in Surrey and South West London.

As a community interest company, Ethical Lettings is operated on a not for profit basis. It operates a sustainable financial model, generating income to cover operational costs.

Ethical Lettings was one of the first

social lettings agencies operational in England. The service emerged to assist a group of clients not catered for on the High Street. The high upfront costs from High Street Agents in deposits, rent in advances and fees at the time and the unwillingness of private landlords to accept tenants in receipt of benefits meant tenants on zero hour contracts, self employed tradespeople, carers, teaching assistants, cleaners, pub workers as examples, struggled to find accommodation.

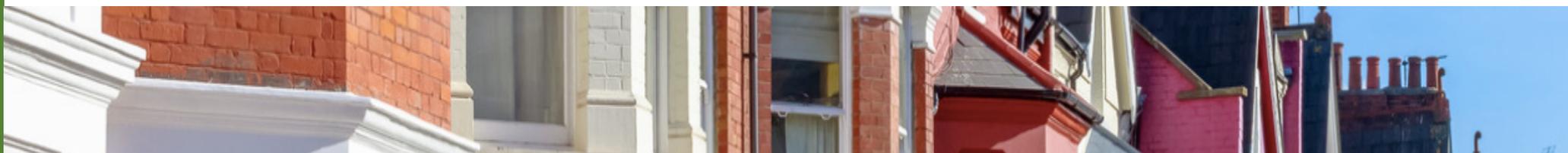
Typically these tenants would turn to the Local Authority who would have a duty to assist with providing accommodation but were also struggling to access good quality and affordable private rented sector accommodation.

Several economical factors were also

affecting this marginalised group of clients. The calculation of Local Housing Allowance changed in 2011, changing calculation from the median rent of all rents in the area to 30th percentile, making it even less appealing to private landlords.

High demand for private rented sector accommodation in the South East and its proximity to London meant professionals/commuters were more appealing tenants than those on housing benefit.

“The Private Rented Sector needed a new approach that appealed to Private Landlords.....guaranteed rent”



What is a Social Lettings Agency?

The report *Scaling up social lettings? Scope, impact and barriers* published by Joseph Rowntree Foundation / Nationwide (2019) proposes the following working definition of a Social Lettings Agency (SLA):

SLAs are intermediaries between private landlords and low income or vulnerable tenants, taking on functions that are similar to letting agents. SLAs have a social purpose and are financially sustainable (without direct Local Authority support). SLAs enable tenants to live in private rented accommodation that is better than they could secure through the open market in terms of affordability, security, stability, stock

conditions and/or suitability to their needs.

What does Ethical Lettings do?

Ethical Lettings looks to take away the risks posed to landlords in letting their property to tenants in receipt of housing benefit or Universal Credit by providing guaranteed rent to landlords. This year Ethical Lettings paid more than £2 million in guaranteed rent to landlords.

Ethical Lettings also offers landlords free property management services, free contracts, a check in inventory and regular property inspections.

Ethical Lettings offers its tenants a

bespoke tenancy support service, identifying needs and assisting tenants to make positive changes to improve quality of life.

Who do Ethical Lettings work with?

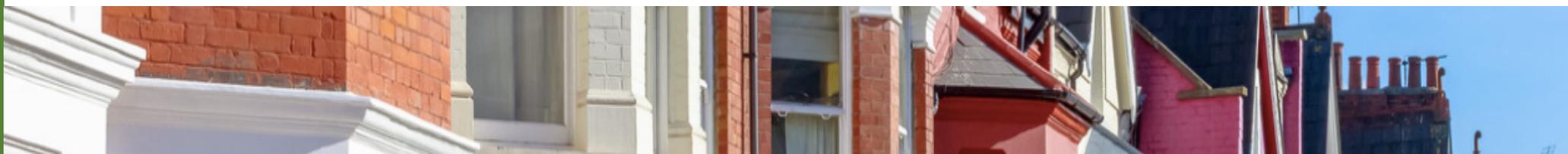
Based in Godalming, Ethical Lettings secures properties across Surrey and South West London. It works with seven Local Authorities procuring across twelve different Local Authority areas

“£2 million in guaranteed rent paid to landlords each year”



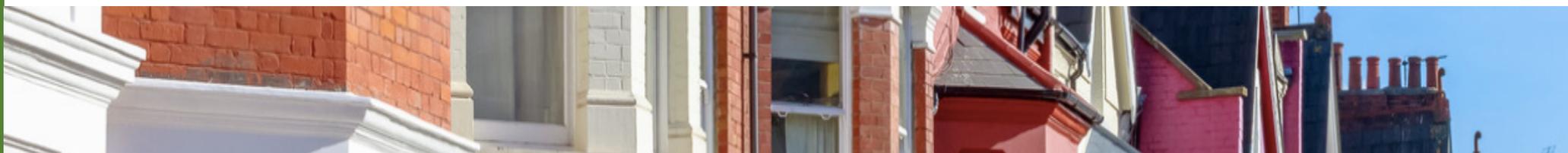
Mission Statement

Ethical Lettings strives to secure good quality private rented sector accommodation from private landlords in order to provide housing and life opportunities to low income households threatened with homelessness



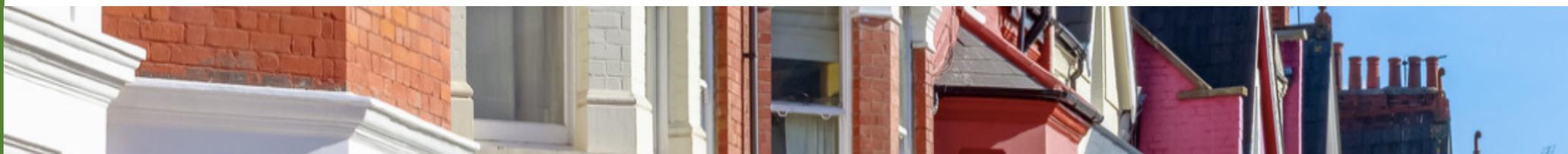
Company Goals

- 1. Provide a good quality service to both landlords and tenants to increase customer satisfaction*
- 2. Treat all landlords, tenants and employees ethically and without prejudice*
- 3. Establish brand awareness*
- 4. Improve partnership working and increase the number of partners we work with*
- 5. Ensure the business is financially sustainable*
- 6. Increase the procurement of good quality affordable accommodation with the private rented sector*
- 7. Expand the range of services provided to landlords and tenants*
- 8. To be a pathfinder for Social Lettings Agencies throughout the country*



Company Values

1. *Integrity*
2. *Partnership*
3. *Learning and development*
4. *Treating everyone with respect and dignity*
5. *Delivering on our promises*
6. *Exceeding expectations*



What are the benefits to Tenants?

All Ethical Lettings tenants are supported in their tenancies. Our in house tenancy support team provide a bespoke tenancy support service. This may include but is not limited to; assistance with claiming benefits, benefits advice, debt advice, budgeting assistance, advice and guidance for getting back into education, training or employment, partnership working with third parties to improve health outcomes.

Ethical Lettings tenants have access

to good quality, affordable and sustainable accommodation.

What are the benefits to Landlords?

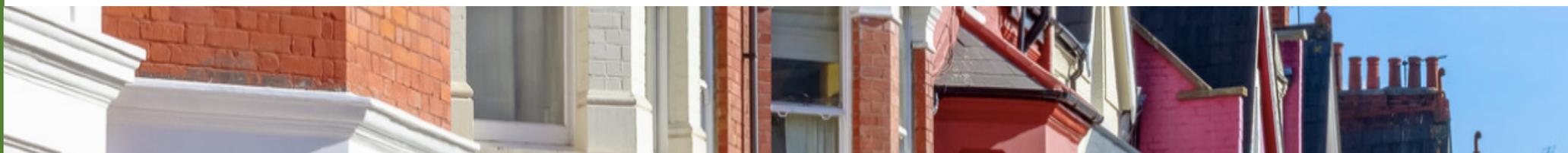
All Ethical Lettings landlords receive a professional property management service. They have access to a low risk, hassle free letting, their rental income is guaranteed and benefit from financial stability in knowing that rent will be received to meet mortgage commitments.

Ethical Lettings provides all landlords with access to an approved list of contractors, manages the repairs

process and deals with all contractor payments.

Landlords benefit from regular property inspections, a service that was further enhanced this year with our new virtual inspection service that was introduced to ensure we met landlord expectations despite Covid restricting business activities.

***“Ethical lettings could not have been more helpful in securing a new home for me. They were very supportive and explained everything to me and organised all my funding I was very grateful and am so happy in my new home”
- Daniel, Trustpilot Review***



How has Covid changed our business?

Tenancy Support Focus

As the Coronavirus pandemic took hold and the country was plunged into lockdown, we began to realise the great effect on our tenants. Many of our tenants were working in occupations worst affected by the restrictions – pub staff, cleaners, retail, airlines and hotels.

As home moves were completely off the agenda, overnight we ploughed all staffing resource into tenancy support.

Every single tenant was contacted with offers of support. Every single tenant was asked how they had personally been affected by the

lockdown. Our staff assisted with discretionary housing payment applications, helping with reporting change of circumstances to universal credit, speaking with utility providers, applications to the social fund, use of other small grant schemes such as the Vicars Relief Fund, halting or reducing arrears repayments, budgeting and close working relationships with social services, womens' refuges and mental health teams.

Ways of Working

Many of our regular service functions became difficult to perform or were advised against by Government.

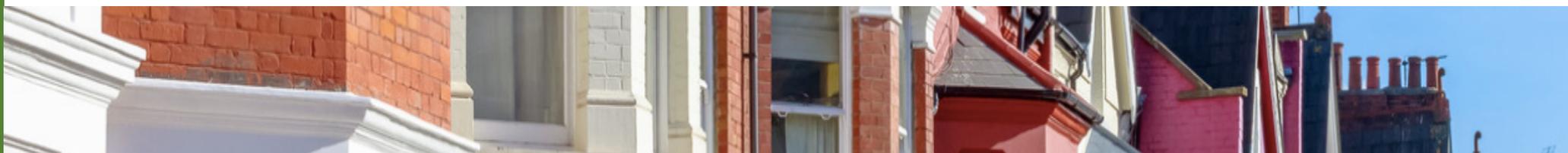
We worked very closely with a small number of contractors in order to ensure that all emergency repairs were completed despite the restrictions.

Property inspections were not allowed under Government restrictions so we developed a “virtual inspection form” that allowed tenants to perform and submit their own inspections. The “virtual inspection form” also encouraged tenants to highlight any support they needed from Ethical Lettings.

We introduced video (virtual) viewings in the first instance for all prospective tenants and we provided tenancy support by Zoom, WhatsApp and FaceTime.

We now have workplace lateral flow testing twice a week for all staff.

“Overnight we ploughed all staffing resource into tenancy support”



2020/2021: What does our portfolio look like?

Tenancy Breakdown:

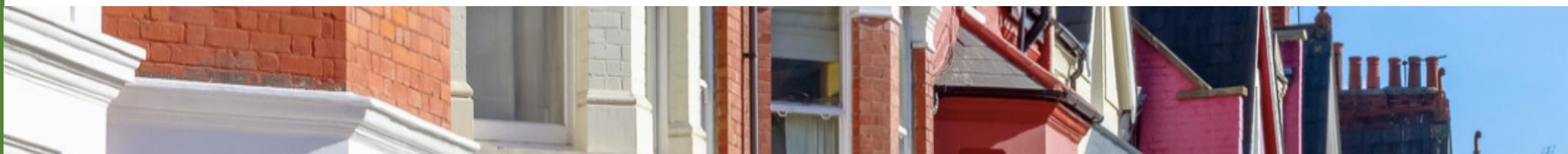
- 1 beds 34.7%
- 2 beds 46.8%
- 3 beds 15.8%
- 4 beds 2.6%

How are our rents paid?

- Universal Credit 69.8%
- Housing Benefit 15.1 %
- Tenant managing own payment 15.1%

How many households with children?

- 70.2%



2020/2021: What have we achieved?

100.98%
rent
collection

62
interventions
that prevented
homelessness

Our
longest
tenant has
been with
us 6 years

22 re-lets

45 new
properties

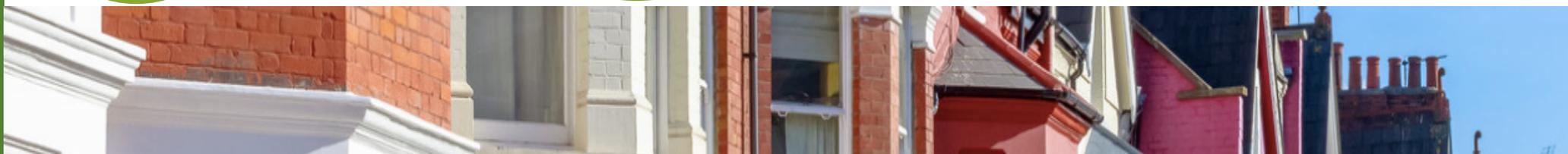
Average tenancy
length 31.5 mths
tenancies ending
in 2020

67 new
tenancies

Only 1
eviction due
to rent
arrears

Average
tenancy
length
across
portfolio
28 mths

Portfolio
of 265
tenancies



2020/2021: What do our landlords say?

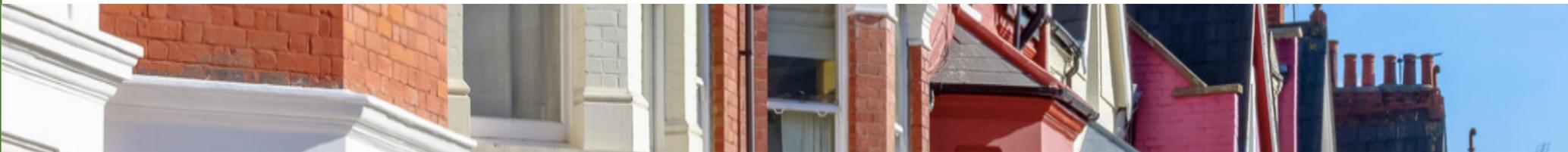


ethical lettings

"After using an estate agent that charged the earth for no support for me or the tenant, I decided to switch to Ethical Lettings. I am so glad I did and cannot understand why you are even having to think twice about moving to them. They are so friendly and helpful, there is little or no intervention required from me as they are so on the ball with everything. I am very happy but the main thing for me is that my tenant feels secure in their home, knowing they are renting through an agent they can trust and not a greedy company trying to squeeze every penny out of them. Move to Ethical Lettings, you will not regret it."
L. Starkey, Landlord

"I would like to express my gratitude to Ethical Lettings for their professional and caring service. During 2020 they paid exceptional attention to ensure that landlords and tenants were looked after amidst the COVID-19 pandemic and subsequent financial implications it had on the country and the world. Having Ethical Lettings taking care of our property gives me peace of mind and I can highly recommend them."
J.E. de Beer, Landlord

"We have rented our properties with Ethical for many years now and have always been impressed with the team - they have worked hard, kept us informed, dealt with any tenants issues as they arose, and the rent guarantee provides a great security."
D. Tredget, Landlord



2020/2021: What do our tenants say?

"The team have helped me and my Daughter when we had no where else to turn and they've been incredibly supportive. Love them!"

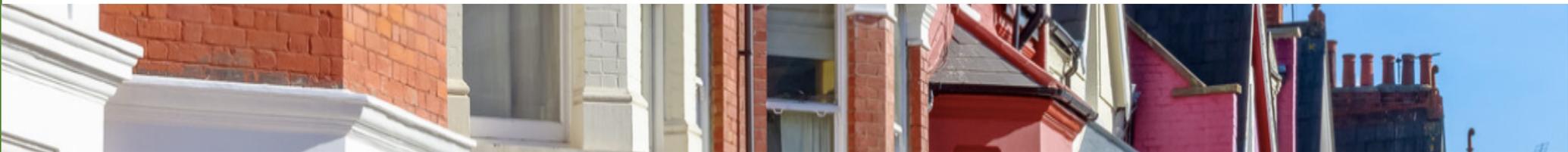
J. Nayee, Tenant

"I have rented a property through ethical lettings since December 2018 and I genuinely have nothing but amazing things to say about them. Whenever I have had any issues within the property they have very quickly got them sorted. They have kept up to date with relevant checks and send reminders when they are due. The staff are always happy to help, polite and friendly. I would highly recommend. I couldn't be more thankful to the team."

L. Rolfe, Tenant

"I have nothing but positive things to say about the team at Ethical Lettings. Not only did they offer my partner and I a lifeline when we were experiencing serious difficulties but have since that time been kind, respectful and always willing to listen to our concerns. If we have any queries, they are answered promptly and they coordinate with the local authorities seamlessly when necessary. I consider myself lucky to have them as landlords."

P. Fleming, Tenant



Specialist Projects 2020

Sharers

Working in partnership with Waverley and Woking Borough Councils, Ethical Lettings manages two houses in multiple occupation for single households threatened with homelessness.

This allows the two local authorities to refer single clients aged 18 or over into accommodation and can be used as move on accommodation from supported housing.

Local Authorities often struggle with an outlet for clients who fall into the traditional “non priority” category of housing need.

The outcomes of the project are as follows;

- Improved access to affordable housing for single clients homeless or threatened with homelessness
- Enable individuals to improve life skills and tenancy skills
- Improve quality of and access to shared accommodation in the local areas
- Build self esteem and confidence
- Creation of sustainable tenancies
- Improve move on through supported housing schemes

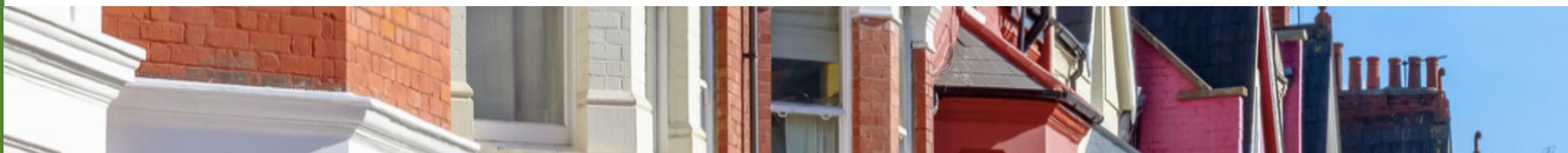
Mental Health Supported Housing Project

In partnership with Waverley Borough Council and the Surrey County Council Move to Independence Team, Ethical Lettings manages a three bedroomed house that is being used as supported housing to people who are homeless or threatened with homelessness, who are under the care of the

Community Mental Health Recover Service and eligible for support from Move to Independence.

The outcomes of the project are as follows;

- To maintain the provision of specialised medium support housing for homeless people suffering from mental illness
- Enable individuals to improve life skills and tenancy skills
- Improve quality of and access to shared accommodation in the local areas
- Build self esteem and confidence
- Improved mental health in individuals accommodated by the project
- Enable hospital discharge into the project



Case Study - Nadine

Nadine's story

Nadine came to Ethical Lettings from a women's refuge after fleeing domestic violence from her abusive partner in June 2019. She had to move out of area and with two children it took a little while for her to settle and place her children in local schools.

In order to avoid the financial penalty of being benefit capped and supported by Ethical Lettings, Nadine found herself local pub work 16 hours per week in November 2019.

Nadine's shifts varied and as a result, her Universal Credit fluctuated each month and rent payments reduced too. This made it difficult for Nadine to budget and anticipate rent amounts due. Rent arrears reached

almost £3000 and despite the best efforts of the Ethical Lettings team to engage Nadine, help her with budgeting and agree arrears repayments, Nadine buried her head in the sand.

Ethical Lettings applied for possession but the two parties agreed to a suspended possession order to allow Nadine more time to resolve her situation. Ethical Lettings helped Nadine to successfully apply for a discretionary housing payment (DHP) and also made a separate successful grant application to the Vicars Relief Fund for further monies to reduce arrears.

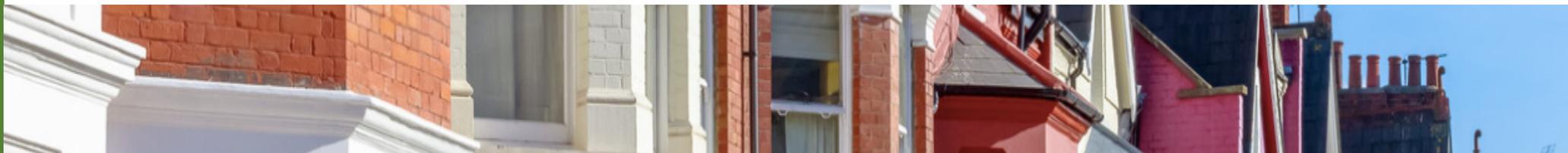
Ethical Lettings also helped Nadine create a budget to keep on top of expenses.

During the first lockdown in March

2020, Nadine was furloughed on 80% of her wages.

In October 2020, Nadine was offered a new job in a more local pub and gave notice to leave her current employment. However, second lockdown then meant that Nadine was not able to take up her employment offer and as she had given notice to leave, she lost her other job too.....and because she had been working for less than 12 months she was benefit capped.

Ethical Lettings supported Nadine to complete another successful DHP application and helped her access crisis support in the way of food vouchers whilst she waited for the DHP. Nadine was able to successfully start her new job in April 2021.



Future Plans

Expansion

Ethical Lettings is keen to expand its social lettings agency model into other areas and is keen to explore those areas neighbouring Surrey, such as Hampshire and Berkshire.

Partnership with Impact on Urban Health

Ethical Lettings will be partnering with Impact on Urban Health to bring its social lettings agency model to the London Boroughs of Southwark (initially) and Lambeth (later in the project).

The partnership will assist 250

households over the next four years into affordable and sustainable accommodation.

The project will be third party evaluated and will monitor (with the funding of a tenant application) specifically the health outcomes for tenants supported by the project.

Registered Provider

Long term Ethical Lettings wants to be able to provide tenants with their forever homes.

This means beginning the process to become a Registered Provider as well as exploring opportunities to purchase properties and become its own social landlord.

“Long term Ethical Lettings wants to be able to provide tenants with their forever homes”

