

## **EAST AYRSHIRE COUNCIL**

### **HOUSING COMMITTEE – 25 JANUARY 2006**

#### **REGULATION AND ACCREDITATION OF PRIVATE LANDLORDS**

##### **Report by Executive Director of Neighbourhood Services**

#### **1. PURPOSE OF REPORT**

- 1.1 To advise Committee on the Regulation of Private Landlords under the Antisocial Behaviour etc. (Scotland) Act 2004.
- 1.2 To advise Committee of the 'Timeline of Action' for the implementation of National Registration of Private Landlords.
- 1.3 To advise Committee of the proposed costs, including staffing, of National Registration.
- 1.4 To seek Committee approval for the implementation of a feasibility study into Private Landlord Accreditation, within the Private Rented Sector.

#### **2. BACKGROUND**

- 2.1 The Antisocial Behaviour etc. (Scotland) Act 2004 gives local authorities additional powers to regulate private rented housing in Scotland, whereby all landlords and letting agents, apart from Registered Social Landlords, and some other exceptions, must register with the local authority by 31 March 2006. In order to be registered the local authority must be satisfied the applicant is a fit and proper person. It will be an offence to let any residential property without being registered.
- 2.2 In addition to the above legislation, the Scottish Executive and Communities Scotland are promoting Accreditation Schemes for landlords as an effective means of improving the private rented market. The scheme, currently being piloted in four local authorities (South Ayrshire, Edinburgh City Council, Dumfries and Galloway and Dundee City) is based on 'Good Practice Guidance for Private Landlords and Local Accreditation Schemes', produced by Communities Scotland.

#### **3. IMPLEMENTATION OF PRIVATE LANDLORD REGISTRATION**

##### **3.1 The timeline of action is:**

- Detailed guidance on Registration was issued by the Scottish Executive to Local Authorities on 23 December 2005.
- An I.T system will be developed by the Scottish Executive and training arranged for Council officers by the 26 January 2006.

- All existing information on private landlords held by each Local Authority is to be collated and added to the I.T system by 3 February 2006.
- Publicity for the scheme will begin on the 6 February 2006. The Scottish Executive has designed a leaflet, which will be distributed locally, with the Councils contact details included.
- Registration of landlords will commence on the 6 February 2006.

## 3.2 Costing

3.2.1 Each local authority has provided the Scottish Executive with an estimate of likely costs over an initial 3 year period. This was based on the anticipated number of private landlords in East Ayrshire, the number of properties involved, the cost of advertising, staffing and establishing and implementing a local database of landlords (see Table 1).

Table 1	
Number of households in private lets	1,700
Average size of portfolio	2.5
Number of landlords	680
Number of resident landlords to be excluded	30
Number of landlords to be registered	650

3.2.2 The results of this costing exercise have been collated by the Executive, who along with COSLA, will determine what grants will be available to Local Authorities (see Table 2), to meet the estimated costs of operating the scheme.

Table 2				
	<b>Cost 2005/06</b>	<b>Cost 2006/07</b>	<b>Cost 2007/08</b>	<b>Total cost 2005-2008</b>
Clerical time	*2,667	17,335	-	
Admin / professional time	*3,393	22,057	22,557	
Other costs	7,500	23,850	4,800	
<b>Total</b>	<b>13,560</b>	<b>63,242</b>	<b>27,357</b>	

\*For 8 week period from February to March 06

3.2.3 Grants will be based on the concept that the cost of the scheme will be met partially through the grant, and more significantly through the fees that Local Authorities charge private landlords.

3.2.4 Guidance on the fees to be charged has still to be issued by the Scottish Executive. It is anticipated that information should be available by the 20 January 2006 and if available, will be reported to members verbally at the meeting.

### **3.3 Staffing**

- 3.3.1 Based on the estimated costs of registration, forwarded to the Executive in December 2005, it is proposed that we appoint one full-time Registration Officer and one full time Administration Assistant, initially for one year to be reviewed thereafter, in order to establish and manage the scheme.

## **4. FEASIBILITY STUDY FOR LOCAL ACCREDITATION SCHEME FOR PRIVATE LANDLORDS**

- 4.1 Once the outcome of the 4 pilot schemes has been assessed, the Scottish Executive will consider the proposal for a National Voluntary Accreditation Scheme for private landlords.
- 4.2 The potential of accreditation schemes in improving the quality of private landlords services is recognised and in anticipation of those proposals, the Housing Service proposes to carry out a feasibility study on the subject of a local voluntary Accreditation Scheme to operate in East Ayrshire.
- 4.3 A successful bid for funding this project was submitted to the Scottish Executive through the Private Sector Housing Grant Fund (PSHG).
- 4.4 The feasibility study will:
- assess the feasibility of accreditation through consultation with local landlords, private sector tenants, relevant East Ayrshire Council departments, professional and voluntary agencies;
  - appraise the options for accreditation schemes against aims and objectives established in consultation with key stakeholders;
  - investigate potential issues, which may impact upon the practical implementation of accreditation and how best to overcome these; and
  - devise an implementation model for accreditation, including detailed scheme requirements in an East Ayrshire context.

## **5. FINANCIAL IMPLICATIONS**

### **5.1 Staffing costs for Private Landlord Registration**

- 5.1.1 Staffing and administrative costs for the first three years of the scheme are estimated at £104,159. This would equate, without any grant input, to a charge of £154 per landlord based on current estimates.

### **5.2 Costs for a Feasibility Study for Accreditation**

- 5.2.1 The costs involved in this project will be met from the Private Sector Housing Grant awarded to the Council.

## **6. LEGAL AUTHORITY / IMPLICATIONS**

- 6.1 Implementation of the registration of private landlords will assist the Council to meet its statutory duty in relation to the Antisocial Behaviour etc (Scotland) Act 2004.

## **7. POLICY IMPLICATIONS**

- 7.1 Implementation of the Registration of Private Landlords will assist the Council in meeting its relevant policy objectives as set out in the Council's Local Housing Strategy and subordinate Private Rented Sector Action Plan.
- 7.2 The feasibility study into Accreditation would pave the way for a local Accreditation Scheme, which would support the relevant policy objectives as set out in the East Ayrshire Community Plan and the Local Housing and Homeless Strategies.

## **8. RECOMMENDATIONS**

- 8.1 The Committee are recommended to:-
- (i) Agree the fee structure for the registration scheme in line with the guidance provided by the Scottish Executive;
  - (ii) Authorise the Executive Director of Neighbourhood Services, in conjunction with the Head of Personnel, to submit the staffing proposals for approval by the Corporate Governance Committee;
  - (iii) Authorise the Head of Housing to commission a feasibility study into Accreditation of Private Landlords within East Ayrshire and report the outcome in due course; and
  - (iv) To note that the Head of Housing will establish a Private Landlord Registration Scheme, in line with legislation.
  - (v) Otherwise note the contents of the report.

**William Stafford**  
**Executive Director of Neighbourhood Services**  
CMCA/LC/LA

20 December 2005

## **LIST OF BACKGROUND PAPERS**

- 1. Local Authority Costs for Registration Summary December 2005**

Any person wishing to inspect the background papers listed above should telephone 01563 576617 and ask for Joe Cassidy

Implementation Officer - [chris.mcaleavey@east-ayrshire.gov.uk](mailto:chris.mcaleavey@east-ayrshire.gov.uk)