

## **BARNSELY METROPOLITAN BOROUGH COUNCIL**

**This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan**

### **REPORT OF THE EXECUTIVE DIRECTOR PLACE TO CABINET ON 6 OCTOBER 2021**

**Public or private: Public**

#### **Future Delivery of Barnsley MBC's Landlord Accreditation Scheme**

##### **1. PURPOSE OF REPORT**

- 1.2 To update on the review of the existing scheme undertaken within the context of the Private Sector Stock Condition Survey, the updated Housing Strategy and emerging Private Sector Housing Strategy and the councils' wider aims to support and develop the quality and effectiveness of the Private Rented Sector (PRS) in the borough.
- 1.3 To recommend an alternative delivery model for the Landlord Accreditation Scheme via LocalPad.

##### **2. RECOMMENDATIONS**

- 2.1 To approve the proposals for a new landlord accreditation scheme which are set out in sections 5 & 6 of this report.
- 2.2 To procure LocalPad, via a contract waiver, as the preferred platform on which to host Barnsley's new landlord accreditation scheme.

##### **3. BACKGROUND**

- 3.1 The Landlord Accreditation scheme was introduced to raise both property and tenancy management standards in the private rented sector. The Council has a long-standing ambition to grow the membership of its accreditation scheme and to better influence conditions in this growing sector within our borough. It is estimated that the Barnsley borough now has 21,483 privately rented properties or 19% of the tenure distribution. This is a 5% increase since the 2011 Census. Membership of the current scheme totals approximately 175 private landlords. These landlords have over 600 accredited properties, or 3% of all PRS tenancies in the Borough.
- 3.2 The current scheme was launched in 2010 and has been managed by Berneslai Homes since 2015/16. However, new membership to the current scheme has been frozen since April 2021, pending a review, and following its transfer back to the Council (as part of the contract renewal arrangements between Berneslai Homes and the Council). It is thus an opportune time to review and relaunch the accreditation scheme with a focus on providing a 'one stop shop' platform service to landlords

seeking accreditation, advice and assistance in managing their properties and their tenancies.

### **The Existing Scheme:**

3.3 Membership of the current scheme is based on:

- Landlords making a one-off certification that they are fit, and proper persons and they comply with 'good housing management'.
- An inspection of the property to ensure that it is free from HHSRS hazards. Further inspections are completed in respect of a grant application or on a rolling three-year basis.
- A £50 fee for all members who have more than one accredited property; although this fee has not been collated over the last 12 months and proved difficult to administer when Berneslai Homes managed the scheme.
- The scheme sits alongside a range of other services offered by the Council and Berneslai Homes which offer support and advice to the PRS. These, however, are fragmented and work independently of each other. There isn't a hosting platform for the current scheme.
- The £500 grant previously offered to accredited landlords was to assist them in ensuring that their property was free from hazards under the Housing Health and Safety Rating System (HHSRS); although this funding ran out during 2019/20.

3.4 Further to a consultation exercise with landlords, recent feedback (surveys and forums) to the Council indicates that landlords value education, training and support above all else. The regulatory position regarding the PRS has changed significantly recently (nationally and locally) and we have seen an increase in contact from Landlords seeking advice and assistance in navigating these policy changes. Currently, the Council provides some support in terms of information and advice in this area via quarterly newsletters and local forum events.

## **4. CURRENT SITUATION**

4.1 The PRS within Barnsley continues to grow and continues to impact on the resources of other service provision including the Safer Neighbourhood Teams, Waste Services and Housing Options. If the Council does not seek to influence issues of tenancy and property management across the PRS, the impact on the resources of other services from this sector will continue to increase. The existing scheme could be significantly enhanced to better meet the needs of private landlords and tenants in our borough and to lessen the disproportionate impact that issues within the PRS can often have on other council services and the sustainability of our communities.

4.2 To go further, the Council recently commissioned a Private Sector Stock Condition survey for the borough, which has highlighted that there is a lot of work required to improve the standards of housing within the Private Sector whether that be connected to energy efficiency or class 1 hazards such as falls and excess cold.

- The average Simple SAP rating (EPC rating) in the private rented sector is 62 (D rating) with around 3.2% having an EPC rating of band E or below
- 4,124 properties in the private rented sector have category 1 HHSRS hazards (19% of the PRS)

- 4.3 In reviewing and relaunching a new landlord accreditation scheme, the Council will be able to work more closely with landlords to improve the quality of private rented housing in the borough, the quality of support given to private rented tenants and maximisation of opportunity to improve the energy efficiency of homes (to an EPC standard of C or above), in line with the Governments targets to improve the energy efficiency of homes (BY 2030 in the PRS) – potentially 2025 with new regulations), reduce carbon emissions and tackle fuel poverty.

## **5. AIMS AND OBJECTIVES**

5.1 The objectives of the proposed scheme will be:

- Objective 1: Promotion of good physical condition of properties
- Objective 2: Promotion of a minimum expected tenancy management standard
- Objective 3: Grow the numbers of landlords and tenancies recognised via the scheme

5.2 The objectives will be overarched by a programme framework which is designed to develop and demonstrate both a landlord's competency to manage a property as well as its condition. By making both visible it will drive up conditions in the sector and give prospective tenants an insight into what they could expect from their tenancy.

## **6. PROPOSAL AND JUSTIFICATION**

6.1 To develop an internet-based framework, LocalPad, based on:

- Landlords self-registering themselves and their properties along with providing certificates; this will create a score out of a possible 5 stars.
- Properties will be inspected to HHSRS standards, membership of an appropriate professional body or landlords' group will be checked.
- The score will be visible resulting in choice to prospective tenants and acting as an incentive for landlords to improve their individual properties.
- The framework will support the Safer Neighbourhood Service by allowing them to score properties and landlords through their work in relation to Homes in Multiple Occupation (HMO) and property related complaints.
- A Landlord Zone will provide information and guidance to landlords, reflecting both national and local issues. All stakeholders who touch the PRS will be expected to contribute including Housing Options, Safer Neighbourhoods, Commissioning, Environmental & Transport, etc.
- A Tenant Zone will provide information and guidance to the tenant, reflecting their rights and local information including the ability to provide feedback. All stakeholders who touch the PRS will be expected to contribute including Housing Options, Safer Neighbourhoods, Commissioning, Environmental & Transport, etc.

- The ability to market a property based on area for rent; becoming a tool which can be used by Housing Options to increase the use of the PRS to support the homelessness agenda and other clients that face barriers around housing.
- The framework allows the Council to advertise and monitor the Landlord Incentive Pack been created to provide more housing options whether that be for temporary or move on accommodation.
- BMBC to provide:
  - A hosting platform
  - Regular landlord events
  - Exclusive services – e.g. access to housing advise, SNS staff, licensing discounts, visitor parking permits, tenant referencing for former Council tenants, pest control discounts
  - Use of BMBC accredited logos

6.2 A software framework is available from a company based in the region called LocalPad as an off the shelf product. Berneslai Homes already use another of their products to host their Property Management Service and several Local Authorities use it to support their accredited landlords offer. LocalPad can be delivered as a branded BMBC product; thus, meeting all the requirements of the scheme plus aligning with Berneslai Homes' managing agent offer.

6.3 A market testing exercise has been carried and LocalPad was the only provider able to offer the full services required for the accreditation scheme. An alternative to LocalPad, POD, could deliver elements of the required hosting facility, but will be significantly more resource intensive for officers to manage. It is thus proposed that LocalPad is appointed, via a contract waiver, to host the scheme, going forward. Appendix 1 provides a detailed summary of the benefits for the proposed changes to the accreditation scheme. The scheme is in line with the Accreditation Network UK's (ANUK) guidance.

6.4 At the current time, and with the benefit of the hosting platform, it is proposed that the scheme can be resourced using existing staff capacity. This includes the administration of the scheme by the PRS Project Officer in the Housing Strategy and Growth Team and the inspection of properties, as required, by the PRS Enforcement Team in Communities. This will be reviewed as membership grows and at the initial review stage; 6 months post launch (anticipated to be autumn 2021).

## **7. CONSIDERATION OF ALTERNATIVE APPROACHES**

### **Restart the current scheme:**

7.1 Even without grant support, it is perfectly possible to provide an arm's length accreditation scheme which can seek to better cascade information to members and respond to enquiries. The current scheme does attempt to do this via centrally held events, quarterly newsletters and bulletins. However, growth in membership is unlikely and it will remain a tool that speaks to a narrow range of landlords and, as such, its influence is small.

### **Host a joint scheme with Barnsley Residential Landlord Association:**

- 7.2 As part of the consultation stage, officers investigated the approach of a joint scheme with the already established Barnsley Residential Landlord Association (BRLA). This was the preferred option as it would have allowed the Council to work in partnership with the BRLA; using their well-established connections (and respect amongst the landlords in our borough) to reach a much wider (already engaged) audience from the outset. BRLA were keen to work collaboratively. However, following discussions with legal, procurement and information governance, the Council is unable to work in direct partnership with the BRLA due to their legal status; which creates issues with GDPR, licensing and data, as it is not possible to produce a partnership/service level agreement. Whilst it is not possible to develop and manage a joint scheme at this current time, it is still proposed that the Council will continue to work closely with the BRLA (as invited), particularly around the hosting of landlord forum events and meetings.

#### **Close the landlord accreditation scheme:**

- 7.3 There is always the option to allow the existing scheme to close without replacement, and signpost members to join the BRLA. This would leave local independent landlord groups to provide support and assistance to their fellow landlords and the Council focussing purely on the enforcement side of managing standards.

It should be noted that this approach does not align with the strategic priorities of the Council in ensuring that it works proactively and collaboratively with landlords to ensure that homes are safe, warm and sustainable, and people feel invested in and connected to their home and local community. The new Landlord Accreditation offer will provide a 'one stop shop' approach to offering advice and assistance to landlords which will hopefully, in turn, foster better collaborative working between the Council and landlords of our borough. Landlords will receive a consistency of service and advice relating to their properties and will have greater clarity regarding their role as a landlord and the support that they can, in turn, provide to their tenants.

### **8. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS**

- 8.1 A vibrant accredited sector within the Borough will mean a more open and engaged PRS. It will mean improved choice for tenants who will have a better living experience.
- 8.2 Providing useful tenant information, via landlords, will outline what is expected of both tenants and landlords. This will hopefully allow tenants to engage with their landlords in a positive manner; reducing instances of property disrepair, illegal evictions, ASB and homelessness.

### **9. FINANCIAL IMPLICATIONS**

- 9.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).
- 9.2 The purpose of this report is to implement a Barnsley Accredited Landlord Service.
- 9.3 The proposed alternative model will provide an online portal for landlords to upload property compliance information and allow potential tenants to review this information.

- 9.4 The portal will be provided by a company called Local Pad who has indicated an annual cost of £6,550 per annum fixed for a two period.
- 9.5 The revenue funding required to cover the subscription costs to Local Pad will be contained within the Housing and Energy Service's existing resource envelope. The expectation is that scheme membership subscriptions will grow to fund planned future year expansions of the programme including the Local Pad portal costs.
- 9.6 It is proposed that landlord's scheme membership will be £50.00 p.a. plus VAT regardless of numbers of properties owned.
- 9.7 Membership numbers will be closely monitored, and the scheme reviewed on annual basis.

## **10. EMPLOYEE IMPLICATIONS**

- 10.1 The new scheme will be managed directly by a Project Manager within the Housing Strategy and Growth Team; working closely with officers in the PRS enforcement team as inspections are required.

## **11. COMMUNICATIONS IMPLICATIONS**

- 11.1 The relaunch of the accreditation scheme will require a marketing strategy to ensure that it is sufficiently publicised to attract new landlords to join the scheme. Existing accreditation members will be contacted directly and given support in joining the new scheme. The scheme will maximise opportunities to increase the use of social media and there will be a re-launch on the BMBC webpages.

## **12. CONSULTATIONS**

- 12.1 Consultation has been held with existing accredited landlords, the Barnsley Residential Landlord Forum, Berneslai Homes, the Safer Neighbourhood Team and Housing Options alongside Legal, Procurement and Finance.

## **13. THE CORPORATE PLAN AND COUNCIL'S PERFORMANCE MANAGEMENT FRAMEWORK**

- 13.1 Specifically, the Accreditation Scheme is cross cutting across the priorities of Healthy, Learning, Growing and Sustainable Barnsley:
- Healthy: ensuring that housing standards and living conditions in Barnsley are of good quality to contribute towards better health outcomes for all (warm, energy efficient and safe).
  - Learning: ensuring that residents know how to access support and know their rights and responsibilities as landlords and tenants.
  - Growing: delivering private rented homes which are safe, warm and sustainable and which meet local need.

- Sustainable: ensuring all areas, neighbourhoods and streets in Barnsley, irrespective of housing tenure or type, are places where people want to live and are proud to live.

#### **14. EQUALITY IMPACT**

- 14.1 An Equality Impact Assessment has been completed. The nature and size of any impact at this moment in time is unknown however with regular monitoring of equality and local demographic information any future issues can be identified and mitigated as soon as possible. Stakeholder engagement has taken place using a variety of different methods in order to shape the scheme to its current proposal. Any barriers identified will try to be mitigated as soon as they are identified such as providing paper copies of advice and support, holding in person and online events. We will carry out a social media and comms campaign to ensure that all potential landlords are aware of the scheme

#### **15. TACKLING HEALTH INEQUALITIES**

- 15.1 It is widely recognised that the quality of housing and the surrounding neighbourhood are influential in shaping health and wellbeing. Improving the standards and management of existing homes, will help to tackle some of the health inequalities that exist in the housing market; particularly in poorer quality private sector stock.

#### **16. ZERO 40/45**

- 16.1 Working with tenants and landlords to make their homes more energy efficient reduces carbon emissions in our borough. The Government has set national targets to ensure that all private rented homes (those in fuel poverty) are EPC C or above by 2030 (potentially 2025). The accreditation scheme provides a platform for the Council to work more closely with landlords to provide advice and assistance in accessing funding to improve the efficiency of their properties; reducing fuel poverty for tenants and emissions. There are also opportunities to work with landlords to promote and encourage a shift to decarbonised heat.

#### **17. REDUCTION OF CRIME AND DISORDER**

- 17.1 Better quality housing and tenancy management will reduce the impact of anti-social behaviour which will reduce the number of Section 21 notices being served; potentially preventing homelessness.

## 18. SUSTAINABILITY WHEEL



The Landlord Accreditation Scheme has very little negative impact across a range of social, economic and environmental factors other than the use of transport which could be mitigated through the use of online/virtual events rather than in person. The scheme will have positive benefits around good quality housing which will reduce poverty, anti-social behaviour and improve the health and well-being of tenants.

## 19. LIST OF APPENDICES

- Appendix A: Financial implications
- Appendix 1: Promotion & outcomes table

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Appendix 1: Promotion & outcomes table

<b>Promotion of good physical condition of properties.</b>	<b>Promotion of minimum expected tenancy management standards</b>	<b>Grow the numbers of tenancies recognised via ALS</b>
<p>Promote minimum property standards via ongoing CPD and training events.</p> <p>Landlords to self-certify that their properties meet BMBC standards via an online submission.</p> <p>A sample of the total membership will be inspected each year and monitored to reinforce property standards and membership standards.</p>	<p>Promote minimum tenancy standards and current and new legislation as it is introduced to landlords via ongoing CPD and training events.</p> <p>To develop good management practice, a Tenancy File must be provided by the landlord to all new tenancies outlining legal rights, tenant duties, landlord obligations.</p> <p>The scheme will promote the services and support available from the council to help sustain the property and tenancy (including access to grants and loans)</p> <p>The scheme will provide support to the landlord via a suite of documents which outline the powers, regulatory and enforcement functions of government and the council.</p> <p>The scheme will provide support and advice in relation to the management, control and sustainability of tenancies.</p>	<p>BMBC will actively market and promote the benefits of accreditation which will direct prospective tenants to seek out accredited landlords; providing members of the ALS with a competitive advantage over non- members i.e. we drive standards via positive reinforcement.</p> <p>Support prospective tenants by recognising and supporting best practice in the PRS and giving them a visible choice via an up to date register of Accredited Landlords, agents and their portfolio of accredited properties. This will be directly accessible online for council officers, landlords, prospective / existing tenants and general public.</p> <p>Grow the numbers of tenancies which come under the ALS by introducing two new membership categories for managing agents and larger landlords.</p> <p>Extend membership to all other touch points of Council activity with the PRS.</p>
<b>Outcomes</b>		
<ul style="list-style-type: none"> <li>- A more vibrant accredited PRS sector where good practice is recognised.</li> <li>- Prospective tenants are given a visible choice in their choice of home, in the knowledge that conditions in the property and tenancy management will meet their needs.</li> <li>- As the Council will be nudging the Borough into recognising the benefits of an accredited tenancy, a competitive advantage will be created for properties and landlords which are accredited over those who are not. This will create the on-going demand of membership.</li> <li>- The tenancy file will become the standard which drives landlords and tenant behaviours for all new tenancies, as such demand for linked Council services such as Housing Options and Safer Neighbours should reduce.</li> <li>- It will seek to engage property managers/estate agents and so influence many more properties than through the current scheme.</li> </ul>		