THE ARK PROJECT

Homes for Everyone

CHC's Resources Conference

Benefit Assist
HOMES FOR EVERYONE

Landlord Referencing.co.uk

ASIAN CAPITAL
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What is ARK..?

The Ark has been developed for the following purposes:-

- To give landlords security against;
  - letting to those with poor or limited financial history
  - rent payments especially in light of Universal Credit (UC) being rolled out
  - uncertainty of direct payment of any housing element of UC

- To give tenants the opportunity of acquiring a *passport*;
  - to help secure accommodation
  - to overcome the need to find prohibitive deposits and rent in advance
  - to enable tenants to build their credit rating and reference history.

The Elements

- Benefit Assist – assesses eligibility and affordability to ensure that a tenancy is sustainable
- Landlord Referencing – a database recording unique tenant history populated by both landlords and tenants showing rent payments and any property damage
- Equifax – a financial report showing address history and credit rating of an individual
- Jumio – a document verification service to ensure tenants have a right to reside
- Managed Account – a Member based e-bank account which can be 'managed' to ensure rent payments and other liabilities are met
- Free telephone based debt advice and debt consolidation.
- E-Cash and real cash solutions including low cost loans
- DAS - Insurance policy against rent arrears and property damage

The Partners

- Benefit Assist – designed to assess eligibility and affordability to ensure that a tenancy is sustainable

- Landlord Referencing – a tenant referencing website for landlords http://www.landlordreferencing.co.uk/

- Asiant Capital – a social investment and financial intermediary company and branch of DotComUnity, a social enterprise that exists to support communities and promote financial and social inclusion http://www.dotcu.org.uk/asiant

- Rent Safe UK - insurance provider for the ARK passport (underwritten by DAS)

Benefits Assist

Benefit Assist is a totally unique, easy to use, referencing platform for those in receipt of or applying for Local Housing Allowance or Universal Credit, to assess the affordability for Housing in the PRS or Social Housing Sector.

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Landlord Referencing

- The data source for the Tenant Histories included & created in the process of applying for an ARK Passport - unlike any other in the UK

- An understanding that a difficult credit history does not represent a difficult tenant and that often, a tenant on benefits can prove a more reliable income than current market place job security.

- Data streams are accessed through the referencing procedure on Tenant Referencing UK which promotes best referencing practices offering probably the most thorough references currently available.

- Includes application, credit report, unique tenant history report, identity verification, employer reference, previous/current landlord reference and gathering of paperwork to verify.

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Asiant Capital

Asiant Capital is the leading provider of support to social entrepreneurs across the UK

Based in Wales, Asiant Capital is the first Social Investment and Financial Intermediary outside of London

It believes in tackling social problems by showing corporates and public sector how to truly embrace their Corporate Social Responsibility by working with their partners to deliver services and solutions to effect fundamental change.

Rent Safe UK

- Rent Safe UK is the insurance provider for the ARK Policy - (underwritten by DAS).

- Through the tenant journey to gain an ARK passport they are helping to identify and assess the level of risk they present to the underwriter.

- Upon a successful journey through the ARK process if the applicant is successful they will be presented with a certificate that entitles their future housing provider to an insurance product to cover the tenant.

- This means that the Tenant can present themselves to a new Landlord or Agent as a Low/No risk tenant.

*Note insurance policy is valid for 12 months from date of issue and will need to be renewed by the Landlord / Agent to remain protected.

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What's the Deal…?

- Landlords, tenants, Local Authorities or third sector support services can choose any or all of the elements of ARK depending on their particular needs

- Some elements are free but for others, there are costs attached

- Charges are only made for the services that are taken

How Does it Work..?

- Whether you are a social or private landlord, protecting rental income is paramount

- The RISK of non-payment can be managed in a number of ways

- ARK allows you to manage risk accordingly

Risk Management

- Avoidance – through credit checking and landlord referencing
- Reduction – by gaining as much information as possible about a prospective tenant
- Prevention – by utilising the information available and tailoring e.g. using a managed account
- Acceptance – by knowing as much as possible about your tenant
- Transference – by having the reassurance of an insurance policy against rent default or damage

The Social Sector

- With the introduction of Universal Credit and uncertainty of direct payments, social housing providers are having to reconsider their business models

- The ARK provides the products for those organisations that want to become more commercially orientated

The PRS

- For the PRS, whether you are a private landlord, an organisation trying to discharge into the PRS or a tenant trying to gain accommodation in the PRS, a passport provides the security required.

- You can self certify or be certified by a third party (landlord, support organisation etc.)

Managed Account

- A managed account ensures that any local housing allowance or any housing element of Universal Credit is set aside for the sole purpose of paying rent.
- The tenant signs a disclaimer to this effect and must give 30 days notice to change this arrangement.
- If notice is given then the landlord is immediately notified as part of the agreement.
- To obtain a managed account an individual is required to join DotComUnity Centres – the membership organisation.
- For landlords, joining is optional.

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Managed Account

- The annual fees for membership are as follows (incl. VAT):-
  - Individual (concessionary rate)   £12
  - Social Landlords IAP status   £204

- Managed Account fees are as follows:-

  - A managed account costs £3.00 per month
  - Landlord and business accounts are available

Summary

The costs of a *Passport* have yet to be finalised but whilst costs and fees exist, these will:-

- Help sustain tenancies
- Reduce failed tenancies and the associated costs
- Reduce rent arrears
- Reduce property damage and anti-social behaviour
- In some cases replace costly deposits and rent in advance enabling those that do not have these levels of financial resources to secure accommodation

N.B. costs of a passport can be met either by tenants or landlords (depending on the arrangements that are in place) or can be paid through a flexible, low cost loan from DCU which can be repaid through the 'managed' account.