

Housing Select Committee			
Title	Review of Private Rented Sector Housing: progress update on the implementation of agreed recommendations		
Contributor	Executive Director for Customer Services		
Class	Part 1 (Open)	Date	11 September 2013

Purpose

- 1.1 The purpose of the report is to update the Housing Select Committee on progress made in implementing recommendations made following their in-depth '*Private Rented Sector Housing Review*' in 2011.
- 1.2 An update on progress made against each of the Housing Select Committee's eleven recommendations is included in appendix one.

2 Recommendation

- 2.1 Housing Select Committee is requested to note the information contained in this report.

3 Background

- 3.1 The private rented sector in Lewisham is large and growing. There are over 33,000 privately rented dwellings representing around 25% of the housing stock in the Borough. The private rented sector serves a large proportion of Lewisham's residents and is the first and only option for a number of residents, as home ownership is financially out of reach for many and the demand for social housing far outstrips supply.
- 3.2 As this is such an important sector for the Council and its residents the Housing Select Committee decided to review the provision of private rented accommodation in Lewisham. The review focussed on access to the sector; the quality of housing provided; and the security of tenancies. Members also chose to examine how the Council used the private rented sector and how it worked with private landlords and tenants.
- 3.3 The review was scoped in May 2011 and two evidence sessions were held in July and September 2011. At the July session, the Committee considered comprehensive written information relating to the review and at the September session, the Committee heard from expert witnesses.
- 3.4 The Housing Select Committee concluded its review and agreed its recommendations in November 2011. A report outlining the responses to the recommendation was received by committee on 7th March 2012 and an update given on the 31st October 2012. This report gives a further update on these recommendations. More general updates on the work of the wider work of the Private Sector Housing Agency as it develops will be included in the future as part of the Key Housing Issues report to Committee.

4 Some key and current issues:

4.1 Rogue Landlords:

Officers have found that when targeting rogue landlords they have far more success when using a multi-team approach. This join up (including environmental health residential; tenancy relations officers; planning enforcement; building control; HB and Council Tax Fraud; Special Investigations etc) is not just important for Council departments but across other external local service providers like the police, fire service or utility suppliers. So far these inter-team arrangements have been largely ad-hoc in nature but Officers are keen to draw these agencies using more formalised and yet flexible lines of communication and joint working in the fight to eradicate rogue landlords from the Borough.

As a result, Lewisham are developing a bid for the recently advertised DCLG Rogue Landlord funding (deadline 20th September 2013). The core of our bid will focus on setting up a "hit team" that formalises this joint framework and approach, supported by a para-legal post to ensure that legal action across all relevant organisations are also co-ordinated. However we are also not forgetting the tenants. Sometimes the work of the statutory services are hampered because the tenants that we find in occupation need alternative accommodation before we can take action. In some cases houses fit for occupation by 10 people are housing over 40 people. We are in discussions with some housing partners about what possible housing options are available for these citizens and will include any positive results of these discussions in our bid. There is high demand for this funding.

4.2 Lewisham meets DCLG:

Officers met with DCLG in August 2013 to outline some of the frustrations faced by Council Officers as they seek to tackle landlords where enforcement is the only option to change behaviour. There are a number of enforcement powers, a number introduced under the Housing Act 2004, available to environmental health residential including improvement notices; prohibition orders; demolition orders; and a range of management orders. However many of these powers have limited sanctions;

- with the level of fines being negligible when compared to the level of rent the landlords receive;
- individual landlords can also only be prosecuted on individual properties using difference pieces of legislation. These powers can not be combined together to ensure the full weight of Council powers can be targeted at specific rogue landlords.
- unlicensed Houses in Multiple Occupation (HMO) can continue to operate, and housing benefit can still be paid while a landlord is appealing prosecution. Lewisham believes that there should be a power to link HB payments to landlord compliance with HMO legislation.
- on planning enforcement there remains a limitation to the powers of the Council to take action against landlords who convert their properties without the appropriate permissions. This needs to be amended.

4.3 DCLG Select Committee:

DCLG conducted an inquiry into the private rented housing sector and published its report on 18 July 2013, with the Government's response due in the Autumn. The recommendations are attached at appendix 4. The recommendations cover such areas as the need to have simpler regulation; more flexibilities for Boroughs around landlord licensing; issues around tenancy lengths and affordability; and the power for authorities to recoup housing benefit and tenants the rent paid, when landlords have been convicted of letting substandard property.

4.4 The Mayor of London's Housing Strategy:

This strategy contains a number of policies relating to the private rented sector, the main element of which is the London Rental Standard (LRS). This LRS is a voluntary set of minimum standards that London's private landlords and lettings agents are expected to operate and that renters should expect from any landlord or letting agent. The aim is to raise professional standards across the sector through these consistent standards of accreditation and to provide a vehicle for increasing the number of accredited landlords. The LRS will also support a single badge of accreditation for all accrediting organisations. The actual standards or requirements are both voluntary and not that demanding, but the target to increase the numbers of accredited London landlords and lettings agents to 100,000 by 2016, from the current base of around 14,000 is very ambitious.

The position of Lewisham Council has been one of support for this project as a tool to tackle those landlords who need support, training and advice to improve their current services or property standards. One of the targets for the new Private Sector Housing Agency is to improve the professionalism of the sector and increase the number of accredited landlords and so this GLA investment is positive to raise the profile of this issue across London.

The Greater London Authority (GLA) have set up a LRS Steering Group to contribute to the delivery of the Standard. Lewisham Council and LB Westminster represent the London Boroughs on this steering group alongside Camden as the host of the LLAS scheme. Other members include landlord and lettings agents professional bodies, including Southern Landlords Association; National Landlords Associations and the Association of Residential Landlords, and London Councils and Shelter. The first meeting was held in the middle of August 2013. Lewisham's membership of this group will give us an opportunity to influence how the LRS is implemented. The Steering Group will not be responsible for the governance of the LRS.

The following key areas of work will be considered over the next few months:

- Development of the LRS public awareness/marketing campaign;
- Development of the single badge of accreditation;
- Incentives for landlords;
- Looking at governance of the LRS scheme in the long term;
- Administration of the "passporting" mechanism.

We will report back through the Housing Select Committee Housing Key Issues Report on progress on this work.

5 Legal implications

- 5.1 The Constitution provides for Select Committees to refer reports to the Mayor and Cabinet, who are obliged to consider the report and the proposed response from the relevant Executive Director; and report back to the Committee within two months (not including recess).

6 Financial implications

- 6.1 The purpose of the report is to report on the progress made in implementing recommendations made by the Housing Select Committee following their in-depth '*Private Rented Sector Housing Review*' in 2011.
- 6.2 The response, in itself, does not give rise to any financial implications although should costs arise from the initiatives mentioned within the report these will need to be contained within approved budgets.

7 Crime and disorder implications

- 7.1 There are no specific crime and disorder implications.

8 Environmental implications

- 8.1 There are no specific environmental implications.

9 Equality implications

- 9.1 The Equalities Analysis Assessment is no longer required as the establishment of the Private Sector Housing Agency (PRS) will focus attention, especially through the Home Improvement Agency, on addressing the needs of some of the more vulnerable households in the private sector, especially elderly households, to enable them to live longer and more independently in their own homes.

Background documents and report author

Housing Select Committee: private rented sector review (2011):

<http://www.lewisham.gov.uk/mayorandcouncil/overview-scrutiny/Overview-and-Scrutiny-Reports/Documents/PrivateRentedSectorHousingReview.pdf>

If you have any queries on this report, please contact Madeleine Jeffery Private Sector Housing Agency Manager on 020 8314 9484 or Madeleine.jeffery@lewisham.gov.uk

HSC Recommendation	Mayor's Response	Progress made
<p>1. (4.1)The Housing Select Committee welcomes the potential development of a single unit within the Council to deal with all private rented sector housing in the borough. The services that this unit will be able to provide to private sector tenants requiring advice and assistance should be well publicised. Consideration should also be given to setting up a users forum, to allow private tenants to provide feedback to the unit on their experiences of privately renting and help shape the services provided by the new unit.</p>	<ul style="list-style-type: none"> • Response - A Private Rented Sector Project has now been established to take forward the work associated with setting up the new Unit/ Lewisham's Social Lettings Agency. The project brings together colleagues from Environmental Services, Building Control, Private Sector Leasing, Hostels, and functions such as Fresh Start, Rent Incentive Scheme for homeless Prevention and Discharge, Procurement in the private sector etc. • The aim of the project is to bring together the full range of services associated with the private rented sector. Work has already commenced in assessing current practices and taking advantage of new initiatives to ensure that private sector tenants have access to the best information and advice available. • Initial work has also involved tightening up the Council's arrangements for leasing private sector units to meet the demand for social housing. In particular the management of voids has improved to ensure that the flow of properties to meet demand is maximised. • As the new unit evolves the longer term objectives of securing good quality supply for households, better availability of advice and guidance and a constructive relationship with a wider range of landlords will be achieved. • The unit will also monitor the impact of Welfare Reform on tenants renting in the sector and on recent changes in the supply of housing. 	<p>Lewisham's Private Sector Housing Agency has been established since the beginning of August 2013. (A copy of the staffing structure chart is attached at appendix 2) This has brought together a number of teams currently working with the private sector into a new Agency focused on radically improving the way we work with this sector. The Agency will provide a centre of excellence for our work and a single point of contact for citizens, landlords, tenants, partner organisations/stakeholders and Council officers. Our aim is to engage in a new and active dialogue with the sector, taking a more proactive, leadership role to affect the changes required.</p> <p>The priorities of the new Private Sector Housing Agency are to:</p> <ul style="list-style-type: none"> • increase the supply of good quality, well managed private rented sector accommodation accessible to Lewisham citizens who are homeless, at risk of homelessness or are in housing need; • improve the quality of private rented sector homes by setting and implementing clear property and service standards, guiding and supporting landlords to implement change; • take enforcement action against landlords who are consistently failing our citizens; • continue to develop services for our most vulnerable households living in the private sector to support them to live healthy and independent lives; • be proactive in opening all available channels of communication to improve our dialogue with the private sector and key stakeholders, building local intelligence and understanding to frame local policy development; <p>The first task for the new Private Sector Housing Agency Manager – Madeleine Jeffery - was to recruit staff to the key manager posts within the agency. Mike Powell has been confirmed as the Environmental Health Team Leader; Steve Whiting as the Grants Manager; Marcelle Smith as the Housing & Support Team Leader and two new appointments have been made to the Temporary Accommodation Housing and the Procurement & Maintenance Team Leader from an external recruitment process. The new management team will all be in place by the end of September 2013. We are also looking at accommodation options for the Agency as staff are currently housed in three separate locations.</p> <p>Work is underway to ensure that we develop a robust and focused first year action plan. Some of the areas we are exploring are to:</p> <ul style="list-style-type: none"> • launch a campaign to identify the estimated 70% of "larger" (5 Occupants and 3 storeys or

- A Users Forum will be set up. The Quality Team will consider the best medium which is likely to include an online facility.

- more) Houses in Multiple Occupation that are required to be licensed but are not, using the combined resources of the Council and the community.
- increase the number of accredited landlords in the Borough both through local campaigns and also directly working with the Greater London Authority (GLA) through membership of their London Rental Standard Steering Group set up to deliver the London Rental Standard (LRS). Lewisham is also part of the existing LLAS scheme but, like all London Boroughs, the numbers accredited are low standing at around only 8% of the estimated 3,700 landlords.
 - Submit a bid to DCLG Rogue Landlords Fund to develop a co-ordinated “hit team” to focus resources and attention both internally and externally on tackling the small group of rogue landlords in the Borough.
 - develop a project and identify resources to co-ordinate the collection, collation and analysis of a range of data sets available across the Council and with key partners to help us build a much clearer picture of the sector itself and the citizens it houses. This will enable us to have much better intelligence about the sector and inform the development of future focused action and the consideration of an extension to the existing PRS licensing schemes;
 - hold regular forums of landlords, big and small, to train, communicate and disseminate good practice and ensure they are aware of their rights and responsibilities under the law;
 - hold tenants training days to increase awareness of the services and standards tenants should expect and their responsibilities to pay rent, looking after their home and be considerate of neighbours;
 - investigate current best practice around tenants and landlord forums with the aim of setting up an effective local framework for Lewisham;
 - develop a communications framework that will maximise the use of the “new technologies” to support and encourage the free flow of advice and support to the sector, driving forward our work to establish a new PSHA website to provide advice and guidance and an additional channel for the reporting of problems or poor housing conditions;
 - increase the number of Empty Dwelling Management Orders which give the Council power to take over management of the property for up to 7 years, undertake repairs and rent it out to homeless people, and promote our work nationally;
 - develop a Borough wide campaign that promotes a more transparent letting agents industry in Lewisham and eradicate hidden charges;
 - investigate with stakeholders the benefits of cross Council/inter-agency forums that would support the aims of the PSHA;

There are also challenges that can only be addressed **in the longer term**. More work is needed on understanding and defining these as part of a longer term plan. A multi-layered co-ordinated response will often be the only way to tackle these issues head on and so the Agency will need to get others on board. Officers will need to:

- keep a sharp focus on all the changes coming through the Localism Act. Until all of the changes contained in the Welfare Benefits Reform legislation are implemented it is unlikely that we will understand the full impacts on our citizens and on the business model of temporary accommodation itself. There is a lot of work to do to support the most vulnerable

		<p>groups in the sector, building on the work of the Universal Credit pilot, maximising opportunities where these can be found;</p> <ul style="list-style-type: none"> • develop wider ranging strategies in our work with Lewisham citizens who are “asset rich and cash poor”, supporting owners to live safe, warm and independent lives in the community; • harness the support of available local networks working across the private sector, like the credit unions and advice centres, on issues like affordability in the private rented sector and tenants rights; • harness the interest of larger institutional investors in the Borough to build for rent, working with housing providers who are currently developing build to rent portfolios, identifying any available financial support and grant; • maximise opportunities for cross London PRS access schemes, linking into the pan London GLA Housing Moves model and G15 cross-London allocations agency; • weed out illegal practices of local lettings agencies, supporting good practice and tackling over charging and poor service; • continue to improve standards of service delivery within the PSHA, to act as a good practice example locally. • identify opportunities for working with others locally, sub regionally, across London or nationally issues and campaigns that will support changes or improvement required to deliver priorities identified locally; <p>We have had some early wins:</p> <ul style="list-style-type: none"> • improving property and management standards in the PRS by procuring homes from private landlords through our Private Sector Leased (PSL) scheme. We have increased procurement by a third last year and have expanded our portfolio to 547 properties by the end of July 2013. These homes are brought up to a good standard and let to homeless households who are managed and supported by our TA staff until they move into their permanent home. The Agency are looking to increase this portfolio to around 620 by the end of the year. This will be the focus of the new procurement team leader as well as building a much healthier supply of new properties to prevent homelessness. • investing in our own hostel stock to improve the standards of Council owned temporary accommodation in the Borough, setting standards for others to replicate. We are on site with a £1.3m capital programme working on 12 of the 24 hostel buildings to address the unpopular arrangement of shared facility bathrooms and toilets and combine rooms to increase the number of the larger 4/5/6 and 7 bedspaces properties to meet increasing family demand. We are also developing 2 units for disabled homeless residents and piloting a small scheme to introduce sprinklers as part of a Borough wide pilot being led by the Council. We are developing a 2nd phase to start on site in January 2014 for 4 additional hostels. • launched the SELHP Out of London procurement for any tenants who voluntarily want to move to cheaper areas (largely in Kent) as they are affected by the benefit cap. All 5
--	--	--

Boroughs are participating.

- improving property standards across the wider private sector through a 132% increase in the number of jobs tendered by the Home Improvement Agency across all repairs grants and loans, increasing the value of works from £784,000 in 2011-12 to £1.4 million this year as well as increasing the number and range of handyperson repairs completed year on year, increasing the % of core jobs focused on falls risk, health and safety, hospital discharge and draught proofing from 49% to 77%. We have also successfully taken enforcement action through the courts in the last 4 months relating to failures to licence Houses in Multiple Occupation in 3 high profile cases sending a strong message to landlords that we will act strongly where they fail to comply with the law;
- working with landlords and stakeholders to plan and deliver a programme of events across the year under the banner “Lewisham – working with landlords” to open up channels of communication and showcasing best practice with Lewisham landlords through landlord days, business lunches, and discussion forums. We held a very successful event with 100 landlords at the end of July 2013 where 89% rated the event as good or excellent and have another Landlord training planned for the 23rd September (“the top 5 mistakes that landlords make that costs them money”!) We are also rolling out tenant training days for citizens at risk of homelessness on what property and service standards they should expect when housed in the PRS but also what responsibilities they have;
- working to ensure that there is a good supply of private sector housing by reducing the number of empty homes. In 2012/13 there has been a reduction of the number of long term empties from 940 to 741 or 21%, which puts LB Lewisham in the top tier of London Authorities and enforcement action in just one case brought back 6 family homes into use;
- developed a unique lettings scheme that maximises the use of around 180 decanted homes for low income workers in Lewisham at below market rents before redevelopment, showing the sector what can be achieved in partnership;
- worked with others across the Council in a way that utilises the knowledge and expertise of the PRS on behalf of other departments. We have continued to procure on behalf of Social Services (adding to the 16 we did in the last quarter of 2012/13) another sixteen properties for families with no recourse to public funds that will deliver them additional annual savings of over £150k. This is a first step to establishing the Private Sector Housing Agency as single centre for all Council procurement in the PRS in the future;

Users Forum:

Lewisham citizens are benefitting from the establishment of a Private Tenants Rights (LPTRG) group led by a number of active Lewisham community leaders. Council Officers have made positive links and attended their first meetings. However the LPTRG are working independently of the Council to establish themselves and their local priorities. Once this group is more established we will talk to them about the role and relationship they would want with the Agency.

In addition we are looking to investigate best practice with Islington and Hackney in particular to inform the development of similar user forums in the Borough.

At the last landlord day we asked all landlords who attended if they were interested in being part of a

		Lewisham Landlords Forum and 80% said yes. Once we have developed the framework for this work we will invite these landlords back.
2. (4.8) The Housing Select Committee fully supports the establishment of a "social lettings agency", either for Lewisham or sub regionally, and asks to be kept updated on all progress made in relation to this.	<ul style="list-style-type: none"> The Housing Select Committee will be kept updated on the work of the PRS unit. It is intended that the Unit will be Lewisham's "Social Lettings Agency". 	<p>See above for an initial update on the work of the agency.</p> <p>The HSC will receive regular updates through the Housing Key issues report.</p>
3. (4.10) Regular "landlord information days" should be held by the Council, with smaller landlords in particular encouraged to attend, to ensure that local landlords are aware of their legal rights and responsibilities.	<ul style="list-style-type: none"> One of the key priorities for the current PRS project is to look at how we currently communicate with landlords and how this can be developed into the future using the full range of technologies available to us. We are working to make sure that we have the right level of advice and support available for new and existing landlords. We are in the initial stages of developing a landlords' website and plan to build on the two successful Landlords days held in the autumn of 2011. We are also in early discussions with staff through the PRS project to look at starting regular Landlords Business Forums, which are smaller more regular events supporting landlords as small businesses, but before these are launched we have started to re-look at the current temporary accommodation products offered by the Council to ensure we remain competitive. Additionally Lewisham will continue to support South East London Housing Partnership's Landlords day, which are held in Lewisham's Civic Centre annually. 	<p>A proposal was agreed by SELHP Director's group to develop a sub-regional portal to promote the letting of rented property to people in housing need. Work has now started on the development of this portal. Progress has been slow, which is often the case when there is a range of partners, and so it is not, as yet, operational. A steering group has been set up and the new system will be hosted on Southwark's I.T system. Designers have been appointed and it is hoped the design will be available for consultation in September of this year. The intention is that this design will be finalised in October with a view to it being operational early in 2014. The new system will need to be publicised and all Boroughs will be asked to assist with this and hold promotional events where possible.</p> <p>In addition Lewisham was working on a second proposal which would link into the above, but aimed to deliver a Lewisham based system with the aim of providing additional interactive services to both landlords and tenants, providing one point of contact for stakeholders, as well as offer further services which could generate income. More work is needed to develop the business case and will be taken forward as part of a wider housing ICT review. There is also uncertainty over the available resources within the context of having to find additional savings and so the main focus at this stage will be the roll out of the sub regional team.</p>
4. (4.12)The proposals being taken forward by the Mayor of London, in partnership with London Councils, for the introduction of a 'Decent Homes' kitemark scheme for the private rented sector	<ul style="list-style-type: none"> The Mayor of London is proposing to introduce a single badge of accreditation for London landlords and lettings agents. The aim is that the scheme will result in an increase of 100,000 accredited landlords across London by 2016. To incentivise landlords it is proposed to explore how accreditation can be linked to funding for 	<p>The Mayor of London's Housing Strategy contains a number of policies relating to the private rented sector, the main element of which is the London Rental Standard (LRS). This LRS is a voluntary set of minimum standards that London's private landlords and lettings agents are expected to operate and that renters should expect from any landlord or letting agent. The aim is to raise professional standards across the sector through these consistent standards of accreditation and to provide a vehicle for increasing the number of accredited landlords. The LRS will also support a single badge of accreditation for all accrediting organisations. The actual standards or requirements are both</p>

<p>should be supported. If introduced, acquiring the kitemark should be compulsory for all landlords used by the Council via the PSL, RIS, Fresh Start schemes.</p>	<p>landlords to bring their properties up to standard, or for direct payment of Housing Benefit to landlords again being conditional upon accreditation. Officers have already met with the GLA and London Councils officers to discuss these proposal. It is currently being proposed that the kitemark be awarded to properties rather than to landlords thereby enabling prospective tenants to quickly see which properties across the sector meet minimum standards. Lewisham is keen to become a pilot borough and will be developing a quality standard as part of the new unit.</p>	<p>voluntary and not that demanding, but the target to increase the numbers of accredited London landlords and lettings agents to 100,000 by 2016, from the current base of approximately 14,000 is very ambitious.</p> <p>The position of Lewisham Council has been one of support for this project as a tool to tackle those landlords in the middle group who need support, training and advice to improve their current services or property standards. We are committed in the Private Sector Housing Agency to improve the professionalism of the sector and increase the number of accredited landlords and so welcome the investment from the GLA to raise the profile of this issue across London.</p> <p>The Greater London Authority (GLA) have set up a LRS Steering Group to contribute to the delivery of the Standard. Lewisham Council and LB Westminster represent the London Boroughs on this steering group alongside Camden as the host of the LLAS scheme. Other members include landlord and lettings agents professional bodies, including Southern Landlords Association; National Landlords Associations and the Association of Residential Landlords, and London Councils and Shelter. The first meeting was held in the middle of August 2013. Our membership of this group will give us an opportunity to influence how the LRS is implemented. The Steering Group will not be responsible for the governance of the LRS.</p> <p>The following key areas of work will be considered over the next few months:</p> <ul style="list-style-type: none"> • Development of the LRS public awareness/marketing campaign; • Development of the single badge of accreditation; • Incentives for landlords; • Looking at governance of the LRS scheme in the long term; • Administration of the “passporting” mechanism. <p>We will report back through the Housing Select Committee Housing Key Issues Report on progress on this work.</p>
<p>5. (4.14) The Council should consider whether Lewisham should adopt an “additional licensing scheme” for Houses in Multiple Occupation (“HMOs”) to drive up standards and tackle anti-social behaviour.</p>	<ul style="list-style-type: none"> • The setting up of an additional licensing scheme is resource intensive. It involves researching and collating the evidence to provide for a business case for the discretionary scheme and will involve carrying out an extensive consultation exercise. With general consent, the government requires that this consultation must last for a minimum of ten weeks. • Also the CLG has given the following guidance on the reasons for introducing a licensing scheme in a given area: ‘A significant proportion of HMOs are poorly managed and cause, or could cause, problems to occupiers or the public. The 	<p><u>Rogue Landlords:</u> The PSHA Managers are in the process of working up a bid to DCLG as part of the “Rogue Landlords “ funding that is currently available (deadline 20th September 2013) to secure funding for a cross Council and key stakeholder “hit team” (including Environmental health, planning enforcement; HB and Council Tax fraud teams; special investigations; police; fire brigade; community services) who will co-ordinate their work to target the top 10 – 15 of the rogue landlords who operate in this and who cause the most “damage” to Lewisham’s citizens.</p> <p><u>Extending existing licensing schemes in Lewisham:</u> As part of this review of Private Rented Sector it was recommended that the Council should consider whether Lewisham should adopt an Additional Licensing scheme for Houses in Multiple Occupation (HMOs) to drive up standards and tackle anti-social behaviour. Since then Officers have been monitoring the adoption of discretionary licensing schemes in other Boroughs and in particular in Newham, Greenwich and Southwark as this will help inform future decisions with regard to the</p>

	<p>problems will include at least one of the following: Poor external conditions affecting the local environment, spatial overcrowding, insufficient kitchen and bathroom facilities, anti-social behaviour affecting other residents or the local community, poor management or bad practice by the landlord affecting the tenants.</p> <ul style="list-style-type: none"> • So, evidence would need to be gathered to demonstrate that there are areas of problem HMOs that could be addressed by implementing an additional licensing scheme in conjunction with other methods. It is possible for schemes to be legally quashed if proper procedures are not followed. Officers will investigate whether grounds for such a scheme exist in Lewisham and shall report back accordingly. • In the meantime, in addition to the Council's regulatory role in taking enforcement action in relation to hazards under the HHSRS, the Council also has successfully implemented the licensing of HMOs under the mandatory scheme and to date 192 HMOs providing a home for 1,777 people in 1,610 households, have been licensed. Mandatory licensing applies to larger HMOs, which present a greater fire risk, that are 3 or more storeys high and have five or more people. Each licence specifies the maximum number of people who may live in the HMO and includes conditions relating to:- gas and electrical safety, suitable provision of fire resistant furniture, provision of smoke alarms and requirements about there being a proper tenancy agreement. • Action is being taken to increase the number of licensed HMOs. 	<p>appropriateness of adopting an extension of Lewisham's current mandatory HMO Licensing scheme. However it is early days in all three Boroughs and so more time is needed to assess the outcomes of such a large investment.</p> <p>In the meantime Officers have a lot of work to do to build a better picture through improving the range and accuracy of key data sets and intelligence that exists about the PRS in Lewisham from sources across the Council and outside. . Some discussions are underway within SELHP to look at how we can effectively add to existing data sets as a first step in this process, which would include resident feedback .</p> <p>Newham's Licensing scheme: At the last meeting in XX Members had a full report on the background of the scheme in the LB Newham (available on request). In summary;</p> <ul style="list-style-type: none"> • The private rented sector (PRS) in Newham was estimated to comprise nearly 40,000 dwellings. It is now the largest tenure in this borough and has nearly doubled in size over the last 10 years. It provides 39% of all housing in Newham compared to 16% nationally and is the only accessible housing option for many households on modest incomes. • The PRS is diverse in its makeup with an estimated 4,000+ landlords in Newham and a third of all private tenants receiving rent support through the benefits system. Growth of the PRS has been largely through the activities of 'buy to let' investors and these new landlords have replaced owner occupiers in many of Newham's streets and neighbourhoods. • London Borough of Newham has obtained evidence that its residents suffer from significant and persistent anti-social behaviour related to the private rented housing stock together with poor tenancy and property management which the private sector landlords are failing to tackle. Data shows that Newham has the third highest incidence of reported ASB for any London Borough. Lewisham by comparison has an average incidence of reported ASB at present as compared with other London Boroughs, and therefore any licensing extension can not at this stage be justified. . • Newham currently spends just under £2 million on Private Sector Housing (CiPFA benchmarking). Lewisham by comparison spends £722,000 which includes the provision of it's Housing Grants and Assistance Service. • The Newham scheme was introduced in January 2013. The scheme consists of both a Selective Licensing scheme applying to all privately rented properties and an Additional Licensing scheme applying to all HMOs to tackle problems related to ASB. Also Newham have: <ul style="list-style-type: none"> ○ set up a dedicated planning enforcement team for beds in sheds and there is a parallel initiative to adopt further planning powers (see below); and ○ one of the largest enforcement and safety divisions of any London Borough including a significant number of s92 Metropolitan Police Officers; and ○ annual service costs dealing with ASB and enviro crime totalling £17.5 million; and ○ operated a high level of enforcement activity relating to private housing issues (including empty homes and measures to tackle homelessness) across a number of disciplines including ground breaking activity under the Proceeds of Crime legislation
--	--	---

against errant landlords.¹

The current position for Lewisham, and issues to consider:

- There is a lot more work for the Council to do to better understand if there is a requirement for an extended licensing scheme in the Borough. On the basis of current data it does not show that there is a need for such a response, but the Agency will work more proactively across all of the Council departments (HB, Council Tax, Environmental services – refuse collection) to gather data from a range of existing resources to build a clearer picture. The Agency will look to link into any available existing resources within the Council to help undertake this work
- That the incidence of ASB and its links with the private rented sector together with any evidence of poor management is to be kept under review in relation to HMOs with a view to the possible introduction of an Additional Licensing scheme in the future.
- Should evidence be obtained of the above then Lewisham would need to demonstrate that Additional Licensing would be introduced as part of a strategic framework of initiatives concerning housing, neighbourhoods and homelessness. It would therefore be necessary for this to be supported by the adoption of an Article 4 direction under planning legislation. Such a direction introduces the need to seek planning permission for a change from a dwelling house (Use Class C3) to a Small HMO (Use Class C4) i.e. occupation between 3-6 unrelated individuals who share basic amenities.
- It is estimated that there are currently 700 HMOs in the Borough that should be licensed under the mandatory scheme, 192 of which have been licensed.
- With the introduction of an Additional Licensing scheme it is estimated that this could increase the number of potential licensable HMOs in Lewisham to 5,530. This would necessitate an increase in resources to provide sufficient officers to ensure both proper administration and enforcement of the scheme similar to those currently provided by Newham, as under the Provision of Services Regulations 2009. Fee income can only be used to offset the cost of processing the applications and not to ensure that all unlicensed HMOs and their landlords are licensed and the scheme is enforced.
- It should be noted that when mandatory licensing was introduced it was anticipated that there would need to be a growth bid for extra resources to ensure enforcement of the scheme should the number of HMO license applications generated be more than 60 a year. Although this peaked at 82 in 2007/8 this was managed within existing resources. This option would not be sustainable for the large number of applications that would be generated should an Additional Licensing scheme be introduced and would require this to be supported by a growth bid.
- Provision would also need to be made to fund one off costs of for the carrying out a consultation exercise to provide evidence as to whether and how an Additional Licensing scheme should be introduced together with setup to fund the initial recruitment of staff to administer the scheme prior to receipt of fee income and to fund a publicity campaign for its introduction. It would be expected that these initial setup costs would be recoverable through

		<p>fee income received during the subsequent four years of the scheme.</p> <p>There is however a lot of feedback from a range of boroughs and other government and stakeholder organisations that this approach is a “hammer to crack a nut” and actually does little to deal with the real problem of rogue landlords.</p> <p>Currently Lewisham Environmental Health Residential do not have sufficient resources to undertake the intelligence and data gathering needed to be able to inform a possible extended licensing scheme. Officers in the PSHA are looking at potential opportunities to be able to capture better data from existing data sets across the Council and with wider partners and this will be a project that needs to be developed in the future. Additional resources may be needed to complete such a project.</p>
<p>6. (4.20) The London Landlord Accreditation Scheme (LLAS) should be promoted and made compulsory for all landlords used by the Council via the PSL, RIS, Fresh Start schemes and landlords used to provide emergency temporary accommodation.</p>	<ul style="list-style-type: none"> • The accreditation scheme is promoted vigorously and officers will continue to do so. Officers will look at all possible methods of encouraging landlords to obtain accreditation and this will be kept under review. • A marketing stall in a prime location was made available to LLAS at last year’s Lewisham Landlords Day. Literature from the LLAS is made available to landlords. Officers have helped facilitate training venues for LLAS accreditation training days and have spoken at these events and promoted the days to Lewisham landlords. Officers have also helped LLAS stalls at London Landlord Day events. • We currently have over 300 LLAS landlords approved in Lewisham. This has increased by 20% over the past year. 	<p>The benefits to landlords of the Lewisham LLAS accreditation scheme continue to be promoted, and there is real commitment in the PSHA to “up our game” and promote the benefits of the scheme more actively. Officers continue to explain the benefits of the scheme to new landlords whilst recognising that landlords cannot be forced to join the scheme. We are also offering to fund the membership fee for all landlords who are now required to be accredited if they are part of our Fresh Start or Lewisham Landlords Lettings scheme.</p> <p>The Private Sector Housing Agency have/are already arranging a number of events:</p> <ul style="list-style-type: none"> • July 2013 we held a “Lewisham – working with landlords” programme attended by 100 landlords where we launched our new Lewisham Reward Card and a Lewisham Landlords legal pack which we have put on to USB sticks. This includes copies of good practice tenancy agreements and legal documents to support tenants rights. Feedback from landlords showed that 89% found the event good or excellent. • 23rd September 2013 – Landlords Business session as part of the “Lewisham – working with landlords” programme. This session is titled “the top 5 mistakes made by landlords that cost them money!” and seems to be a big draw for local landlords. • 27th September 2013 – marks the third tenant training arranged by officers. • Lewisham Civic Centre is again the location for the sub region’s Landlord Day (November 2013). The event is being run in partnership with both the National and London landlords associations. The new unit will have literature from the London Landlords association and is investigating the feasibility of running courses with them for new landlords. • November 2013 Lewisham are again the host of the annual South East London Sub Regional Landlords day. <p>We will be holding an active and full programme of events throughout the year to raise the profile of our work and the role of the Council and to get a better relationship with our landlords.</p>
<p>7. (4.24) The Council should consider whether there is</p>	<ul style="list-style-type: none"> • Legal aid funding currently supports one free housing advisory post in Lewisham. The 	<p>A free advice service for private sector tenants will continue to be delivered through the PSHA. It is</p>

<p>sufficient provision in the borough for legal and housing advice for tenants, and keep this issue under review, particularly in the light of cuts to Legal Aid. The Council should investigate ways in which information about local landlords and lettings agents and the services they deliver, including the fees they charge, can be made publically available.</p>	<p>Government's proposed cuts in legal aid funding could remove 50% of the housing advisory service in Lewisham which will need to be reconfigured. However Lewisham Council, through our private sector advisors, will continue to support the delivery of a free advice, case work and support service to assist all PRS tenants and landlords.</p> <ul style="list-style-type: none"> • The council's team specialises in saving the homes of both private tenants and homeowners. Mortgage borrowers in difficulty can obtain support and advice from the team to negotiate solutions with their lenders to retain their home and to go to court with them and defend possession proceedings which are 99% successful. The team administers the Government's Mortgage Rescue Scheme. • Tenants experiencing harassment or illegal eviction are assisted by officers who negotiate and advise landlords wherever possible, using their legal powers to enforce landlord/tenant legislation where appropriate. The team obtains injunctions in the County Court against landlords where illegal evictions have taken place, ensuring tenants can re-occupy their homes and help in preventing further harassment. • The team are currently putting together a website to help all Lewisham's PRS residents and homeowners, linking them together, providing advice and services, plus links to a wealth of external resources, similar to the "Love Lewisham" site created by the Environmental team (http://www.lovelewisham.org/Reports). 	<p>planned that a series of information leaflets will be drawn up and be available at a number of key locations across the borough and on the Council's website.</p> <p>Since April 2012 the Housing Options Centre has dealt with 85 homeowners who were at risk of losing their home as a result of repossession. The majority of these cases were families who the council would have had to re-house if the casework management had not been successful. Most cases are resolved and homelessness prevented through intervention and advocacy with mortgage companies – for example ensuring they use lender hardship tools. Officers also provide money advice, zero interest loans to pay off debt, advice on income maximisation, referral to specialist advice and attend court to have action suspended whilst solutions are identified. The government Mortgage Rescue Scheme is designed as a solution of last resort. There are currently three Lewisham cases under consideration by London & Quadrant for mortgage rescue.</p> <p>The Specialist Advisors within Housing Needs continue to work with private sector tenants who are in dispute with their landlords and to advise, negotiate, directly intervene (for example by making applications for injunctions on tenants behalf) and take enforcement action for breaches of the Protection from Eviction Act and other landlord and tenant legislation. Joint working with the Environmental Health teams is leading to better outcomes for residents, for example on several HMO's, and closer working will continue to be pursued going forward.</p> <p>Consideration will be given to moving the Specialist Advisors in Housing Needs into the PSHA so there can be better join up between the environmental health residential team and officers working around tenants rights.</p> <p>Working with SELHP we have now established a firmer view that a phased approach to developing a web based portal is more likely to be successful – as noted above:</p> <ul style="list-style-type: none"> • Firstly, a website to inform landlords about working with boroughs, and market borough and housing association offers. • At a later stage and depending on the success of the marketing website, a Portal to introduce a self-service option for landlords, lettings agents and home seekers, similar to a choice-based lettings website.
--	--	--

		<p>Depending on resources being available the basic website would:</p> <ul style="list-style-type: none"> • Market all borough and housing association private rented schemes across the sub-region • establish a landlord-friendly web presence that could form the basis for a single point of access for landlords and lettings agents and home seekers who wish to lease or rent property in the South East London area; • include a range of useful and topical content to generate interest among landlords • aim to collect landlords' mailing details for marketing purposes • be promoted by local authorities and housing associations, and regularly monitored to assess the number of people visiting the site • be independent of existing IT platforms in LAs.
<p>8. (4.29)The Council should encourage landlords and lettings agents to carry out inductions for all new tenants (where the rights and responsibilities of the landlord and the tenant are outlined.) The provision of inductions should be made compulsory for all landlords (and lettings agents) used by the Council via the PSL, RIS and Fresh Start schemes.</p>	<ul style="list-style-type: none"> • The Council will continue to work with landlords and lettings agents through landlords days and business forums to support and encourage improvements in the services they deliver for private sector tenants. Work is underway, led by our Tenants and Landlord Advice Services to improve the scope and quality of information available for all tenants. For those tenants who access the PRS through the Housing Options Centre or are rehoused into the Private Rented Leasing Scheme they will receive a comprehensive sign up and advice interview and support. If required there is also access to floating support if their needs are greater. The actual sign up process is being reviewed as part of the PRS project to ensure we are giving as much advice and support at the right time to tenants. The ability to police and enforce any requirement for PRS landlords or lettings agents to provide a tenant induction beyond our Council managed private sector leasing scheme is limited however the Quality Team will encourage and promote this approach and provide a landlord and tenant pack. 	<p>A training course for new tenants has been developed and has been held twice this financial year. A third session is planned for the 27th September 2013. We invite for each session 20 tenants waiting to be housed through the prevention queue. On average between 10-15 tenants have attended each event.</p> <p>The purpose of these sessions is to give confidence to tenants and to landlords. The course will inform new tenants of their duties and responsibilities when signing a new tenancy. It detailed what assistance they can expect from the Council to support them in maintaining their tenancy. The course also inform tenants of what is their responsibility and what is the landlords. The tenant training is accredited under the London Landlords Accreditation Scheme, who have been given the task of administering the London Mayor's private rental sector standards.</p> <p>Landlords will gain confidence in the knowledge that prospective tenants have passed through the Council's training course.</p> <p>It is hoped that through "extra" initiatives like the training course and ongoing tenant support that more tenancies will be sustained and that this will be attractive to a new layer of landlords who will seek to work with the unit.</p>
<p>9. (4.31) A pocket guide to housing law should be produced and provided to local police who are often</p>	<ul style="list-style-type: none"> • As part of the PRS Quality project, officers will develop a summary housing law guide for local police. This will be available in web format so that it can be changed to ensure it keeps up to 	<p>The Housing Rights team have built strong links with the borough commander and at the end of 2012 they trained all of the borough's inspectors on how to spot an illegal eviction or a harassment incident and who to refer it to. As a result the incidents of police helping landlords to illegally evict tenant has completely dropped off and the police now call the HRT for advice and assistance when attending a</p>

<p>unaware of the legal framework around illegal evictions.</p>	<p>date. Advice will be sought from our Community Safety Team on the best way to link with police on the ground.</p>	<p>incident and for information on cases that they are working on. This has been a really successful piece of partnership working and was covered by an article in The Guardian as best practice.</p>
<p>10. (4.32) The Committee supports the ongoing provision of the noise abatement service in its current form and believes there should be a single number for reporting Anti Social Behaviour in the Borough, regardless of tenure; and the information reported should be passed on to relevant housing providers or private landlords as appropriate.</p>	<ul style="list-style-type: none"> • There are over four thousand private landlords in the Borough as well as a large number of RSLs. To provide a dedicated number and to staff such a service would be costly. It would also be difficult for those officers to provide a service across such a range of landlords' when it is the landlords responsibility to take the required action. However, officers will investigate the cost and feasibility of this and report back. • Meanwhile, there is guidance on the Lewisham website around the reporting of Anti Social Behaviour and advice that in an emergency situation the police should be called. The webpage contains contact details of the Community Safety Teams in Lewisham, along with contact details of our main housing providers. The current advice to private residents is to contact the Safer Neighbourhoods Teams. 	<p>The PSHA, do as part of training sessions given to prospective tenants, explain the expectations and requirements relating to ASB. The PSHA has a strong relationship with the Council's Community Safety teams. Support where appropriate will be given to landlords who are having difficulty with tenants committing ASB.</p> <p>Details of the PSHA contacts for ASB will be placed on the web site.</p>
<p>11. (4.35) The Council should adopt a more proactive approach to enforcement and prosecution of the worst landlords, taking into account what is legally possible and with regard to the relative costs and benefits:</p> <p>(a) The Council should consider escalating to enforcement action where landlords do not quickly respond to informal action in connection with poor housing conditions and disrepair; and to</p>	<ul style="list-style-type: none"> • The Council is always committed to taking enforcement action against any landlord who fails to meet the required standards. However this is always seen as a last resort because we make all efforts to work with landlords to improve services for their tenants. It is important to prioritise the immediate impact on tenants and if possible to improve the quality of housing by ensuring that both tenants and landlords are given the best advice, either from Environmental Health Residential with regard to standards, or from our Housing Advice Service with regard to tenancy matters. As a result most referrals (97%) are resolved informally through the giving of advice. As part of the PRS project dealing with Quality we will be looking at existing best practice across the country and will introduce initiatives that help us better deal with all "rogue" landlords working in our Borough. We will combine this with a review 	<p>In most cases the Environmental Health Residential team work with landlords to support, guide and cajole landlords to meet all of their required responsibilities. However there are a number of cases where this approach does not work and enforcement action is needed. This can be very resource intensive. Examples of successes (applicable to offences committed under the 2004 Housing Act) with prosecutions and subsequent publicity are given in Appendix 3</p>

prosecution where they fail to respond to enforcement action and/or a landlord is known to be a serial offender. The council should aim to prosecute in all cases where landlords have illegally evicted tenants and the tenants have not been immediately readmitted to their homes following contact with the landlord by the council and/or a tenant has been unable to access their accommodation overnight.

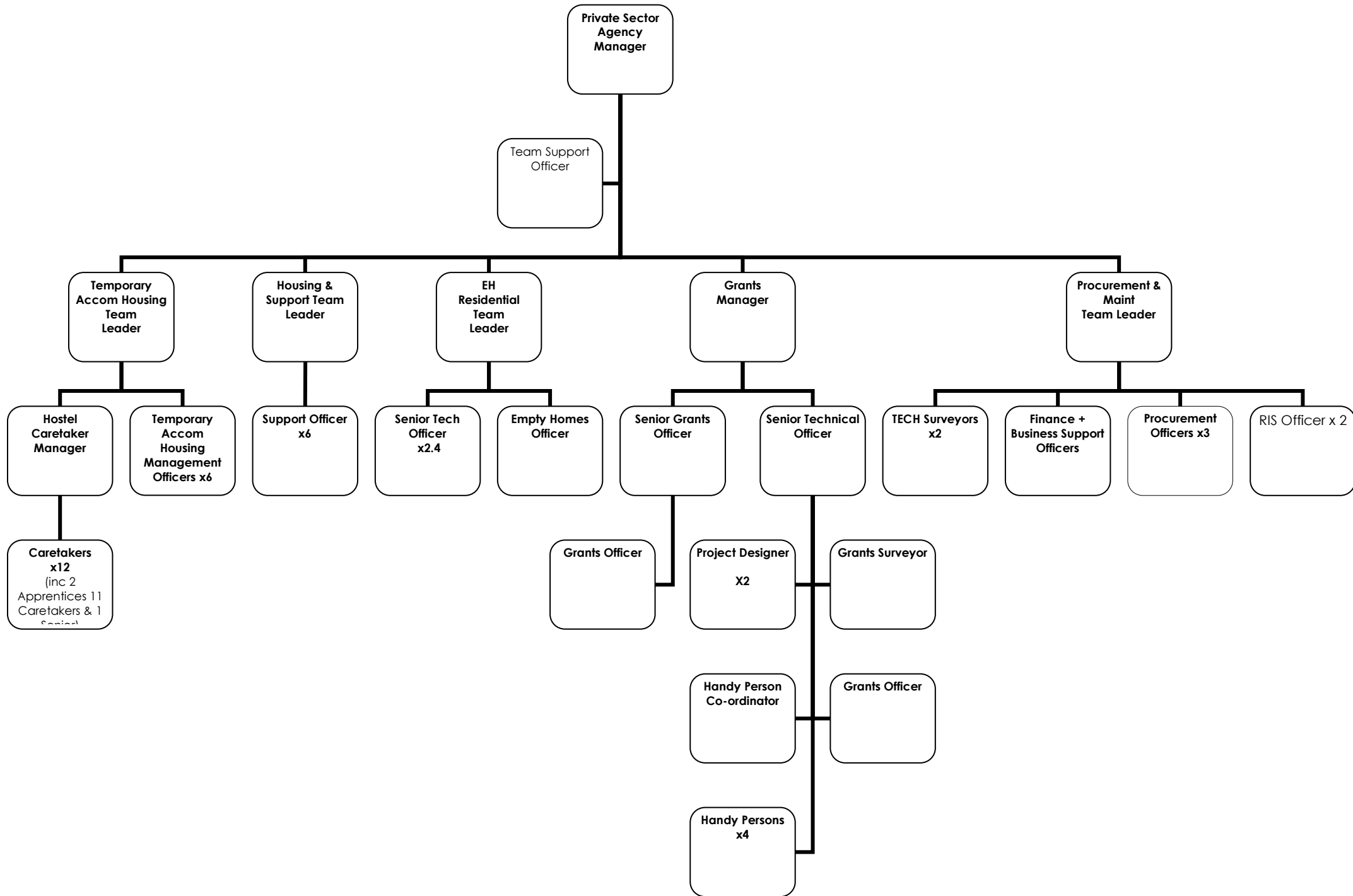
(b) The Council should ensure that sufficient resources are available to support prosecutions of rogue landlords, and should seek so far as possible to ensure that prosecution provides an effective remedy for tenants and for the community, in pushing for penalties that reflect the impact of the offence on the tenant or on the community. This may be achieved by way of a community or victim impact statement being prepared as part of the evidence given to the court or tribunal.

(c) The Council should

of the current support for landlords.

- There are a number of presentations to the Housing Options Centre as a result of harassment and alleged unlawful eviction. In response to these approaches the team take a proactive and direct approach, including seeking injunctions in the county court for re-instatement of unlawfully evicted tenants and return of personal possessions taken by the landlords.
- In past cases significant publicity has been obtained in the local press and news media. We will exploit all opportunities to ensure Landlords are aware of the consequences of breaking the law and exploiting tenants. Resources are always limited but it is considered that enforcement (and/or prosecution) is a vital tool in ensuring compliance with the law. As such, an appropriate proportion of resources will be set aside for this eventuality.

celebrate successful prosecutions of rogue landlords and publicise its successes in the local press and news media and in Lewisham Life (including the e-edition).		
--	--	--



Appendix 3

Current successes with prosecution of 'rogue landlords' and subsequent publicising in local press

In its review of Private Rented Sector Housing the Housing Select Committee recommended that the Council should adopt a more proactive approach to enforcement and prosecution and should celebrate its successes in the local press. Below are examples of recent work in the team and some "recent successes".

a) Poor Management in HMO

Zarah Thomas was convicted for offences relating to a five -roomed terrace property in Nelgarde Road, Catford. All the rooms were let as bedsits with a total of six residents living in the property, including a child. Following complaints, the property was found to have a defective boiler, leaks and other Health and Safety issues with the bathroom and staircase as well as rubbish dumped in the garden causing an environmental hazard.

Despite being granted time to resolve the issues, after six months the property still failed to comply with the Council's requirements and HMO Management Regulations were being breached.

A case was brought against Miss Thomas, which has resulted in a fine by Bromley Magistrates' Court of £400, an order for £1197 costs and a £15 victim surcharge. Since the court papers were issued, Ms Thomas has made improvements to the property which now complies with HMO regulations.

b) Unscrupulous landlord prosecuted

Lewisham Council has brought a successful prosecution against an unscrupulous landlord for failing to comply with House in Multiple Occupation (HMO) regulations.

The prosecution was brought against Mustafa Kemal Mustafa who did not apply for an HMO licence on a property in Canonbie Road, Forest Hill. Council officers became suspicious that the property was being over-occupied. A visit to the property found over 10 people living at the address, sharing kitchens, bathrooms and occupying rooms not deemed large enough for habitation. Unrelated tenants were also found to be sharing rooms. Mr Mustafa maintained that the property was being used as a hostel providing temporary emergency accommodation.

Despite pleading not guilty, Mr Mustafa of Briar Lane, West Wickham was convicted at Bromley Magistrates' Court and fined £5,000 for contravening section 72(1) of the Housing Act 2004 (committing an offence for failing to licence a house in multiple occupation) and £1,000 for failing to supply statutory information. He was also ordered to pay £750 costs.

c) Unlicensed landlord fined £7,500

An unlicensed landlord has been prosecuted by Lewisham Council for failing to comply with House in Multiple Occupation (HMO) regulations.

The prosecution was brought against Mustafa Kemal Mustafa who did not apply for an HMO licence on a property in Millmark Grove, Brockley. An inspection of the property revealed at least ten people living at the address, sharing an unfinished kitchen, bathrooms and occupying rooms not deemed large enough for the number of occupants. Unrelated tenants were also found to be sharing rooms. Mr Mustafa maintained that the property was being used as a hostel providing temporary emergency accommodation.

Despite pleading not guilty, Mr Mustafa of Briar Lane, West Wickham was convicted at Bromley Magistrates' Court on 26 February and fined £7,500 for contravening section 72(1) of the Housing Act 2004 (committing an offence for failing to licence a house in multiple occupation). He was also ordered to pay £925 costs.

Councillor Susan Wise was quoted in the press relating to this case as saying: "These prosecutions will serve as a warning to unscrupulous landlords who fail to ensure their properties conform to legal requirements. The Council will bring them to book to protect the health, safety and welfare of tenants living in private rented accommodation."

d) On Going Action on overcrowded unlicensed HMO;

On going enforcement action is currently being taken against the landlord on a three storey detached house, previously used as a Care Home, by a number of Council services including Environmental Health Residential, Housing Benefits, Planning, Building Control and Housing Options Tenancy Relations Officers.

In September 2012 at Greenwich Magistrates Court, the landlord pleaded not guilty to two charges: one for failing to provide information required by a Local Government (Miscellaneous Provisions) Act 1976 section 16 notice and two for not licensing a HMO. The case was later heard at the same court and all matters were proved. For failing to comply with the aforementioned section the landlord was fined £1000 and for failing to licence the property he was fined £5000, the council were awarded £750 costs. In November 2012, an appeal against the conviction was allegedly made to Croydon Crown Court. This appeal was not forthcoming.

Planning will seek prosecution for non compliance of their enforcement notice and Environmental Health Residential will seek a Rent Repayment Order and pursue an Interim Management Order.

Appendix 4

The Private Rented Sector - Communities and Local Government Committee – Conclusions & Recommendations

Simplifying regulation

1. *We recommend that the Government conduct a wide-ranging review to consolidate legislation covering the private rented sector, with the aim of producing a much simpler and more straightforward set of regulations that landlords and tenants can easily understand. As part of this review, the Government should work with groups representing tenants, landlords and agents to bring forward a standard, plain language tenancy agreement on which all agreements should be based. There should be a requirement to include landlords' contact details in tenancy agreements.* (Paragraph 13)
2. We recommend that the Government consult on the future of the housing health and safety rating system and the introduction of a simpler, more straightforward set of quality standards for housing in the sector. The Government should also ensure that planning and building regulations are consistent with standards for the quality and safety of private rented housing. (Paragraph 18)

Increasing awareness

3. *We recommend that, once the review of the legislative framework we have called for is completed, the Government, working with tenants', landlords' and agents' groups, establish and help to fund a publicity campaign to promote awareness of tenants' and landlords' respective rights and responsibilities. Our recommendation for a wholesale review of the regulation in the sector provides the obvious platform on which to base a publicity campaign.* (Paragraph 24)
4. We recommend that the Government bring forward proposals for the introduction of easy-to-read key fact sheets for landlords and tenants, and consult on the information these sheets should contain. The sheets could include links to further information available online. As a minimum, the sheets should set out each party's key rights and obligations, and give details of local organisations to whom they could go for further advice and information. This fact sheet should be included within the standard tenancy agreement we propose earlier in this chapter. (Paragraph 25)

Raising standards

5. Some local authorities are doing excellent work to raise standards in the private rented sector, but there appears to be more scope for sharing this good practice, so that all councils are performing to a high standard. The Local Government Association should, as part of its sector-led improvement role, make sure that mechanisms are in place to ensure all councils learn from the good practice and take effective steps to improve standards of property and management in the private rented sector. (Paragraph 30)
6. We are concerned about reports of reductions in staff who have responsibility for enforcement and tenancy relations and who have an important role in making approaches to raising standards successful. Given the financial constraints that councils face, it is important to identify approaches to raising standards that will not use up scarce resources. One approach is to ensure that enforcement arrangements pay for themselves and help to fund wider improvement activity. Therefore, where possible, the burden of payment should be placed upon those landlords who flout their responsibilities. (Paragraph 31)
7. We recommend that the Government consult on proposals to empower councils to impose a penalty charge without recourse to court action where minor housing condition breaches are not remedied within a fixed period of time, though an aggrieved landlord would have the right of appeal to a court. (Paragraph 33)
8. We recommend that, where landlords are convicted of letting property below legal standards, local authorities be given the power to recoup from a landlord an amount equivalent to that paid out to the tenant in housing benefit (or, in future, universal credit). We hope that such a measure will help to prevent unscrupulous landlords from profiting from public money. Local authorities should be able to retain the money recouped to fund their work to raise standards. To ensure a consistent approach, those tenants who have paid rent with their own resources should also have the right to reclaim this rent when their landlord has been

convicted of letting a substandard property. (Paragraph 37)

Illegal eviction

9. We do not agree that a statutory duty to have to take steps to tackle illegal eviction should be placed on local authorities, as it would be inconsistent with a local approach. Nevertheless, it is again important that local authorities learn from each other and share best practice on tackling illegal eviction. The Local Government Association should ensure that lessons on illegal eviction are learnt and disseminated. (Paragraph 38)

10. We are concerned that the police are sometimes unaware of their responsibilities in dealing with reports of illegal eviction. We recommend that the Department for Communities and Local Government work with the Home Office on guidance that sets out clearly the role of the police in enforcement of the Prevention from Eviction Act 1977. (Paragraph 39)

Licensing and accreditation

11. *The idea of national licensing has some merit, and such a scheme could bring a number of benefits, particularly if introduced alongside an effective system of redress. It is clear, however, that the Government has not been convinced by these arguments, and we have some sympathy with the Minister's assertion that a national scheme could be very rigid. Having tailored local schemes may bring its own costs, especially for landlords operating across several areas, but on balance we would prefer to see local authorities develop their own approaches to licensing or accreditation in accordance with local needs. The Government's focus should be on giving local authorities greater flexibility and encouraging the use of existing powers.* (Paragraph 43)

12. We recommend that the Government bring forward proposals for a reformed approach to selective licensing, which gives councils greater freedom over when licensing schemes can be introduced and more flexibility over how they are implemented. Councils should ensure that the cost of a licence is not set so high as to discourage investment in the sector. (Paragraph 49)

13. We recommend that the Government give local authorities a power to require landlords to be members of an accreditation scheme run either by the council itself or by a recognised landlords association. (Paragraph 53)

14. It is important that local authorities have options and tools to raise standards in their areas. Three particular options are: (1) greater use of landlord licensing schemes; (2) compulsory accreditation; and (3) taking a proactive neighbourhood approach to raising standards. In each of these cases, given resource constraints, the schemes have to pay for themselves, and, as far as possible, place the burden of payment on the unscrupulous landlords, with financial deterrents for non-compliance. Councils should be given the powers to impose heavy penalties on those who do not register for licensing or compulsory accreditation after appropriate notification. Neighbourhood approaches could be funded by local authorities recouping costs from landlords whose properties fail to meet minimum standards. We further recommend that the Government initiate a review of the fines imposed by the courts for letting substandard properties, to ensure they act as a sufficient deterrent. (Paragraph 55)

Houses in multiple occupation (HMOs)

15. We recommend that the Government conduct a review of the mandatory licensing of houses in multiple occupation. This review should consider, amongst other things, evidence of the effectiveness of mandatory licensing, how well it is enforced, and whether the definition of a prescribed HMO should be modified. (Paragraph 58)

16. Where there are community concerns about high concentrations of houses in multiple occupation, councils should have the ability to control the spread of HMOs. Such issues should be a matter for local determination. We therefore consider it appropriate that councils continue to have the option to use Article 4 directions to remove permitted development rights allowing change of use to HMO. (Paragraph 63)

17. Universities have a responsibility to ensure that student housing does not have a detrimental impact upon local communities. They should be working with local authorities and student groups to ensure that there is sufficient housing in appropriate areas and that students act as responsible householders and

members of the community. (Paragraph 64)

Safety standards

18. We recommend that the Government work with the electrical industry to develop an electrical safety certificate for private rented properties. To obtain such a certificate, properties should be required to have a full wiring check every five years and a visual wiring check on change of tenancy. Landlords should be aware of the legal requirement to provide safe installations and appliances. (Paragraph 66)

19. We recommend that the Government introduce a requirement for all private rented properties to be fitted with a working smoke alarm and, wherever a relevant heating appliance is installed, an audible, wired-up EN 50291 compliant carbon monoxide alarm. (Paragraph 67)

Regulation of letting agents

20. We recommend that, as part of its consultation on the redress scheme, the Government seek views on how best to publicise such a scheme and what penalties should be in place for those agents who do not comply. The Government should also explore how the redress scheme fits alongside existing arrangements for deposit protection. We further recommend that the redress scheme is accompanied by a robust code of practice that sets out clear standards with which agents are required to comply. (Paragraph 74)

21. *We recommend that the Government make letting and managing agents subject to the same regulation that currently governs sales agents. This includes giving the Office of Fair Trading the power to ban agents who act improperly, and making client money protection and professional indemnity insurance mandatory.* (Paragraph 78)

22. Any proposal to require sales agents to meet minimum professional standards before they begin trading should also be applied to letting and managing agents. In addition, if at any point a requirement for sales agents to be registered with an accredited industry body is to be introduced, this should be part of a wider framework also covering letting and managing agents. We recommend that the Government review these arrangements in two years' time. (Paragraph 78)

Agents' fees and charges

23. We recommend that the code of practice accompanying the new redress scheme include a requirement that agents publish a full breakdown of fees which are to be charged to the tenant alongside any property listing or advertisement, be it on a website, in a window or in print. This breakdown should not be "small print", but displayed in such a way as to be immediately obvious to the potential tenant. The code should also require agents to explain their fees and charges to tenants before showing them around any property. Furthermore, the code should forbid double charging, and there should be a requirement that landlords are informed of any fees being charged to tenants. If agents do not meet these requirements, the fees should be illegal. Finally, the professional bodies should make a commitment to full, up front transparency on fees and charges a requirement of membership. (Paragraph 83)

24. We intend to gather further information on the impact in Scotland of the decision to make fees to tenants illegal, and to return to this issue in 2014. (Paragraph 86)

Longer tenancies

25. *The demographics within the private rented sector are changing. No longer can it be seen as a tenure mainly for those looking for short-term, flexible forms of housing. While some renters still require flexibility, there is also an increasing number, including families with children, looking for longer-term security. The market, therefore, needs to be flexible, and to offer people the type of housing they need. The flexibility of assured shorthold tenancies should be better exploited, and the option of using assured tenancies should also be considered where these meet the needs of landlords and tenants. That we are beginning to see some institutions and housing associations offering longer tenancies under the current law suggests that we do not need legislative changes to achieve them. Rather, we need to change the culture, and to find ways to overcome the barriers to longer tenancies being offered.* (Paragraph 94)

26. We recommend that the Government convene a working party from all parts of the industry, to examine proposals to speed up the process of evicting during a tenancy tenants who do not pay rent promptly or fail to meet other contractual obligations. The ability to secure eviction more quickly for non payment of rent will

encourage landlords to make properties available on longer tenancies. The Government should also set out a quicker means for landlords to gain possession if they can provide proof that they intend to sell the property. (Paragraph 97)

27. Some landlords are not able to offer longer tenancies because they are prevented from doing so by conditions in their mortgage. We are pleased that lenders are considering how such conditions can be removed, and that Nationwide Building Society is to begin allowing its borrowers to offer longer term contracts. We urge the Council of Mortgage Lenders to work with other lenders to ensure that they quickly follow suit. Lenders should only include restrictions on tenancy length in mortgage conditions if there is a clear and transparent reason. (Paragraph 100)

28. We recommend that the Government include in the code of conduct for letting agents a requirement both to make tenants aware of the full range of tenancy options available, and, where appropriate, to broker discussions about tenancy length between landlords and tenants. (Paragraph 102)

'Retaliatory eviction'

29. There is a perception amongst some tenants that if they speak out it could result in their losing their home. Tenants should be able to make requests or complain without fear that doing so will lead the landlord to seek possession. We are not convinced, however, that a legislative approach is the best or even an effective solution. Changing the law to limit the issuing of section 21 notices might be counter-productive and stunt the market. Rather, if we move towards a culture where longer tenancies become the norm, tenants will have greater security and also more confidence to ask for improvements and maintenance and, when necessary, to complain about their landlord. Moreover, if local authorities take a more proactive approach to enforcement, they will be able to address problems as they occur rather than waiting for tenants to report them. (Paragraph 105)

Rents and affordability

30. Problems with the affordability of rents are particularly acute in London and the South East. Although in other parts of the country average rents and yields are relatively stable, we are still concerned that some families are struggling to meet the costs of their rent. We do not, however, support rent control which would serve only to reduce investment in the sector at a time when it is most needed. We agree that the most effective way to make rents more affordable would be to increase supply, particularly in those areas where demand is highest. (Paragraph 110)

31. There is no perfect way to set rent, but, where longer tenancies are being established, linking increases to inflation or average earnings, or voluntarily agreeing a fixed uplift each year merit consideration and could provide tenants and landlords with a degree of stability, though over time mechanisms may emerge as, for example, in the commercial property sector. Tenants', landlords' and agents' groups should encourage their members to discuss these options at the outset of a tenancy. Existing arrangements for setting and increasing rent are often arbitrary and uneven, and reflect the immaturity of the market. (Paragraph 113)

Placement of homeless households in the private rented sector

32. We welcome the Government's use of secondary legislation to clarify when accommodation is unsuitable for homeless households. We expect councils to pay full regard to this order and to ensure that homeless households are only placed in suitable accommodation. Given that many of these households will be vulnerable, councils have a particular responsibility to ensure that the properties they are placed in are free from serious health and safety hazards. We recommend that, as a matter of good practice, local authorities should inspect properties before using them for the placement of homeless households. (Paragraph 117)

33. All agree that, wherever possible, councils should be placing homeless households within their local area (unless there are particular circumstances that mean it is not in the households' interests). It nevertheless appears inevitable that councils in areas with high rents, London in particular, will place homeless households outside the area, including in coastal towns. Before any placement, there should be a full discussion with the receiving authority and the prospective tenant and information about the household and its ongoing needs should be shared. The Government should consider making this a statutory duty. (Paragraph 121)

34. We were pleased to hear of positive examples of work to support homeless households in the private rented sector, including the establishment of social letting agencies and the development of private rented sector access schemes. We encourage the Government to work with local government, the charity sector

and industry bodies to ensure best practice is shared and lessons learned. (Paragraph 122)

Local housing allowance

35. We recommend that the Government take immediate steps to allow councils to apply for a variation of broad rental market area boundaries where anomalies occur. (Paragraph 125)

36. We recommend that the Government conduct a wide-ranging review of local housing allowance (LHA). This review should assess whether there is greater scope for local flexibility over the setting of LHA rates and the boundaries of broad rental market areas. Local authorities could be incentivised to reduce the housing benefit bill by being allowed to retain any savings for investment in affordable housing. (Paragraph 125)

Data quality

37. We recommend that the Government establish a small task group of key organisations and academics to consider how data relating to the private rented sector can be improved and made more readily available. In addition, we encourage the National Audit Office to contribute to an effective evidence base about the sector and to draw upon our recommendations when developing studies on housing related topics. (Paragraph 128)

Tax

38. We recommend that the Government, in reviewing the regulation covering the private rented sector, set out proposals for greater co-ordination between the tax authorities and those regulating the private rented sector. (Paragraph 131)

Increasing supply

39. We welcome the introduction and expansion of the Build to Rent Fund. The Government should take steps to ensure that the fund makes a net addition to new housing, as well as speeding up the delivery of those homes already in the pipeline. (Paragraph 138)

40. It remains to be seen how much impact the guarantee scheme for the private rented sector will have in delivering additional new homes. The policy may be well-intentioned in its aim to encourage organisations to have more confidence to invest in the sector, but the Government needs to measure results. We invite the Government in its response to our report to update us on the number of applications it has received for the private rented sector guarantee scheme, and to provide an estimate for the number of additional homes it expects the scheme to deliver. If there is any doubt that the scheme is going to deliver the homes required, we recommend that the Government rapidly explore other options for the use of the resources identified. (Paragraph 142)

41. We welcome the establishment of the task force to promote and broker investment in build-to-let development, and are pleased that the task force is already in operation. It is important that this task force does not become another quango but quickly delivers on its objectives. We invite the Government, in its response, to set out the progress made by the task force in its first few months of operation. This update should quantify the amount of additional investment brokered, and the number of additional homes it would deliver. (Paragraph 144)

42. *Efforts to promote high-quality build-to-let development have commanded significant amounts of government attention and resources. One of the main arguments in favour of this approach is that it will lead to improved choice, quality and affordability across the whole of the private rented sector. It is too early to assess the impact, but a key part of the evaluation of these measures must be the impact they have on the sector as a whole. If, in a year's time, there is no evidence of this broader effect, the Government must reconsider its strategy and look to other measures to boost supply across the sector as a whole.* (Paragraph 148)

43. *There is an urgent need to boost supply across all tenures of housing. We recommend that the Government revisit the Committee's report on the Financing of New Housing Supply, and set out proposals to implement those recommendations it initially rejected.* (Paragraph 150)