

COMMUNITY SCRUTINY COMMITTEE

20th JUNE 2016

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:

- To provide an update on progress relating to national licensing of landlords and agents.
- The private rented sector is recognised as an extremely important source of accommodation. However it is also recognised that there are sometimes issues regarding standards of management.
- Carmarthenshire have 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 have been directly involved developing this new scheme with Welsh Government and other partners.
- 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 follows 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.
- Welsh Government designated Cardiff Council as the Licensing Authority for the whole of Wales in 2015, however, they will require the support of each local authority to deliver and enforce the scheme effectively.
- It is therefore important that members of the Community Scrutiny Committee are informed of progress and the approach employed.

To be referred to the Executive Board for decision: NO

Executive Board Member Portfolio Holder: Cllr. Linda Evans (Housing)

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EXECUTIVE SUMMARY

COMMUNITY SCRUTINY COMMITTEE 20th JUNE 2016

National Licensing of Landlords and Agents

There are approximately 12,000 private rented homes in Carmarthenshire according to both census data and Welsh Government statistics. It is estimated that these homes are owned by 3,000 landlords.

The Council have recognised the role of private sector landlords as a source of good quality affordable homes for a number of years. We have an established landlord's forum and manage over 130 properties for landlords via our Social Lettings Agency. Private sector landlords also help us meet our statutory homeless duties by providing temporary and permanent accommodation to homeless individuals and families.

It is however recognised that there are sometimes issues with private rented property 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.

From 23rd November 2015 the new registration and licensing provisions came into force. However, landlords and agents have been given a grace period of up to 23rd November 2016 to comply. 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.

After the grace period it will become an offence for a landlord to rent out a property without being registered and licensed. It will also be 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 Councils will be:

- 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.

After the 23rd of November we will actively pursue landlords and agents that have failed to register or licence. Where we identify landlords and agents that aren't registered or licensed, we will issue fixed penalty notices as appropriate. Persistent non-compliance will be dealt with by RSW. We will work with our council tax/ housing benefit departments and RSW to identify these landlords by cross referencing details that we have and a national database of landlords.

Where fixed penalty notices are served we will receive that income. 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.

To become licensed, 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 is the first and only Council to date that have been approved by RSW to deliver this program. Landlords can choose to attend another approved course if they so wish.

Carmarthenshire have initially planned 12 training programs for 15 people at a time, at a cost of £85 per delegate. We will use Council owned venues and they will be delivered by trained staff within our Housing Options Team. Landlords are able to make applications online via the Councils website. Further training programs will be arranged as demand increases. In addition, if there is capacity we can support other neighbouring local authorities by running training programs in their areas.

RSW launched a publicity campaign last year, however, the amount of media attention and communication to landlords from them has since dropped off. Local authorities have been issued with funding to undertake publicity in their own areas. We have used funding to develop our own marketing campaign.

This has involved three landlord road shows in Ammanford, Carmarthen and Llanelli where speakers will deliver presentations to landlords on what they need to do to obtain a licence. In addition we will use it as an opportunity to engage the sector in relation to our plans to expand our Social Lettings Agency.

Nationally approximately 8,000 landlords have registered and 1,265 of those relate to Carmarthenshire. We will monitor and report on these figures as our publicity and enforcement program progresses.

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**

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| Policy, Crime & Disorder and 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.
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- 2. Legal**
- Legal services have been consulted in relation to the terms and conditions of the Memorandum of Understanding between the Council and RSW.
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- 3. Finance**
- The Council have received £13K in 2015/16 funding from Welsh Government to mitigate the initial impact of the scheme. This funding was primarily used to develop a marketing and publicity campaign.
 - For 2016/17 the council has been awarded £29K to deliver activities relating to RSW. This will extend to £35K in future years. This funding will be used to recruit an additional staff member to assist in the delivery of the scheme locally.
 - The income generated from the training courses, the fixed penalty notices and the recharging for additional activities will ensure that current income targets are maintained.

5. Risk Management Issues

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

6. Staffing Implications

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

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 the Community Scrutiny Committee will be consulted as part of this report.

2. Community / Town Council – N/A

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 – N/A

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW:

| Title of Document | File Ref No. / Locations that the papers are available for public inspection |
|--------------------------|--|
| Housing (Wales) Act 2014 | Cymraeg http://gov.wales/topics/housing-and-regeneration/legislation/housing-act/?skip=1&lang=cy English http://gov.wales/topics/housing-and-regeneration/legislation/housing-act/?lang=en |