

SUBJECT:	REVIEW OF THE TRUSTED LANDLORD SCHEME AND PROPOSED CHANGES
DIRECTORATE:	COMMUNITIES AND ENVIRONMENT
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1. Purpose of Report

- 1.1 To inform the committee of proposed changes to the City of Lincoln Council's Trusted Landlord Scheme Document and review of the scheme.

2. Background

- 2.1 The impact of student demand and the increase in the number of houses in multiple occupation led to a series of studies and reports in 2014 which resulted in the development of the Trusted Landlord Scheme (TLS). The TLS was launched in March 2017 and works with five existing national, regional and local accreditation schemes operating in Lincoln, bringing landlords accredited with those schemes under the common badge of the TLS.
- 2.2 The TLS provides collective public recognition for responsible landlords who deliver private rented accommodation in the city. The purpose of the Scheme is to improve standards of accommodation and management, help improve neighbourhood relations and to recognise and support those landlords participating in the Scheme.
- 2.3 The criteria for landlords to be accepted as part of the common badging scheme are as follows:
- Full membership of an accreditation scheme which shares a protocol with the city;
 - Agreement to the terms and conditions of the TLS
 - Declaration of all property available to rent in Lincoln
 - Agreement to an inspection of property
- 2.4 As the joining criteria for the TLS satisfies some of our Private Sector Housing (PSH) enforcement functions, TLS members benefit from dispensations as a consequence of being enrolled on the scheme, these include:
- A reduced HMO licensing fee
 - Potential exemption from re-active enforcement inspections
 - Exemption from pro-active inspection programmes
 - Preference will be given to TLS members in the discharging of our homelessness duty into the private sector.

Whilst some of the accreditation schemes may charge landlords for membership, there is currently no fee payable to join the TLS as this was considered to be a potential barrier to joining the scheme.

- 2.5 Accreditation schemes are usually only open to individual members, therefore letting and managing agents are precluded from joining those schemes, which would make them ineligible for the TLS. However, as there are many large portfolio and absent landlords who rely on local agents to manage their properties, the scheme does allow agents to obtain affiliate membership and promote their support of the Scheme.
- 2.6 In the absence of any change to the fit and proper status of the landlord, a successful applicant will remain a member of the TLS for a period of 3 years.
- 2.7 The ultimate aim of the scheme is for all landlords to belong to an accreditation scheme and their housing safe, comfortable and managed in a professional manner. The unscrupulous landlords would be driven out of the market by sustained enforcement.

3. Applications received to-date

- 3.1 As of June 2020 we have received 81 applications for the scheme, of which 33 have been accepted, 26 rejected (either the landlord was not accredited or had failed to produce documents). The remaining 22 applications are either currently being processed or awaiting compliance visits.
- 3.2 There are currently 505 properties covered by the scheme, however it should be noted that affiliated agents are included within the 33 TLS members, as the reporting process does not allow a distinction between individual landlords and agents. The review of the scheme, the online application form and the supporting processes will seek to address this.
- 3.3 The 22 applications pending processing represent 346 properties. Therefore subject to acceptance on the scheme, the total number of properties covered by the scheme will be 851.
- 3.4 A target of 15% of the private rented stock being covered by the scheme was set at its initial launch.

Estimated number of privately rented properties in Lincoln. <i>BRE Dwelling Level Housing Stock Model 2014</i>	9,632
Therefore 15% of the private rented stock	1,445

The scheme was suspended for several months during 2019/20 to focus resources on the mandatory licensing of HMOs. Mandatory licensing was extended in October 2018 to include smaller properties used as HMOs, which resulted in a significant increase of the number of HMOs that required a mandatory licence. The suspension of the Trusted Landlord Scheme meant that the target set has not been achieved, and at present only 9% of the estimated rented stock would be covered by the scheme if all pending applications were to be accepted. The suspension was lifted in July 2020 when we recommenced the processing of TLS applications.

4. Purpose of review

- 4.1 There have been many changes in legislation applicable to the private rented sector over the past 5 years including the introduction of banning orders; a database of rogue landlords and property agents; improved electrical safety standards; and civil penalties. The General Data Protection Regulations also came into effect in May 2018, prior to the launch of the scheme. As a result of these legislative changes, and given the current scheme has not met the targets set, and improvements to the operational procedures have been identified, the Private Sector Housing Team has taken this opportunity to review the scheme.
- 4.2 The benefits of the TLS remain pertinent, particularly given the provision of quality housing in the City remains a key priority and the impact the expanding private rented sector is having on Council resources. These immeasurable benefits include:
- The fostering of good relations between responsible private sector landlords and the Council;
 - A reduced burden on the Private Sector Housing Team resources in respect of compliance checks relating to HMOs, and reactive and proactive enforcement of standards;
 - The Council's promotion of good quality landlords helping to drive up overall standards of housing and management;
 - Closer working between Private Sector Housing Enforcement and Housing Solutions, Anti-Social Behaviour and other partners and statutory bodies.
- 4.3 An increase in the demands placed on the PSH Team in conjunction with staff absences has resulted in the team focus being directed to more urgent, higher risk cases, which as a consequence has led to less attention being paid to the processing and promotion of the scheme, however applications are to-date still being received.
- 4.4 Given the legislative changes previously mentioned and as the initial members of the scheme are due to renew their membership, this would be an appropriate time to review the scheme document, a copy of which is attached to this report with the proposed changes are underlined.
- 4.5 A summary of the main changes are:
- Updated Privacy Notice for GDPR compliance;
 - The inclusion of checks for Banning Order Offences, Civil Penalties and the Rogue Landlord Database to determine Fit and Proper Person Compliance;
 - Recent inspections for other purposes will be taken into consideration when arranging compliance visits;
 - Virtual inspections will be acceptable at the discretion of the City Council;
 - Criteria set out of the circumstances where an application would be rejected;
 - A broadening of the compliance checks for affiliate Letting and Managing Agents;
 - Amendments to the Terms and Conditions in respect of the above changes.

5. Strategic Priorities

- 5.1 Let's drive economic growth

Housing plays a key part in economic stability and growth. The TLS supports those business organisations involved with the private rented market i.e. private landlords, investment landlords and letting and property management agencies. Well managed properties that are looked after and where investment is made contribute to the local construction, building supplies and maintenance economy.

5.2 Let's reduce inequality

The private rented sector is playing an increasingly important role for those in receipt of low income. The promotion of good standards whether through accreditation or enforcement will help protect those tenants least able to exercise choice in the selection of accommodation.

5.3 Let's deliver quality housing

The TLS helps to drive improvements in standards of private rented accommodation and its management and enables Council resources to focus on enforcing standards of those properties not in the scheme.

5.4 Let's enhance our remarkable place

The TLS requires its members to take a more responsible approach to dealing with the behaviour of their tenants and the impact their properties have in the local community.

6. **Organisational Impacts**

6.1 Finance

There are no Finance implications associated with this report. The accreditation budget was built into the re-structuring of the Private Housing Team in 2015 and this report does not call upon extra revenue in the review of the scheme. It will of course run in competition with the other demands upon the team.

6.2 Legal Implications including Procurement Rules

There are no Legal implications associated with this report which aren't mentioned above.

6.3 Equality, Diversity and Human Rights

There are no Equality, Diversity and Human Rights implications associated with this report.

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

Whilst reviewing the scheme, officers have considered the potential impact of the public sector equality duty, and equality, diversity and human rights issues and

concluded that there is no need to complete an Equality Analysis as there is no change in impacts on protected characteristics arising from the review of the scheme and the proposed changes.

An Equality Analysis was completed when the scheme was approved in 2016 which has been reviewed for the purpose of this report. The 2016 Equality Analysis found no potential for unlawful discrimination and that the scheme would likely have a positive impact as Trusted Landlords will be subject to a fit and proper person test which precludes those who have practised unlawful discrimination.

7. Risk Implications

7.1 (i) Options Explored

The TLS required a review in view of the changes of requirements in the legal framework and the operational changes in the Private Sector Housing team.

7.2 (ii) Key risks associated with the preferred approach

They may be summarised as follows:

1. Failure to recruit increased numbers of landlords into the partner accreditation schemes.
2. Failure to recruit into the Trusted Landlord Scheme.
3. The lack of any appreciable improvement in the management of private rented sector accommodation.

8. Recommendation

- 8.1 That the Committee consider the review, the proposed changes to the TLS and provide comments accordingly, with a view to it being referred to the Executive for approval.

Is this a key decision?

No

Do the exempt information categories apply?

No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?

No

How many appendices does the report contain?

1

The Trusted Landlord Scheme Document

List of Background Papers:

None

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