

30 July 2013

**Decision Session – Cabinet Member for
Health, Housing and Adult Social Services**

Report of the Accreditation Officer

**“YorProperty” – The Introduction of a Voluntary Landlord
Accreditation Scheme in York**

Summary

1. This report leads on from the decision made at Cabinet on the 4 December approving the introduction of a Citywide Private Landlord Accreditation Scheme and provides an update on Scheme development. It outlines proposals for the Scheme and a system to operate it. It is suggested that the Scheme is launched in July with a view to going “live” in August.

Background

2. Cabinet considered and approved the development of a voluntary local accreditation Scheme. The proposed Scheme has been developed looking at best practice, previous government guidance and ongoing discussions with the sector in York. It is the intention to support the private rented sector in the delivery of suitable accommodation, however should the Scheme not prove to be viable, alternative options to continue this support will need to be examined in line with the proposals contained in the report approved at minute 67 (2012/13).
3. Some of the drivers behind the need for accreditation are –
 - 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
 - A need to engage with tenants and raise awareness of their rights and their responsibilities
 - How we work/deal with letting agents
 - Ensuring some levels of affordable rent levels are maintained in the City and that standards in the market are also maintained.
4. As previously reported DIF funding of £80,000 to support the Scheme for a period of 2 years was obtained and from the 1st April, 2013 the former post of Landlord Liaison Officer was extended into the post of Accreditation Officer to continue development of and to introduce the proposed Scheme.

Localpad

5. To assist in the management of the Scheme and the promotion of members and their properties, we would to use a web based property management system called Localpad. (see Appendix A)
6. This is a property management and marketing system targeted at local authorities, developed from a widely used university student accommodation system called Studentpad. It can be used to advertise all of the properties accredited with the Scheme within a corporately branded City of York Council Localpad website.
7. It will be a mechanism to market and administer properties that have met the standards set by the Scheme and to encourage membership. Feedback from landlord focus groups regarding its potential use has been positive.
8. Costs for the system are **£4,150 per annum (+VAT)**. Due to the specific nature of the system, this has been agreed for waiving through the Council's procurement process, and consultation with ICT shows that it is compatible with existing IT systems.

Options

9. (i) That the proposed Scheme outlined in the report, using Localpad as the main benefit to be offered to potential members and as the administrative system for the Scheme be approved;
- (ii) That views regarding alternative options for the operation of the Scheme are sought.

Analysis

10. The proposed Scheme itself, to be called YorProperty, is constructed around four key elements –
 - A two-tiered property standard aimed at ensuring as broad a membership as possible whilst still ensuring the raising of standards and promotion of safe accommodation for tenants. This will be reflected in the introduction of two types of property standard -
 - YorProperty Standard
 - YorProperty Plus Standard
 - A fit and proper person test for members
 - Training and Continuous Professional Development for members
 - A management code of practice
11. On application, Landlords and Letting Agents will:
 - Provide the Council with a list and details of all properties they own for let in York; Ensure that all of their properties meet the requirements of the Scheme and are not in a condition that is liable to be hazardous to the health and safety of tenants, visitors or members of the community and complete a self-inspection; (see Appendix B)
 - Ensure that accredited managing agents whose portfolio of properties includes those owned by a landlord who does not wish for them to be accredited **must** ensure that properties they manage which are accredited are identified as such by

use of the Scheme's logo on any advertising, correspondence etc.

- Ensure that the necessary safety certificates are available. Letting Agents must agree that their records will be made available for inspection at any time by the Council;
 - Where a minority of a landlord's or agent's properties are not fully compliant, agree a property improvement plan to improve, within a reasonable timescale, any property that does not fully meet the requirements of the Scheme and inform any prospective new tenants of this arrangement;
 - Complete a form declaring their 'Fit and Proper' status; (See Appendix C)
 - Attend relevant training;
 - Ensure all management practices meet the Scheme's management code of practice;
 - Provide access to properties for the Council to carry out random compliance checks.
12. At the start, membership will be on an annual basis and will be based on a membership fee of £50, along with an administration charge linked to the total number of properties, i.e. 1–5 properties - £35, 6 –10 properties - £75; 11-30 properties - £105; 31-100 properties - £210 and 101+ properties to be negotiated. Therefore a landlord with 4 properties would pay £85 per year for membership of the Scheme.
13. It is hoped that the Scheme will reach a level of membership whereby it becomes self-funding at the end of the second year. Based on the average landlord portfolio sizes this will require 400 members to have become accredited. The Scheme will be subject to a major review following 18 months of operation to determine its viability to continue.
14. The physical condition of all properties owned by a landlord or managed by an agent must meet the minimum legal standards to be classed as meeting the YorProperty Standard or higher (based on those approved for the existing Student Accommodation Code of Practice) for YorProperty Plus Standard. A two tier standards system will enable the Council to accredit properties which are vital for meeting the accommodation needs of those who are unable to meet higher

rent costs whilst at the same time ensuring the necessary standards for HMOs and student accommodation are met. It gives a target for landlords to aspire to meet should they wish to and allows the Council access to the conditions of those properties at the lower end of the market which would otherwise remain uninspected.

15. An average of 10% of properties listed with the Scheme would be subject to a random inspection to add validity to the reputation of the Scheme. Any works needing immediate attention would be subject to normal Council procedures. Lead in periods for improvement works would be negotiable.
16. In addition to the Council, the City's educational establishments will recommend the use of accredited properties by prospective tenants and will promote membership amongst landlords who wish to let to students. All student properties must meet the YorProperty Plus standard in order to link with the existing Student Accommodation Code of Practice.
17. Landlords and agents will declare that they are a fit and proper person to be accredited as laid out in the Housing Act 2004.
18. A key element of the YorProperty Accreditation Scheme is the training on offer to members. This will take the form of two types of provision designed to help them meet standards, add validity to the Scheme and improve support to the PRS by providing more knowledge of the sector.
19. There is a core element of training that every member of the Scheme must attend so that they are aware of the standards that the Scheme requires and are able to meet them. There will be a short test on the completion of each element of this course. Meeting these requirements is a prerequisite of Scheme membership. There are complimentary schemes across the UK based upon the principle of a landlord member completing a foundation course and agreeing to continue with professional development. As such, if landlords have successfully completed an approved foundation course, they will also be recognised as fulfilling the training element of the Scheme requirements.

20. There are also a series of best practice training courses designed to improve knowledge of the Private Rented Sector and to provide an element of continuous professional development. In addition it is proposed to run a series of annual update sessions for landlords keeping them advised of changes in legislation and the sector.
21. A Management Code of Practice is part of the Scheme which participating landlords and agents agree to abide by. This includes conditions regarding tenancy agreements; the use of tenancy deposit Schemes; repairs; ending a tenancy; business conduct; equalities and dealing with disputes.
22. All accredited Landlords and Letting Agents will be provided with a certificate of accreditation and access to the Scheme logo for use in promotional activity.

Consultation

23. Continuing consideration of the Scheme has been undertaken at Landlord Association meetings and with the Universities' Accommodation Offices and Student Unions. There are also ongoing discussions with a focus group of landlords and agents.

Council Plan

24. An effective Landlord Accreditation Scheme will support and contribute to the aims of the York and North Yorkshire Strategic Partnership. It can also contribute to the following Council Plan Priorities –
25. Create Jobs and Grow the Economy - Provision of suitable accommodation to support the workforce and the employment market
26. 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
27. Builds Strong Communities – Contributes to sustainable neighbourhoods and communities

28. Protects Vulnerable People – Ensures private rented accommodation is of a standard that protects the most economically and socially vulnerable households
29. 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
30. An effective accreditation Scheme must also tie in with and meet 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 York Private Sector Housing Strategy 2008-2013.

Implications

31. **Financial** - It is anticipated that the Scheme will be managed within existing resources and DIF allocation. To become self-financing, the Scheme will need to attain membership of 400 landlords by the end of its second year of operation. If this is not achieved, alternatives to the Scheme will need to be examined.

The costs to landlords will include membership fees and then the costs of copying safety certificates and submitting the necessary paperwork. The property requirements may mean that some landlords will have to or may choose to carry out works to improve their properties to comply with the Scheme. This will benefit the condition of the privately rented stock in York and improve thermal efficiency.

32. **Human Resources (HR)** - None
33. **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 specifies equality practices.
34. **Legal** - Whilst non-compliance will be dealt with under the terms of the Scheme initially by the authority, this will not prevent the

council exercising its enforcement powers without delay if it felt it was necessary.

35. **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.
36. **Information Technology (IT)** – Discussions have been held with ICT Systems Support regarding the suitability of the LocalPad system and its compatibility with existing Council systems. These have raised no issues with its adoption and operation.
37. **Property** - It is anticipated that the Scheme will have a positive impact on conditions in the private rented stock in York. The property standards required 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.
38. **Other** - None
39. **Risk Management**
The need for a robust, independent programme of quality assurance and a means of attracting membership are vital, if the introduction of the self-regulating Scheme is to achieve any sense of ownership from the participating landlords; if this is not the case then the Scheme will lack credibility and consequently buy-in.
40. **Recommendations**

It is recommended that the Cabinet Member approves –

- The implementation of the Scheme as outlined in the report.

Reason: To ensure the operation of an effective, fit for purpose accreditation Scheme in order to support the private rented sector in York.

Appendices:

Appendix A – LocalPad

Appendix B – Property Standards

Appendix C – Fit and Proper Person Declaration

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	Report Approved	Yes	Date 15 July 2013
Wards Affected: All			
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