

## BABERGH DISTRICT COUNCIL and MIDSUFFOLK DISTRICT COUNCIL

<b>From: Gavin Fisk, Corporate Manager – Income and Tenant Services</b>	<b>Report Number: JHB/18/17</b>
<b>To: Joint Housing Board</b>	<b>Date of meeting: 24 April 2017</b>

### RENTAL EXCHANGE – FOLLOW ON FROM MARCH 2017 MEETING

#### 1. Purpose of Report

- 1.1 In March 2017, the Board was presented with a paper and presentation about introducing Rental Exchange for tenants of Babergh and Mid Suffolk
- 1.2 At this meeting, the Board asked for a number of questions to be investigated further before they made their final decision. This report aims to clarify these questions so the Board can approve the recommendations below.

#### 2. Recommendations

- 2.1 Housing Board approves that the councils participate in the Rental Exchange as an opt out option.
- 2.2 Agree that officers issue a Fair Processing Notice to all tenants informing them of the scheme and associated details.
- 2.3 Agree that officers set up a regular data feed to Experian, ensuring that the data protection rules are followed for the Councils and in accordance with the ICO.
- 2.4 The Committee is able to resolve this matter.

#### 3. Financial Implications

- 3.1 The table below illustrates the cost of the scheme for both options; opt in and opt out.

	<b>Opt out scheme</b>	<b>Opt in scheme</b>
<b>Printing and postage of Fair Processing Notice to 6,668 properties</b>	£3,036	£3,036
<b>Projected number of enquiries (estimated)</b>	200 (Based on 3%)	1,000 (Based on 15%)
<b>Officer time per enquiries (based on one telephone conversation £3.50)</b>	£700	£3,500
<b>Total cost to Councils</b>	£3,736	£6,536

#### 4. Legal Implications

- 4.1 Our Information Officer (who manages our Data Protection risk) has reviewed the project, including the elements of sharing data, and has opened a dialogue with the Information Commissioner's Office (ICO) seeking their opinion. Experian claim that they have had discussions with the ICO and they have agreed that social landlords have a Legitimate Interest in sharing their tenants' personal data with Experian and that there is no harm to the tenants in doing so. When this piece of due diligence is complete and the Information Officer is satisfied then the project can proceed.

#### 5. Risk Management

- 5.1 This report is most closely linked with the Council's Corporate / Significant Business Risk No. Key risks are set out below:

<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation Measures</b>
Failure to develop our use of technology to enable us to be efficient and cost effective in everything we do	2	3	This project is a great example of combating the risk, with further benefits available to procure credit profiling data to enable the efficient collection of rent arrears.
Failure to convert our data into accurate, up to date and easy to interrogate insights, evidence, intelligence that supports delivery of the strategic priorities and failure to adequately protect the data we hold	2	3	This project is a great example of combating the risk by working proactively with an external company whilst ensuring our data protection requirements are met.

#### 6. Consultations

- 6.1 An article on the Rental Exchange has been featured in two previous newsletters; Summer 2016 and Spring 2017. The articles detailed the scheme and our intention of joining. This has generated no feedback from concerned tenants.
- 6.2 All tenants will be engaged via the Fair Processing Notice; this will give them an appropriate amount of time to research the scheme and make an informed decision.

## 7. Equality Analysis

7.1 This project will be non-discriminative to any of the protected characteristics.

## 8. Shared Service / Partnership Implications

8.1 None.

## 9. Links to Joint Strategic Plan

9.1 The successful deliver of this project will meet several of the Council strategic priorities:

- a) Better service delivery model
- b) Better use of our existing Housing Assets
- c) Manage our housing assets effectively
- d) Financial stability
- f) Digital by design

## 10. Key Information

10.1 The Board received a report and presentation at their March meeting that set out the objectives of Rental Exchange, the benefits that such a scheme could have for our tenants, along with the reasons on why officers wanted to enter into partnership with them.

10.2 At this meeting, the Board representatives asked for further information before they would make a decision. These requests have been set out below and in the attached paperwork.

10.3 Suzy Williams from Rental Exchange will also be in attendance at the April Board meeting to answer any follow up questions Board members may have.

### 10.4 The number of local authorities signed up to Rental Exchange

The table below illustrates the current 'live' members of Rental Exchange, with Councils highlighted in grey. In addition to this list, there are over 200 organisations in the process of joining Rental Exchange.

Organisation	Organisation	Organisation
Alliance Homes Limited	Herefordshire Housing Limited	Sevenside
Arhag Housing Association Limited	Home Group Limited	Shepherds Bush Housing Association
ASRA Housing Association Limited	Ipswich Borough Council	Shoreline Housing
Aster Group Limited	Knightstone Housing Association	Shoreline Housing Partnership Ltd
Black Country Housing Group Limited	Knowsely Housing Trust	Shropshire Town and Rural

bpha Limited	Knowsley Housing Trust - Firstark	Solihull Metropolitan Borough Council
Bracknell Forest Homes Limited	Lambeth Council	South Derbyshire District Council
Cadwyn	Lewes District Council	South Yorkshire Housing Association Limited
Cardiff Community Housing	London & Quadrant Housing Trust	Sovereign Housing Association Limited
Carterfi Conwy	Longhurst & Havelok Homes	Spectrum Housing Group Limited
Cartrefi Cymunedol Gwynedd	Luton Borough Council	Spire Homes Limited
Charter Housing	Luton Community Housing Ltd	St Albans City and District Council
City of London Council	Melton Borough Council	St Leger
City South Manchester Housing Trust	Metropolitan	Stockport Homes Limited
City West Housing Trust Limited	MHS Homes	Stonewater
Coastal Housing	Monmouth Housing Association	Tamar Housing Society Limited
Coastline Housing Limited	Muir Group Housing Association Limited	Thames Valley Housing Association Limited
Colne Housing Society Limited	NCHA	The Cambridge Housing Society Limited
Curo Places Limited	New Charter Homes Limited	The Riverside Group Limited
East Lothian Housing	NIHE	The Wrekin Housing Trust Limited
East Midlands Housing Group	North Devon Homes Limited	Together Housing Group Limited
Eastbourne Homes	Northampton Borough Council	Trafford
Eastlands Homes Partnership Limited	Northwards	Trident Housing Association Limited
Elderpark	Notting Hill	Two Rivers Housing
Elim Housing Association Limited	One Vision Housing Limited	United Communities
Family Mosaic Housing	Paragon Community Housing Group	United Welsh
Freebridge Community Housing Limited	Phoenix Community Housing Association	V2C
Friendship Care and Housing Limited	Poplar HARCA Limited	Vectis Housing Association Limited
Genesis Housing Association Limited	Raven Housing Trust Limited	Walsall Housing Group Limited
Gentoo Group Limited	Red Kite	Watford Community Housing Trust
Gloucester City Homes	Renfrewshire Council	Wealden District Council
Golden Gates Housing	Rockingham Forest	Wiltshire Council

Trust		
Group Cynefin	Rooftop Housing Group Limited	Wolverhampton City Council
Gwalia	Rugby Borough Council	York City Council
Halton Housing Trust Limited	Sandwell Council	Yorkshire Coast Homes Limited
Hastoe Housing Association Limited	Selwood Housing Society Limited	Yorkshire Housing Limited
Helena Partnerships Limited	Seven Vale	

**10.5 If there are joint tenants and only one individual wants to opt out, is this possibly or is it based on a whole household?**

If one tenant on a joint tenancy opts out, then the other tenant must also be removed due to both tenants being liable for the rent. On the latest Capita software, there is an 'opt out' prompt to remove the 'other' tenant to help with administration of this.

**10.6 If a sole tenant has the rent paid by a 'third' person in the household, this may have a positive impact on the tenants score, but not on the 'third' persons?**

Rental Exchange will only collect data on tenants named on the agreement. So if a mother and her 21 year old daughter were living together and the rent is paid by both, with only the mother as a named tenant, only the mother will benefit from the scheme. If an additional tenant is not named on the agreement then we will collect no data on that individual.

This is no different to a case where there is a breach of the tenancy agreement and the named tenant is liable for action, whether or not they are the perpetrator i.e. damage to a property is recharged to the named tenant, even if they did or did not commit the damage themselves.

**10.7 The presentation given at the March Board meeting gave two examples of obtaining credit with and without a credit score. Are there more examples of the 'middle ground' and how it affects the majority of tenants?**

A price comparison has been run using Argos (0% finance) and Littlewoods (44.9% finance), the document attached as Appendix C shows the differences.

It should be noted, that from a tenant perspective, they must always provide consent for a lender to carry out a credit check, therefore their data will not be shared unless they make an application for a product or service.

**10.8 Can an example of a Fair Processing Notice be shared with the Board and can the Board give longer than a four week window for tenants to opt out?**

Attached under Appendix A is a copy of a Fair Processing Notice. This has been provided for us to use by Rental Exchange. We can make as many changes as we like, as long as the six bullet points aren't altered. Some organisations add a Frequently Asked Question (FAQ) section in with the notices. A suggested FAQ,

which would accompany a Fair Processing Notice, has been attached as Appendix B.

#### 10.9 **Why offer an opt out scheme, instead of opt in?**

The advice that we have been given from the ICO, is that automatic 'opt in' is appropriate for both the customer and housing provider. In discussions with the ICO, it was agreed that automatic 'opt in' is the best approach for ensuring tenants and housing providers benefit from the scheme.

During the discussions, it was agreed that the appropriate processing condition for Rental Exchange was the 'legitimate interests' condition. The processing condition that most people are aware of is consent, but consent is often very difficult to achieve and therefore should not be looked at as the only basis for legitimate sharing and processing of data.

In the context of the Rental Exchange, there is no doubt the processing of tenant data is necessary for the legitimate interests of the housing provider. Furthermore given the clear and tangible advantages to tenants resulting from the sharing of their data into the Rental Exchange, it could not be considered to be harmful to their interests either.

Organisations that have launched with an automatic opt in scheme, is because they want to make the Rental Exchange successful.

##### Reality of 'opt in scheme'

From analysing natural behaviours, on average 10 - 15% of tenants would reply to an opt in scheme. We have around 6,668 properties across Babergh and Mid Suffolk. This is around 1,000 tenants for Babergh and Mid Suffolk. We know that around 4,940 tenants (as of February, 1,728 tenants were in arrears) could benefit from membership with an opt out scheme, proving the social good the Rental Exchange will provide to both tenants and housing provider allows the data controller to process under legitimate interests.

#### 10.10 **Will tenants be able to opt out at any point?**

Tenants can opt out of the Rental Exchange at any given point. As their landlord, we will make sure that tenants have access to clear and up-to-date information about the scheme and how to opt out. Information will be provided on our websites, in sign-up packs and our newsletters.

Our Rent Officers, who work proactively with tenants that go into rent arrears, will alert tenants to the options of opting out if they are unable to clear any arrears.

We will also ensure that our Customer Services team and Housing Staff are aware of the scheme and where to signpost tenants who may have queries at any point.

## Appendices

Title	Location
Appendix A - Example Fair Processing Notice	Attached
Appendix B - Rental Exchange Frequently Asked Questions	Attached
Appendix C - Price comparison	Attached

### 11. Background Documents

- 11.1 The Rental Exchange - Data Protection considerations when sharing tenant data: <http://www.experian.co.uk/assets/rental-exchange/rental-exchange-data-protection.pdf>
- 11.2 The Rental Exchange – Helping your tenants build better futures, innovating for social benefit to increase fairness: <http://www.experian.co.uk/assets/rental-exchange/rental-exchange-main-brochure.pdf>
- 11.3 The Rental Exchange – how Experian are helping social tenants develop a better credit score: <http://www.experian.co.uk/assets/rental-exchange/bii-rental-exchange-white-paper.pdf>

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