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**Cabinet Member for Homes and Safer  
Communities**

**1 September 2014**

Report of the Accreditation Officer

**YorProperty Voluntary Landlord Accreditation Scheme - Review**

**Summary**

1. This report provides an update on the introduction and operation of the YorProperty Accreditation Scheme since its launch on the 9<sup>th</sup> December, 2013. It also proposes options:
  - a) to increase the impact of the scheme, and
  - b) to undertake consultation with the private rented sector, stakeholders and the wider community to provide relevant data on the sector, should the Cabinet Member be minded to approve this.

**Background**

2. Some of the drivers behind the introduction of accreditation were –
  - The size and importance of the private rented sector
  - The fact that a high proportion of the issues caused by landlords and agents are not from a deliberate intention to break the law but are caused by a lack of knowledge or misunderstanding of regulations
  - A recognised need to facilitate/support landlords looking at other options for their properties
  - How we work with landlords and in particular letting agents
  - Ensuring an element of affordable rent levels and standards in the market are maintained in the City.
3. The scheme was launched on the 9<sup>th</sup> December 2013 following an extended period of development.

As at the 28<sup>th</sup> July 2014, 97 landlords, managers and letting agents have signed up with the scheme. Initial targets were for 50 landlords to have registered in the first year. In total 386 properties are registered, including 70 from YorHome and 152 from the Derwent Student Properties development, The Boulevard.

4. During April 2014 when the University of York confirmed it was closing down the existing University Student Accommodation Code of Practice 57 landlords involved with the student market registered. The universities, colleges and student unions were confident that this scheme with its proactive inspection regime, training for landlords to raise management standards and a web based property search offered the best value for students. The closure of the scheme was a direct consequence of the Council introducing the accreditation scheme. To encourage the landlords we offered a year's free membership to those who registered with the scheme prior to the 30<sup>th</sup> April. We anticipate another significant rise in student landlords signing up from October onwards as they decide to advertise properties for 2015/16.
5. The majority of administration for the scheme is done online. The details submitted by landlords and agents are reviewed to ensure they meet scheme conditions and landlords are advised of issues they still need to address. In addition the scheme requires the installation of a carbon monoxide detector where necessary, the undertaking of a fire risk assessment, preferably in writing, and, where possible, for landlords to give consideration to the future energy efficiency and environmental impact of their properties. All of these are above current legal requirements and the outcome will be that accredited properties are safer.
6. To date, 5 properties have been inspected to ensure they match the details provided by landlords. 4 properties were found to have done so and two low risk hazards found at the fifth have been raised with the landlord, who has been assisted to meet the scheme standards. Further inspections are programmed in to coincide with the start of the new university academic year.
7. Training sessions which have been arranged during daytimes, evenings and Saturdays to ensure convenient times for landlords to attend, so far 42 scheme members have attended. Feedback from the events held so far has been overwhelmingly positive. (Appendix C). We are also looking at ways to offer the core training on line for those landlords who live away from York. Again the outcome of this training is that the tenant's homes will not only be safer but better managed.

8. Performance measures for the first 2 years of the scheme were identified as follows-

	Year1 target	Year 2 target	Actual to date
Total number of landlords covered by accreditation	50	200	96
Total properties covered by the Scheme	110	330	386 <sup>1</sup>
Number of <i>new</i> memberships	50	110	96
Number of <i>renewed</i> memberships	N/A	40	N/A
Annual increase/decrease in properties and landlords	N/A	120 %	N/A
Number of properties inspected	11	33	5
Number of improvement plans issued	5	15	1
Number of Landlords attending training sessions	80%	90%	44%
Reduction in the Number of Complaints <sup>2</sup>	20	35	0
Views of members about scheme	20% -ve	10% -ve	20% -ve

9. We have also developed links with the National Landlord Association, holding a joint landlord event which was attended by over 20 landlords. At this event, the regional representative made reference to the fact that the NLA are now supporting accreditation schemes, whether their own or those run by local authorities, and encouraging membership amongst their members. Representatives of the student unions also attended to promote good student accommodation. To further this link, YorProperty may well sponsor one of the awards at the Higher York organised Good Landlord Awards being arranged to coincide with York's Housing Week 2014.
10. Within the Authority, the scheme has been working with YorHome to ensure that it is seen as an accredited letting agent. Linked to the scheme we have initiated a multi-departmental officer group formed to share information regarding issues in the private rented sector and to tackle issues jointly, more efficiently and effectively.

<sup>1</sup> This total includes 152 properties at The Boulevard on Hull Road and 70 YorHome Properties

<sup>2</sup> Note that in the first year we anticipated higher number of complaints as the tenants would be aware of who to contact to resolve problems. To date we have no such complaints

11. When considering the number of properties which have been advertised on-line, 44 properties, including the Boulevard as a whole, have been advertised on-line since the start of the scheme and in total have been viewed online over 35,000 times.
12. Feedback on the scheme has been sought from scheme members, but only 5 have responded. Scheme members have been asked to provide further responses. Of those who have commented to date, some thought it was too early to comment, others were positive about the scheme whilst some were concerned at the lack of contact they have had from prospective tenants. Potentially this could be due to more details on properties being included in scheme property adverts, which give tenants more information on which to base decisions (Appendix C).
13. As stated, the scheme has exceeded its initial membership projections and, if the 129 unlicensed accredited HMOs are combined with the total of existing mandatory licenced HMOs (454), the Council already has an active input into the management of over 20% of HMOs in the City (2,931), and this total will grow.

### **Summary of the scheme to date**

- a) Higher than anticipated number of landlords registered, which when combined with mandatory licensed HMOs, brings to over 20% the percentage of HMOs in the City where the Council has an active input
- b) Higher standards than the legal minimum achieved
- c) Training delivered to raise management standards in the sector which 95% of landlords attending have rated as very good or good
- d) Proactive inspection regime to ensure that accredited properties are meeting information supplied
- e) Supported by the universities, student unions, Higher York and the National Landlord Association
- f) Linked to other measures to support standards in the sector e.g. the Higher York Good Landlord Award

### **Consultation**

14. A significant amount of consultation was previously undertaken in the development of the accreditation scheme; in particular landlords and

agents were consulted via landlord's meetings, independent opportunities to comment and a specially formed landlord focus group.

15. All members of the accreditation scheme were recently consulted regarding feedback on the scheme to date. 5 out of 97 chose to reply. (Details of this feedback and feedback from the Landlords' training are detailed at Appendix C.)
16. To gather a current picture of conditions in the private rented sector, a desk top exercise has compared issues in the Hull Road Ward with identified student Houses in Multiple Occupation. In addition, a recent small scale (109 properties) doorstep questionnaire has been carried out in the Micklegate Ward area. However, we acknowledge that we do not have as full a picture of the sector as we would wish, and that the Cabinet Member may be minded to approve more extensive consultation within the sector, with stakeholders and the wider community (Appendix A).

## **Options**

17. There are two options being proposed:
  - (i) That the YorProperty accreditation scheme continue extending its membership, subject to necessary funding being obtained, and, to support the continued improvement in the private rented sector, offers the core training associated with the accreditation scheme to the wider sector for a fee and the Council publishes of a list of "trained landlords and agents".
  - (ii) That, in addition to the elements contained in option (i) above, the council examines other options to improve standards within the private rented sector, including undertaking a wide ranging consultation exercise taking account of the views of the wider community in addition to tenants and stakeholders in the sector.

## **Analysis**

18. Option (i) It appears to be an accepted standard within the sector that accreditation schemes need to be given time to attain a suitable level of membership to judge a success. On current membership levels, and with the necessary publicity and promotion, which has recently been limited as a result of the staff available having to focus on research of other sector initiatives, the scheme will hopefully be self supporting within a further year of operation.

19. At the moment, to become self-financing, the Scheme will need to attain membership of at least 400 landlords by 1st April, 2015. As this is unlikely to be met, at current levels, alternatives to fund the Scheme or alternatives to the Scheme itself will need to be examined.
20. If the current membership levels are renewed we can expect a fee income of £7,835 post April, 2015, without the income from YorHome or any new sign ups.
21. There would be value in extending the core training sessions to landlords and agents who do not want to join what is a voluntary scheme, but do want to meet good standards. This could be used to increase the income generated by the scheme if a flat rate fee of £50 was charged for the 6 hours of training. This is consistent with charges made by other departments for training of a similar level. This would also contribute to the raising of standards within the sector in York.
22. Option (ii) With regard to other potential options for the sector such as the introduction of an additional licensing scheme for smaller HMOs, we have examined evidence as detailed at Appendix A. At the present, we only have part of the picture it is therefore felt that it would be beneficial to undertake a wider, extensive consultation exercise to gather a more complete picture of the sector identify if there is the evidence base or not for additional licensing. This would not count as part of any statutory consultation linked to the introduction of any licensing scheme (Appendix B).

## **Risk**

23. The continuing development and operation of accreditation, combined with the proposed consultation, would ensure that the Council has a sufficient and robust evidence case with regard to examining other options and avoiding potential challenges. There is a need to ensure that the consultation is seen as informing any decisions regarding future options for the sector.
24. If the consultation identifies the relevant evidence and other alternatives for the private rented sector are introduced, such as additional licensing, current scheme members are likely to abandon accreditation which will mean a loss of future income in addition to damaging those relationships with landlords, agents and stakeholders which have been formed. However it must be stated that a

consultation exercise could have both a positive and negative impact on the accreditation scheme and other work within the sector.

25. The Universities have used the introduction of an accreditation scheme to wind up the existing student accommodation code of practice, in favour of advising students to seek higher standard properties on the scheme. This provides one point of contact for all students and stakeholders. Should the accreditation scheme cease or lose membership, this will mean there will be a lack of guidance for students and landlords on accommodation standards in the City in the future.
26. It should be noted that the introduction of certain options, such as additional licensing, still won't impact on the wider private rented sector beyond HMOs.

## **Council Plan**

27. The YorProperty Landlord Accreditation Scheme supports and contributes to the aims of the York and North Yorkshire Strategic Partnership, and also contributes to the following Council Plan Priorities –
  - Create Jobs and Grow the Economy - Provision of suitable accommodation to support the workforce and the employment market
  - Get York Moving – Housing provision of the right type and affordability makes York an attractive place to live and promotes quality of life for the community
  - Builds Strong Communities – Contributes to sustainable neighbourhoods and communities
  - Protects Vulnerable People – Ensures private rented accommodation is of a standard that protects the most economically and socially vulnerable households
  - Protects the Environment – Introduces energy efficiency targets for properties as part of accreditation standards and provides training for landlords to assist them in meeting these

It also ties in with and meets all six of the specific local housing priorities within the City of York Housing Strategy 2011-2015 and particularly with the objectives of Strategic Aim 2 of the Draft York Private Sector Housing Strategy 2014-2019.

## Implications

29. **Financial** - The scheme has been managed within existing resources and Delivery and Innovation Fund allocation to date, after March, 2015 DIF funding ends. To become self-financing, the scheme will need to attain membership of 400 landlords by 1st April, 2015. As this is unlikely to be met, at current levels, alternatives to fund the scheme or alternatives to the scheme itself will need to be examined.
30. **Human Resources (HR)** – Potentially, should alternative funding not be found, there is an impact on the current post holder.
31. **Equalities** – Raising standards, through training and better management, serves to address health inequalities in the private rented sector where standards are lower than owner-occupied homes. Poor housing conditions not only have a detrimental effect on the health and wellbeing of the occupiers but also pose a risk to life for the most vulnerable. Accredited landlords must follow the code of management which ensures non-discriminatory practices. Community Impact Assessments are positive for the scheme.
32. **Legal** - Whilst non-compliance is dealt with under the terms of the scheme initially by the authority, this does not prevent the council exercising its enforcement powers without delay if it is felt necessary. Following consultation, the introduction of any additional licensing scheme is likely to run the risk of challenge and even judicial review if adequate supporting evidence is not available.
33. **Crime and Disorder** – Although it is difficult to demonstrate an impact on crime and disorder, the introduction of a code of management and the promotion of tenants' rights and responsibilities may impact on levels of ASB and improve neighbourhoods.
34. **Information Technology (IT)** – Discussions were held with ICT Systems Support regarding the suitability of the LocalPad system and its compatibility with existing Council systems. These raised no issues with its adoption and operation. Operation of the website to date has been successful.
35. **Property** - The property standards required by the scheme include adequate heating systems and recommendations regarding thermal insulation so this should improve the energy efficiency in the premises of the accredited landlords of YorProperty Plus standard properties. The overall impact will therefore be a positive one.



36. **Other** - None

**Recommendations**

It is recommended that the Cabinet Member approves option 2, as set out in Para 17.

Reason: To ensure the expansion of the accreditation scheme and to use positive aspects of the scheme to add extra value to the work of improving the private rented sector in York, whilst giving it a longer period to meet targets and to gather further qualitative data regarding the sector to inform future initiatives.

<b>Authors:</b>	<b>Cabinet Member &amp; Chief Officer Responsible for the report:</b>		
<b>Jed Smawfield</b> Accreditation Officer Communities and Neighbourhoods 01904 551563	<b>Councillor Tracey Simpson-Laing</b> Cabinet Member for Homes and Safer Communities		
	<b>Sally Burns</b> Director of Communities & Neighbourhoods		
	<b>Report Approv ed</b>	√	<b>Date</b> 14 <sup>th</sup> August 2014
<b>Wards Affected:</b> All			
<i>For further information please contact the authors of the report</i>			

**Background Papers:**

Proposals Regarding the Introduction of a Voluntary Landlord Accreditation Scheme in York – report to Cabinet 4<sup>th</sup> December 2012

“YorProperty” – The Introduction of a Voluntary Landlord Accreditation Scheme in York – report to Cabinet Member 13<sup>th</sup> June 2013

Approval steps for additional and selective licensing designations in England – DCLG Guidance Document

Relevant research documents and details relating to specific schemes – details available from the author on request

# City of York Council Private Sector House Condition Survey 2008

## **Appendices**

Appendix A – York Private Rented Sector – Research

Appendix B – Additional Licensing – Department of Communities and Local Government Guidance

Appendix C – YorProperty Member and Landlord Training Feedback