

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 24 JANUARY 2007

PILOT PRIVATE SECTOR VOLUNTARY ACCREDITATION SCHEME

Report by Executive Director of Neighbourhood Services

1. PURPOSE OF REPORT

- 1.1 To obtain Committee's approval to develop a pilot Voluntary Property and Management Accreditation Scheme for private sector landlords and agents operating in East Ayrshire.

2. BACKGROUND

- 2.1 The Private Rented Sector plays an important role in providing accommodation for many types of households in East Ayrshire. It is estimated that there are over 3,600 properties in East Ayrshire in the Private Rented Sector.

- 2.2 The Housing Improvement Task Force, chaired by the Minister for Social Justice in their final report "Stewardship and Responsibility: A Policy Framework for Private Housing in Scotland." provides a welcome boost to the sector's status. Within the report a commitment to a positive future for the private rented sector was underscored by the following statement:

"We want to see a thriving private rented sector providing well managed accommodation of acceptable quality for the diversity of types of tenant, who through choice or necessity, take up residence in the sector'.

- 2.3 An Accreditation Scheme is only one element that is intended to assist in the strategic objective of raising the status and standards within the Private Rented Sector market. It is a voluntary process and will complement the registration process.

- 2.4 An accreditation scheme aims to raise standards and reward good practice. It will contribute towards developing and promoting the Council's core values contained within the Community Plan and the overall vision for the local area as follow:-

"East Ayrshire will be a place with strong vibrant communities where everyone has a good quality of life and access to opportunities, choices and high quality services, which are sustainable, accessible and meet people's needs"

3. PROPOSALS

Type of Scheme

3.1 The main aims of an Accreditation Scheme are:-

- To give recognition to Private Landlords that meet a required standard of service delivery;
- To give tenants a guide when selecting a Private Landlord;
- Develop and improve the housing sector as a whole.

3.2 The development of an Accreditation Scheme has provided an opportunity for East Ayrshire Council and private landlords to continue to work together jointly. A working group was established in order to ensure landlord involvement in the development of the accreditation scheme. Entry to an Accreditation Scheme will be on a voluntary basis, it is important that the scheme is viewed by Private Sector Landlords as being beneficial and workable.

3.3 The working group has met on three occasions and consisted of officers from Housing, Environmental Health, Legal Services, Strathclyde Fire and Rescue Service and Deposit Guarantee Scheme and 9 private landlords/ agents.

3.4 There are three types of schemes that have been considered, these are:-

- Landlord and Property Scheme;
- Landlord Accreditation Scheme;
- Property Accreditation Scheme.

3.5 Consultation with the established working group has resulted in the Landlord and Property Scheme being the preferred option, where both the management standards of the landlord and the standard of the property are accredited.

Standards

3.6 The standards can be organised around a set of ten categories:

- Communication with the tenant;
- Equality issues, complaints and disputes;
- Management of the tenancy;
- Minimum property condition;
- Structure and fabric
- Repair and maintenance;
- Facilities and fittings
- Furnishing and white goods;
- Heating, insulation and energy efficiency; and
- Health, safety and home security features.

3.7 The main framework for the standards are the National Core Standards produced by Communities Scotland, the Housing (Scotland) Act 2006 and sections from the Disability Discrimination Act which comes into force in December 2006.

Incentives

3.8 Consultation has indicated that Landlords are looking for tangible benefits from going through the accreditation process. Incentives are an integral element of accreditation schemes and normally facilitated by local authorities.

3.9 Incentives fall into one of the following broad categories:

- Badging that gives public and professional confirmation of status and a (hoped for) marketing advantage;
- Preferential lettings advertising;
- Provision of information and training;
- Access to a link officer and specialist advice;
- Access to Housing Benefit link officer;
- Financial discounts on services and goods;
- Support in dealing with problem tenants; and
- Access to a dispute conciliation or arbitration service via the accreditation body.

Complaints and Disputes

3.10 The Accreditation Scheme will develop a clear complaints and disputes procedure. However an integral part of being accredited is that the landlord can demonstrate that he/she has a credible in house procedure for dealing with complaints already in place. It is important to emphasis that tenants and landlords pursue this option first.

3.11 A process of sanctions will be incorporated into the policies for non-compliance which can be evoked when justified. These sanctions range from caution, to suspension, to expulsion from the scheme.

Verification

3.12 Guidance states that a procedure to ratify standards should be incorporated into the process. This may include one, or a mix of the following:-

- inspection,
- self certification;
- tenant verification.

3.13 There are four types of inspection options to be considered:

- 100% pre-accreditation inspection audit;
- Pre-inspection random inspection audit;
- Post-accreditation random inspection audit; and
- Inspection instigated by complaint.

3.14 Although a 100% pre-inspection may be the preferred option, in terms of available resources it maybe necessary to introduce a mixed system of self certification, random pre-accreditation inspection and tenants questionnaires.

3.15 This mixed system would put the onus on the landlord to declare that they, and their property, meet the required standards. An added level of verification by inspection and tenant questionnaires would ensure the system is credible and open to scrutiny.

3.16 The mixed system of self certification, random inspection and tenant verification should allow the scheme to operate without over burdening it with bureaucracy or being resource intensive for the authority.

4. FINANCIAL IMPLICATIONS

4.1 Financial implications will be dependant on the demand from private landlords to become accredited. Staff training will be required in order to verify property standards.

On the basis of a mixed system of verification being the preferred option, as indicated at section 3.17 the following costs are estimated:-

Staff resources	Met from existing resources
Administration/publicity costs	£5,000, met from existing resources

These costs/resources are based on an initial demand from 50 landlords to join the voluntary scheme.

5. LEGAL AUTHORITY/IMPLICATIONS

5.1 Landlords will be required to sign a declaration declaring that they have registered with East Ayrshire Council under the Anti-Social Behaviour etc (Scotland) Act 2004 Part 8 Registration of Private Landlords. A further declaration must be signed agreeing to meet the terms and conditions of accreditation. Failure to comply with this will result in applications being revoked.

5.2 If registration is revoked accreditation status will also be revoked.

6. POLICY IMPLICATIONS

6.1 Implementation of the Accreditation scheme will assist the Council in meeting its relevant policy objectives as set out in the Local Housing Strategy and in

the Action Plan for the Private Rented Sector – ‘Meeting Need – Widening Choice’.

7. RISK IMPLICATIONS

- 7.1 Lack of an Accreditation Scheme will affect the Councils ability to meet its objectives stated in the above mentioned strategy documents.
- 7.2 The Council accepts that such a scheme would provide benefits to the Tenants, the Private Landlord and the Council, but recommends that further consideration of the specific terms and conditions of the scheme is undertaken to ensure that all parties are made fully aware of their rights and responsibilities under the terms of the Accreditation Scheme.

8. CONCLUSIONS

- 8.1 An accreditation scheme will provide a formal means of recognising and confirming the good property and management practice of those private landlords who apply for and are accepted into, a local accreditation scheme. It is not seen as an answer for the whole of the private rented sector but is one of a set of initiatives that can make a useful contribution in developing the private rented sector.
- 8.2 The guidance states that accreditation is more likely to appeal to landlords operating in the middle and upper end of the private rented market who should already be well on their way to meeting good practice standards.
- 8.3 A scheme should also be of interest to landlords operating below the middle part of the market who would welcome the support from an accreditation scheme to raise their management standards, or appeal to the increasing number of part-time landlords who may need support or information to address gaps in knowledge or expertise.
- 8.4 Achieving accreditation status should represent a realistic challenge by encouraging good landlords to enhance their standards.
- 8.5 It is anticipated that once a scheme is established that tenants will use the accreditation status as a criteria when choosing rented property.

9. RECOMMENDATIONS

- 9.1 The Committee are recommended to:-
- (i) Agree the establishment of an East Ayrshire Property and Management Voluntary Accreditation Scheme for Private Sector Landlords, using a mixed verification system as indicated at 3.18;
 - (ii) Agree to East Ayrshire Council pursuing the development of an incentives package to encourage private sector landlords to become accredited;

- (iii) To evaluate the pilot scheme after a 12 months period of operation and thereafter report back to the Committee; and
- (iv) Otherwise note the contents of the report

William Stafford
Executive Director of Neighbourhood Services

CMCA/KL/LA

8 December 2006

LIST OF BACKGROUND PAPERS

1. National Core Standards and Good Practice Guidance for Private Landlords and for Local Accreditation Schemes; A Quality Framework 2004; http://www.communitiesscotland.gov.uk/stellent/groups/public/documents/web_pages/hmcs_017006.pdf
2. Housing (Scotland) Act 2006
3. Antisocial Behaviour etc. (Scotland) Act 2004

Any person wishing to inspect the background papers listed above should telephone 01563 576617 and ask for Joseph Cassidy, Development and Strategy Manager.

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