

Landlord accreditation

**Prepared for the GLA
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Accreditation Network UK (ANUK)
UK Landlord Accreditation Partnership (UKLAP)/London Landlords Accreditation Scheme (LLAS)
National Landlords Association (NLA)
National Approved Lettings Scheme (NALS)
Residential Landlords Association (RLA)
Southern Landlords Association (SLA)
East Midlands Landlord Accreditation Scheme (EMLAS)

London Borough of Camden
London Borough of Ealing
London Borough of Greenwich
London Borough of Redbridge
London Borough of Sutton

We are also grateful to those landlords that attended the focus groups and who telephoned or emailed their comments to us, if unable to attend. Their time is much appreciated.

Executive summary

What is landlord accreditation?

Accreditation is a mechanism for helping landlords or agents to meet agreed standards of competence, skills and knowledge about the business of owning, managing or letting a private rented home, and a public recognition of having met that standard. The requirements for accreditation may vary from one accreditation scheme to another, and some are focused on property management, some on property conditions and some on a mix of the two. In order to be awarded accreditation status, landlords or agents are required to undergo training and development, either face to face, online or a combination of the two. Accreditation can also often involve continuing professional development.

A: Key messages

- A range of approaches to accrediting landlords needs to be adopted in order to maintain the support of the boroughs and to build on those aspects where there is already consensus. No single solution will work best nor gain comprehensive stakeholder endorsement.
- The study recommends a quick win for London by passporting accreditation between schemes and accepting these as valid in London.
- The review of practice outside the capital and the outcome of consultations suggest that a consortium based around a single badge of accreditation for London as part of a clear branding exercise would be supported. This consortium would be open to all, including the agent accreditation bodies.
- The across-the-board introduction of obligatory accreditation, whereby all boroughs would use landlords for specific initiatives, such as direct lettings schemes, only if they were accredited, is not recommended. However, it is right that individual boroughs can choose to do this should they so wish.
- London needs top-down drive to support accreditation and to give it greater political impetus.
- The expansion of accreditation schemes should ideally offer a market advantage to landlords, and not only in terms of local authority services. For this reason a sustained marketing strategy is needed with robust promotion of accreditation to landlords and to tenants.
- Consideration should be given to the development of a tenant accreditation scheme in London, whereby there is some kind of certification for those with a track record of being a 'good tenant'.
- A simple subscription model of funding linked to landlord incentives could eliminate the need for public subsidy over the next 5 years.

Key messages from the London boroughs

- All boroughs sign up to the London Landlord Accreditation Scheme (LLAS) and it is widely supported by them;
- Some boroughs accept and recognise other accreditation/affiliation schemes e.g. the Association of Residential Lettings Agents (ARLA), the National Landlords Association (NLA) and the Southern Landlords Association (SLA);
- All boroughs are prepared to fund LLAS this financial year, 2011/12. Their future intentions are not clear, given the prevailing cuts in the public sector;
- Increasing the supply of private rented sector homes is a top priority for boroughs; they do not want accreditation to put landlords off working with them;
- Each borough reported the need for its own distinctive housing market to be recognised and the offer to landlords to reflect that;
- All boroughs require more resources to effectively promote their own schemes at a local level;
- All boroughs agree that incentives are key to securing landlord interest.

Key messages from the landlords

- Incentives are key to attracting landlords to sign up to schemes;
- Landlords are opposed to obligatory accreditation;
- Accreditation is not seen to have any substantial benefit for landlords' business;
- There is a lack of promotion and education to tenants about accreditation;
- Landlords experience a range of approaches and levels of assistance from the boroughs and would value more consistency;
- Many landlords are put off from accepting benefit-dependent tenants because of the potential loss of income.

Key messages from the membership and accreditation organisations

- Membership organisations felt that obligatory accreditation would not be supported;
- Passporting of accreditation between schemes is widely supported;
- More promotion of accreditation is needed, driven top down from the GLA and by the boroughs;
- All agree more incentives are needed for landlords;
- Most support a single badge of accreditation for London;
- A choice of both face-to-face and online learning modes should be available to landlords, subject to validation of online methods;
- There should be greater promotion of landlord accreditation to tenants;
- Tenant accreditation would be of value.

B Context

London has the highest number and proportion of private rented housing in England. In 2009, just over a fifth of all London households (690,000) were renting privately, compared with an average for England of 12.7 per cent. This figure does vary from borough to borough, however. The sector has grown rapidly since 2001. Across London the estimated proportion of private renters varies from 34 per cent in Newham, to just 6 per cent in Havering.

The London Housing Strategy sets out the Mayor's vision to promote a vibrant and attractive private rented sector in the capital. Part of this vision is to improve the quality of and access to the sector, with the aim to at least double the number of accredited landlords by the end of 2011. Through LLAS, this target has already been exceeded. In May 2011, there were 9,618 landlords accredited in London by LLAS.

The Mayor would like to see the number of accredited landlords and agents continue to grow and to see the approach in London enhanced. Accreditation is now more significant than ever, given the government's proposed increased role for the private rented sector, for example through the discharge of homelessness duty through the private rented sector set out in the Localism Bill.

London boroughs are increasingly reliant on the private rented sector and most operate schemes or initiatives where they make direct lettings to or have specific arrangements with landlords, for example for temporary accommodation or homelessness prevention. In most cases, there is no requirement for landlords to be accredited. However, in Ealing, for example, accreditation is required before the borough will enter into agreements with landlords. For the purposes of this report, where accreditation is insisted upon by a local authority the term 'obligatory' accreditation is used.

C Main organisations involved with accreditation in London

There are many organisations involved in landlord and agent accreditation in London, with different levels of activity in relation to both landlords and agents, as detailed below.

Organisation	Accreditation role in London
Accreditation Network UK (ANUK)	Publicises, promotes and shares good practice in accreditation, nationwide.
UK Landlord Accreditation Partnership (UKLAP)/London Landlords Accreditation Scheme (LLAS)	<p>Accredits both landlords and agents. Most active accreditation body at present, supported by all London boroughs.</p> <ul style="list-style-type: none"> • 9,618 accredited landlords in London. • 650 outside London • 795 accredited agents <p>LLAS accredits landlords in London. UKLAP covers county schemes outside London such as Kent, Surrey and Hampshire.</p>
National Landlords Association (NLA)	<p>A national landlord membership organisation (which has joined with UK association for Lettings Agents (UKALA)) but also has a landlord accreditation scheme with some accredited landlords that are based in London.</p> <ul style="list-style-type: none"> • 568 accredited Landlords of which 68 are based in London. • No accredited agents as yet
National Approved Lettings Scheme (NALS)	<p>Accreditation scheme for lettings and management agents.</p> <ul style="list-style-type: none"> • 1,400 agents (1,800 offices) of which 450 accredited/licensed in London.
Association of Residential Lettings Agents (ARLA)	<p>Professional and regulatory body for letting agents in the UK.</p> <ul style="list-style-type: none"> • 50 agents approved in London.
Residential Landlords Association (RLA)	<p>A national landlord membership organisation with an independent accreditation scheme – RLA Accreditation Scheme (RLAAS). Operates nationwide and runs schemes for local authorities for example in Leeds. It is not yet accrediting landlords in London.</p>
Southern Landlords Association (SLA)	<p>A membership body for landlords in the south east, the SLA does not offer accreditation.</p>

D National comparisons

The study examined many other accreditation schemes operating around the country. There are lessons to be drawn from them for London. In Leeds and the East Midlands there are excellent examples of methods for incentivising more landlords to become accredited through a system of discounts and preferential treatment.

There are also examples of promotion to tenants and tenant accreditation schemes. Tenant accreditation schemes vary but they usually involve tenants signing up to a code of conduct and provide them with a certificate they can use as a reference in the future to show that they have been exemplary tenants.

These aspects of good practice were highlighted by stakeholders as areas that could be further developed in London. London also has aspects of good practice within each borough that could be replicated across the capital.

E Options and opportunities for the future

The study recommends that a range of approaches to accreditation be adopted in order to maintain the support of the boroughs and to build on those aspects where there is already consensus. No single solution will work best nor gain comprehensive stakeholder endorsement. The following approach is recommended for consideration by the GLA:

A collaborative model for London built around an agreed single badge of accreditation for London landlords, involving all stakeholders, including agents, with agreed standards and approaches. This would be supported by:

- An effective promotion and marketing strategy for accreditation in London;
- Fresh business models for developing LLAS, leading to it becoming self sustaining in the longer term, including greater incentives to landlords;
- Promotion to tenants;
- Consideration given to introducing a tenant accreditation scheme.

The study also recommends a quick win for London. LLAS is not the only body that is accrediting agents that operate in London. The NLA already has some accredited landlords in London and is keen to develop this activity further. However, the NLA online accreditation method is not currently recognised by LLAS and the boroughs. If the NLA-accredited landlords were to become recognised, which is recommended, then a quick win in terms of numbers of accredited landlords in the capital would be achieved. It needs to be recognised, however, that this would be a one-off increase that would not be repeated.

It has been suggested that one of the national bodies, potentially the NLA, could replicate or subsume the LLAS operation in order to increase and sustain accreditation in London. It is very important to note that this would not be supported by the London boroughs. Indeed, as noted earlier, some boroughs have indicated that they would not participate in a scheme operated by a trade body. The boroughs value the local nature of LLAS, its direct accountability to the boroughs and the fact that they have been closely involved in its development since inception. The NLA recognises this and is willing to work with LLAS and others to develop a wider approach to accreditation which incorporates the further development of LLAS. Given the presence of LLAS, the RLA, which has so far not become involved in accreditation in London, has also indicated that it would be interested in working in a wider London approach alongside LLAS, if agreement can be reached.

Agents are also accredited and licensed through LLAS, NALS and ARLA (as well as the Royal Institution of Chartered Surveyors (RICS)). If London accreditation is to be truly enhanced and expanded, then a model which passports accredited members from all agencies including the NLA, RLA, NALS and ARLA should ideally be developed.

E.1 A collaborative model of accreditation for London

The review of practice elsewhere and the outcome of consultations suggest that a consortium approach based around a single badge of accreditation for London as part of a clear branding exercise would be supported. This is a practical approach to

increasing accreditation in London and one that has huge potential for the future. It involves aligning LLAS more closely with those schemes operated by member bodies and vice versa. The key principle of such a 'single badge of accreditation consortium' which could be hosted by any one of the stakeholders such as GLA, RLA, NLA or LLAS in the first instance, is that it offers no preferential treatment of any external body. It also embraces other key organisations such as NLA/RLA and NALS. Crucially, it will help to achieve the critical mass of accredited landlords and agents that London needs and that all stakeholders seek.

Development possibilities in the longer term are significant as the branded consortium develops incentives and other schemes to attract more members.

The key elements include:

1. The involvement of all key stakeholders;
2. Passporting accreditation from all stakeholders;
3. Working to an agreed basic accreditation model;
4. Branded scheme with a Londonwide single badge of accreditation.

This approach would *complement* the work of the member bodies and LLAS and not replace them. It would bring together those elements of accreditation in London that work and are already in place, as part of a cooperating consortium working to a London wide single badge of accreditation and standards.

Passporting, which is already accepted in some boroughs in London, and in other regional schemes, could be achieved very quickly, bringing those landlords and agents into the London Accreditation Scheme almost immediately, as noted at the outset of this section.

The operational framework would be developed by a steering group of stakeholders and could include:

- A Declaration of fit and proper person;
- A Code of Conduct to agreed standards (imported from existing schemes);
- Basic accreditation course content - either face to face or online and properly validated;
- Passporting of landlords and agents between schemes;
- Agreed continuous professional development (CPD) and renewal period (1-3 years);
- A method of redress/complaints.

Agreement must be reached on the framework including:

- The level of development a landlord must achieve in order to become accredited;
- All schemes recognising each other and with passporting available into the collaborative scheme. This would mean proper communication between all providers. All accredited landlords would need to be advised at the outset that this information sharing will occur.

By working together rather than reinventing the wheel a much more sophisticated and sustained approach could be developed for London that is recognised capital-wide and valued by landlords, tenants and other stakeholders alike.

E.2 A sustained marketing strategy for accreditation

All stakeholders agree that London needs a sustained marketing strategy for accreditation. This would have two key strands: firstly, roles for the key players in marketing and promoting accreditation and secondly, a marketing drive based upon a much more incentivised package for landlords. All stakeholders felt that London needs a top-down drive to support accreditation and to give it some political impetus.

Actions could also include a more standard approach to promoting accreditation by the boroughs including:

- Promoting accreditation on various websites;
- Being clear about which borough department is responsible for promoting landlord accreditation;
- Linking enforcement resources more closely to accreditation - accreditation can reduce the need for enforcement and therefore acts as a benefit to the public purse;
- Fast tracking accredited landlords for support and other resources (both the GLA and the boroughs), for example in relation to advice and grants such as loft insulation and retrofitting properties;
- Consider payment of Local Housing Allowances directly only to accredited landlords (where this is permitted within regulations);
- Linking accreditation more closely to housing strategies and especially to homelessness strategies;
- Ensuring that accreditation is promoted by all departments that have contact with private landlords, including planning, environmental health, housing and housing benefit.

E.2.1 Fresh business models and incentives to landlords

The expansion of accreditation schemes should ideally offer a market advantage to landlords and not only in terms of local authority services. For example, they should be able to access discounts on regular costs such as the purchase of energy performance certificates. The most attractive incentives, in addition to preferential treatment of accredited landlords by boroughs dealing with them first, for example, are those which offer financial savings to landlords through deals arranged with suppliers of goods and services that are of value to them. In addition, a sustained marketing strategy is required to generate income so that London can move towards a self-sustaining approach. A subscription model is suggested and the study offers a simple financial model to show how this could be achieved over time.

As part of the approach to the consortium discussed above, LLAS also needs to develop in the following ways:

1. Consumer awareness needs to increase; the single badge of accreditation consortium approach would help to achieve this. The word "accreditation" is not

very consumer friendly and thought needs to be given to this aspect of the possible rebranding.

2. Discussing funding every year with 32 London boroughs is very time consuming. The boroughs should commit to perhaps 2 to 3 years additional funding with the prospect of a future reduced contribution or self-financing model. The saved negotiating time could then be used to widen out the scheme in terms of marketing and promotion and raising awareness as discussed above.
3. There is some scope for charging landlords annual subscriptions as a quid pro quo for the incentives outlined above and because they should value the training and opportunities they obtain for improvement through accreditation.
4. There needs to be greater sharing of information between LLAS and the boroughs (where the boroughs are working directly with landlords on temporary accommodation or direct lettings schemes) for example sharing information about arrangements with landlords, service level agreements that are in place and data sharing regarding the scale of operations and activity.

LLAS has recognised the need to improve promotion and marketing through some of the approaches outlined above. It is also already actively considering a range of options including moving (through UKLAP) to a new business model and considering the value of 'accreditation plus' or 'super accreditation' based upon property standards perhaps linked to energy performance and green credentials. These options offer a longer-term future for LLAS and an opportunity for it to become self sustaining. These plans are being further developed and should be supported as part of an overall plan to improve accreditation across London. It is not the only route forward but one that is integral to the approach outlined in this report.

E.2.2 Promotion to tenants and tenant accreditation

Promotion to tenants would be valued by landlords and accreditation agencies alike. For this reason it is recommended that a strategy be developed through both LLAS and the proposed consortium to take accreditation to tenants through a properly branded marketing and promotional campaign.

1. Introduction and background

What is landlord accreditation?

Accreditation is a mechanism for helping landlords or agents to meet an agreed standard of competence, skills and knowledge about the business of owning, managing or letting a private rented home, and a public recognition of that standard. The requirements for accreditation may vary from one accreditation scheme to another, and some are focused on property management, some on property conditions and some on a mix of the two. In order to be awarded accreditation status, landlords or agents are required to undergo training and development, either face to face, online or through a combination of the two. Accreditation can also often involve continuous professional development.

1.1 Introduction

Commissioned by the Greater London Authority (GLA), this study was undertaken during May 2011. The London Housing Strategy 2010 sets out the Mayor's vision to promote a vibrant and attractive private rented sector. Part of this vision is to improve the quality of, and access to, the private rented sector - with the aim to at least double the number of accredited landlords by the end of 2011. Through the London Landlords Accreditation Scheme (LLAS), which is part of the UK Landlords Accreditation Partnership (UKLAP), this target has already been exceeded. However, the Mayor would like to see the number of accredited landlords continue to grow and to see the approach in London enhanced so that it is sustainable into the future. This study will also help to inform the new London Housing Strategy currently being developed.

Accreditation is currently more significant than ever, particularly given the government's proposed increased role for the private rented sector, for example through the discharge of homelessness duty through the private rented sector outlined in the Localism Bill.

This report considers whether, and how, the mechanisms for delivering landlord and agent accreditation in London could be enhanced or improved and presents some potential options for the most cost-effective, long-term and sustainable ways of achieving this, whilst maintaining standards.

1.2 The private rented sector in London

Over recent years, there has been a significant upturn in private renting nationwide. The major review commissioned by CLG in 2008 (the Rugg Review) identified four key factors to explain this:

- The Housing Act 1988, which introduced short-hold tenancies and lifted rent controls on new tenancies;

- The high number of properties that became available for rent in the early 1990s following a slump in housing prices;
- An increase in demand for private renting;
- From 1996, the availability of buy-to-let mortgages, which offered cheaper financial deals for the purchase of property to let.¹

Since then, added factors that are specific to London have contributed to a sustained rise in private renting. These generally relate to the impact of the recession and credit crunch in terms of reduced access to mortgages, the significantly high cost of deposits for mortgages and the increasing cost of housing relative to incomes. These factors have meant that a significant number of Londoners, who would have previously moved into the owner occupied sector, can now only afford to rent privately.²

The situation is becoming even more acute, as highlighted in a Halifax survey published in May 2011 which found that a generation of young British adults is close to giving up hope of ever owning their own place to live. The online survey of 8,000 Britons aged 20 to 45 found that more than three quarters who do not own property would like to, but 64% believe that their prospects of ever buying their own home are nil. Almost half the people questioned predicted that Britain would become a nation of renters within the next generation.³

In addition, there is a constant and increasing demand on the private rented sector in London from professional, mobile households for whom renting rather than buying is a positive choice, at least for a given period in their life.

London now has the highest number and proportion of private rented housing in England. In 2009, there were 690,000 households (20.2 per cent of all London households) – compared with an average for England of 12.7 per cent. Between 2001 and 2006 the number of private rented properties in London has grown from 476,000 to 597,000 - a 25 per cent growth in five years.⁴ Across London the rate of private renting varies from 34 per cent in Newham to just 6 per cent in Havering. Private rented housing forms more than a quarter of all housing stock in six London boroughs.⁵

No one knows how many private landlords own and let property in London. An extremely rough estimate can be derived using the 2006 English House Condition Survey estimate of there being in the region of 1.2 million private landlords in England and making the assumption that the distribution of landlords nationally is the same as the distribution of private rented tenants. On this basis, it can be estimated that a fifth of the 1.2 million private landlords nationally operate in London, i.e. around 265,000. This figure should, however, be treated with extreme caution.

1. *The private rented sector: its contribution and potential*, Centre for Housing Policy, University of York, (2008)

2. *Proposal for an Investigation into Housing Conditions in London's Private Rented Sector* GLA, (May 2011)

³ Independent Newspaper, 31st May 2011

4. Op cit 2.

⁵ Ibid

The responsibility for standards in the private rented sector generally, and landlord accreditation in particular, has been very much delegated to local authorities and regions since the initial guidance on schemes was published by CLG in 2001. The government has also stepped back from the regulation and licensing proposed by the Rugg Review (and now enforced in Scotland). However, given that the government expects the private rented sector increasingly to meet the housing needs of some of the most vulnerable households it could potentially play an important role in promoting the lighter touch of accreditation whenever possible.⁶

There is a mix of landlords working in London: large, small and covering the welfare benefit and non-benefit dependent market. There is a variety of spread of portfolios, with some landlords operating across a number of boroughs and others just in one. As noted in the introduction, there is no robust data on the number of private landlords in London, or per borough.

London boroughs may use the private rented sector in a number of ways, for example to make direct lettings to prevent homelessness or discharge their homelessness duty, and for temporary accommodation. In addition, a number of voluntary sector organisations have a direct relationship with landlords, through operating schemes to house vulnerable people.

1.3 Methodology

In addition to desk research to identify good practice and the variety of schemes and approaches across the country, in-depth interviews were held with a range of agencies and a sample of 5 London boroughs. Focus groups were held with lettings agents and with landlords (see Appendix 1).

1.4 About this report

This report continues with an overview of accreditation and what it involves. Section 3 examines accreditation in London and Section 4 examines lessons from accreditation schemes around the country. The views of stakeholders who were interviewed or who attended focus groups for this study are reported in Section 5. The final Section 6 considers a range of options for enhancing and developing the arrangements for accreditation of landlords and agents across London and offers a financial model to move accreditation towards becoming self sustaining in the longer term.

⁶ Rugg. J and Rhodes. D, *The private rented sector: its contribution and potential*, The Centre for Housing Policy, University of York (2008)

2 About accreditation

2.1 Overview

Accreditation has developed since the mid-1990s. In 2008, a Landlord Accreditation Survey was conducted by LACORS, in order to determine the nature and scope of landlord accreditation schemes in England. This found that 40% of local authorities operated accreditation schemes in 2008, with more set to do so.⁷

Accreditation is supported nationwide by a wide range of stakeholders, including the government, landlord associations (membership bodies) and local authorities, Shelter, the National Union of Students and the Chartered Institute of Environmental Health. It can aid the supply of good-quality, well-managed homes, and landlords and/or properties can be accredited. Initially, accreditation schemes accredited the properties rather than the landlords. Currently, schemes vary with some accrediting both the property *and* the landlord and others more recently just the landlord in terms of their skills as managers. Where only the landlord is accredited, the local authority is viewed as having responsibility for inspection and property standards. Accreditation is viewed as acknowledging and encouraging good landlords.

Many landlords (and lettings agents) have embraced accreditation, but if the volume is to increase across London new approaches and enhancements to existing schemes are required. Accredited landlords need to feel that they enjoy a market advantage for it to be worth their while engaging with accreditation and undertaking the additional CPD, for example.

Although schemes vary, in London accredited landlords in the main agree to:

- A declaration that they are a 'fit and proper person' to let and manage homes;
- Abide by a Code of Conduct which sets out agreed professional standards of management and relationships with tenants;
- Undertake one day's development training either on a face-to-face basis or by online study, covering issues such as establishing the tenancy, aspects of Landlord and Tenant law, and the basics of the Housing Health and Safety Rating System (HHSRS);
- Undertake some sort of continual improvement via continuing professional development (CPD).

Schemes that have been set up recently include the national Welsh scheme (funded by the Welsh Assembly) and the East Midlands Landlords Accreditation Scheme (six counties and 35+ local authorities), funded until 2011 by the Government Office for the East Midlands. In May 2011, a new national scheme was launched – the National Landlord Accreditation Scheme (NLAS). NLAS provides an "easy 'approval' option", all of which can be dealt with online, meaning local authorities can save money. The National Landlord Accreditation Scheme is run by the Guild of Residential Landlords

⁷ *Landlord Accreditation Survey*, LACORS (now Local Government Regulation), the Accreditation Network UK (ANUK) and the Local Government Association (LGA), (2008)

(GRL) in partnership with Training for Professionals (TFP). NLAS hopes that operating an accreditation scheme nationally will bring some consistency to accreditation schemes throughout England meaning landlords and agents can operate in different areas but still have unified accreditation status. This is an approach that could work for London as discussed later.

Most boroughs operate schemes or initiatives where they make direct lettings to or have specific arrangements with landlords, for example for temporary accommodation or homelessness prevention. In most cases, there is no requirement for landlords to be accredited. However, in Ealing, for example, accreditation is required before the borough will enter into agreements with landlords. For the purposes of this report, where accreditation is insisted upon by a local authority, the term 'obligatory accreditation' is used.

2.2 Advantages of accreditation for landlords

A government study of accreditation in 2001 noted that that accredited landlords can benefit from⁸:

- The status of being publicly identified as a good landlord;
- Distancing themselves from incompetent or unscrupulous landlords;
- The business advantage of advertising their accredited status to tenants who place emphasis on good quality and well managed accommodation;
- Incentives offered which vary from scheme to scheme but may include:
 - A liaison officer who can help landlords to deal with any department of the local authority, similar to a "one stop shop";
 - An improved relationship with benefit departments;
 - Information on housing management and access to training and development opportunities;
 - Consultation on proposals that may affect landlords, such as changes to legislation or local housing strategies;
 - Access to grants and loans to renovate properties to relevant standards set by the scheme;
 - Advice on how to tackle anti-social behaviour; and
 - Discounts and group purchase on goods and services such as property insurance.

2.3 Accreditation scheme criteria

Most schemes considered in this report adhere, to a greater or lesser degree, to the criteria promoted by the Accreditation Network UK (ANUK) which maintains and promotes national models of accreditation. These are as follows⁹:

8. *Landlord Accreditation*, (CLG (2001)

9. Article by M. Blakey, ANUK (2011)

Criteria 1: The Declaration

Accreditation is about accountability; to be accountable there must be a voluntary declaration by the supplier or manager of the housing to a set of processes or standards (normally both). The declaration should be regular, i.e. it should be renewed every one to 3 years. This ensures that:

- Landlords are fully committed and on board;
- The standards can be reviewed regularly;
- New standards can be introduced.

Criteria 2: Verification

A core part of any accreditation scheme is verifying that those who sign up to meet standards are doing so. In the early days of accreditation a simple voluntary declaration by a landlord to join was, and still is, acceptable. However, in order to maintain both consumer and landlord confidence ideally there should be a regular and transparent verifying process that checks on the standards being met, issues some form of report and where any shortcomings are identified, a landlord is helped to agree any necessary improvement package. In the current schemes this applies where property standards are included through a sample survey process; where only the landlord is accredited this should be approached through self assessment for example, or checking CPD activity; verification therefore requires resources.

Criteria 3: Continuing improvement

Continuing improvement is a further criterion which links closely to verification and CPD.

Criteria 4: Complaints

Finally, accreditation must have a proper complaints process that allows those that think standards are not being met to have their concerns heard, investigated and a resolution reached. The complaints procedure should be simple, inclusive, transparent, rapid and well advertised and understood.

2.4 Property standards-based and skills-based accreditation

Some accreditation schemes accredit the properties, i.e. are about property standards, others accredit the landlords' skills and yet others accredit both. In London, property inspections are not included in the LLAS, as resourcing inspections is very expensive and also it is difficult to reach agreement on the physical standards to be used across the 32 boroughs (excluding the City of London). In addition, it can be argued that the boroughs' own enforcement teams are in a position to monitor and maintain standards within the private rented sector as part of their statutory duties. One or two boroughs have now developed clear property standards however.

Any system of accreditation must carry consumer and institutional confidence and be robust enough to include only better landlords. There are some concerns that skills-based accreditation may not achieve this. Property inspection is not intended to

replicate regulatory functions but to enable verifiers to take a view on the management competency of housing providers and it can increase landlord engagement. Skills-based schemes are perhaps less able to secure sufficient landlord engagement, especially those that are committed to good management. Stakeholders, especially the LLAS, have recognised that with central guidance on standards in the Housing Acts, mandatory licensing and the LACORS (now LGR) fire guidance, a single set of standards could be developed to apply across London and in the longer term an 'Accreditation Plus' scheme could be developed further, as discussed in Section 6.

3. Accreditation in London

3.1 Overview

This section maps accreditation in London in relation to the key agencies. It then outlines the key operational elements of each scheme for both landlords and agents. There are a number of agencies involved with delivering accreditation to landlords and agents in London. Some accredit only landlords, others both landlords and agents. Some are membership bodies for landlords only, while others also accredit landlords as well as being membership bodies. Table 1 below sets out the key organisations and their role in London accreditation activity. ANUK also promotes and supports accreditation in London. Most of the organisations listed below are working with LLAS as part of its Steering Group. Some boroughs also have accreditation schemes, for example Newham, which runs its scheme in conjunction with LLAS.

Table 1: Main organisations involved with landlord and agent accreditation in London	
Organisation	Accreditation role in London
Accreditation Network UK (ANUK)	Publicises, promotes and shares good practice in accreditation nationwide.
UK Landlord Accreditation Partnership (UKLAP)/London Landlords Accreditation Scheme (LLAS)	<p>Accredits both landlords and agents. Most active accreditation body at present, supported by all London boroughs.</p> <ul style="list-style-type: none"> • 9,618 accredited landlords in London • 650 outside London • 795 accredited agents in London and the south east <p>LLAS accredits landlords in London. UKLAP covers county schemes outside London such as Kent, Surrey and Hampshire.</p>
National Landlords Association (NLA)	<p>A national landlord membership organisation (has joined with UK association for Lettings Agents (UKALA)) but also has a landlord accreditation scheme with some accredited landlords that are based in London.</p> <ul style="list-style-type: none"> • 568 accredited Landlords of which 68 are based in London • No accredited agents as yet
National Approved Lettings Scheme (NALS)	<p>Accreditation scheme for lettings and management agents</p> <ul style="list-style-type: none"> • 1,400 agents (1,800 offices) of which 450 accredited/licensed in London
Association of Residential Lettings Agents (ARLA)	<p>Professional and regulatory body for letting agents in the UK.</p> <ul style="list-style-type: none"> • 50 agents approved in London
Residential Landlords Association (RLA)	<p>A national landlord membership organisation with an independent accreditation scheme, RLA Accreditation Scheme (RLAAS). Operates nationwide and runs schemes for local authorities for example in Leeds. It</p>

	is not yet accrediting landlords in London.
Southern Landlords Association (SLA)	A membership body for landlords in the south east. It does not offer accreditation.

Table 2 below, sets out the distribution of the 9,618 LLAS accredited landlords by borough as at May 2011, ranked by number per borough, in descending order. Table 3 summarises landlord accreditation numbers by sub-region. Please note that the totals add to more than 9,618 because some accredited landlords operate in more than one borough. As illustrated, Camden (which helped to develop and now hosts LLAS), along with Ealing, are the most active, with Lambeth, Wandsworth and Brent also in the top five. There are many reasons for the different levels of accreditation by borough. These include the scale of the private rented sector locally, the number of landlords operating in the area but particularly the attitude to accreditation adopted by the borough. Those boroughs that insist on obligatory accreditation, such as Ealing and Camden before entering into any arrangements with landlords, succeed in attracting more accredited landlords. However, other boroughs that do not make accreditation obligatory but actively encourage it, such as Redbridge, also have relatively high numbers of accreditations. A trawl of web sites shows that there is great variation in promotion of the scheme between the boroughs. In some boroughs it is almost impossible to find out about accreditation from their website or even where responsibility for the private rented sector lies. It varies from borough to borough; in some, accreditation is dealt with in Housing, in others in Environmental Health. This issue is considered further later.

Table 2: No of accredited landlords by borough			
Borough	No.	Borough	No.
Camden	591	Hamm and F	271
Ealing	591	RBKC	246
Lambeth	586	Lewisham	241
Wandsworth	556	Enfield	236
Brent	556	Harrow	211
Islington	479	Croydon	201
Haringey	477	Hounslow	186
Hackney	470	Richmond	163
Tower Hamlets	469	Greenwich	161
Redbridge	445	Havering	139
Westminster	424	Kingston	130
Newham	382	Merton	117
Waltham Forest	364	Bromley	95
Barnet	356	Corp of London	77
Barking & Dagenham	355	Sutton	64
Hillingdon	347	Bexley	60
Southwark	314		

Source: LLAS, May 2011

Table 3: Distribution of LLAS accredited landlords by London sub-region

North	2456
East	2375
West	2271
South West	1711
South East	805
Total London	9618

Source: LLAS, May 2011

Table 4 offers some statistical comparison of the private rented sector by borough. There does not appear to be a strong correlation between the size of the private rented stock or numbers of households claiming Local Housing Allowance (LHA) and the number of accredited landlords. It does, however, set some potential 'markers'. For example, boroughs with high levels of stock and lower levels of accredited landlords (Enfield for example) could be encouraged to achieve higher levels of accreditation; Ealing has similar stock levels to Enfield and double the number of accredited landlords, and Hillingdon and Hounslow appear to be in a similar position. It is vital to note the caveat given at Note 1 to the table, however, about the size of the sector in each borough.

All that can be extrapolated from this is that the number of landlords operating in each borough is likely to be very large and very much higher than those that are currently accredited.

Table 4: The private rented sector by borough

Borough	Accredited landlords	Number of households in the PRS	Of which claiming Housing Benefit
Barking & Dagenham	355	9,816	6,110
Barnet	356	28,079	13,700
Bexley	60	5,266	4,540
Brent	556	30,820	14,730
Bromley	95	13,865	5,360
Camden	591	35,749	5,130
City of London	77	739	90
Croydon	201	29,219	15,650
Ealing	591	26,524	11,630
Enfield	236	20,303	15,160
Greenwich	161	16,149	5,180
Hackney	470	20,117	9,500
Hammersmith and Fulham	271	21,776	3370
Haringey	477	22,336	4,340
Harrow	211	18,914	13,030

Havering	139	5,817	8,470
Hillingdon	347	17,490	4,340
Hounslow	186	18,532	7,340
Islington	479	18,064	6,760
Kensington and Chelsea	246	23,151	13,980
Kingston	130	11,299	3,920
Lambeth	586	33,013	4,170
Lewisham	241	25,504	8,200
Merton	117	17,557	10,250
Newham	382	32,177	7,760
Redbridge	445	19,419	9,600
Richmond	163	13,390	2,960
Southwark	314	27,832	4,940
Sutton	64	9,646	4,330
Tower Hamlets	469	23,407	5,310
Waltham Forest	364	19,682	9,760
Wandsworth	556	35,450	7,680
Westminster	424	38,628	8,100
Total	9,618	689,730	255,390

3.2 The London Landlord Accreditation Scheme

Launched in 2004, LLAS now accredits over 9,600 landlords in London and 795 agents in London. LLAS has delivered on the London Housing Strategy target of doubling accredited landlords. In fact the target has already been exceeded, with a year left to go. At the end of December 2010, there were 8,419 accredited landlords in London, compared with 4,104 in May 2008 and a further 1,200 have been accredited in the 5 months to May 2011. LLAS reports a further 1,940 in the pipeline. It is a partnership scheme, involving all appropriate landlord organisations, educational organisations and the 33 London boroughs. It is currently administered by the London Borough of Camden on behalf of the partnership. Each borough (excluding the City of London) supports LLAS with a grant of £2,500 per annum. In addition, landlords pay £79.90 for the development course, if booked online. This is a discount of over 20% on the non-online fees of £110.00 per landlord. The development course is a one day face to face event that offers several sessions covering the key aspects of good property management.

LLAS also actively supports and promotes London and South East Landlords Day, a partnership event which is aimed to inform and support those landlords and agents who seek to provide some of the capital's vital housing stock. Around 570 landlords from around the London and the South East region attended the event in 2011.

The LLAS offer to landlords

The LLAS offer to landlords is delivered via the local authorities rather than by LLAS itself. One of the recommendations of this study is that LLAS develops an active

strategy to develop this offer, especially through more incentives to landlords, which would encourage more to become accredited. LLAS states that it offers:

- Use of the UKLAP logo when advertising property, for example in Loot etc;
- Reduced HMO licensing fees;
- Grant money to improve premises;
- Grants to bring empty properties back into use;
- Integration with existing borough accreditation schemes;
- Preferential treatment by landlord organisations and universities;
- Discount and preferential consideration opportunities with insurance companies, banks, building societies, materials supplies etc;
- Improved access to local authority services for housing advice, housing benefit advice, etc.

However, as the landlords have to contact their local authority to find out about the benefits and grants available in each of the boroughs, borough support is critical to the successes of accreditation in terms of the offer to landlords. The landlords consulted reported that they were not aware of any benefits coming directly from LLAS. Of the boroughs visited for this study, the offers to landlords differed widely and reflected the local market issues and differences in each locality. There are examples of good in each borough visited. however.

Box 3.2: Practice examples among the boroughs participating in this study

Activity	Borough activity	Advantages
Landlord forum	Sutton runs a successful forum in partnership with SLA, NLA and RLA, which facilitate workshops.	SLA/RAL/NLA take on the responsibility of running the forum and Sutton offers facilities, access to LA officers and mailing list. Over 60 landlords attend and find seminars run by experts, for example on buy-to-let mortgages, very useful. The strong relationship between the borough and the associations is key to the success of the event.
Incentives to landlords	Ealing offered a 50% discount on LLAS training when introducing obligatory accreditation.	The decision to make accreditation obligatory in Ealing has seen highest numbers of Landlords joining LLAS in any borough. A 50% discount voucher for training gave Landlords an incentive and emphasised the value and importance of the accreditation process.

	Greenwich offers a discount on insurance.	The borough has a deal with rent arrears and contents insurance policy for landlords, recognising the high number of benefit dependent tenants and the high demand for housing supply. These incentives are key to Greenwich securing volume and quality of much needed landlords.
	Sutton offered free accreditation as part of HMO licensing.	Similar to Greenwich, offering free accreditation has met Sutton's demand for HMO properties by acting as an incentive and the need for a more 'regulated' HMO sector.
Landlord support	Greenwich offers a full-time benefits officer to support landlords.	The benefits officer is dedicated to helping tenants and landlords with HB issues. The risk of losing income is greatly reduced.
Events	Redbridge offers landlords an information day with Fire/Health and Safety Services.	The event targets landlords directly to inform them of their responsibilities and publicise issues.

3.3 The National Landlords Association

The NLA is a membership organisation promoting and protecting members' interests to national and local government and good relations between landlords, agents and tenants. Currently it has 568 accredited members, 26 in Kent via the passport route, 98 in the Midlands also via this route and 68 in London. The NLA Accreditation Scheme also 'passports' landlords who have already completed other development based accreditation schemes such as Leeds LAS, Midlands LAS and Welsh LAS, directly onto its scheme. The NLA only accredits landlords (not agents) at the moment.

3.4 Agent accreditation in London

Agent accreditation in London is delivered through the National Approved Lettings Scheme (NALS), the Association of Residential Lettings Agents (ARLA) and the RICS. The latter and its professional standards are well known and are not covered here. LLAS also offers some agent accreditation.

Agents become accredited in a different manner to landlords. The NALS scheme requires firms to meet the criteria and standards that may from time to time be reviewed by the Board to ensure a dependable service to landlords and tenants incorporating the highest levels of consumer protection. It is done by two routes, either the affiliated route i.e. already members of the RICS, or the non-affiliated route, i.e. for those that are not members of any other affiliating body. With the non-affiliated route, all agents must sign a declaration and undertaking that the NALS standards can be met (see Appendix 3 for NALS standards) and supply a range of documents including for example:

- Proof of professional indemnity where appropriate;
- Accountants report;
- Customer complaints procedures;
- Bank confirmation that client accounts are properly set up;
- Terms of business setting out service standards to clients.

It is also a condition that they contribute to the NALS Client Money Protection Scheme.

Further information on the organisations highlighted in Table 1 and information about those involved in accreditation in London, including their varying approaches to it, is given in Appendix 2.

4.0 Good practice from accreditation schemes outside London

There are many other accreditation schemes operating around the country. This section considers a small sample of them that are recognised as successful and which offer some particular lessons in good practice. UKLAP operates a number of county-wide schemes in Kent, Surrey and Hampshire for example, and these, along with the Midlands Scheme (MLAS) and the Welsh Landlords Accreditation Scheme mirror the London scheme and apart from the Midlands scheme are not considered again. Several of the schemes reported in this section are reviewing the way they are delivered and funded so some of the information in this section should be treated with caution as it is subject to change.

4.1 RLA Leeds Landlord Accreditation Scheme

The RLA Leeds Landlord Accreditation Scheme (RLA LLAS) has a national accreditation scheme that is completely replicable and designed to help local authorities, whether an existing scheme is in place or if the launch of a new accreditation scheme is being considered. This service is designed to take away the cost and time-consuming administration that comes with hosting an accreditation scheme, freeing up time and resource for staff to concentrate on more effective and fair enforcement. This scheme concentrates on property standards, management standards and landlord knowledge. In April 2011, the RLA took over the operation of the Leeds Landlord Accreditation Scheme. The Leeds scheme offers a range of good practice benefits for landlords that could be replicated in due course in London as highlighted in Box 4.1. Leeds also operates an accredited tenants scheme that stakeholders have indicated (as discussed in Section 5) would be considered as a positive innovation for London (see Box 4.2).

Box 4.1 RLA Leeds Landlord Accreditation Scheme

Benefits through the RLA Leeds Accreditation scheme include:

- Personalised Leeds Landlords Accreditation Scheme membership certificate provided;
- Credit card-sized portable membership card provided;
- Automatic authority given to use the Leeds Landlords Accreditation Scheme logo on personal stationery incorporating the Leeds City Council crest e.g. letterheads;
- 'Peel-off' scheme logo stickers are provided for sticking on personal stationery and rent contracts etc;
- Scheme advertising/membership posters are available for managing and letting agents to display on their premises indicating membership or support of the Leeds Landlords Accreditation Scheme;
- The Scheme is advertised and promoted by the council and recommends

potential tenants to seek out Leeds Landlords Accreditation Scheme members to rent from;

- Advertising details of the scheme are provided on the internet;
- Leeds City Council's Homelessness Advice and Prevention Team will assist with professional advice for landlords on landlord/tenant law and contractual matters;
- Scheme members' newsletter issued quarterly;
- Training sessions for scheme members on current topical matters given quarterly;
- The provision of landlords guide to legal standards and responsibilities associated with letting;
- Specialist professional advice available on housing standards from the council's Environmental Health Officers;
- The provision of landlords guide to tenancies for private landlords;
- No tipping charges for tenant-generated household waste at certain civic amenity sites;
- Provision of a free tenants' handbook entitled 'Living in Your Homes';
- The opportunity to influence the Council's Private Rented Sector Housing policies through the scheme's Landlords Forum;
- Discounts on various goods and services.

Box 4.2 RLA Leeds Tenant Accreditation Scheme

Accredited tenants

An Accredited Tenants Scheme is endorsed and funded by Leeds City Council. The Accredited Tenant Certificate can be used as a valuable bona fide reference when a tenant is seeking to move to new accommodation within the private rented sector. Where a number of prospective tenants are interested in renting accommodation, landlords will have a preference for an accredited tenant. The Leeds scheme follows the ANUK model:

- The Accredited Tenant Scheme is operated by landlords who are members of the local authority Landlords Accreditation Scheme;
- The scheme is voluntary for tenants;
- All accredited landlords must offer participation in the Accredited Tenant Scheme to all prospective tenants;
- The requirements of the Accredited Tenant Scheme are contained in the Tenants Code.

- At the end of the tenancy, provided that the Tenants Code has been complied with, the landlord completes the Certificate of Accreditation and gives it to the tenant.
- Landlords must keep a record of certificates issued.

4.2 East Midlands Landlords Accreditation Scheme

The East Midlands Landlords Accreditation Scheme (EMLAS) is a region-wide scheme that encourages and rewards good property standards and management practice in the private rented sector. Any residential landlord in the region can join the scheme and receive briefing sessions on new legislation, resource material and guidance, professional development courses and inclusion on the EMLAS property database and website. The scheme covers the East Midlands, and is open to all landlords and managing agents in the region. The scheme operates across the East Midlands including Derbyshire, Leicestershire, Lincolnshire, Northamptonshire, Nottinghamshire and Rutland. Around 40 local authorities are partners in the scheme and offer additional incentives to accredited landlords. It is free to local authorities up to April 2011. EMLAS is currently attempting to obtain funding from the local authorities to replace their regional grant (from the Government Office for the East Midlands (GOEM)) and has 26 local authorities signed up to pay between £6K for larger cities to £3k for districts. Accredited landlords are also eligible for a range of discounts on goods and services, such as Energy Performance Certificates, financial services, buildings insurance, pest control, drain clearance, fire protection and kitchens amongst others.

As part of their membership, landlords attend a free one-day training course. By the end of the training landlords will be able to identify and minimise the health and safety risk in their properties, understand their rights and responsibilities as a landlord and have developed their management skills.

Once accredited, landlords must follow the EMLAS code of management. This sets out minimum standards in relation to property management, physical condition and appearance.

To promote both landlord and tenant confidence in the scheme, at least 10% of properties will be inspected for compliance with current statutory minimum standards. EMLAS does not ask for any standards over and above the legal minimum. If a property does not meet the minimum standard, a free property improvement plan is provided to help bring properties up to standard if required.

Box 4.3 East Midlands Landlords Accreditation Scheme

EMLAS is currently developing further its wide range of discounts and incentives to attempt to replace funding which is coming to an end. It is, for example, exploring if accredited landlords can advertise with the Universities. It currently offers 25 'rewards' through a range of suppliers to accredited landlords as detailed in Appendix 4. These mainly consist of discounts across a range of services.

Tenants

EMLAS also markets itself to new and existing tenants using a distinctive logo and publicity materials. Information regarding the scheme is given to accredited landlords to pass on to their tenants. EMLAS is also committed to a continuous programme of publicity to promote brand awareness among tenants.

4.3 The Midlands Landlord Accreditation Scheme

Through the Midlands Landlord Accreditation Scheme, which mirrors the London scheme and which is part of the Homestamp Consortium in the West Midlands, any individual, agent, partnership or limited company can apply to become accredited. To become accredited they must attend a one-day development course, agree to follow a code of conduct and certify that they are a 'fit and proper person'. There are some additional requirements for agencies. There is no fee for accreditation, but there is a charge for the one-day development course (currently £150). It is a key part of the accreditation scheme as the emphasis is on education rather than inspection. Currently, accreditation is voluntary, but it is considering introducing compulsory registration and enforced standards for all landlords. The circumstances under which this will be introduced are not decided. The Midlands scheme has been active in developing incentives as highlighted in Box 4.4.

Different local authorities also offer different incentives and benefits for Accredited Landlords. Birmingham Accredited Landlords can take advantage of reduced HMO License Fees; currently, there is a reduction of £100 per HMO License. In Wolverhampton there is a 10% reduction in fee costs. In Sandwell Accredited Landlords may be eligible for free Energy Performance Certificates. There is a dedicated Housing Benefit enquiry line exclusively for Accredited Landlords/Agents. Redditch offers free loft and/or cavity wall insulation for Accredited Landlords' rented properties in Council Tax bands A to D.

Box 4.4: The Midlands Landlord Accreditation Scheme

The Midlands LAS scheme offers the following:

- A MLAS quality mark and a marketing advantage;
- Help to landlords in finding responsible tenants;
- Greater access to information and advice for landlords, for example the professional development seminar;
- Business benefits to landlords, as MLAS is advertised and promoted to prospective tenants, and as Universities and Councils start to only advertise and recommend accredited landlords (for example Sandwell Council, the University of Birmingham and Birmingham City University);
- Increased opportunities for landlords to communicate directly with the local authority, fire and police, for example by developing a joint approach to tackling anti-social behaviour and improving the satisfaction of landlords with the services they receive from the local authority;
- The opportunity for landlords to keep abreast of policy and legislative changes

which may affect them and their business;

- An entitlement to landlords to be accepted as an accredited landlord in other areas of the country where accreditation is in place, e.g. London;
- More assurance for tenants that they are dealing with a competent landlord who is recognised as accredited and better access to good quality information and accommodation.

5. Stakeholder views

Key messages from the London boroughs

- All boroughs signed up to LLAS scheme and it is widely valued by them;
- Some boroughs e.g. LB Redbridge accept and recognise other accreditation/affiliation schemes e.g. ARLA, NLA, SLA;
- All boroughs were prepared to fund LLAS this financial year, 2011/12. Their future intentions are not clear, given the prevailing cuts in the public sector;
- Increasing the supply of private rented homes is a top priority for boroughs – they did not want accreditation to put landlords off working with the borough;
- Each borough reported the need for its own distinctive housing market to be recognised and the offer to landlords to reflect that;
- All boroughs reported that they required more resources to effectively promote their schemes at a local level;
- All boroughs agreed that incentives were key to securing landlord interest.

Key messages from the landlords

- Incentives are key to attracting landlords to sign up to schemes;
- Landlords were opposed to obligatory accreditation;
- Accreditation was not seen to have any substantial benefit for landlords' business;
- There is lack of promotion and education to tenants about accreditation;
- Landlords experience a range of approaches and levels of assistance from the boroughs and would value more consistency;
- Many landlords are put off from accepting benefit dependent tenants because of the potential loss of income.

Key messages from the membership and accreditation organisations

- Membership organisations such as the NLA and NALS felt that obligatory accreditation would not be supported;
- Passporting of accreditation between schemes is widely supported;
- More promotion of accreditation is needed, driven top down from the GLA and by local authorities;
- All agreed more incentives were needed for landlords;
- Most supported a single badge of accreditation for London;
- A choice of face-to-face and online learning modes should be offered, subject to validation of online methods;
- Promotion to tenants and tenant accreditation would be of value.

5.1 Views from the boroughs

Increasing the supply of privately rented homes to use for low income and vulnerable households is a top priority for boroughs, so accreditation must not act to deter landlords from working with the boroughs. A key message from this study is that to date the approach adopted by LLAS is valued and a strong partnership has been built up with the London boroughs. Indeed, accreditation for landlords and licensing/accreditation of agents are valued by all stakeholders. One borough made it clear that its support for LLAS was fundamental to supporting accreditation and that LLAS must be part of the future, if not the only accrediting body. The relationship that LLAS has with the boroughs was central and some boroughs (estimated to be as many as a dozen) may not continue to support accreditation if LLAS was not part of the accreditation arrangements in London. In the main, however, the boroughs visited adopt an open attitude to accreditation with bodies other than LLAS.

Greenwich and Redbridge, for example, accept landlords as accredited who are affiliated with other (i.e. non-LLAS) accreditation schemes. At least one felt that other schemes offered a more rigorous approach to accreditation than LLAS because some more carefully monitor continuing professional development, for example.

It is generally recognised that LLAS has more than achieved the accreditation target originally set. Landlord accreditation in London exceeds the numbers achieved in other regional schemes even though in at least one other region more local authorities are covered by the scheme. All boroughs visited were prepared to fund the scheme this financial year (2011/12). Their future intentions are not clear, given the prevailing cuts in the public sector. It is important to note that a steering group comprising many of the stakeholders including the boroughs, and organisations such as SLA/RLA have been considering the next steps for LLAS. Some boroughs noted the usefulness of this steering group as an opportunity for the public and private sectors to build relationships. Any proposals to enhance landlord accreditation must preserve the broad consensus that has been achieved to date. Section 6 considers a range of approaches that could be adopted by the GLA and the other stakeholders in landlord/agent accreditation to achieve this.

Should accreditation be a condition for borough private rented sector initiatives?

One of the possible approaches would be to make accreditation obligatory through local authorities only dealing with landlords that are accredited for schemes or initiatives where they are placing households in the private rented sector. Obligatory accreditation is very much a borough decision. As discussed in Section 6, there is clearly a role for boroughs to do more to promote accreditation but few boroughs have obligatory accreditation currently and there is not widespread support for such a requirement. Boroughs (and some of the accreditation agencies) are very concerned that insisting upon obligatory accreditation would restrict their access to private rented properties.

However, it is obligatory for all landlords in Ealing to sign up to an accreditation scheme where there is a direct let to the council or use of properties for temporary accommodation (a sub-regional requirement). This has, in fact, led to an increase in the number signed up as highlighted earlier in Table 2. In Ealing, landlords and

agents are also encouraged to sign up to the National Estate Agents' Association, ARLA, NLA and of course LLAS. From Ealing's point of view, the key issue is that they are accredited. A 50% discount voucher for LLAS was offered as an introductory incentive in Ealing. This has worked well and could easily be replicated by other boroughs.

There is a view that accreditation through LLAS needs to offer greater incentives to landlords, to justify why landlords should take the time to attend the course. It was also felt that more could be offered to keep them interested once they are accredited or they may lose good landlords.

Verification of, and compliance with, accreditation standards was an issue for the boroughs. It is difficult, if not impossible, for them to enforce, and LLAS is seen as being in a position to undertake this role. However, some felt that LLAS's approach to this is currently little more than a 'tick box' exercise. Accreditation agencies, as noted below, also felt that more could be done to strengthen validation and compliance.

Each borough reported the need for its own distinctive housing market to be recognised and for the 'offer' to landlords to reflect that. For example, Greenwich has a high proportion of benefit-dependent tenants and requires more intervention by the local authority to support landlords. This is in contrast to some of their sub-regional partners, Bromley for example, who have a lower level of benefit dependency. All boroughs felt that they needed more resources to effectively promote their schemes at a local level. All agreed that incentives were key to securing landlord interest, but differed in their approach to this achieving this; Redbridge does not offer any incentive whereas Ealing offers 50% discount on the LLAS training, as noted.

Boroughs value and do not want to lose the London focus of the accreditation scheme and acknowledged the critical mass, i.e. the scale of numbers that LLAS has achieved which validates accreditation as a worthwhile process. In order for numbers (as opposed to quality) to increase, more value needs to be added to the accreditation offer such as more discounts for landlords. However, across the sample of boroughs visited, there was a difference between the views of Environmental Departments (enforcement teams) who run accreditation schemes compared with Housing Departments; the former are surprisingly more 'hands off', leaving this to LLAS, whereas the latter are more active in engaging with landlords and are keen to see their respective boroughs offering more support to landlords. This reflects the different role of each department and their service needs. There is a widespread concern (and not only amongst the boroughs) that too many accrediting bodies could cause confusion and duplication and put landlords off from gaining accreditation and indeed from working with local authorities. More publicity and promotion are seen to be the key to engaging more landlords. Accreditation was also seen as a means of distancing good from 'rogue' landlords and as a means of restoring 'convicted' or 'bad' landlords to the fold. There was support for a system of rating landlords such as a 'star rating' or a London single badge of accreditation, which should be promoted to tenants as well as landlords.

5.2 Landlords' views

Landlords are a very diverse group. They range from those who are professional landlords with larger portfolios, to those with one or two properties (often including

the former family home) and who operate on a part-time basis. A summary of key issues that arose from the focus groups held with landlords in Ealing and with NLA members and individual responses through emails and telephone interviews with landlords in operating in London and more widely is given below. The diversity of landlords means that there is a range of opinions. Nevertheless the views expressed were forceful and in some cases there was an element of agreement.

Accreditation was not seen by landlords to have substantial business benefits for them, and more could be done to make accreditation a more attractive proposition. LLAS (and NLA) training was not seen as advanced enough for the more professional and experienced landlords, and therefore an accreditation points system was suggested to grade accreditation. Furthermore, there was a need for tenants to understand the merits of accreditation or as one landlord put it: *"What is the point/benefit of accreditation if one's clients, the tenants, don't value the 'trademark'. I have been accredited for 5 years and will not bother to renew my accreditation as it makes not the slightest difference to my business and just wastes my time."*

On training, another noted: *"There should be another way of being accredited without having to lay out money and attend frankly poorly presented courses"*. Not all agreed with this view of course but some would prefer more training courses and more access to experts rather than the one-off training. Accreditation that offers more for the landlord in terms of discounts on insurance and help with difficult tenants or grants for loft insulation were valued. Some landlords did feel that accreditation could be approached in a different way, offered via assembling a range of certificates such as Gas/EPCs etc rather than through training alone.

The concept of CPD was more widely accepted. However, the requirement to demonstrate this to maintain accreditation is difficult. Landlords need more clarity over how to record and validate their knowledge and experience, otherwise CPD can act as a deterrent.

Forums run by the local authority are not always viewed as useful. Attendance is not tracked (and therefore cannot be used towards CPD) and some noted that "only the usual suspects" turn up, mainly agents and those wanting to sell services to them. More could be done to make forums of value if linked to training and the CPD. Some landlords felt that there was some merit in setting up an accreditation scheme for tenants as in the RLA Leeds scheme outlined in Section 4.

Like the local authorities, landlords also felt that there is lack of promotion and awareness of the benefits of accreditation to tenants and that this should be addressed. Some incentives suggested by landlords to increase interest in accreditation were:

- More specialist training modules on areas of interest to them;
- Discounts on valued service;
- First offer on auction properties;
- Grants for home improvement.

Landlords also suggested that online portals such as rightmove.co.uk should be encouraged to sign up to accreditation and promote those landlords who do so. However, as only as a minority of landlords are accredited and it is not obligatory, it

may not necessarily reflect the ‘best’ landlords just those that have “jumped through the accreditation hoops”.

There was a mix of reported experiences with local authorities. Some reported poor experiences and more than one claimed they “would never work with a council again” or agree to house benefit-dependent tenants. Many landlords are put off from accepting benefit dependent tenants because of the potential loss of income (Housing Benefit cash-flow issues), tenancy issues and a lack of support from the housing departments.

Landlords were, unsurprisingly, opposed to obligatory accreditation for borough private rented sector schemes.

5.3 Views from membership and accreditation organisations

A range of agencies involved in delivering accreditation for both landlords and agents were interviewed for the study (see Appendix 1). Although there were some real divisions in opinions over detailed aspects of delivery, for example face-to-face training versus online training, there was a consensus that a plethora of accreditation approaches is not helpful and can be very confusing for landlords. There was also support for involvement in accreditation by tenants, facilitated by the local authorities.

NALS members felt strongly that the role of accreditation needed to be more clearly defined to show that it was truly of value. A simplified set of standards was needed that all could adhere to, understand and enforce in part via a code of conduct. All agencies supported CPD and a more robust approach to it. There was also a general consensus that the agencies could and should work together to enhance and increase the rate of accreditation in London. All the agencies interviewed had many suggestions for enhancing accreditation which have been taken into consideration in the options set out in the final section of this report.

6. Options and opportunities for the future

6.1 Introduction

This section sets out some options for enhancing accreditation in London. This includes increasing the volume of accredited landlords, given the scenario outlined in the previous sections and taking into account the views of those consulted. It is also informed by good practice in London and elsewhere. It considers the roles that the GLA, the boroughs as well as accrediting bodies and other stakeholders have to play in this. The options outlined are *not* mutually exclusive; on the contrary it is recommended that a range of approaches be adopted in order to maintain the support of the boroughs and to build on those aspects where there is already consensus. No single solution will work best nor gain comprehensive stakeholder endorsement. The following approach is recommended for consideration by the GLA:

A collaborative model for London built around an agreed single badge of accreditation for London landlords involving all stakeholders including agents with agreed standards and approaches. This would be supported by:

- An effective promotion and marketing strategy for accreditation in London;
- Fresh business models for developing the LLAS leading to it becoming self sustaining in the longer term;
- Promotion to tenants and consideration given to introducing a tenant accreditation scheme.

Firstly, however, there is a need to build a consensus around two issues that have been raised by stakeholders which in some cases have created barriers to moving forward so far. Failure to agree these represent the major risks to increasing the volume of accreditation in London.

6.1.2 Training models

There is a concern amongst some stakeholders that skills-based schemes achieve only the lowest common denominator. This is because training may be infrequent and spasmodic, and can now be undertaken online with no face-to-face time and relatively little commitment.

An online multiple-choice test with no other verification is of dubious value, as it simply shows that someone has passed a simple test. Attention therefore needs to be given to the verification of online skills tests and to continuing professional development with regular review of accreditation status. Face-to-face training offers landlords the additional advantages of networking, and most accreditation schemes now offer both routes.

This issue is one which has to date divided the deliverers of accreditation schemes in London, but if accreditation is to move forward it is recommended that both modes of study should be acceptable as part of the accreditation process. This is in order to offer greater choice to landlords and flexibility in terms of approaches to study. Several accreditation schemes around the country now offer both modes of study, and online accreditation has proved very successful in several schemes. The NLA

also now offers both online and attendance courses for its initial or foundation training. Within the NLA, whilst only 30% actually become accredited online (the rest choosing the attendance option), NLA research shows that the online option removes the hurdles of “time and cost” that many landlords face in hindering them in becoming accredited.

Given the extent to which online study/training has been adopted by professional bodies and universities, this does not seem to be unreasonable. It should be possible to agree a consensus around content and to adopt an approach to validating test results that is acceptable to all players in London. The collaborative model outlined below is based upon achieving agreement that both forms of training are acceptable.

6.1.3 Recognition and passporting of non-LLAS accreditation models: a quick win

As noted earlier, the NLA, as well as LLAS, has some accredited landlords in London operating in certain boroughs. It is keen to develop this activity further. If NLA landlords are to be accepted as accredited in London, which is recommended, then a quick win in terms of numbers of accredited landlords would be achieved. It needs to be recognised however, that this would be a one-off increase that would not be repeated.

It has been suggested that national bodies could replace the LLAS operation. It is very important to note that this would not be supported by the London boroughs. Indeed, as noted earlier, some boroughs would withdraw support for accreditation if this were to happen. The boroughs value the local nature of LLAS and the fact that they have been closely involved in its development since inception. The national organisations such as the NLA recognise this and are willing to work with LLAS and others to develop a wider approach to accreditation which incorporates the further development of LLAS as outlined next. The RLA, which has so far not become involved in accreditation in London given the presence of LLAS, has also indicated that it would be interested in working in a wider London approach alongside LLAS, if agreement can be reached.

Agents are also accredited and licensed through LLAS, NALS and ARLA (as well as the RICS). If London accreditation is to be truly enhanced and expanded then a model which passports accredited members from all agencies including NLA, RLA, NALS and ARLA should ideally be developed. This is discussed first.

6.2 A collaborative model of accreditation for London

The review of practice elsewhere and the outcome of consultations suggest that a consortium approach based around a single badge of accreditation for London as part of a clear branding exercise would be widely supported. This is a practical approach to increasing accreditation in London and one that has huge potential for the future. It involves aligning LLAS more closely with those schemes operated by member bodies and vice versa, as a development of the passporting process outlined above. The key principle of the ‘single badge’ consortium, which could be hosted by any one of the stakeholders, such as GLA, RLA, NLA or LLAS in the first instance, is that it offers no preferential treatment of any external body. Instead, it offers a consistent and embracing approach bringing in the expertise of all, for the benefit of London. LLAS remains integral, with plans to expand and develop, as

discussed later, which should gain the support of the boroughs. On the other hand it also embraces other key organisations such as NLA, RLA and NALS. Crucially, it will help to achieve the critical mass of accredited landlords and agents that London needs and that all stakeholders seek.

Development possibilities in the longer term are significant as the branded consortium develops incentives and other schemes to attract in more members. It enables landlords and agents to drive choice in accreditation; they will have several routes into it. The approach could be promoted to landlords more attractively bearing in mind that accreditation offers a lighter touch than regulation by government.

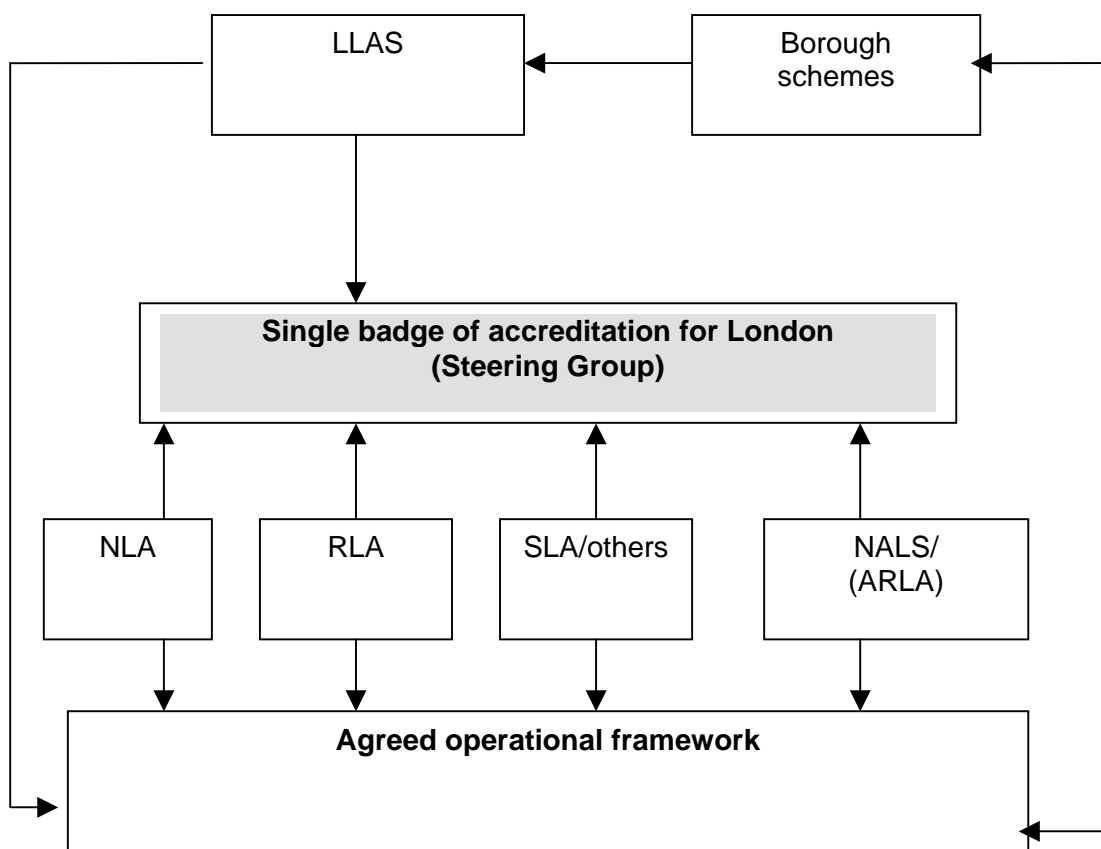
The key elements are:

- The involvement of all key stakeholders;
- Passporting accreditation between all stakeholders;
- Working to an agreed basic accreditation model;
- A branded scheme with a Londonwide single badge of accreditation.

This approach would *complement* the work of the member bodies and LLAS and not replace them. It would bring together those elements of accreditation in London that work and are already in place as part of a cooperating consortium working to a Londonwide single badge of accreditation and standards. Diagram 1 illustrates how this might look.

The 'single badge of accreditation collaborative consortium' would be open to all membership organisations: the London boroughs with their own accreditation schemes and working through and with LLAS, and the agent accreditation bodies such as NALS (and ARLA). Accredited landlords and agents with properties based in London could be passported to either LLAS or the single badge of accreditation standard (or both) as agreed. For example, all NLA accredited members and NALS licensed agents would automatically be passported to the scheme. Passporting, which is already accepted in some boroughs in London and in other regional schemes, could be achieved very quickly, bringing those landlords and agents into the London Accreditation Scheme, either through LLAS or as part of the collaborative consortium almost immediately as noted at the outset of this section.

Diagram 1: A collaborative approach to Londonwide accreditation



The single badge of accreditation should be branded in a way that is attractive and recognisable to the public. Ideally, it should be associated with London and especially the GLA, if the GLA feels able to support this approach. Stakeholders were supportive of a London single badge of accreditation. However, when asked whether the UKLAP logo would suffice it was felt that a London brand would be preferable and be more attractive to new landlords and agents. It would have to be carefully branded and promoted at first to prevent confusion. RLA, NALS and NLA have indicated that in principle they could work with such a model provided that passporting was supported and an operational framework based on key elements could be agreed. LLAS has yet to agree to this. Members of this collaborative 'consortium' would have to ensure that they meet basic agreed framework and standards but would remain free to develop their offer over and above this as they wish. LLAS would continue to develop its business model and services as outlined next and all the other strands, such as the sustained marketing strategy and promotion and tenant accreditation discussed later, would also continue. Training would be offered online and through face-to-face routes to agreed minimum standards. It should be noted, however, that LLAS is in contractual arrangements with trainers at present and would not be in a position to develop online basic training until those contracts expire. Online CPD training would be possible, however.

Clearly such a model requires further development but the key elements could be put in place quickly by co-operative participation.

The operational framework would be developed by a steering group of stakeholders and could include:

- Declaration of fit and proper person;
- Code of Conduct to agreed standards (imported from existing schemes);
- Basic accreditation course content by face to face or online properly validated again based on key components from existing schemes all of which have their merits;
- Passporting landlords and agents;
- Agreed CPD and renewal period (1-3 years);
- Method of redress/complaints.

Once the Steering Group is established, in order to get the consortium to work and to establish the single badge of accreditation, agreement must be reached on the framework including:

- Agreement on what level of development a landlord must achieve in order to become accredited;
- Agreement that all schemes are recognised and that passporting is available from them into the collaborative scheme. This would mean proper communication between all providers. All accredited landlords would need to be advised via the scheme organisers that this “information sharing” will occur.

In terms of future development and sharing of information in order to raise funds for example, membership organisations are opposed to a “bad landlord database” and do not agree with the selling of databases to other parties. There would need to be sufficient guidelines on what accredited landlords are “sold” via their email addresses.

Given that the schemes could all work together under one recognised single badge of accreditation, it is plausible that an independent body could be given the task of monitoring the accreditation scheme providers. As part of this, a regular steering group would meet to share best practice and ensure the requirements of the single badge of accreditation are being upheld. Finally the Property Ombudsman could offer a form of redress for the scheme, especially in relation to agents in the longer term.

6.3 A sustained marketing strategy for accreditation

All stakeholders agree that London needs a sustained marketing strategy for accreditation. To increase the volume of accredited landlords one possible approach would be to make accreditation obligatory. This means local authorities only entering into arrangements with those landlords that are accredited. This would ensure more accreditation but it also runs the risk of alienating landlords and actually reducing the numbers willing to offer properties for use by local authorities. Section 5 highlighted opposition from virtually all groups of stakeholders to obligatory accreditation. For that reason it is not recommended for London, although individual boroughs clearly retain the right to insist upon accreditation. All stakeholders agree, however, that

much could be done by developing a sustained marketing strategy with two key strands: firstly, roles for the key players in marketing and promoting accreditation and secondly, a marketing drive based upon a much more incentivising package for landlords.

6.3.1 GLA role

All stakeholders felt that London needs a top-down drive to support accreditation and to give it some political impetus. It is a value for money activity in London and can bring major benefits in terms of standards within the private rented sector.

Accreditation is not about numbers but about standards. The GLA could consider making accreditation a greater political priority. All the bodies consulted have noted how valuable it would be for London's Mayor to attend future London landlord conferences, which is a relatively small request but one that is thought could have significant impact. Borough rankings for landlord accreditation (see Table 2) could be published as guidance, thus encouraging boroughs to increase accreditation to nearer the average level. The best of London boroughs are only achieving similar accreditation levels to the most successful city schemes, for example Leeds. Accreditation could be highlighted on the GLA website with a link to LLAS.

The GLA may also wish to consider whether and how it could support the approaches set out below in practical terms, including a small amount of initial grant funding possibly to support promotion to London's tenants and tenant accreditation.

6.3.2 Boroughs' role

Some boroughs are good at promoting accreditation. This occurs where officers put a great deal of effort into it by promoting landlord forums and advertising and ensuring a good range of benefits attached to accreditation. Each borough might wish to consider how it can work more closely with their landlords offering a wider range of discounts and incentives as discussed in Section 6.3.3. Boroughs could promote accreditation in a similar way, to an agreed 'standard'. This could include:

- Promoting accreditation on its website;
- Setting out the departmental responsibility for the scheme more clearly than is common with many boroughs;
- Linking enforcement resources more closely to accreditation as accreditation can reduce the need for enforcement and therefore acts as a benefit to the public purse;
- Fast tracking accredited landlords for support and other resources, for example in relation to advice and grants such as loft insulation and retrofitting properties;
- Consider payment of Local Housing Allowances directly only to accredited landlords (where this is permitted within regulations);
- Linking accreditation more closely to housing strategies and especially to homelessness strategies by, for example, only working with accredited landlords when discharging their duties under the homelessness legislation through the private rented sector (whilst not insisting on obligatory accreditation for *all* landlords);

- Ensuring that accreditation is promoted by all departments that have contact with private landlords, including planning, environmental health, housing and housing benefit.

6.3.3 Incentives and discounted services and supplies

The expansion of accreditation schemes should ideally offer a market advantage to landlords not only in terms of local authority services. Incentives and services offered by LLAS and other schemes across the country were detailed in Section 4 (and in Appendix 4). LLAS, working with other stakeholders, needs to examine these and develop a new offer to landlords based upon the examples given.

The most attractive incentives, in addition to preferential treatment of accredited landlords, are those which offer financial savings to landlords through deals arranged with suppliers of goods and services that are of value to them. In addition to discounting the cost of services, such as reduction on HMO licenses that are already offered by LLAS via the boroughs, there are a host of other potential arrangements that could be attractive to landlords. These include savings on insurance costs, arrangements with suppliers of fixtures and fittings and so forth. If these can be negotiated and could be shown to save more than the initial cost of accreditation then landlords have indicated that they might even consider a small annual subscription. A subscription model (see Section 6.6) could work if the single badge of accreditation scheme was properly promoted to and valued by the sector as whole, including tenants, as discussed below. Suppliers in turn might also be interested in reaching the accredited landlords and income could be generated through:

- Sponsorship of events and courses including course materials where relevant to a supplier;
- Advertising in newsletters and on websites;
- Having access to the landlords by getting mailshots delivered through accreditation organisations.

NALS has a link to a consultant who established a Tenancy Deposit Scheme (TDS). They have considered how landlords who do not use agents, and so do not get the benefits of client money protection (CMP) insurance, might be encouraged to apply for accreditation. It is suggested that the bodies involved in the collaborative approach (perhaps in co-operation with the GLA) consider establishing an insurance scheme for landlords to cover tenants who 'moonlight' or leave with a larger-than-their-deposit cost. He feels it could be low cost to landlords but give a boost to the accreditation schemes.

These are not new ideas but developing these approaches has some resource implications for the boroughs and accrediting bodies. The landlord organisations have already developed such approaches and LLAS is also actively considering these. By working together rather than reinventing the wheel a much more sophisticated and sustained marketing package could be developed which, as stated, could increase accreditation and at the same time raise more funds.

6.4 Developing LLAS further

The LLAS scheme is valued by stakeholders as evidenced earlier. LLAS has more than exceeded its targets in the last two years. Neither the LLAS scheme (nor any other accreditation scheme) should be assessed solely in terms of numbers of landlords, but in terms of impact on the housing market. This would mean the measure should ideally be the number of tenants affected or the number of properties covered. One large landlord may be worth many smaller landlords in terms of impact.

One of the problems with accreditation is that often seed-corn funding is raised to establish a scheme which then runs but is not further developed. Schemes need to be reviewed, updated and kept fresh. This can also help to rejuvenate stakeholders and landlords. This report is part of that process in London, which has already started within LLAS. As part of the approach to the consortium discussed above, it is recommended that LLAS develops in the following ways:

1. Consumer awareness needs to increase; the single badge of accreditation consortium approach would help to achieve this. The word "accreditation" is not very consumer friendly and thought needs to be given to this aspect of the re-branding.
2. Discussing annual funding with 32 London boroughs is very time consuming. The boroughs should commit to perhaps 2 to 3 years additional funding and the negotiating time released could be used to widen out the scheme in terms of marketing and promotion and raising awareness as discussed above.
3. There is some scope for charging landlords annual subscriptions as a quid pro quo for the incentives outlined above, and because they should value the training and opportunities they obtain for improvement through accreditation.
4. There needs to be greater sharing of information between LLAS and the boroughs (in all operations where the private rented sector is involved) particularly in data sharing.

6.4.1 Fresh business models for LLAS

LLAS has recognised the need to improve promotion and marketing through some of the approaches outlined above. It is also already actively considering a range of options including moving (through UKLAP) to a new business model, and considering the value of 'accreditation plus' or 'super accreditation' based upon property standards, perhaps linked to energy performance and green credentials. LLAS is considering a graded (Gold, Silver, Bronze) Green Award. Such a move would be timely in relation to the latter, given that in May 2011 the Energy and Climate Secretary, Chris Huhne, announced that from April 2018 the government will make it unlawful to rent out a house or business premise which has less than an 'E' energy efficiency rating. In addition, changes in the new Energy Bill mean that from April 2016 property landlords will not be able to refuse reasonable requests from tenants, or local authorities, to improve their property.

Not-for-profit model

As the scheme has now been running for over 6 years, and given the current and future financial climate, LLAS members are already considering the possibilities and

options available to make UKLAP self financing and sustainable over the long term, i.e. to make it generate an operating surplus, to provide sufficient funding to extend the life of scheme. LLAS reports that the London boroughs are supporting this move. A number of models are being mooted, such as a social enterprise (limited by guarantee). Camden has hosted LLAS since its inception and now is thought to be the time for LLAS to have a governance model that will free it to generate income along the lines outlined above. LLAS could also generate income through its educational activities such as seminars, workshops, training materials, CPD and advisory services.

These options offer a longer term future for LLAS and an opportunity for it to become self sustaining. These plans are being further developed and should be supported as part of an overall plan to improve accreditation across London. It is not the only route forward but one that is integral to the approach outlined in this report.

6.5 Promotion to tenants

Promotion of accreditation to tenants would be valued by landlords and accreditation agencies alike, as highlighted in Section 5 and illustrated by the schemes operating outside London outlined in Section 4. For this reason it is recommended that a strategy be developed through both LLAS and the proposed consortium to take accreditation to tenants through a properly branded marketing and promotional campaign.

6.6 Tenant accreditation

Tenant accreditation schemes vary but usually involve tenants signing up to a code of conduct and providing them with a certificate they can use as a reference in the future to show that they have been exemplary tenants. The code does usually replicate some elements of the tenancy agreement. It does, however, have additional aspects and should be seen as complementary to the tenancy agreement. As discussed earlier in this report, involvement of tenants in accreditation, beyond being able to access a list of accredited landlords, is beginning to develop elsewhere in the country. It is an initiative that would be valued by London's landlords too, as highlighted in Section 5. There is a strong case for accrediting tenants and for involving them more actively in accreditation schemes across London by developing a scheme and promoting it to tenants, in part through tenants' forums.

The ANUK Accredited Tenant Scheme acknowledges and encourages responsible tenants by providing an Accredited Tenants Certificate to tenants who comply with the requirements of the Tenant Code in addition to their normal contractual tenancy agreement. The Tenant's Code contains reasonable common sense requirements obligating tenants to show respect for their accommodation, their neighbours and their contract with their landlord. Many local authorities run AT schemes.

The model scheme relies on landlords for delivery and although accredited tenants may offer a positive incentive for landlords as a whole, individual landlords may not be willing to give up time and resources to promote and run this. Member organisations in London, including the NLA, RLA and SLA, may wish to consider how they could assist the GLA, boroughs and LLAS in both developing promoting and even contributing towards operating such a scheme in London as a service to landlords.

6.7 Resourcing accreditation in London

6.7.1 Overview

Accreditation should not be dependent on year-on-year funding. It should have some certainty, ideally, a minimum of two years funding and preferably three. Amongst other findings of the 2008 government survey, noted earlier¹⁰, the most common reasons for respondents never having operated a scheme were a lack of resources (65%) and a perceived lack of interest from landlords (42%). It should also be noted that accreditation schemes are quite small by public expenditure and resource standards. Two thirds of respondents (67%) had up to one full-time equivalent staff involved in operating the scheme, with most of the rest having up to 2 FTEs. ANUK some time ago estimated the average annual cost of operating an accreditation scheme as being £97,000 per year (see Table 5 below). Any options to enhance London's approach to accreditation needs to bear this in mind. Most of the regional accreditation schemes now find that their initial regionally-based funding is coming to an end, and with the current economic scenario of very significant public sector cuts many local authorities are also reconsidering their ability to continue to fund accreditation schemes. Delivery organisations need to find other models to fund their activities.

Current sources of finance for accreditation schemes generally include:

- Local authority contributions;
- Other grants from public bodies;
- Revenue from continuing professional development;
- Training course fees;
- Sponsorship;
- Advertising;
- Membership fees.

Table 5 offers a comparative outline of charges and grants (although it has not been possible to obtain grant information on all schemes).

¹⁰ Op cit 7

Table 5: Comparison of accreditation schemes

	LLAS	Leeds/ RLAAS	MLAS	EMLAS/ DASH	NALS agent accredit- ation	NLA
Numbers accredited/members	9,618	482	1,400	450	1,400	587
Funding						
Grants from local authorities p.a.	£80,000	Not known	Not known	£100,000 *	n/a	£0
Training cost per individual	£79.90	Yes but amount not known	£150	free	N/A	£40
Membership fees from landlords	n/a	£45	0		n/a	£98
Membership fees from agents	n/a	£90	0		£135	N/a
Average £97,000 pa to operate (source: ANUK)						

* EMLAS funded to 2011 by EMRA

NB: membership fees are usually annual although discounts are available by purchasing 3 years in advance for example.

6.7.2 A sustainable funding model

Table 6 sets out some projections of what may be possible over the longer term. It shows a decreasing reliance on local authority contributions to nil over five years (to 2016). It also shows an increasing proportion of revenue from marketing sources. The marketing budget is £40,000 in year one reducing to £10,000 thereafter. Marketing costs have been loaded into year one on the assumption that the main impetus will start soon and affect budgets then. The model more or less breaks even each year, without local authority contributions.

The main assumptions are:

- The base year is 2011/12, during which period decisions are made and plans put in place to start trading in a more commercial fashion from the start of 2012/13;
- New demand for accreditation is 1,800 landlords for 2012/13, 1,500 for 2013/14 then 1,200 per annum from 2014/15 and beyond. This is based upon previous rates of accreditation and recognises that as the market gets more saturated and reaches less interested landlords, accreditation may become tougher to achieve;
- The course fee is unchanged;

- A subscription is introduced of £10 per annum for a fixed period (e.g. 3 years), in return for which landlords would have access to a range of products, discounts and support;
- Subscriptions start to become payable from 2013/14 as the original tranche of approvals come up for renewal. This allows time for incentives to put into place too;
- All subscriptions coming up for renewal would have a 20% non-renewal rate, i.e. renewals would be at 80% of previous subscription levels;
- Local authority contributions are reduced each year;
- An additional member of staff is recruited at the start of 2014/15 to help manage the larger customer base;
- Budgets are created for administering the subscriptions, increased marketing and carrying out negotiations to create the incentives to subscribers.
- Income is generated from sponsorship etc. as a response to increased marketing, a growing market presence and reputation. The sources for sponsorship are those private sector organisations that see landlords as a target market for their products/services. For example, gas maintenance, insurance, household furnishers, household security companies and so on. These types of potential sponsors would be targeted to fund for example:
 - information packs;
 - welcome packs for new tenants;
 - discounted product ranges;
 - events etc.

LLAS already generates a limited amount of sponsorship by selling advertising space in its Landlord Newsletter. Whilst it is not projected that large sums could be generated, with an increasing volume of accredited landlords and an increasing profile, a modest but significant income is projected.

The £10 per annum subscription could be rolled up and payable as £30 all in the first year of a three-year period. This would improve cashflow but it may face more resistance from landlords than £10 per annum and it would make the financial model uneven in terms of income, with surpluses and deficits from one year to another. This would not prevent this approach but it would require careful financial/cash-flow management.

No assumptions have been made regarding cost reductions through efficiency savings; this could free up more resources to invest in the future, e.g. a 5% per annum saving on costs would generate £10,000-£12,000 per annum and £90,000 over the planning period (2019/20).

There are accumulated surpluses of £136,000 at the end of the eight-year period, which demonstrates a sustainable model, using relatively prudent assumptions as well as significantly reducing the reliance on local-authority contributions.

Table 6: Accredited landlord scheme: financial model

Year	Revenue					Costs					Net Surplus £	Accum Surplus £
	LA Confs £	Course fees £	Renewal Subs £	Sponsor- ship, etc £	Total £	Base £	Incentives £	Marketing £	Admin £	Total £		
2011/12	100,000	90,000			190,000	190,000				190,000	0	
2012/13	80,000	144,000	18,000	5,000	247,000	190,000	5,000	40,000	5,000	240,000	7,000	7,000
2013/14	60,000	120,000	65,000	20,000	265,000	190,000	1,000	10,000	5,000	206,000	59,000	66,000
2014/15	40,000	96,000	91,400	20,000	247,400	220,000	1,000	10,000	5,000	236,000	11,400	77,400
2015/16	20,000	96,000	99,800	20,000	235,800	220,000	1,000	10,000	5,000	236,000	-200	77,200
2016/17	0	96,000	119,200	20,000	235,200	220,000	1,000	10,000	5,000	236,000	-800	76,400
2017/18	0	96,000	142,720	20,000	258,720	220,000	1,000	10,000	5,000	236,000	22,720	99,120
2018/19	0	96,000	149,440	20,000	265,440	220,000	1,000	10,000	5,000	236,000	29,440	128,560
2019/20	0	96,000	127,680	20,000	243,680	220,000	1,000	10,000	5,000	236,000	7,680	136,240

6.8. Managing risk

Table 7, on the next page, outlines the risks in relation to the series of options and issues outlined in Section 6 of the report. Risks are listed against each of the options and the impact of them is considered. The probability of that risk occurring and a mitigation strategy for each is also given.

Landlord accreditation – options and opportunities for the future

Table 7: High-level risk matrix			
Risk	Impact	Likelihood	Mitigation strategy
1. Collaborative model (single badge of accreditation)			
None or little agreement on basic accreditation standards	No secure base to secure standards for single badge of accreditation	Medium/low	Ownership of collaborative model at steering group level Early consultation with all stakeholders including NLA,RLA,LLAS and others
None or lack of complete consensus between stakeholders regarding recognition and passporting of non-LLAS accreditation models	No 'quick win' increase to landlord accreditation numbers	Medium	Negotiations with all accreditation bodies Promotion of collaborative approach and not takeover of LLAS
Lack of interest from landlords in a single badge of accreditation model	Low sign up to scheme from landlords Loss of income from potential subscription fees	High	Offer incentives as part of single badge of accreditation. Promotion and marketing strategy for single badge of accreditation to all stakeholders
None or lack of complete consensus between stakeholders regarding training models	Undermines collaborative efforts and potential success of single badge of accreditation business model	Medium/low	A mix of different approaches to training model have been suggested to incorporate all preferences
A London-branded scheme associated with the Mayor exposes GLA and Mayor's Office to greater risk to reputation	If the scheme fails or falls into disrepute, the reputation of GLA and London Mayor's Office may suffer adversely	Medium	An independent body should be established to oversee a single badge of accreditation and standards, in addition to the accountability to the steering group More rigorous enforcement of

			accreditation standards
Confusion in market over multiple brands of accreditation	The single badge of accreditation fails to attract the recognition of tenants, landlords and other stakeholders	Medium	Sufficient support and funding for promotion strategy that clearly defines the new London standard Ensure signup to single badge of accreditation through steering group
2. Enhanced marketing and promotion			
Risk	Impact	Likelihood	Mitigation strategy
Accreditation not a political priority for GLA	Lower levels of accredited landlords in London Reduced opportunity for investment to secure single badge of accreditation standard to increase these levels	Medium/low	Allocation of resources after consideration of business case
Accreditation not a political priority for boroughs	Lower levels of accredited landlords in London Reduced opportunity for investment to secure a single badge of accreditation standard to increase these levels	Medium/high	Promotion strategy directed at boroughs to increase awareness and importance of a collaborative accreditation standard and value of a single badge of accreditation Allocate resources to support boroughs with marketing strategy or other interventions
No available investment for marketing strategies	Reduced opportunity for investment to secure a single badge of accreditation standard Reduced opportunity to increase landlord accreditation numbers	Medium/high	A subscription model has been recommended along with negotiations with boroughs to secure funding over 3-year period
3. New models for LLAS			
Risk	Impact	Likelihood	Mitigation Strategy
LLAS does not implement a new	Sign up to accreditation and/or	Medium/low	LLAS has expressed and explored

business model	subscription levels stagnate or drop		business models for developing their offer to landlords in a 'phase 2' of the scheme
LLAS is disbanded	Loss of support for accreditation schemes from boroughs, a local i.e. London offer is currently supported A loss of reputation to LLAS and loss of good will from landlords that signed up and were accredited through this process	Low	LLAS is established and supported By developing the scheme and engaging in a collaborative model, there is a reduced reason to disband the current service
4. Promotion to tenants			
Risk	Impact	Likelihood	Mitigation Strategy
Lack of resources to promote accreditation to tenants	Tenants will not be aware of 'good' and potentially 'bad' landlords and accreditation will remain unheard of amongst tenants	Medium	Marketing resources have been recommended as a priority for investment but no current budget allocated
No sign up from landlords to support a tenants accreditation scheme	Tenant accreditation scheme fails to take off and landlords continue to be exposed to 'bad' tenants	High	Requires a high level of involvement from landlords and is not a priority at present; however, the issue is being discussed by key stakeholders

Appendix 1: List of organisations interviewed and consulted for this report

Accreditation Network UK (ANUK)

UK Landlord Accreditation Partnership (UKLAP)/London Landlords Accreditation Scheme (LLAS)

National Landlords Association (NLA)

National Approved Lettings Scheme (NALS)

Residential Landlords Association (RLA)

Southern Landlords Association (SLA)

East Midlands Landlord Accreditation Scheme (EMLAS)

London boroughs of:

Camden
Ealing
Redbridge
Greenwich
Sutton

Appendix 2: Accreditation schemes in London

1. London Landlords Accreditation Scheme UKLAP/LLAS

1.1 Scheme outline

LLAS does not cover property standards or impact upon other accreditation schemes operated by individual boroughs, but it is intended to be entirely complementary to them.

In order to become a member landlords must:

- Undertake a face-to-face one-day development training course;
- Sign up to the UKLAP Code of Conduct (see Appendix 3);
- Make a declaration that they are a fit and proper person to let property;
- Undertake Continuing Professional Development (CPD) achieving 60 points over 5 years (12 per year).

Accrediting agents

The scheme is also open to agents. For Agents (and partnerships and limited companies), at least two thirds of the work force, actively involved in the business, will need to attend a development course. Those attending will need to agree to the code of conduct and be a fit and proper person. They will be accredited in their own right.

1.2 Training and CPD

LLAS requires attendance at a one-day course which follows the natural progression of a tenancy from beginning to end. It covers areas that a landlord should know in order to operate a successful business:

- The preliminary requirement;
- How to set up a tenancy;
- How to prevent problems occurring during a tenancy;
- What to do if things go wrong;
- What to do at the end of the tenancy.

A detailed manual is provided as a reference and working document.

Accreditation lasts 5 years. Landlords are re-accredited automatically but must have taken steps to maintain their knowledge and keep up to date with changes in the law. Attendance at the annual London Landlords' Day event, local landlords' forum and additional training events etc. count towards re-accreditation as will membership of a recognised landlord organisation. Each landlord needs to accumulate 60 CPD points within the 5 years of accreditation, and a minimum of 10 CPD points a year is recommended.

The online register of accredited landlords enables others including tenants to verify if their landlord is accredited by LLAS.

1.3 LLAS Complaints process

If a breach of the Code of Conduct is identified by a council, either as a result of a complaint or otherwise, or the complaint is confirmed, then LLAS must be notified. LLAS will take action to seek compliance or disciplinary action will be commenced. The aim will always be to seek compliance with the Code of Conduct and withdrawal of accreditation will be the last resort.

LLAS may take any of the following actions, or a combination of them, if a complaint is found to be justified or it is resolved that the applicant may be entitled to membership:

1. To allow an applicant to be granted membership of the scheme. This may be granted with or without conditions;
2. To recommend that the member apologise, in writing, to the appropriate person for the relevant conduct, action or omission;
3. To remind the member of their legal duties;
4. To caution the member against repeating the conduct, action or omission;
5. To recommend that the member change their procedures or documentation where found to be incorrect;
6. To recommend to the parties other, more appropriate, ways of resolving the complaint or dispute including mediation;
7. To reprimand or severely reprimand the member for their conduct, action or omission;
8. To suspend the member from membership of the accreditation scheme for such time as the scheme decides;
9. To remove the member from the accreditation scheme.

Appeal Procedure for Landlords

The scrutiny panel investigates any request not to accredit or removal of a landlord or agent from the scheme and complaints that cannot be resolved by the accreditation scheme staff. If the landlord or agent is not satisfied with the decision of the Scrutiny Panel they may appeal to Accreditation Network UK (ANUK), which will meet to hear the appeal from the scrutiny panel.

1.4 The LLAS offer to accredited landlords

The LLAS offer to accredited landlords is set out in Section 4. It compares the London offer with similar accreditation schemes around the country.

2. The National Landlords Association (NLA)

NLA joined forces with the UK Association for Letting Agents (UKALA) in July 2010 and is a membership organisation promoting and protecting members' interests to national and local government and good relations between landlords, agents and tenants. With 19,000 fee-paying members, 40 staff and over 20 regional representatives, the NLA accreditation scheme accredits landlords only at present although plans are in place to move into agent accreditation later this year. Currently it has 568 accredited members, 26 in Kent via the passport route, 98 in the Midlands also via this route and 68 in London. Before a landlord can become accredited, they

must complete a foundation course and sign up to the NLA code of practice and scheme rules as set out in Appendix 3. The NLA Accreditation offers both an online approach to training via completing a range of core subjects held in its online landlord library or one-day attendance-based courses.

The NLA Accreditation Scheme also 'passports' landlords who have already completed other development-based accreditation schemes such as Leeds LAS, Midlands LAS and Welsh LAS, directly onto its scheme on the premise that they sign up to the scheme going forward via the scheme rules. Landlords are not required to do another foundation course if he/she has completed one in the last five years from one of the above noted schemes. The online register of members enables others including tenants to verify membership/accreditation of the NLA. The NLA charges no fee to participating local authorities for accreditation. Membership costs up to £80 a year with an administration fee upon joining of £18, which is waived if a landlord is joining to become accredited. Joining just to become accredited rather than as a full member (what NLA calls 'library membership') costs £40 a year.

The NLA only accredits landlords at the moment as it recognises that agent accreditation requires more content than the landlord format. It is currently working on identifying these areas with the UKALA board. Content is likely to be completed by September 2011 and ready for agents to undertake either online or in attendance. Currently, the NLA does offer landlord accreditation to agents but advises them that this means that only "they" are accredited, not their agency. Therefore they can only use NLA Accredited status for their sole use, not for an agency. The NLA feels that agent accreditation needs to include more than a percentage of personnel from an agency completing the development course. At the moment it is researching this area and it is its intention to have new subjects that would allow agents to become accredited with the NLA; this would be done under the umbrella of UKALA which recently merged with the NLA.

2.1 Training and CPD

In order to become a member landlords must:

- Undertake an online course or attend a face-to-face one-day development training course;
- Sign up to the NLA Code of Conduct (see Appendix 3) including making a declaration that they are a fit and proper person to let property;
- Undertake Continuing Professional Development (CPD).

To maintain accredited status, landlords must complete ten hours of CPD for every twelve months that he/she is accredited. The foundation course is the beginning of the landlord development, and gives eight CPD hours. CPD can be kept updated via the landlord library or by attending local authority events as well as NLA branch meetings etc. The landlord library will act as a log for all CPD and landlords can add to it manually so that attendance at these events is recorded.

2.3 Validation of accredited landlords CPD

Whichever route a landlord uses to complete the foundation course (online or in attendance) they are sent a certificate along with vital information reiterating the importance of CPD which includes instructions on how to use the CPD area on the

website. Attendance at NLA meetings where registers are taken, at local authority events and conferences all contribute and attendance is recorded at each event and added to the member's CPD record. The NLA validates CPD nine months after the date of accreditation by checking each landlord's CPD record. Rather than a paper-based system, as operated by LLAS, this is done online through the internal database of accredited landlords that lists by month which landlords need to be checked. This is done at the nine-month stage so that NLA can contact the landlord giving them the opportunity to rectify the matter before month twelve. The library also provides reports of those landlords who have never visited the CPD area to record their development to the operations team. There is a complaints and adjudication process as with LLAS through a range of agencies.

3. Agent accreditation in London

Agent accreditation in London is delivered through the National Approved Lettings Scheme (NALS) the Association of Residential Lettings Agents (ARLA) and the RICS. The latter and its professional standards are well known and are not covered here. LLAS also offers some agent accreditation.

3.1 The National Approved Letting Scheme (NALS)

NALS is an accreditation scheme for lettings and management agents. Each member agrees to meet defined standards of customer service, together with having in place the necessary insurances to protect clients' money (Client Money Protection (CPM)) plus a customer complaints procedure offering independent redress. From October 2010, all NALS accredited members are known as 'licensed' and are able to use the NALS kitemark. All licensed firms are listed on its website so landlords can find a local accredited agent. 1,400 firms (1,800 offices) are accredited with NALS, 450 in London. The annual subscription is £135 for the first office of a firm and £67.50 each for any other additional offices. There is also a one-off administration charge of £175 payable on submitting an application.

Its aims include:

- Providing an accreditation scheme which establishes minimum levels of service and is open to all bona fide firms and Residential Social Landlords providing lettings and management services in the private rented sector. Firms will be required to meet the criteria and standards that may from time to time be reviewed by the Board to ensure a dependable service to landlords and tenants incorporating the highest levels of consumer protection.
- Monitoring compliance by those accredited to the Scheme and overseeing complaints handling by member firms and withdraw or suspend accreditation as a means of giving confidence to property owners and tenants dealing with a member of the Scheme.
- Promoting best practice in lettings and management by agents in respect of the private rented sector and, where appropriate, publishing and promoting information to members.

- Undertaking a proactive PR campaign to promote membership in order to increase the number of member firms so that the Scheme becomes self funding as soon as possible.¹¹

There are two routes to gaining accreditation with NALS:

1. Affiliated route: this is where a principal, partner or director of the firm applying to NALS is a member of a professional body e.g. Association of Residential Letting Agents (ARLA), The National Association of Estate Agents (NAEA) or Royal Institution of Chartered Surveyors (RICS) or a Registered Social Landlord (RSL).
2. Non-affiliated route: this is where the firm has no affiliation of any professional body.

NALS is an open-access scheme through which any firm meeting the strict criteria of the Scheme can obtain a license. NALS licensed firms commit to:

- Offering defined standards of customer service to consumers which meets the NALS accreditation criteria;
- Holding Professional Indemnity Insurance;
- Holding Client Money Protection Insurance cover;
- Independent redress with final adjudication on complaints which is carried by the Property Ombudsman www.tpos.co.uk;
- Meeting defined accounting standards in dealing with client money and holding clients' money in a bank account separate to that of the firm's.

With others (ARLA and the RICS), NALS has developed the SAFE campaign, built around a simple, easy to recognise logo using the acronym SAFE (Secure Agent Fully Endorsed). This logo will be the mark for consumers to look for before choosing an agent. All SAFE agents will be covered by the insurance schemes that protect clients' monies. All agents within NALS, ARLA and RICS must have Client Money Protection and so could be SAFE agents. There will be a simple registration process online for agents to become SAFE if they are already covered by a CMP scheme and annual certification that the agent is still within a CMP scheme.

3.2 Association of Residential Lettings Agents (ARLA)

The Association of Residential Lettings Agents (ARLA) was formed in 1981 as the professional and regulatory body for letting agents in the UK. It was recognised that the requirements of the residential lettings market were so detailed and specific that a separate organisation was required to promote standards in this important and growing sector of the property market. ARLA has nearly 6,000 individual members, representing 3,500 member offices throughout the UK including large multi-branch national companies as well as the smaller single office practices. ARLA has 50 registered members in London. Membership is achieved only by agents who demonstrate that they have a thorough knowledge of their profession and that they conduct their business according to current best management practice.

¹¹ Source: www.nalscheme.co.uk

ARLA accredits lettings agents through qualifications in conjunction with the National Federation of Property Professionals (NFoPP). These qualifications are offered by the NFoPP Awarding Body and are developed in consultation with ARLA and therefore meet the qualification requirements necessary for ARLA membership. Home study training manuals are offered by Manchester Open Learning (MOL) making these qualifications more flexible in terms of learning methods that can fit around busy schedules. Its Technical Award in Residential Letting and Property Management is a Level 3 qualification within the National Qualifications Framework, which means it is broadly equivalent to A-Level standard.

The qualification syllabus is divided into 4 Units as follows:

Unit 1 - Health and Safety, Security and General Law

Unit 2 - Legal Aspects of Letting and Management

Unit 3 - Residential Property Letting Practice

Unit 4 - Residential Property Management Practice

ARLA members are required to employ a minimum of at least one member of staff, in any office, who holds a suitable industry qualification, recognised by the Association. ARLA keeps its members up to date with changes in legislation and provides wide-ranging training and guidance to help members understand and interpret all aspects of letting and managing a property.

Appendix 3: Codes of conduct

1. UKLAP/LLAS Code of Conduct

All tenants will be treated with appropriate courtesy and respect.

I will not discriminate in my dealings with prospective and/or existing tenants or treat them less favourably than others because of their colour, creed, ethnic or national origin, disability, age, sex, marital status, sexuality, politics, or their responsibility for dependants.

I will, except in case of an emergency, give the tenant reasonable notice (at least 24 hours and in writing, stating reasons) when access to the property is required by the landlord, contractor or agent.

I will provide tenants with a written statement of the terms of their occupancy (a tenancy agreement), together with a current inventory, a contact telephone number or other means of contacting the landlord or their agent in an emergency, and details of how any tenancy deposit is held or what conditions are attached to the tenancy deposit or bond, deposited with me before April 2007.

For agents, I will provide a written statement of terms and conditions to landlords detailing all the rights, responsibilities and liabilities of the agency agreement.

I will acknowledge promptly all written communications received from the tenant and will respond appropriately to telephone or other messages and will, when so requested, provide the tenant with a written statement of their tenancy account.

Before proceedings are commenced, I will notify the tenant in writing of any breach of the tenancy agreement that is to be used as a basis for legal proceedings against the tenant.

I will not cause harassment to a tenant or instruct or undertake any action that involves the tenant being illegally evicted or harassed.

Subject to any statute and/or separate agreements and unless I have good legal cause, I will return promptly at the end of the tenancy, any deposit paid by the tenant, which is held by me or on my behalf. If required, a written statement accounting for and explaining any deductions will be provided. The tenant will also be told of the steps they can take if they are not satisfied that the deductions are fair and reasonable.

I will not refuse a tenant a reference for the purposes of securing a new tenancy, without good cause.

The landlord and an agent will take all reasonable steps to ensure that the tenant is provided with accommodation that complies with relevant legal requirements, in particular:

I will take all reasonable steps to ensure all accommodation I provide will afford a safe and healthy environment for any potential occupier or visitor. That it contains no Category 1 hazards, under the Housing Health and Safety Rating system, is in a satisfactory state of repair, has adequate amenities and meets basic standards of management.

Agents who are not responsible for property standards will inform the landlord in writing of any areas requiring attention, or other statutory requirements, and will notify the local authority if the landlord fails to rectify. However, in the case of a serious risk to anyone's health or safety, I will, when made aware by any occupier, also advise them to notify the local authority. In the event of the occupier being unable to do this I will report the matter on their behalf.

Landlords, or managing agents, will prepare an improvement plan if the property does not meet the current standards. The improvement plan will set out how, and within what period, improvement will take place. Any local authority having reason to inspect such a property, whilst fulfilling their statutory functions, may request this plan.

Any disrepair or defects, brought to my attention by the tenant for whom I am responsible, will be attended to promptly with minimum disturbance to the tenant.

Subject to statutory rights of appeal, I will comply with all statutory notices served by a local authority.

My properties will hold any necessary property licences or registrations required by law.

Subject to statutes, I shall hold all relevant safety and inspection certificates and reports, and carry out regular servicing of fitting, fixtures, installations or appliances as required in accordance with good practice. Where necessary copies of these will be provided to the tenants.

I will take all reasonable steps to ensure that all properties under my control are occupied.

I will inform in writing all my tenants that I am a member of the Scheme and provide them with the Scheme's contact details.

I will not advertise or claim any property as belonging to any person or organisation accredited under the Scheme unless the responsible local authority's private sector housing team has been notified in writing that the property is (or will be) rented out to tenants.

I will take steps to maintain and improve my knowledge of current relevant legislation and good practice.

For agents only, I will provide all landlords with information about the Scheme and urge them to apply to join the Scheme.

I will keep my personal information, which has been provided to the Scheme, up to date, either by updating my details on the website database or by informing the Scheme, in writing, of any changes.

I will not act in such a manner that brings the Scheme into disrepute.

All references to an individual in this Code will apply equally to relevant Directors, Partners and/or employees of a Company or business accredited under this Scheme.

2. Declaration and rules for the NLA Accreditation Scheme

You are eligible for accreditation because (please tick or write date as applicable):

- 1) You have completed the CORE subjects on the Landlord library.
- 2) You are applying for a passport facility from another development-based scheme
- 3) You have completed the foundation course in attendance on date :

I hereby declare that I have read and understood the NLA Code of Practice in relation to membership of the NLA Accreditation Scheme and that I am accredited as an individual landlord. I agree to abide by the terms as denoted below. I understand that breaching the rules may result in my membership of the Scheme being revoked.

1. I understand that the Scheme operates jointly with my local authority and that information regarding my continuing professional development (CPD) and the outcome/progress of any relevant dispute resolution may be passed to my local authority (and local university if applicable).
2. I understand that to remain a member of the Scheme I must undertake NLA-approved CPD of ten hours for every twelve months that I am accredited. This may be audited annually by the NLA and the information shared with my local authority where appropriate.
3. I declare that I will work with my tenant(s) in an effective and professional manner. I will aim to swiftly resolve any complaints or disputes. If this necessitates using the NLA complaints process, I will adhere to any recommendations. I understand that it is essential to use my best endeavours to swiftly and effectively resolve matters to avoid unnecessary adjudication.
4. In the event of independent adjudication I declare that I am aware that the decision made by the approved independent adjudicator is full and final and I will adhere to the recommendations given.
5. I confirm that I:
 - a. Do not have any unspent convictions particularly in respect of any offence involving fraud or other dishonesty, or violence or drugs, or any offence listed in Schedule 3 to the Sexual Offences Act 2003 (offences attracting notification requirements);
 - b. Have not been found guilty by any court or tribunal of practising unlawful discrimination on grounds of sex, colour, race, ethnic or national origins or disability in, or in connection with, the carrying on of any business;
 - c. Have not had any judgments (whether civil or criminal) made against me under housing, environmental health, public health or landlord and tenant law;
 - d. Have not acted otherwise than in accordance with any application code of practice approved under Section 233 of the Housing Act 2004.

6. In the event of my membership of the Scheme lapsing, or if I am excluded from the Scheme, I understand that I will no longer be entitled to use the NLA-accredited landlord title/logo or any associated material for my own use and that I will advise my tenants that they can no longer use the NLA dispute resolution scheme.

3. The NALS Service Standards

The NALS Service Standards, which all member firms agree to meet, are as follows:

Before the letting the agent will:

- Visit the property and give you advice on any action you need to take before you let the property. This includes any repairs and refurbishments that are needed to put it into a fit state for letting.
- Give you advice on the level of rent you can expect.
- Arrange for safety checks on gas and electrical appliances to be carried out, if you ask.
- Explain your rights and responsibilities and the tenant's rights and responsibilities.
- Give you advice on what action to take if the property is mortgaged.
- Give you advice on insuring the building and contents and other insurance schemes which may be available to protect their interests and which are not normally covered in standard household policies where a tenant is in residence.
- Go with possible new tenants to view unoccupied property.
- Choose a tenant in a way agreed with you, taking up references or checking the tenant's past rent payment record.
- Arrange for the preparation of a schedule of the condition of the property and its contents for you, together with acceptance by the tenant of a property so described.
- Provide and fill in a tenancy agreement and either take a deposit to protect against possible damage or agree with you another sort of guarantee.
- Transfer the bills for the services for which the tenant will be responsible into the tenant's name.

During the tenancy the agent will:

- Collect the rent and pass it on to you every month or as otherwise agreed. The agent will keep a separate clients' account to hold all money and (except for Registered Social Landlords) belong to a Clients' Money Protection Scheme.
- Give you a statement of account as often as agreed with you, usually monthly.
- Visit the property periodically during the course of the tenancy as often as agreed with you (for example, every three months) to check that it is being suitably looked after.

- Arrange to have routine maintenance work carried out, up to a limit agreed with you. The agent will refer expenditure above that limit to you for approval.
- Respond promptly to the tenant's enquiries.
- Keep an eye on the rent payment record and take reasonable steps to prompt payment of any money owed.

Before the tenancy ends the agent will:

- Give you advice on your options including reviewing the rent.

If you want to end the tenancy, the agent will:

- Serve the correct notices on the tenant.
- Check the condition of the property and any contents and discuss any repairs with you before giving the deposit back or arranging for repairs.
- Collect the key and make sure that the property is secure.

Appendix 4: EMLAS incentives

Supplier	Product / Service	Discount
Local company	Draining: unblocking drains, CCTV surveys, new installations, lining, land drainage, root cutting, fault finding, gutter clearing, drain tracing. Pest Control: one-off visits or pest control agreements, rats, mice, squirrels, birds, insects etc. Damp proofing, dry rot, wet rot etc. Advice on law, due diligence and responsibilities	Free site survey. Fixed price, no obligation quotation. Schedule of preferential rates. Guaranteed pest control work.
Local company	HHSRS and HMO Licensing inspections and guidance	30% off standard services
Local company	Thermal/acoustic insulation for solid wall homes, radiator insulation panels, thermal/acoustic insulation for floors, mould treatments, fungicidal paints etc.	20% off current list price
A student accommodation service	Online student accommodation search engine	20% discount on property advertising credits
An online letting agency	Online letting agency	Second let free (let only) - introductory offer only not available on repeat business/instructions
Local company	Fixed fee to evict bad tenants for landlords with free advice	£20 off per instruction
Local company	Tenant evictions, credit searches, trace, debt recovery and legal advice	20% off printed prices
Insurance Company	Competitive landlords buildings and contents insurance including optional emergency assistance	10% discount on landlords buildings and contents insurance for accredited landlords
Insurance company	Buildings and contents insurance for landlords	At least 10% discount from our normal insurance rates

Insurance company	Landlords residential and commercial property insurance	£20 discount on each policy
Kitchen supplier	Manufacture and supply of kitchen and bedroom furniture plus appliances	Up to 65% off retail prices - see discounted price list
Supplier	Smoke, heat, carbon monoxide alarms, fire protection for electrical installations	10% discount from published trade prices, fire detection scheme design where appropriate.
Supplier	Specialist acoustic materials for sound reduction, advice, site surveys, installation and sound testing services	5% off all products, services and installations
Insurance company	Commercial and buy-to-let mortgages and insurance associated with this finance	No arrangement fee – which is normally charged at 1% of the loan amount
Mortgage company	Buy-to-let mortgages and commercial mortgages	Refund of valuation fee (on mortgage completion), introductory offer only not available on repeat business/instructions
Energy Performance Certificate Providers	Energy Performance Certificates and Social Housing Energy Performance Certificates including cloning	Social housing rates to be negotiated on a volume basis.
Energy Performance Certificate Providers	Energy Performance Certificates for residential property. Advice of where to find energy savings advice, grants, funds	20% off for NG postcodes (£68), 10% off for LE and DE postcodes (£76.50). Limited to properties up to 3 bed
Energy Performance Certificate Providers	Energy Performance Certificates for domestic properties	£55 per report (standard charge is £85)
Service supplier	Expert care for property's gas appliances	Sign up for a Property Care for Landlords for peace of mind and receive a free carbon monoxide detector for every rental property covered

Training provider	Landlord training	25% off the cost of landlord training for any course outside the minimum requirements of the accreditation scheme
Energy Performance Certificate Providers	Energy Performance Certificates and advice to landlords on the energy efficiency of their property	20% for our service to landlords with more than three properties
Energy Performance Certificate Providers	Accredited Domestic Energy Assessments in Derby, Nottingham and Loughborough. Assessments/appointments available for evenings and weekends	£49 per EPC
Credit Union	LHA rent processing scheme - a new scheme to provide private landlords who own properties within Nottingham, Broxtowe, Gedling and Rushcliffe with regular rent payment via LHA.	£5 per payment made to landlords, with 10% discount to EMLAS members
Advisors	LHA Impact Calculator Work out how the changes to the Local Housing Allowance System will affect your tenant's LHA entitlement when they take effect on their claims. Free LHA manual and LHA advice line for purchasers also.	£25 discount on normal price for EMLAS members
Suppliers	UK website selling carbon monoxide detectors.	Special discount for EMLAS members