

# CHESHIRE EAST COUNCIL

## Cabinet Member for Prosperity

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**Date of Meeting:** 18<sup>th</sup> October 2010  
**Report of:** Strategic Director, Places  
**Subject/Title:** Landlord Accreditation Scheme

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### **1.0 Report Summary**

- 1.1 This report outlines the purpose of voluntary landlord accreditation schemes for improving the private rented sector and recommends that the current scheme is amended to provide a consistent approach across Cheshire East.

### **2.0 Recommendation**

- 2.1 That the Voluntary Landlord Accreditation Scheme developed in partnership with Cheshire West & Chester and Warrington Borough Councils be approved and adopted for use across Cheshire East.

### **3.0 Reasons for Recommendations**

- 3.1 Cheshire East has a high need for good quality, affordable and appropriate housing. A voluntary landlord accreditation scheme will enhance partnership working with private landlords, increase access to affordable housing, and drive up housing standards in the private rented sector.

### **4.0 Wards Affected**

- 4.1 All wards.

### **5.0 Local Ward Members**

- 5.1 All local ward members.

### **6.0 Policy Implications including - Climate change - Health**

- 6.1 The standards that landlords' properties must meet to be included in the voluntary landlord accreditation scheme include the presence of insulation measures and energy efficient heating systems to counter carbon emissions.
- 6.2 Poor housing is a determinant of poor health and well being. Improved thermal comfort and the elimination of hazards improves the health and safety of residential accommodation. Access to housing for people in

housing need also improves health and well being, through the reduction of mental distress, a reduction in overcrowding, improved personal safety and access to basic shelter. Voluntary landlord accreditation schemes increase access to good quality housing.

## **7.0 Financial Implications**

- 7.1 Any costs of delivering a voluntary landlord accreditation scheme will be absorbed within current budgets and therefore there are no financial implications of amending the landlord accreditation scheme.

## **8.0 Legal Implications (Authorised by the Borough Solicitor)**

- 8.1 The Council has statutory duties in relation to regulating minimum housing standards which are referred to in this report. Whilst there is no statutory duty to offer a voluntary accreditation scheme, the power to do so is outlined below, and it is good practice to have a landlord accreditation scheme to encourage responsible letting.
- 8.2 The power to deliver a voluntary landlord accreditation scheme is contained within section 111 of the Local Government Act 1972 which states: *“Without prejudice to any powers exercisable apart from this section but subject to the provisions of this Act and any other enactment passed before or after this Act, a local authority shall have power to do any thing (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.”*

## **9.0 Risk Management**

- 9.1 Robust checks will be carried out in accordance with a published standard set of criteria to ensure compliance with the criteria for membership of the landlord accreditation scheme. The publication of the standards will ensure that the assessment of landlords' management practices and property conditions is transparent and equitable.
- 9.2 Without an accreditation scheme in place, there is a risk that private landlords will operate their businesses without full regard to the legislation governing housing standards and landlord and tenant law, potentially placing tenants at risk. Putting the accreditation scheme in place will reduce that risk.

## **10.0 Background and Options**

- 10.1 The private rented sector is a vital and growing part of the housing stock in Cheshire East, comprising 7.1% of the total stock. The private rented sector offers a flexible form of tenure and meets a wide range of housing needs. The private rented sector is an increasingly important resource to meet the housing needs of people who are homeless or at risk of homelessness in Cheshire East.

- 10.2 Previous house condition surveys carried out in Cheshire East have shown that while the housing stock is generally in good condition, the worst conditions exist in the private rented sector.
- 10.3 Local authorities have a statutory duty to regulate housing conditions under the Housing Act 2004. All regulatory activity is carried out in accordance with the Council's enforcement policy, using a combination of the three levels of enforcement: promotion and education, informal warnings and formal notices.
- 10.4 A voluntary landlord accreditation scheme meets the promotional / educational aspect of the enforcement policy, by providing landlords with information and guidance on how to manage a tenancy and the standard of accommodation that is required.
- 10.5 Accreditation schemes have been developed across the country over a number of years as a means of encouraging improved standards in the private rented sector. It is acknowledged and appreciated that many private landlords manage their tenancies well, and provide and maintain properties to a good standard, often above the standard required by the law. It is important to recognise these landlords and encourage and support others to achieve this higher standard. The current Government is resistant to introducing further regulation of the private rented sector and is keen to encourage responsible letting through voluntary accreditation schemes.
- 10.6 Accreditation schemes have a number of benefits to the local authority, tenants and the wider community:
- Improved working relationships with private landlords, improving access to the private rented sector for people in housing need;
  - Improved property standards, reducing the impact on individual's health;
  - Reduction in the need for costly enforcement action under the Housing Act 2004;
  - Investment to maintain properties to the accredited standard bringing economic benefits, extending the life of the housing stock and improving the visual amenity of the area, thereby negating the risk of decline in our communities;
  - Education for landlords, reducing poor management practices, distress to the tenant, and costly investigations by the local authority into contraventions of harassment and illegal eviction legislation;
  - Engagement with landlords, improving negotiation on rent levels, which has a fiscal benefit to the tenant and to the local authority through Housing Benefits levels.
- 10.7 An accreditation scheme was adopted by Crewe & Nantwich Borough Council in 2005. The scheme focused on the standards of the property, and did not take account of the management practices of the landlord. There were no accreditation schemes operating in other parts of Cheshire East.

- 10.8 As part of the improvement programme to unify services across Cheshire East, the scheme has been revised to include management practices and to extend the scheme's geographical coverage to all parts of the Borough. The scheme has been developed in partnership with Cheshire West & Chester and Warrington Borough Councils, to ensure consistency in housing standards across the sub-region.
- 10.9 Membership of the accreditation scheme is open to all private landlords who own properties in Cheshire East, who are a 'fit and proper person'. The test of fit and proper person will be carried out in accordance with the test of fitness described in s66(2) of the Housing Act 2004, and covers offences of fraud or other dishonesty, violence or drugs, sexual offences, practices of unlawful discrimination, and offences relating to housing or landlord and tenant law.
- 10.10 Assessment for membership will be carried out through a combination of:
- self assessment, to encourage greater responsibility;
  - a review of the landlord's management practices; and
  - an inspection of every residential property in the landlord's portfolio.
- 10.11 Management and property standards will be assessed against a predetermined set of criteria to ensure fairness and equity.
- 10.12 Where management or property standards fall below the minimum acceptable level for the scheme, an improvement plan will be agreed with the landlord, stating the actions to be carried out to meet the accreditation standard within an agreed timescale.
- 10.13 Where there are a number of breaches of the management or property standards, or the hazards are so serious that they pose a significant risk to the health and safety of tenants or the wider community, the level of intervention will be increased in accordance with the enforcement policy, and the accreditation status will be refused or removed.
- 10.14 Members of the scheme will be expected to undertake professional development in the first year of their membership. This will ensure that all landlords have at least the minimum knowledge acceptable to be a good landlord.
- 10.15 Landlord accreditation schemes operate most effectively where there are tangible benefits to the landlord. No financial benefits will be offered to landlords in Cheshire East; instead, all benefits will be 'in-kind', through improved partnership working and enhanced information and advice within existing resources. As the scheme develops, opportunities may arise to offer other benefits through the scheme with external funding or within existing resources. It is intended that access to financial assistance for repairs and renovations will be linked to membership of the accreditation scheme when the Interim Private Sector Assistance Policy is reviewed. This will be subject to consultation.

## **11.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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