

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

17 May 2010

**Joint Report of the Director of Health and Housing and Cabinet Member for
Housing**

Part 1- Public

**Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken
by the Cabinet Member)**

1 PRIVATE SECTOR ACCREDITATION SCHEMES

Summary

This report provides an overview of the current property and landlord accreditation schemes operating in Kent. It proposes that the Council defer the decision to join one of the schemes until the outcome of a pilot of a new scheme which has been developed by the National Landlords Association.

1.1 Introduction

- 1.1.1 In the Government's response to the Rugg Review consultation in May 2009, it indicated that it would like to see alongside its proposals for a national register of all landlords, improved coverage for accreditation schemes.
- 1.1.2 Accreditation offers an alternative to licensing in terms of raising standards in the private rented sector. It provides active engagement with private landlords to develop better working relationships and improve standards in terms of property condition and management practices.
- 1.1.3 Accreditation schemes have been successfully run by many local authorities for a number of years. These voluntary accreditation schemes typically require private landlords who have properties in the local authority area to sign up to a non statutory code of standards covering both property condition and management practice. The schemes are usually run by the local authority, an arm's length management organisation (ALMO), a housing association or another non government organisation such as a landlord's association.
- 1.1.4 Accreditation schemes are usually one of two types:
- Property accreditation; and
 - Landlord accreditation

- 1.1.5 For property accreditation, a property is inspected by a member of the Private Sector Housing team to ensure it is free from Housing Health and Safety Rating System (HHSRS) category 1 hazards and meets the Decent Homes Standard. The landlord is also required to provide some key documentation and information such as:
- ownership details
 - any managing agent details; and
 - a current gas safety and electrical certificate.
- 1.1.6 For landlord accreditation, the landlord generally attends a development training course, agrees to follow a code of conduct, and is a “fit and proper” person. A fit and proper person is a person who has not committed any offences, or had actions taken against them under the Housing Act. Convictions for harassment, discrimination and legal orders may disqualify a landlord. Landlords are often also required to undertake Continual Professional Development (CPD) through attendance at training events or completion of on-line training.
- 1.1.7 The ideal accreditation scheme would be a combination of both landlord accreditation and property accreditation, to focus on both the management of the property and its condition. At the moment there are no combined schemes operating in Kent therefore the choice of accreditation is either landlord or property.
- 1.1.8 Once accredited, many landlords can access a range of benefits. For example:
- recognition of being a good landlord;
 - access to grants/loans to improve properties;
 - reduced fees for HMO licensing;
 - improved access to other local authority departments such as Housing Benefit;
 - preferential treatment by universities for accommodation;
 - regularly updated information and reference material;
 - reduced cost gas safety or electrical checks;
 - property insurance; and
 - discounts at local companies.

1.2 Accreditation schemes operating in Kent

1.2.1 Details of the accreditation schemes currently operating in Kent are shown in **[Annex 1]**.

1.3 National Landlords Association (NLA) Accreditation Pilot

1.3.1 The NLA Accreditation pilot commenced at the end of November 2009 and is operating within five local authority areas predominantly in the north of England. The landlord accreditation scheme is based on three core elements, namely:

- signing up to a scheme code of practice (CoP) and self certification that the landlord is a 'fit and proper' person;
- agreeing to an Independent Dispute Resolution system; and
- successful completion of a landlord development course and a set level of CPD each year.

1.3.2 The cost to landlords would be the NLA membership of £70 and an £18 administration charge for the first year. Landlords would also need to undertake a foundation course, which would be £85 or free of charge if completed on-line.

1.3.3 There is no cost to the Council as it has no involvement in the scheme other than promoting it to landlords, and working with the NLA to potentially provide access to some of the benefits mentioned at paragraph 1.1.8.

1.4 The options for Tonbridge and Malling

1.4.1 Consultation with landlords in Tonbridge and Malling on their preference for accreditation schemes has been inconclusive. The response rate was poor and those who did respond had no strong preference for either landlord or property accreditation.

1.4.2 However, landlord accreditation is recognised by the Audit Commission through the Housing Inspectorate Key Lines of Enquiry as an example of good practice, and as a means of improving standards in the private sector. The evaluation of existing accreditation schemes, along with an appropriate recommended course of action for the future is an objective within the Housing Strategy Action Plan 2009-12.

1.4.3 It must be remembered that accreditation schemes are voluntary and landlords need an incentive to participate. Tonbridge and Malling has a smaller than average private rented sector and so many landlords can let their properties with relative ease. They can already access repayable financial assistance to improve the energy efficiency of their properties and to achieve the Decent Homes Standard, and so there is little incentive to become accredited. Making an accreditation scheme attractive is a challenge.

1.4.4 It should also be noted that the Private Accredited Letting (PAL) scheme (see **[Annex 1]**) would require some additional staffing resources to implement and

maintain the scheme, as well as an annual capital outlay for what would be a potentially small return. For the Kent Landlord Accreditation Scheme (KLAS) the outlay is even greater, albeit without the pressure on existing staffing resources.

1.5 Conclusions

- 1.5.1 The Canterbury and Dartford schemes are specific to their areas and are included at **[Annex 1]** for information only.
- 1.5.2 As far as the KLAS and PAL schemes go, there is little incentive for landlords within Tonbridge and Malling to participate since incentives such as grants/loans are already available to them. Very few landlords are owners of licensable HMOs.
- 1.5.3 Accreditation is not going to be attractive to the worst landlords and so there is an argument for targeting limited resources at the worst of the private rented sector instead, by taking enforcement action to raise standards and increase the supply of decent homes.
- 1.5.4 An industry-lead accreditation scheme such as the NLA pilot scheme may be the way forward. Landlords are more likely to accept a scheme that they have developed themselves, but it would be prudent to await the outcome of the pilot, which is expected at the end of May 2010. To date, significant progress has been made in building relationships with landlords in Tonbridge and Malling, both through the landlord forums and the administration of the rent deposit scheme. This will be beneficial when our evaluation of the accreditation schemes is complete and we have a clear recommendation to offer local landlords.

1.6 Legal Implications

- 1.6.1 None arising from this report

1.7 Financial and Value for Money Considerations

- 1.7.1 None arising from this report

1.8 Risk Assessment

- 1.8.1 Failure to take account of recognised good practice may compromise the Council's ability to raise standards in the private rented sector and maximise the use of existing housing.

1.9 Recommendations

- 1.9.1 **CABINET** is **RECOMMENDED** to
- 1.9.2 **ENDORSE** the decision to defer joining either the KLAS or PAL accreditation schemes at this stage.

1.9.3 **AWAIT** the outcome of the NLA pilot scheme to further inform our decision on which if any, accreditation scheme to support.

The Director of Health and Housing confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

contact: Hazel Skinner

The private rented sector: professionalism and quality
The Government response to the Rugg Review
Consultation, May 2009

Department for Communities and Local Government,
Dealing with 'Problem' Private Rented Housing, 2006

Housing Quality Network, The Private Rented Sector –
its contribution and potential (The Rugg Review),
November 2008

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