

Report to Executive

Agenda
Item:

A.2

Meeting Date: 7th April 2014
Portfolio: Communities and Housing
Key Decision: Yes: Recorded in the Notice Ref:KD.08/14
Within Policy and Budget Framework YES
Public / Private Public

Title: LANDLORD ACCREDITATION SCHEME 2014
Report of: The Director of Economic Development
Report Number: ED 15/14

Purpose / Summary:

The purpose of this report is to outline proposals for an alternative Landlord Accreditation Scheme to operate in Carlisle. The proposal is to change from a Council run scheme to a scheme operated and managed by the National Landlords Association (NLA). The proposed scheme will retain some of the old benefits of the Council run scheme and will introduce some new benefits to landlords.

Recommendations:

1. That the proposed Landlord Accreditation Scheme to be managed by the National Landlords Association is approved as set out in Section 5 of this report.
2. That the existing Carlisle City Council Landlord Accreditation Scheme is closed down over the next 12 months.
3. The terms of the agreement with the NLA is approved.

Tracking

Executive:	
Overview and Scrutiny:	
Council:	

1. BACKGROUND

- 1.1 Private sector landlords play an important part in providing housing within the district and many landlords provide accommodation of a high standard to their tenants. The existing Landlord Accreditation Scheme operating in Carlisle recognizes good practice and responsible letting by landlords who are providing quality rented accommodation. The Scheme is entirely free to landlords but is not cost effective for the Council, this is partly due to the increasing demands on resources, but is mainly due to the expansion in the private rented sector.
- 1.2 The current version of the Scheme was launched in 2009. The Scheme is open to all landlords who rent out residential accommodation in the district. The Scheme currently has around 148 landlord members. This covers approx 600 properties.

2.0 THE EXISTING LANDLORD ACCREDITATION SCHEME

- 2.1 In 2009 changes were made to the historic 1998 Landlord Accreditation Scheme, the changes were introduced to reduce the burden on the Council to undertake inspections in all its accredited properties. At the time of the change there were approximately 150 properties that required an inspection annually and the Council no longer employed a dedicated accreditation Officer.
- 2.2 The changes made in 2009, switched the scheme to a popular landlord based accreditation scheme, where by the landlord was accredited not the property. The inspection percentage under the scheme was 25% of all the landlords properties annually.
- 2.3 The scheme adopted in 2009 has been a success and has seen a high number of landlords join the scheme, at the time of this report there is currently 152 landlord members, with over 650 properties.
- 2.4 Although the scheme has been successful, it does have its inherent problems and at this present time the scheme is no longer fit for purpose. The increase in the private rented sector has resulted in a higher demand than expected on scheme, thus resulting in increasing pressures on the Council's ability to physically inspect the properties and administering the scheme. In addition providing additional benefits to the landlords, such as free training and newsletters is resource intensive and no longer viable when alternative organisations provide this service to landlords.

- 2.5 The benefits which have been delivered and taken up by landlords participating in the scheme in the last year have been:
- Access onto the University of Cumbria database
 - Inclusion on the Accredited Landlords List published on the Council's website
 - scheme logo window sticker to display in property
- 2.6 Other benefits proposed through the scheme have not been fully realized due to the significant resource implications:
- Access to landlord forums and landlord annual landlord open days
 - 3 per annum landlord newsletters
 - Advisory inspections by Council Officers
- 2.7 The Carlisle scheme does not require the accredited landlords to notify the council of any changes to their property portfolio or to their contact details. This has resulted in inaccuracies in the accreditation database and created difficulties in maintaining good communication with landlords. In addition we have not been able to verify any conditions in properties.

3. PROPOSALS

- 3.1 The National Landlords Association currently represents more than 20,000 landlords nationwide. Their landlord accreditation scheme provides a set of standards relating to the management and physical condition of privately rented housing. Landlords who join the scheme and abide by the standards are accredited. The use of the NLA logo is widely recognised and identifies members as good landlords.
- 3.2 Under the Carlisle scheme, there is no requirement for landlords to keep their knowledge of housing law and best practice up to date. This can be detrimental to both the landlords and their tenants. To retain their membership of the NLA scheme, landlords must continue their professional development in order to retain their membership. This is achieved by a combination of attending landlord meetings and training courses, completing on-line training modules and reading NLA literature. The type and duration of training undertaken by NLA members is closely monitored by the NLA who will ensure that the minimum annual requirement is achieved.
- 3.3 The proposed scheme will continue to offer existing incentives and introduce new incentives, the most popular incentives put forward through consultation are:
- 10% discount for landlords on HMO licence fees (to be reviewed annually)
 - Fees frozen at April 2014 rates for member landlords until April 2016

- Access and marketing on the University of Cumbria database/webpages
- Inclusion on the Accredited Landlords List published on the Council's website
- Access to management and repair services offered by Homelife Carlisle, Home Improvement Agency (HIA)

- 3.4 The proposed scheme would be fully administered by the NLA at no cost to the Council and will not interfere with the Council's statutory enforcement role.
- 3.5 The NLA will notify the Council of any complaint they receive about a landlord, this is agreed with the landlords when they join the scheme. If the complaint is related to property standards and the tenant contacts the Council, an inspection of the property will be arranged by the Housing team and the complaint dealt with in accordance with the Private Sector Housing Enforcement Policy and procedures. At the same time, the NLA will be in touch with the landlord to encourage him or her to take steps to resolve the complaint.
- 3.6 Membership of the NLA is open to individuals, families and businesses. Individuals are not required to be full members of the NLA to be included in the accreditation scheme. This means that the scheme is not biased against other providers or landlord associations of which a landlord may already be a member. There is a "passport facility" into the NLA scheme for landlords who are members of other recognised landlord accreditation schemes.
- 3.7 Landlords who are members of the accreditation scheme only, can still access the same training and development opportunities as full NLA members can and they automatically have access to the NLA on-line library.
- 3.8 The University of Cumbria is supportive of a single Landlord Accreditation Scheme across the whole of Cumbria and have already made NLA membership a requirement for landlords providing student accommodation through the University. The existing stand alone accreditation schemes in Cumbria each have their own standards and requirements and this can be confusing to landlords and tenants alike. Under the proposed scheme, an accredited landlord with accommodation across more than one local authority area will just require one membership of the NLA scheme and one landlord verification by the University.

4. CONSULTATION

- 4.1 Local landlords have been consulted about the proposals to change over to a new Landlord Accreditation Scheme using the questionnaire set out at Appendix 1. Feedback from landlords confirms that publicity/advertising and legislative updates are important aspects of the existing landlord accreditation scheme. Landlords are keen to see further incentives for local landlords such as discounted fees and

being recognised as a good landlord, which would encourage more landlords to join any future scheme.

- 4.2 A summary of the landlord feedback is given in Appendix 2. This indicates no particular opposition to changing the scheme, as long as the benefits remain the same. Many of the features seen as desirable by landlords will be retained in the proposed scheme and the City Council are proposing to introduce further benefits to encourage take up of the new NLA scheme. The additional benefits are listed for approval in appendix 3.
- 4.3 Although the NLA Scheme is to extend across Cumbria, the scheme is flexible enough for Carlisle to continue offering incentives that the other Cumbria authorities may not be offering, but are benefits that are valued by local landlords.

5.0 CONSIDERATION OF ALTERNATIVE SCHEMES

- 5.1 Research on external landlord accreditation schemes was undertaken at the start of the process by a project officer at Eden District Council, the information gathered was then reported back to each authority. The research concluded that there were only two organisations offering the type of partnership service required by the Cumbrian local authorities. The NLA and the Residential National Landlords Association (RNLA), it was agreed by each local authority that the NLA was the most appropriate scheme, as the RNLA did not offer the same level of service or local training opportunities for landlords. In addition the NLA are active in Cumbria, whilst the RNLA are not well established.
- 5.2 From January 2014 the University of Cumbria have insisted that all landlords advertising with the University are members of the NLA. The University of Cumbria are the main reason the existing landlord accreditation scheme exists, so as a officer group the support was given to the University to make this decision.
- 5.3 In response to the questionnaires returned in December/January, from the total number of responses, a total of 19 out of 33 were existing members. As the NLA already have a high profile a large number of landlords will not incur any additional costs by the introduction of the new scheme.

6 NEXT STEPS

- 6.1 If a decision is made to adopt the NLA Landlord Accreditation Scheme a written agreement will be made between the Council and the NLA with a provision to review the operation of the scheme periodically. The same agreement will be in place across all participating Cumbrian local authorities. See appendix 4 draft partnership agreement.
- 6.2 The launch of the scheme will be publicised jointly by the participating local authorities and the NLA including publicity for the first training events which will count towards achieving NLA accreditation. The NLA will provide all course

materials, trainers and refreshments for the training session which will be open to all landlords and the Councils will actively promote the training events to landlords on their databases and encourage existing accredited landlords to transfer to the NLA scheme.

- 6.3 It is not feasible to continue with the existing Carlisle Landlord Accreditation Scheme (ELAS) within existing resources. There is no capacity to provide any training opportunities for landlords, to carry out non statutory property inspections or to provide regular legal or other updates. The scheme is not recognised beyond Carlisle district boundaries.

7. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 7.1 The adoption of a Landlord Accreditation Scheme managed by the National Landlords Association will help promote good practice in the private rented sector. It will take away from the Council the administrative burden for the management of the scheme but enable it to retain incentives which support landlords renting out accommodation in the Carlisle area.

8. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

Policy Framework

- 8.1 The Council has a vision that ‘In everything we do, we aim to promote a proud and prosperous Carlisle’

With six key priorities to

- Fostering more, high quality and sustainable business and employment opportunities, through growing existing enterprises and bringing in new ones.
- Providing a vibrant arts, cultural and heritage offering that befits Carlisle’s history and traditions
- Working more effectively through partnerships
- Helping to ensure that Carlisle develops a skilled and prosperous working age population for the 21st Century
- Making Carlisle clean and tidy *together*
- Helping address Carlisle’s Housing Need

- 8.2 This report meets the Carlisle plan in delivering on helping address housing needs, delivering a more sustainable landlord accreditation scheme and its delivers on working more effectively through partnerships.

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Appendices
attached to report:

- Appendix 1 Landlord Accreditation Questionnaire**
- Appendix 2 Landlord Questionnaire Results**
- Appendix 3 Scheme Benefits**
- Appendix 4 NLA partnership agreement**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's -

Deputy Chief Executive -

Economic Development –

Governance – The Council is the Strategic Housing Authority for the area. The current Housing Strategy and Action Plan includes as a priority the improvement of the quality of the private rented sector. The scheme will address this priority.

Local Environment –

Resources – There will be no financial implications of the changes proposed to the Landlords accreditation scheme as proposed in this report apart from staffing time savings and capacity.

Review of Carlisle City Council Landlord Accreditation Scheme

As an existing accreditation scheme member of Carlisle City Council landlord accreditation scheme, we want to know your views on the current accreditation scheme and what you think are important features of the existing scheme.

Please tick the boxes to show how important the features of the existing scheme are to you:

Scheme benefit	Important	Not important	Don't know
Recognition that you are a good landlord or letting agent			
Better links to Council services			
Opportunity to manage and influence the scheme through consultation and feedback			
Access to landlord information and training			
Accredited Landlords List to be published on the Council website			
Marketing advantage over non accredited landlords			
Opportunity to advertise on the Universities website			
Use of scheme logo for advertisement in property window			

From the table above, please list the main benefits that you have taken up as part of the existing scheme:

-
-
-
-

Are there any other benefits that you would like to see included in a new Accreditation Scheme? Please list them here.

-
-
-

The proposed new scheme will be administered by the National Landlords Association. Are you already an NLA Member? YES / NO (please circle as appropriate).

Do you have any other comments you would like to make?

.....
.....
.....

Signed.....

Date.....

Name:.....

Address.....

.....
.....

Please return by **9 December 2013** in the pre-paid envelope provided or return by e-mail to Housing@carlisle.gov.uk

This questionnaire is also available to download at www.carlisle.gov.uk

Landlord Accreditation Questionnaire Feedback

Total number of returned surveys, **33**

Total number of landlord existing NLA members, **19**

Important features of existing scheme

Scheme benefit	Important	Not important	Don't know	Missing
Recognition you are a good landlord	33			
Better links to Council Services	17	9	5	2
Opportunity to manage and influence the scheme through consultation and feedback	19	4	9	1
Access to landlord information and training	25	6	2	0
Accredited Landlords List to be published on the Council website	29	3	1	0
Marketing advantage over non accredited landlords	29	2	1	1
Opportunity to advertise on universities website	24	5	0	4
Use of scheme logo to advertise in property	16	6	11	0

Benefits landlords have taken up under the existing scheme

Benefits taken up	Count	%
Public recognition as a good landlord	10	30
Advertising on University website	18	54
Marketing advantage, including use of logo	5	15
Inspection and Monitoring by Council Officers	5	15
Landlord events	5	15
Accredited landlords list on Councils website	3	9
Total comments	46	

Benefits expressed by landlords under any new scheme

Benefits desired for new Accreditation scheme	Count
Tradesman lists, with ratings from landlords	2
Nation wide standards, but advice locally	4
Compulsory membership	2
Advertising on Council and University website	9
Physical inspections and advice from Council	4
Free legal advice on housing matters	3
Support with problem tenants/referencing	3

Reduction in licence fee for accredited landlords	2
Accredited landlords to have input on Council decisions	1
Better access to information from University to establish Council Tax exemption	1
Discount Council Services	5

Additional comments from landlords

Landlord likes existing scheme

Excellent service from inspection and Council officers

Joining NLA will add more costs to landlords

Authority need to deal with bad landlords faster

Like existing scheme, if its not broke don't fix it.

Enforcement for those opting out new scheme

Like existing scheme, people get fed up with increasing costs

No more red tape and costs

Better value for money required from NLA including improved communication

No inspections of NLA landlords

Physical inspections and advice from Council

Would not like the scheme to be run by a faceless organisation

Object to additional costs and bureaucracy

Appendix 3

Proposed benefits for accredited landlords joining the NLA accreditation Scheme

10% discount for landlords on HMO licence fees (to be reviewed annually)

Fees frozen at April 2014 rates for member landlords until April 2016

Access and marketing on the University of Cumbria database/webpages

Inclusion on the Accredited Landlords List published on the Council's website

Services offered to landlords through Homelife Carlisle, Carlisle City Councils in house Home Improvement Agency (HIA)

Winter warmth packs for low income tenants

Boiler serving and statutory gas safety checks at competitive rates

Handyperson service

Property repairs service for absent landlords

Competitive rates and tendering for minor and major home improvements

Energy efficiency products for tenants

Draught proofing service

Home security checks

Up to date knowledge on access to grants

Please note a technical service charge of 12.5% maybe incurred on any building works undertaken and offered by the HIA, for further information on service charges and information on the services offered, please contact Homelife on 01228 817111 or email homelife@carlisle.gov.uk

All fees will be subject to an annual review.

Local Authority Agreement for NLA Accreditation

Parties involved: NLA accreditation scheme &

Eden District Council
Carlisle City Council
South Lakes District Council
Barrow Borough Council
Allerdale Borough Council
Copeland District Council

Summary

Through its network of UK trainers and NLA representatives and the NLA administrative framework the NLA will work with the above named Cumbrian local authorities, to deliver a Landlord Accreditation Scheme ("the Scheme").

Membership criteria

Membership of the Landlord Accreditation Scheme is open to all private rented sector landlords who own property within one or more of the local authority areas participating in the Scheme.

Scheme benefits

Local authority benefits:

- Central administration of the scheme with no administrative costs for the local authorities
- Local landlord meetings organised by the NLA to which the local authority can contribute
- Simple tenancy complaints, not related to property condition, will be handled by the NLA without the need for local authority involvement
- Courses offered locally by the NLA on behalf of the local authority where the NLA provide all the administration, course materials and refreshment costs

Accredited Landlord benefits:

- Membership valid across the UK, with accredited status being recognised across all participating districts in Cumbria
- Access to up to date information through the NLA website and quarterly newsletters
- Ability to advertise accommodation through the University of Cumbria
- Local incentives/benefits determined by individual local authorities
- NLA landlord support
- Invitation to locally held Branch Meetings organised by the NLA

Scheme details

Membership

The NLA will enrol landlords as members of the Scheme provided they meet the minimum requirement of subscribing to the on-line library and sign up to the Scheme rules.

Code of Practice and Scheme rules

The NLA will ensure that all accredited landlords sign up and abide by the scheme rules from the beginning of their membership. The rules require Continuous Professional Development (CPD) of 10 hours per year that a landlord is a member. The initial foundation course awards 8 hours of CPD in the first year, which means that the first year CPD requirement is met through the foundation course plus 2 extra CPD hours. Failure to meet the CPD requirement will result in the NLA removing the landlord from the Scheme.

Continuing Professional Development

In order to facilitate the Continuing Professional Development of Scheme members the NLA will undertake to:

- Organise NLA Branch Meetings with at least one branch meeting per year in at least three of the six Cumbrian districts.
- Provide an on-line library to enable landlords to complete training modules that are automatically recorded on the landlords own unique CPD profile
- Organise landlord events which can be manually added to the landlords own CPD profile on the online library. A minimum of one event will be held in Cumbria each year. In the first year, landlord events will be arranged as required to meet the initial CPD training requirements of new Scheme Members, at locations across Cumbria, according to the demand from landlords.
- Recognise CPD hours awarded through any landlord course facilitated by other bodies recognised by the NLA, enabling these to be added manually to the landlords CPD profile in the on-line library.
- Monitor landlords CPD achievement through the on-line library.

Complaints procedure

The NLA will operate a complaints procedure which will be implemented in accordance with the following criteria:

- Complaints will only be accepted where the complainant has a current tenancy contract, either verbally or in writing, with the landlord.
- The complaint will not be accepted unless the matter complained about has arisen within the previous 3 months.
- The tenant must be resident at the property at the time of the complaint.
- The NLA will suspend the landlord's accreditation while the complaint is investigated.
- The NLA will provide the landlord with full details about how the complaint will be managed.
- The NLA will identify the Cumbrian districts within which the landlord offers accommodation that a complaint has been received about a landlord in their area.
- Where the complaint relates to property condition, the NLA will advise the tenant to contact the local authority who can arrange an inspection of the property.

The following exclusions to the complaints process apply because other agencies handle these matters:

- Complaints about evictions
- Complaints about tenancy deposits

However, landlords can still get advice on these topics through the NLA advice line and the Scheme expects that landlords will be acting in a proper manner and in accordance with legal advice.

The complaints process

The NLA will adopt a 3 stage approach to the resolution of disputes.

The initial phase would be the internal 'complaints service' of the Member. All accredited landlords will be required to demonstrate that they have at least a limited form of "in house" complaints handling. This would not be expected to consist of more than supplying tenants with contact details and demonstrating a willingness to discuss issues with a view to resolution

The **Second phase** would be the internal 'complaints service' of the NLA. This phase should be able to properly deal with the majority of complaints.

If a complaint progresses to phase two, the NLA will issue a simple form for completion by the tenant which will require contact details for the tenant, a summary of the problem complained about and details of the remedy the tenant is seeking. The complaints form can be completed on-line or, where necessary, by post.

On receipt of a Phase two complaint, the landlord will be invited via e-mail to make a short response. A timeframe would be given for resolution. Wherever possible all communication will be by e-mail.

The NLA will implement Phase Three of the Complaints Procedure in the event that the complaint is not resolved at the Phase Two stage. At Stage three the NLA will report the matter to the local authority in which the property is situated and initiate independent adjudication.

- 1) Report to the local authority
- 2) Independent adjudication
- 3) The outcome of the adjudication process will be adhered to and this may involve the expulsion of the landlord from the accreditation scheme

Independent adjudication: The NLA does not estimate a lot of cases reaching this stage, the decision to proceed to it is at the sole discretion of the NLA board. It is a decision that would be taken in the event of mediation failing to resolve the issue.

If this route is chosen the tenant will be asked to sign a declaration agreeing to honour the decision made by the adjudicator. The landlord would have already agreed to this at scheme rules stage.

Passporting and the recognition of other accreditation schemes:

The NLA will recognise any other development based model of accreditation that a landlord may have already completed such as the following:

- Residential landlords Association development modules and accreditation scheme
- London Landlord Accreditation scheme (LLAS)
- Midlands Landlord accreditation scheme (MLAS)
- Welsh national accreditation scheme (LAW)
- Kent Landlords accreditation scheme (KLAS)
- Unipol/AFS scheme

Landlords already accredited via one of the above or similar development based models are given direct access to the NLA scheme via a “passport” facility. In order to access the passport facility landlords are required to sign the NLA scheme rules document and return it to the NLA officer along with a copy of their current accreditation certificate or accreditation number via: accreditation@nla.org.uk.

The NLA will then verify that the landlord has become accredited with that provider within the last five years. The NLA will also ensure that the landlord has NLA membership or online library access so that the CPD requirement can be fulfilled and their accredited status maintained.

The landlord will receive an NLA accredited certificate information on CPD in the same way that all NLA accredited landlords are.

The local authority will publicise the “passport” facility between schemes. All of the above mentioned regional schemes recognise the national NLA accreditation scheme and in doing so implement the same “passport” process i.e. the landlord provides a copy of the certificate provided by the NLA and signs up to their scheme requirements.

There is no passport facility for landlords from property based accreditation schemes into the NLA Scheme.

Marketing of the scheme and attendance courses

The incentives offered by the local authority to landlords who become members of the Accreditation Scheme will be an important marketing tool to encourage landlords to join the Scheme.

The local authorities and NLA will work together in order to maximise distribution of all marketing material, press releases and promotion of the scheme. Courses and training sessions will be jointly arranged between the local authorities and the NLA, with at least two months' notice to maximise the opportunity for landlords to attend.

If a local authority arranges an event to promote the Landlord Accreditation Scheme, the local NLA representative will be invited to talk on the scheme.

The local authorities can use any NLA approved literature and promotional materials for NLA accreditation in their communication with landlords. Details of the incentives offered to landlords by the local authority will be publicised included with promotional material.

There will be no charge to the local authority to work with the NLA on providing NLA Accreditation in their area.

Wherever possible the local authority will undertake to provide a room for holding meetings or training sessions. The local authority will arrange catering and refreshments which will be paid for by the NLA. The location of training courses and meetings will be planned across Cumbria to maximise the opportunity for all landlords to attend.

Training course administration

The NLA wherever possible will try to provide a trainer from Cumbria for each event held.

If the council would like verification tests to be done on the day this can also be arranged but landlords will be made aware in advance of this process.

All course bookings and administration for Accreditation Scheme training days is carried out by the NLA. The local authority will provide details of the venue (parking, catering etc) which the NLA will send out to the attending landlords once payment has been received for the course.

Property inspections

The local authority will inspect privately rented properties in accordance with their enforcement policy, taking a risk based approach. It is anticipated that inspection frequencies for such properties will be reduced as landlords, through the accreditation scheme will be better equipped with the knowledge required to maintain their properties in accordance with legal requirements.

The local authority will provide information about their inspection programme to accredited landlords with properties in the district. The information will explain:

- What the inspection element comprises of
- The incentives offered by the local authority

Information sharing:

The NLA will update the local authority on any proposed development of the Accreditation Scheme.

At the start of each month the NLA will notify the local authority of

- new landlords with properties in the area who have become accredited. The extent of information shared with the local authority will be in accordance with permissions granted by the landlord, but will as a minimum include the landlords name and contact details
- landlords with properties in the area who have had their accreditation suspended
- landlords with properties in the area who are no longer accredited

- Landlords who have reached phase 3 of the complaint investigation process
- details of any landlords being investigated through the complaints procedure will be notified to the local authority by the NLA's Operations Department.

Freedom of Information – Enquiries will be handled in accordance with the local authority's normal procedures. It is not envisaged that this will involve seeking additional information from the NLA to respond to a Freedom of Information request.

Commencement and Review

The Scheme will commence on 1 October 2014 with a six month lead-in period from 1 May 2014 to enable landlords accredited under other schemes to migrate to the NLA Scheme.

The operation of the scheme will be reviewed on 1 February 2015, 1 June 2015 and annually thereafter. The matters to be covered during the review will include:

- Review of information exchange between the local authority and the NLA
- Level of Scheme uptake
- Evaluation of meetings and training events

Signed by:

Signed by

On behalf of council

On behalf of NLA Accreditation

Dated:

Dated :