
Meeting: Executive
Date: 4 December 2012
Subject: Private Sector Property Accreditation Scheme
Report of: Councillor Carole Hegley, Executive Member for Social Care, Health and Housing

Summary: The report proposes that Executive approve a Private Sector Property Accreditation Scheme for Central Bedfordshire. The Scheme is intended to be a cost effective initiative aimed at improving the supply of good quality privately rented accommodation.

Advising Officer: Julie Ogle, Director of Social Care Health and Housing
Contact Officer: Nick Costin, Head of Service
Public/Exempt: Public
Wards Affected: All
Function of: Executive
Key Decision Yes
**Reason for urgency/
exemption from call-in
(if appropriate)** N/A

CORPORATE IMPLICATIONS

Council Priorities:

The proposals support the following Council priorities:

- Enhancing Central Bedfordshire – creating jobs, managing growth, protecting our countryside and enabling businesses to grow.
- Promote health and wellbeing and protecting the vulnerable.
- Value for money – freezing council tax.

Financial:

1. The Property Accreditation Scheme is to be administered within existing resources. The Housing Service currently provides housing standards advice to landlords. The accreditation scheme will require a different approach to existing service provision, rather than provision of a new service.
2. Improving the quality of rented accommodation in partnership with landlords is more cost effective in comparison to enforcement led approaches.

Legal:

3. The scheme will help ensure that more rented accommodation meets the legal requirements of the Housing Act 2004. The Council has legal 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:**4. 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 within the implementation of the scheme.

Staffing (including Trades Unions):

5. Not applicable.

Equalities/Human Rights:

6. 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.
7. Public Authorities must ensure that decisions are made in a way which minimises unfairness, and without a disproportionately negative effect on people from different ethnic groups, disabled people, women and men. An equality impact assessment has been completed. The assessment indicated no adverse effects on people from different ethnic groups, disabled people, women or men.

Public Health:

8. The code of standards for properties accredited under the scheme should ensure that those properties have sufficient heating and insulation standards that prevent the incidence of cold related ill health.

Community Safety:

9. The Council has a statutory duty to do all that it reasonably can to reduce crime and disorder in its area. Community safety has a number of work areas where the availability of accommodation at a minimum standard is key to rehabilitating offenders e.g. Integrated Offender Management, or enabling victims that may need to relocate e.g. victims of domestic abuse. As such the Private Sector Property Accommodation Scheme supports the Council in its statutory duty.

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. The scheme should encourage the ongoing maintenance of properties required to prevent more serious deterioration.

Procurement:

11. Not applicable.

Overview and Scrutiny:

12. This matter has been considered by Overview and Scrutiny on 23 January 2012. Members requested a number of alterations to the scheme and code of standards. These recommendations were incorporated into the draft scheme prior to consultation with landlords and letting agents.

RECOMMENDATION:**The Executive is asked to:**

1. **approve the Central Bedfordshire Private Sector Property Accreditation Scheme.**

Reason for Recommendation: So that the Private Sector Property Accreditation Scheme can be promoted and implemented to private landlords and lettings agents with properties in Central Bedfordshire.

Executive Summary

13. The private rented sector has a higher proportion of poorer quality properties but could provide a more significant role in the future if the Council decides to discharge homelessness duty to this sector. A property accreditation scheme could help improve quality of private rented accommodation through a partnership approach with private landlords.
14. The main aim of the scheme is to provide an incentive to landlords to raise the standard of their properties to higher than minimum requirements. The scheme provides recognition for accredited properties and provides greater re-assurance for tenants and prospective tenants.

15. The scheme was subject to comprehensive consultation with landlords and letting agents. The scheme has also been subject to an equalities impact assessment and has been benchmarked with schemes provided by other local authorities.
16. The Council will always need to provide a statutory enforcement role where required, however, improving the quality of rented accommodation in partnership with landlords is more cost effective in comparison to enforcement led approaches.

Background

17. The private rented sector has a higher proportion of poorer quality properties, 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. A property accreditation scheme could help improve quality of private rented accommodation.
18. The Audit Commission inspection of strategic housing services in 2010 recognised that property accreditation was only applicable to Let's Rent. The resulting Improvement Plan included a commitment to develop an accreditation scheme beyond Let's Rent.
19. Following presentation to Overview and Scrutiny in January 2012, the Scheme was subject to comprehensive consultation with landlords and letting agents. The Scheme has also been subject to an equalities impact assessment and has regard to a benchmarking survey of schemes provided by other local authorities.

Consultation Outcomes

20. 12 of 15 CIPFA family local authorities have implemented property or landlord accreditation schemes and many other local authorities operate such schemes. The schemes include a variety of conditions and incentives, which have helped form proposals for a Central Bedfordshire scheme.
21. 80% of all schemes offer accreditation free of charge. In addition, consultation indicated that 73% of respondents would not be prepared to pay for accreditation. It is proposed that Central Bedfordshire Council offer accreditation free of charge as the scheme helps provide a cost effective approach to improving the quality of private rented accommodation.
22. There was a "lukewarm" response to the question of the need for an accreditation scheme. However, 33% agreed that there was a need and all were landlords. No letting agents or property managers agreed that there was a need. However, the Scheme will be targeted at private landlords so this response should not prevent the Scheme being implemented. Appendix A provides a summary of consultation responses.

23. The consultation indicated that some landlords and letting agents had not fully understood the intentions of the scheme. Consequently, it is important to ensure clear communication and promotion of the scheme, and to encourage landlords to obtain accreditation for their properties. A communications plan has been developed with Corporate Communications team.

Scheme Proposals

24. The aim of the Scheme and benefits for the Council, landlords and tenants are included within the Property Accreditation Scheme Overview document (Appendix B). This provides the Scheme intentions but has to be read together with the Code of Standards (background paper), which sets out the standards required for accredited properties. The Scheme will focus on improving quality of accommodation above minimum standards.
25. Consultation, including feedback from Members, has influenced both documents. In particular, Members required the provision of carbon monoxide detectors in accredited properties, and required a re-inspection process that would help ensure that accredited properties do not deteriorate to unacceptable standards.
26. 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 within the Code of Standards.
27. It is proposed that accreditation is provided at no cost to landlords as an incentive to apply for accreditation. The Scheme is a more effective use of resources as costs of improving quality of accommodation in partnership with landlords are lower than costs of enforcing standards. This approach also builds better relationships with landlords.
28. To reduce costs it is proposed that after initial property inspection, accredited properties are re-inspected annually on a sample basis. All properties will be inspected at least once every 3 years to ensure that quality is maintained.

Appendices:

Appendix A – Summary of consultation responses and comments

Appendix B – Private Sector Property Accreditation Scheme Overview Document

Background Papers: (open to public inspection)

Social Care, Health and Housing Overview and Scrutiny Report 23 January 2012
Private Sector Property Accreditation Scheme

Private Sector Property Accreditation Scheme Code of Standards

http://www.centralbedfordshire.gov.uk/Images/12%2006%2029%20CBC%20Property%20Accreditation%20Scheme%20Code%20of%20Standards%20V10_tcm6-6688.pdf#False