

# Alternatives to Landlord Licencing Schemes

 [property118.com/alternatives-to-landlord-licencing-schemes/42246/](https://property118.com/alternatives-to-landlord-licencing-schemes/42246/)

**The alternatives to Landlord Licensing Schemes require joined up thinking, changes to data sharing protocols within local authorities and revised high level directives and strategies which must begin at Government level.**

Perhaps the first question to ask is what is Landlord Licensing all about? Is it really about raising standards or is it more to do with raising funds?

## Funding

If society as a whole desires that people should not be subjected to sub standard housing conditions then society as a whole must pay to enforce this (howsoever that might be done) whether the money is raised at a local level or centrally.

It is both unacceptable and wholly undemocratic that landlords should be singled out by Government, Councils and Local Authorities to pay stealth taxes badged as licensing fees on the pretence that the money will be used to fund enforcement related initiatives.



Costs associated with licensing schemes imposed on landlords are funded through increased rents. Neither landlords nor tenants want this, particularly as there is clear evidence (demonstrated in this article) that landlord licensing schemes have proven not to be an effective solution to problems in the Private Rented Sector.

## Recycling of Court awarded penalties

The high costs associated with prosecuting criminal landlords is borne by Local Authorities, however, fines and penalties go to the treasury. If these funds were to be redirected to the prosecuting authorities this would assist funding of additional prosecutions and create incentives to bring more criminal landlords to task.

## Improvements to PRS housing standards for benefits claimants

Our suggestion is that Local Authorities should check to ensure they only pay housing benefits to fit and proper landlords who provide decent accommodation. That would be what any responsible parent would do if paying for their offspring's accommodation. In this case, the state is effectively *in loco parentis*. It is proposed that payment of Housing Benefits to landlords are suspended following unsatisfactory checks until such time as properties are brought up to acceptable standards. The proposed *quid pro quo* to landlords is direct payment of rent before the benefits cap is applied. The logic for direct payment of rent to landlords being the first payment is that shelter is one of the most basic requirements for human existence and should, therefore, be the first welfare benefit to be paid, not the last as it is now. Clearly this impacts significantly on the Universal credit proposals which have been widely contested by the PRS and Housing Charities alike.

The above would require inspections prior to new housing benefits being granted. This would also enable phasing in as opposed to having to assess every property within a defined timescale.

The enforcement teams currently in place within the public sector to tackle problems in the PRS are:-

- Environmental Health Officers for property conditions,
- Planning Enforcement – for unauthorised conversions which seriously brings down standards across the board.
- Tenancy Relations Officers for harassment and illegal eviction
- Benefit Fraud to tackle widespread scamming

- Trading Standards for sharp practices amongst agents
- Anti social behaviour teams

Outside of the council are:-

- EDF revenue to tackle cannabis factories and theft of electricity
- British Gas revenue for theft of supply.
- Police Community support officers and the Police.

Put them all together and you have quite an army. This is what a visiting team would need to do.

- Visit the property and check for breaches of HHSRS.
- Check gas safe certificates
- Phone the planning team if it's a conversion to ascertain that all has been done with permission. (3 minutes)
- Land reg check to ensure the person you are dealing with is actually the owner (£3 and 2 minutes)
- Experian check for the same reasons as above (£6.99 10 seconds)
- Council tax check for any outstanding bills and history of use (5 minutes)
- Check past Housing Benefit claimants which cross references info you have about landlord (5 minutes)
- Call to EDF and British Gas to make sure all utilities are above board. (5 minutes & free)
- Run companies search to check solvency. (Free or just £2 for a director check)
- If landlord is not resident in UK check NRA certificate. (free)
- Run landlord or company name through Google (You'd be amazed what comes up sometimes & free)
- Call Environmental Health Officer to see if they have any dealings in the past with the property or the landlord/agent. (2 minutes & free)

The problem is that it is only in sporadic circumstances that any of these teams and organisations talk to each other on an unofficial basis. Often they have different computer databases, so a person might be receiving a grant from one council team while another team is prosecuting them for fraud or failing to pay council tax. Councils do work in this way in other circumstances. MAPPA panels made up of homelessness workers, social workers, Police, probation officers, etc have been common place for years tackling those who are a danger to the community.

### **Tax Breaks for Landlords**

Well thought out tax breaks could encourage private rented sector landlords to increase availability of quality housing which is let to recipients of benefits, thus increasing competition and driving out the racketeers who rely on intense demand in this segment of the private rented sector.

### **Fair and reasonable HMO licensing in Birmingham**

Reasonable progress has been made in Birmingham to bring about a major change in the structure of their HMO licence fees. In a nutshell good landlords, who have become accredited through an education based scheme, are given a big discount on their licence fee. Good landlords who are members of recognised landlords associations are given a further discount. This has reduced the licence fee from £1,150 to £850 but is still questionable. The cost of these discounts is being recovered by charging the bad landlords. When the Local Authority has to trace and chase a landlord and force him to licence he will be charged the full amount without discounts, regardless of accreditation or landlords association membership and a one year licence is granted. At the end of the year the landlord has to pay the full fee again and is then granted a normal five year licence. This proposal was made by National Landlords Association and Birmingham City Council accepted the model on the basis that bad landlords who increase their enforcement costs should pay, not as happens in other areas. The same structure applies to the licence renewal.

Whilst we support the basic principals used in Birmingham we must point out that we do not support Additional Licencing and/or Selective Licencing. The requirement for compulsory licencing of any type of HMO is questionable based on our first set of suggestions.

### **Failed or failing Landlord Licensing Schemes**

Landlord Licensing in Scotland has been in place for 7 years, Housing Charity Shelter said *"We conclude that landlord registration is not yet fulfilling the expectations placed upon it; indeed, that it may not be able to do so."* in [this report](#).

The Salford Landlord Licensing scheme was a failure admitted by the Local Authority but there are plans to extend it. Isn't doing the same thing and expecting different results supposed to be a sign of madness? See [this report](#).

The Oxford scheme has become a bit of a joke, check out [this thread](#) based on a freedom of information request to Oxford County Council.

### **Sources of information and how you can make a difference**

Sources of information are linked.

This article has been compiled from a [long discussion here on Property118](#).

If your local authority intends to introduce a new form of licensing these suggestions will give you options to propose alternative solutions. You may obtain a copy of this document as a PDF to present to your local MP and/or to submit in response to public consultations by completing the form below.

Why not write to your local MP (Member of Parliament) about this and ask him/her to raise the matter in the Houses of Parliament and with his/her Local Authorities?

If you do not have the contact details of your local MP, please see >>> <http://findyourmp.parliament.uk/>

**Remember, increased licensing results in increased rents. Together we can make a difference.**

**Landlords and tenants combined = over 5 million votes!**