

CABINET

12 FEBRUARY 2013

MEDWAY PRIVATE SECTOR TENANT ACCREDITATION SCHEME

Portfolio Holder: Councillor Doe, Housing and Community Services.

Report from: Robin Cooper, Director of Regeneration, Community and Culture

Author: Susan Pledger, Private Sector Housing and Housing Options Manager

Summary

Homelessness is a situation being faced by an increasing number of Medway residents, in particular those who rent in the private sector and are benefit dependant. At the same time, landlords are concerned about securing suitable tenants who will act as good tenants, maintain payment of the rent particularly in light of changes to the benefits system. The consequence of these is that landlords are becoming increasingly risk averse to letting their properties to benefit dependant Medway residents.

Strategic Housing Service has been researching possible solutions to reverse this situation. In response a Tenant Accreditation Scheme, based on extensive consultation with landlords and tenants, has been developed. The aim of the scheme is to encourage tenants to sign up to a voluntary code of conduct, which encompasses tenants' responsibilities including payment of rent, looking after their property and anti-social behaviour. Compliance with the code of conduct will lead to accreditation, which tenants can use to confirm to future landlords that they are responsible tenants.

This report seeks approval to introduce the proposed Medway Private Sector Tenant Accreditation Scheme.

1. Budget and Policy Framework

- 1.1 The budgetary requirements will be met from existing resources.
- 1.2 The Medway Private Sector Tenant Accreditation Scheme will support the Council Plan's priority "everyone benefiting from the area's regeneration" and in particular the commitment to reducing / maintaining a low level of use of bed and breakfast for families.

1.3 The scheme will contribute to Medway's Housing Strategy 2011-14 aims of increasing choice and access to housing and preventing homelessness.

2. Background

2.1 Homelessness is increasing amongst households in Medway as across the country as a whole.

2.2 The Localism Act 2011 provides a power for local authorities to discharge their homelessness duty with an offer of suitable accommodation in the private rented sector. However, to use this power effectively Medway Council will need to develop effective working relationships with landlords to encourage them to make their properties available for homeless households.

2.3 Many clients when accessing the Council's Service as homeless or threatened with homeless state that they have difficulty finding landlords who are willing to offer them accommodation, or if they are, require a third party to guarantee their rent. Typically guarantors need to be a homeowner and in employment. Clients frequently do not have family members who are able to act as guarantors. These situations act against the Housing Options team when working with clients to either prevent or alleviate homelessness.

2.4 Many landlords have a negative attitude towards tenants who rely on benefits to pay their rent, resulting in landlords having a preference for working tenants who are perceived as being better at paying their rent and looking after their property. This makes it much harder for benefit dependant tenants to secure decent quality accommodation.

2.5 These issues have been raised with landlords at the Medway Landlord Forums and focus groups organised by the Housing Service. Typical responses from landlords are that tenants need to be more aware of their responsibilities and the Council should be providing more support.

2.6 The Medway Landlord Accreditation scheme introduced in 2009 has been very successful as it recognises landlords who are willing to demonstrate that they understand their responsibilities as landlords. To date over 300 landlords has joined the scheme.

2.7 Consultations have taken place with landlords and tenants to assess if an accreditation scheme for tenants would be worthwhile and the possible content for a code of conduct. Whilst some negative responses have been received the overwhelming majority of both tenants and landlords would support such a scheme and the proposed code of conduct. A copy of the proposed code of conduct is attached at appendix 1.

2.8 The proposed scheme is voluntary, as with the landlord accreditation scheme. However, it is expected that as tenants benefit from joining the scheme this can be used to promote and encourage further tenants to sign up to the scheme, particularly when accessing advice and assistance from the Council.

3. Option

Option 1 - Do nothing.

- 3.1 There is no statutory requirement to introduce such schemes. Its introduction will place an administrative role for the Council's Strategic Housing Service to ensure its success and that it is not open to abuse.
- 3.2 There are however, disadvantages to doing nothing. As stated in section two homelessness is rising and this places a cost on the Council in securing temporary accommodation whilst homelessness investigations are undertaken and settled housing is secured for households to whom the Council owes a duty under homelessness legislation. Homelessness also has wider social, health and economic impacts.
- 3.3 Many of the consultation responses received from the landlord consultation have been from accredited landlords who are keen to see a reciprocal scheme for tenants. Accredited landlords may view not introducing the scheme as the Council not listening to them and having a lower requirement for responsibility amongst tenants compared with landlords.

Option 2 - Implementing the Tenant Accreditation Scheme

- 3.4 By providing tenants with a means to demonstrate they are reliable and responsible the scheme will help erode the negative attitudes some landlords have towards benefit dependant tenants. It is expected that the scheme will reduce the difficulties tenants have in finding decent quality accommodation.
- 3.5 Its introduction will also demonstrate the Council's core values of putting customers at the centre of everything it does and value for money. Many clients approaching the Council for assistance have stated that they have difficulties in finding housing and request support. Landlords have expressed at forums and focus groups that they would like tenants to be encourage to have greater responsibility for their tenancies. The accreditation scheme has been devised to respond to these views and requests for support and consultation amongst both groups has elicited positive responses to its introduction.

Option 3 - Introduce accreditation by other methods.

- 3.6 As part of its development of the scheme we have looked at other types of accreditation schemes.
- 3.7 Research has identified local authorities that have introduced tenant-referencing schemes, based on credit and police references and information held by the Council on areas such as anti-social behaviour. Whilst landlords may welcome such schemes it would place the Council at greater risk of challenge if it got the referencing wrong, would involve a greater administrative burden whilst it collated the information for the reference and would not help tenants who may have been less than responsible in the past and but now want to demonstrate changed behaviour and attitude.

3.8 Other authorities have introduced accreditation through tenant training. If the proposed Medway accreditation scheme is successful tenant training is seen as a natural development of the scheme.

4. Advice and analysis

4.1 Based on the options appraisal at section three it is recommended to implement the proposed Medway Private Sector Tenant Accreditation Scheme, as set out at Option 2.

4.2 With the reducing availability of suitable housing the Council is increasingly reliant on private sector landlords to support their work in preventing and alleviating homelessness. In response the team needs to engage with private sector landlords as stakeholders in undertaking its responsibilities under homelessness legislation.

4.3 The proposed tenant accreditation scheme is a positive response to landlords' feedback when consulted about working with the Council. It will help address tenants' difficulties when seeking to rent private sector accommodation.

4.4 A Diversity Impact Assessment (DIA) screening has been undertaken and this has identified that no groups will be disadvantaged by the introduction of the proposed tenant accreditation scheme. A full copy of the DIA is attached at appendix 2.

5. Risk management

5.1 The following risks have been identified.

Risk	Description	Action to avoid or mitigate risk	Risk rating
No or low take up of the scheme	Tenants and/or landlords do not sign up for the accreditation scheme.	The development of the scheme has been based on best practice attained by other local authority schemes and consultation with both landlords and tenants. Community groups consulted are the scheme have stated they are willing to promote participation amongst tenants	D2

Risk	Description	Action to avoid or mitigate risk	Risk rating
Fraud	Tenants secure a tenancy based on a fraudulent claim to have received accreditation through the scheme and subsequently do not comply with the code of conduct.	To receive accreditation the tenant's current landlord must confirm that the tenant has conformed with the scheme's code of conduct. A comprehensive register of all tenants participating in the scheme will be maintained by the private sector housing team	D2

6. Consultation

6.1 Formal consultation has been undertaken with landlords and other groups and a summary of responses is attached at appendix three.

7. Financial and legal implications

7.1 Legal implications. This is a discretionary role that the Council would be administering but its provision is intended to help reduce those households to which the Council would have a legal duty to assist should they become homelessness

7.2 Financial implications
The scheme will be administered within existing resources.

8. Recommendations

8.1 It is recommended that Cabinet approve the introduction of the Medway Private Sector Tenant Accreditation scheme.

9. Suggested reasons for decision(s)

9.1 The suggested reasons for the decision is as follows: -

- The Scheme will support tenants who want to demonstrate they are reliable and responsible when looking for private sector accommodation.
- The Scheme will help tenants secure better quality privately rented accommodation
- The Scheme will support closer working with private sector landlords

- The Scheme will support the Council's work in preventing and alleviating homelessness

Lead officer contact

Susan Pledger, Private Sector Housing and Housing Options Manager, 01634 333009, susan.pledger@medway.gov.uk

Background papers

None

TENANT ACCREDITATION SCHEME

Code of Conduct

I, agree to:

1. General Conduct

- Conduct the tenancy courteously and responsibly.
- Comply with all legal requirements of the tenancy agreement.

2. Commencement of Tenancy

- Ensure all references provided are authentic.
- Pay rent on time in accordance with the agreed manner of payment.
- Contact the gas, electricity and water supply companies to register supplies in my name, and the local Authority to register for Council Tax on the day that they commence occupancy of their accommodation.
- Ensure that I read and understand the Tenancy Agreement and Tenant Code of Conduct.
- Carry out an inspection of the property and inform the landlord in writing of any damage or defects at the commencement of the tenancy.

3. During the Tenancy

- Behave in a reasonable manner and not to cause a nuisance to, or be anti social with my neighbours.
- Not create excessive noise, which causes a nuisance to my neighbours, having regard to the time and location of sensitive areas within neighbouring premises.
- Not carry out any profession, trade or business from the property without the landlords written consent.
- Not sublet the property.

4. Looking after the property

- Confirm in writing to the landlord all necessary repairs, and to keep a copy; urgent repairs must be immediately reported verbally, in addition to being confirmed in writing.
- On receipt of suitable notice, provide my landlord or any person authorised on their behalf, with access to their accommodation, to carry out an inspection or repair
- With the exception of fair wear and tear, repair to a satisfactory standard with the prior agreement of the landlord, or otherwise compensate the landlord for any damage to their accommodation including fixtures, fittings and furniture
- Maintain the property in a clean and tidy condition especially the kitchen and bathroom
- Replace spent light bulbs.
- Keep external drainage gullies free from debris
- Replace broken windows (unless caused by vandalism and reported to the Police).
- Obtain my landlord's prior written permission to decorate any rooms, put up shelves, or make any other alterations to the fabric of their accommodation.

5. Visual Appearance

- Show respect for the accommodation, not cause any willful damage and report any damages, defacement (including graffiti) and fly-posting promptly
- Keep gardens/yards free from refuse and in a tidy condition

6. Health & Safety

- Ensure all fixtures and fittings are used in a manner for which they were designed particularly gas and electrical appliances
- Confirm in writing to the landlord any hazards for which the landlord is responsible, and to keep a copy; serious hazards must be immediately reported verbally, in addition to being confirmed in writing.

7. Security Alarms

- **Where provided**, in co-operation with the landlord, ensure that keyholder details are registered with the police and local authority if a burglar alarm is provided

8. Security

- Keep the property secure using all the facilities provided

9. Refuse

- Store refuse in a proper hygienic way and put out for collection on the day and in the manner required by the waste collection service

10. At the End of the Tenancy

- Give the required notice as required by the tenancy agreement.
- Return all keys on termination of the tenancy.
- Settle all outstanding accounts on termination of the tenancy.
- Leave the dwelling in a reasonably clean condition on vacation of the property
- Leave the property in no worse condition having regard to fair wear and tear as at the commencement of the tenancy.

Name of the tenant:

Address:

.....

Landlord:

.....
Tenant's signature

.....
Date

.....
Landlord's signature

.....
Date

Diversity Impact Assessment: Screening Form

Directorate	Name of Function or Policy or Major Service Change		
RCC	Introduction of a voluntary accreditation scheme for private sector tenants		
Officer responsible for assessment		Date of assessment	New or existing?
Susan Pledger Private Sector Housing and Housing Options Manager		18 January 2013	New
Defining what is being assessed			
1. Briefly describe the purpose and objectives	The aim of the Tenant Accreditation Scheme is to give private sector tenants a means of demonstrating that they are reliable tenants. This will be achieved by signing up to a code of conduct based on paying their rent in accordance with their tenancy agreement, looking after their home in a reasonable manner and not causing anti-social behaviour. After complying with the code of conduct for a set period of time the tenant will receive accreditation status. This will complement the existing Landlord Accreditation Scheme.		
2. Who is intended to benefit, and in what way?	Many landlords have a negative attitude towards tenants who rely on benefits to pay their rent, resulting in landlords having a preference for working tenants who are perceived as being better at paying their rent and looking after their property. Some landlords who are will to consider benefit dependant tenants require guarantors, which many tenants are unable to provide. This makes it much harder for benefit dependant tenants to secure decent quality accommodation. The Tenant Accreditation Scheme will provide tenants with a validated mechanism to demonstrate they are good tenants and it is expected this will help them to decent quality accommodation.		
3. What outcomes are wanted?	Tenants have more choice of better quality properties to rent. Tenants able to maintain their tenancies leading to more stability for their household and less likelihood of homelessness Landlords more willing to rent their properties to tenants relying on state benefits and less likely to demand guarantors.		
4. What factors/forces could contribute/detract from the outcomes?	Contribute Positive outcomes for both tenants and landlords, which can then be use to promote the value of the scheme.	Detract Poor administration of the scheme. Low take up by tenants. Poor feedback from landlords	
5. Who are the main stakeholders?	Tenants, landlords, agents, Medway Council		

6. Who implements this and who is responsible?	Medway Council's Private Sector Housing team will be responsible for implement the scheme, but will also rely on landlord participation to run the scheme.
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Assessing impact		
7. Are there concerns that there <u>could</u> be a differential impact due to <i>racial/ethnic groups</i>?	YES	Brief statement of main issue
	NO	
What evidence exists for this?	Extensive consultation has been undertaken with landlords who themselves come from differing racial/ethnic groups, the majority of which are supportive of the scheme.	
8. Are there concerns that there <u>could</u> be a differential impact due to <i>disability</i>?	YES	Brief statement of main issue
	NO	
What evidence exists for this?	Tenants with disabilities are more likely to qualify for social housing. For those in the private rented sector floating support is available, which can help tenants with the code of conduct	
9. Are there concerns that there <u>could</u> be a differential impact due to <i>gender</i>?	YES	Brief statement of main issue
What evidence exists for this?	Extensive consultation has been undertaken with landlords and tenants, the majority of which are supportive of the scheme	
10. Are there concerns there <u>could</u> be a differential impact due to <i>sexual orientation</i>?	YES	Brief statement of main issue
	NO	
What evidence exists for this?	The code of conduct relies on complying with a set of criteria typically contained in a standard tenancy agreement.	
11. Are there concerns there <u>could</u> be a have a differential impact due to <i>religion or belief</i>?	YES	Brief statement of main issue
	NO	
What evidence exists for this?	Extensive consultation has been undertaken with landlords who themselves come from groups with different religions/beliefs the majority of which are supportive of the scheme. The code of conduct relies on complying with a set of criteria typically contained in a standard tenancy agreement.	
12. Are there concerns there <u>could</u> be a differential impact due to people's <i>age</i>?	YES	Brief statement of main issue
	NO	
What evidence exists for this?	The code of conduct relies on complying with a set of criteria typically contained in a standard tenancy agreement.	

13. Are there concerns that there <u>could</u> be a differential impact due to <i>being transgendered or transsexual</i> ?	YES	Brief statement of main issue
	NO	
What evidence exists for this?	The code of conduct relies on complying with a set of criteria typically contained in a standard tenancy agreement.	
14. Are there any <i>other</i> groups that would find it difficult to access/make use of the function (e.g. speakers of other languages; people with caring responsibilities or dependants; those with an offending past; or people living in rural areas)?	YES	If yes, which group(s)? Consideration has been given to groups who do not speak English as a first language and persons with learning disabilities.
	NO	The main non-English speaking group is the Roma from Czech and Slovakia. The Private Sector Housing team has the ability and capacity to translate all documents and support tenants wanting to join the scheme. For tenants with learning disabilities floating support is available and providers are supportive of the scheme and will be able to provide support for tenants wanting to join the scheme.
What evidence exists for this?		
15. Are there concerns there <u>could</u> be a have a differential impact due to <i>multiple discriminations</i> (e.g. disability <u>and</u> age)?	YES	Brief statement of main issue
	NO	
What evidence exists for this?	The code of conduct relies on complying with a set of criteria typically contained in a standard tenancy agreement.	

Conclusions & recommendation		
16. Could the differential impacts identified in questions 7-15 amount to there being the potential for adverse impact?	YES	Brief statement of main issue
	NO	
17. Can the adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or another reason?	YES	Please explain
	NO	N/A
Recommendation to proceed to a full impact assessment?		
NO	This function/ policy/ service change complies with the requirements of the legislation and there is evidence to show this is the case as described above.	
NO, BUT ...	What is required to ensure this complies with the requirements of the legislation? (see DIA Guidance Notes)?	Minor modifications necessary (e.g. change of 'he' to 'he or she', re-analysis of way routine statistics are reported)

YES	Give details of key person responsible and target date for carrying out full impact assessment (see DIA Guidance Notes)	
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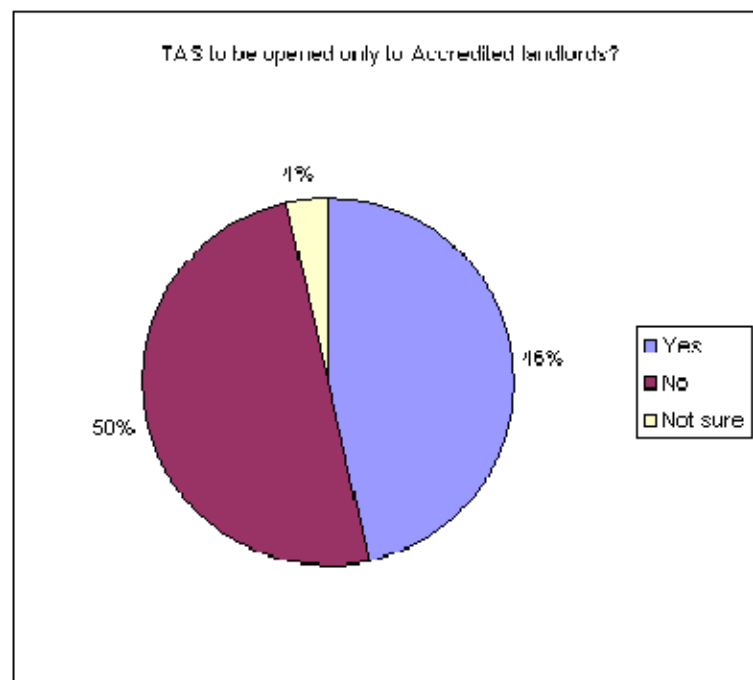
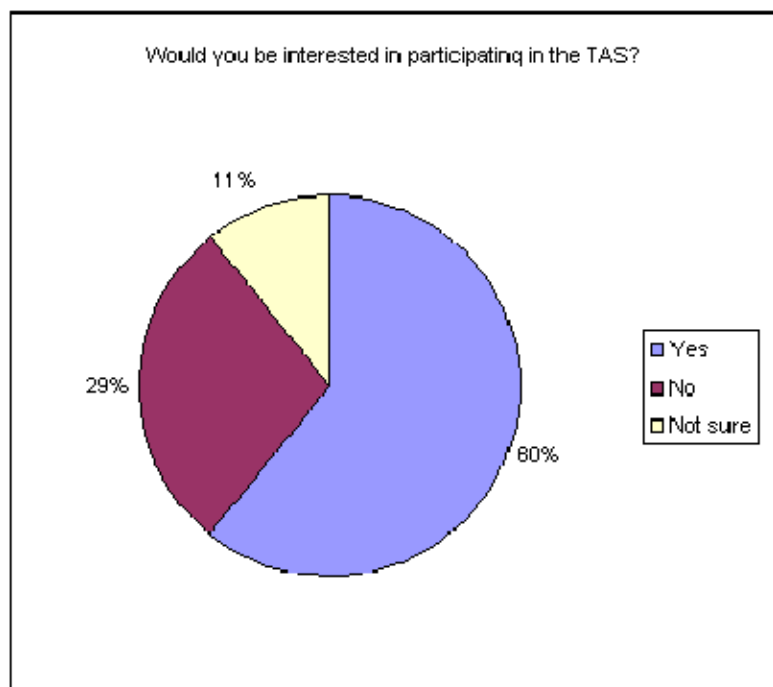
Action plan to make Minor modifications		
Outcome	Actions (with date of completion)	Officer responsible

Planning ahead: Reminders for the next review		
Date of next review	12 months after implementation of the scheme – expected to be March/April 2014	
Areas to check at next review (e.g. new census information, new legislation due)	Analysis of the equalities monitoring	
Is there <i>another</i> group (e.g. new communities) that is relevant and ought to be considered next time?	None identified at present	
Signed (completing officer/service manager)	Date	
Signed (service manager/Assistant Director)	Date	

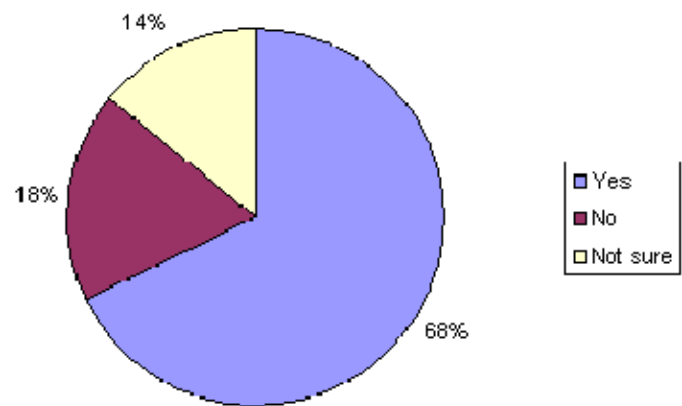
Tenant Accreditation Questionnaire

Would you be interested in participating in the TAS?
 TAS to be opened only to Accredited landlords?
 Do you think that such a Scheme would benefit you as a landlord?
 More training provided for the accredited tenants?

	Yes	No	Not sure
Would you be interested in participating in the TAS?	17	8	3
TAS to be opened only to Accredited landlords?	13	14	1
Do you think that such a Scheme would benefit you as a landlord?	19	5	4
More training provided for the accredited tenants?	21	4	3



Do you think that such a Scheme would benefit you as a landlord?



More training provided for the accredited tenants?

