

Public Document Pack

Supplementary Information for 11th May 2009 Scrutiny Board (Environment and Neighbourhoods)

Agenda Item 8 Private Rented Sector Housing – Draft Scrutiny Inquiry Report

Agenda Item 12 Draft Annual Report 2008/9

This page is intentionally left blank



Draft

**Private Rented Sector
Housing**

Scrutiny Inquiry Report

Introduction and Scope

1.0 Introduction

1.1 During 2007/08, the Scrutiny Board (Environment and Neighbourhoods) conducted an inquiry into Housing Lettings Pressures. As part of this inquiry, the Board received information regarding the Council's approach to making best use of housing stock in the private sector. As a result, the Board recognised the need to consider private rented sector housing in more detail and resolved to undertake a separate inquiry during 2008/09.

1.2 The private rented sector in Leeds now represents approximately 13% of the total housing stock (41,600 properties) and as such provides accommodation for a significant number of Leeds households, some of whom are amongst the most vulnerable members of society.

1.3 The current lack of affordable housing to buy has contributed to increased demand on the private rented sector, which has responded accordingly over the last few years and flourished as a result of the various 'buy to let' financial packages available. The reduction in availability and access to social housing has also led to increased demand for private rented housing from those households with general

housing needs unable to achieve access to social housing.

1.4 Many people will have some experience of renting privately during the course of their lives and therefore we set out to explore the current provision, management and regulation of private rented housing in Leeds.

Scope

1.5 The purpose of our Inquiry was to make an assessment of and, where appropriate, make recommendations on the following areas:

- the levels of owner occupied and private rented accommodation in Leeds;
- an analysis of trends in demand and supply for private rented accommodation in Leeds;
- the effectiveness of initiatives established by the Council and its partners to improve the condition of private rented sector housing, such as the equity loan scheme;
- issues surrounding energy efficiency and the Decent Homes requirements and how these can be promoted

Introduction and Scope

and sustained within the private rented sector;

- empty private rented sector properties and the negative impact they can have on neighbourhoods;
- the role of the Council in offering advice and support to private landlords about the various options available to them to enable their properties to be re-occupied;
- legislation governing the private rented sector in the current Housing Act, with particular focus on Selective Licensing, Housing in Multiple Occupation (HMO) Licensing, Empty Dwelling Management Orders and Housing Health and Safety Rating System;
- the Leeds Landlord Accreditation Scheme and the incentives to accreditation;
- the views and experiences of private landlords and tenants;
- common perceptions of the different housing tenures and the impact this has on private rented sector housing;
- the Council's role in promoting private rented

sector property and offering advice to prospective tenants;

- the impact of Local Housing Allowance (housing benefit) on private rented sector housing.

1.6 As part of our inquiry, we considered evidence from the various Council services involved in the management and regulation of the private rented sector and also sought the views of a number of private landlords from local landlord representative bodies and Unipol Student Homes . We would therefore like to sincerely thank everyone for their contribution and commitment to our inquiry.

1.7 Whilst we were able to gain an insight into the common issues raised by tenants from the feedback received by services and landlords, we noted that there was a lack of representative bodies specifically for private sector tenants in Leeds outside of the student market. We therefore feel that this warrants further exploration and development by the Council and have made further references to this matter within our report.

1.8 During our inquiry, we also learned of a recent national review of the private rented sector, commissioned by

Introduction and Scope

Communities and Local Government (CLG) and undertaken by the University of York (Julie Rugg and David Rhodes). This review focused on the capacity of the sector to meet a range of housing needs and concludes with an acknowledgement that the sector presents a number of policy challenges relating to such issues as property quality, management standards and security of tenure. Further references to the Rugg review findings are found within our report where we have identified common issues.

1.9 In acknowledging that the private rented sector is now considered to be the fastest growing tenure in Leeds, our inquiry has highlighted a clear need to improve professionalism within this sector by improving the quality and condition of private rented sector housing; driving up standards of management; providing effective advice, information and support to the sector; and putting in place effective regulatory and enforcement mechanisms to target and sanction the small minority of wilfully bad landlords. Many of our recommendations are therefore focused around these specific issues.

1.10 At the time of conducting our inquiry, we acknowledged that the Council was in the process of updating both its Leeds Housing Strategy and Private Rented Sector Strategy. We therefore appreciate that many of the issues we have raised will already be reflected within these strategies.

1.11 Whilst a number of our recommendations seek to increase progress with initiatives already in place to address some the issues raised, we have also made recommendations to further expand or develop new initiatives. We recognise that these will have significant resource implications attached to them, which will need to be taken into consideration. However, our recommendations have been formulated in line with our overall aspirations for the provision, management and regulation of the private rented sector in Leeds.

Conclusions and Recommendations



2.0 Acknowledging the complexity of the Private Rented Sector

2.1 In establishing the current trends in demand and supply for private rented housing in Leeds, we acknowledged the danger of describing the private rented sector as one homogenous tenure given the different variations available.

2.2 Private rented housing provides a home for many different types of household markets, such as students (both undergraduates and mature students); nurses; doctors and young professionals; retirement accommodation; low income households; benefit claimants and households relocating from other parts of the country, migrating from outside the UK or seeking asylum.

2.3 In view of this, we recognised the challenge faced by the Council in identifying an appropriate set of standards to meet the needs of the various household markets across the city. We noted that the Rugg review also acknowledges that the configuration of sub-markets will vary from area to area and therefore the complexity of the sector has to be appreciated in any policy development.

2.4 To manage and regulate such a diverse market effectively, we recognise that the Council's

approach in dealing with this sector will need to be multi-dimensional in order to meet the differing needs and expectations of these various sub-markets.

3.0 Improving the quality and condition of private rented sector housing

3.1 In acknowledging the increasing use of private rented housing, particularly for vulnerable people, we were very concerned to learn that both nationally and locally, the housing conditions within the private rented sector are proportionally worse than other tenures.

3.2 Under the Housing Act 2004, the Council is considered the primary enforcement agency for conditions of health and safety in the private sector, including the private rented sector.

3.3 The Housing Act 2004 had introduced the Housing Health and Safety Rating System (HHSRS) which directs councils to consider a range of 29 identifiable hazards within dwellings and assess the risk posed by those hazards. We noted that the most serious hazards are classed 'Category 1' where the Council then has a duty to take action to eliminate or significantly reduce the hazard. The presence of a category 1 hazard would result in the

Conclusions and Recommendations



dwelling failing the decent homes standard.

- 3.4 We noted that the HHSRS applies to all houses in multiple occupation and singly occupied properties. In undertaking the assessment, the practitioner is required to consider the likelihood of harm from a hazard i.e. the probability of an occurrence during the next 12 months following the assessment of the dwelling and the spread of harms from that hazard. We also learned that the assessment is made of the dwelling, disregarding the current occupiers, and therefore will not be affected by a change of occupier and a vacant property can also be assessed.
- 3.5 The Leeds Private Sector House Condition Survey (2007) identified that the major hazards affecting the private rented sector in Leeds are excess cold, falls (on stairs, falls on the level and between levels) and inadequate fire safety. Excess cold hazards actually account for 61.6% of all category 1 hazards and pose the greatest challenge for the Council to resolve.
- 3.6 Excess cold, resulting from poor energy efficiency of houses and inefficient heating systems, is the primary reason why properties fail under the Housing Health and Safety Rating System. As a

consequence of the significant proportion of older properties in the private rented sector (56% of rented properties constructed before 1919) and the technical difficulties and higher costs associated with improvements in such houses, the private rented sector presents a significant challenge in terms of scale and cost of improving energy efficiency. Furthermore, privately rented dwellings have proportionally far more Fuel Poverty - currently 33% compared with 16% in owner occupied dwellings.

- 3.7 Both locally and nationally, the private rented sector is seen to be the tenure where the greatest proportion of vulnerable households live in non-decent homes. Whilst acknowledging the Council's current target to bring 600 properties up to the decent homes standard per annum, we believe that addressing excess cold and fuel poverty across all tenures must remain a key future priority, with a particular focus on the older housing stock, where many private sector tenants, including some of the most vulnerable members of society, reside.
- 3.8 We were therefore pleased to learn that an overall approach for enhanced action is intended through a refresh of the actions to deliver the Private Rented

Conclusions and Recommendations



Sector Strategy. This will include the development of the Strategy to reflect new themes such as the Leeds Affordable Warmth Strategy; the Regional Fuel Poverty Strategy and Home Energy Conservation Act recommendations.

3.9 With the current economic climate, concerns were raised about the possibility of landlords committing lower levels of investments to their properties than the Council would wish to see. Particular concerns were also raised about landlords maximising the use of their properties by converting cellar spaces to accommodate more tenants, which could contravene fire safety regulations. We were therefore pleased to note that this was being investigated further by the Council alongside other partners.

3.10 During our inquiry, we learned that the owners of the vast majority of private rented properties are 'small portfolio' landlords with only one or two properties within their portfolio and therefore we recognised that these are probably the most vulnerable of property investors in terms of the cost of meeting their obligations.

3.11 We therefore questioned the Council's efforts in providing incentives, including grants and

loans, to landlords to achieve decency in the private rented sector. In response, we were informed that the health impact of existing group repair schemes was being assessed with a view to extending such schemes to include innovative energy efficiency improvement programmes. We also noted that group repair funding, along with Health Through Warmth and Community Warmth funding, currently represent the only public funded grant aid available to the private rented sector.

3.12 We believe that the Council has a key role to play in raising greater awareness of, and helping landlords to gain access to, available grant or loan funding to improve the quality and energy efficiency of their housing. We would also like the Council to be more proactive in engaging landlords in the development of future improvement programmes/schemes aimed at raising the quality and condition of private rented sector housing.

Recommendation 1
That the Director of Environment and Neighbourhoods raises greater awareness of, and helps private landlords gain access to, available grant or loan funding to improve the quality and energy efficiency of private sector housing.

Conclusions and Recommendations



Recommendation 2

That the Director of Environment and Neighbourhoods continues to ensure that private landlords are proactively engaged in the development of future improvement programmes/schemes aimed at raising the quality and condition of private rented sector housing.

Recommendation 3

That an update report on the actions taken to achieve the outcomes of recommendations 1 and 2 is brought back to Scrutiny within 6 months.

3.13 In relation to the Council's regulatory role, we noted that many of the requests made to the Council for assistance are coming from the North West of the city, where students are predominately based as they are very well aware of their rights as tenants. We therefore questioned how the Council is promoting its services within the inner city areas and particularly to vulnerable groups such as migrants, as this was an area of concern raised during our inquiry into the management of the asylum seeker case resolution programme in terms of tracking and monitoring the welfare needs of those asylum seekers who choose to live within the private rented sector.

3.14 The Rugg review also recognises that for many local authorities, migrant worker overcrowding has become a problematic feature of the private rented sector and that best practice guidance appears to be lacking for local authorities dealing with this problem.

3.15 We learned that migrants in particular would often refuse to approach the Council for help regarding poor private rented accommodation. It was highlighted that as some migrants would often regard their stay as short term, and in some cases have accommodation provided as part of their employment arrangements, they would tend to put up with such living conditions knowing it was a temporary measure.

3.16 However, we were informed that the Council's Housing Regulation Team is in the process of producing advisory leaflets for one stop centres and GP surgeries etc, with the aim of targeting vulnerable tenants and making them aware of their rights. It was highlighted that by having this knowledge to use against a landlord, this can sometimes be enough to create a positive reaction.

3.17 We also recognise the value of educating and empowering tenants, particularly vulnerable tenants, to understand their

Conclusions and Recommendations



rights and have the confidence to approach the Council for assistance if landlords refuse to improve standards in line with minimum requirements. We therefore recommend that the Council remains proactive in its approach in order to achieve this outcome.

Recommendation 4
That the Director of Environment and Neighbourhoods continues to proactively educate and empower private tenants to understand their rights and have the confidence to approach the Council for assistance if landlords refuse to improve standards in line with minimum requirements.

3.18 We acknowledge that the Council's housing regulatory service is primarily demand led. However, since the service re-structured in May 2008, it has received around 250 service requests a month (approx 3000 per annum) covering a whole range of issues.

3.19 Whilst we have recognised a need to promote this service, we did question whether there was enough service capacity to deal with any additional requests. In response, we learned that although there were resource pressures, it was hoped that such a proactive approach would

help to lessen the reactive work of the service in the longer term.

3.20 As the compliance with the HHSRS helps to tackle some important public health issues such as asthma, coronary heart disease, strokes and accidents in the home, it was reported, by way of example, that Liverpool Council had successfully negotiated with their local Primary Care Trust to secure £10 million for 25 staff to address hazards within properties.

3.21 We too recognise the need for the Council to work more closely with key partners and also central government to develop innovative approaches towards addressing poor housing conditions and to maximise on available resources.

Recommendation 5
That the Director of Environment and Neighbourhoods continues to explore innovative approaches towards addressing poor housing conditions and works closely with key partners and central government to maximise on available resources.

3.22 During our inquiry, particular reference was made to the use of licensing as a way of targeting and enforcing action to address

Conclusions and Recommendations



very poor quality and unsafe housing. We therefore explored this issue further.

4.0 The effective use of licensing

4.1 The Housing Act 2004 introduced the mandatory licensing of certain high risk houses in multiple occupation (HMOs). We noted that the actual definition of an HMO is complex, as is that of a licensable HMO, but in simplistic terms a licensable HMO is a house where there are 5 or more persons, comprising of at least 2 households and the accommodation is on 3 or more storeys.

4.2 The primary purpose of HMO licensing is to protect the health and safety of tenants living in them. A secondary purpose of licensing is to ensure that HMOs are managed in a way that avoids them having an adverse effect on the immediate neighbourhood.

4.3 We understand that under the Housing Act 2004, the Council has legal powers of enforcement which include summary proceedings which can be instigated for operating a relevant HMO without a licence or failing to comply with licence conditions. There are also powers to take over the management of property in

certain circumstances, known as Management Orders.

4.4 The Leeds House Condition Survey 2007 indicated that there are approximately 3,000 mandatory licensable HMOs in Leeds, the largest concentration of such housing in the country.

4.5 It was reported that by the end of December 2008, Leeds had received a total of 3058 applications for licensing. Of these applications only 125 are in respect of bedsit properties with the remaining relating to shared housing which are predominantly located in North West Leeds.

Licences Issued	2597
Variations issued	60
Received	13
Withdrawn	245
Being processed	143
TOTAL	3058

4.6 From these figures, we noted that there are 2597 confirmed licensable HMOs, plus a further 156 either recently received or currently being assessed, bringing the potential number licensed to 2753. This therefore suggests that there are estimated to be several hundred unknown properties operating somewhere in the city without a licence.

Conclusions and Recommendations



- 4.7 During our inquiry, we acknowledged the efforts of the Council's HMO Licensing Team in trying to identify unlicensed HMOs across the city and such acknowledgement was also received by the private landlord representatives. However, we also appreciated that the Team's resources have primarily been focused around administering the new mandatory scheme.
- 4.8 Now that the Licensing Team has largely concluded the administrative processing of the majority of applications, we were pleased to learn that future resources will be focusing more on identifying unlicensed HMOs by detailed campaigns in targeted areas of the city, along with the inspection and monitoring of properties to ensure licence compliance.
- 4.9 Where inspections are carried out, we understand that these are priority rated over the 5 year period of the licence, with higher priority being afforded to bedsit type accommodation, often housing the most vulnerable households.
- 4.10 At this early stage of inspection, we learned that joint landlords of one particular HMO property that was housing vulnerable tenants have been prosecuted and been found guilty of failing to comply with licence conditions or achieving even basic standards. Their licence was revoked and the property was subject to emergency prohibition and enforcement action. It was reported that further recent inspections have identified four more properties where prosecution action is being taken. Where landlords have been prosecuted, we were pleased to note that other properties within that landlord's portfolio would also be inspected to ensure that they were meeting the required standards too.
- 4.11 However, during our inquiry we learned that the Local Authorities Coordinators of Regulatory Services (LACORS), acting on behalf of the Communities and Local Government (CLG) Office, had issued national fire safety guidance in July 2008, two years after the initial implementation date, that in some circumstances allows for less onerous fire safety requirements for certain low risk premises. Clearly this had caused considerable unrest with many landlords and we understand that the Council worked closely again with all stakeholders to develop new agreed standards and also a revised local protocol for fire safety, which was finalised in April 2009.
- 4.12 As a result of these changed standards, this has created

Conclusions and Recommendations



additional administration in relation to mandatory HMO licensing. Development of new licences, advisory notes, licence application form and standard letters must now be undertaken. In addition, we noted that it may be the case that each property will require a pre-licence inspection to determine the type of licence to be granted, and it is anticipated that some landlords will want their existing licences varying to reflect the new standards, all of which will have serious resource implications.

4.13 In view of this, we supported the Council's submission to the Building Research Establishment in relation to the review of HMO licensing setting out the Council's frustrations about the lack of detailed advice and support at the start of the regime which had resulted in authorities interpreting the legislation in different ways and causing confusion for landlords.

4.14 In the meantime, we are conscious of the resource pressures now placed upon the HMO Licensing Team to effectively administer and regulate the mandatory licensing scheme, in addition to the need to identify unlicensed HMOs operating within the city. We therefore recommend that the Director of Environment and Neighbourhoods conducts an

urgent review of existing resources within the HMO Licensing Team to determine whether it is adequate enough to effectively administer and regulate the mandatory HMO licensing scheme. We also recommend that the Director ensures that all opportunities for data sharing across the Council and other agencies are explored to assist in the identification of unlicensed HMOs within the city.

Recommendation 6

That the Director of Environment and Neighbourhoods conducts an urgent review of existing resources within the HMO Licensing Team to determine whether it is adequate enough to effectively administer and regulate the Mandatory HMO Licensing Scheme.

Recommendation 7

That the Director of Environment and Neighbourhoods ensures that all opportunities for data sharing across the Council and other agencies are explored to assist in the identification of unlicensed HMOs within the city.

4.15 We are aware that the Act also enables authorities, at their discretion, to introduce both additional licensing of other HMO's (not within the mandatory licensing definition)

Conclusions and Recommendations



and the selective licensing of all private rented sector accommodation in multiple and single household occupation in certain situations in defined areas of an authority. If an authority applies for and is granted these powers then the authority will need to be in a position to implement both Interim Management Orders and Final Management Orders where the need arises.

4.16 However, as previously acknowledged, resources are currently being targeted at fulfilling the mandatory requirements and undertaking proactive work, city wide, to identify those landlords failing to comply with mandatory licensing.

4.17 We also acknowledged that additional HMO licensing, if adopted, may be better targeted at certain property types, specifically poorly converted flats, or within areas of poorer housing and multiple deprivation rather than in the traditional student area of North West Leeds that is already well regulated. Whilst we recognise the merits of additional licensing, we fully appreciate that once mandatory licensing obligations have been largely met, further consideration to additional licensing will be appropriate.

4.18 We also acknowledge that the Housing Health and Safety Rating System (HHSRS) allows for poor housing conditions to be addressed wherever they are encountered without the need for additional or selective licensing to be adopted and that individual complaints of poor housing conditions received by the Council are therefore investigated and remedies sought under these powers.

4.19 With regard to selective licensing, we noted that this is also an option for the authority to adopt, subject to approval from Government Office. This is to address a defined area of privately rented properties that is, or is likely to become, an area of low demand or is an area experiencing significant and persistent problems of anti-social behaviour attributable to the private rented sector. It was highlighted that selective licensing can not be introduced in isolation but must be part of an overall regeneration proposal of an area. Once approved, a landlord would need a licence to operate within the locality.

4.20 We were informed that the Council has already identified an area of private rented sector housing located in the Cross Green and East End Park district of the city as a potential selective licensing area. A full

Conclusions and Recommendations



consultation period has taken place and as a consequence a detailed business case was submitted to the Communities and Local Government (CLG) on 22nd May 2008. It was reported that the CLG have since responded seeking further information and further details and subsequent meetings have taken place following concerns raised by the Leeds Residential Landlords Association who have objected to the proposals. It was highlighted that the Council has now responded in full to the CLG and has received confirmation that its proposals are likely to receive government approval. The formal submission will be made shortly with an anticipated implementation date of 1st October 2009.

4.21 We noted that the mandatory HMO licensing scheme includes a condition that all landlords must attend an approved training course. This has been run in partnership with the Residential Landlords Association and has contributed towards improved housing conditions and property management. The condition has received national recognition and is therefore planned to be included in the proposed selective licensing scheme too.

5.0 Driving up standards of management within the private rented sector

5.1 The Rugg review identifies that one of the more frequent criticisms of the private rented sector relates to the quality of landlord management. It therefore recognises the need for a partnership approach involving working closely with private landlords and other agencies and using a mix of enabling, regulatory and enforcement functions to ensure a healthy and good quality private rented sector.

5.2 Accreditation is recognised as a good example of the mixed approach of enabling and enforcement being taken by the Council and we acknowledge this as a means of driving up standards in the private rented sector. The Rugg review also recognises the importance of accreditation in helping to improve standards in the sector, in combination with enforcement powers available to local councils, and therefore calls for a national scheme of licensing for landlords to increase professionalism in the sector.

5.3 We learned that the Leeds Landlord Accreditation Scheme (LLAS) was originally launched in April 1997 as the Leeds City Council's Code of Standards for

Conclusions and Recommendations



the Private Rented Sector and was based upon the Unipol Code of Standards launched in 1995, specifically aimed at the student market.

- 5.4 We understand that the aims of the LLAS are to encourage, acknowledge and actively promote good standards and management practices by owners and to assist owners and tenants to undertake their respective responsibilities to each other.
- 5.5 The Council invites accredited private landlords to advertise their available properties through Leeds Homes Choice-Based Lettings scheme. This enables applicants to bid for private lets with landlords, which provides both greater choice and widens the housing options for applicants.
- 5.6 Whilst there are private rented sector properties across the city, we learned that these are significantly concentrated in the North-West and East areas of Leeds and within former Urban Renewal Areas with particular concentrations in the inner city areas such as Armley, Beeston and Holbeck, Burmantofts and Harehills, Chapeltown and Richmond Hill. It was also highlighted that the previous House Condition Survey in 2001 showed that 32% of private

rented dwellings in single occupation and 74% of private-rented dwellings in multiple occupation were located in North-West Leeds. We therefore acknowledged that the majority of the properties owned by LLAS members portfolios are also located in the North-West.

- 5.7 During our inquiry, we sought clarification on the current numbers of members within the LLAS. In response, it was highlighted that there are currently 400 members of the scheme and that overall coverage of accreditation is estimated to be in the order of 16.6% of the private rented sector in total. We also learned that the Council's Private Rented Sector Strategy contains a target for LLAS of 20,000 bed-spaces coverage by 2010 (current bed-spaces 17,853 at 31/12/08 against an interim target of 18,000 by 31/3/09).
- 5.8 The membership of the LLAS is split between Unipol and other non Unipol landlords in the City 27%: 73% respectively and that this is made up of landlords with differing sized portfolios as follows:-
- One property – 28% of members
 - Two-Three Properties – 23% of members

Conclusions and Recommendations



- 4 or more properties – 49% of members

5.9 We therefore recognised that whilst the LLAS membership and coverage has grown over the last 10 years, there remains much work to do to extend its influence across the whole of the private rented sector and in particular in areas beyond North West Leeds. We therefore explored how this could be achieved.

5.10 During our inquiry, representatives of the Leeds Residential Property Forum, Leeds Property Association and Leeds Letting Agents, all of whom are private sector landlords themselves, were given an opportunity to voice their opinions about the LLAS and why they felt a large majority of private sector landlords across the city were not volunteering to become members of the scheme.

5.11 We noted that three of the representatives were already members of the LLAS and that they had joined the scheme to help improve their own standards and develop a closer working relationship with the local authority. Whilst acknowledging the advantages of being a member of the scheme, one of the key issues raised was around the lack of communication with

tenants in raising the awareness and profile of the scheme.

5.12 In recognising the need for the Council and Landlords to promote the LLAS amongst private tenants, we learned of an Accredited Tenants Scheme that was developed two years ago and which all LLAS members were encouraged to offer their tenants as part of the LLAS requirements. The landlord was to be responsible for administering the scheme, which in effect provided a reference at the end of the tenancy. However, it was reported that when reviewed, only 16% of the tenants interviewed were aware of the Accredited Tenants Scheme and only 13% had a copy of the LLAS. We therefore recognise the benefits of the Council in further developing an Accredited Tenants Scheme as a way of improving communication links with private tenants. The Council should also be looking at opportunities, perhaps through the Accredited Tenants Scheme, to develop a representative body for local private tenants as this will also aid communication links with private tenants in the future.

5.13 Other landlord representatives explained to the Scrutiny Board that whilst they too recognise the wider advantages to becoming a member of the LLAS, there remains certain stipulations

Conclusions and Recommendations



within the scheme which they felt were acting as barriers towards them becoming members. An example shared with the Scrutiny Board was around LLAS members not being able to re-market their property for at least 24 hours following a request from an interested party to seek independent advice on any contractual terms under which that property had been offered. This was considered unreasonable when landlords may have numerous interested parties competing for a property at the same time.

5.14 It was highlighted that since the LLAS started, its contents have been periodically reviewed and modified. We were therefore pleased to learn that the scheme continues to be updated regularly in terms of the standards set within it and that negotiations with private sector landlord representatives are ongoing.

Recommendation 8
That the Director of Environment and Neighbourhoods continues to engage with private landlords in regularly reviewing the standards set within the Leeds Landlords Accreditation Scheme with the aim of attracting more members and expanding the scheme across the city.

Recommendation 9
That the Director of Environment and Neighbourhoods conducts a review within the next 6 months of the current action plan aimed at promoting the Leeds Landlord Accreditation Scheme and raising its profile amongst private tenants across the city.

Recommendation 10
That the Director of Environment and Neighbourhoods continues to further develop an Accredited Tenants Scheme for Leeds and explores opportunities for developing a representative body specifically for private tenants in Leeds.

5.15 During our discussion with private landlords, particular reference was made to some of the difficulties encountered when dealing with managing agents and the need to gather more detailed information on such agents in terms of their property portfolios and management standards to enable clearer transparency and accountability, particularly before accreditation is given. We noted that the Rugg review also recommends that managing agents should be subject to mandatory regulation to ensure better quality management standards. In view of this, we recommend that the

Conclusions and Recommendations



development of an Accredited Agent Scheme is explored by the Council as a way of regulating the quality management standards of private sector management agents.

Recommendation 11
That the Director of Environment and Neighbourhoods continues to explore the development of an Accredited Agent Scheme for Leeds as a way of regulating the quality management standards of private sector management agents.

5.16 We recognised that in order to attract and retain private rented sector landlords, it is imperative that the LLAS continues to offer incentives to landlords to enable the much needed increased coverage across the city. It was noted that this concept was also supported by the LLAS Review and the Health Impact Assessment of the LLAS completed in August 2007.

5.17 During our inquiry, we considered a number of potential Leeds City Council concessions that have been suggested as part of the Health Impact Assessment and LLAS Review as incentives that could motivate more landlords to become accredited.

5.18 In discussing these possible concessions, particular reference was made to a proposed incentive for the enhancement of the LLAS refuse disposal concession to include beds, settees and furniture which are currently chargeable and can have a significant negative visual impact on the area when placed in yards. We learned that whilst landlords actively support this extension, there were barriers within the Council in terms of progressing with this any further.

5.19 In recognising that the proposed incentives would help to attract more private sector landlords to the LLAS, we believe that all Council services should be working together in offering such concessions in view of the wider advantages and particularly when these help to address environmental health issues. We therefore recommend that the Director of Environment and Neighbourhoods takes a lead on promoting a one Council approach towards introducing concessions as a way of retaining and attracting more private landlords to the LLAS.

Conclusions and Recommendations



Recommendation 12

That the Director of Environment and Neighbourhoods takes a lead on promoting a one Council approach towards introducing concessions as a way of retaining and attracting more private landlords to the Leeds Landlord Accreditation Scheme.

6.0 The use of private rented sector housing for tenants dependent on Local Housing Allowance (Housing Benefit)

6.1 The reduction in availability and access to social housing has led to increased demand for private rented housing from those households with general housing needs unable to achieve access to social housing. The Rugg review also highlights that local authorities have been seeking properties in the private rented sector to help deal with their responsibilities to eligible, unintentionally homeless households under homelessness legislation.

6.2 During our inquiry, we noted that progress is ongoing to deliver increased bedspace coverage across the city and expand the number of landlords who will work with clients who are in housing need. It was recognised that such clients are usually

dependant on Local Housing Allowance (LHA).

6.3 Leeds was one of nine Local Housing Allowance pathfinders where LHA was trialled from February 2004 prior to it being introduced nationally in April 2008. This new LHA scheme is designed to make it easier for tenants and landlords to find out in advance how much rent could be covered by Housing Benefit. It was explained that previously, private tenants often found that Housing Benefit could not meet their rent only after they had signed a tenancy agreement. We acknowledge that this happens less frequently now that the uncertainty has been removed under the new scheme.

6.4 It was also highlighted that the new scheme promotes greater fairness as it is designed to pay the same amount to tenants with similar circumstances living in the same area. Previously, tenants who lived in smaller properties than they were entitled to, or less attractive properties, generally received less benefit than those with similar needs in the same area and living in larger or more attractive properties.

6.5 Another key feature of the scheme is that LHA is paid directly to the claimant and not the landlord as the government considers that this approach will

Conclusions and Recommendations



encourage claimants to take more responsibility for budgeting and paying their rent themselves. However, the private landlords raised concerns about this approach during our inquiry and recognised this as a potential barrier in attracting private landlords to work with LHA tenants. This is addressed later in our report where we have also identified other potential barriers which need to be considered.

- 6.6 Whilst we noted that the national evaluation of LHA found that the scheme had been a success in the pathfinder areas, we acknowledged that the national scheme introduced in April 2008 differs from the initial pathfinder scheme. In particular, the LHA rates are now based on the median rent and not the midpoint. As a result of the new calculation, the LHA rates are now more generous. It was explained that this different method of calculating LHA rates now means that half of properties available are at rents that are above the LHA rates and half of properties are at rents that are below the LHA rates. The new rates also mean that more tenants receive enough Housing Benefit to meet their rental liability. Prior to 2004, it was noted that only 40% of tenants received enough to meet their rent costs. This increased to 60% under the pathfinder model

of LHA and now LHA meets the rent for 68% of claimants. However, it was recognised that this figure still needs to be increased.

- 6.7 We understand that the scheme also provides an opportunity for tenants to trade between the quality and price of their accommodation. For example, tenants can now choose between paying more to stay in a property that is larger than they qualify for under the size criteria or increasing their after-housing-costs income by moving to a less attractive or smaller house and benefiting from receiving 'excess' LHA of which they are entitled to. However, we learned that whilst tenants received the full excess amount as part of the pathfinder scheme, this was revised for the national scheme and now the amount of excess LHA which tenants may benefit from is restricted to £15 per week.
- 6.8 The introduction of the £15 cap clearly provides less of an incentive for tenants to negotiate with the landlord over the rent, as any increase in rent (up to the LHA rate) is met by Housing Benefit and so there is no longer any advantages for a tenant to negotiate a rent that is more than £15 below the LHA rate for which they are eligible.

Conclusions and Recommendations



6.9 Whilst we acknowledge that the new system has brought some simplification in terms of the administration of Housing Benefit, we are concerned that LHA rates are based solely on the needs of the household and therefore are not influenced by the quality of the accommodation or the property management. It is the responsibility of the landlord and tenant to agree the level of rent having regard to condition, location and any other relevant considerations, but we recognise that not all tenants take on this responsibility, which means that maximum LHA rates are sometimes paid in respect of properties that are of poor quality and/or are poorly managed.

6.10 As the LHA is payable irrespective of the state and condition of a rental property, this gives no incentive to the landlord to achieve even the basic legal minimum standards. We are therefore pleased to see that Leeds Housing Options scheme acknowledges the duty of care to clients who present for re-housing through that service and use properties owned by landlords who are part of the LLAS or properties inspected by staff within the Housing Options team to ensure each property meets minimum standards.

6.11 Whilst we accept that the aim of the LHA scheme is to promote

choice and personal responsibility of tenants, we also recognise the importance of providing practical support and advice to all tenants, not just the most vulnerable tenants, in assisting them to negotiate a reasonable level of rent, with particular attention given to the consideration of property conditions and the minimum standards they should be expecting to receive.

6.12 We also recognised the importance of building on the close working relationship between the Leeds Benefits Service, as the administrators of the LHA scheme, and the Housing Regulatory Service to provide the necessary checks and balances to the LHA scheme at a local level.

Recommendation 13

(i) That the Director of Environment and Neighbourhoods ensures that practical support and advice is available to all tenants in assisting them to negotiate reasonable rent levels, with particular attention given to the consideration of property conditions and the minimum standards they should be expecting to receive.

Conclusions and Recommendations



Recommendation 13 continued

(ii) That the Director of Environment and Neighbourhoods takes a lead role in building on the close working relationship between the Leeds Benefits Service and the Housing Regulatory Service to provide the necessary checks and balances to the LHA scheme at a local level.

6.13 We noted that the number of people claiming Housing Benefit in the private rented sector has grown substantially since the introduction of LHA and that numbers appear to be greater since the LHA rates increased in April 2008, when the scheme was changed. It was reported that the caseload was 6,095 in 2005 and 9,380 in 2008, an increase of 54%.

6.14 The current financial climate has seen a further increase and in March 2009, we learned that around 11,000 tenants in the private rented sector are now claiming Housing Benefit. As there had not been this level of growth in respect of tenants claiming Housing Benefit in Housing Association and ALMO properties or those claiming Council Tax Benefit, this indicated that the increase is due to growth in the private rented

sector generally rather than economic changes alone.

6.15 It was reported that there is also evidence that the increased rates have stimulated movement of tenants in the private rented sector. In 2008 there had been a marked increase in the number of tenants reporting a change of address. However, it was not clear at that stage whether this was primarily due to more properties being available and the tenant choosing accommodation that better suits their needs, or that tenants were changing address to move onto the higher rates of LHA under encouragement from the landlord.

6.16 Although Leeds is generally one Broad Rental Market Area, which means that tenants receive the same amount of LHA regardless of where they live, we noted that rent levels do vary. Whilst the Council works with all landlords across the city, it was highlighted that market forces dictate where properties are available. We noted that 40% of tenants claiming Housing Benefit chose to live within 3 post codes (Leeds 8, 9 and 11) where rental levels are historically lower than in other parts of the city. However, closer inspection of rent levels for the 10 month period from December 2007 to October 2008 in these areas had indicated that

Conclusions and Recommendations



rents have increased proportionately greater in these areas.

6.17 It was highlighted that the recent increases in rents could be because landlords are now more aware of LHA rates since the scheme was introduced nationally in April 2008. There is now more information available about the LHA in the press and on websites used by landlords and the national rates are also available on the internet.

6.18 We recognise that where rent levels are higher, it can make the transition to work more difficult as tenants must find employment that pays more if they want to cease to be dependant upon benefit. This issue was also acknowledged as part of the Rugg review.

6.19 We also acknowledged that increased rents could also have implications for those people not in receipt of Housing Benefit in areas where rents are historically low. Therefore, if LHA rates do drive up rents throughout the whole sector then tenants could find it impossible to find affordable housing.

7.0 Addressing potential barriers in attracting private landlords to work with LHA tenants

7.1 During our inquiry, the private sector landlord representatives raised specific concerns about LHA payments no longer being paid directly to landlords, particularly in light of previous difficulties encountered with LHA tenants falling into rent arrears.

7.2 We were informed that a landlord would have to wait 8 weeks before any action could be taken by the Council to re-direct rent payments back to the landlord. In the meantime, the landlord would have to pursue legal action against the tenant to recover any rent arrears as the Council was not liable for this debt under the new LHA scheme.

7.3 Again we acknowledged that the Council is the administrator of a national government scheme and therefore is legally obliged to make LHA payments direct to the tenant. However, we do understand that there are safeguards in place to protect those tenants who are unable to take responsibility to pay the rent to their landlord or fall into rent arrears and in these cases LHA can be paid direct to the landlord. It was reported that these cases have increased steadily and now

Conclusions and Recommendations



represent 22% of the LHA caseload.

- 7.4 We also understand that the Council would pay the landlord the same LHA rate received by the tenant, including any excess LHA up to the maximum £15. Whilst any additional funding received by the landlord would help towards clearing the rent arrears owed by the tenant, it was highlighted that where LHA payments received by the Council did not meet the full rent costs then the amount of rent arrears owed by the tenant would continue to gradually increase.
- 7.5 Whilst it was felt that such problems could potentially lead to fewer landlords letting to LHA dependent tenants, we were informed that the safeguard procedures are well publicised and are generally working well and therefore few landlords have ceased to let to LHA dependent tenants because of loss of direct payment.
- 7.6 However, we still questioned the overall checks and balances in place to ensure that both landlords and claimants were not abusing the new LHA scheme. In response, it was noted that whilst the Council was not obliged to monitor all claimants, those with a history of rent arrears would be reviewed regularly. It was highlighted that

the Private Tenant & Landlord Support Team had previously been developed in partnership with Planning, Health & Environmental Action Service and Leeds Benefit services to ensure improved quality control, enhance the value for money and over time seek to act as a conduit for enhancing the standards of private rented accommodation provision city wide. However, this dedicated service was only funded on a short-term basis and that funding ceased in March 2009. As a result, the functions of this Team were mainstreamed within the Leeds Housing Options Service and therefore concerns were raised about whether the same level of service could now be delivered. In recognising the importance of such a service, we have addressed this specific issue later in our report.

- 7.7 In acknowledging that Housing Benefit is always paid 4 weeks in arrears, the inability for Housing Benefit tenants to access a deposit or rent in advance also continues to remain a barrier to finding accommodation within the private rented sector as this often limits the tenants' choice and ability to negotiate a competitive rent once the landlord discovers that the tenant will receive Housing Benefit. There was a general agreement from the private landlord representatives

Conclusions and Recommendations



that a deposit scheme and / or advanced rent payments would make it more appealing to landlords when considering LHA tenants.

- 7.8 The Rugg review also concludes that changes to the benefit regime to introduce universal assistance with deposits and rent in advance, would mean that more landlords would be willing to accept tenants on housing benefits.
- 7.9 However, we acknowledged that such a scheme would be very costly to introduce as it would need to apply to all landlords and therefore the landlords already working with LHA tenants and not receiving a deposit would eventually begin making requests for a deposit in line with such a scheme.
- 7.10 During our inquiry, we learned about the Council's Damage Liability Scheme (DLS). This is a pilot scheme developed by the Council's Private Tenant and Landlord Support Team, launched in October 2008. The principle behind the DLS was that it would only be offered to tenants who were housed under the Private Tenant and Landlord Support Team, as the Council was acting as guarantor to tenants housed who could not afford a deposit. For landlords to be eligible to make a claim under

the scheme, they had to meet a number of criteria, which involved being members of the LLAS and that their property had been inspected by the Private Tenant and Landlord Support Team and met current standards.

- 7.11 We learned that tenants would be asked to sign an agreement letter advising that any money paid out to landlords under the scheme as a result of their actions would be reclaimed back from them. It was also envisaged that where tenants were entitled to money back from LHA (i.e. £15 excess rate) they would be encouraged to use this money to take up a bond loan from the Credit Union which would allow them the freedom to move around the private rented sector or stay in the property beyond the initial 6 month Assured Shorthold Tenancy period (the duration the DLS would be effective). Once a bond loan was in place the Council's liability under the DLS would automatically end.
- 7.12 It was therefore considered that in expanding this scheme across the city, this could be used as a way of addressing this potential barrier. However, we would still recommend that the Council reviews the potential costs and implications of introducing deposit guarantees for tenants in receipt of LHA.

Conclusions and Recommendations



Recommendation 14
That the Director of Environment and Neighbourhoods reviews the potential costs and implications of expanding the Council's Damage Liability Scheme across the city and introducing deposit guarantees for tenants in receipt of Local Housing Allowance.

7.13 To encourage the private rented sector to work with tenants who are reliant on LHA to pay their rent, it was also agreed that a more robust method of tenant referencing would increase landlords' confidence in setting up Assured Shorthold Tenancies with LHA tenants and also be an added incentive to take up LLAS membership given that referrals from the Council are made to accredited landlords.

7.14 During our inquiry, we received details of new proposals for a Tenant Referencing scheme, which we understand already has landlord support as this would involve tenants agreeing to be checked by Police, ASB, Housing Benefit, ALMOs etc before they were given a Tenant Reference. This would therefore increase landlord confidence in working with LHA dependent tenants. The reference would be subject to review by landlords following subsequent tenancies and could be operated

electronically. It was highlighted that similar schemes that are currently operating in Manchester and Burnley are considered to be successful. However, in view of the resources needed to operate such a scheme, we noted that this would ideally operate across West Yorkshire.

7.15 We recommend that the Director of Environment and Neighbourhoods continues to develop a Tenant Referencing scheme to be operated across the city and explores ways of securing additional funding for operating this scheme, which may involve seeking commitments from other Local Authorities to develop a West Yorkshire scheme.

Recommendation 15
That the Director of Environment and Neighbourhoods continues to develop a Tenant Referencing scheme for Leeds and explores ways of securing additional funding for operating this scheme, which may involve seeking commitments from other Local Authorities to develop a West Yorkshire scheme.

Conclusions and Recommendations



8.0 Bringing empty residential properties back into use

- 8.1 One way of meeting at least some of the current housing supply shortage is to look at making more efficient use of existing properties, and in particular those that are unoccupied or being used less effectively than they might.
- 8.2 We learned that the situation in Leeds, as at September 2008, was that 17,639 properties were void, which represents 5.35% of the total housing stock. Of these, 6,377 had been empty for more than 6 months.
- 8.3 We were particularly interested to know what proportion of the private rented sector stock was located within the city centre and how many of these properties were empty. In response, it was explained that the Council took the initiative to start monitoring the numbers of city centre units (all tenure) as from July 2007 and that at the time there were 5653 units completed. The last reported figures in relation to these specific units showed 1185 (20.96%) to be empty in September 2008. Of these properties 145 (2.57%) were void for more than six months but less than twelve, with 421 (7.45%) properties being void for longer than 12 months. However, it was reported that 232 (4.10%) of

these empty properties within the city centre were known to be vested within trust funds, company portfolios or investors with more than one property.

- 8.4 We are aware that the government is also now calling on local authorities to take firmer action to tackle the blight of empty homes and re-use properties. Guidance by the Empty Homes Agency sets out the range of strengthened powers local authorities have to deal with the problem of empty homes, including Empty Dwelling Management Orders.
- 8.5 Empty Dwelling Management Orders (EDMOs) give the Council discretionary powers to bring empty private sector dwellings back into use where the owners are unable or unwilling to do so. Once an Order has been granted, the Council can manage the property on behalf of the owner but does not become the legal owner of the property and cannot sell or mortgage the property.
- 8.6 However, we were informed that Leeds, like most other local authorities, are currently experiencing difficulties in putting into place procedures for utilising EDMOs. The primary obstacle is that there has been no serious expression of interest from ALMOs, Registered Social Landlords or 'accredited' private

Conclusions and Recommendations



landlords to act as managing agents upon the council initiating the process of EDMOs.

- 8.7 It was noted that Leeds has recently explored the possibility of procuring a partner/managing agent in conjunction with other West Yorkshire authorities in order to maximise the economy of scale for any interested agents. Leeds has joined with Bradford and Kirklees in seeking expressions of interest on this matter throughout the European Economic Area. Whilst acknowledging that no expressions of interest have been forthcoming so far, we were pleased to learn of the Council's intention to re-advertise for any possible interest, which hopefully may be more successful in the current downturn in housing market activity.
- 8.8 However, we do acknowledge that the Council has already devoted significant resources to returning long-term empty properties into use. One of the reasons for this success is the systematic monitoring of empty properties on a ward area basis and within targeted areas which have previously suffered high levels of empty properties and fragile demand such as East End Park, Cross Green, Harehills, Beeston and Holbeck, and to a lesser extent, Chapeltown. We received examples of these area

profile reports, but acknowledged that the data within these reports had the potential to change rapidly. In learning that such reports are available for each ward, we recommended that these be made accessible, via the Council's intranet, to all Members of the Council to indicate trends within their areas. As a result, we were pleased to note that this action had been taken during the course of our inquiry.

- 8.9 During our inquiry, we recognised that the recent phenomenon of 'buy to leave' (properties that have been purchased by investors purely for capital growth) could be turned around if the investors see a substantial decline in the equitable growth of their investment properties. Furthermore, this factor could encourage these 'investors' to consider letting/selling their investments thereby bringing these properties back into the equation of being available as 'homes for people'.
- 8.10 In view of this, there is an opportunity for the Council to broker deals with these property owners in order for them to consider letting out this previously wasted resource to people on the housing register, or perhaps consider targeting their product to niche and

Conclusions and Recommendations



specialist markets such as providing accommodation for the elderly - thereby freeing up their often under used resource of family housing which would help to alleviate the current shortage of this type of housing throughout the city. However, it was noted that for social housing, the city centre was unlikely to present opportunities because of the high rent levels currently expected, unless market conditions continue to deteriorate and city centre landlords continue to struggle to rent or sell in the sector.

- 8.11 There is still a substantial amount of under-used housing accommodation throughout the city but, if the Council can successfully bring these properties back into occupation, this could go some considerable way to providing the much needed housing that Leeds will require in the future.
- 8.12 It is therefore vital for the Council to continue to seek means of bringing empty private housing back into use by ensuring that it maximises on recent government initiatives and takes advantage of the current economic climate by approaching property owners to broker deals around temporarily letting or leasing of their empty properties to the Council for people on the housing register.

Recommendation 16

That the Director of Environment and Neighbourhoods continues to seek means of bringing empty private housing back into use which maximises on recent government initiatives and takes advantage of the current economic climate by brokering deals with property owners to temporarily let their empty properties to the Council for people on the housing register.

9.0 Providing effective advice, information and support to the private rented sector.

- 9.1 Throughout our inquiry we have recognised the need for the Council to provide accurate and timely advice and information to landlords and private tenants about their statutory rights and obligations, as well as provide assistance to landlords to improve their property standards, particularly those experiencing financial difficulties.
- 9.2 We recognised that the Private Tenant & Landlord Support Team, which had previously been developed in partnership with Planning, Health & Environmental Action Service and Leeds Benefit services, played a key role in regulating the private rented sector by ensuring improved quality

Conclusions and Recommendations



control; enhancing the value for money; and acting as a conduit for enhancing the standards of private rented accommodation provision city-wide. As the funding for this service ceased in March 2009, we understand that the functions of the service have now been mainstreamed within the Leeds Housing Options Service.

9.3 However, in order to improve the quality of service provided to private landlords and tenants, we believe it is vital to have a single point of contact within the Council for this sector, acting as a conduit for both private landlords and tenants to gain access to accurate and timely advice, information and assistance. We would like to see a multidisciplinary approach in improving quality control and tackling housing options within this sector and believe that a single point of contact will help to promote a 'one Council' approach to access the private rented sector.

9.4 We therefore recommend that the Director of Environment and Neighbourhoods considers the feasibility of establishing this single point of contact within the Council.

Recommendation 17

That the Director of Environment and Neighbourhoods considers the feasibility of establishing a single point of contact within the Council for the private rented sector, acting as a conduit for both private landlords and tenants to gain access to accurate and timely advice, information and assistance.

Evidence



Monitoring arrangements

Standard arrangements for monitoring the outcome of the Board's recommendations will apply.

The decision-makers to whom the recommendations are addressed will be asked to submit a formal response to the recommendations, including an action plan and timetable, normally within two months.

Following this the Scrutiny Board will determine any further detailed monitoring, over and above the standard quarterly monitoring of all scrutiny recommendations.

Reports and Publications Submitted

- Briefing paper from Environment and Neighbourhoods on the Council's role in promoting private rented sector (PRS) accommodation and advice to PRS tenants;
- Briefing paper from Environment and Neighbourhoods on housing legislation;
- Briefing paper from Environment and Neighbourhoods on maximising the utilisation of the existing housing stock - recycling the empties;
- Briefing paper from Environment and Neighbourhoods on energy efficiency in the private rented sector;
- Briefing paper from the Leeds Benefits Service on the impact of Local Housing Allowance (Housing Benefit) on Private Sector Housing;
- Report of the Director of Environment and Neighbourhoods updating on Houses in Multiple Occupation (HMO) Mandatory Licensing;
- Briefing paper from Environment and Neighbourhoods on the role of the Leeds Landlord Accreditation Scheme and other initiatives to promote improvements in private rented housing conditions;
- Copy of report to the Executive Board on 11th June 2008 on activity in the private rented sector;
- Private Sector House Condition Survey (November 2007). Leeds City Council in partnership with JE Jacobs;
- Copy of the Leeds Landlord Accreditation Scheme Information Pack;
- The Private Rented Sector: its contribution and potential. Executive Summary. Julie Rugg and David Rhodes. Centre for Housing Policy. 2008;
- Report of the Head of Scrutiny and Member Development presenting a summary report of the working group – 16th October 2008;
- Report of the Head of Scrutiny and Member Development presenting a summary report of the working group – 19th January 2009;
- Scrutiny working group summary report – 13th March 2009

Evidence



Witnesses Heard

- Andy Beattie, Head of Service, Pollution Control and Housing
- Jane McManus, Project Manager (HB reforms), Leeds Benefits Service
- Tracey Harwood, Homeless Services Manager
- Paul Broadhurst, Private Sector Scheme Manager
- Jon Hough, Principal Housing Strategy Officer
- Mike Brook, Acting Housing Regulation Service Manager
- Linda Sherwood, Accreditation and Selective Licensing Manager
- Tom Wiltshire, Head of Housing Needs and Options
- Simon Moran, Leeds Letting Agents
- Richard Aston, Leeds Letting Agents
- Suki Thethi - Leeds Letting Agents
- Martin Blakey, Chief Executive of Unipol
- Scott Blakeway, Unipol
- Chris Town, Leeds Residential Property Forum
- Steve Rowley, Leeds Property Association
- Andy Hudson, Leeds Property Association

Dates of Scrutiny

- 8th September 2008 – Scrutiny Board Meeting (agree terms of reference)
- 16th October 2008 – Scrutiny Working Group Meeting
- 10th November 2008 – Scrutiny Board Meeting
- 19th January 2009 – Scrutiny Working Group Meeting
- 9th February 2009 – Scrutiny Board Meeting
- 13th March 2009 – Scrutiny Working Group Meeting
- 11th May 2009 – Scrutiny Board Meeting (agree final inquiry report)

Scrutiny Board Agenda Item 12

(Environment and Neighbourhoods)



*Cllr Barry Anderson
Chair of Scrutiny Board (Environment and Neighbourhoods)*

Membership of the Board:

Councillor Barry Anderson (Chair)
Councillor Ann Blackburn
Councillor Ann Castle
Councillor Brian Cleasby
Councillor Debra Coupar
Councillor Angela Gabriel
Councillor David Hollingsworth
Councillor Graham Hyde
Councillor Graham Kirkland
Councillor Joe Marjoram
Councillor Lisa Mulherin
Councillor Mohammed Rafique

The Chair's Summary

I am very pleased to present the 2008/09 annual report of the Scrutiny Board (Environment and Neighbourhoods). The Environment and Neighbourhoods portfolio encompasses a wide range of services which strive to meet the Council's ambitions for Leeds in terms of creating neighbourhoods that are inclusive, varied and vibrant within an environment that is clean, green, attractive and above all, sustainable. As a Scrutiny Board we continue to oversee those issues which remain key priorities for local people, such as offering affordable and decent housing; tackling crime and anti-social behaviour; reducing worklessness; and improving the quality and sustainability of the built and natural environment. At the beginning of the year, we challenged ourselves to conduct a number of high profile inquiries focusing on the provision of street cleaning services in Leeds; the provision, management and regulation of private rented sector housing; the development of older people's housing; and the impact and management of the Asylum Seeker Case Resolution Programme in Leeds. The details of our inquiries are set out within this report, including our final recommendations, which I hope will add value towards the development of policy and service delivery around these particular issues. I therefore look forward to receiving the initial response to our recommendations and monitoring progress against these over the coming months.

In addition to our main inquiries, we conducted a review of dog fouling enforcement in Leeds in recognition of the fact that this remains to be one of the highest sources of complaints by the public both locally and nationally. In February 2009, we published a Statement setting out our findings and recommendations and were pleased to note that the Council's Executive welcomed and supported the findings of our review. This year we also provided formal comments on the proposed changes to the Council's Lettings Policy. As many of the changes reflected the recommendations arising from the Scrutiny inquiry into Housing Lettings Pressures last year, we were very supportive of these.

In March 2009, we commenced an inquiry into the East and South East Leeds (EASEL) regeneration project following a request for Scrutiny. This inquiry aims to ensure that the objectives of this regeneration project continue to remain a priority for all key partners and that the residents of the EASEL area are informed and consulted effectively throughout the project. This inquiry will continue into the new municipal year.

I am proud of what we have achieved this year and would like to sincerely thank my fellow Board Members, officers, and other witnesses for their commitment and contribution to the Board's work.

Councillor Barry Anderson, Chair of Scrutiny Board (Environment and Neighbourhoods)

Inquiry into Street Cleaning

In September 2008, we commenced our inquiry into street cleaning services in Leeds. The primary focus of our inquiry was around the statutory duty of the Council in keeping land clear from litter and refuse and exploring opportunities for further improvements in the way that street cleaning services are delivered to the residents of Leeds.

However, we also acknowledged the need to educate individuals and influence behaviour towards littering as we all play a part in the quality of the local environment and therefore have a responsibility to deal with litter in an acceptable way.

Research by ENCAMS (Environmental Campaigns) reported an estimated cost of £547 million to local authorities in 2005-2006 to clean and clear streets of litter and refuse.

During our inquiry, we sought the views of a wide range of stakeholders, including ENCAMS who provided a professional and independent opinion based around their experiences of working with other local authorities in addressing issues around street cleaning.

As part of our inquiry, we also acknowledged the need to gather opinions of local residents. We therefore invited residents to write in and share their experiences and opinions on the standards of cleanliness across the city and the provision of street cleaning services. We received numerous letters, which formed part of our evidence base and helped us to identify common issues and potential hotspot areas across the city.

Leeds' performance in terms of street cleanliness standards is considered average when compared to other comparable core cities, yet Leeds has one of the lowest spends per head of population. Our inquiry clearly demonstrated the high level of importance placed upon this issue by all stakeholders, including the public, and the demand for this issue to become a priority for the Council.

We believe that the key elements to success are around the development of a co-ordinated and coherent street cleaning service across the city; robust monitoring and recording mechanisms; more local baseline data around street cleanliness needs; targeted enforcement and education campaigns; and identifying and maximising on all available resources.

In view of this, the key recommendations arising from our inquiry were as follows:

To be added once approved by the Board on 11th May 2009.

Review of Dog Fouling Enforcement

The issue of dog fouling was the subject of an earlier Scrutiny inquiry in December 2001 by the former Neighbourhoods and Regeneration Scrutiny Board. However, dog fouling still remains to be one of the highest sources of complaints by the public both locally and nationally. In view of this, we agreed to revisit this issue again and review the Council's current responsibilities and resources for the enforcement of dog fouling in Leeds.

During our review, we acknowledged that dog fouling was just one of a range of dog control and enforcement duties of the Council which needed to be taken into consideration. Particular reference was made to the Council's statutory duty for stray dogs. Since this responsibility was transferred completely to local authorities from the Police in April 2008, the number of strays that the service was dealing with had increased by approximately 25% in less than a year. In view of the existing pressures on the Dog Warden Service, we recognised the need to maximise available enforcement resources, which would involve working more closely with local parish and town councils too. We also recognised the need for more flexible working hours for Dog Wardens and other enforcement officers in order to tackle dog fouling offences more effectively.

At present, Leeds has only one Dog Control Order and this relates to dog fouling. There are five Dog Control Orders for local authorities to enforce and we believe that the introduction of additional Dog Control Orders can provide real benefits in terms of easier controls of dogs, particularly in areas such as parks and children play areas, and therefore recommended a review of the options available to the Council to extend these Orders in Leeds.



There were ten recommendations arising from our review. These were as follows:

- That the Council works in close partnership with local parish and town councils to ensure the effective use of Dog Control Orders across the city and maximise available enforcement resources.
- That the Director of Environment and Neighbourhoods determines a suitable figure for Leeds that will be enforced in relation to the maximum number of dogs that any one person can walk at any onetime.
- That the Director of Environment & Neighbourhoods carries out a review within the next 4 months of the options available to the Council to extend Dog Control Orders in Leeds.
- That an action plan is drawn up on how the Dog Control Orders agreed upon following the review can be progressed. This action plan will be brought back to the Scrutiny Board for consideration by June/July 2009.
- That the Director of Environment and Neighbourhoods will roll out the training programme for issuing Fixed Penalty Notices for litter and dog fouling over the next 12 months to all Neighbourhood Wardens and Park Ranger staff and recommend that this involves any other enforcement staff who may be able to carry out such works.
- That the Director of Environment and Neighbourhoods conducts a review of existing staffing resources within the Dog Warden Team to determine whether it is adequate enough to meet current service demands.
- That the Director of Environment and Neighbourhoods ensures that the full budget provision for the Dog Warden Service each year, which includes the additional funding from West Yorkshire Police, is spent on improving that service.
- That the contract specification for the provision of stray dog kennels is reviewed prior to its renewal and that further opportunities are explored to help generate greater interest from local suppliers.
- That the Director of Environment and Neighbourhoods reviews an out of hours flexible working scheme for the Dog Warden Service and explores opportunities to utilise other relevant enforcement staff working out of hours to assist with the enforcement of dog fouling.
- That the Director of Environment and Neighbourhoods produces a Dog Control Strategy for Leeds by September 2009 setting out the duties of the Dog Warden Service; the current and potential role of other officers in enforcing Dog Control Orders; strategies for future education campaigns; and the implications of having additional Dog Control Orders for Leeds.

Inquiry into Asylum Seeker Case Resolution

In July 2006, the Home Secretary made a statement to clear a backlog of 450,000 legacy records relating to pre April 2007 unresolved asylum cases by July 2011. The priorities for this case resolution programme was to focus on those who pose a risk to the public, those who could more easily be removed, those in receipt of UK Border Agency (UKBA) support and those who may be granted leave to remain.

However, concerns about the overall management and potential impact of the case resolution programme on Council services and on the city as a whole were brought to the attention of the Scrutiny Board by the Executive Member for Neighbourhoods and Housing at the beginning of the municipal year. We therefore agreed to investigate this matter further.

As well as meeting with internal officers to discuss the impact of the case resolution programme from the Council's perspective, we also recognised the need to meet with other key external partners involved in driving forward and managing the programme on a wider scale. This would enable Scrutiny to understand their roles and also allow them the opportunity to raise any particular issues.

We therefore welcomed the involvement of the UK Border Agency and the Yorkshire and Humber Regional Migration Partnership in our inquiry. We were also pleased to learn that, to their knowledge, Leeds is the first local authority in the region to conduct an inquiry into the case resolution programme. Our inquiry was therefore welcomed.

The target set by the government to clear the backlog of legacy records by July 2011 clearly places additional pressures on local authorities to respond accordingly. Whilst we are very confident in the skills and commitment of officers within the Council to manage such pressures, our inquiry has demonstrated a wider need for all key partners to work more closely together in order to achieve this for Leeds and across the region and therefore many of our recommendations are focused around strengthening such partnership work in the future.

The recommendations arising from our inquiry were as follows:

To be added once approved by the Board on 11th May 2009.

“As well as receiving accurate baseline data and projection details from the UK Border Agency on cases to be resolved as part of the case resolution programme, the Council should also be given sufficient time and, where necessary, additional resources to manage any referred cases effectively.

Partnership working is vital if we are to deliver on the case resolution programme, or any other initiatives, as a region”.

Councillor Barry Anderson - Chair

Inquiry into Private Rented Sector Housing

The private rented sector in Leeds now represents approximately 13% of the total housing stock and as such provides accommodation for a significant number of Leeds households, some of whom are amongst the most vulnerable members of society.

Many people will have some experience of renting privately during the course of their lives and therefore we set out to explore the current provision, management and regulation of private rented housing in Leeds. As part of our inquiry, we considered evidence from the various Council services involved in the management and regulation of the private rented sector and also sought the views of a number of private landlords from local landlord representative bodies and Unipol Student Homes. During our inquiry, we noted that there was a lack of representative bodies specifically for private sector tenants in Leeds outside of the student market. We therefore explored opportunities for the Council to help develop such a representative body, as this would also aid communication links with private tenants in future.

We also learned of a national review of the private rented sector in October 2008, undertaken by the University of York, and found that there were a lot of common issues raised about the capacity of this sector to meet a range of housing needs. In particular, we too acknowledged the danger of describing the private rented sector as one homogenous tenure given the different variations available. In view of this, we recognised that the Council's approach in dealing with this sector will need to be multi-dimensional to meet the needs of the various sub-markets within the sector.

“The complexity of the sector has to be appreciated in any policy development, and underpins discussion of the obstacles and issues that attach to the private rented sector fulfilling its potential”.

Julie Rugg and David Rhodes, Centre for Housing Policy, The University of York.

Our inquiry highlighted a clear need to improve professionalism within this sector by improving the quality and condition of private rented sector housing; driving up standards of management; providing effective advice, information and support to the sector; and putting in place effective regulatory and enforcement mechanisms to target and sanction the small minority of wilfully bad landlords. Many of our recommendations therefore focused around these specific issues.

At the time of conducting our inquiry, we acknowledged that the Council was in the process of updating both its Leeds Housing Strategy and Private Rented Sector Strategy. We therefore hope that our findings and recommendations have contributed towards the development of these Strategies.

Our key recommendations arising from this inquiry were as follows:

To be added once approved by the Board on 11th May 2009.

Inquiry into Older People's Housing

The expectations and aspirations of older people are evolving and therefore the Council will need to ensure that service delivery is reconfigured so that it responds to these changing needs. In view of this, we agreed to conduct an inquiry into Older People's Housing in Leeds.

Some of the key aspirations of older people, now and in the future, are highlighted in the Government Strategy 'Lifetime Homes, Lifetime Neighbourhoods'. The Government's vision is now focused around supporting older people to live independently within their own homes and exercise greater choice and control over their lives. The Lifetime Homes standard therefore provides flexible housing design that reflects the changes that occur over the lifetime and so people are not excluded by design as they grow older and more frail.

During our inquiry, we were pleased to learn that the Council is responding accordingly in trying to meet the Government's vision. We learned that a jointly sponsored project between the Environment and Neighbourhoods and Adult Social Care Directorates has been developed with the aim of creating a network of extra care and affordable lifetime homes in the city to meet primarily the needs of older people, but which will also make a significant contribution to neighbourhood regeneration and achieving affordable housing targets. To help progress with this project, the Council has submitted a bid to Central Government for £271 million of Private Finance Initiative (PFI) credits. This bid includes proposals for the development of 600 units of extra-care housing and 510 units of Lifetime Homes housing.

During our inquiry, we were particularly interested in the extra-care housing model. We therefore held our February 2009 meeting at the Moor Allerton Care Centre, which is based on the extra-care model, and combined this with a tour of the Centre. We also conducted a visit to Sheffield's Brunswick Gardens Retirement Village, which opened in March 2008 and consists of 217 one and two bedroom units of mixed tenure. As this is one of only a few extra care 'villages' in England, we were keen to learn more about the benefits of developing a scheme of this size and to take back any lessons for future developments in Leeds.



The 'village centre' at Sheffield's Brunswick Gardens Retirement Village



Meeting with senior officers and relevant Cabinet Members from Sheffield Council

As part of our inquiry, we recognised that the development of housing related services for older people also needs to be rooted in the evolving national 'personalisation' agenda: that recipients of social care services should play an integral role in shaping or choosing the services they use, so that they can be empowered to live independently. We therefore explored the use of Assistive Technology, Telecare and Telehealth services to support people to live as independently as possible.

We have now concluded our inquiry and in the process of producing a final report setting out our findings and recommendations. We hope to publish our report early in the new municipal year.

Changes to the Council's Lettings Policy

Last year the Environment and Neighbourhoods Scrutiny Board carried out an inquiry into Housing Lettings Pressures and recommended that Scrutiny be consulted on the proposed changes to the Council's Lettings Policy. We contributed to the consultation process in August 2008 and provided our formal comments in the form of a Statement, which was published in September 2008.

We were pleased to note that the recommendations arising from last year's inquiry were taken on board and covered by the proposed changes in the Lettings Policy. We therefore supported all the proposed changes to the Lettings Policy, as detailed in the consultation document.

Observing Yorkshire Water's £43 million upgrade of Waste Water Treatment Works

In December 2008, we were pleased to be invited to visit Yorkshire Water's Knostrop Waste Water Treatment Works to observe the ongoing work being carried out as part of its £43 million investment to provide more modern and efficient treatment processes that will help to ensure the water returned to the River Aire meets the standards required by the European Fresh Water Fish Directive, which becomes law in the UK in 2010.



Leeds Materials Recycling Facility

In February 2009, we visited the Leeds Materials Recycling Facility, which is operated by Martin Waste Limited. We met with the Council's Contracts Manager within Recycling and Waste Services and also the Marketing Manager and Materials Recycling Manager from Martin Waste Ltd. As part of our visit, we were shown around the site to observe how the recycling facility operates.

In March 2009, we also considered the outcome of a recent external Eco Management and Audit Scheme (EMAS) audit. This audit focused on a broad range of environmental aspects relating to Leeds City Council operations and services, but specific focus on recycled waste was considered appropriate in light of media speculation around municipal recycle destinations. We were pleased to note that the audit concluded that the Council and its contractor have robust systems in place to ensure the effective and responsible management of municipal recyclates.

The Board's full work programme 2008/09

Requests for Scrutiny

Inquiry into EASEL Regeneration Project (to be continued into 2009/10)

Review of existing policy

Review of Dog Fouling Enforcement in Leeds
Street Cleaning Inquiry
Asylum Seeker Case Resolution Inquiry
Private Rented Sector Housing Inquiry
Older People's Housing Inquiry (to be finalised in 2009/10)
Review of Miscellaneous Properties

Development of new policy

Draft Leeds Housing Strategy
Grounds Maintenance Draft Service Improvement Plan
Sustainable Communities Act
Revised Lettings Policy

Monitoring Scrutiny Recommendations

Quarterly Recommendation Tracking
Formal response to previous Inquiry into Housing Lettings Pressures
Formal response to previous Inquiry into CO2 Emissions

Performance Management

Quarterly performance reports
Monthly performance updates on the Dog Warden Service and the enforcement of dog fouling
Quarterly updates on the Supporting People Programme

Briefing

The role of Police Community Support Officers (PCSOs)