

REPORT TO: Cabinet Member – Regeneration
Cabinet

DATE: 23rd November 2009
25th November 2009

SUBJECT: Merseyside Landlord Accreditation Scheme

WARDS AFFECTED: All

REPORT OF: Alan Lunt – Housing Market Renewal Director

CONTACT OFFICERS: Jim Ohren
Principal Manager (Housing Strategy)
☎ 0151 934 3619

Clare Taylor
Principal Environmental Health Officer
☎ 0151 934 2273

**EXEMPT/
CONFIDENTIAL:** NO

PURPOSE/SUMMARY:

To seek endorsement of Sefton Council's active participation in the proposed Merseyside Landlord Accreditation Scheme.

REASON WHY DECISION REQUIRED:

To ensure that the Merseyside Landlord Accreditation Scheme has the official involvement of Sefton Council as a partner with other Merseyside local authorities and that Sefton's funding contribution to the scheme is agreed.

RECOMMENDATION(S):

That:

- (i) Cabinet Member – Regeneration notes this report, and
- (ii) Cabinet agrees to Sefton's active participation in the Merseyside Landlord Accreditation Scheme at an annual cost of up to £12,521 per annum for 2009/10 – 2010/11 funded entirely from the Migration Impacts Fund and/or Housing Market Renewal Budget.

KEY DECISION:	No
FORWARD PLAN:	No
IMPLEMENTATION DATE:	Following expiry of the call in period for the minutes of this meeting

ALTERNATIVE OPTIONS:

The alternative course of action would be to not pursue an accreditation scheme. However, this would result in a lack of regulation in conditions in the private rented housing sector which is becoming an increasingly important element of local housing markets and result in disparity between Sefton and other Merseyside Local Authorities

IMPLICATIONS:

Budget/Policy Framework: None

Financial: The annual cost to Sefton of participation in this scheme is estimated at up to £12,521 during each of the next two years. The costs will be funded either from the Migration Impacts Fund or Housing Market Renewal budget, or a combination thereof. Beyond 2010/2011, it is hoped that fee income will cover the cost of the accreditation scheme.

<u>CAPITAL EXPENDITURE</u>	2008/ 2009 £	2009/ 2010 £	2010/ 2011 £	2011/ 2012
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources:HMRI				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources		£12,521	£12,521	
Does the External Funding have an expiry date? Y/ N	When? 2011			
How will the service be funded post expiry?	Via accreditation fees			

Legal: N/A

Risk Assessment: N/A

Asset Management: N/A

CONSULTATION UNDERTAKEN/VIEWS

FD 225 - The Finance and Information Services Director has been consulted and has no comments on this report
Environmental Protection Director; Housing Market Renewal Director; Finance and IT Director

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Creating Safe Communities	✓		
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being	✓		
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities	✓		
7	Improving the Quality of Council Services and Strengthening local Democracy		✓	
8	Children and Young People	✓		

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Merseyside Landlord Accreditation Scheme Feasibility Study – Michael Howard Associates (2009).

MERSEYSIDE LANDLORD ACCREDITATION SCHEME

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to seek endorsement of Sefton Council's active participation in the proposed Merseyside Landlord Accreditation Scheme.

2.0 BACKGROUND

2.1 The private rented sector has an important role in providing accommodation for a diverse range of households. As part of a strategic approach many local authorities are seeking to work with residential landlords and give them a stake in decisions that affect them. This is being done in a number of ways. For example, by offering landlords information that helps them to manage their properties better, by arranging meetings or forums where landlords can exchange views with local authority officers and, increasingly, by setting up voluntary accreditation schemes that recognise and reward landlords who manage their properties to a good standard.

2.2 Briefly, the aims of a Landlord Accreditation Scheme are:

- To promote good physical conditions of properties and good management practices.
- To create and maintain a stock of private rented accommodation to an accredited standard and which meets the legal requirements.
- To give public recognition to those landlords who provide housing that meets or exceeds the accredited standard.
- To give prospective tenants the choice of renting a good standard of accommodation.

2.3 Currently there is no Landlord Accreditation Scheme operating in Sefton. The Council did operate a scheme in the Southport area, funded under a past Single Regeneration Budget programme, which has since come to an end. A lasting legacy of this scheme is a Landlords Forum, which is facilitated by the independent Southport Housing Advice Centre.

2.4 One of the action points in the Council's Housing Strategy 2009 – 2013 is to devise a Landlord Accreditation Scheme, possibly in partnership with other Merseyside authorities, by March 2010.

2.5 Across Merseyside, two Landlord Accreditation Schemes have been established for some time, in Liverpool and Wirral, while others are in various stages of development.

2.6 Liverpool's Scheme began with a pilot scheme in Kensington in Sept 2003 and was rolled out Citywide in November 2004. Incentives include:

- Discount on HMO licensing fees
- Dedicated liaison officer
- Free promotion on the Council's web- site
- Newsletter
- Signposting to training

- Access to a list of businesses offering preferential rates
 - Free advice seminars on housing, legal and other related matters
 - Small grants in regeneration areas
- 2.7 Where Liverpool City Council offers contracts for housing provision in the private rented sector, accredited landlords and their properties are given priority. The scheme is funded through and sits within Housing Market Renewal and to date 860 properties have been accredited and 140 landlords have joined the free scheme.
- 2.8 Wirral's scheme began as a six-month pilot scheme in the HMRI areas in December 2003 and is now Borough-wide. The team consists of a Manager, an Administrative Assistant, and two Urban Renewal Officers who undertake property inspections.
- 2.9 Wirral run a hybrid scheme, accrediting both landlords and the properties concerned with a certificate being awarded for each property which meets the standards and star rating available for properties that exceed the standard. 100% inspection takes place. Wirral also runs a Managing Agent Accreditation Scheme with managing agents being assessed against management standards criteria and are asked to encourage their landlords to submit their properties for accreditation. By July 2009 the Scheme had inspected and accredited in the region of 1,400 properties, with a considerable number of these properties being submitted by managing agents. Approximately 430 landlords have been accredited under the scheme.
- 2.10 A feasibility study has recently been carried out on a pan Merseyside scheme by Michael Howard Associates Ltd. The study concluded that the potential exists for the private rented sector in Merseyside to make a positive contribution to meeting household growth and housing and economic needs. However, there is ongoing concern about the quality of some of the existing private rented sector accommodation both in terms of dwelling condition and management practices. A common accreditation scheme could help address concerns about quality and help better 'connect' the private rented sector with the meeting of needs and the smooth functioning of housing markets.
- 2.11 The final report of the feasibility study recommends that a common Merseyside Scheme be embarked upon. There is broad support for a common accreditation scheme from both local authority housing practitioners and from landlords themselves. As the scheme is to be voluntary it is important that the scheme be a genuine service for the landlords that delivers improved standards for tenants through value for money benefits for landlords.
- 2.12 It is proposed that the scheme will have the following features:
- It will be a hybrid scheme focusing on the accreditation of landlords and properties
 - It will proactively reach out to private landlords and build relationship in an informed and engaged manner
 - It will seek to inspect all properties and work alongside landlords to ensure that they meet agreed standards
 - It will not be in competition with other schemes but will work in partnership to complement them.
- 2.13 In the initial stages the work will need to be co-ordinated by a special individual appointed to lead and champion the scheme. A commitment from each Merseyside local authority to part fund this co-ordinator post is necessary. The post is a fixed term for two years at an

approximate cost of £12,521 per local authority, to cover salary and other scheme costs. (N.B. At the time of writing this report the costs are under review and it may be possible to reduce them to around £60,000, which would represent a cost to each local authority of approximately £10,000 p.a.). Once this person is appointed the scheme should progress and develop with common standards which are over and above the minimum standards, common branding and its own website, etc. Ultimately the scheme aims to become self financing by way of accreditation fees.

- 2.14 The Liverpool City Region Housing and Spatial Planning Board received a presentation on the scheme at its meeting on 29th September 2009. The Board endorsed the scheme. A copy of the costs associated with the scheme is attached at **Appendix A**.
- 2.15 It is possible for Sefton to meet the annual funding contribution of up to £12,521 from the Migration Impacts Fund and/or the Housing Market Renewal Budget, as their aims coincide with the objective of the scheme to raise standards in the private rented sector.

3.0 CONCLUSION

- 3.1 The private rented sector has been and will become an increasingly large and important element of local housing markets in future years as the availability of mortgages recovers in light of the credit crunch, and as people decide not to risk owner occupation given existing economic circumstances. It is vitally important that insofar as is possible, standards are maintained in the sector. The accreditation scheme will assist to ensure minimum standards are maintained as well as enabling enforcement services to be focussed upon those landlords who do not participate in the accreditation scheme and who therefore operate conditions which in some cases would be unacceptable.