

National Private Tenants Organisation

<http://www.npto.btck.co.uk>
enquiries@npto.org.uk

FAO Mrs Helen Graham
Hyndburn Borough Council
Private Rented Sector Manager
Regeneration and Housing Team
Strategic Housing/Regeneration Projects
20 Cannon Street
Accrington
Lancashire
BB5 1NJ

Your ref: -

Our ref: HBC-SEMay2012

15th March 2012

Dear Mrs Graham,

Housing Act 2004, Selective Licensing Consultation

Please find enclosed a completed selective licensing stakeholder questionnaire. Most of our opinions are contained within our responses in the questionnaire, we have also submitted some general comments below. Regarding proposed local selective licensing discretionary conditions for licenses, we would suggest that the following additions are considered.

Electrical safety

In addition to 5 yearly electrical installation reports (Electrical Installation Condition Reports), you might like to consider requiring inexpensive annual Routine Check Reports (RCR) carried out by a competent person. For more information on RCRs please see IEE BS7671 Guidance Note 3, Section 3.5 and BS7671:2008 Section 622. There may have been some alternations to this information in BS7671:2008, 2011 Amendment 1. If this is not to be a mandatory requirement it could at least be recommended.

Energy efficiency

Mandatory requirement for rented property to be at least SAP band E. The Council could take a proactive approach in this area by pre-empting the Energy Act 2011 (see below).

The Energy Act 2011 The Act includes provisions to ensure that from April 2016, private residential landlords will be unable to refuse a tenant's reasonable request for consent to energy efficiency improvements where a finance package, such as the Green Deal and/or the Energy Company Obligation (ECO), is available. Provisions in the Act also provide for powers to ensure that from April 2018, it will be unlawful to rent out a residential or business premise that does not reach a minimum energy efficiency standard (the intention is for this to be set at EPC rating 'E').

Furnished accommodation inventory

A mandatory requirement could be included requiring an inventory for tenants for all furnished accommodation. This would benefit tenants and landlords.

Sources of independent advice for tenants

Included in the license (made available to tenants) information regarding sources of independent advice for tenants could be included.

Confidential complaints procedure for tenants

A confidential complaints procedure for tenants could be introduced as part of the licensing scheme.

General comments

The National Private Tenants Organisation (NPTO) welcomes and supports proactive measures by local authorities and robust use of their full range of powers to improve standards in the private rented sector (PRS). A recent example being Newham Borough Council's proposal to license all private landlords in its borough.

A recent report by Shelter stated that local councils know more than 1475 landlords who repeatedly give them cause for concern and complaints against landlords have risen by 22 per cent in the last two years¹. These findings along with other research on the PRS makes action by councils an urgent issue.

NPTO supported the last Government's proposal for a national regulatory scheme for PRS landlords. We also support selective licensing and the establishment of local voluntary landlord accreditation schemes as part of a wider strategy to work towards professionally managed, secure, affordable and decent private rented homes in sustainable communities.

In principle NPTO supports Hyndburn Borough Council's plans to introduce selective licensing in specific areas in the Borough.

Some general comments

- It is very important that selective licensing schemes are sufficiently resourced including at the critical research stage. The outcomes (good and bad) should be kept under constant review during the period of the licensing scheme
- At the research stage it is important to gather information from PRS tenants. It should be borne in mind that there is always the risk of unscrupulous landlords taking retaliatory action e.g. eviction using Housing Act 1988 Part 1, Chapter 2, Section 21, against tenants who might provide information to councils. The fear of retaliatory eviction can also deter tenants from assisting councils
- Selective licensing schemes should be consistent with overall housing strategy and any joint-working with other bodies on issues such as anti-social behaviour
- Selective licensing can assist in the long term regeneration of areas and neighbourhood cohesion
- Selective licensing should not be seen as a 'cure all' solution and should have a lasting impact
- Community involvement for example through regular meetings with local residents and assisting the establishment of tenants' and residents' associations, can assist in the long term success of selective licensing schemes
- Selective licensing has a major advantage in that it is comprehensive and therefore is less prone to disputes over whether or not particular premises fall within the criteria for mandatory or additional HMO licensing. It is also seen to be treating all landlords in the same way and makes properties easier to identify. This enables the

¹Shelter, http://england.shelter.org.uk/news/september_2011/tenant_misery_grows, September 2011

local authority to be less reliant on information from tenants with the risk of retaliatory eviction referred to above

- It is important that local authorities' homelessness prevention strategies and services take full account of the potential consequences of a scheme. Homelessness might be caused when a landlord is refused a licence
- The risk of displacement of problems to other areas when a scheme is introduced has to be effectively dealt with. Also poorly planned schemes can have a negative impact such as good and bad landlords leaving an area due to the extra requirements placed on them from a selective licensing scheme

Alternatives to selective licensing

- Other courses of action might be considered which could provide a more targeted approach to problem areas. This might include consideration of using Special Interim Management Orders. Other options include Transitional Licensing, Additional Licensing Schemes, crime and disorder initiatives, and accreditation schemes for landlords

Useful reference sources

- If you have not already studied the Shelter good practice guide on selective licensing 'Selective licensing for local authorities: A good practice guide', we would recommend it to you
- The 2010 Department of Communities and Local Government (DCLG) report 'Evaluation of the Impact of HMO Licensing and Selective Licensing' has some very good case studies.
- The DCLG legislative guidance 'Approved steps for discretionary licensing schemes in England' is a useful reference source. The latest revision was published in 2010
- Case Study - Selective licensing in Manchester and Salford (See: <http://www.audit-commission.gov.uk/housing/marketrenewalpathfinders/goodpractice/areamanagement/focusingprivatesector/Pages/selectivelicensingmanchestersalford.aspx>)
- LACORS (now the RSU) case studies on selective licensing (See: <http://www.lacors.com/LACORS/ContentDetails.aspx?id=19126>)
- Parliamentary briefing paper on selective licensing (See: www.parliament.uk/briefing-papers/SN04634.pdf)

We hope the above comments might be useful in your consideration of consultation responses.

You may be interested in the consultation on Private Rented Property Licensing being conducted by Newham Borough Council, please visit:
<http://www.newham.gov.uk/News/2011/September/Landlordslicenceconsultation.htm>.

Yours sincerely,

Kevin Allen

Kevin Allen
Chairperson
On behalf of the National Private Tenants Organisation