

REPORT TO: Executive Board
DATE: 5 September 2013
REPORTING OFFICER: Strategic Director, Communities
PORTFOLIO: Physical Environment
SUBJECT: Managing Agent Accreditation Scheme
WARD(S) Borough-wide

1.0 **PURPOSE OF THE REPORT**

1.1 To seek Board approval for the introduction of a Managing Agent Accreditation Scheme (MAAS) for private sector managing agents.

2.0 **RECOMMENDATION: That Executive Board agree that the Managing Agent Accreditation Scheme outlined in this report be approved and be implemented as soon as is practicable.**

3.0 **SUPPORTING INFORMATION**

3.1 The reduced availability of mortgages has made access to housing an issue for many households who may not otherwise have had a problem. A downturn in the economy, on a national scale, has also increased the threat of homelessness over recent years. This has put great strain on already over-burdened social housing waiting lists. It has also fuelled demand for the Private Rented Sector, which has grown considerably as a result of the availability of buy to let mortgages, an increasing number of “reluctant” landlords unable to sell their properties and, in the absence of credible alternatives, the popular belief that despite the recent decline housing still represents a viable long term investment. (Housing Strategy for Halton, 2012 - 2016 (draft))

3.2 Accreditation Schemes are promoted as good practice by Government, with many Local Authorities across the UK now adopting this method of working with landlords to help improve standards within the private rented sector. They operate on a voluntary basis, by getting landlords to sign up to a code of standards, which set out the minimum expected by the Council in terms of management practices and property standards. In return the Council uses it’s resources to provide these landlords with a support network and a range of business support opportunities.

3.3 Managing agents are companies who specialise in the letting and management of privately rented residential accommodation. Many

landlords utilise the services of managing agents to seek tenants, set up the tenancy and then manage it thereafter.

- 3.4 There exist a number of national organisations to which a managing agent can become a member. Association of Residential Letting Agents (ARLA), and National Approved Lettings Scheme (NALS) are two such organisations. Both require members to meet certain customer service standards and hold certain money protection insurances. They both however carry a membership fee and neither considers property standards within their code of practices.
- 3.5 Managing Agent Accreditation Schemes run by local authorities are a concept some neighbouring authorities have already adopted. Wirral Council being one such authority with over 25 members. A locally run scheme allows the scheme to be tailored to the needs of the borough.
- 3.6 Development of a Managing Agent Accreditation Scheme in Halton was identified as an action point within the 'Private Rented Sector Action Plan 2013', which was developed as a result of the Safer Policy and Performance Board's scrutiny review into anti-social behaviour in the private rented sector. The deadline for this action is December 2013.
- 3.7 Halton Borough Council has operated a Landlord Accreditation Scheme since 2006. The current format of the scheme is not appropriate for the accreditation of managing agents.

The objectives of developing a scheme in Halton can be summarised as follows:

- To help improve housing condition in private lets.
- To work with agents to promote good management practices.
- To work with managing agents and their tenants to reduce the number of disputes resulting in eviction and homelessness.
- To reduce the need for statutory enforcement action, so that it can be targeted where most needed.

- 3.8 For a MAAS to be a sustainable scheme it is vital to consult with local agents from the outset. This ensures that the scheme is not only attainable by agents but is also attractive to them. This has been done in Halton through the formation of a focus group, made up of local letting agents. The group has agreed all aspects of the scheme including the scheme model (see appendix 1), code of standards (see appendix 2) a range of business support opportunities, for example, the empty property register, trade discounts and property advertising on Property Pool Plus. The group has also helped in establishing a firm basis of agent interest as well as showing a real commitment to partnership working between agents and the local authority.

- 3.9 To date 7 local letting agents have expressed an interest in the scheme. They have a collective portfolio of over 1, 250 managed properties (over a quarter of the total private rented sector stock). This shows a potential for a large proportion of private rented properties to be involved with the scheme, the management of which should meet the associated standards.
- 3.10 Upon application to the MAAS a declaration will be signed confirming the code of standards has been understood and will be fully complied with. Agents must enclose with their application a copy of the template tenancy agreement/s they use and proof of insurance. The company's software for property maintenance, including their rolling programme of gas safety inspections, must be witnessed by the scheme provider. The agent must submit addresses of ALL managed properties and dependent upon capacity and staff resources an inspection of all or a proportion of these properties will be undertaken.

4.0 **POLICY IMPLICATIONS**

- 4.1 The introduction of the Localism Act 2011 has had a significant impact on the way in which Local Authorities deal with applications for social housing and homelessness applications under Parts 6 and 7 of the Housing Act 1996.
- 4.2 From 9th November 2012, the Localism Act enabled Local Authorities to discharge the full housing duty by a 'private rented sector offer' PRSO (s193(7AA)-(7AC) Housing Act 1996 as amended by s.148(5)-(7) Localism Act 2011.
- 4.3 Each private rented sector offer will be assessed for suitability against the Homelessness (Suitability of Accommodation) (England) Order 2012 Part 2 and matched to an individual household.
- 4.4 In order to ensure an offer of private rented accommodation is regarded as "suitable" under the regulations set out in 4.4 the landlord or managing agent will be accredited by the Council. It is therefore important the Council has a mechanism by which to accredit both landlords and agents.

5.0 **FINANCIAL IMPLICATIONS**

- 5.1 The Managing Agent Accreditation Scheme will be managed and administered by an existing staff member, the Landlord Accreditation Officer. A small budget will be required for promotional materials. It is anticipated the Homeless Prevention Fund will be used for this.
- 5.2 An agent whose membership is revoked through non-compliance

with the scheme's code will have the right of appeal if he/she believes they have been dismissed unfairly. For this an appeals panel needs to be formed, comprising an elected member, two accredited agents and a Council officer. Nominations will therefore be required. It is suggested that the member representative be the relevant Portfolio Board Member.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

Research suggests that poor housing conditions can have an adverse impact on educational attainment.

6.2 Employment, Learning & Skills in Halton

Support and recognition for private landlords and managing agents can encourage investment and business growth in the Borough.

6.3 A Healthy Halton

Poor housing conditions can have an adverse effect on health, consequently, improving the housing stock can bring about positive health benefits.

6.4 A Safer Halton

The safety of housing is a key consideration in assessing whether properties meet minimum standards.

6.5 Halton's Urban Renewal

Improving housing conditions has a positive effect on the visual appearance of neighbourhoods and a positive impact on climate change.

7.0 RISK ANALYSIS

7.1 As there is an element of the application process that is self-certifying there is a requirement for a safeguard against potential falsified information e.g. an agent who knowingly does not comply with the code of standards and has declared they do, or an agent who omits certain managed properties from their submitted portfolio. The Landlord Accreditation Officer (LAO) will therefore notify specific Council departments, who are likely to have dealt with problem properties or agents, of an agents intention to become accredited. These Council departments, which include Environmental Health, Housing Benefit, Waste Management and Community Safety will be provided with the agents details as well as the list of properties they submitted with their application.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 The scheme has included provision within the application form for equality and diversity monitoring of its members, and the scheme actively encourages the delivery of equal opportunities within the private rented sector, as stipulated within the code of standards for the scheme.

9.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

Document	Place of Inspection	Contact Officer
Scrutiny review of Anti Social Behaviour in the Private Rented Sector Executive Board Report: 13/12/12	Municipal Building Widnes	Dwayne Johnson Strategic Director Communities