Planning and Housing Committee

7 June 2011

Transcript of Item 5: Condition of London's Private Rented Housing

Jenny Jones (Chair): David Salusbury [Executive Chairman, National Landlords Association] is not able to be here, which we are very sad about, but we have a fantastic replacement in Vincenzo Rampulla. Thank you very much for stepping in.

We will kick off. If I could start with you, Robert [Taylor], and then it will give our other guests some time to catch their breath. I wanted to ask are poor conditions for the private rented sector associated with any particular type of property or tenant group or landlord?

Robert Taylor (Camden Federation of Private Tenants): I think, for us, in Camden, which I would describe as a high demand high rent area, poor conditions probably go across the board, although it is probably fair to say that poor conditions are probably more prevalent at the bottom end of the market. The problem with an area like Camden that is perennially popular means that there is no shortage of tenants to fill places so, therefore, landlords in Camden, unfortunately, do not have to work as hard as maybe landlords in other parts of London to get tenants. Therefore, our experience tends to show that there are problems across the board regardless of how much you are paying in rent.

Again, it is fair to say we do not deal with the top end so we very much deal with tenants who are very much in the middle of the market. As I say, it really is a problem with a high demand high rent area.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): To break it down into the three components - property, tenants and landlords - from our position there is really a lack of evidence to point particular types of property that are prevalent for low conditions. Obviously in the private rented sector there is an abundance of older properties, pre-1919, and they have their own particular problems involved, but it is very hard to pick out particular properties, say, perhaps an old block of flats or converted houses, that show, evidentially, that there are particular problems.

In terms of tenant groups we have an interesting quandary because satisfaction rates from numbers given up by the Government seem to be quite high, and yet we can point to some existing problems. One of the things that does bear more focus is how much information people have before they go into the private rented sector. Are they making the right decisions in terms of choosing the right kind of landlord? The right kind of property? Far too much has been done in dealing with the crisis situations relating to housing but not enough done to look at the prevention of problems right from the start. Making sure that people make the right kind of choices.

In terms of landlords the National Landlords Association has over 20,000 members across the United Kingdom (UK) but there are a huge number of landlords - over one million depending on which estimate you look at. It is instructive to go back to the report Julie Rugg [The Rugg Review: Private Rental Sector Review] did in 2008 for the Government to look at the broad categorisation of landlords that she put in there; the professional, the well meaning and yet not well informed and then the truly, what she termed, rogue. Certainly the rogues pose a very serious problem and we all want to deal with them. Tackling the issues around the well meaning but ill informed is also an important part.

Rachael Orr (London Campaigns Manager, Shelter): We should probably start off by saying that, as noted throughout the reports that you sent out, houses in poor condition are most prevalent in the private rented sector. Start from that presumption.

In Shelter's experience houses in multiple occupation are those that come up time and time again as causing tenants most problems. They are supposed to be licensed but often, in our experience, properties are not licensed. We have numerous complaints every year from tenants in houses in multiple occupation where landlords are operating very much at the rogue end of the sector, as Vincenzo pointed out. We have got a housing adviser at the moment where eight tenants have all just been illegally evicted from houses in multiple occupation after two months of threats. The landlords threatened to discontinue the water and discontinue the power supplies and when they challenged him they were evicted.

Houses in multiple occupation are a big problem. Poor conditions are prevalent right across, particularly, the lower end of the sector.

To pick up on Robert's point, it is that thing about competition. The huge majority of people who come to Shelter for advice, after we have given them the advice, many of them choose not to take it because they are scared that they will lose their property. In many parts of London I think landlords are aware that they will be able to get a tenant in to take that property so that is a decision that the tenant is faced with.

Tony Jemmott (Chartered Institute of Environmental Health):: As Rachael has suggested, the perception is that it is houses in multiple occupation (HMOs). I have spent 20 years with Haringey and four years with Newham and, generally, that is the case. The HMOs premise is that you proactively target. In Newham we probably have round about 200 HMOs which are subject to mandatory licensing. Again, we need to look at other types of accommodation.

We found that nightly paid accommodation with hostels and bed and breakfasts (B&Bs) - because we have got a very high proportion of private rented and a very high proportion of people in temporary accommodation - tend to be a problem and we need to make sure we look at those.

We also think that accommodation above shops, commercial premises is problematic as well. We have got a high proportion of ethnic minority landlords and that, in itself, presents problems with education, communication and engagement.

Also landlords who are not accredited are a problem. It is not voluntary but we believe it is a means to get messages across as well.

Those are the sorts of sectors we think are problematic. We do not think there is a big problem with the managing agents themselves but particularly the individual landlords. Managing agents belong to other bodies and have access to information and so on. Again, there is a lack of evidence and one of the problems we have is bringing the evidence to support our suspicions.

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): I had a brief amount of time to consult with our colleagues who are on our London region housing group and it depends on which part of London they come from. For instance, if you are representing the London Borough of Croydon the typical age and type of property is going to be much more recent than properties in inner London. Nevertheless, the problems of poor standards of accommodation, particularly in the private rented sector, as far as I can make out so far, seems to be represented right across the spectrum. Regardless of what part of London it is there are problems and difficulties in terms of having the resources in order to bring them up to standard and work with landlords and tenants to do that.

Between now and your next meeting I can offer to gather more information amongst my colleagues to try to bring more data to you.

Jenny Jones (Chair): That would be very helpful.

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): We are working with an alliance of housing groups called the Pro-housing Alliance who are in the process of preparing a London supplementary statement to their statement which was published a few weeks ago. I am happy to be able to share that with you when it becomes available.

Jenny Jones (Chair): Thank you. Do you generally have confidence in buy to let landlords and investor landlords? Do you think there is a difference there?

Rachael Orr (London Campaigns Manager, Shelter): There is a huge discrepancy amongst buy to let landlords and big investors. The Rugg review found that there was no clear difference between a buy to let investor or an institutional investor in terms of the overall quality of the homes that you would provide. In Shelter's experience there are some very good and very professional buy to let landlords who do repairs on time and offer a very high management standard, and there are some who do not.

Over the long term we see the benefits of the institutional investment; potentially those investors would offer longer term tenancies. The security of tenure in the private rented sector is a massive issue for Shelter's clients, particularly for families. Families in the private rented sector in London is where the sector is probably going the quickest. If you are a young single person you may want to move for work and having a year tenancy is probably fine, but if you want to bring up children and you want to enrol them in school that is not a viable long term option. We think that institutional investment could be far more beneficial for the sector as a whole because, potentially, it could bring that higher management standard with much greater security for people.

Andrew Boff (AM): It would be interesting to know a bit more about the buy to let landlords. Councils are now putting up schemes and giving planning permission to schemes that virtually encourage buy to let. Is that a good thing for councils to do? Does that help solve the housing problem in London or does it just encourage more people to look at developments as investment opportunities?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): The thing to note is the buy to let is simply a vehicle to people to invest in housing. Presumably that is what we need more people to do in the absence of anything else. The key thing to do is to make sure that they have the information of professional standards and then the ability to make sure that they are doing the whole business of renting properly. If it is just increasing supply to local authorities to meet the needs of people in housing need then it is a positive.

Rachael Orr (London Campaigns Manager, Shelter): I largely agree with that. Based in a time when house building is not forthcoming and we all know about the problems that there are going to be in delivering social and affordable housing. Any mechanism to increase supply across London should be welcomed, providing it comes with high management standards and landlords who are accredited and who are meeting decent standards and who are treating their tenants fairly.

Andrew Boff (AM): Do you think that those instances whereby local authorities have granted planning permission to things like the sub-dividing of properties - which they have done with the best will in the world to increase the housing supply - there may have been other implications of doing that?

Rachael Orr (London Campaigns Manager, Shelter): Yes, certainly, particularly in London where overcrowding is such a huge problem. If you start sub-dividing larger units then you maybe meeting one level of housing need but not meeting another housing need. There are always those kinds of debates to be had.

That is going to be an increasing problem with the changes to the shared room rate, as in the Welfare Reform Bill, where people will only qualify for the amount of housing benefit to cover the rent in a shared room. That now covers people up to the age of 25 but will cover people up to the age of 35. There are a huge number of households, I think it is estimated about 40,000 or 50,000 in London, who are suddenly going to require shared accommodation where, at the moment, they have one bedroom flats. There is going to be far more incentives for landlords to be creating properties that are shared, rather than having larger properties used to house families who need them.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): Can I just pick up on a couple of things because Rachael's points are quite important? The estimate that the Government has given on the number of people affected by the shared room rates extension to 35 simply counts the number of people who are currently in a one bedroom property under that age. The total number of recipients on housing benefit is great and we can see that issue expanding.

The real point is the interaction between local authorities and Government-wide directional policy. Local authorities have tended to focus on shared housing and HMOs as particular hot spots for problems, and yet we are going to need more shared housing and more accommodation which enables people to live together. That is the crux of where we need to deal with the issues and find a good balance between making sure there is proper enforcement of the rules that currently exist, notwithstanding the difficulties of resources which is not necessarily the best explanation for why it is not happening, but also making sure that the information is there for those young people going into the rental sector so that they can make the best possible decision and not simply see it as a, "It's going to be 12 months of my life and I can move on after that".

Robert Taylor (Camden Federation of Private Tenants): Can I pick up on your point about sub-division? One of the main problems is people packing themselves into properties like sardines. In a sense we are witnessing a return to the times of 'Rachmanite'[1] landlords where there is a whole sector of the market that is completely off the radar. That part of the market tends to be people from abroad who are on limited incomes who look to maximise their opportunities by working on the basis that the more people you can pack into a property the cheaper it becomes for everybody.

I live next door to a landlord. You say to them, "Who do you think is living in your property?" They say, "A family with two children". I say, "Can you explain to me why there are 15 adults that I see going in and out of this property?" I am afraid that I would say people packing themselves in is leading to some very poor conditions at the bottom end of the market but, for a lot of people, it is their only option.

We talk about options in the private rented sector where you have a market where it is claimed that there are four tenants chasing every property. To be perfectly honest with you, choice is a bit of a misnomer really. I do not think people have the choice that is being indicated here. There is a desperation for people to get a room over their head. It would be great if there was a choice and a variety for people seeking a home in the private rented sector but, with the in-balance between supply and demand at the moment, that does not really exist unless you have lots and lots of money. Even if you are quite well off and you have a well paid job, your options are quite limited.

[1] Peter Rachman, a London-based landlord whose practices became notorious in the 1960s. See:

Navin Shah (AM): So far we have talked about houses in multiple occupation and we have talked about conversions and where the problems lie in there. I want to raise the issue about poor conditions right across the board when it comes to private rented accommodation. From the figures that the Committee has one third of private rented accommodation is non-decent and therefore serious, serious problems are associated with category one hazards like health and safety. You have the problem of repairs, you have the problem of thermal comfort, eg insulation etc - somebody mentioned older properties and how difficult it is; dampness and stuff - and modernising to meet the modern facilities.

This is a question to all the Panel members. Where do tenants and landlords feel the problems lie in improving housing conditions?

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): We have done a lot of work with the Building Research Establishment and Friends of the Earth. Your report touches upon the campaign that we have been working with Friends of the Earth on the amendments to the Energy Bill regarding cold homes. The work that we did a few years ago to produce a cost calculator which gives an indication of the cost to the National Health Service (NHS) of cold homes and the illnesses associated with cold homes estimated that that could be as much as £145 million a year just in terms of the opportunity cost of not carrying out those improvement works to cold homes. Some of them are very simple works which could be carried out.

Recently we have worked with the Marmot Committee on health inequalities to address the cold homes issue. At the launch at Parliament recently Professor Marmot made the point that, very often on death certificates, people might be recorded as having died of respiratory failure or other pulmonary issues. In his own words, "They may well have, as written on the death certificate, died of a cold home". That was a very powerful message which Professor Marmot gave and we are working closely with the Building Research Establishment to help local authorities and environmental health officers working in housing teams to address those kinds of cold homes issues.

We are very pleased that the Government has decided to amend the Energy Bill to address that, although we recognise that there will be enormous resourcing issues for local authorities and, of course, landlords.

Navin Shah (AM): Can anything be done in the short term because this is talking about 2018 onwards isn't it?

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): Yes.

Tony Jemmott (Chartered Institute of Environmental Health):: For me, being an Environmental Health Officer, my greatest dilemma is between the need to get the supply which can fill the needs of the priority homeless, and vulnerable people, which is something which lots of London boroughs face. That is a real problem because, at the moment, some of them are only housing priority homeless people and not the under 35s necessarily. The priority homeless, people with children and so on, and on benefits. It is that need, a real obligation on the local authority, mixed with the need to make sure that the standards within those properties are up to scratch.

I have got this vision of the family with the kids and with the suitcases pitched up at the housing action centre and needing a place to go, and saying "Sorry, you cannot go into that one because we don't have an Energy Performance Certificate (EPC) or so on and so on". It is that dilemma. You cannot put them in a B&B because it is far too expensive and you have got to get them out within a short period of time anyway. You have got this dilemma. It is a strategic dilemma as opposed to this quality thing that we are all trying to achieve. That is how I see it really.

To try to answer your question, it is that balance. We are trying to get the quality and trying to remove the hazards but, at the same time, we need a roof don't we?

Rachael Orr (London Campaigns Manager, Shelter): I would echo a lot of Vincenzo's experience. The majority of tenants that we see think that the way to improve conditions is to increase the supply and improve the security of their tenure. We are advising a couple at the moment who have discovered that their water boiler is not located in their flat. They have no central heating or hot water and did not have throughout the winter. They will not challenge their landlord because they think they will evicted. The standards in that property are not high enough but improving the bricks and mortar of it is not going to help unless that tenant has got more protection from being evicted and there was not such competition for properties.

We do think, in terms of improving conditions, there has got to be an increase in accreditation, in accredited landlords, particularly for households who are homeless and who are being placed in the private rented sector as part of the homelessness duty. We think it is vital that landlords are accredited and, as part of that, tenants and landlords are aware about the minimum standards to be expected.

Vincenzo has mentioned about tenant education. That is really important. Letting tenants know what they should be able to expect of their landlord and, potentially, the timescale for different repairs that need to be done. You could say, "If your boiler breaks that is an emergency. You should expect to have that fixed within 48 hours". However, a bit of damp on your wall in your bathroom, if you have to wait six months for that, then that is more acceptable to a lot of people. There needs to be that minimum standard that is acknowledged and agreed by tenant and landlord.

The root of the problem is security and supply.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): The first thing I would mention is it is probably too easy to get into the habit of talking about the private rented sector as a static sector of housing. Over the last decade it has been improving just as quickly as any other tenure but, certainly, from a lower baseline. If you look at energy efficiency - the figures are a bit hazy but - between 1996 and 2009 the Standard Assessment Procedure (SAP) rating - which is a measure of energy efficiency - improved by 11 points, just the same as the social rented sector. Certainly without the public subsidy that went along with the Decent Homes programme in that sector.

Two things point themselves out as a problem for landlords. One is understanding what exactly the Decent Homes standard actually means for a property. There are home owners out there - I have not done any of the figures or the research but I would like to see, if someone gave them a page on the Decent Homes standard, whether their own home would meet that standard and whether they would see it as a problem. Perception is, presumably, an issue where you are dealing with a non-professional man or someone who is well meaning but ill informed. Simplification to enable understanding of what those standards are.

To pick up what Rachael was saying we did an event together with local authorities in London to look at issues that were coming up. Among the examples that really shook me was a north London local authority proactively going to its largest landlords, where it was a feeder of tenants, and demanding action right across the board because it knew those --

Jenny Jones (Chair): We are going to come to that as well.

Robert Taylor (Camden Federation of Private Tenants): If we maintain the in-balance between supply and demand that is always going to mitigate against improved standards because if landlords realise that tenants are desperate to take any property then there is very little incentive for them to improve the properties to the standards that we would expect.

Also, from our perspective of a tenants' organisation, we would echo what Rachael is saying about it is not just about people knowing their rights - that is extremely important. They do not know their rights in the first instance. Again, particularly, tenants who come here from abroad or who are from different communities. They seem to be the least equipped in terms of knowing their rights yet they are the ones who really do need to know their rights.

The other thing is it is all very well knowing your rights but then if you do not have the legal back up to enforce those rights then they are pretty meaningless. What we tend to find, because we help lots of individual private tenants, is you have got this dilemma of fight or flight. Given the nature of tenancies and the movement within the private rented sector a lot of tenants think, "I can't be bothered to fight this. What I'm going to do is move somewhere else". Unfortunately what that means is that the problems do not get dealt with. What happens is that people, rather than staying and saying, "I want to make this situation and my home better" they think, "I'm going to move somewhere else and hopefully get a more positive experience".

We would argue that one of the main problems with the private rented sector is this complete movement of people which, for us, completely undermines strong and stable communities. If you have a whole section of the population that is forever on the move that means they are completely marginalised from community life because it is only when you start to put roots down in an area and where you start to feel that the roof over your head is a home that you start to think about things like making energy improvements and dealing with some of the problems.

Also, very simple things. We have done research which indicates that short term housing mitigates against people knowing who their councillor is and who their Member of Parliament (MP) is. They do not tend to sign up with a doctor or a dentist. They do not tend to know what council services are available and what voluntary organisations are out there. You have got a whole section of the population that is completely marginalised from life as we would understand it.

In an area like Camden, where it is now estimated that there are more private tenants there than council tenants - it is the largest group of tenants in the borough - the council estimates that every year 30% of the population of Camden changes. When you have large population movements I am afraid that indicates to me that those social bonds are going to be very, very weak. That is another thing that we need to look at; the impact on communities and how they form themselves and the strength of themselves.

Andrew Boff (AM): I misheard. You were talking about turnover? What percentage did you say?

Robert Taylor (Camden Federation of Private Tenants): A council officer quoted the figure of 30%.

Jenny Jones (Chair): Annually?

Robert Taylor (Camden Federation of Private Tenants): Yes.

Andrew Boff (AM): Within the privately rented stock?

Robert Taylor (Camden Federation of Private Tenants): He did not specify the private rented sector. He said in Camden. The borough. The population changes. I assume quite a large percentage of that is made up of private tenants.

Jenny Jones (Chair): There are similar figures in Southwark I think.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): I do not want to disagree with Robert but I think he is conflating a couple of different things together and it is important to unpick those. Previously, when you were talking about overcrowding, a tenancy is a relationship between landlord and tenants. That tenancy also ensures that the tenant has the free use of the property. The issue of overcrowding may not be apparent to the landlord, that that is occurring, so the responsibility of the landlord to constantly check that it is only the tenants and not the tenants' friends that are staying over for a week and not staying there for six months means that there would be difficulties in the free without disruption and enjoyment of that property.

That also links in with one of the reasons why people go to the private rented sector which is because modern lives are fluid. I have moved three or four times in the last three or four years, predominantly because I moved in with my partner, I have got new jobs and I have needed to move around. One of the reasons why I have gone to the private rented sector and have not been able to access the social rented sector or wanted to go and buy my own home. If we focus too much on the fluidity as a problem within the private sector, we ignore the fact that that is one of the reasons why people are going to it, especially for the younger parts of their lives.

Jenny Jones (Chair): It is a problem, I think, for society and for community perhaps.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): Not all tenancies are short term. A fifth of tenancies nationally are over five years. Where landlord and tenant see benefits to themselves to have a longer tenancy there is nothing stopping them from having that.

Navin Shah (AM): On the matter of overcrowding, Robert [Taylor] picked up, very interestingly, on the relatively new phenomenon where you find, both in inner and outer London, instances where you have got 15 or 20 people living in accommodation. That is certainly not a case of a private landlord not knowing what overcrowding is. To me it is exploitation of the market situation and the people coming, whether they are foreign students or whoever; exploitation and not knowing what the local policies and obligations are for the landlords.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): In that example we are talking about the landlord who is in full knowledge that there are 15 people within that property and there should not be. That is a very different situation where we would expect the local authorities, especially if people are complaining about it, to have dealt with that issue.

What is more instructive is where the landlord, even with the best will in the world, will not know that that is occurring. As far as they know, they have got a tenancy with maybe a family or two sharers. That is a harder problem to tackle.

Navin Shah (AM): What I do want to pick up is the issue about overcrowding being a major problem. The question is what are the underlying reasons? Are we talking about increasing rents? Are we talking about affordability? Larger families not being able to afford larger accommodation because of rent? If you settle down in the area your family has grown but you are not able to - the whole question about being able to bed down in an area. What are the underlying issues for overcrowding? Are they what have already been mentioned?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): : Would you like me to? One of the things is the law. Overcrowding occurs in all tenures - owner occupied as well. The standards at which society says housing should occur. You can use a bathroom as a bedroom in the social rented sector. I do not think anyone would agree that, in a modern society, that is what we should be aiming for.

More generally, the difficulties that we will face in the future with certainly things like the changes that the Government is proposing in local housing allowance, their effect is disproportionately on larger families. Those larger families are going to face some very tough situations. I would hazard that it is not necessarily their fault if the only options that they will have and be able to afford is that three kids in one bedroom situation.

Rachael Orr (London Campaigns Manager, Shelter): It is supply and it is affordability. It is supply of the larger units - three and four bedroom properties - but it is affordability for the large family and for the children. Anecdotally, a lot of overcrowding is when teenage children - 18/19/20 the age where you would hope that you could leave home and afford to rent somewhere yourself or with a friend. For a lot of people they cannot afford to do that. They cannot access social housing because they are not a priority so they are forced to stay at home and continue to overcrowd. Previously, they might have been able to move out and find somewhere themselves.

Mike Tuffrey (AM): While we are still at the stage of trying to understand what the problem is, before coming on to solutions, can I go back to your first question and unpick a little bit more the institutional investor side? First of all on the facts, the briefing we have got showed that, since the 1960s, in London, the private rented sector has dropped from about half of total households down to, a couple of decades ago, around 10%, and has come back over the last two decades. Am I right in presuming that London has reflected the England trend; that that growth has been in letting by individuals and couples - according to our note - but within that growing picture the proportion from companies and organisations has continued to fall? Fundamentally the growth in the private rented sector has not been in London over the last two decades from institutions and companies. Is that the picture in London from your experience?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): Yes. Certainly the growth in the public rented sector has been through individuals investing in housing. It is quite diverse. It can range from a person's changing circumstances means that they have a separate property that they can rent, right the way through to someone who has decided to take it on as a business and has quite a large portfolio. Certainly we have not seen - and continue not to see - a growing demand for institutions to get in to the rental business.

Mike Tuffrey (AM): That is what I want. I know we are doing quality today but I suspect the key to quality is quantity. In other words, if one could get the quantity up then the boot switches on to the tenants' foot, rather than the landlords' foot, and we would see quality go up if we can get quantity. If we could ask the question if the fundamental economics of the private rented sector seem favourable to buy to let, why are institutions - and a lot of buy to let people say this is my pension - or the pension funds not seeing it as their pensions? Can anybody give us some line on institutional investment?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): I can give you a couple of insights. Certainly from the buy to let sector there is a sense that individuals can be in there for quite a long time. The average is nine years but certainly, for our members, we find that is more 15 years involved in the private sector. A huge amount of knowledge is built up over there.

The difficulty for institutional investment is where are they going to want to pitch their business? For individuals, they are more likely to make a case by case decision that is going to be a relationship between two individuals. In the best parts of the sector serving that that is the case.

On an institutional basis they might be pitching at more the top end of the sector. If you are talking about quality issues and demand issues, and what we are saying is the issue is right at the middle to lower end, the real question has to be will the institutional investment offer any solutions for that because the business models do not stack up in this? I have not seen any evidence from the pension companies that it will meet those needs.

The second thing is that, within their business model, there needs to be a certain churn of properties. They need to be selling properties as well as delivering properties. I have not seen any business models that are purely on rent only investment in the same way as social rented. That is an issue for people wanting to see a growth in institutional investment.

Mike Tuffrey (AM): That is the business model. In terms of the quality issue, is your experience that such institutional mutuals and so forth as are in the London housing market, whether the quality issues are better there than the buy to let side of things, or is there a similar degree of disrepair and so forth?

Robert Taylor (Camden Federation of Private Tenants): If you were to look towards the European model where it is geared more towards larger institutions, it would indicate that the problems are not as bad but that is to do with the housing mix and better rights for tenants and things like that. Some other people would probably disagree with that.

We deal with Grainger Plc who, I think, is the biggest private landlord in the country. What it has done is it has bought up a lot of properties where you have got older tenants who are on regulated control tenancies. I do not think we could argue that they are particularly high quality properties because there there is a trade off between lower rents and lower quality properties.

I think Vincenzo is right; all the meetings I have been to where companies have been there talking about institutional investment, it is all very much about rental yields and economies of scale and things like that. He is probably right; if we do see any large scale institutional investment I suspect it will probably be at the top end of the market as opposed to the middle and the bottom because they will be looking to maximise their income.

Mike Tuffrey (AM): I understand that. The student market, which is where some of the disrepair - and I am sure some of the cases that you get are students so at the bottom end in that language. Actually there are business models that work. Unite is one that springs to mind - there are others - who have invested massively.

Robert Taylor (Camden Federation of Private Tenants): What they are doing is tapping into very wealthy students from abroad. We have attended accommodation fairs where these organisations have had stalls. If you look at the rents that they charge it is absolutely phenomenal. They are very clear that their business model is geared towards very wealthy students from abroad, not necessarily students from here, which actually is a trend that many universities seem to be following.

Again, those providers seem to pitch themselves at a certain part of the market.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): The National Union of Students (NUS) did a report on accommodation for students and found that that kind of accommodation was significantly more expensive because there is a shorter tenancy period so there is more movement between students.

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): Many of our members who work with me on the commercial and industrial sector say that they feel that

perhaps the market is over regulated and there are costs of regulation. That is not something that the Chartered Institute would necessarily agree with but that is the message we get back from many of our members in that sector.

Mike Tuffrey (AM): From the institutional investment sector?

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): Yes.

Andrew Boff (AM): What kind of over regulation are we talking about?

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): The inspectorial regulations. The requirements which many investors would have in terms of bringing their properties up to standard and the regulations which are associated with that.

Andrew Boff (AM): What kind of regime is that? What kind of inspectorial regime is that? What does an inspector do?

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): Working with the constructs of the housing health and safety rating system which analyses hazards within property. Everything from the most common which are slips, trips and hazards within the home right through to cold homes etc. Right through the whole gamut of hazards.

I hasten to add that is not a position that we agree with.

Andrew Boff (AM): It was just an irony that the people who are larger investors in housing find it more difficult than the smaller investors in providing housing.

Rachael Orr (London Campaigns Manager, Shelter): They do not meet those standards. The smaller landlords just do not meet the standards.

Andrew Boff (AM): They do not need to.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): That is a very large generalisation!

Rachael Orr (London Campaigns Manager, Shelter): Sorry. That is a fair point. There is a lot of regulation and if you tick all of the boxes there are a lot of processes; but a lot of landlords do not.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): It is the same level of regulation. It is the same regulation.

Jenny Jones (Chair): It is just the amount of enforcement?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): We have seen over the years - and not just in London but across the UK - using regulations smartly, presumably because of resources issues. The tendency is to just add on regulation on top.

From many businesses' points of view the more regulation the higher the costs and all the rest of it. Using regulation more smartly means that, across the board, we could see improvements that people could understand. It probably needs unpicking more and more.

Jenny Jones (Chair): We will definitely come to the solutions. We are just trying to establish all the problems to start with.

Nicky Gavron (Deputy Chair): Yes, I will. Just for clarification. These regulations, which apply right across the sector, are health and safety mainly and they are carried out by environmental health officers?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer):: It depends what kind of health and safety you are talking about. I deal with quite a lot of fire safety regulation which has moved towards more self-regulating. The intention is that the landlord will do a lot of the safety checks and provide information and evidence that they have done that. Then there can be a random inspection by the Fire Authority which could give additional pointers.

If we give an example of a landlord that has, say, five different properties and each one can be in a different London borough. Frequently what they could have is differing standards across those five boroughs depending on who is doing the inspection, the time of day and what previous accommodation they have seen. There is less uniformity in what the expectation is going to be. There is more work involved. There is less confusion because if you are investing in a property and you suddenly have to do £2,000 worth of improvements to one, and with exactly the same kind of property with the same kind of issues you are told there is no need to deal with those issues, there is a lot of confusion as to why and when you should be putting your investment in.

Jenny Jones (Chair): We have covered this ground with a different report on fire safety. It is a problem.

Nicky Gavron (Deputy Chair): What is interesting is the lack of uniformity we are talking about. I want to move on to look at energy standards. How do you think landlords are going to meet the standards that are set out in the Energy Bill?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): The Green Deal aspect of the Energy Bill deals with the largest issue which is the differing incentives. Previously the implication was that a landlord would invest in their property to raise energy standards but it was the tenants who saw the larger benefits through reduced bills. There were no rent differentials involved in that. You would not say that a higher energy rating would get you higher rent because there has been a large problem with tenants not really using information on EPCs to make that credible renting decision. That is in the Energy Bill and the Green Deal.

More widely, there is going to be one issue of the fact that it is quite voluntary. Tenants are going to have to take on that aspect of the deal themselves. How will landlords ensure that tenants do do that for the benefit of the whole system to work?

Nicky Gavron (Deputy Chair): Can we just be clear? What is coming in in 2018 is for tenants to deal with themselves?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): No, no, no. In general with the Green Deal tenants will take on the agreement. The work done to the property will see them reduce their bills. As far as I understand it - you can get clarification of this - it is a voluntary system which the tenant would have to sign up.

A landlord is not able to control that tenant decision. We can see that as being a future issue that will need greater thought. How will we get tenants to make that good decision for the benefit of the housing sector as a whole? That is one issue.

Another issue is going to be the purpose built blocks because it will not be possible to do them individual, individual apartments within purpose built blocks. You will have to get agreement across the whole block. If one individual, maybe a leaseholder, not a private rented tenant,

disagrees with something, "I don't want to do this" that could cause an issue for the whole block. That means that a landlord is going to be naturally hampered by decisions of freeholders and leaseholders across that piece. It is really the interaction with other households and how landlords are going to nudge tenants to make that good decision.

The 2018 thing is something completely different. I do not think even civil servants know how that is going to work in the future. There are significant difficulties with a slightly random timescale because only by 2015 will the intermittent review realise just how far things have moved on. Three years could be quite difficult for anyone to meet. Certainly with the age that you were talking about before of the properties and it being hard to treat in certain circumstances.

Nicky Gavron (Deputy Chair): In the commercial sector the climate change agency of the GLA set up the Better Buildings partnership which is looking at the tenant/landlord disconnect. It has come up with Green leases and model clauses which have an arrangement between the tenant and the landlord so that if the landlord does something then it is sorting out the revenues which the tenant benefits from and the value, if the tenant does it, which the landlord benefits from. It would be worth looking at that. There is a Better Buildings website. There might be something there for tackling what you have just talked about; which is the tenant/landlord disconnect in blocks. Anyway, this underlines some of the difficulties for landlords?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): Yes.

Nicky Gavron (Deputy Chair): If they have got multi tenancy properties.

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): I was just going to say that I agree with Vincenzo that between now and 2018 Government and local authorities will have to look at a range of creative options to try to meet the funding mismatch here. There is possibly an opportunity arising from the Localism Bill, the power of general competence, which may perhaps be able to build in incentives to landlord accreditation and link it to that, or may be able to charge lower rents in exchange for energy efficiency improvements.

Speaking to my colleague before we came in, at the moment local authorities are largely in a reactive role in terms of improvements in the private rented sector. They react to complaints from tenants and requests from tenants to come and have a look at their property because they feel there is excess cold. Unless those kinds of resourcing issues are addressed for local authorities then they are not going to be able to respond to this additional burden. I am saying that as an organisation which has pushed for these amendments to the Bill but I do think all of the agencies will need to look at some of the funding challenges which arise from this and I think the Green Deal is part of it. The capital improvements budget also needs to be addressed as well.

Nicky Gavron (Deputy Chair): Are there any other sources of investment apart from the Green Deal loan?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): There are a couple of schemes, the Landlord's Energy Saving Allowance LESA scheme --

Speaker from public gallery: It is a tax rebate for landlords who make improvements to their properties.

Jenny Jones (Chair): Thank you very much. Expert help in the audience!

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): I think it is up to £1,500 at the moment.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): Yes, that is right. One thing I did not mention was a particular group that will need focus on which are those in fuel poverty. Within the Green Bill there is the golden rule where you are not going to be under any obligation to take on the Green Deal if the costs on your utility bills are going to be higher. For those in fuel poverty maybe they are not going to meet that golden rule, as far as I understand it, so that is going to be an issue.

Jenny Jones (Chair): Our Health and Safety Committee is doing a piece of work on fuel poverty so we will pass that through. Thank you.

Tony Jemmott (Chartered Institute of Environmental Health): I am not quite sure whether there is enough clarity around the main driver of the Bill. It is not how the private rented sector should help to be contributing to the carbon dioxide (CO_2) reduction in the long term. That is perhaps something we should be looking at; the whole sector and how there is investment in the sector to make reductions towards the climate change agenda. Therefore we are looking for landlords to introduce energy saving measures, we are looking for tenants to be aware of what things can be added to the home to help them to contribute to those measures themselves. That is probably the big picture. I do not know if there is enough clarity around that.

Nicky Gavron (Deputy Chair): You mean there is not enough clarity or detail in the energy …?

Tony Jemmott (Chartered Institute of Environmental Health): Whether that is really the overarching driver?

Rachael Orr (London Campaigns Manager, Shelter): Some of it, as Vincenzo stated, gets to the heart of the landlord/tenant debate. Vincenzo started by saying that, thus far, the responsibility for improving energy standard was on the landlord so the cost was to the landlord but the savings were to the tenant in terms of their energy bills. It seems to me, with this new Green Deal, the onus is on the tenant far more to be pushing for these improvements and may see benefits in terms of lower bills. If a landlord has a property that is suddenly more energy efficient, currently it is possible for them to then give the tenant two months' notice and get a new tenant in and charging more rent. I am not saying that all landlords will do this at all. It is that discussion between tenant and landlord about how you can make these things work best for both parties. Part of that has to come back to your tenancy length and the security of your tenure because there is the opportunity there for a landlord to make those kinds of decisions.

The other thing that we are quite concerned about in terms of the energy efficiency standards is the threat of retaliatory eviction for tenants if they ask the landlord to undertake energy efficiency measures and the landlord refuses. Under the Housing Act you can evict a tenant with two months' notice for no reason. We, along with a coalition of a great many other organisations, have put forward an amendment saying that we should not be able to retaliatorily evict tenants if they are asking for these kinds of improvements to be made.

Nicky Gavron (Deputy Chair): What about the suggestion that no landlord who is going to have benefit claimants should be allowed to receive them unless they meet a minimum standard of energy efficiency?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): The whole housing benefit issue is one where we have done a lot of work. If we are talking about incentives, the current proposals and current changes that have gone through are in no way linked to incentivising tenants in the better end of the market; they are entirely focused on tenants having to choose the cheapest accommodation.

The focus should be - and there is scope within housing benefit - to ensure that the Government receives value for money for its housing benefit by ensuring that tenants pick, say, accredited landlords.

We have been talking about the quality issues as almost a confrontational situation between landlords and tenants. In many cases landlords are not aware that the tenant is facing a problem within the property and if they are not made aware of it then there is little that they can do to deal with that. That is a common complaint from many landlords, certainly the most experienced ones; that a small issue can become a big issue but, without any notification, it is hard to make those changes.

Jenny Jones (Chair): We will be coming on to the accreditation issue in a moment.

Nicky Gavron (Deputy Chair): Can you just explain SAP rating?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): I wish I could!

Nicky Gavron (Deputy Chair): That is a minimum standard in a way isn't it? It is a minimum standard of energy efficiency.

Jenny Jones (Chair): Perhaps we can get some expert help from the audience again! Let's move on.

Tony Arbour (AM): Yes. The Mayor's taskforce has recommended there should be a kite mark. Do you think that this will actually work?

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): I believe it was only officially launched very recently. In the brief opportunity I have had to consult with colleagues as yet little - perhaps not surprisingly - is known about it in boroughs. Generally speaking anything that promotes professionalism and recognises good practice within the private rented sector we would support.

Rachael Orr (London Campaigns Manager, Shelter): We would certainly agree with that. I would probably question how the kite mark would differ or supplement accreditation? We believe that there needs to be a much greater focus on increasing accreditation - which I know we are going to come on to talk about. Part of accreditation, if it reaches the point where the majority of landlords are accredited, is about tenants being able to ask the landlord if they are accredited. Would the kite mark be additional to that? Would it be part of the accreditation? Already there is a London landlord accreditation scheme. Some local authorities run different accreditation schemes to that. There is the national landlords accreditation scheme. If there is an additional kite mark I can see that being quite confusing for tenants, whereas, if we could have something that brought these things altogether in order to improve the minimum standard, that would be something that we would absolutely support.

Robert Taylor (Camden Federation of Private Tenants): Tenants are not even aware of energy performance certificates because there is no requirement to display energy ratings on adverts for properties. If you add something else that they need to be looking out for then it sounds great in theory.

Tony Arbour (AM): They would recognise a kite mark wouldn't they? They may well not recognise any other form of accreditation.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): I have to agree with Robert. In actual fact the onus is on the landlord to show the energy performance

certificate to the prospective tenants. That is an interesting example of a scheme that has increased costs and increased bureaucracy but has not had a corresponding effect on choice and has not made the right nudge towards better decisions. I would be sceptical, certainly with a self-financing system where there are going to be costs involved, yet there is no sense of how it will achieve the aims which, you would hope, is tenants making the right decision about the properties that they rent. Where would be the incentive for landlords in terms of a business decision?

Jenny Jones (Chair): We keep coming back to a lack of choice don't we?

Tony Arbour (AM): Presumably it would be down to you to enforce it?

Tony Jemmott (Chartered Institute of Environmental Health): I see kite marks as the physical standard of the property. Accreditation schemes, certainly the London or the UK Accreditation Scheme because it has been extended wider than London, accredit the landlord. That is after a one day training course and some follow up courses with continuing professional development (CPD). It does not look at the property.

Other accreditation schemes will look at the property so they will combine not only whether the landlord is a fit and proper person but also whether the property meets the Decent Homes standard or a basic standard.

I would like to think that the kite mark looks at the property. We have already got accommodation standards. All local authorities have got accommodation standards but there are some inconsistencies around those standards. Perhaps the kite mark would bring together those standards for landlords right across London, looking at a more consistent set of standards that they need to meet.

James Cleverly (AM): Could you see a point in time where there is a rationalisation of these various accreditations of landlords, accreditations of property and kite mark schemes?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): Just before could I raise a point on the kite mark before we move on? It is difficult to treat properties as a static entity and it is not clear from the kite mark how regularly we need to be updated and how frequently the checks would be. That is the difficulty with kite mark systems; it secures a property at year zero but it changes. What you really want to ensure is that there is enough relationship between landlords and tenants, where there are changes and problems in the property, that they are dealt with as well, and not simply people putting all their hopes and responsibilities into that symbol alone.

Jenny Jones (Chair): There could almost be annual checks.

Tony Jemmott (Chartered Institute of Environmental Health): It could be a system of self-regulation. Obviously the local authorities are not able to inspect and update this. We have heard about similarities akin to 'scores on the doors' for premises where each premises have got a score so that tenants do have some idea of how good those premises are. It is difficult to regulate anyway.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): In that case I would see it as an addition to the work that is being done on accreditation. I do not see what added value it would give as a standalone tool.

Jenny Jones (Chair): Shall we come on to the accreditation?

Andrew Boff (AM): To what extent do accreditation schemes work and what might be the effect of a compulsory registration of landlords as they have in Scotland?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): I will deal with the accreditation first. The NLA is running an accreditation scheme nationally which is going very well. It is a landlord accreditation, rather than a property accreditation, predominantly because it is sustainable in that model. That is what we are finding across the UK; local authorities might have been having their own property accreditation schemes but the finances were not stacking up and so the schemes were falling.

Also, it is more in line with the way professions deal with themselves, say, in the legal profession or the medical profession, where you accredit the person delivering the service and ensure there is enough professional development with that person so they stay ahead with their information educational needs in maintaining that service. Then there is a component where you ensure that people with issues can raise those issues against the profession and deal with them in a straightforward easy to access way. That scheme both elicits the confidence of landlords themselves and also the local authorities having to deal with that, which is why so many local authorities have come into partnership.

If it is helpful to the Committee I can give a further note on our scheme to set out how it is working in other areas and all the rest of it.

To deal with registration, it is really useful that we have quite a good example in Scotland of how it is not working and has not worked. In Scotland they have a local authority run scheme of registration to landlords and a number of years to see how it has been working. There is no evidence that it has changed decisions with tenants or improved the sector at all.

It has certainly raised costs. In fact, the Scottish Government had to inject quite a bit of money in order to get the scheme up to capacity to get it moving so it has not really had its own momentum.

The real problem is that there does not seem to have been a mechanism for which people who have not registered have seen their supply of tenants dry up. Picking up on what Robert [Taylor] was saying, that roguish end of the market, the really problematic area of the market as a whole, if you do not suck up their supply of tenants in one way or another, they are not even going to turn into better landlords by being forced to.

James Cleverly (AM): You mentioned about the financial load of this. I am curious as to whether we run the risk of having multiple layers of accreditation of different types with which the good landlords who are unlikely to be causing tenants the problems comply, so we are loading up costs on the good landlords but we are leaving such big gaps in the net that the bad landlords, who are the people that we do want to get a grip of, are able to circumvent the system. It seems to be quite a perverse way round.

Robert Taylor (Camden Federation of Private Tenants): It is odd you mention that because I had some dealing with an agent that rented out a property that was F rated which was one of the worst standards in terms of energy efficiency and they were a member of an accreditation scheme. When I contacted the accreditation scheme to say, "How do I make a complaint about this agent?" I was told, "Don't make a complaint to the scheme. You go to the local authority's environmental health department and make a complaint to them". That seems a bit odd to me. If somebody is a part of a scheme and they are not up to scratch then really, for the scheme to work effectively, it needs to be dealing with that particular individual or company. It seems a bit odd to then transfer the responsibility on to the local authority - which is great if there is communication then between the scheme and the local authority so they are aware of a complaint being made against a member of their scheme, but I suspect that they probably is not.

It is also fair to say, from us as an organisation, I have never ever come across a landlord who has been part of one of these accreditation schemes. They have a value but we need to be very realistic here that, in reality, it is only going to touch a minority of landlords. As Vincenzo has pointed out, it will tend to be the better landlords that are part of those schemes. We do not see it as a panacea unless it is something that can be rolled out across the whole of the sector.

The GLA is saying it wants landlord accreditation - is it something like 6,000? I would imagine that is a tiny percentage of landlords in London so even with the best will in the world if you hit that target that the Mayor has set it is only, again, reaching out to a very small number of landlords.

The problem is it comes back to this issue again that there needs to be proper enforcement mechanisms and those people who are tasked with doing the enforcement - and on the whole that tends to be environmental health departments - need to be properly resourced to carry out those responsibilities. It needs to be a proactive, rather than a reactive, system because we have been told by the environmental health officers in Camden that agents and landlords are already aware that their service has been reduced by 25% as a result of the cuts to local authority funding. Agents and landlords' radars tend to be very sensitive to any opportunity where there is a weakness in the system.

I would argue that the system is quite weak in the first place. That is now down to environmental health departments; that is down to the resources they have available to them to carry out their job effectively. It is worrying to me when agents and landlords know very quickly that those departments are being reduced in their capacity to do the bare minimum. It would be fantastic if we could get accreditation schemes rolled out across the sector but I suspect, really, they are going to remain as something for a small minority of landlords and, on the whole, probably the better landlords.

Tony Jemmott (Chartered Institute of Environmental Health): Perhaps to answer the question as to whether there are too many schemes and a confusion of schemes - which I think is the question being put - we have got in London what started in London six/seven years ago - the London Accreditation Scheme - which, as I said earlier, has been extended towards Kent and other places and is now called the UK Accreditation Scheme. If you go on the website it is called the UK Accreditation Scheme. That scheme is chaired by someone who is a member of the Residential Landlords Association so there is some connection there. We have also got the NLA and we have got ANUK (Accreditation Network UK[2]). We have got a number of schemes which could perhaps be part of a national scheme, should the Government decide to introduce a national scheme. We have certainly got the framework set up in place across the various schemes that we have got, to do so.

We have estate agent bodies. We have a number of agents which belong to bodies which, themselves, have got some measure of accreditation. There are a number of associations to which landlords and managing agents can be allowed to join. There are a number. There definitely is a situation where you can have an awful lot of bodies. Of course the schemes are all voluntary anyway aren't they? That answers that.

In terms of accreditation, one of the things we might need to look at is accreditation and the growing need for local authorities to licence private rented sector premises. We started with licensing our mandatory licensing for HMOs but, more and more, we are increasing additional or selective licensing and extending that to all forms of the private rented sector, not just to the HMOs and the conversions but to anything that is privately rented.

[2] ANUK is a network of professionals and organisations that promotes accreditation in private rented residential accommodation – see: www.anuk.org.uk

Landlords are becoming confused between, "Do I need a licence?" or, "Do I need to be accredited?" In many cases they need to do both and that is a cost to them. That is something we might need to look at.

Rachael Orr (London Campaigns Manager, Shelter): We see a lot of benefit in accreditation if it is rolled out far more widely. We did a bit of research earlier in the year and across the country local authority landlord accreditation ranges from about 1% to about 15%. 15% is the absolute maximum for any local authority we spoke to. To really improve the standard of the sector we need to make sure that far more landlords are accredited and we need to get to a point where, if 50% or more of landlords were accredited, tenants knew that they needed to ask for this basic measure of accreditation which says a written tenancy agreement, your deposit protected and a basic standard of the property, then that would be a really beneficial thing. But with accreditation at the level it is at at the moment, it is not being effective and that is a really important area, particularly for the Government with the changes in the Localism Bill and discharging homelessness duty into the private rented sector. There is a big question about whether you need to ensure that households are only discharged into properties where the landlord is accredited.

In terms of a landlord register or a more compulsory registration, our view is that we wish it was a magic bullet that would improve standards across the sector. Unfortunately, we are not sure that it would be that, particularly if you do not have a lot of resources to put behind it. You would need to ensure that what you were not doing is having local authorities spending a disproportionate amount of time, as you say, James, ensuring that the good landlords are on the register and are complying with those regulations. They do not have the resources to really go out and tackle the really rogue elements of the sector. If you could accompany registration with a huge surge of resources to really tackle that rogue end of the sector it could be a really good solution, but I do not see that we have those resources at the moment so I do not, necessarily, think it is the right solution at the time being. More focus on accreditation could, potentially, help quite a bit.

Mike Tuffrey (AM): There is a dilemma at the heart here because, conceptually, the more rules and regulations and things you put in place the fewer landlords will come on to the market and then you get into my point I was making earlier about quality and quantity are a linked issue. I do not think the answer is to take all regulations off and simply go for a greatest possible number and hope that that will drive standards up, because it clearly will not, but there is a difficult balance to be struck here and it is about setting minimum standards of the property.

We have had this last five to ten minutes of confusion, as the point was made; are we talking about landlord behaviour or are we talking about property conditions and standards? Can we be clear that, in terms of the existing rules that the environmental health officers enforce, there is nothing more that needs to be done in setting the condition of the property standard? If there is not, then it comes down to, "are they being enforced?" Is somebody saying that the rules about the quality of the property, the minimum standards, are not clear enough yet?

Jenny Jones (Chair): We are into the solution side of things now so if you want to be creative on an answer.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): That is a fundamental problem; the lack of enforcement in the current rules and regulations.

Mike Tuffrey (AM): But are the current rules adequate?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): As far as we can see they cover both the social and private rented sector and they seem to be suitable for that side of the tenure divide. I do not see why they should not be suitable for the private rented sector

as well. Making sure that they are adhered to is the key job for local authorities and that needs to be enforced.

The problem that Tony pointed out is that there are so many differing layers of interaction and enforcement and regulation on top of that that it is very hard to see what is going on and where you should be.

With licensing schemes more broadly, local authorities have suffered from their mindset that if they simply add more regulation that covers everything then it is a one stop fix. Unfortunately all it has done is increased cost. Just as an example, licensing scheme costs are huge. Those costs then get placed back on to the tenant which raises rents. It is not necessarily what you want to be doing in the situation we have.

An example of a solution is all national landlords association landlords get a membership card and welcome packs to give to their tenants which set out their rights and responsibilities as landlords and their rights and responsibilities as tenants. That simple information source for tenants both gives confidence in who their landlord is, information about what they can expect and, also, information about what the landlord expects as well as part of that relationship. It is a contract between two parties. Both parties have got to be clear what that contract holds.

Mike Tuffrey (AM): That is into the behavioural side. I am sympathetic to the idea of a minimum standard that has to be enforced and not adding more and more licensing of things. Just get the basics right and enforce it. Is that the view of Shelter; that if the existing physical quality standards of the property were clear and enforced, that would be a step forward, or do we need to have more rules around health and safety type issues?

Rachael Orr (London Campaigns Manager, Shelter): We would argue that, for accreditation rules --

Mike Tuffrey (AM): I do not want to get into accreditation. I want to stick with physical standards.

Rachael Orr (London Campaigns Manager, Shelter): I suppose the issue is about the category one hazard. If you are going to accredit or kite mark or give the minimum standard to a property, should you give it that kite mark or standard if it has a category one hazard? We would argue that you should not but then you are left with that dilemma about you suddenly have all these properties which have these category one hazards which need to have some money spent on them in order for them to become accredited.

Mike Tuffrey (AM): I am trying to distinguish adding on more and more accreditation, kite marks and licensing and just go back to the fundamental issue; is this property a fit place to live in, are the rules for that clear? If they are, then we come back to enforcement - straightforward enforcement, not kite marks, rules or accreditations etc.

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): We would say that the regime established by the housing health and safety rating system is the correct regime, it is focused on the property and it makes a risk assessment of the hazards within that property. That is an adequate and robust system which has only been in effect for a few years.

It is only effective if it is properly enforced. We would say that accreditation has to go alongside effective enforcement of the existing regime. I thank Robert for giving an extremely robust job - doing my job! - in defence of local authority environmental health departments. It was a very eloquent case that he made. Alongside enforcement accreditation is the only way forward. Incentives to accreditation should also be more rigorously explored. We would not be in favour of

compulsory registration of landlords at all because we feel that the experience, for instance, in the mandatory licensing of HMOs has not compelled all landlords in that sector to come forward, and we feel that would be the same if you tried to introduce compulsory licensing of landlords.

Mike Tuffrey (AM): OK. In terms of our study, Chair, if we are focusing on the physical condition of the stock, what we are hearing is enforce the existing rules as the number one thing to do and then moving on, therefore, to the more softer landlord behaviour contracts accreditation side of things, where I can see there is a case for encouraging good behaviour once you have got the basics in place. Do our witnesses think that the Mayor's efforts to get up accreditation - and it has gone up from a low base to a slightly less low base as a proportion of the total number of landlords - is a positive thing and is it working in terms of encouraging good behaviour? If not yet enough, what more should we be doing on the positive encouragement of good behaviour side of the equation?

Tony Jemmott (Chartered Institute of Environmental Health): I think it is positive. It got to work. I also think that it needs to be tailored to particular areas. What we have done is to tailor it to some vulnerable groups. We have got tenancy deposit schemes or bond schemes the need for accreditation for property checks and so on should be made more compulsory in those areas. It is a smaller part of the market but, again, they are dealing with the most vulnerable people.

We are also looking for some tenant sustainability. We want tenants to stay where they are because we cannot afford the churn within those groups. We have already got lots of acceptances of new homeless families. We are often find that we are recycling the same families within the sector. We move from Newham to Havering to Barking and Dagenham. Often with little children they are moving every six months or ten months, which is really not on. Within those sectors we need to have some compulsory accreditation of those landlords who particularly look to house those families.

Rachael Orr (London Campaigns Manager, Shelter): On the general point about the Mayor's efforts to improve the sector, yes, improving the number of accredited landlords is a very positive step forward and there is some evidence that increased use of accreditation schemes across London is starting to have a bit of an impact.

Honestly, there needs to be a real step in terms of the priority of the private rented sector amongst the general housing mix in the Mayor's thinking and his strategy. This is the only growing housing sector in London. Whilst we often refer to it as a housing sector of choice, for a lot of people it is where you end up. More and more people are going to end up there. We need to make sure that the sector is more affordable and more secure and that tenants and landlords are far more aware of their rights and their responsibilities.

The tenure issue and the length of your tenancy are really important,. There is a big gap in awareness of rights and responsibilities. That is true of a lot of tenants. As Vincenzo has noted, the amateur landlords, of whom there are a lot in London, I do not think anyone thinks they are woefully bad but probably just are not aware of what their responsibilities are as landlords. A lot more focus needs to be put on ensuring that they are far more aware of what their responsibilities are.

There is a big question about enforcement and punishment, to some degree. I had a conversation with a London local authority who had a landlord who was letting out property in shocking condition and then illegally evicted the tenants. It took the landlord to court and the landlord had a £12,000 fine imposed on it. It thought, "Brilliant. We'll publicise this and it is a really strong message that this is unacceptable". The landlord appealed and the fine was reduced to £500. If landlords can continually get away with letting out properties in terrible conditions and know that there is going to be no real penalty for it then where is the incentive to make those things

improve? Across the piece there has got to be a big step change in how we see the sector and the Mayor needs to take leadership role in that.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): I would echo quite a lot of what Rachael has said. Certainly the Mayor could play a larger role in coordinating local authorities in the work that they do in enforcement. There are some misconceptions. Local authorities can take action and can ensure that works are done to properties and that landlords then pay the bill towards that where there are breaches. I do not think it is simply enough to have a nice press release with a large fine on it. Local authorities have the powers to see real changes occur in the worst properties in the private rented sector. That has got to be clear. They should be using those powers.

We were talking before about the minimum standards and category one and there was an interesting case. I am not entirely sure what constitutes a trip hazard; a step between a hall and a kitchen, which quite a lot of homes have? If that is a category one hazard I wonder how many owner occupied are living in very dangerous properties that they should be looking out for. That kind of confusion needs to be weeded out so we are clear what a dangerous property mean and what do poor conditions actually mean in the context of where we would want to live and what we are expecting from peoples' homes.

More broadly, Rachael is right; it is a growing sector and we are going to need the private rented sector. More people who are on local housing allowance and housing benefit are going to be moving around in the private rented sector so there has got to be more. It sounds soft but making sure that people make the right decisions right from the start means you do not have the cost and hassle of dealing with problems halfway through a tenancy. There are very few tools that landlords have in dealing with tenancies that go bad, where bad relationships start, and where there is a whole mess involved.

Getting that prevention done right at the start through information - the rents map that the Mayor has produced could have gone a lot further. It started off as a site intended for students who were looking for accommodation in London. It could have gone a lot further in making sure people were making the right decisions right from the start.

Mike Tuffrey (AM): Can we move on to the benefits point because it has been stated already? Sorry, did you want …?

Robert Taylor (Camden Federation of Private Tenants): There is a term at the moment doing the rounds in the media which is generate rents. The problem with it is it is seen as a negative thing where it should be a positive. The problem with the private rented sector is a lot of politicians see it as somewhere where you unfortunately end up on your housing journey as opposed to having value in itself.

Andrew Boff (AM): I do hope not. That is my tenancy!

Robert Taylor (Camden Federation of Private Tenants): If we continually see it as, "This is where I end up because I cannot afford to buy a property" or, "I'd rather be somewhere else" then it is always going to be seen as the poor relation of housing. As other people on the Panel have just pointed out, it is increasingly important and politicians need to reflect that new reality and we need to grapple with the private rented sector. This meeting has shown me it is a very complex thing to try to work out solutions to some very in-grown problems but we should not give up with that.

Going back to the point about standards, tenants need to be educated about the basics of property standards because no tenant would ever understand the health and safety ratings system that

environmental health officers use to measure hazards in property. As part of the general giving of information to tenants they need to be made aware that there is something out there that can measure these things in terms of problems with a property.

I go back to my original point in terms of affecting the psychology of landlords, the way you do that is to move from a reactive system to a proactive one where environmental health teams are resourced sufficiently to be going out and doing area sweeps where they are knocking on doors to identify problems in properties. The value of that is it takes the tenant out of the equation because, if a problem is identified, it is identified by that officer doing the visit and not the tenant. The perception of the landlord is, if the tenant makes a complaint and goes to the local authority to do something about that, then chances are the old retaliatory eviction syndrome kicks in.

For me, the value of having a system where you are being proactive is it takes out the tenant having to identify those problems because it would be an officer. If you look at the Rugg review there are some very innovative schemes where different organisations have pulled budgets to do those kinds of things. I was thinking of Liverpool where the primary care trust gave money to the environmental health department of the local authority to go around doing such a thing, where they were not just picking up problems with housing but also they were picking up problems with tenants, access to services and other kinds of things. We should see that as a way of engaging more with people and identifying other problems apart from just the housing and the very narrow things that we would expect an environmental health department to look at.

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): If I may just add to that? Firstly, we are very conscious of the fact that the health and safety rating system is a professional tool and structure through which HMOs operate, but we are very much aware that it is not exactly the most user friendly structure so we have been working with various organisations, for instance there is about to be published a toolkit on using the housing health and safety rating system to address fuel poverty issues. That is something we have been working on with the National Energy Association and that will be coming out soon.

I have forgotten my second point now. I may come back to it.

Tony Jemmott (Chartered Institute of Environmental Health): With the work being done by the English housing condition [survey] and by the Building Research Establishment (BRE) and so on constantly adding to that; the Residential Property Tribunal with its decisions as well. It continues to inform us as to how to get consistency about the use and interpretation of that tool. It is not a static piece of legislation that came in in April 2006; it is moving. One of the things that we are doing is applying that in our local areas. For example, if you live in an area where overcrowding or whatever is a big issue, or you live in an area where the staircase being steep is an issue, then you add extra information on top of whatever statistics are given in the rating system to inform you as to how you should act.

Nicky Gavron (Deputy Chair): Can I just find out how far we are from what you were suggesting about exactly the way environmental health officers ought to be working in the sweep and so on? I once chaired a Committee that included environmental health as one of its departments. This was when there were not the cuts we have got today. So much of it was reactive because of noise problems and accidents and so on. I could not imagine us being able to do this sweep. That was then. It sounds so sensible, what you are saying.

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): Our mission really is to promote environmental health and public health. We have observed, over many years, that the status of an environmental health department within a local authority has diminished in you rarely have environmental health represented at the cabinet level or at the executive management level because, whereas once a chief officer of environmental health was

typically part of the council's executive management team, now they will be part of a much larger regulatory department, for instance, or housing department. The chief officers can be third or fourth tier officers now. Their strategic involvement is much less.

We are making the case at the moment in terms of the Health Bill that environmental health and housing departments should be represented on the Health and Wellbeing Boards. At the moment that situation in its role and status has been much diminished but that it something that we have been arguing strongly for a number of years.

Jenny Jones (Chair): It is a capacity issue.

James Cleverly (AM): If falls between some of the questions that we have just asked but follows on from the point Tony was making about targeting support for potentially vulnerable tenants. A lot of the conversations seem to gravitate back towards a perceived stratum in the tenant relationship. In a lot of the experience that I have seen with people in the private rented sector you have got pretty smart procurers. They are as well versed in their rights as the landlords are and you have a contractual relationship pretty much between peers. In those circumstances where the tenants know their rights and responsibilities and the landlords know their rights and responsibilities I struggle to see what would be the justification of someone from the council knocking on the door and saying, "Excuse me, Mr Tenant, I would like to walk around your flat please just to check that you are not being taken advantage of by your landlord". I can imagine a lot of people actually saying, "Go away. You're nothing to do with this relationship".

With the changes to housing benefit it would seem that, in relationships where it is working like that, it is fine, but then the local authority, as the distributor of housing benefit, could and should perhaps become that smart procurer by proxy.

I get the feeling that there is a large section of this sector that does not need a huge amount of intervention by anyone in the statutory sector but I still get the feeling that we are trying to spread the butter a little bit too thinly across this bread and what we should perhaps be looking at is much more targeted interventions in either certain geographies where we know there are problems or amongst certain targeted groups where we know there are likely to be more vulnerable potential tenants.

Are there schemes that do that? Are there models that we can find?

Jenny Jones (Chair): Does this equality exist? Are lots of tenants really up on their rights?

Tony Jemmott (Chartered Institute of Environmental Health): There is a real difficulty in engaging tenants and engaging landlords. Tenants very often will only approach us or Shelter when the need arises.

Rachael Orr (London Campaigns Manager, Shelter): Yes.

Tony Jemmott (Chartered Institute of Environmental Health): Landlords, to a large extent, do not want to do so. A lot of the work needs to be proactive. What we have tried to do at the Chartered Institute of Environmental Health (CIEH) is to link health and housing and use the health intervention as the way to get in and make some changes.

What local authorities are becoming more and more concerned with is the impact on the private rented sector. That is not always within the other side of the front door. That is the outside. That is what neighbours are complaining about. That is properties being used as brothels. That is landlords having some measure of criminality about that they are doing, or evading the authorities. It is the impact. That is what is happening more and more with local authorities. So, as an

environmental health officer, you always have got to think about the impact of the private rented sector and then approach it from that to get some buy-in politically. Then you can deal with the health.

Rachael Orr (London Campaigns Manager, Shelter): I do not know that I am convinced that the majority of tenants are fully aware of what their rights are and ditto landlords although, although Vincenzo can probably offer a bit more on that than I can. Probably there is less work and intervention needed for a large proportion of the sector but I still think there is a real job to do in making sure that all tenants know that their landlord has to protect their rent deposit and they have to have a written tenancy agreement. Huge numbers of people come to Shelter every year who have not got that and they are not just renting at the lower end of the market. We do need to do more about making sure tenants are aware of their rights right across the board.

Yes, there are clearly far greater problems at the lower end of the market, particularly with the changes to housing benefit and the pressure that is going to arise, the increased competition, where already there is a lot of competition. There is the potential that things could get worse for tenants. In targeting accreditation and standards and interventions, yes, that has to be the focus of the energy but I would question at the complete detriment of the rest of the sector.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): You are right about the danger of spreading too thinly the action. There has got to be something wrong where you, as a tenant, would wait until there was a knock on the door before telling your landlord that there is a problem in your property because you are not sure when that knock on the door is actually going to come along. We should be diverting that amount of effort on the areas and the groups where there is the greatest suffering. I think you are right in that aspect.

Just to pick up on a couple of very quick points, on landlords and tenants knowing their responsibilities and their rights, I think Rachael is correct. Anecdotally, I have talked to senior MPs who rented atrocious accommodation and did so with the full intelligence and skills at their behest. From the landlords' point of view our advice line receives 35,000 calls a year precisely because our members want to get it right at the start. That is a members' service. What about those people who are not members of an association?

Robert Taylor (Camden Federation of Private Tenants): We deal with a whole range of tenants. The question that has to be asked in the relationship is who holds the power? It is not necessarily who has the knowledge; it is about who has the power in that relationship. It is down to the property owner. We deal with lots of professional people, some who are very clued up about their rights and a lot of whom have not got a clue at all. The point goes, "If I have a problem with the landlord, it is me against them" and because they are the property owner there is always going to be an in-balance in that relationship. I hear what you are saying but, for us, from our experience of being the tenants on a daily basis, there are issues across the whole of the sector, but I think you are probably right; in certain parts of the sector those problems are probably far worse. There is an argument for targeted intervention.

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): I have just remembered the second point I wanted to make! There are some good practice case studies that we can help you with. They are not necessarily from London. I was thinking, when James was talking about some of the innovative approaches to dealing with pockets of deprivation and difficulties, we had a housing and health national conference a couple of weeks ago and there was a very interesting presentation from the Chief Executive of Thanet District Council talking about two particular wards in Margate and Cliftonville which are, in terms of the index of deprivation, amongst the most deprived in the country. Quite a small district council had managed to pursue a very interesting and flexible approach, working with other agencies, tenants' groups and landlords, to improve the housing stock in two particular wards in that part of Kent.

Jenny Jones (Chair): That was going to be our final question about any ideas you have got on projects and programmes that are being done.

Mike Tuffrey (AM): We have touched on that but the specific question. We heard at a previous session this issue about payment of benefits direct to the tenant who then pays the landlord. Certainly the housing associations were worried about increasing bad debts so you had a trade off between tenants' rights and a practicality. Presumably that applies equally in the private sector? Would this work where local authorities would pay the housing benefit direct to the landlord if the landlord was accredited so that the tenant had a loss of rights in the sense that they were not getting the money direct but at least they had the comfort of knowing that their landlord was abiding by certain behavioural standards. Is that a practical thing that we could recommend?

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): If we get on to housing benefit, that is a really important issue; that rent arrears are a huge problem for local housing allowance landlords. The issue is that we would want to make sure that the finances still stack up because landlords are not able to rent out accommodation at a loss - their mortgage companies will not let them. It is not simply a case of sweeping the deal through direct payments; we have also got to look at paying a fair price for good quality accommodation. There are options there and I can provide a paper on aspects of --

Jenny Jones (Chair): Thank you. I think both Robert and Vincenzo had some ideas - and you have just mentioned one - or projects or programmes that organisations can do to improve the private rented sector. If you have got one idea each that would be really a dream.

Tony Jemmott (Chartered Institute of Environmental Health): We have got one in Newham called the Neighbourhood Improvement Zone and it is the first selective licensing schemesouth of Manchester. That is ongoing. The Chief Executive from Thanet Council came up to Newham and looked at our scheme. Can I put forward Newham's Neighbourhood Improvement Zone.

Jenny Jones (Chair): Thank you.

Rachael Orr (London Campaigns Manager, Shelter): Have you heard of the Broadway Reletting Scheme? It is a scheme run by Broadway which is a charity that predominantly helps street homeless people and it is moving people from hostel accommodation into the private rented sector. They provide support and tenancy training but they also give the landlord a five year guarantee of rent so they provide that stability and the landlords knows that he is going to receive the rent for five years. To date about 95% of the people they have helped through that scheme maintain their tenancy which, especially for that client group, is really impressive.

Vincenzo Rampulla (National Landlords Association Public Affairs Officer): We have got quite an extensive regional network so there are a wide range of examples that we can give from different parts of the country. What I would say is that, in those local authority areas that have seen the most benefits and improvement, is where the parts of the local authority that deal with the private rented sector work together internally as well. There can be more than five different sectors within a council that would have some part to deal with the private rented sector and coordinating all that through can yield quite a lot of positives.

Robert Taylor (Camden Federation of Private Tenants): I would like to make a very quick point. In terms of your thinking you need to factor in letting agents into your thoughts as well because they are key players in the market. About 60% of lets are done via agents so in terms of influencing behaviour we need to very much think about how we influence their behaviour as well as the behaviour of landlords because, quite often, they are the gatekeepers in terms of people's dealings with the property and other kinds of issues.

In terms of a very practical thing, we put this in as part of our response to the Housing Strategy. We think the GLA and its constituent organisations are in a fantastic position to do a London-wide know your rights campaign for private tenants. It has got the reach across the whole of London. It has got access to bus stops, Tube stations and all the places where lots of people go. You could do it so each borough - in Camden, for example, the poster is a GLA poster but it says, "If you are a Camden private tenant, this is the private sector housing advice team's contact details. This is how you get in touch with your environmental health department in Camden". It is very low cost, very simple. A significant step on the process that we have spoken about which is about giving tenants information about their basic rights and where they can go to get help if they need it.

Jenny Jones (Chair): That is a very good idea.

Bob Mayho (Principal Policy Officer, Chartered Institute of Environmental Health): Can I also mention that we are members of a national organisation called the Urban Renewal Officers' Group. It recently received a presentation from Leeds City Council on the innovative approach it is taking on helping people who are on housing benefits. I can make that presentation available to you. We are also members of a number of national and regional lobby groups and I can go through those networks to see if we can access further information which might help the Committee.

Tony Jemmott (Chartered Institute of Environmental Health): We have seen the report which says that in Newham the private rented sector is about 35% of the stock, which is higher than anywhere else. I have got a quote from the Audit Commission, December 2009, after it did an inspection into the private rented sector in Newham. It says that Newham's bond scheme has ensured that statutorily homeless people and those threatened with homelessness benefit from the significant increase in the borough's private rented stock. What we have tried to do, as the stock has increased, is try to secure more of those properties for homeless people and people threatened with homelessness.

Rachael Orr (London Campaigns Manager, Shelter): This really does not focus on affordability but that is a massive issue for people coming to Shelter; raising a deposit to put down on a private rented property. Any schemes where either local authorities can offer cash deposits or act as a guarantee or a bond guarantee are vital and are really patchy in term of their provision across London. Increasing access to the private rented sector for lower income or vulnerable households and really taking a look at the accessibility of those rent deposit schemes across London would be really important.

Jenny Jones (Chair): Thank you. It has been great to have you all here and to hear what you have got to say.

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