

Subject: Protecting London's Property Guardians

Report to: Housing Committee

Report of: Executive Director of Secretariat

Date: 27 February 2018

This report will be considered in public

1. Summary

- 1.1 This paper asks the Committee to agree its report on growth of property guardianship as a form of property protection in London, *Protecting London's property guardians*.

2. Recommendation

- 2.1 **That the Committee agree its report on property guardians, *Protecting London's property guardians*, as attached at Appendix 1 to the report.**

3. Background

- 3.1 At its meeting on 5 September 2017, the Committee used its meeting slot on to discuss property guardians, with invited guests.
- 3.2 The following terms of reference were agreed for this investigation:
- To identify the extent of property guardianship in London, highlight good and bad practice and emerging self-regulation in the sector;
 - To examine the impact of property guardianship on Londoners, including local authorities, communities, businesses and property security companies; and
 - To consider the effectiveness of current legislation and whether it protects property guardians adequately.
- 3.3 A panel of guests was invited to discuss these issues with the Committee:
- Professor Caroline Hunter and Jed Meers, York Law School, University of York;
 - Lord Kennedy of Southwark, Shadow Spokesperson (Communities and Local Government, Housing and Home Affairs) and Opposition Whip (Lords);
 - Rubina Nisar, Valuation and Strategic Assets, London Borough of Lambeth;
 - Jon Castine, Environmental Health Officer, Westminster City Council; and

- Stuart Woolgar, Representative of the BSIA Vacant Property Protection section, and Director of Global Guardians.

- 3.4 The Committee also held several informal meetings as part of its investigation. This included property guardians, property owners, property guardian companies and legal experts.
- 3.5 The Committee also commissioned research from the University of York to inform its investigation.
- 3.6 It was agreed informally that the evidence gathered from this investigation, including the commissioned research, should form the basis of a report on property guardianship.

4. Issues for Consideration

- 4.1 The Committee is recommended to formally agree its report *Protecting London's property guardians*, as attached at **Appendix 1**.
- 4.2 After agreement from the Chair, in consultation with party Group Lead Members, under delegated authority the report was published on 6 February 2018.
- 4.3 This report makes the following recommendations:

Recommendation 1

Ministry of Housing, Communities of Local Government (MHCLG) should review legislation and guidance (for example, the Tenant Fees Bill 2017) to see how licensees can benefit from the improvements made in the private rented sector.

Recommendation 2

The Mayor and MHCLG should provide guidance about the legal rights of guardians and where guardians can access help.

Recommendation 3

The Mayor should advise councils (especially those that use property guardians) to ensure the words 'property guardian' are included on all local authority publicly promoted resources on raising grievances about property standards, fire safety and environmental health concerns.

Recommendation 4

MHCLG should require all property guardian companies to register with a recognised property agents redress scheme. This would allow guardians to raise concerns about a company in a 'safe space'.

Recommendation 5

The Valuation Office Agency should provide clear guidance on whether commercial properties that are temporarily occupied by guardians are entitled to a temporary revaluation from business rates to council tax. This would ensure property guardian companies and property owners are aware of the rules around business rates and council tax.

Recommendation 6

MHCLG should clarify whether the Housing Act 2004 is enforceable against malpractice in the property guardian sector. MHCLG should revisit the Housing Act 2004 if it is no longer protecting people effectively.

Recommendation 7

The Mayor should use the London Boroughs' Private Rented Sector Partnership to share best practice and lessons learned by local authorities.

Recommendation 8

MHCLG should provide statutory guidance for environmental health officers and the London Fire Brigade on how to effectively deal with buildings occupied by property guardians, like guidance provided for bedsits and shared accommodation.

Recommendation 9

The Mayor and MHCLG must provide clarity on how local authority planning departments should handle commercial properties occupied by property guardians.

Recommendation 10

The Mayor and MHCLG should set out best practice guidance for local authorities when procuring property guardian services. Guidance should include a standardised contract between building owners and guardian companies, which contains a minimum length of tenure, licence fee setting if applicable, and clear guidance on repairs and maintenance responsibilities. This guidance could also form part of the 'A fairer deal for private renters and leaseholders' section of the Mayor's Housing Strategy.

Recommendation 11

Efforts by guardian companies to introduce common standards are welcome, but it is important all companies follow them if they are to be effective. Therefore, the Mayor and Government, as well as councils who use guardian companies, should look at what can be done to ensure new standards are applied more widely.

5. Legal Implications

5.1 The Committee has the power to do what is recommended in this report.

6. Financial Implications

6.1 There are no direct financial implications to the Greater London Authority arising from this report.

List of appendices to this report:

Appendix 1 – *Protecting London’s property guardians*

Local Government (Access to Information) Act 1985

List of Background Papers:

None.

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