

<b>Meeting:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>17 June 2015</b>
<b>Subject:</b>	<b>Changes to the Fit To Rent Accreditation Scheme</b>		
<b>Report Of:</b>	<b>Cabinet Member for Housing and Planning</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Julie Wight, Private Sector Housing Manager</b>		
	<b>Email: Julie.wight@gloucester.gov.uk</b>	<b>Tel:</b>	<b>396320</b>
<b>Appendices:</b>	<b>None</b>		

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 To introduce a charging regime for the 'Fit to Rent' private rented accreditation scheme and to target the scheme to student accommodation.

### 2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:

- (1) The existing Fit to Rent scheme is adapted to become an accreditation scheme for student accommodation.
- (2) Landlords who wish to accredit their private rented properties for use as student accommodation be required to pay a Fit to Rent registration fee of £70.00 every three years to the Council. The fee will apply to all property sizes.

### 3.0 Background and Key Issues

- 3.1 A county wide accreditation scheme for privately rented properties was introduced in 2009. Landlords have since been able to register their rental properties with this scheme free of charge. The procedure involves a landlord application and an inspection by an officer of the Private Sector Housing Team. If the property meets the required standards for the scheme, the Landlord is issued with a 'Fit to Rent' certificate and the property is included in the county wide list found on the Gloucestershire Landlords Site  
<http://www.cotswold.gov.uk/residents/housing/private-sector-housing/gloucestershire-landlords>

- 3.2 The purpose of the scheme was:-
- To recognise the importance of good quality private rented accommodation
  - To reward responsible Landlords

- To reflect the Government view that accreditation is better than regulation
- To enable Councils to focus on the poor quality accommodation
- To benefit private tenants and the wider community

- 3.3 The scheme was also designed to provide landlords with incentives such as discounts on products and services and it was hoped it would ultimately link with the Home Seeker Choice Based Lettings scheme and the various Local Authority rent deposit schemes.
- 3.4 Landlords were consulted before implementation and they confirmed that unless it was voluntary and free of charge Landlords would not be interested in joining.
- 3.5 Since inception, take up has been very slow and only 409 properties across the county are currently accredited (150 of which are in Gloucester).
- 3.6 The scheme has instead become a burden for Local Authorities, the hope that it would create capacity to focus on poor quality accommodation has not been the case, instead councils are having to re-inspect these good quality accredited properties every three years, free of charge, to enable landlords to re-new their certification.
- 3.7 We have found the best way to focus on poor quality rented accommodation is to take a pro-active approach in identifying and inspecting rented properties. A project of this nature commenced in March 2015 and has been highly successful in identifying substandard accommodation and poorly performing landlords. This is the direction we need to take to improve the quality of rented accommodation in the City and the recommended changes to the accreditation scheme will provide more capacity and resource to divert to this method of working.
- 3.8 Gloucester however has benefitted from an improvement in the quality of student accommodation. This is because Hartpury College accommodation services will only direct their students to the Fit to Rent property list. As a consequence, we have noticed a decrease in the number of complaints we get regarding student accommodation.
- 3.8 Hartpury College and the University of Gloucestershire have been consulted regarding this approach and do not have concerns about this level of fee and pledge to continue referring their students to the Fit to Rent list.
- 3.10 Any organisation that refers tenants to the private rented sector has a duty to ensure the accommodation meets required standards, (such as student accommodation) in these cases the Fit to Rent scheme works well and could be tailored towards this need. However, there is a cost to the Council in administering the scheme.
- 3.11 The Private Sector Housing Managers from the six county district councils have met to discuss and all, except Stroud, agree:-
- The scheme works well for student accommodation
  - The cost of administration should be covered.

- 3.12 However the Private Sector Housing Manager at Cheltenham Borough Council has raised concerns that the fee level of £70 could only cover the cost of certifying small properties. In Cheltenham they have large properties being let to students and would consider a fee of £200 as more appropriate. It is suggested that in view of this that the current scheme is trialled at £70.00 and that the level of fees are kept regularly under review to ensure that they are competitive, proportionate and fair to ensure a good take up.
- 3.13 The change to this scheme was raised at a recent meeting with the Executive of the Gloucestershire Landlords Association and the National Landlords Association. They could understand the need to limit the scheme to student accommodation and expressed the view that although some Landlords will miss having the Fit To Rent certification, it is unlikely to cause any great disquiet if the scheme is no longer free.
- 3.14 On the question of charging, the Landlords Associations felt that provided the fee was kept relatively low it would not deter landlords who were keen to let to students.
- 3.15 An accreditation scheme that is tailored towards improving standards for a particular group of tenants could then be extended in the future to other targeted groups where it is found that an organisation is referring tenants to the private rented sector without the benefit of an inspection.

#### **4.0 Alternative Options Considered.**

- 4.1 Continue to offer a free service to all Landlords. This was not considered further because of the resource/cost issues for Gloucester.
- 4.2 Stop providing an accreditation scheme. This was not considered further because the scheme has been found to improve the conditions in student accommodation.

#### **5.0 Reasons for Recommendations**

- 5.1 The existing scheme which offers a free accreditation service for Landlords focuses resources on well managed and well maintained rented properties, by limiting the scheme to student accommodation and by charging for the accreditation, the time taken to inspect these properties will be reduced and the income raised can be better directed towards dealing with the rented properties that are in the poorest condition.

#### **6.0 Future Work and Conclusions**

- 6.1 If the recommendations are agreed, Landlords with properties in Gloucester that are currently accredited will be advised that they will no longer be certified under the scheme unless they are willing to pay the required fee.
- 6.2 A separate 'student' page on the Council website will be set up to advise students of the accredited properties in Gloucester and provide general information on renting in the private sector.
- 6.3 The requirement to accredit properties as Fit To Rent can also be extended in future (with Cabinet approval) to include other schemes where organisations refer tenants into the private rented sector.

## **7.0 Financial Implications**

- 7.1 The cost of carrying out the inspections is calculated at £70.00 (based on one hour inspection and associated administration). Based on the current number of student accredited properties (81 out of the total of 150 accredited properties), this will bring in an income of approximately £5670 every 3 years (an average of £1890 per annum).
- 7.2 Landlords that have already paid for an HMO licence (which includes a property inspection) and then wish to let to students will not be charged the £70.00 fee for the Fit to Rent accreditation.

(Financial Services have been consulted in the preparation this report.)

## **8.0 Legal Implications**

- 8.1 There is no specific legislation in respect of landlord accreditation schemes, thus it will remain a voluntary scheme. The Authority is able to use powers provided by s.93 of the Local Government Act 2003 and s.1 of the Localism Act 2011 to charge a reasonable fee for providing a discretionary service.

(Legal Services have been consulted in the preparation of this report.)

## **9.0 Risk & Opportunity Management Implications**

- 9.1 There are no identified medium to high risks associated with this proposal.

## **10.0 People Impact Assessment (PIA):**

- 10.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, there a full PIA was not required.

## **11.0 Other Corporate Implications**

### Community Safety

- 11.1 Well maintained and managed privately rented properties are less likely to attract vandalism and anti-social behaviour.

### Sustainability

- 11.2 Well maintained properties provide suitable accommodation into the future.

### Staffing & Trade Union

- 11.3 There are no staffing implications

**Background Documents:** None