

A large magnifying glass is positioned over a brick building. The lens of the magnifying glass is focused on a blue sign that says "To Let". The background of the cover features a pattern of overlapping circles in shades of grey and black.

Overview & Scrutiny Committee

SCRUTINY PANEL

**Management and Regulation of
Private Sector Housing** (Including HIMOS)

June 2014

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Foreword

The objective of this Scrutiny Panel was to investigate the regulation and management of private lettings, both by landlords and agencies.

The required outcomes being:

- To agree the priorities for private sector housing towards achieving high quality, affordable private sector lettings
- To ensure that private lettings make a positive contribution to neighbourhoods
- To consider the options for licensing and make recommendations to Cabinet
- To consider the legislative options available to the Council and make recommendations to Cabinet
- To produce a best practice guide for Northampton's private sector landlords

The Scrutiny Panel was made up from Members of the Overview and Scrutiny Committee: Councillors Mick Ford, Lee Mason, Nilesh Parekh, Brian Sargeant and myself, together with other non-Executives Councillors Sally Beardsworth (Deputy Chair); Beverley Mennell and Danielle Stone.

An in-depth review took place between July 2013 and June 2014.

The Scrutiny Panel held a number of interviews with the Cabinet Member (Housing), Senior Staff at Northampton Borough Council and external expert witnesses. Many thanks must go to the Scrutiny Officer, Tracy Tiff, for the comprehensive desktop research which greatly informed the Panel.

This was a very informative Review. I thank all those who gave up their time to attend a meeting of the Scrutiny Panel to provide information and advice and to all those who provided comprehensive written evidence. It is hoped that the wealth of evidence produced during this inquiry informs and adds real value to the Administration's future plans in what is a dynamic and challenging housing market.

As part of its monitoring regime, Overview and Scrutiny will review this report six months after Cabinet has received it.



Councillor Joy Capstick
Chair, Scrutiny Panel 2

Acknowledgements to all those who took part in the Review: -

- Councillors Sally Beardsworth (Deputy Chair); Mick Ford, Lee Mason, Nilesh Parekh, Brian Sargeant Beverley Mennell and Danielle Stone who sat with me on this Review.
- Councillor Mary Markham, Cabinet Member (Housing), Northampton Borough Council (NBC), Paul Bryon, Interim Private Sector Housing Manager, NBC, Sarah Farrow, Strategy and Performance Team Leader, NBC, Paul Lewin, Planning Policy and Heritage Manager, NBC, Eddie O'Neill, Team Leader, Fire Safety, Northamptonshire Fire and Rescue Service, Debbie Ferguson, Community Safety Partnership Manager, NBC, John Socha, Landlords Association (Northampton), Ruth Austen, Environmental Health Manager (Environmental Protection), NBC, and Paul Townsend, Neighbourhood Warden, NBC, for attending a meeting of the Scrutiny Panel and providing expert advice
- Ian Potter, Association of Residential Letting Agents, James Pope, Student Accommodation, University of Northampton, Simon Pole, Planet Too Co-Ordinator, University of Northampton, various members of the Northampton Diverse Equalities Community Forum, Tony Mallard, Chair, Northamptonshire Federation of Residents' Association and Linda Selvey, Services Manager, DASH, for providing a written response to the core questions of the Scrutiny Panel
- Brendan Healy, HMO Officer, NBC, for providing information relating solely to his area of the survey in relation to Additional Licensing, as an example to the Scrutiny Panel
- Richard Dawson, Northampton Students' Landlords' Forum, for addressing the Scrutiny Panel

EXECUTIVE SUMMARY

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

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.

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

An in-depth review commenced in July 2013 and concluded in June 2014.

CONCLUSIONS AND KEY FINDINGS

A significant amount of evidence was heard, details of which are contained in the report. After gathering evidence the Scrutiny Panel established that: -

Private Rental Sector – General

- 6.1.1 In considering the desktop research paper around best practice elsewhere, the buoyancy of the private sector rental market was recognised.
- 6.1.2 In noting the research paper “House Proud – How Council's 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.

6.1.3 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

6.1.4 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. .

6.1.5 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.

6.1.6 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.

6.1.7 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.

- 6.1.8 The Scrutiny Panel highlighted the importance of Environmental Protection Services providing input into assessment if problems are experienced with specific landlords.
- 6.1.9 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.
- 6.1.10 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.
- 6.1.11 Plans for the Landlord Forum to meet at least annually, so matters in common can be discussed, were welcomed.

Priorities for Private Rental Sector

- 6.1.12 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.
- 6.1.13 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

6.1.14 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.

6.1.15 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.

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

6.1.17 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 HIMOs 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.

6.1.18 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."

6.1.19 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.

6.1.20 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

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

6.1.22 Witness evidence further supported the introduction of the hotline for the public to notify the Local Authority of the location of HIMOs.

- 6.1.23 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.
- 6.1.24 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.
- 6.1.25 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.
- 6.1.26 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.
- 6.1.27 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.
- 6.1.28 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

- 6.1.29 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.
- 6.1.30 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.
- 6.1.31 The work being undertaken by Decent and Safe Homes (DASH) and Student Accommodation, Northampton University was supported.

- 7.1 The purpose of the Scrutiny Panel was to investigate the regulation and management of private lettings, both by landlords and agencies.

Scrutiny Panel 2 recommends to Cabinet that:

Licensing and Legislative Options

- 7.1.1 Scrutiny Panel 2 formally informs Cabinet that it supports the proposal to implement Additional Licensing for HMOs. 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

- 7.1.2 A Private Sector Landlords Registration Scheme is implemented with the facility for landlords to register on-line.

- 7.1.3 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

- 7.1.4 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 7.1.3) and Best Practice Guide (recommendation 7.1.12).

- 7.1.5 A Protocol for identifying absent landlords is produced and implemented. Private Sector Landlords are encouraged to join a local or national Landlord Association.
- 7.1.6 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.
- 7.1.7 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.
- 7.1.8 A tri-annual multi-Agency meeting, together with the Landlords Forum, to enable two way discussions and information sharing, is introduced.
- 7.1.9 Planning Services and Housing Services work collaboratively regarding the private rental sector, to ensure that private lettings make a positive contribution to neighbourhoods.
- 7.1.10 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.
- 7.1.11 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

- 7.1.12 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](#)

7.1.13 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.

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

Overview and Scrutiny Committee

7.1.15 The Overview and Scrutiny Committee, as part of its monitoring regime, reviews the impact of this report in six months' time.

NORTHAMPTON BOROUGH COUNCIL

Overview and Scrutiny

Report of Scrutiny Panel 2 – Management and Regulation of Private Sector Housing (Including HIMOs)

1 Purposes

- 1.1 The purpose of the Scrutiny Panel was to investigate the regulation and management of private lettings, both by landlords and agencies.
- 1.2 A copy of the scope of the review is attached at Appendix A.

2 Context and Background

- 2.1 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.
- 2.2 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.
- 2.3 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.
- 2.4 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 HMOs
 - Empty Homes Programme
- Evidence from expert internal witnesses
- Evidence from expert external witnesses
- Desktop research
- Best practice data

Housing Act 2004

- 2.5 The Housing Act 2004 contains the principal regulating conditions and standards operated by Northampton Borough Council as the Local Housing Authority (LHA). This is fully in force and housing conditions within the borough are regularly assessed according to its provisions.
- 2.6 Four main elements are considered and applied by Officers of Northampton Borough Council as the LHA:
- Assessing the condition of a dwelling house in relation to its impact on the health and safety of the occupants. The test is the Housing Health and Safety Rating System (HHSRS)
 - Whether the dwelling house is overcrowded. There are two tests: the permitted number test and the sexual overcrowding test
 - Whether the dwelling house is a house in multiple occupation
 - The standard test
 - The self-contained test
 - The converted building test
 - Whether the dwelling house is, or should be, subject to a scheme of licensing. The available schemes are:
 - Mandatory licensing of Houses in Multiple-Occupation
 - Additional licensing of Houses in Multiple-Occupation
 - Selective Licensing of houses which are not in Multiple-Occupation

Housing Health and Rating System (HHSRS)

- 2.7 A dwelling including its structure, outbuildings, garden, yard, associated amenity space and means of access is assessed to determine if it provides a safe and healthy environment for its occupiers and any visitors. The inspector has regard to provisions of the Housing Act 2004, subsequent regulations and official guidance.
- 2.8 There are 29 types of hazard and four classes of harm associated with the hazards. Class 1 being the most severe, Class 4 as the least severe which includes moderate health outcomes. Following an assessment, hazards are banded into two categories: 1 and 2. The LHA must take action for a category 1 hazard and it may take action for a category 2 hazard. There are seven options for action:
- a. To serve a hazard awareness notice
 - b. To serve an improvement notice
 - c. To take emergency remedial action
 - d. To serve a prohibition order
 - e. To serve an emergency prohibition order
 - f. To make a demolition order
 - g. To declare a clearance area

Overcrowding

- 2.9 It is a criminal offence to permit a dwelling house to be overcrowded.
- 2.10 An inspector will calculate the permitted number eligible to occupy a dwelling house based on the size and number of rooms available for sleeping. All living rooms and bedrooms are taken into account and a child under the age of 10 is counted as half a unit. Any child under the age of 1 is disregarded.
- 2.11 An inspector will also consider whether any person over the age of 10 years is forced to share a room with a child of the opposite sex.

Houses in Multiple-Occupation (HIMOs)

- 2.12 The rules establishing the status of a house in multiple-occupation are complex. There are a range of exemptions for public Authorities and institutional student accommodation (these exemptions may be qualified by the operation of Codes of Practice). A house shared by no more than two persons is not a house in multiple-occupation. Similarly, a building shared by owner occupiers or long leaseholders is unlikely to be a house in multiple-occupation. In any event, a building occupied by more than two thirds owner-occupiers or long leaseholders is not caught by the definition. In some cases where there is mixed use of a building (such as part commercial use) a local Housing Authority may still declare the building a house in multiple-occupation.
- 2.13 All houses in multiple-occupation are subject to regulation ensuring that there are satisfactory management arrangements in place. There are duties to repair and maintain the fabric, facilities and equipment in the building and occupiers must not prevent managers in the exercise of their duties.

The tests to establish a house in multiple-occupation are as follows:

- The Standard Test
- The Self- Contained Test
- The Converted Building Test

Licensing

- 2.14 Licensing gives additional controls over houses in multiple-occupation by the use of licence conditions and providing penalties for non-compliance. The effect of the licence is to authorise occupation of the house in multiple-occupation or other dwelling to which a scheme might apply.

Licensing Options – Private Sector Rentals

- 2.15 There are several different types of licences:

Mandatory HIMO Licence

- 2.16 A Mandatory HIMO (house in multi occupation) Licence for a landlord of a house in multiple occupation that is three or more storeys, shared by five or more people living in two or more households.

Article 4 Directions

- 2.17 Article 4 Directions remove the right to carry out certain types of 'permitted development'. If a landlord wants to carry out work that is covered by an Article 4 Direction, planning permission needs to be applied for.
- 2.18 Where planning permission is granted, but the Local Authority has concerns that work done in the future under 'permitted development' may give rise to problems; the Local Authority may put a condition on the planning permission. Such conditions state that planning permission needs to be obtained for the types of work specified. Conditions are often imposed:
- on properties with small gardens, to prevent extensions or outbuildings taking up too much of the open area around a property;
 - to limit the conversion of integral garages, if there is concern that it would leave the property without adequate parking space;
 - Where there is concern that a new window in a particular wall could affect the privacy of a neighbour, if put in without planning permission.

Discretionary Licensing Schemes

- 2.19 Discretionary Licensing Schemes, permitted under the Housing Act 2004, aim to address poorly managed private rented properties. The Act gives Local Authorities the power to designate areas for additional houses of multi-occupancy (HIMOs) licensing or Selective licensing. Additional licensing can be introduced to tackle HIMOs being poorly managed, or that are overcrowded, where their conditions affect the environment and/or where tenants are causing anti-social behaviour. Selective licensing can be introduced where there is a low demand for housing and/or where there is a problem with anti-social behaviour, some of which is caused by private tenants living more securely in reasonable housing conditions. Until March 2010, discretionary licensing schemes could only be set up with the approval of Communities and Local Government. From 1 April 2010, Schemes can be approved by Local Authorities.

2.20 Parts 2 and 3 of the Housing Act 2004 provide powers for Local Housing Authorities to designate areas, or the whole of the area of its district, as subject to discretionary licensing in respect of private rented accommodation. With regard to Part 2 designations, the Local Authority must consider that the ineffective management of a significant number of HMOs is likely to give rise to problems for occupants or members of the public. With regard to Part 3 designations, the Authority must consider that amongst other criteria, the area is experiencing significant problems caused by anti-social behaviour which the private sector landlords are failing to tackle.

Additional Licence

2.21 This Licence may be required for landlords that operate a house of multiple occupation that is shared by three or more tenants living in two or more households. This excludes houses in multiple-occupation that require a mandatory licence.

Selective Licensing Scheme

2.22 Section 80 of the Housing Act 2004 allows Local Authorities to apply for Selective Licensing. Selective Licensing gives Local Authorities the powers to licence privately rented accommodation in a prescribed area where it has low housing demand, or a serious problem with anti-social behaviour and that the problem is compounded by landlords who are not properly managing their properties.

2.23 Section 80(4) of the Act requires the Authority to consider the following factors when judging if an area is subject to low housing demand:

- The value of residential premises in the area, in comparison to the value of similar premises in other areas which the Authority considers to be comparable (whether in terms of types of housing, local amenities, availability of transport etc.)
- The turnover of occupiers of residential premises.
- The number of residential premises which are available to buy or rent and the length of time for which they remain unoccupied.

2.24 Before considering Selective Licensing, 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 those issues.

A set number of criteria must be met for a Local Authority to introduce a Selective Licensing Scheme.

3 Evidence Collection

3.1 Evidence was collected from a variety of sources:

3.2 Background data

- [Private Sector Housing Strategy](#)
- Changes over the last ten years and future trends (Copy of presentation at Appendix B)
- [House Proud – How Council's can raise standards in the private rented sector](#)

3.2.1 Empty Homes Programme 2012 - 2015

3.2.1.1 Northampton Borough Council (NBC) bid for, and was awarded, £1.89 million from the Homes and Communities Agency's Empty Homes 2012-2015 Programme.

3.2.1.2 The conditions of the scheme:-

- 105 empty homes must be brought back into use and occupied by March 2015, 90 of these properties are on a Lease and Repair basis (whereby the Council leases the property and the grant is used to bring the property up to Decent Homes Standard). The remaining 15 properties are on a Purchase and Repair basis – whereby the Council purchases the properties outright. (The grant money cannot be used towards the purchase cost)
- The homes must have been empty for a minimum of six months and cannot be social housing (or former social housing).
- The properties must be let on an Affordable Rent basis and the Homes and Communities' Tenancy Standards must be adhered to. The Council offers the tenancies to households on its Housing Register on a non-secure five year Tenancy with a one year Introductory Tenancy. (The lease agreement between

Northampton Borough Council and the owner must be for a minimum of six years)

3.2.2 Affordable Housing Interim Statement

3.2.2.1 The definition of affordable housing:

- Social rents - typically 60-70% of market rents
- Affordable rents – 80% of market rent
- Shared ownership properties
- Discount market products – for example 70% of the property is purchased. 30% is kept by the third party

3.2.2.2 35% of affordable housing is provided in the majority of new build sites in Northampton. It is not viable for there to be 35% affordable housing on all sites.

3.2.2.3 Central Government highlights that it expects Planning Authorities to be fair to developers and not overload them with costs; for example, one cost is affordable housing. A Government issued methodology is looked at to agree whether a site is viable for affordable housing.

3.2.2.4 230 affordable houses were provided in the borough in 2013/2014, comprising a mix of social rent, affordable rent and shared ownership.

3.3 Core Questions

3.3.1 The Scrutiny Panel devised a series of core questions that it put to key witnesses over a cycle of meetings (Copy at Appendix C).

3.3.2 Key witnesses provided a response to these core questions at the meetings of the Scrutiny Panel held on 5 December 2013, 23 January 2014, 13 February, 13 March and 30 April 2014.

3.3.3 Salient points of evidence:

Cabinet Member for Housing, Northampton Borough Council (NBC)

- The current priority is to tackle poor management standards in the approximate 1,500 Houses in Multiple Occupation (HIMOs) in the town and develop ways to maximise the support the private sector can give to meet housing need and homelessness.
- Plans are currently being developed in the context of a wider review of strategic housing services and the development of the Private Sector Housing team as it moves into Public Protection. The new Private Sector Housing Service will tackle poor management and conditions in all privately let homes including HIMO's.
- Following consultation, it is hoped there will be support for HIMO licensing to be widened to cover all types of HIMOs in the town in the "HIMOs hotspots".
- It is being made easier for people to complain through the introduction of the HIMO hotline. There is a greater emphasis on proactive working with the development of officer "beats" so poor conditions can be picked up out in the street. Officers will actively detect poor management and rogue landlords.
- Officers are being encouraged to develop a comprehensive enforcement approach encouraging and supporting good landlords so they are recognised as "letting champions".
- The Council's Housing Strategy will provide the lead for meeting housing need and revitalising empty homes.
- It is recognised that changes to the welfare benefits system may impact disproportionately on private rented tenants; who may be more vulnerable to eviction as income levels decrease, either through the effects of the "bedroom tax" or the welfare benefit cap. Tenants are already helped through the application of local discretionary payments, the development of debt advice services and there is a multi-partnership approach to helping tenants maximise income. It is further planned to look at effective tenancy advice services for tenants threatened with eviction for rent arrears and the service investigating complaints of harassment and unlawful eviction has been strengthened.
- The Borough Council can maximise benefits of private rented properties in Northampton by working with landlords and the University to agree a Northampton standard for rented homes.
- The Borough Council can ensure that local policies are developed assist in rental arrears claims for those affected by cuts in benefits and

encourage landlords to take on tenants who may be out of work and homeless tenants.

- The Borough Council needs to educate tenants and landlords to be considerate to local communities. Road shows with the University are already run and tenants are given talks, advice and promotional materials. Landlords are accredited by the University and the Borough Council is a partner in the accreditation scheme and meets with the University and landlord groups. It is planned to do more and make sure that the Landlord Forum meets at least annually so matters in common can be discussed.
- The Borough Council has a range of enforcement powers which it uses when it receives complaints and enforcement will continue to play a significant part in making sure that any adverse impact is addressed.
- Landlord Accreditation schemes are useful schemes to help engage with landlords. They are discretionary schemes and in general aim to ensure that landlords have the necessary knowledge and skills to run a successful letting business. They may also cover the conditions within the letting so ensuring that at the time of accreditation the rental premises was at the necessary standard. They are often used in connection with the “fit and proper person” test as a matter that may be taken into account when deciding if a person is a fit and proper person to hold a licence.
- The Borough Council does not operate its own scheme as a large number of houses in multiple- occupation in the town serve the student market and the University has its own scheme. It would be sensible to reserve a position at this time in relation to what additional benefits the Borough Council would receive in running its own scheme but this should be a future consideration. This could include incentives such as a reduced licence fee.
- There is only one option that is likely to meet the stringent statutory requirements and this is Additional Licensing. This is the subject of an ongoing consultation and will be considered in the light of the consultation response. Officers do not consider that the statutory pre conditions for a Selective Licensing Scheme exist in the town.
- A Best Practice Guide for Northampton’s private sector landlords would be a useful tool and the contents from the Oxford Guide are helpful.
- Licensing of HMOs could be improved and is a subject of ongoing development which will be undertaken in partnership with the NLA, other landlord associations, residents groups and Council officers over the next twelve months.
- There are areas of high density that are contributing to changed local environments and local economies and are likely to be an effect of the

student market. There is a need to do more work to understand the true impact of this and whether there is a close relationship between citizen perceptions and the size and nature of real effects on local communities and neighbourhoods which have absorbed high density areas of private letting. There is also a need to see if such areas are disproportionately affecting the demand for specific local public services and the range of these services affected.

- A number of ward Councillors have casework in relation to HIMOs; there are a number of problems in two storey properties also.
- The first step of the process is to acquire details of HIMOs in the borough and implement additional licensing, the next stage being the implementation of a Policy.
- Various landlords work together in relation to HIMOs, therefore Additional Licensing is key.
- It is apparent that some landlords are obtaining foreign students as tenants before they have come to University and actually viewed the property.
- The Private Sector Housing Team has received anecdotal evidence of properties that have been privately let to single families being sub-let, turning them into HIMOs.
- Once Additional Licensing is in place, landlords will be issued with a certificate detailing the level of star that the property has been awarded. The certificate could be displayed in the window of the property.

Interim Private Sector Housing Manager, Northampton Borough Council

3.3.4 Key points of evidence:

- The Private Sector Housing Team is very committed. The Team comprises a Team Leader, two HIMO Officers (FTE) and a contract Officer who is paid per licence issued. Qualified surveyors are working on the Project also.
- The Team undertakes a lot of door knocking and has identified a number of Houses in Multi-occupancy (HIMOs) for example, the Council tax registered showed just eleven HIMOs in Sunnyside, but the door knocking exercise has shown that there are in the region of 120.
- There are specific powers for Local Authorities regarding the power of entry. If a complaint is received, entry can be insisted upon. If entry is refused a warrant can be applied through the Magistrates Court and entry can then be obtained. The visit would be undertaken together

with Police presence. The Council has immediate right of entry with HMOs, with other private lets; 24 hours' notice has to be given. It is very rare that such powers are used.

- The consultation regarding Additional Licensing opened on 3 December 2013 for ten weeks, closing at 5pm on 10 February 2014
- The main medium used was the Council's website, in addition an advert was placed in the local press, a telephone line was dedicated to the consultation a meeting was held with landlords and a door knocking survey took place, with officers speaking with tenants in HMOs, residents – both tenants and owner-occupiers and local businesses
- There were 2,500 hits on the website
- 214 completed questionnaires were received, of which 73 were completed on line, 141 via the door knocking exercise
- There was 500 different kinds of responses which consists of two polarised groups – for and against
- The main areas of consideration were in respect of anti-social behaviour and health and safety in properties

Mandatory Scheme

- Known licensable (3 storey HMOs): 253
- 201 licensed from 2006, leaving 52 residue of which 11 no longer require a licence (change of circumstances) leaving 41 licensable HMOs outstanding which are currently being chased.
- Currently 100 are due for a renewal as the initial licences are now beyond five years old and are currently being progressed under a structured renewal programme and using specialist resources.
- Current Scheme of Fees for Mandatory Licensing:
 - Up to five rooms: £682.63
 - Over: £20.00 per room
 - 5 year licence period

Additional Licensing Scheme

- £324.00 for a three year licence (£540.00 aggregated over 5 years as comparison)
- Proposed that the Scheme is reviewed in three years times as accreditation is developed to complement licensing and other enforcement activities. Anticipated that accreditation could be subsequently operated at a significantly reduced fee.
- Currently awaiting sign off on public notice.

- 6 weeks publication period
- Going live approximately mid- August 2014

HMO Officer, Northampton Borough Council

3.3.5 The points of evidence below relate solely to the HMO Officer's area of the survey and were provided as an example to the Scrutiny Panel. They are not in relation to the total responses of the other participants.

Key points:

- In excess of 35 people were spoken to as part of the door knocking exercise in respect of the consultation regarding additional licensing.
- The HMO Officer knocked on over 150 doors
- Anecdotally, most people were supportive of the introduction of additional licensing
- A number of people were aware of HMOs in their area and had made comment regarding noise nuisance, problems with rubbish

Team Leader - Fire Safety, Northamptonshire Fire and Rescue Service

3.3.6 Key points:

- Northamptonshire Fire and Rescue Service welcomes a greater degree of control
- There are around 1,200 houses of multi-occupation (HMO) in the borough of Northampton. The Fire Service has more difficulty with non-regulated HMOs to that of regulated
- Un-registered HMOs are of concern to the Fire Service; for example, houses that are a single family let being sub-let
- The Fire Service works closely with Northampton Borough Council (NBC)
- It is possible that there could be an increase in student accommodation in other areas of the town, such as Delapre, as there is hearsay that landlords are buying properties
- The introduction of a Registration Scheme would be welcomed
- Under the Regulatory Reform (Fire Safety Order) 2005, Fire Officers have power of entry, can take statements and bring about prosecutions. Currently there are a couple of on-going cases
- Should Fire Crews become aware of "suspicious" HMOs, they notify the Fire Safety department

- A leaflet setting out licensing and registration responsibilities of landlords and tenants would be useful
- A hotline for the public to notify the Local Authority of HIMO's would be useful
- The introduction of an Accreditation Scheme is supported. Accredited properties only require inspection once every five years due to the standard of property

Community Safety Partnership Manager, Northampton Borough Council (NBC)

3.3.7 Key points of evidence:

- Some of the areas in Northampton with the highest burglary rates are predominantly made up of rental properties owned by Private Sector Landlords. Community Safety representatives frequently have issues in obtaining access to these properties in order to provide target hardening advice and work, and also gaining permission from the landlords to undertake the work. This, therefore, increases the likelihood of these properties becoming repeat targets
- It is very hard for the Police to ascertain who is residing in these properties
- Where anti-social behaviour (ASB) is concerned, the same approach is taken towards private tenants as with any other property type. There has been very little ASB reported to the Anti-Social Behaviour Unit that can be specifically attributed to Houses in Multiple Occupation (HIMO's)
- It would be beneficial for Private landlords to adopt a structured vetting process of tenants, and being in a position, if required to provide information to the Police as to who is occupying their properties, especially houses of multiple occupation
- Regular checks on HIMO's should be undertaken to ensure they are meeting required standards and if not, enforcement action taken against breaches
- The development of a multi-Agency meeting, two to three times a year, to enable two way discussions/information sharing would be useful
- An arrangement with the larger Private Sector Landlords to obtain blanket permission to undertake target hardening on their properties should be agreed
- Any scheme that encourages improved standards and promotes quality living accommodation should be considered. There is, however, a

strong likelihood that those landlords who do not offer a property of an acceptable standard, and consistently breach regulations will be reluctant to sign up to such a scheme

- Possible incentives:
 - NBC recognition, supported by accredited promotional material such as a property window sticker
 - Reduced licence fees
 - Direct Housing Benefits payments to landlords
- 'Additional Licensing Area' for HMO's, covering area where there are high levels of HMO's is already being progressed and currently out to consultation
- 'Selective Licensing Scheme' - should there be issues in specific areas relating to anti-social behaviour or low letting levels, consideration could be given to a 'Selective Licensing Scheme' such as the one currently in place in the South Beach area of Blackpool. At this moment in time, Community Safety is not aware of any areas within Northampton that would require this
- A Best Practice Guide for Northampton is worthy of consideration and should be linked to an Accreditation Scheme
- A leaflet setting out the rights and responsibilities of landlords and tenants would be useful
- From a Community Safety perspective, the following was suggested:
 - Security - examples of acceptable/recommended security measures
 - Personal Safety - tips and advice for tenants
 - Anti-Social Behaviour – undertaking/outlining practical steps to prevent or reduce ASB for tenants and their visitors, or using the premises for illegal purposes
 - Refuse and waste - depositing responsibly and legally of refuse and unwanted goods
 - Fire Safety – Licence Holders responsibilities
- The Community Safety Partnership is aware that some of Northampton's areas with highest burglary are predominantly rental properties, and often private rented. These areas are also known to be where student 'lets' are located. There is often an issue obtaining access to these properties in order to provide target hardening advice and work, and also gaining permission from the landlords to undertake

the work. This increases the likelihood of these properties becoming repeat targets

- The Community Safety Partnership has developed an excellent relationship with The University of Northampton, and crime prevention advice and messages are regularly provided through the 'Uni Net', with supporting roadshows linking in with Fresher's week and other themed events
- Standards/quality of properties varies from poor to very good Landlords are slow to respond to crime prevention issues when flagged with them
- Overall, the number of private rental properties in Northampton is higher than the national average
- Main concerns :
 - Numbers of people in HMOs (over occupancy due to bed rota's and sofa surfing)
 - Standard and quality of security measures on/in properties
 - Difficulty in engaging with landlords (i.e. seeking permission to undertake target hardening work)

Representative, Northamptonshire, National Landlords' Association, (NLA)

3.3.8 Key points of evidence:

- The National Landlords' Association (NLA) provides a comprehensive range of benefits and services to its members and strives to raise standards within the private rented sector
- The ability to introduce Licensing is a powerful tool. If used correctly it can resolve specific issues
- NLA has supported many Local Authorities with the introduction of a Licensing Scheme
- The legislation in relation to Selective Licensing states that the introduction of licensing has to be evidence based, either through anti-social behaviour or low housing demand. One of the risks of a Selective Licensing Scheme could be that costs are passed through to tenants, increasing costs for those who rent in an area, along with the cost to the Council
- Any regulation of the private rented sector needs to be balanced
- NLA is not against regulation but does not support "blanket regulation"

- A key concern over the creation of Licensing Schemes is resources
- Some landlords, most often due to ignorance rather than criminal intent, do not use their powers to manage their properties effectively. There is a need to identify issues and assist landlords to develop the required knowledge and skills to improve the sector through Schemes, such as the NLA Accredited Landlord Scheme. This would allow Northampton Borough Council to target the criminal Landlords – a joint approach is required
- The development of a Strategy that can also include action against tenants that are persistent offenders would be useful
- NLA can assist Northampton Borough Council (NBC) with the implementation of various Strategies
- A short leaflet, in a number of different languages, with hyperlinks to various key information websites, would be useful tool for tenants and landlords
- NLA has a Scheme of On-line training that it can offer to NBC, free of charge
- NLA can also offer guidance information for tenants to NBC, free of charge
- Both Sales and Letting Agents in the town now offer rentals
- Problems with one-bedded flats are less likely; but problems are often “hidden” in suburbia in family sized houses
- Most landlords prefer long-term tenants
- A rent cap would not be beneficial

Association of Residential Letting Agents (ARLA)

3.3.9 Key points:

- It can be a common perception, but is very often unsubstantiated, that there is hard evidence that private let properties impact adversely on communities
- Where there are complaints, it often concerns discrimination against tenants of a different ethnic group, or from a different culture who live in different ways
- Regarding issues such as anti- social behaviour, disposal of rubbish etc. Local Authorities already have adequate powers to address these through Waste Management Orders, ASBOs etc.

- Property conditions can be dealt with by means of the Housing Health and Safety Rating System as an ultimate deterrent where landlords do not keep the property up to the correct standards
- Voluntary Landlord Accreditation schemes do not work regardless of the incentives. The good landlords join and the bad go further underground and ignore
- Mandatory HIMO licensing does work if the Local Authority is robust in enforcement. However, many Local Authorities do not use these powers fully because of the cost. Discretionary licensing can work if focused on specific problem areas in the town; success is down to the resource and effort applied by Officers responsible
- The London Borough of Newham introduced a mandatory scheme for all private rented properties and have had some success but also discovered it was not an immediate panacea and are now required to put a lot of human resource into the Project. Bournemouth Council announced it was going to use Article 4 and then did a complete turnaround
- A Best Practice Guide would be useful for both tenants and landlords and could include:
 - Written tenancy agreement which spells out in plain language both parties obligations including repairs, anti-social behaviour, waste disposal
- Students are often described as young people in general. Many Local Authorities who have felt they had issues with students actually discovered it was just young people in the area, including students and associated friends
- Private lets are mixed in Northampton, 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

Planet Too Co-ordinator, Students' Union, University of Northampton

3.3.10 Key points of evidence:

- To ensure that private let properties do not impact adversely on neighbourhoods information should be provided and participation encouraged in the local communities. People tend to disrespect other

people who they do not know or feel detached too. When people feel a part of a community or know people they will develop respect and will be less likely to be noisy late, for example

- Landlords should be offered incentives. An Accreditation Scheme will help increase the standards of houses, including environmental standards
- A Best Practice Guide would be useful, particularly for landlords new to the sector. Experienced landlords in Northampton should be consulted on the contents of this as their local knowledge is invaluable
- Local community resources:
 - Local certified trade and building companies
 - Theft protection
 - Insurance
 - Gas, Electric and Water safety and regulations
 - Water dampness and mould prevention
 - Useful resources, groups and associations
 - Best practice with tenants to build good relationship
 - Resolving conflict and emergency situations
 - Local council issues
 - Environmental sustainability – recycling tips, insulation, draught proofing, solar PV & heating, ground source heat pumps, water saving, food growing, water butts, wood burner heaters.
 - Funding, grants and loans available for refurbishments
 - Public transport
- There is adequate supply of student housing
- Question and answer sessions, similar to that that took place at the Annual Student Landlord meeting worked well; to bring issues to the surface, release tension and most importantly develop a real relationship with Council and landlords. Inclusive policies where landlords feel they have ownership and input will have a positive influence
- There is a good overall standard but experienced landlords need to have ways to share knowledge to new landlords so common pitfalls are avoided, and raise living standards and welfare of private housing
- There is large scope for renewal and refurbishment of housing to increase energy efficiency and standards. Surveys and benchmarking are needed to accurately assess the current situation in Northampton so progress can be measured
- It is of utmost importance to make housing as energy efficient as possible given the projected increase of houses and the limited use of resources. Technology such as solar PV, solar heating, and wood

burning stoves should be implemented where possible to reduce the demand on the national grid and on oil and gas as well as strengthening the local energy resiliency of Northampton going into the future. Opportunities, resources, groups and advice on food growing should also be encouraged by landlords to tenants. Local food growing initiatives have many benefits, including building community, increasing health and lowering pressure on the NHS, reduce food miles, increase food security of Northampton, provide a safety buffer for future uncertainties, reduce carbon emissions, increase wellbeing, bring local people together, reduce crime and offer opportunities for youths at risk

Student Accommodation Officer, Northampton University

3.3.11 Key points:

- The Northampton Student Accommodation Accreditation Scheme is a good example of how property and management standards can be improved. A similar scheme may help to achieve some of these objectives
- A landlord accreditation scheme can help to enhance property and management standards
- The offering of incentives should encourage the “take up” of any scheme therefore they should be offered. They may also increase the impression of “partnership working” and help to offset any negative issues relating to any charges for the scheme
- The introduction of a Best Practice Guide would be beneficial. Possible areas to include:
 - Housing standards and Safety Condition/ Housing Health and safety rating system
 - Gas Safety
 - Electrical Safety
 - Safety relating to furniture and furnishings
 - Overcrowding
 - Fire safety
 - The different forms of legal agreement
 - Good Management Practice:
 - Marketing information
 - Legal Agreement
 - Inventory

- Induction/orientation
 - Inspection for Repairs
 - Repairs
 - Right of entry
 - Anti-Social behaviour
 - Gardens
 - Smoking
 - Pets
 - Deposits
 - Rent Arrears
 - Council tax
 - Ending a residency / unlawful eviction
- Houses in Multi Occupation (HIMOs) / Licensing
 - Protection for Tenancy Deposits / Government Authorised Deposit Schemes

- Generally the student housing provision is working well. The majority of students live in safe and affordable accommodation.
- There appears to be good liaison between Northampton Borough Council, National Landlords Association, DASH and the University
- A significant proportion of students currently live in properties which are neither licensed nor covered by an accreditation scheme. There are also a few landlords/properties which have given rise to concern over the past few years
- It will be interesting to see the impact which the new halls of residence will have on the accommodation market. The introduction of 465 bed-spaces may lead to a “buyers” market which could see some properties unlet. If so, the pertinent issue will be whether students choose to differentiate by quality, location or cost
- Private lets in Northampton are generally good

Environmental Health Manager (Environmental Protection), NBC

3.3.12 Key points:

- The extent of the impact of private let properties on the occupiers of neighbouring properties depends upon a number of factors. The most significant factor is the behaviour of the residents present in the property, but the number of residents living the property and the construction of the building will also affect the impact caused.

- Building regulations ensure that new build properties are provided with sufficient sound insulation to restrict the passage of sound to neighbouring properties. In cases where conversion from single to multiple-occupancy requires planning consent, similar controls can be imposed and requirements to provide adequate refuse storage can be enforced. Even if the construction of the property is up to a high standard, adverse impact can be caused to neighbours if occupiers behave in an unreasonable manner. Interventions to control the impact of let properties should focus on occupiers and their landlords.
- A combination of education and enforcement actions are likely to be the most effective means of ensuring that private lets do not have an adverse impact on the neighbourhood.
- Under nuisance legislation, it is possible to take enforcement action against the person responsible for the nuisance and the also against the owner or occupier of the property that is the source of the nuisance. Noise can be controlled using this legislation. Action will involve the service of an abatement notice and if that notice is breached, prosecution, works in default and/or seizure of noise making equipment. Control of problems with accumulations of waste is also possible under this legislation. Other witnesses have provided details of the possible legal measures to control the management of Houses in Multiple Occupation.
- Currently, Environmental Protection does not collect a full range of statistics to give an indication whether rented properties cause more problems than owner occupied but the perception is that they do.
- There is the need for fully joined up working and the sharing of information with all parties within NBC/Police/Fire Service.
- There are issues with rapidly changing tenants and some problems with incompatible lifestyles.
- A Landlord Accreditation Scheme has the potential to set a standard for let properties. As the Schemes are discretionary, it is likely that the good landlords will reach the required standards, whilst the poor landlords have no reason to do so. The use of incentives may be appropriate, such as the qualification for the “fit and proper person” test or reduced fee for Licensing. This is in common with the schemes in other fields where a demonstrated good standard of compliance will result in less regulatory involvement.
- It is important that Environmental Protection can feed into assessment of problems experienced with specific landlords.
- The value that responsible landlords can add to control of impact of tenants’ behaviour is recognised.

- It is considered that the additional licensing is the most appropriate option for Northampton. This is because the mandatory scheme does not deal with a sufficiently wide range of properties. In Northampton, problems with noise and refuse have been experienced from a number of two storey HMOs. The Environmental Health Manager (Environmental Protection) is not aware of any evidence to support the introduction of a selective licensing scheme in the Borough.
- A Best Practice Guide would be very useful and could include:
 - Guidance on issues to consider before letting a property such as tax and insurance
 - Options for property management
 - Guidance on tenancy options, rent and deposit schemes
 - The rights and responsibilities of both landlords and tenants and what measures landlords should take to minimise problems caused by tenants
 - Information on the required standards of properties, health and safety requirement such as gas safety checks
 - Key details of the legislation about housing HMOs/ housing Health and Safety Rating System
- The University Accommodation Team works well with Environmental Protection to address problems caused by students living in rented accommodation. In serious cases of noise nuisance, approaches are made to the University and the additional sanctions it can apply have proved to be effective at resolving problems
- The Licensing of HMOs and the Council's other work to engage with landlords is beginning to have a positive impact on the situation. This type of work takes a significant amount of resources and does not necessarily deliver immediate results. It is important for there to be joined up work of all Agencies involved
- The private rented sector in Northampton is very diverse. In terms of impacts dealt with by Environmental Protection, specific data on occupancy type is not collected so it is not possible to give statistics on the proportion of complaints from rented properties. The stats that have been obtained show that 2% of domestic noise complaints definitely relate to HMOs. However recording is not consistent so this figure should be treated with caution
- The perception of officers in the team is that HMOs, particularly the larger ones, give rise to significant numbers of noise and refuse

complaints. However, this is very dependent upon the management of the properties and the behaviour of individual tenants

- There are often difficulties in obtaining information regarding the identity of tenants, for example, in respect of noise in a HIMO and who is actually responsible

Neighbourhood Wardens, NBC

3.3.13 Key points of evidence:

- It is necessary to ensure that private let properties are well managed by landlords and managing agents to control issues including waste, noise, general maintenance and upkeep, parking, to engender a sense of pride in the area
- The Borough Council should work with landlord and managing agents to promote a high standard of accommodation
- It is considered that the role of letting agents must be recognised and they should be supported in ensuring that properties are well managed. The Neighbourhood Wardens are aware of a number of instances of absentee landlords where the only control over the property is carried out by the letting agent
- A combination of education and enforcement should be used to ensure that standards are met and maintained - recognising that responsible landlords will respond positively to education but there are significant numbers of less responsible property managers where enforcement action is needed to secure compliance
- A Landlord Accreditation Scheme could have some merit, unless such a scheme is mandatory only the responsible landlords will comply with requirements
- Additional Licensing is the most appropriate option for Northampton. This is because the mandatory scheme does not deal with a sufficiently wide range of properties. In Northampton, problems with noise and refuse have been experienced from a number of two storey HIMOs. The Neighbourhood Wardens are not aware of any evidence to support the introduction of a selective licensing scheme in the Borough
- A good practice guide for private sector landlords would be a useful tool
- The guide should include information on legal requirements for landlords and tenants. It should provide examples of good ideas like starter packs for tenants giving them information on their refuse collection, local amenities and useful contact numbers. It should also outline details of topics such as financial requirements, good practice regarding safety

- In common with the overall rented sector the standard of student housing provision in Northampton is very variable. There are some examples of excellent provision, particularly the accommodation provided by the University. There is also a significant amount of very poor property where tenants are in unsafe and unsuitable properties
- It is important that regulatory Authorities use the Fresher's Fair and other opportunities to engage with students and advise them of their rights and responsibilities
- The Council's work on the licensing of HMOs and other engagement with landlords is working reasonably effectively. The work requires significant resources to work effectively. It is important that all partner Agencies work together to maximise effectiveness
- The private let sector is varied; there is some excellent provision, with responsible landlords providing high quality properties. There is also a significant amount of sub-standard accommodation, particularly in the HMO sector where ongoing enforcement is needed to secure an improvement in standards
- There are concerns about the impact of the recent changes in the arrangement for the payment of Housing Benefit direct to tenants, rather than to landlords
- If an Accreditation Scheme was to be implemented, a visible sign of accreditation should be displayed at the properties to allow prospective tenants and enforcement officers to be aware of the status of the property

Northampton Diverse Equalities Community Forum

3.3.14 Two members of the Northampton Diverse Equalities Community Forum provided a response to the core questions of the Scrutiny Panel. Key points:

Respondent one:

- Concerns whether the scope of this scrutiny Review deals sufficiently with discrimination issues and other salient issues to black and minority ethnic communities
- The respondent is aware that some letting agents and private landlords currently discriminate against certain racial groups in letting property and unlawfully directly discriminating. This has the consequence of greater difficulties for some racial groups in finding housing
- This is also a difficulty for people with disabilities or families with disabled children. Often people are discriminated against in this way are unaware of discrimination taking place as housing that is available is simply not offered to them

- People have approached the respondent with expiring entry clearance (and thus legally allowed to live in the country) who have landlords that are unwilling to extend Tenancy Agreements as the outcome of further or indefinite leave to remain, applications have not been received. This practice directly discriminated against victims. The respondent is concerned that this practice may become more widespread as the Government discusses the requirement for Landlords to check the immigration status of potential tenants in the forthcoming Immigration Bill
- As housing shortages increase there are more and more people living in the town in the private rented sector in areas where private rented housing has not been seen before. In these situations the respondent is concerned about the potential for the undermining of good relations in communities as a result of prejudice and discrimination based on socio-economic differences and class
- Little work has been done in the town on issues of human trafficking and slavery. The location of the town close to large motorway infrastructure and large agricultural sites, the increasing cases of cannabis farming and significant of the sex industry in the town create conditions where trafficking and slavery are likely to take place. Any scrutiny activity that looks at HIMO's should look to see if there could be better working together to act to end trafficking or slavery as a result of increased knowledge and awareness of Housing professionals and other council officers. Northamptonshire Racial Equality Council (NREC)'s immigration service in the past did pick up clients where there were concerns about trafficking and slavery. Additionally the arrests made through the multiagency initiative Operation Ruby in 2008, highlights the vulnerability on Northamptonshire towns on this issue

Respondent two:

- Landlords and Letting Agents need to be responsible, not only for the property they let, but for the upkeep of those properties by their tenants, supporting tenants regarding understanding and expectations, property (standard/expectations), neighbourhoods/upkeep-refuse in line with all Public sector support services information
- Educational workshops/ information sharing collection should be developed to prevent negative/unreasonable actions by private sector tenants that impacts negatively on neighbours/neighbourhoods
- Schemes/training that is developed should be made available to all Landlords and Letting Agencies from the outset in order to ensure the opportunity is available to all regarding becoming accredited. The

respondent is supportive of raising housing standards across all community areas of Northamptonshire

- There should be Information sharing through, and with the support of NBC, providing workshops/information support services
- The standards and quality and condition of properties being let should be raised, generating a sense of pride and may naturally then trigger better information sharing and monitoring of property upkeep by tenants from Landlords/Letting Agencies
- A register of all Private landlords and letting Agencies across Northampton/Northamptonshire needs to be developed
- A Best Practice Guide should be produced by Northampton Borough Council , Northamptonshire County Council, Universities and Colleges-Accredited Private Sector Landlords/Letting Agencies and include details:
 - Equalities Statement/Act
 - Area/Property Rental Pricing Guidelines
 - Housing Policy Statement re Standards /Upkeep
 - Contact details of Public Sector Support Service Provisions
 - Complaints Procedure-condition/management of Property in line with expectations from all re upkeep
 - Neighbourhood Map/brief area historical information
 - Repairs management
 - Education and awareness raising for private sector landlords and agents is required
 - Landlords/letting agencies need to take more responsibility.

SHELTER

3.3.15 The Policy department, SHELTER, confirmed that it is unable to provide a response to the core questions of the Scrutiny Panel.

3.3.16 HM REVENUE AND CUSTOMS (HMRC)

3.3.16.1 The Campaigns Policy Lead Officer, HMRC, confirmed that HMRC is not able to provide specific advice or guidance and is therefore unable to provide a response to the core questions of the Scrutiny Panel. A lot of information is available regarding private sector lettings both on the websites of [HMRC](#) and [gov.uk](#). Helplines have also been set up to provide guidance and assistance to individuals.

- 3.3.16.2 HMRC commenced on a campaign in 2013/14 to raise awareness regarding the obligations to HMRC; such as the requirement to inform HMRC as soon as a property is available for letting.
- 3.3.16.3 HMRC reports that the Let Property Campaign gives individuals an opportunity to bring their tax affairs up to date if they are an individual landlord letting out residential property in the UK or abroad and to get the best possible terms to pay the tax that they owe.
- 3.3.16.4 If tax is owed on the letting income, HMRC should be informed about the income that has not been declared by making a voluntary disclosure. Once HMRC has been informed, the applicant has three months to calculate and pay what is owed.
- 3.3.16.5 Individuals can report previously undisclosed taxes on rental income to HMRC under the Let Property Campaign if they are an individual landlord renting out residential property. This includes:
- renting out a single property
 - renting out multiple properties
 - a specialist landlord, e.g. student or workforce rentals
 - renting out a room in your main home for more than £4,250 a year or £2,125 a year if letting the property jointly, i.e. above the [Rent a Room Scheme](#) threshold
 - living abroad and renting out a property in the UK
 - living in the UK and renting a property abroad
 - renting out a holiday home even if you use it yourself
- 3.3.16.6 This Scheme cannot be used to declare undisclosed income by a company or a trust renting out residential properties or renting out commercial properties.
- 3.3.15.7 There are many reasons why landlords may misunderstand the rules and so not pay the right amount of tax. It provides examples of tax errors that landlords in its document “Representative Case Studies”.

3.3.17 [GOV.UK](#)

- 3.3.17.1 [Gov.uk](#) contains useful guidelines for private sector landlords and tenants, FAQs and other such information for landlords and prospective landlords such as:
- Renting a property; tenants’ responsibilities
 - Renting out your property
 - House in Multi Occupation

- Private renting
- Renting a room in your property
- Rents, lettings and tenancies data

Northamptonshire Federation of Residents' Association

3.3.18 Key points:

- There is a need for rigorous, regular inspections of HIMO's
- All complaints should be investigated
- A Landlord Accreditation Scheme is not supported.
- Licensing options provide the Council with a source for tenants to downsize into the private sector
- A best practice guide would be useful, such as " Practical Legal Guide to Multi Occupancy"
- The future provision of student housing has improved
- The perception of private lets is that it does not have security of tenure.

Service Manager, Decent and Safe Homes (DASH)

3.3.19 Key points:

- Approximately 200 members of the Decent and Safe Homes (DASH) Landlord Accreditation Scheme have more than 700 rental properties in Northampton
- The aim of DASH Landlord Accreditation is to encourage, acknowledge and raise awareness of good standards in the Private Rental Sector
- The current statutory enforcement framework, if correctly and properly exercised, would render any Additional Scheme unnecessary
- Licensing may encourage more landlords to go "underground"
- Privately let properties can impact greatly on neighbourhoods. Issues can be mitigated, such as a joined up approach by combining encouragement, incentives and accreditation, along with strict enforcement where necessary
- Private landlords and tenants should not be held responsible en masse for issues such as anti-social behaviour
- The DASH Landlord Accreditation is seen as a beacon of good practice across the UK and has been very successful in Northampton. The design of the scheme is important and a close working relationship with the host Authority must be maintained so that shared goals are achieved.

- Where accreditations amounts little more than a 'tick box exercise', it can potentially have a negative effect
- Too many conditions on membership above the legal minimum will attract a very small percentage of landlords and deny the Scheme any degree of popular appeal or impact and a setting the bar too low will have less impact
- An effective Accreditation Scheme must require a reasonable standard of accommodation and management. The Scheme must inspect at least a percentage of member landlords' properties to ensure those standards are achieved and maintained. There must also be sanctions for landlords that do not comply with the appropriate management practices and property standards. The Scheme must also provide training and continual professional development so that members are kept up to date with legislative and local developments
- An Accreditation Scheme enables the Local Authority to focus its resources on the worst landlords
- Incentives for joining an Accreditation Scheme are essential to assist with market penetration
- Poor conditions are more likely to exist in properties that are operated 'under the radar'. Little support for a Licensing Scheme was evidenced in DASH's consultation responses . A preferred model is that where Council activity focusses on enforcement against the worst landlords and good management is promoted and encouraged (for example via an Accreditation Scheme.)
- Additional or Selective Licensing approaches require effort in the administration of such schemes and may serve to regulate the compliant whilst many 'rogue' landlords fall through the net
- There are already considerable resources available to landlords and it would be unnecessary duplication to prepare another document. DASH recently contributed to the revised ANUK guide which is an excellent general guide for landlords. Other documents are available locally, such as, NBC's Facilities and Amenities guidance for HIMO's and the general DASH guides to the 29 hazards, enforcement options etc.
- A best practice guide would become outdated quickly. It is better to ensure that landlords are aware of the relevant legislation and their roles and responsibilities in adhering to that legislation. DASH services offers a mandatory landlord development day training course which can be completed on line or at events throughout the region
- DASH has a central hub of information available to all landlords and provides regular updates on relevant matters and legislation
- Since NBC ceased accepting new applications for its in-house Northampton Student Accreditation Scheme (NSAS); DASH Landlord

Accreditation has been the preferred choice for student landlords wishing to become accredited in the area. There has been a need to remove only one student landlord from the scheme

- DASH has provided training for student landlords, attended University housing events and visited a number of properties to let to students. The landlords that DASH met vary in their knowledge and understanding of housing standards and housing management but showed a keen desire to learn more or share their knowledge
- Various hazards have been identified during property visits undertaken by DASH. In the main, the accommodation seen by DASH in the student sector is of good quality. Category 1 hazards are relatively rare occurrences
- DASH received various complaints from landlords regarding poor service they received from NBC on the processing of their mandatory HMO licence applications and renewals. DASH was asked to attend various meetings with NBC, NLA and independent landlords to overcome the problems
- A holistic approach to the private rented sector is beneficial
- DASH Landlord Accreditation is for both student and non-student landlords
- DASH works with the Homeless Team at NBC who encourage landlords to join DASH Landlord Accreditation to ensure all tenants have access to better accommodation
- Northampton shares the same problems as all other relatively large towns or cities in that the accommodation offered in the private rented sector is of variable standard
- More private sector accommodation is needed in Northampton and the Local Authority should work collaboratively with other Agencies to achieve this and help to ensure the accommodation is of good quality
- The proposals to relocate university services and construct more purpose built student accommodation could have a considerable impact on current student landlords and areas with a pre-dominance of student properties currently
- The relationship between landlords and NBC is deteriorating
- There is a general perception among landlords that enforcement is costly and time consuming and that NBC has neither the resources nor the desire to pursue such enforcement effectively and where necessary. There is a desire amongst good landlords to see the 'rogue' element of their profession eliminated

4 Desktop Research

- 4.1 As part of the evidence gathering process for this review, desktop research was undertaken regarding best practice elsewhere and licensing options. Desktop research was also undertaken regarding the licensing scheme that Boston Borough Council is looking to implement, together with background details about Decent and Safe Homes (DASH).

Discretionary Licensing Schemes

- 4.1.2 The implementation of Discretionary Licensing Schemes is usually resource intensive.
- 4.1.3 From 1 April 2010, Discretionary Licensing Schemes can be approved by Local Authorities and do not require the approval of Communities and Local Government.
- 4.1.4 Specific criteria must be met before an area can be proposed by the Local Housing Authority for Additional or Selective Licensing. The Scheme is for a five year period and must be reviewed at the end of that period. There are mandatory conditions that must be included in the Licence but Local Authorities may also set defined conditions in relation to anti-social behaviour and the general management of the property.
- 4.1.5 Before considering Selective Licensing, 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.
- 4.1.6 Accreditation Schemes are voluntary for Local Authorities to introduce or for landlords to join.

Examples of Best Practice

Nottingham City Council

- 4.1.7 In February 2013 Nottingham City Council introduced the Nottingham Standard for Landlord Accreditation: A register of Accredited Landlords is being developed. Incentives are offered to landlords to join the Nottingham Standard Scheme. Restrictions on "To Let" advertisement boards have been introduced in nine areas of the city. "To Let" boards cannot be displayed on residential properties without consent from the Authority unless strict criteria is adhered to. A Scheme of Additional Licensing of HMOs is scheduled come into force on 1 January 2014.

London Borough of Newham

- 4.1.8 On 1 January 2013 the London Borough of Newham introduced a Discretionary Licensing Scheme in two borough wide designations for all private rented properties. The two designations include an Additional Licensing Scheme and a Selective Licensing Scheme. A Landlord Accreditation Scheme has also been introduced.

Oxford City Council

- 4.1.9 Oxford City Council is proposing to introduce an Accreditation Scheme, the purpose of which is to improve the standard of private rented accommodation in the city. A Guide for Landlords of private sector properties has been produced and regular newsletters for landlords are published on the Council's website.

London Borough of Havering

- 4.1.10 The London Borough of Havering has a private sector leasing scheme in operation which is reported to be very successful.

Cambridge City Council

- 4.1.11 Cambridge City Council has introduced an Accreditation Scheme for landlords and letting agents. The Scheme is free to join and there are a variety of benefits available to those who do join the Scheme. Since its introduction in 2007, almost 500 properties have become accredited. A ten point guide for property owners considering renting out their property has been produced. In addition, a Guide setting out the standards for college properties has been produced, which includes the agreed set of required standards.

Boston Borough Council – Consultation – Licensing of Private Rented Homes

- 4.1.12 The Cabinet, Boston Borough Council, agreed to formally consult interested parties and other local stakeholders about the potential introduction of a five year Discretionary Licensing scheme (discretionary licensing is the collective term embracing additional and selective licensing) for the whole borough to cover all forms of privately rented accommodation. The consultation ran from 1 November 2013 to 31 January 2014.
- 4.1.13 The private rented sector represents some 18% of the residential housing stock in the borough, having doubled in size over the past 10 years. The sector locally is typified by high rents which has driven multi occupancy and extended family living. This has resulted in a range of anti-social

behaviour issues being caused and experienced by some tenants, being faced by communities and being addressed by multiple organisations. 40% of the private rented stock is classed as 'non decent' and around 47% of properties within the sector contain Category 1 hazards.

- 4.1.14 There are ongoing and growing perceptions that poorly managed privately rented homes are having significant negative effects on neighbours and communities in the borough.
- 4.1.16 A Part Three Designation (Selective Licensing) under the Housing Act 2004 will be made to address the problems caused by persistent and substantial anti-social behaviour, which some private sector landlords are failing to tackle.
- 4.1.17 A Part Two designation (Additional Licensing) would be made to combat problems with ineffectively managed HMOs. It is reported that there are significant numbers of properties which have the same local impact as HMOs but are purportedly occupied by extended families. It is further reported that limiting the focus to Additional Licensing only is unlikely to have any material impact upon the issues the Council needs to address on behalf of its community.

Decent and Safe Homes (DASH)

- 4.1.18 Decent and Safe Homes (DASH)'s Landlord Accreditation accredits all types of private rented sector landlords. DASH is a joint-working initiative with Local Authorities, property owners, landlords and tenants. The reported aim of DASH is to improve housing conditions in the private sector, with particular emphasis on the private rented sector. The service has operated across the East Midlands region for a number of years. DASH was established in response to the introduction of the Housing Act 2004 by Government, and was set up to provide support services to Local Government in undertaking their statutory duties.

DASH Accreditation

- 4.1.19 DASH has been managing a landlord accreditation service since 2008. Its Accreditation offers people working in the private rented sector the opportunity to gain a Quality Mark in recognition for the good work that they do. It can encompass all areas of the Private Rented Sector – landlords, letting agents and tenants. The Quality Mark identifies the individual or company as one which has attained certain standards and commits to upholding a Code of Conduct.

4.1.20 DASH Accreditation runs a service which develops training and continual professional development, in addition to offering a support system so that people in the lettings market are aware of their responsibilities in terms of tenant management and housing standards. A percentage of all rented properties registered with the DASH Accreditation Service are checked to ensure they offer a satisfactory level of health and safety and assistance is offered, where necessary, to address any issues found. DASH Accreditation Services is not an enforcement body. DASH works in partnership with a range of other partners, to help raise housing standards.

Accredited Landlords

4.1.21 A register of landlords that are accredited with DASH is published on its [website](#).

Licence Fees elsewhere

4.1.22 Detailed below are the fees charged for Mandatory and Additional Licensing by a sample of other Local Authorities:

Nottingham City Council

£910 for a five year licence, a discount of £40 is applied if multiple applications are submitted at the same time as just one fit and proper person check needs to be undertaken.

If the landlord is accredited (for example with DASH), the five year licenced fee is £795 and is £755 for multiple HIMO applications (accredited)

London Borough of Newham

Mandatory (five year licence) – Up to five lettings £950 (£550 renewal), 6-9 lettings £1,100 (£600 renewal), 10-14 lettings £1,250 (£650 renewal), 15-19 lettings £1,400 (£700 renewal) 20 and over lettings £1,550 (£750 renewal)

Additional Licence (five year licence) £500 (renewal £500). The fee for the renewal of additional licences is under review.

Oxford City Council

Licence fees - £491 for 3 storey plus and 2 storey HIMOs with five or more occupants. £378 for smaller properties (1 or 2 storey with 3-4 occupants). Renewal fees are £180 and £157 respectively. Re-inspection fees (if required) are £149 or £99 respectively.

Discounts are applied if the landlord is accredited and therefore the licence fee for larger HIMOs is reduced to £399 and £299 for smaller HIMOs. The renewal fees for accredited landlords is £162 and £141 respectively.

Cambridge City Council

- Fee for initial application to license a HIMO : £620 (five year licence fee)
- Renewal fee: £310
- Fee for registered charities (only applies where the rent is collected by a charity registered in the UK): £70
- Fee for members of ANUK: £70 (UK Accreditation Network)

Accredited landlords are offered a 50% reduction on the licence fee for HIMOs.

4.1.23 Appendix D provides comprehensive findings from the desktop research exercise.

5 Equality Impact Assessment

- 5.1 Overview and Scrutiny ensures that it adheres to the Council's statutory duty to provide the public with access to Scrutiny reports, briefing notes, agendas, minutes and other such documentation. Meetings of the Overview and Scrutiny Committee and its Scrutiny Panels are widely publicised, i.e. on the Council's website, copies issued to the local media and paper copies are made available in the Council's One Stop Shop and local libraries.
- 5.2 The Scrutiny Panel was mindful of the eight protected characteristics when undertaking this scrutiny activity so that any recommendations that it made could identify potential positive and negative impacts on any particular sector of the community. This was borne in mind as the Scrutiny Panel progressed with the review and evidence gathered.
- 5.3 In order that the Scrutiny Panel obtained a wide range of views, a number of key witnesses provided evidence as detailed in section 3 of this report.
- 5.4 Details of the Equality Impact Assessment undertaken can be located on the Overview and Scrutiny [webpage](#).

6 Conclusions and Key Findings

6.1 After all of the evidence was collated the following conclusions were drawn:

Private Rental Sector - General

6.1.1 In considering the desktop research paper around best practice elsewhere, the buoyancy of the private sector rental market was recognised.

6.1.2 In noting the research paper “House Proud – How Council’s 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.

6.1.3 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

6.1.4 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. .

6.1.5 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.

6.1.6 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.

6.1.7 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.

6.1.8 The Scrutiny Panel highlighted the importance of Environmental Protection Services providing input into assessment if problems are experienced with specific landlords.

6.1.9 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.

6.1.10 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.

6.1.11 Plans for the Landlord Forum to meet at least annually, so matters in common can be discussed, were welcomed.

Priorities for Private Rental Sector

6.1.12 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.

6.1.13 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

6.1.14 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.

6.1.15 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.

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

6.1.17 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.

6.1.18 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."

6.1.19 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.

6.1.20 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

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

6.1.22 Witness evidence further supported the introduction of the hotline for the public to notify the Local Authority of the location of HIMOs.

6.1.23 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.

6.1.24 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.

6.1.25 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.

6.1.26 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.

6.1.27 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.

6.1.28 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

6.1.29 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.

6.1.30 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.

6.1.31 The work being undertaken by Decent and Safe Homes (DASH) and Student Accommodation, Northampton University was supported.

- 7.1 The purpose of the Scrutiny Panel was to investigate the regulation and management of private lettings, both by landlords and agencies.

Scrutiny Panel 2 recommends to Cabinet that:

Licensing and Legislative Options

- 7.1.1 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

- 7.1.2 A Private Sector Landlords Registration Scheme is implemented with the facility for landlords to register on-line.

- 7.1.3 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

- 7.1.4 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 7.1.3) and Best Practice Guide (recommendation 7.1.12).

- 7.1.5 A Protocol for identifying absent landlords is produced and implemented. Private Sector Landlords are encouraged to join a local or national Landlord Association.
- 7.1.6 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.
- 7.1.7 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.
- 7.1.8 A tri-annual multi-Agency meeting, together with the Landlords Forum, to enable two way discussions and information sharing, is introduced.
- 7.1.9 Planning Services and Housing Services work collaboratively regarding the private rental sector, to ensure that private lettings make a positive contribution to neighbourhoods.
- 7.1.10 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.
- 7.1.11 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

- 7.1.12 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](#)

7.1.13 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.

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

Overview and Scrutiny Committee

7.1.15 The Overview and Scrutiny Committee, as part of its monitoring regime, reviews the impact of this report in six months' time.

Appendices



Appendix A

OVERVIEW AND SCRUTINY

SCRUTINY PANEL 2 – Management and Regulation of Private Sector Housing (including HIMOs)

1. Purpose/Objectives of the Review

- To investigate the regulation and management of private lettings, both by landlords and agencies

2. Outcomes Required

- To agree the priorities for private sector housing towards achieving high quality, affordable private sector lettings
- To ensure that private lettings make a positive contribution to neighbourhoods
- To consider the options for licensing and make recommendations to Cabinet
- To consider the legislative options available to the Council and make recommendations to Cabinet
- To produce a best practice guide for Northampton's private sector landlords

3. Information Required

- Background data
- Background reports and presentation
- Best practice data
- Desktop research
- Evidence from expert external witnesses
- Evidence from expert internal witnesses
- Site visits

4. Format of Information

- Background data:
 - Presentation setting the context of private sector housing market
 - Changes over the last ten years
 - Future trends

- Map identifying known private rental properties including HIMOs

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

Community Safety Manager, NBC

Neighbourhood Wardens, NBC

Environmental Services Manager, NBC

Ward Councillors

Fire Safety, Northamptonshire Fire and Rescue Service

HMRC

Landlords' Association, Northampton

Student Accommodation Officer and students - Northampton University

Northamptonshire Federation of Residents' Association

Secretary of Semilong Community Forum

Shelter

- Desktop research identifying best practice elsewhere
- Site visits to a variety of private letting accommodation within the borough

5. Methods Used to Gather Information

- Minutes of meetings
- Desktop research
- Site visits (if applicable)
- Officer reports
- Presentations
- Examples of best practice
- Witness Evidence:-

- Key witnesses as detailed in section 4 of this scope

6. Co-Options to the Review

- None specifically identified for this Review

7 Equality Impact Screening Assessment

- An Equality Impact Screening Assessment to be undertaken on the scope of the Review

8 Evidence gathering Timetable

July 2013 to April 2014

- 8 July 2013 - Scoping meeting
- 18 September - Evidence gathering
- 17 October - Evidence gathering
- 4 December - Evidence gathering
- 23 January 2014 - Evidence gathering
- 13 February - Evidence gathering
- 30 April - Approval final report

Meetings to commence at 6.00 pm

Various site visits will be programmed during this period.

9. Responsible Officers

Lead Officers Lesley Wearing, Director of Housing and Fran Rodgers,
Head of Strategic Housing

Co-ordinator Tracy Tiff, Scrutiny Officer

10. Resources and Budgets

Lesley Wearing, Director of Housing, and Fran Rodgers, Head of Strategic Housing, to provide internal advice.

11. Final report presented by:

Completed by 30 April 2014. Presented by the Chair of the Panel to the Overview and Scrutiny Committee and then to Cabinet.

12. Monitoring procedure:

Review the impact of the report after six months (approximately December 2014/January 2015)



Team Northampton

Appendix B

OVERVIEW AND SCRUTINY

18TH November 2013

PRIVATE SECTOR HOUSING

**Sarah Farrow – Strategy & Performance Team
Leader**



Team Northampton

SETTING THE SCENE

- There were 88,731 households in Northampton as at March 2011 (Census night)
- Of these 15,817 or almost 18% privately rented their home
- This represents an increase of 150.6 % in the size of the sector since 2001 (up from 6,311 or 7.8%)
- Now bigger than the social rented sector



Team Northampton

SETTING THE SCENE

- CLG figures show Northampton residents need to borrow at least 6.27 times what they earn to purchase a property
- In the last 6 years there has been over a 61% reduction in affordable housing delivery – a two thirds decrease
- 44,000 (21%) of Northampton residents live in areas considered to be in the top 20% of the most deprived areas in the country



Team Northampton

SETTING THE SCENE

- Changes to our Allocations Policy have removed 7,200 households from the Housing Register - now stands at just under 3000
- The current annual turnover for council owned homes is 10%
- Homeless applications and acceptances are increasing



Team Northampton

SETTING THE SCENE

- The majority of people housed in the private rented sector are employed (81%)
- 60% of privately renting households consist of only 1 or 2 people
- Over half (54%) are people under 35

SETTING THE SCENE

Property type	Average market rent	Average RP (Housing Association) rent	Average NBC rent	LHA cap (April 2013) p.c.m
Shared/bed-sit	£350	£0	£230.12	£265.72
1 bed flat	£475	£ 284.10	£253.04	£425.00
2 bed flat	£550	£ 322.70	£285.24	£536.55
2 bed house	£540	£ 320.10	£299.76	£536.55
3 bed flat	£575	£ 367.30	£323.44	£599.90
3 bed house	£650	£ 420.00	£329.76	£599.90
4 bed house	£895	£525.00	£363.27	£794.90





Team Northampton

SETTING THE SCENE

- 45% of private rented properties are old (pre-1919)
- The proportion of terraced houses has increased to 50%
- There are now less flats or maisonettes (29%)
- Studios, shared or one bed properties have increased from 39% to 47% of the market
- Two bed properties have declined to under a third



Team Northampton

SETTING THE SCENE

- 32% of private sector homes in Northampton do not meet the Government's Decent Homes standard
- 24% of dwellings that exhibit category 1 hazards
- 20% of very energy-inefficient homes are privately rented



Team Northampton

EXISTING FUNCTIONS (Private Sector)

- Rent deposit scheme
- HMO licensing
- Advice and support to landlords and tenants
- Regulation and enforcement



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FUNCTIONS NOT UNDERTAKEN

- Direct landlord accreditation
- Accreditation of student accommodation
- Selective licensing of private rented sector
- Additional licensing of HMOs



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DEVELOPMENTS

- Localism Act 2011- Reform of homelessness
- National Housing Strategy 2011
- Welfare Reform Act 2011
- £1.9m Empty Homes funding
- Article 4 (Houses in Multiple Occupation)
- Energy Act 2011
- Corporate Plan 2012-2015



Team Northampton

HOUSING STRATEGY OBJECTIVES

- Providing support and advice to landlords, tenants and private owners
- Regulation of Houses in Multiple Occupation
- Potential for licensing in the private sector
- Ensure decent homes in the private sector
- Improve energy efficiency in private sector
- Bring empty homes back into use
- Improve access to private rented sector



Team Northampton

How?

- Revised package of advice and guidance to tenants and landlords
- Explore external funding opportunities to secure grants for landlords and homeowners
- Introduce an additional licensing scheme for smaller HMOs
- Introduce a Northampton specific Landlord Accreditation Scheme
- Develop and implement a Social Lettings Agency



Team Northampton

How?

- **Undertake enforcement action on breaches of minimum standards**
- **Encourage landlords to improve properties to EPC Rating E**
- **Secure external funding for energy saving measures**
- **Bring 105 Empty Homes back into use**
- **Explore the possibility of extending the rent deposit scheme**
- **Offer homeless applicants accommodation in the private rented sector with a minimum 12 month fixed term tenancy**



Team Northampton

THANK YOU

ANY QUESTIONS?

NORTHAMPTON BOROUGH COUNCIL

OVERVIEW AND SCRUTINY



Appendix C

SCRUTINY PANEL 2 – MANAGEMENT AND REGULATION OF PRIVATE SECTOR HOUSING (INCLUDING HIMOS)

CORE QUESTIONS – EXPERT ADVISORS

The Scrutiny Panel is currently undertaking a Review investigating the regulation and management of private lettings, both by landlords and agencies.

The expected outcomes of this Scrutiny Review are:

- To agree the priorities for private sector housing towards achieving high quality, affordable private sector lettings
- To ensure that private lettings make a positive contribution to neighbourhoods
- To consider the options for licensing and make recommendations to Cabinet
- To consider the legislative options available to the Council and make recommendations to Cabinet
- To produce a best practice guide for Northampton's private sector landlords

QUESTIONS:

A series of key questions have been put together to inform the Panel's evidence base:

- 1 How can it be ensured that private let properties do not impact adversely on neighbourhoods, please provide examples.
- 2 What are your views regarding a Landlord Accreditation Scheme and should landlords be offered incentives to join such a scheme and become accredited?

- 3 There are a number of options for licensing of private sector lettings, including HIMOS, available to the Council; in your opinion which of these should be introduced in Northampton and why.
- 4 Do you feel a best practice guide for Northampton's private sector landlords would be useful tool, if so, please supply headlines of what this document should include.
- 5 How well do you consider the Student Housing provision in Northampton is working?
- 6 How well do you think the licensing of HMOs and the Council's other work to engage with landlords is operating?
- 7 What is your overall perception of private rentals in Northampton?
- 8 Do you have any areas of concern regarding private sector lettings, including HMOs, that you would like to inform the Scrutiny Panel of?



Appendix D

NORTHAMPTON BOROUGH COUNCIL

SCRUTINY PANEL 2 – MANAGEMENT AND REGULATION OF PRIVATE SECTOR HOUSING (INCLUDING HIMOs)

BRIEFING NOTE: DESKTOP RESEARCH

LICENSING OPTIONS AND EXAMPLES OF BEST PRACTICE ELSEWHERE

1 INTRODUCTION

- 1.1 At its inaugural scoping meeting, Scrutiny Panel 2 (Management and Regulation of Private Sector Housing, including HIMOs) agreed that it would receive details of the licensing of private sector rentals, external to Northampton, that have been noted as best practice. Details of the licensing options available for private sector rentals have also been provided.

LICENSING OPTIONS – PRIVATE SECTOR RENTALS

- 1.2 There are several different types of licences:

MANDATORY HIMO LICENCE

- 1.3 A Mandatory HIMO (house in multi occupation) Licence is for a landlord of a house in multiple occupation that is three or more storeys, shared by five or more people living in two or more households.

Article 4 Directions

- 1.4 Article 4 Directions remove the right to carry out certain types of 'permitted development'. If a landlord wants to carry out work that is covered by an Article 4 Direction, planning permission needs to be applied for.
- 1.5 Where planning permission is granted, but the Local Authority has concerns that work done in the future under 'permitted development' may give rise to problems; the Local Authority may put a condition on the

planning permission. Such conditions state that planning permission needs to be obtained for the types of work specified. Conditions are often imposed:

- on properties with small gardens, to prevent extensions or outbuildings taking up too much of the open area around a property;
- to limit the conversion of integral garages, if there is concern that it would leave the property without adequate parking space;
- Where there is concern that a new window in a particular wall could affect the privacy of a neighbour, if put in without planning permission.

DISCRETIONARY LICENSING SCHEMES

- 1.6 Discretionary Licensing Schemes, permitted under the Housing Act 2004, aim to address poorly managed private rented properties. The Act gives Local Authorities the power to designate areas for additional houses of multi-occupancy (HIMOs) Licensing or Selective Licensing. Additional Licensing can be introduced to tackle HIMOs being poorly managed, or that are overcrowded, where their conditions affect the environment and/or where tenants are causing anti-social behaviour. Selective licensing can be introduced where there is a low demand for housing and/or where there is a problem with anti- social behaviour, some of which is caused by private tenants living more securely in reasonable housing conditions. Until March 2010, discretionary licensing schemes could only be set up with the approval of Communities and Local Government. From 1 April 2010, Schemes can be approved by Local Authorities. It is reported that setting up Discretionary Licensing Schemes is resource intensive.
- 1.7 Parts 2 and 3 of the Housing Act 2004 provide powers for Local Housing Authorities to designate areas, or the whole of the area of its district, as subject to discretionary licensing in respect of private rented accommodation. With regard to Part 2 designations, the Local Authority must consider that the ineffective management of a significant number of HIMOs is likely to give rise to problems for occupants or members of the public. With regard to Part 3 designations, the Authority must consider that amongst other criteria, the area is experiencing significant problems caused by anti-social behaviour which the private sector landlords are failing to tackle.

ADDITIONAL LICENCE

- 1.8 This Licence is required for landlords that operate a house of multiple occupation that is shared by three or more tenants living in two or more households. This excludes houses in multiple occupation that require a mandatory licence.

SELECTIVE LICENSING SCHEMES

- 1.9 Section 80 of the Housing Act 2004 allows Local Authorities to apply for Selective Licensing. Selective Licensing gives Local Authorities the powers to licence privately rented accommodation in a prescribed area where it has low housing demand, or a serious problem with anti-social behaviour and that the problem is compounded by landlords who are not properly managing their properties.
- 1.10 Section 80(4) of the Act requires the Authority to consider the following factors when judging if an area is subject to low housing demand:
- The value of residential premises in the area, in comparison to the value of similar premises in other areas which the Authority considers to be comparable (whether in terms of types of housing, local amenities, availability of transport etc.)
 - The turnover of occupiers of residential premises
 - The number of residential premises which are available to buy or rent and the length of time for which they remain unoccupied.
- 1.11 It is noted that before considering Selective Licensing, 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 those issues. A set number of criteria must be met for a Local Authority to introduce a Selective Licensing Scheme.

CRITERIA FOR THE APPLICATION OF SELECTIVE LICENSING

- 1.12 Specific criteria must be met before an area can be proposed by a Local Housing Authority:
- The area is one which is experiencing (or is likely to experience) low housing demand, or
 - That the area is experiencing a significant and persistent problem caused by anti-social behaviour and that some or all of the private sector landlords who have let premises in the area (whether under leases or licences) are failing to take action to combat the problem that it would be appropriate for them to take, and
 - That making a designation will, when combined with other measures taken in the area by the local housing authority, or by

other persons together with the local housing authority, lead to a reduction in, or the elimination of, the problem.

1.13 The Act (or related Regulations) does not include a definition of anti-social behaviour. The Department of Communities and Local Government's Guidance provides examples of what may be considered:

- **Crime:** tenants not respecting the property in which they live and engaging in vandalism, criminal damage, burglary, robbery/theft and car crime.
- **Nuisance Neighbours:** intimidation and harassment; noise, rowdy and nuisance behaviour; animal related problems; vehicle related nuisance. Tenants engaged in begging; anti-social drinking; street prostitution and kerb-crawling; street drugs market within the curtilage of the property.
- **Environmental Crime:** tenants engaged in graffiti and fly-posting; fly-tipping; litter and waste; nuisance vehicles; drugs paraphernalia; fireworks misuse in and around the curtilage of their property

CONSULTATION OF THE APPLICATION

1.14 The Local Authority must take reasonable steps to consult persons who are likely to be affected by the designation and consider any representatives made in accordance with the consultation. This includes local residents, tenants, landlords, managing agents and businesses in the local area that may be affected.

OPERATION OF THE LICENSING SCHEME

1.15 The Scheme is for a five year period and must be reviewed at the end of that period.

LICENSING CONDITION

1.16 There are mandatory conditions which must be included in the licence and these are as follows:

- Present a gas safety certificate annually to the LHA, if gas is supplied to the house
- Keep electrical appliances and furniture (supplied under the tenancy) in a safe condition
- Keep smoke alarms in proper working order
- Supply the occupier with a written statement of the terms of occupation
- Demand references from persons wishing to occupy the house (selective licensing only).

1.17 Local Authorities have discretion to set the defined conditions of the licence regarding anti-social behaviour and general management of the property. This can include conditions relating to the use and occupation of the house, and measures to deal with anti-social behaviour of the actual tenants or those visiting the property. However, the conditions imposed must relate to the residential use of the property – they cannot, for example, place responsibilities on landlords to act where, for example, tenants may be committing crimes unrelated to their occupation of the property.

SHELTER – GOOD PRACTICE GUIDE FOR LOCAL AUTHORITIES IN RESPECT OF SELECTIVE LICENSING

1.18 The organisation, SHELTER, produced a [Good Practice Guide for Local Authorities in respect of Selective Licensing](#) in 2006.

1.19 Included in the Guide are details regarding four Local Authorities that were invited by the Department of Communities and Local Government (CLG) to apply for selective licensing:

- Manchester City Council
- Salford City Council
- Blackpool Council
- Middlesbrough Council

1.20 SHELTER reports that if implemented effectively, Selective Licensing can increase the professionalism of the private rented sector by ensuring:

- support for landlords to participate in regeneration and tackle antisocial 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.

1.21 SHELTER further reports that successful Schemes may also increase the supply and choice of housing stock and reverse housing market decline in housing market renewal areas.

ACCREDITATION

- 1.23 Accreditation and HIMO licensing are different but complement each other. Accreditation is a set of standards relating to the management and physical condition of privately rented accommodation. Landlords who join a scheme and who meet the standards are 'accredited'. Accreditation schemes are voluntary and there is no obligation on landlords to join.

2 EXAMPLES OF RECOGNISED BEST PRACTICE

- 2.1 The following Councils have been noted for their best practice licensing Private Sector lettings:

- Nottingham City Council
- London Borough of Newham
- Oxford City Council
- London Borough of Havering
- Cambridge City Council

2.2 Nottingham City Council

Nottingham Standard for Landlord Accreditation

- 2.2.1 In February 2013, Nottingham City Council introduced the Nottingham Standard for Landlord Accreditation. The Nottingham Standard for Landlord Accreditation is reported to be an accreditation mark that is unique to Nottingham that will establish an overarching minimum standard for privately rented accommodation across the city. The purpose of the Nottingham Standard is to help tenants identify rentable properties that meet a minimum quality standard and it will recognise good landlords providing quality approved and well managed accommodation.
- 2.2.2 Nottingham City Council reports that accredited landlords show a commitment to providing good quality, well managed accommodation.
- 2.2.3 Other current accreditation schemes operate in Nottingham:
- Decent and Safe Homes (DASH) Landlord Accreditation - which accredits all types of private rented sector landlords
 - Unipol Student Homes - which accredits only student landlords
- 2.2.4 Landlords do not apply directly to the Nottingham Standard; all applications are managed through Nottingham City Council's partner organisations - DASH and Unipol. Once accreditation is achieved with

that organisation, the landlord automatically qualifies for the Nottingham Standard and is able to use the accreditation mark and is included on a list of accredited landlords.

2.2.5 Membership of the DASH Landlord Accreditation is free. DASH Landlord Accreditation and Unipol Student Homes both provide a range of information, help and advice to accredited landlords.

2.2.6 It is reported that the Nottingham Standard brings unity to accreditation in the city by incorporating both schemes under one certification mark. Landlords already accredited through DASH or Unipol are able to use the Nottingham Standard accreditation mark.

Register of Accredited Landlords

2.2.7 A register of accredited landlords is being developed for the city. Tenants can check whether their landlord is accredited by calling the DASH contact at the City Council.

2.2.8 The reported benefits of being an accredited landlord include being recognised as a good landlord offering well managed private sector accommodation that tenants will want to live in.

2.2.9 All landlords that are members of the Nottingham Standard qualify for 15% off the first year's membership of the Landlords National Property Group - a discount scheme for refurbishment costs. It is reported that landlords who become new members of the DASH Accreditation under the Nottingham Standard will benefit from the following:

- Free membership for the first 3 years
- Free online training
- Support from Nottingham City Council's Housing Benefit team
- A range of support packages from Nottingham City Council Housing Aid for landlords who take citizens in housing need

Article 4 Direction

2.2.10 Within the city of Nottingham there are two main types of Article 4 Direction:

- A city-wide Article 4 Direction restricting changes of use from a house to a 'House in Multiple Occupation'(HMO); and
- Directions restricting work to specific properties.

Local Restrictions on “To Let” Advertisement Boards

2.2.11 Nottingham City Council has defined nine areas of the city where “To Let boards” cannot be displayed on residential properties without its consent, unless landlords follow strict criteria. This has been introduced through a 'Regulation 7 Direction', which takes away the normal rights (known as 'Deemed Consent') to display such boards without permission. The Direction runs until 16 October 2017.

2.2.12 The criteria of the Direction:

1. The use of letting boards will be permitted from January 1st to September 30th (inclusive) and prohibited from October 1st to December 31st (inclusive).
2. Only one board per building will be permitted.
3. The board shall be mounted flush to the wall above the front door, or if that is not possible, it shall be mounted flush to the wall on the street frontage elevation. In either instance, no part of the board shall be higher than first-floor window sill level.
4. Each board shall have a white background and will conform to the following layout: 34cm x 48cm or 48cm x 34cm.
5. One company logo per board will be permitted providing that the logo does not exceed one third of the overall size of the advertising board. Logos and text will be permitted in black and any one colour provided it is a single uniform colour and that fluorescent colours are not used.
6. Boards marked by “Let By”, “Let”, “More wanted” or similar wording are to be prohibited.
7. One board shall be permitted per landlord/agent per street. However, if a landlord/agent wishes to advertise properties having different numbers of bedrooms, one board shall be permitted for each property with a different number of bedrooms, up to a maximum of three per street, as long as the number of bedrooms is specified on the board.
8. Letting boards shall be removed not later than 14 days after the granting of a tenancy for the room, house or flat in question. Letting boards shall not be displayed other than in the calendar year for which the tenancy is available.

2.2.13 The Council’s Enforcement Team undertakes regular surveys of the Direction Area and pursues prosecutions where appropriate. The Council can immediately bring a prosecution in the Magistrates Court.

The maximum fine on conviction of an offence is presently £2,500, with an additional daily fine of one-tenth of the maximum penalty on conviction of a continuing offence. The Council will also take action to quickly remove and destroy letting boards that do not comply with the criteria. Reasonable costs incurred in the removal may also be recovered.

2.2.14 A Scheme of Additional Licensing of HIMOs and approval of HIMO Licence conditions and fees was approved by Nottingham's Executive Board on 17 September 2013 and will come into force on 1 January 2014.

2.2.15 It is reported that the Scheme will introduce additional benefits:

- An opportunity to effectively influence higher standards of HIMO accommodation and to ensure effective management through more extensive control
- Contribute to protecting the health safety and well-being of tenants and communities
- Contribute to the prevention and control of anti-social behaviour and neighbourhood improvement
- Allow rogue landlords to be more easily identified and for action to be taken to respond to this behaviour

2.2.16 It is stated that the introduction of additional licensing for HIMOs will bring around 3,202 HIMOs in Nottingham into a licensing framework over the five year licensing period; equating to approximately 640 per year. The delivery of the licensing requirements mean an increase in required officer resources but administration of the licensing process and compliance work are recoverable through the licence fee. Legal costs are not recoverable through the licence fee.

2.2.17 Officers will undertake the administration of the licensing process and visit the properties at the application stage to consider licensing matters. Where issued, a licence will be subject to standard conditions, as well as property specific conditions. Within the licensing period, compliance checks will be undertaken. Where there is no application for licence, there is unsatisfactory management or it is necessary for statutory action to be taken, the enforcement principles moving from advice and request to prosecution will be followed unless risk is so great or there is a history of non-compliance and it is appropriate to move directly to enforcement.

2.3 London Borough of Newham

2.3.1 On 1 January 2013, the London Borough of Newham introduced a private rented property licensing scheme, its reported purpose being to

eradicate crime and anti-social behaviour associated with the poor management of rental properties. The Local Authority works with the Metropolitan Police and other Agencies across London borough of Newham to identify unlicensed properties and carry out legal action.

- 2.3.2 Two borough-wide designations were introduced that cover all private rented properties, using discretionary powers contained in the Housing Act 2004. The two designations include an additional Licensing Scheme targeting landlords of all HMOs occupied by three or more non related occupiers sharing facilities or amenities, and a Selective Licensing Scheme for all private landlords of other residential accommodation which fall outside the definition of HMO.
- 2.3.3 The reported reasons for the introduction of these designations are due to the area of the London Borough of Newham suffering from significant and persistent anti-social behaviour related to the private rented housing stock, together with poor tenancy and property management.
- 2.3.4 All private sector landlords are required to register their properties in Newham. The Scheme was agreed by full Council in June 2012.
- 2.3.6 Selective licensing came into operation in Little Ilford (an area in the London Borough of Newham) on 1 March 2010 within a pilot Neighbourhood Improvement Zone. The scheme ends on 28 February, 2015, or earlier if the Council ends the Scheme.
- 2.3.7 A Private Rental Licensing Guide for Landlords and Management Agents has been produced, key topics included in the Guide:
- Details of the types of licences required
 - Definition of HMO
 - The application process
 - Details regarding the length of the licence, fees etc.
 - A guide to completing the application form
 - A guide to licensing property standards
- 2.3.8 The London Borough of Newham has introduced a Landlord Accreditation Scheme, the reported purpose of which are:
- Work together to improve local housing conditions in the private sector and make Newham attractive for investors
 - Promote and reward responsible landlords
 - Encourage best practice amongst landlords in the private rented sector
- 2.3.9 The Accreditation Scheme is run by the Local Authority in conjunction with the London Landlord Accreditation Scheme (LLAS). The fee for

landlords to become accredited is £155, reduced to £75, if the landlord is already accredited with the LLAS. The fee includes the cost of LLAS development training. Once the application form is submitted, the Authority carries out standard checks. These include checking for improprieties with:

- Trading Standards
- Housing Benefits
- Council Tax
- Private Sector Housing Group

The process is reported to take around two weeks.

2.4 Oxford City Council

Guide for Landlords

2.4.1 Oxford City Council has produced a [guide](#) for Landlords of private sector properties, the contents of which include details around:

- Issues to consider pre tenancy
- Means of managing a property
- Setting up a tenancy
- Deposits
- Rents
- Housing benefit
- Landlord and tenant responsibilities
- Other housing options
- Empty homes
- Housing health and safety rating system
- Safety checks
- Energy efficiency
- Accreditation
- Useful contents

Information Newsletter for Landlords

2.4.2 The Authority publishes newsletters for landlords, three of which were published in 2012. The purpose of the newsletters is to keep landlords up to date with what the City Council is doing and any changes in legislation that may affect landlords.

Accreditation Scheme

2.4.3 Oxford City Council is proposing to introduce an Accreditation Scheme, the purpose of which is to improve the standard of private rented accommodation in the city. It is reported that the Scheme comprises an element of self-regulation and accordingly relies on a degree of goodwill and trust on the parts of Landlords, Letting Agents, tenants and the Local Authority. The scheme applies to the private rented sector only and not to Local Authority owned or Housing Association properties where other Service Level Agreements apply.

2.4.4 It is a requirement of the scheme that:

- (a) the Landlord or Letting Agent is a 'Fit and Proper' person
- (b) the physical condition of all the properties they own or manage meet minimum legal standards
- (c) that management practices are fair and reasonable and meet the management code of practice requirements
- (d) community relations are maintained, including waste management at the property
- (e) the Council's Cleaner, Greener Agenda is complied with e.g. waste management at the property

2.4.5 It is detailed that compliance with the scheme will ensure that:

- Landlords, Letting Agents, tenants and local residents enjoy the benefits of good property conditions, competent management standards and considerate neighbourly behaviour;
- Misunderstandings and disputes are reduced;
- The Council's Cleaner, Greener agenda will be actively promoted;
- Where problems do occur they are promptly resolved.

How the scheme operates

2.4.6 On application, Landlords and Letting Agents:

- Complete a form declaring their 'Fit and Proper' status;
- Provide the Council with a list of properties they own;
- 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;
- Ensure that all 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;

- Ensure that the properties they own or manage have arrangements in place to comply with the Council's Cleaner, Greener requirements to manage their waste properly;
- Provide access to properties for the Council to carry out random compliance checks.

Accredited Landlords and Letting Agents

2.4.7 On receipt of an application for accredited status, the Council carries out a checking procedure to be satisfied, as far as is reasonably practicable, that the Landlord or Letting Agent is responsible, competent and suitable to be a member of the scheme. Some random property condition and management compliance checks will be undertaken by the Council to maintain the reputation of the scheme.

2.4.8 It is reported that for those signatories complying with the scheme, the Council provides significant reductions in HMO licence fees

2.4.9 All accredited Landlords and Letting Agents are issued with a certificate and Letting Agents will also be provided with a sticker for their office window.

2.5 London Borough of Havering

Private Sector Leasing Scheme

2.5.1 The Private Sector Leasing Scheme is reported to have been highly successful in providing homes to meet an increasing demand for social housing.

2.5.2 The London Borough of Havering leases the property for a fixed term and guarantees a monthly income depending on the property size and type. The property is then used to accommodate families and individuals in the borough.

2.5.3 The reported benefits of leasing a property to the Authority include:

- Free intensive property management
- Guaranteeing you a monthly fee in advance even if your property becomes empty
- Long leases
- Carrying out some minor repairs free of charge
- A tenant matching service
- An inventory with digital photographs
- A team of experienced Housing Officers.

2.6 Cambridge City Council

Property Accredited Scheme

2.6.1 Cambridge City Council introduced an Accreditation Scheme for landlords and letting agents who can sign up to a Code of Standards to demonstrate that the properties they rent out are to such a standard that they are recognised as reputable landlords and agents. It is reported that this has the added benefit that they are more likely to attract a higher calibre of tenant.

2.6.2 Cambridge City Council advises that it works with residential landlords and gives them a stake in decisions that affect them, by:

- offering landlords information that helps them to manage their properties better
- arranging meetings or forums where landlords can exchange views with local authority officers
- setting up voluntary accreditation schemes that recognise and reward landlords who manage their properties to a good standard

2.6.3 The Scheme is free to join and is done so on a voluntary basis. There is no compulsion to join, but landlords and agents who do join may have access to various benefits such as:

- 50% discount on the HIMO licence fee
- priority access to grants
- updates on legislation
- free advertising on the accreditation website
- the benefit of attracting good tenants
- discounted insurance packages
- the business advantage of advertising their accredited status to tenants who place emphasis on good quality and well managed accommodation.

2.6.4 It is reported that the Cambridge Property Accreditation Scheme has proved successful with almost 500 properties accredited since 2007, and many more expected to join.

2.6.5 Regular newsletters regarding the Accreditation Scheme are published on Authorities website.

Guide for Landlords

2.6.6 Cambridge City Council has produced and published a Guide for Landlords. The reported aim of the Guide is for the Local Authority to work with landlords, tenants and other Agencies to achieve safe, decent and affordable housing for all private rented sector tenants.

2.6.7 The Guide addresses a number of issues, in particular the standards which are acceptable to the Council, to ensure the health, safety and well-being of tenants living in houses of multiple occupation. It provides a general overview of the financial and legal aspects of letting. The Guide also includes telephone numbers and addresses of useful contacts, draft tenancy agreements and other useful documents such as notices to quit.

2.6.8 In addition Cambridge City Council has produced a [ten point guide](#) for property owners considering renting out their property. Key sections included in 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

2.6.9 A Guide setting the standards for college properties is also published. The reported purpose of the Guide is to establish an agreed set of standards between the Council and educational establishments, in order to minimise the level of intervention by the Council. The document sets out advisory standards, which are acceptable to the Council, to ensure the health and safety and wellbeing of student occupiers.

3 Conclusions

3.1 The main conclusions from this desktop research exercise are:

Discretionary Licensing Schemes

3.2 The implementation of Discretionary Licensing Schemes is reported to be resource intensive.

3.3 From 1 April 2010, Discretionary Licensing Schemes can be approved by Local Authorities and do not require the approval of Communities and Local Government.

3.4 Specific criteria must be met before an area can be proposed by the Local Housing Authority for Additional or Selective Licensing. The Scheme is for a five year period and must be reviewed at the end of that period. There are mandatory conditions that must be included in the Licence as detailed at paragraph 1.12 above, but Local Authorities may also set defined conditions in relation to anti-social behaviour and the general management of the property.

3.5 Before considering Selective Licensing, 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.

3.6 Accreditation Schemes are voluntary for Local Authorities to introduce or for landlords to join.

Best Practice Examples

Nottingham City Council

3.7 In February 2013 Nottingham City Council introduced the Nottingham Standard for Landlord Accreditation: A register of Accredited Landlords is being developed. Incentives are offered to landlords to join the Nottingham Standard Scheme. Restrictions on "To Let" advertisement boards have been introduced in nine areas of the city. "To Let" boards cannot be displayed on residential properties without consent from the Authority unless strict criteria is adhered to. A Scheme of Additional Licensing of HMOs is scheduled come into force on 1 January 2014.

London Borough of Newham

3.8 On 1 January 2013 the London Borough of Newham introduced a Discretionary Licensing Scheme in two borough wide designations for all

private rented properties. The two designations include an Additional Licensing Scheme and a Selective Licensing Scheme. A Landlord Accreditation Scheme has also been introduced.

Oxford City Council

- 3.9 Oxford City Council is proposing to introduce an Accreditation Scheme, the purpose of which is to improve the standard of private rented accommodation in the city. A Guide for Landlords of private sector properties has been produced and regular newsletters for landlords are published on the Council's website.

London Borough of Havering

- 3.10 The London Borough of Havering has a private sector leasing scheme in operation which is reported to be very successful.

Cambridge City Council

- 3.11 Cambridge City Council has introduced an Accreditation Scheme for landlords and letting agents. The Scheme is free to join and there are a variety of benefits available to those who do join the Scheme. Since its introduction in 2007, almost 500 properties have become accredited. A ten point guide for property owners considering renting out their property has been produced. In addition, a Guide setting out the standards for college properties has been produced, which includes the agreed set of required standards.