
Meeting: Social Care Health and Housing Overview and Scrutiny Committee

Date: 23 January 2012

Subject: Private Sector Property Accreditation Scheme

Report of: Cllr Carole Hegley , Executive Member for Social Care Health and Housing

Summary: The report outlines the proposed approach and content of a Property Accreditation scheme for Central Bedfordshire. This is not a Key Decision but the development of an operational approach to improving quality of private rented accommodation. The report aims to seek views and comment from Overview and Scrutiny in relation to the scheme

Advising Officer: Julie Ogley, Director of Social Care Health and Housing

Contact Officer: Nick Costin, Head of Private Sector Housing

Public/Exempt: Public

Wards Affected: All

Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

1. The actions support the Council priorities:
 - Supporting and caring for an ageing population,
 - Managing growth effectively,
 - Creating safer communities.

Financial:

2. The proposed scheme is to be administered within existing resources.
3. Improving the quality of rented accommodation in partnership with landlords is more cost effective in comparison to enforcement led approaches.

Legal:

4. The proposed scheme will help ensure that more rented accommodation meets the legal requirements of the Housing Act 2004. The Council has responsibilities where high risk hazards are found in rented accommodation. A property accreditation scheme can help the Council meet those responsibilities through partnership and prevention, rather than enforcement.

Risk Management:**5. Reputational Risk:**

There could be a reputational risk if properties are not of good quality with satisfactory management arrangements.

Financial Risks:

There could be a financial risk if costs are not contained within existing budgets.

Legal Risks:

Failure to comply with the requirements of the Housing Act 2004 and the Localism Act, including failure to discharge legal responsibilities where high risk hazards are found in rented accommodation.

The identified risks will be managed as part of the development of the scheme.

Staffing (including Trades Unions):

6. Not applicable.

Equalities/Human Rights:

7. The aim of the scheme is to improve quality of accommodation for private tenants and will not result in a disproportionately negative impact on people from different ethnic groups, disabled people, women or men. The scheme should help provide more good quality accommodation as an option to vulnerable families potentially facing homelessness.
8. An equality impact assessment has been completed.

Community Safety:

9. The Code of Standards applicable to the scheme will include landlords' management responsibilities, which may help reduce incidences of unacceptable or antisocial behaviour from tenants.

Sustainability:

10. The Code of Standards applicable to the scheme will include requirements around the energy performance of the property to help prevent fuel poverty and high risk Excess Cold hazards.

Procurement:

11. Not applicable.

RECOMMENDATION(S):**The Committee is asked to:-**

1. **Review and comment on the approach to development of the Property Accreditation Scheme for Central Bedfordshire**
2. **Review and comment on the content of the scheme, in particular the Code of Standards intended to quality assure accredited properties**

BACKGROUND INFORMATION

12. The private rented sector has a higher proportion of poorer quality properties than other housing tenures, evidenced through national stock condition surveys. However, the private rented sector could provide a more significant role in the future if the Council decides to discharge homeless duty to this sector under new provisions in the Localism Act. A property accreditation scheme provides a proactive approach to improve quality of accommodation in this sector.
13. The Audit Commission inspection of strategic housing services in 2010 recognised that property accreditation was only applicable to Lets Rent. The resulting Improvement Plan included a commitment to develop an accreditation scheme beyond Lets Rent. This is consistent with recommendations around Partnerships, and Promoting Sustainable Neighbourhoods included in the Audit Commission findings.
14. The Council's Lets Rent scheme contains a Housing Standards requirement. However, the "self certification" element resulted in some poor quality properties being identified in early stages of Lets Rent. Lessons learned will be incorporated in a new accreditation scheme.

PROPERTY ACCREDITATION SCHEMES – BENCHMARKING

15. In benchmarking, twelve of fifteen similar type authorities to Central Bedfordshire Council have implemented property or landlord accreditation schemes. Some are cross boarder (such as a Cheshire based scheme). The schemes include a variety of conditions and incentives, which have helped form proposals for a Central Bedfordshire scheme.
16. Wider national research indicates that 80% of all schemes offer accreditation free of charge, including Luton Borough Council. Schemes that impose a charge generally offer a higher level of incentives, including discounts on licensing fees and/or grants.

17. Locally, a scheme was developed in Hertfordshire and Bedfordshire that was aligned to guidelines from the Accreditation Network UK and the risk assessment process in the Housing Act 2004. Former Mid Beds District Council operated this scheme but had little demand. Neither Bedford nor Milton Keynes Councils currently operate accreditation schemes.

PROPOSED OPTIONS

18. The primary aim for a scheme is the improvement in quality of private rented accommodation through working with landlords, a partnership approach rather than enforcement led. Under this aim are objectives:
- To raise tenant and landlord awareness about standards required in private rented accommodation,
 - To raise standards of private rented accommodation,
 - To inform and provide guidance for all involved (including Council Officers from a landlord's perspective),
 - To enable tenants to gain access to good quality accommodation.
19. To enable a potential scheme to be successful and meet its objectives, the incentives for landlords need to be identified, and whether there is interest in a scheme in general. Consultation would look to identify incentives that are of interest to local landlords. Examples include "fast track" entry to Lets Rent, training, publication of accredited properties on Council website. Initial consultation began at the Landlords' forum on 16 November 11.
20. Initially it is proposed that the scheme is at no cost to landlords. The scheme should be a more effective use of existing resources as the costs of improving quality of accommodation in partnership with landlords are lower than costs of enforcing standards under Housing Act 2004, mainly in officer time and associated legal costs. This approach also builds better relations with landlords.
21. The scheme will focus on improving quality of accommodation above minimum standards. Consequently, clear guidelines will be communicated to landlords through a Code of Standards expected for accredited property. This code is attached as appendix A. Applications for accreditation will commence with an assessment of the property.
22. To ensure that properties meet quality standards, the intention is to accredit the property rather than the landlord, even though tenancy management is one aspect with the Code of Standards. Consultation may result in preference for Landlords' Accreditation, where the landlord is accredited for all properties managed. However, it is proposed that the Council needs to ensure the quality of each property accredited.
23. New provisions in the Localism Act, which give discretion to local authorities to discharge homelessness duty to the private rented sector, will be examined to help develop the accreditation scheme. An established accreditation scheme would be beneficial if the Council decided to discharge homelessness duty only to "higher quality" private rented properties in the future.

24. The proposed scheme is subject to an equalities impact assessment.
Accreditation material (certificates etc) will meet corporate branding guidelines.

FINANCIAL AND OTHER OPTIONS

25. It is proposed that accreditation is provided at no cost to landlords as an incentive to apply for accreditation status. The scheme should be a more effective use of resources as costs of improving quality of accommodation in partnership with landlords are lower than costs of enforcing standards.
26. To reduce costs it is proposed that after initial property inspection, accredited properties are re-inspected annually on a 10% sample basis. If re-inspection indicates deterioration in condition, a larger sample size will be inspected to ensure that quality is maintained.

Conclusion and Next Steps

27. The scheme is currently subject to consultation, primarily with private landlords and letting agents who are the major stakeholders. Responses from consultation and the views from Overview and Scrutiny will shape the final scheme.
28. The aim is for a Central Bedfordshire Property Accreditation scheme to commence in April 12 having considered views and comments during development of the scheme.

Appendices:

Appendix A – Code of Standards expected for accredited property

Background papers and their location: (open to public inspection)

None