

OVERVIEW & SCRUTINY VIEWS AND RECOMMENDATIONS

TO CABINET 10 September 2014

Report Title	RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE – MANAGEMENT AND REGULATION OF PRIVATE SECTOR HOUSING (INCLUDING HIMOS)
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Agenda Status: PUBLIC

1. Purpose

- 1.1 To present to Cabinet for consideration, the comments and recommendations of the Overview and Scrutiny Committee on the findings of the Review – Management and Regulation of Private Sector Housing (including HIMOs).
- 1.2 Members of Cabinet have been issued with a copy of the full report. All Overview and Scrutiny review reports are published on the Overview and Scrutiny page on the Council's Webpage and a copy of this report can be located:
www.northampton.gov.uk/scrutiny - Previous Scrutiny Reviews.

2. Recommendations

- 2.1 The Overview and Scrutiny Committee recommends to Cabinet that:

Licensing and Legislative Options

- 2.1.1 Scrutiny Panel 2 formally informs Cabinet that it supports the proposal to implement Additional Licensing for HIMOs. The Scrutiny Panel agreed that, at the time of the Review, there are no areas in Northampton that require a Selective Licensing Scheme but the need for Selective Licensing should be kept under constant review.

Priorities for the Private Rental Sector

- 2.1.2 A Private Sector Landlords Registration Scheme is implemented with the facility for landlords to register on-line.
- 2.1.3 A useful guide for individuals that are considering becoming a private sector landlord is published on the Council's website and includes the following headlines:
 - Speak to your mortgage lender
 - Get references from potential tenants
 - Prepare a formal agreement

- Deposits – properly protected
- Obtain an energy performance certificate
- Do you need a property licence?
- Get all your gas and electric appliances checked
- Minimise the risk from fire
- Ensure that your property presents no risks to your tenant's health and safety
- Don't find yourself in court when something goes wrong

- 2.1.4 Northampton Borough Council works with the University of Northampton and private sector landlords to agree a Northampton standard for privately rented homes. The standard is produced in conjunction with the useful guide (recommendation 2.1.3) and Best Practice Guide (recommendation 2.1.12).
- 2.1.5 A Protocol for identifying absent landlords is produced and implemented. Private Sector Landlords are encouraged to join a local or national Landlord Association.
- 2.1.6 A Policy for the prosecution of "rogue landlords" is introduced and a funding pot is identified to be allocated to resources to support licensing through a rigorous programme of encouragement, support to landlords, and enforcement, including prosecution of those landlords who do not comply with the requirements of the Scheme.
- 2.1.7 Contact is made with the National Landlords' Association (NLA) regarding utilising its free of charge scheme of on-line training and the use of its free guidance material for tenants and private sector landlords.
- 2.1.8 A tri-annual multi-Agency meeting, together with the Landlords Forum, to enable two way discussions and information sharing, is introduced.
- 2.1.9 Planning Services and Housing Services work collaboratively regarding the private rental sector, to ensure that private lettings make a positive contribution to neighbourhoods.
- 2.1.10 A check be made to ensure that letting agents are renting properties through the correct procedure and that letting agents are included in Additional Licensing.
- 2.1.11 Arrangements be put in place for Licence fees to be paid through a direct debit scheme, similar to that in place for the payment of Council Tax.

Best Practice Guide

- 2.1.12 The Scrutiny Panel highlights the need for a Best Practice Guide for Private Sector landlords and tenants and has produced a list of key issues that the Guide should include, as detailed below, for Cabinet's consideration:

- Issues to consider pre tenancy
- Means of managing a property
- Setting up a tenancy and different legal agreements
- Deposits

- Rents
- Housing benefit
- Landlord and tenant responsibilities
- An agreement between Letting Agents and Landlords that the Letting Agent is permitted to undertake repairs on behalf of the Landlord
- Other housing options
- Empty homes
- Housing standards and Safety conditions
- Housing health and safety rating system
- Safety checks
- Energy efficiency, recycling and sustainability
- Equalities Statement
- Useful contacts, such as [HMRC](#) and [Gov.UK](#)

2.1.13 The Best Practice Guide for Private Sector landlords and tenants is easily accessible on the Council's website with paper copies available in the Council's One Stop Shop. On request, the Best Practice Guide should be made available in other languages and formats.

2.1.14 A copy of the Best Practice Guide is sent to the Association of Residential Letting Agents (ARLA) and the National Landlords' Association (NLA).

3. Background and Issues

3.1 The purpose of the review was to investigate the regulation and management of private lettings, both by landlords and agencies

3.2 The Overview and Scrutiny Committee, at its work programming event in March 2013, agreed to include a review of investigating the regulation and management of private lettings, both by landlords and agencies. These were issues that had been identified by the Cabinet Member for Housing as one of her key priorities. The Overview and Scrutiny Committee commissioned Scrutiny Panel 2 to undertake the review. An in-depth review commenced in July 2013 and concluded in June 2014.

3.3 A Scrutiny Panel was established comprising Councillor Joy Capstick, (Chair); Councillor Sally Beardsworth (Deputy Chair), together with Councillors Brian Sargeant, Mick Ford, Lee Mason; Beverley Mennell, Nilesh Parekh and Danielle Stone.

3.4 This review links to the Council's Corporate priorities, particularly corporate priority 5 – better homes for the future and corporate priority 2 – invest in safer, cleaner neighbourhoods.

3.5 The Scrutiny Panel established that the following needed to be investigated and linked to the realisation of the Council's corporate priorities:

- Context of private sector housing market including:
 - Changes over the last ten years
 - Future trends
- Baseline data:

- Private Sector Housing Strategy
 - Existing legislation and options available to local Councils for additional legislation
 - Options for licensing of HIMOs
 - Empty Homes Programme
- Evidence from: Cabinet Member for Housing, Northampton Borough Council
Housing Options Team Leader, Northampton Borough Council (NBC)
Licensing (HIMOs) Consultation Manager, NBC
HIMO Officer, NBC
Community Safety Manager, NBC
Neighbourhood Wardens, NBC
Environmental Health Manager (Public Protection), NBC
Fire Safety, Northamptonshire Fire and Rescue Service
HMRC
National Landlords' Association, Northampton
Association of Residential Letting Agents (ARLA)
Student Accommodation Officer and students - Northampton University
Planet Too Co-ordinator, Students' Union, University of Northampton
Northamptonshire Federation of Residents' Association
Representatives - Minority Groups
Decent and Safe Homes (DASH)
 - Desktop research
 - Best practice data

3.6 In considering the evidence the following conclusions were made: -

Private Rental Sector – General

- 3.6.1 In considering the desktop research paper around best practice elsewhere, the buoyancy of the private sector rental market was recognised.
- 3.6.2 In noting the research paper “House Proud – How Councils can raise standards in the private rented sector”, the Scrutiny Panel observed that the private rented sector is likely to remain an important element of the local housing economy for the foreseeable future as it continues to provide a flexible and accessible form of housing for large sections of the population. However, there are still a number of challenges facing the sector. The Scrutiny Panel recognised that there is a need to lobby central Government regarding giving more powers to Councils to deal with effective enforcement of rogue landlords.
- 3.6.3 The Scrutiny Panel concurred with the response of the Association of Residential Letting Agents (ARLA) to its core question regarding its view of the rental sector in Northampton - “It is mixed but the town has many older properties where improvement is badly needed and these areas are mixed tenure. Quality safe homes generally lead to a better society and greater economic wealth, less stress on the Health Service, Policing and Education.”

Licensing and Legislative Options

- 3.6.4 The Scrutiny Panel supported the proposal to introduce Additional Licensing; noting that a lot of students reside in Houses of Multi Occupation (HIMOs), particularly in the wards of Sunnyside, Semilong, Obelisk and St David's and many other areas of the town. It noted that the current priority to tackle poor management standards in the approximate 1,500-2,000 HIMOs in Northampton and to develop ways to maximise the support the private sector can give to meet housing need and homelessness.
- 3.6.5 The Scrutiny Panel noted that the consultation exercise regarding Additional Licensing had highlighted that anecdotally, most people were supportive of the introduction of additional licensing.
- 3.6.6 Selective Licensing can increase the professionalism of the private rented sector by ensuring:
- support for landlords to participate in regeneration and tackle anti-social behaviour effectively
 - protection for vulnerable tenants from the worst housing conditions and from bad landlords
 - strategic knowledge to support LAs in targeting health and safety inspections
 - support for landlords to improve the worst properties by helping them to achieve decent minimum standards in housing conditions and management.
- 3.6.7 The evidence received indicated that there are no areas in Northampton that would require a Selective Licensing Scheme. The Scrutiny Panel did however, realise the importance of such Schemes should they be required in specific areas. It was acknowledged that before Selective Licensing is considered, the Local Authority must consider whether there are alternative forms of action that it could take to deal with the relevant issues; and whether Selective Licensing would sort out these issues. The Scrutiny Panel acknowledged that the need for Selective Licensing should be kept under constant review.
- 3.6.8 The Scrutiny Panel highlighted the importance of Environmental Protection Services providing input into assessment if problems are experienced with specific landlords.
- 3.6.9 The value of Accreditation Schemes was noted. The Scrutiny Panel appreciated that licensing mechanisms give the Borough Council control as membership to Accreditation Schemes are voluntary.
- 3.6.10 Landlord Accreditation schemes are useful schemes to help engage with landlords. They are discretionary and in general, aim to ensure that landlords have the necessary knowledge and skills to run a successful letting business. The Scrutiny Panel is aware that the Council is working with DASH regarding a possible Accreditation Scheme for Northampton.
- 3.6.11 Plans for the Landlord Forum to meet at least annually, so matters in common can be discussed, were welcomed.

Priorities for Private Rental Sector

3.6.12 From the evidence gathered, the Scrutiny Panel established that it would be beneficial for Northampton Borough Council to work with the University of Northampton and landlords to agree a Northampton standard for privately rented homes.

3.6.13 The Scrutiny Panel highlighted that as part of its evidence base, Best Practice Guides are useful to both tenants and private sector landlords. The Scrutiny Panel felt that a Best Practice Guide should include:

- Issues to consider pre tenancy
- Means of managing a property
- Setting up a tenancy and different legal agreements
- Deposits
- Rents
- Housing benefit
- Landlord and tenant responsibilities
- An agreement between Letting Agents and Landlords that the Letting Agent is permitted to undertake repairs on behalf of the Landlord
- Other housing options
- Empty homes
- Housing standards and Safety conditions
- Housing health and safety rating system
- Safety checks
- Energy efficiency, recycling and sustainability
- Equalities Statement
- Useful contacts

3.6.14 The Scrutiny Panel acknowledged that a lot of useful information for private sector landlords and tenants is available on the websites of HM Revenue and Customs ([HMRC](#)) and [Gov.UK](#); a Best Practice Guide should include the links to these websites.

3.6.15 It was recognised that a combination of education and enforcement actions are anticipated to be the most effective means of ensuring that private lets do not have an adverse impact on the neighbourhood. The Scrutiny Panel noted the value that responsible landlords can add to control of impact of tenants' behaviour.

3.6.16 The Scrutiny Panel emphasised the need for a Register of Private Sector Landlords.

3.6.17 The Scrutiny Panel agreed that there was a need for a Protocol for identifying absent landlords, supporting the introduction of a mapping exercise that will detail HIMO's situated within the borough. It was acknowledged that the production of this map is expected to be concluded by the end of the financial year 2014/2015. The Scrutiny Panel felt that there was a need for letting agents to have in place an agreement with their landlords that they are authorised to carry out essential repairs using the rental income, if necessary. This will resolve the majority of problems with absent landlords, landlord refusing to repair boiler, landlord that do not provide certificates for electricity installation, gas installation, EPCs etc.

3.6.18 The Scrutiny Panel noted the information provided by the Citizen's Advice Bureau (CAB) regarding absent landlords:

“Landlord's rights and responsibilities

How to find out who the landlord is

If you do not know the identity of your landlord, you can find out either by:-

- *writing to the person who last collected your rent, asking for the landlord's full name and address, or*
- *looking up their [registration](#) online.*

As a tenant you have a legal right to know who your landlord is. If you write requesting this information, you should send this letter by recorded delivery and keep a copy. If the person to whom you have written does not reply within 21 days, this is a criminal offence. You can inform the police.

Before contacting the police, you should consider whether this might provoke the landlord into retaliating with threats or attempted eviction. You should consult an experienced adviser for example, at a Citizens Advice Bureau. To search for details of your nearest CAB, including those that can give advice by email, click on [nearest CAB](#).

If you need to find out the landlord's identity because of an emergency, such as a burst pipe, it may be quicker to inform the local authority as it has special powers to enter and carry out emergency repairs. It can then take steps to find out who the landlord is to recover its costs.”

3.6.19 The Scrutiny Panel emphasised the need for resources and the introduction of a Policy for rogue landlords to be prosecuted. In acknowledging the benefit of landlords associations, the Scrutiny Panel agreed that Private Sector Landlords should to be encouraged to join a landlords' association, such as ARLA.

3.6.20 In receiving the results of the desktop research exercise, the Scrutiny Panel noted the usefulness of Cambridge City Council's published ten point guide for property owners considering renting out their property. The key headlines contained within the guide:

- Speak to your mortgage lender
- Get references from potential tenants
- Prepare a formal agreement
- Deposits – properly protected
- Obtain an energy performance certificate
- Find out whether you need a property licence
- Get all your gas and electric appliances checked
- Minimise the risk from fire
- Ensure that your property presents no risks to your tenant's health and safety
- Don't find yourself in court when something goes wrong

3.6.21 Witness evidence also highlighted the need for a leaflet explaining the rights and responsibilities of private sector landlords and tenants.

- 3.6.22 Witness evidence further supported the introduction of the hotline for the public to notify the Local Authority of the location of HIMOs.
- 3.6.23 The Scrutiny Panel acknowledged that the development of a multi-Agency meeting, two to three times a year, to enable two way discussions/information sharing would be useful.
- 3.6.24 The Scrutiny Panel recognised the need for the Borough Council to educate tenants and landlords to be considerate to local communities. The value that responsible landlords can add to control of impact of tenants' behaviour was recognised also.
- 3.6.25 It was acknowledged that the Landlords' Association, Northampton, (NLA) has a Scheme of on-line training that it can offer to Northampton Borough Council (NBC), free of charge, and that NLA can also offer guidance information for tenants to NBC, free of charge.
- 3.6.26 The Scrutiny Panel was concerned that a private sector landlord does not have to use the Local Authority's building control service to pass any works; but can engage a professional of their choice.
- 3.6.27 The Scrutiny Panel acknowledged the need for a check to be made to ensure that letting agents are renting properties through the correct procedures and that letting agents are included in Additional Licensing.
- 3.6.28 The Scrutiny Panel highlighted the need for close working between Housing and Planning Services at Northampton Borough Council regarding the private rental sector, to ensure that private lettings make a positive contribution to neighbourhoods.

Accommodation for students

- 3.6.29 The Scrutiny Panel acknowledged that the evidence received indicated that there is adequate student accommodation, which is working well. The majority of students live in safe and affordable accommodation.
- 3.6.30 The Scrutiny Panel emphasised the benefit of all Regulatory Authorities using the Fresher's Fair and other opportunities to engage with students and advise them of their rights and responsibilities. It welcomed that road shows with the University already take place and tenants are given talks, advice and promotional materials.
- 3.6.31 The work being undertaken by Decent and Safe Homes (DASH) and Student Accommodation, Northampton University was supported.

4. Options

- 4.1 Cabinet will need to consider the possible options as part of its response to the recommendations.

5. Implications (including financial implications)

5.1 Policy

- 5.1.1 The work of Overview and Scrutiny plays a major part in the development of the Council's policy framework through its work programme.
- 5.1.2 The report and its recommendations have policy implications in relation the management and regulation of private sector housing. Cabinet's response will need to consider these issues in detail.

5.2 Resources and Risk

- 5.2.1 Cabinet will need to consider the resourcing issues for the recommendations made.

5.3 Legal

- 5.3.1 Legal issues will need to be considered as part of Cabinet's response to the recommendations.

5.4 Equality

- 5.4.1 Equality issues will need to be considered as part of Cabinet's response to the recommendations.

5.5 Consultees (Internal and External)

- 5.5.1 The Committee consulted and took evidence from a variety of sources as detailed in paragraph 3.5 of this report.

6. Background Papers

- Overview and Scrutiny Committee report – Management and Regulation of Private Sector Housing (Including HIMOs) (June 2014)
- Minutes of the meeting of the Overview and Scrutiny Committee – 9 June 2014

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