

# The Problems of Private Landlordism

## Submission No. 3 to the Croydon Opportunity and Fairness Commission

### Introduction

1. One of the socio-economic changes between 2000 and 2014 has been the growth in the number of residents living in homes rented either directly from landlords or through lettings agencies. Recent new trends include the conversion of empty office blocks into homes, including for private renting, as well as newly built or proposed blocks for private renting.
2. The private rented sector appears to have a high concentration of social deprivation and inequality. The short term nature of tenancies means that tenants frequently have to move and Houses in multiple occupation create a wide range of problems. The Council maintains a register of such properties. It is in the process of consulting on introducing a licensing scheme for landlords and lettings agents.
3. It is important for the Commission to understand the nature of private landlordism and its interaction with inequalities and deprivation.
4. Attached as an Appendix is my submission to the Council's consultation.

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The author undertook personal or supervised research into many private property company networks in the 1970s and 1980s as part of his employed and community work on issues facing private tenants. He was involved in giving Shelter evidence on regulating estate agents, many of whom were also owners of private rented stock. He has spent his working, community and politically active life on issues relating to poverty, anti-poverty, poor housing and homelessness, housing provision, regeneration, environment, community development and organisation, planning and community/police consultative issues, community engagement and participation, as well as being a historian of aspects of these including Black British History. He has been a Councillor, a member of regeneration boards, an administrator (inc. Committee Secretary) and organiser (e.g. events), a policy researcher and information sharer. He co-ordinates the Croydon Radical and Samuel Coleridge-Taylor networks, reports on developments and events on his two blog sites and in Croydon Citizen. He monitors and shares information in advance on what is under discussion in Council committees on one of his blog sites. He is currently organising several history and cultural events in Croydon.

# PRIVATE RENTED SECTOR LICENSING SCHEME

## Response to Croydon Council's Consultation

From Sean Creighton - resident of Norbury

### Introduction

1. I am submitting this response to the Council's proposed licensing scheme on the basis of support for the need to regulate the private rented sector because of the high level of poor conditions, high rents, evictions putting pressure on the Council through homelessness, and other problems caused by rogue landlords and agents. At various times over the last 40 years I have advised and advocated for tenants, researched landlord networks, lobbied for controls over the sector and tough action against bad landlords, helped form a co-operative initiative among private tenants, worked for a housing association which purchased tenanted property off landlords, advised OFWAT (water regulator) on controlling the resale price of water in multi-occupied properties, and run a private sector leasing purchase scheme for a housing association.
2. I attended the open discussion forum on 27 November and took part in the debate.

### High Court Enfield Judgement

3. In the judicial review hearing on 11 December a High Court judge decided against the Enfield Borough Council's licensing scheme. Until the full text of the judgement is made public the basis of the rejection appears to be that Enfield Council had failed to consult:
  - the people who should have been consulted (including in the 6 surrounding boroughs)
  - for the required time.
4. It is reported today that Enfield Council intends to appeal. The implications for Croydon will depend on what the Judge meant by this in detail and the outcome of the proposed appeal. Given the potential seriousness of this decision for Croydon the Council will need to wait the outcome of the appeal before finalising its decision on whether to implement its own scheme in the light of its consultation process. **The Scrutiny & Oversight Committee should hold a review of the consultation process in the light of the High Court decision and the outcome of the appeal. In doing so it should also take into account already identified flaws in the consultation process.**

### Consultation Flaws

5. At the 1 December Council meeting a question from Glen Hart, the prospective Parliamentary candidate for the Trade Union and Socialist Council, was answered by Alison Butler, the Cabinet member in charge of the consultation, asking if ward based public meetings for tenants were planned. Butler replied that none were planned but that Councillors could organise their own. (PW£089-14): <http://www.croydon.gov.uk/contents/documents/meetings/548170/691212/691218/1355632/1-dec-14-written-questions-from-public.pdf>.
6. On 5 December I emailed Labour Councillors asking them to let me know whether they have organised a meeting (date, time and venue) for tenants in their ward on the licensing scheme before the close of consultation on 12 December, or whether they have asked for the consultation period to be extended to give them time to organise such a meeting. Not a single Councillor has responded by today (12 December).
7. On 4 December it was reported that the Council had revised its proposals after pressure from the National Landlords Association, which claims to have secured the council's agreement

to consider limiting the licensing scheme to only those specific areas suffering anti-social behaviour. <http://www.lettingagenttoday.co.uk/1252-council-rethinks-landlord-licensing-scheme>.

8. On 5 December I emailed Alison Butler, the Cabinet member in charge of the consultation asking whether this is correct or not. 'If it is correct it would appear to pre-empt the outcome of the consultation.'

9. In the same email I explained that I had gone into Croydon Access to pick up a print copy of the consultation document to send to a private tenant who does not have internet at home.

'I was told that there were no print copies but that people can access on line at Access Croydon and through the Libraries. This means that tenants who are not on the web or who do not have printers will not be able to access from home, and because so much Council information is now only available on line and through the emailed newsletter, many are not likely to know the consultation is on. This does not seem to be within the spirit of the administration's wish to be more open and transparent to residents.'

10. This concern was shared by the Croydon Unite Retired Members Branch which adopted the following resolution:

'This Unite, Croydon Retired Members branch, given the problems with rogue landlords, increasing rent levels, and a high incidence of unfitness and disrepair in the private rented sector, welcomes the Croydon Council's consultation on introducing a licensing scheme, under which all private rented sector landlords (other than those with houses in multiple occupation) will have to register.

It notes that few tenants appear to know about the consultation and that the period for public comment is short, at only four weeks ending on 12 December.

This branch urges Councillor Alison Butler, the relevant Cabinet member, to extend the consultation period to at least the end of January, and instruct the officers and the consultation consultants to concentrate their efforts on finding out the views of tenants.

It also requests the Croydon Assembly working group on housing, to start work on seeking to organise private tenants in the Borough, so that they can collectively lobby for a comprehensive strategy on the private rented sector by the Croydon Council.'

11. This was sent to Cllr Butler, but no reply had been received by the end of 11 December.

12. These issues raise serious questions about the seriousness and quality of Council consultation exercises, and contributes to a degree of cynicism about trying to engage with the Council is a waste of time.

### **The Context**

13. The consultation document is weak because it does not sufficiently set the proposal within the context of the growth and spread of the sector across the Borough. It makes assumptions about the nature of landlords without a detailed analysis based on publicly available information that is not restricted by data protection issues. There is no analysis of:

- the regulated rent sector on the Valuation Office Agency's website.
- the differences between wards and within wards of where private rented property is particularly concentrated.
- Census 2011 information cross-referencing private rented households with such other topics such as amenities, conditions, ethnicity, long-term illness and disability, etc.

14. This lack of in depth analysis is despite the fact that I raised such issues in my submission to the Scrutiny Committee on 18 June 2013, followed up with Freedom of Information requests. The replies revealed that the Council does not:

- record how many private sector landlords it has taken action against are multiple owners. (FOI reply 25 July 2013)
- research how many dwellings private sector landlords (whether individuals or companies) own and whether there are links between both individuals and companies as part of a property owning network, except 'this has been done on occasion if we have noted similarities in housing conditions/behaviour towards tenants in several properties.' (ditto)
- record the areas of the Borough where there are high concentrations of poor private landlord properties . (FOI reply 1 August 2013)

15. Nor as a matter of course does it ascertain from those seeking advice whether they live in private rented property whether their landlords:

- have undertaken the maximum energy efficiency measures to reduce heating bills or not;
- are complying with re-sale of electricity, gas and water requirements of the regulators or not
- have installed the maximum water efficiency measures possible to keep water meter bills down or not
- have provided the most energy and water efficient white goods which help reduce expenditure (FOI reply 9 August 2013)

#### **Who are the landlords?**

16. The representations made by landlords, especially those who responded to the consultation survey, suggest that the great majority are small landlords with few properties. The Council says that the responses 'indicate that a large number of landlords own only one or two properties in Croydon and therefore do not let these as a professional business.'

17. Over 9,000 landlords and lettings agents were sent details of the first phase of the consultation. The survey summary does not give any detailed analysis of these in terms of the type of landlord.

18. I have undertaken an analysis of the Valuation Office Agency's regulated rents register. The preliminary results suggest that out of 258 tenancies with regulated rents between 2011 and the end of November 2014:

- 66% are owned by property companies, many of them are linked through common Directorships with other property companies, including the Newcastle-upon-Tyne Grainger Group (15%), the Pears family (10%) and Mountview Estates (n.6%), whose activities are not restricted to Croydon. Their combined % is 31%
- Several properties are owned by individuals, who are also Directors of property companies.
- The Directors of some lettings agents have linked Directorships with the registered landlords.
- Many lettings agents are not based in Croydon.

19. The Council states that while ‘there are several landlord associations operating in Croydon, including the National Landlord Association (NLA), these only represent a small number of the total landlords and although they have been keen to engage and make representations to the council regarding the proposal, this can only be seen as reflecting the views of a small minority of landlords.’ If analysis of the type cited above was carried out on the other data sources used to construct the 9,000+ consultation invitations, it may be found that the level of small landlords is much lower than the NLA and others claim.

20. Several of the regulated rent tenancies are in converted houses and blocks of flats. Therefore it is possible that other dwellings in these houses and blocks are also private rented and possibly owned by the same companies.

#### Difference Within Wards

21. I have looked at the spread of private rented households in the ward I live in, Norbury, as indicated in the Census 2011 statistics on the Croydon Observatory. Each ward is divided into small areas (LSOAs - EDs). The following table shows the great variations between the LSOAs in Norbury.

	083	084	085	086	087	088	089	090	091
No Private rented households: landlords, lettings agency	53	96	154	96	313	91	197	266	114
%	9.98	14.44	25.16	15.92	36.91	15.38	27.55	25.85	20.29

Source: Croydon Observatory

#### Specialist Rentals

22. There are at least two specialist areas of renting on which clarification is needed as to whether the proposed scheme will cover them.

- Holiday lets : see e.g. <http://www.homeaway.co.uk/lettings/united-kingdom/croydon/r25299>; and <http://www.ownersdirect.co.uk/croydon.htm>
- Serviced apartments: see Flexistay Croydon

#### Rogue landlords

23. A substantial majority of those responding to the consultation survey and of those at the consultation meeting were against a Borough wide licensing scheme, but were in favour of action against rogue landlords.

24. However, there is big difference between stating this and taking action. I suggested at the consultation meeting that the NLA should convene a working group of those present to work on a comprehensive strategy on rogue landlords. The representative did not indicate agreement and ask for volunteers. This is not recorded in the official note of the consultation nor the comments of Cllrs Butler and Dudley Mead (Conservative).

#### Landlords Objections

25. The main objections of the landlords against the scheme appear to be:

- (1) that the licence fee of £750 for five years, even with the proposed discounts, will have to be passed on to tenants, many of whom cannot afford to pay it.
- (2) that as they do not have the legal right to enter a tenant's home without the tenant's permission, their ability to act against anti-social behaviour is limited.
- (3) that it is wrong to seek to pass over to landlords responsibility for tackling anti-social behaviour which is legally the responsibility of the Council and the police.
- (4) that mortgage lenders will withdraw their loans if the property is subjected to registration.
- (5) that insurance companies will withdraw their cover if the property is subjected to registration.
- (6) that rogue landlords will not register and will try and remain undetected by the Council.
- (7) that it is a tax to fund the continued employment of Council officers.
- (8) that if forced to register many of them will withdraw from the market which will be a loss of housing stock.

Lets look at these arguments.

### **Licence Fee**

26. As Councillor Alison Butler, the Cabinet member for housing under whose responsibility the consultation is taking place, has pointed out that the cost spread over 5 years is very cheap, and that it can be set off as a taxable expense therefore reducing the actual amount. Since owning a private rented property is an investment **the fee is just another business expense**. Rents are rising anyway, so there will be not need to specially pass the fee onto the tenants.

### **Anti-social Behaviour**

27. The Council will need to carefully review the legality of its attempt to involve landlords in tackling anti-social behaviour, and if necessary should seek specialist legal advice both in criminal and landlord/tenant legislation. See discussion below.

### **Mortgage and Insurance Issues**

28. The Council will need to:

- (a) check whether any of the mortgage lenders and insurers withdrew their loan support to landlords on its HMO register because of the register as opposed to other reasons.
- (b) consult other Councils operating licensing schemes whether there has been any evidence of mortgage lenders and insurers withdrawing their loan support to registered landlords.
- (c) consult mortgage lenders and insurance companies known to be supporting private landlords, especially those through the but-to-let scheme, to ask whether they would withdraw support if landlords went onto the register.

### **Tackling Bad Landlords**

29. The Council makes it clear in the document that it will be focus most of its inspection and enforcement work under the scheme on the private rented properties that pose the most problems, and these are likely to be mainly owned by bad landlords and managed by and lettings agents. This could be done by having the registration scheme covering those areas of the Borough where the majority of the offending properties are located. If the Council continued to monitor the private

rented sector in those areas not covered by the scheme it could add additional areas later on. e.g. on a yearly basis.

### **Tax to Employ Council Staff**

30. If 'good landlords' want the Council to act against 'bad' landlords then it needs to resources to employ the inspection and enforcement staff. Cuts in Government funding of local authorities has already been drastic and the Chancellor of the Exchequer's recent autumn budget statement means that even greater cuts will happen. The rules governing Council Tax increases mean that most Councils will not feel able to increase Council Tax, many of whom see such increases as a tax on the poorer members of the community, most of whom live in either private rented or social housing. Therefore the licensing scheme will need to generate the funds to ensure the employment of the necessary staff.

31. A selective area approach may not generate enough income at the proposed £750 [per licence minus the loss of revenue from the proposed discounts] to employ the number of staff needed to carry out inspections and enforcement. **The 'good' landlords in the select areas would still have to register.** This would mean that there would be two classes of 'good landlords', those outside the select areas and those inside the select areas. **This could be regarded as discriminatory.**

32. If all 'good' landlords want action taken then a Borough wide scheme would spread the cost and they would all be investing in action by the Council which if successful would improve the image of the sector which the 'good' landlords say they want to see. 'Good' landlords should remember that if they have tenants who are eligible for housing benefit their rents are being subsidised by the Government. There are several ways in which 'good' landlords could have their registration fees reduced in addition to those proposed by the Council - see discussion below.

### **Withdrawal from the Market**

33. The private rented market has continually seen the exit of existing and entry of new landlords. The argument that there will be a loss of housing stock is bogus. They will either sell the tenanted properties to another existing or a new landlord, or evict the tenants and sell as vacant on the property market. The properties will remain as housing. The only decrease in units might be if a house converted into several flats is brought back into family housing use. This will be counteracted by the continuing conversion of houses into flats where the floor space is higher than that used by the Council to define what a 'small family house' is. With new private rental apartment blocks being built, and some old office blocks outside the Town Centre being converted to residential, there is going to be an increase in the private rented stock. If 'bad' landlords decide not to withdraw from the market, then their properties can be purchased by new 'good' landlords.

### **Tenants' Views**

34. If there is a small response to the consultation from tenants then other sources of information about their views will need to be considered.

35. A recent survey conducted by London-based polling company, Populus, on behalf of tenancy software company OnBoard Pro painted a very bleak picture of the rental property market. The survey was carried out both online and over the telephone with data collected from 1,000 Private Rental Sector (PRS) tenants chosen randomly by geographical location and demographic profile. Five questions were asked relating to the following matters with the following outcomes:

- Fees charged by agents and landlords are high: 45%
- Poor value for money: 60%

- Use of slow and outdated technology for tenancy applications: 52%
- Interest in pre-completion of applications before meeting an agent which would save them time: majority positive
- A more innovative technical solution would advance the UK letting industry more than increased Government regulations: 61%

36. OnBoard Pro CEO Stephen Purvis said: "These results show that not only do tenants feel they are paying a lot for the services but that they're not getting good value. These results are inescapable evidence of the lack of confidence in the industry perceived by tenants and that's something that agents and landlords need to address."

(<http://www.onboardpro.co.uk/wp-content/uploads/2014/11/TenantSurvey2014.pdf>)

37. One way of addressing the situation is through a licensing scheme.

38. Attention should also be paid to the views of the Generation Rent campaign - see its contribution to the local debate on *Croydon Citizen* at <http://thecroydoncitizen.com/economics-business/poor-housing-licensing>.

**Basis for Scheme: low demand or anti-social behaviour**

39. The Housing Act 2004 requires the Council to justify a licensing scheme on the basis of problems of low demand or anti-social behaviour (ASB) associated with private rented housing. The Council has assumed that there is no low demand problem and is therefore justifying the proposed scheme on the basis of anti-social behaviour.

**Is There Low Demand for Private Rented Accommodation?**

40. The current state of the current private rented market suggests that there is low demand, and that there is no low supply problem.

The Home.co.uk website analyses the market in the area three miles around the Town Centre. Therefore it is likely that some properties included are outside the Borough boundary, but it gives an idea of the state of the private rented market. This is what it stated earlier this week.

Total properties for rent in Croydon:	1,141
Properties for rent in Croydon listed in the last 14 days:	285
Average* property rents in Croydon:	£1,126 pcm
Median* rent:	£1,101 pcm
Average Time on Market (ToM) in Croydon*:	139 days

41. 139 days is just over 4.5 months. It is even longer in respect of those with monthly rents between £250 and £1,000. It takes longer to rent two bedroom properties.

- **Rent Levels**

No. of properties	Average ToM*
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<a href="#">Rent under £250 pcm</a>	2	131 days
<a href="#">£250 to £500 pcm rent</a>	84	167 days
<a href="#">£500 to £1,000 pcm rent</a>	398	168 days
<a href="#">£1,000 to £2,000 pcm rent</a>	608	119 days
<a href="#">£2,000 to £5,000 pcm rent</a>	46	91 days
<a href="#">Rent over £5,000 pcm</a>	3	190 days

- **Property Rents in Croydon by Number of Bedrooms**

	No. of properties	Average rent	Median rent	Average ToM
<a href="#">One bedroom</a>	296	£802 pcm	£849 pcm	161 days
<a href="#">Two bedrooms</a>	388	£1,173 pcm	£1,149 pcm	144 days
<a href="#">Three bedrooms</a>	194	£1,411 pcm	£1,374 pcm	110 days
<a href="#">Four bedrooms</a>	88	£1,751 pcm	£1,726 pcm	113 days
<a href="#">Five bedrooms</a>	22	£1,973 pcm	£2,101 pcm	97 days

- **Property Rents in Croydon by Type**

	No. of properties	Average rent	Median rent	Average ToM
<a href="#">Room</a>	25	£459 pcm	£459 pcm	230 days
<a href="#">Flat</a>	693	£1,018 pcm	£997 pcm	138 days
<a href="#">House</a>	355	£1,402 pcm	£1,352 pcm	124 days

### Dwellings for rent at 10 December

42. As at 10 December a look at various agency sites shows the following re-currently advertising of vacant private rented properties:

- 904 - Right Move's website
- 830: Gumtree
- 554 - Zoopla, Prime Location, Homes 24, All the agents
- 479 Adzouna

- 304 - Nestoria
- 131 - Choices at Coulsdon
- 110 - Paul Meakin, Estate Agents
- 61: Open Rent
- 19: Bairstow Eaves
- 18 each - James Chilten, Estate Agents; Martin & Co (on Brighton Rd); Haart

There will inevitably be duplication and some properties will be outside the Borough boundaries.

43. The length of time it takes to let private rented properties suggests that the demand is not as high as may be popularly suspected. It certainly demonstrates that there is no shortage of private rented units. The trend over the next few months on the length of time will need to be watched into order to ascertain whether demand is increasing or not. It also suggests that there are many properties which could either be sold for owner occupation or could be offered to a private sector leasing scheme.

### Housing Benefit

44. The extent of the subsidy to private rented landlords from housing benefit claimed by their tenants is reflected in these figures as at 1 July 2013 (Freedom of Information reply 29 July 2013) supplied to me in a Freedom of Information reply. The Council had 16,641 local housing allowance (LHA) private tenant customers receiving housing benefit in Croydon broken down into the following.

Bedroom Size required	Number of Customers
1 Bedroom	3724
2 Bedrooms	6371
3 Bedrooms	2628
4 Bedrooms	1068
A Shared Room	2850

### Anti-Social Behaviour

45. The Council states that it is 'aware that there has been an increase in ASB from within the private sector particularly neighbour nuisance.'

46. However, the evidence base is very thin, and is not related to the spread of the sector between wards or inside wards. Nor is there sufficient differentiation between anti-social behaviour associated with HMO registered and non-HMO private rented properties.

47. There is a danger of stigmatising private tenants with the label of being anti-social, along with the already stigmatised portrayal of them as benefit scroungers because of payment of housing benefit. Some categories of anti-social behaviour are in any case caused by wider factors.

- The lack of control over conversions into flats has increased population densities in some parts of the Borough with growing tensions over the inevitable increase in noise between neighbours due to poor sound proofing between flats and with neighbouring properties.
- Some categories of anti-social behaviour alleged to be perpetrated by nuisance neighbours such as begging seem unlikely to be caused by tenants, as most beggars are homeless and originally have come from all stratas of society and all tenures.
- Anti-social drinking has been aggravated by the laws easing the sale of alcohol, and the absence of fast track procedures to detoxification, on going recovery support programmes and sober living houses. The same procedural problems apply to drug abuse. Some street drinking is linked to the growing level of low wages and benefit cuts because it is cheaper to buy cheap alcohol than go to the pub. This may also be more associated with HMOs because people need to get out of the over-crowded conditions they live in order to socialise. None of this is helped by the general failure in society to understand the medical/neurological nature of addictions, which effect people from all stratas of society and can led them to spiral down to living and begging on the streets.
- Graffiti, fly tipping, litter and waste, are general problems caused by people in every tenure. It is made worse by the failure of landlords and letting agents to provide sufficient waste disposal bins and the Council's guidance on waste collection and disposal. This leads some tenants, especially those living over shops, to have to put their waste out on the street. Fly-tipping can also occur as landlords and agents or their buildings clear out furniture and mattresses, or do not help incoming tenants to do so. The situation is aggravated by the failure of the Council up to the local elections to take effective enforcement action on fly-tipping, and by its charge to take away bulky items.

48. The Council also talks about 'transient tenants' being particularly at fault with some aspects of anti-social behaviour. Most are transient because so many landlords only give 6 to 12 month tenancies, and do not always renew them forcing tenants to move. Others may have to move to areas with cheaper rents as rents rise.

49. If the Council decides on either a Borough wide or a selective areas licensing scheme it needs to present a more robust case of the link with the private rented sector, and to be more careful about how it discusses that behaviour to minimise stigmatising private sector tenants. One way to do this will be to support moves to support collective organisation among private sector tenants.

50. Given the wide range of problems caused by the private rented sector and its growth within the Borough, the Council can only begin to solve some of the problems by using powers available to it. It is unfortunate that its case for a discretionary licensing scheme has to rest on allegations of a high correlation of criminal anti-social behaviour as opposed to the non-criminal anti-social management of many landlords and lettings agents. In view of the lack of robustness of its case about anti-social behaviour, the Council leaves itself open to judicial review.

51. Where there is anti-social behaviour by tenants the Council has just proved that it can take action with the need for a licensing scheme. It has announced successful action as follows:

'Two nuisance flats in Ashburton that were the cause of anti-social behaviour have been "shut down" by the council. Three month closure orders were yesterday granted by Croydon Magistrates' Court for 79 and 125 Stroud Green, which are located in a seven-storey high-rise block of 28 flats. This followed a series of complaints from neighbours about the tenants shouting, fighting and swearing inside the properties and in communal areas. Residents reported groups arriving on a daily basis with carrier bags full of alcohol. Allegations were also

made about drug use in connection with both homes. The closure orders mean nobody can enter the two properties for the next three months.’

### **Recommended Amendments to the Proposed Scheme**

52. Bearing in mind the analysis above, I recommend that the Council should:

- (1) check the landlords’ concerns re-their expected role in dealing with anti-social behaviour and their belief that mortgage lenders will withdraw loans and insurance companies cover. It will need to discuss these matters in detail in the final report emerging from the consultation. If these are shown to be serious issues then the Council will need to give further consideration to them, and this may be best done through an additional open discussion meeting and then a pre-policy review session of the Scrutiny and Oversight Committee.
- (2) offer free registration to the licensing scheme s to those landlords who join one of the Council’s private sector leasing schemes (Croybond, Croylease), or enter similar agreements with housing associations.
- (3) introduce into the scheme a two tier fee scheme so that landlords who are members of recognised associations and who only use as lettings agents those registered under one of the three ombudsman schemes will pay a lower fee than the proposed £750. Those not so registered will pay a higher fee (with no discounts), the latter to be set at a figure higher than membership of a recognised landlord association and the highest of the ombudsman schemes. The proposed discounts should only be available to the first tier landlords.
- (4) require landlords to register with the licence covering their lettings or management agents so as to enable landlords to change their agents within the 5 year period without the need to seek a new licence.
- (5) publish the register recording property address and name and address of landlord and lettings/management agent, so that tenants and prospective tenants and their advisors can check on registration status.

### **Additional actions**

53. The proposed licensing scheme is only part of the potential raft of measures to improve the private rented sector. I recommend that the Council should consider:

- (6) signing up to Shelter’s Evict Rogue Landlords Statement of Support as a sign to ‘bad’ landlords that their activities will no longer be tolerated.
- (7) publishing the details of what action its officers have been taking since 1 October 2014 to check that all lettings agents and property manager service providers to private landlords are either now registered with one of the three Government approved ombudsman schemes or are in the process of registering, and what action is it planned to take against those who do not register by 31 December. (Property Ombudsman, the Ombudsman Services Property or the Property Redress Scheme.)
- (8) initiating CPO action against landlords who are convicted of breaches of legal requirements.
- (9) collaborating with other London local authorities to commission research into landlords with multi-ownerships and involvement in networks of companies.
- (10) publishing a register of landlords and lettings agencies known to it from the HMO register, the London scheme, from the Council/landlord partnership schemes, from the Valuation Office

Agency regulated rents register, from information received from tenants as a result of housing casework, from the various enforcement teams, from planning approvals for converted or new private rented housing developments, and any other source that is not restricted by data protection issues. This register would sit alongside the register of the licensing scheme if adopted.

- (11) issuing an information booklet to all tenants known to be in the private rented sector to go out with housing benefit information and to all tenants of properties on the landlord register(s).
- (12) submitting a quarterly report to Cabinet or the Health, Social Care & Housing Scrutiny Subcommittee on the action taken in respect to dealing with all the problems relating to private rented housing, with the address, the name of the landlord and lettings/management agent, and in particular to monitor the length of time it takes to implement notices issued.
- (13) supporting residents and community associations to target membership recruitment to new private tenants moving into their areas.
- (14) assisting the formation of private tenants groups in the area based on (a) shared landlord; (b) shared lettings/management agent; (c) same neighbourhood to improve their ability to negotiate with landlords and agents and to feed information to relevant Council officers.

#### **Further Action on HMOs**

54. It is clear that further action is needed on Houses in Multiple Occupation. **I recommend that the Council should consider:**

- (15) publishing the HMO register (with property address and names and addresses of landlords, and lettings/management agents) so that tenants and their advisers can find out about the licensed status of their homes.
- (16) adopting an Article 4 Direction to remove permitted development rights allowing change of use to HMOs so as to control their spread, as advised by the Government.
- (17) officials inspecting HMOs should undertake an annual check on whether landlords are complying with the energy and water regulators requirements on the sharing of energy and water bills where units in the same building are not individually metered.

#### **Towards a Wider Strategy**

55. It is clear that the licensing scheme needs to be part of a wider strategy towards the private rented sector. At the moment the information on this is fragmented across different strategy and other Council papers. **I recommend that the Council should consider:**

- (18) drawing the strands together into a draft strategy document. This should then be open to public consultation with public meetings at which there should be a speaker from the National Landlords Association, and either Shelter or the Generation Rent campaign.
- (19) lobbying the Government with other local authorities for legislative measures which will strength the action they can take against 'bad' landlords.

#### **Shelter Advice**

56. In doing this it should look at the advice issued by Shelter. Shelter argues that: 'Any proactive local authority intervention in the private rented sector should be driven by a thorough understanding

of local market dynamics and need. For this reason good practice will vary considerably; what works in one area will not necessarily work in another. .... However, our extensive conversations with local authorities suggest that there are several common themes, across which examples of good practice consistently emerge.'

57. It publishes a guide looking at how local authorities can use the following actions to tackle rogue landlords and improve conditions in their private rented sector:

- Proactively manage and proactively inspect properties to make sure that they are appropriate homes for renters.
- Adequately resource and support their local enforcement teams.
- Take tough enforcement action against rogue landlords. And publicise their tough stance in the local press.
- Advise renters and give them the support they need to bring complaints to the council.
- Implement a clear complaints procedure and harness the skills of other agencies.
- Proactively manage their local private rented sector through accreditation and licensing schemes.
- Work to educate tenants and landlords of their rights and responsibilities

58. Crucially, one element will usually not make the difference. It is important to develop a combination of different initiatives and interventions. Equally important is a willingness to try new, innovative approaches, even when facing increasing resource constraints. Many of the examples within this guide prove how possible this is.' (Shelter. *What works? Tackling rogue landlords and improving the private rented sector*. September 2013. p.4)

59. I recommend that the Council should consider:

(20) the following ideas operating in other local authority areas, as discussed in the Shelter report.

- Periodically survey private sector stock condition. (Reading)
- Undertake a thermal imaging aerial map to identify where the properties that are losing the most heat in cold conditions are located, as a high proportion may be in the private rented sector. (Slough)
- Use public health strategy to target the poor condition of properties in the private rented sector. (Sheffield)
- Employ a team of specialist private sector advisers to advise private tenants and landlords about their rights and responsibilities and ensure compliance with the law. (Lewisham)
- Work with the area health authority to ensure it can refer vulnerable tenants with infectious lung diseases such as tuberculosis. (Slough)
- Investigate all allegations of poor conditions within three days of receipt. (Rushmoor)
- Set up a cross-department Rogue Landlords Working Group. (Haringey)
- Have generic neighbourhood teams dealing with the whole range of local issues. (Manchester)

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