

COMMUNITY SCRUTINY COMMITTEE

24TH NOVEMBER, 2017

SUBJECT:

NATIONAL LICENSING OF LANDLORDS AND AGENTS

Purpose:

To provide an update on progress relating to national licensing of landlords and agents.

To consider and comment on the following issues:

- Progress made in relation to national licensing of landlords and agents.

Reasons:

- The Housing (Wales) Act 2014 makes it a requirement that all landlords and agents who manage or let private sector homes in Wales obtain a licence. National licensing of landlords in Wales follow a similar scheme in Scotland and has been driven by concerns of local authorities and others relating to standards and conditions in the sector as a whole.
- From 23rd November 2015 the new registration and licensing provisions came into force. However, landlords and agents were given a grace period of up to 23rd of November 2016 to comply.
- Welsh Government designated Cardiff Council as the Licensing Authority for the whole of Wales in 2015, however, there is a clear role for each local authority to support and deliver the scheme effectively.
- The grace period for landlords ended in November last year. It is therefore important that members of the Community Scrutiny Committee are informed of progress made.

To be referred to the Executive Board / Council for decision: NO

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:

Cllr. Linda Evans (Housing Portfolio Holder)

**Directorate
Communities**

**Name of Head of Service:
Robin Staines**

**Report Author:
Jonathan Willis**

Designations:

**Head of Housing and Public
Protection
Advice and Support Manager
(Housing Options and Advice)**

Tel Nos.
01267 228960 / 01554 899232

E Mail Addresses:
rstaines@carmarthenshire.gov.uk
jnwillis@carmarthenshire.gov.uk

EXECUTIVE SUMMARY

COMMUNITY SCRUTINY COMMITTEE

24TH NOVEMBER, 2017

NATIONAL LICENSING OF LANDLORDS AND AGENTS

The private rented sector is an important source of accommodation in the county. There are approximately 11,500 private rented homes in Carmarthenshire according to both census data and Welsh Government statistics.

Carmarthenshire has been proactive for a number of years in terms of both regulating standards through local licensing schemes and engaging landlords through its landlord's forum. As a result officers from the Department were directly involved in developing this scheme with Welsh Government and other partners.

We have benefited from our relationship with private sector landlords to help us meet our statutory homeless duties. We manage over 160 properties for landlords via our Social Lettings Agency. We lease homes from private sector landlords to help us provide temporary accommodation for homeless individuals and families.

It is however recognised that there are sometimes issues with private rented properties in terms of their condition and management. To address this Welsh Government have introduced national licensing of landlords and agents.

The Housing (Wales) Act 2014 requires landlords and agents to register and obtain a licence if they own or manage private rented properties. There are two parts to obtaining a licence. A landlord or agent is firstly required to register and then complete an approved training course.

The costs to register and licence are as follows:

- Landlord registration (not per property) - £33.50.
- Landlord licence- £144.00.
- Agents licence will depend on the size of their portfolio.

The registration and licensing process is administered by Cardiff City Council under the name of Rent Smart Wales (RSW). RSW will receive all licence fees and will be responsible for administering the licence and the scheme as a whole.

On 23rd November 2015 the new registration and licensing provisions came into force. Landlords and agents were given a grace period of up to 23rd of November 2016 to comply.

After the grace period it became an offence for a landlord to rent out a property without being registered and licensed. It is an offence for agents to manage rented properties on behalf of landlords if they haven't obtained a licence.

A Memorandum of Understanding between RSW / Cardiff Council and the other Welsh authorities sets out the roles and responsibilities of the Licensing Authority and individual Councils. The role of the Councils has been:

- To review the private rented stock within their areas on a regular basis.
- To provide information to RSW where they take on prosecutions for non-compliance.
- To serve fixed penalty notices on landlords and agents.
- To undertake local promotion.

We have worked with our council tax/ housing benefit departments and RSW to identify landlords by cross referencing details that we have with a national database of registered landlords. Where we identify landlords and agents that aren't registered or licensed, we can issue a fixed penalty notice. Persistent non-compliance is dealt with by RSW.

Each fixed penalty notice will carry a fee of £150 and in some cases £200. Likewise, where the Council assists RSW with their functions we will be able to recharge them for the time invested.

All landlords and agents will have to obtain a licence to operate their business. A requirement of the licence is that a landlord or agent is able to demonstrate that they are competent to manage their properties effectively. Therefore, to demonstrate that they are a 'fit and proper' person/company they must attend and complete an approved training course where the full RSW syllabus is delivered. Without this they cannot obtain a licence.

We have taken this opportunity to develop our own syllabus and are delivering a training program for landlords ourselves. Carmarthenshire was the first Council to have been approved by RSW to deliver this program. Landlords can choose to attend another approved course if they so wish.

RSW launched a publicity campaign last year, however, the amount of media attention and communication to landlords from them has since dropped off. We did develop our own marketing campaign. This involved three landlord road shows in Ammanford, Carmarthen and Llanelli. In addition we undertook a radio campaign as well as promoting the scheme by writing and emailing known landlords. Lastly, in our in day to day work which involves answering enquiries from tenants and landlords, we have taken the opportunity of promoting the requirements of the scheme.

Progress in Carmarthenshire involves:

- 5,043 landlords have registered 9,261 of properties (82% of our private rented stock)
- 1,280 of landlords have obtained licence, 922 are currently being processed by RSW.
- 189 agents have obtained a licence.
- 43 of warning letters have been issued by us and 1 fixed penalty notice.

Progress nationally involves:

- 85,265 landlords have been registered involving 176,899 properties (82% of the whole private rented stock in Wales)
- 158 fixed penalty notices have been served. 3 of these have been served by local authorities.
- There has been 5 prosecutions.

Originally, it was envisaged that this would be a five year programme .The progress and response in two years both nationally and locally exceeds initial projections. Our proactive work will continue using data bases and information available to us. We will use enforcement powers available in conjunction with our enforcement protocols with RSW.

Recommendation:

- Community Scrutiny notes the approach and progress made.

DETAILED REPORT ATTACHED?

NO

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Robin Staines

Head of Housing & Public Protection

Policy, Crime & Disorder & Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	YES	YES	NONE	YES	YES	NONE

1. Policy, Crime & Disorder and Equalities

There are no crime or disorder issues. However, there are policy and equality matters which are as follows:

- All communication to landlords has been translated as well as the training course. All literature has been translated and in line with the Welsh language policy.
- The course venues have all been assessed and are suitable for persons with disabilities.

2. Legal

- Legal services were consulted in relation to the terms and conditions of the Memorandum of Understanding between the Council and RSW.

3. Finance

- We are currently generating an income (grant from Welsh Government, fees from RSW) of approximately £30,000 a year which supports the employment of a dedicated officer.

4. Risk Management Issues

- Officers delivering the training program have adequate professional indemnity through the Councils insurance provider.

5. Staffing Implications

- The new duties and responsibilities will require the employment of an additional staff member. This post funded by grant funding provided by Welsh Government and fee income.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Robin Staines

Head of Housing & Public Protection

1. Local Member(s)

Members of Community Scrutiny will be consulted as part of this report.

2. Community / Town Council

Not applicable.

3. Relevant Partners

Welsh Government undertook a national consultation exercise involving landlord and agents and other key stakeholders.

4. Staff Side Representatives and other Organisations

Not applicable.

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THERE ARE NONE