MINUTES of LANDLORDS’ FORUM

Held by: Private Sector Housing Team
Date: Thursday 20th May 2015
Venue: Darwin Room, Tickfield Centre, Southend-on-Sea
Commencement: 2:00 pm (networking & information stalls); 2:30 pm speakers
Close: 5:30 pm
Attendees: David Colwill (PSH Team Leader), Karen Finn, Tara Boyle, Marion Anthony, Victoria Routledge, Adrian Dube, John Brassel (PSH Team)
Judith Codarin (SEAL)
Other attendees included some 60 private landlords, managing agents and representatives of related agencies
Stallholders: Representatives from SEAL, Family Mosaic, Housing Options, Southend Energy, SBC Housing Benefits & HARP
Apologies: None
Appendices: None.

Commencement & Introduction

David Colwill welcomed everyone and introduced the speakers.

*Full copies of all of the afternoon’s presentations can be downloaded from the website*

www.southend.gov.uk/landlordsforum

To contact the Landlords’ Forum Coordinator: landlordsforum@southend.gov.uk
This was a general information webinar presented live by speakers in Manchester and Scotland, with specialists available to answer any questions. No questions were submitted prior to the event. More detailed information is available from the GOV.UK website and a list of Property Income helpsheets, will be distributed via the Landlords’ Forum website after the event.

The webinar provided details of what can be claimed as expenses and what can’t. The SA105 notes document gives guidance on each box to be completed in a tax return and should be read carefully to help you with your submission.

Energy Saving Allowance – loft insulation, cavity wall insulation, draught proofing, hot water systems and the like may all attract Energy Saving Allowance for your property or properties.

The Rent-A-Room scheme for renting a room in your own home has a £4,250 tax free allowance. You should check the lease and insurance schemes for your property to ensure you are able to rent a room.

If you own an overseas property a ‘Foreign Income’ page of the tax return should be completed.

Capital Gains Tax has a number of ‘reliefs’ available and you should read all the documentation carefully to ensure you claim for any applicable to you.

There are pre-recorded webinars available through the HMRC website (links previously sent via the Landlords Forum) and regular emails can also be sent. You can register to receive these through the HMRC website.

The Property Income manual and Business Manuals are also very useful and available through the GOV.UK website.

Q: Are there any imminent plans to increase the Rent-A-Room tax free limit?
A: HMRC does not control the tax limits, it is policy. You will need to keep an eye on the budget to see what decisions the Chancellor makes in this respect.

Q: What can be claimed for when selling?
A: Capital Gains Tax, incidental costs such as estate agents fees and ancillary costs reflected in the value of the property, such as the cost of putting a new bathroom in.

Q: How much tax would I pay if I owned and lived in a property but it is now a rental property?
A: You need to work out the financial gain and take off any incidental costs. You can also claim something called Private Residence Relief, which is granted for the period the property was used as a home. HS283 is the help sheet to read regarding entitlement to Private Residence Relief.

Q: Will the Capital Gains Allowance ever increase?
A: The 2014/15 CGA amount was £11,000. The 2015/16 CGA amount is £11,100. CGA is now indexed to increase every year.
A detailed explanation was given regarding what constitutes an HMO. Part of the presentation was Q & A on case scenarios.

Details of the regulations relevant to HMOs were also highlighted and discussed. Essentially, as few as three unrelated persons sharing could constitute an HMO – contact PSH if unsure and we are happy to help.

If it is necessary to take over a property as a IMO then FMO (Interim / Final Management Order), the Council can take over running the property for up to 1 + 5 years. If, after the 6 years are up, the owner remains unfit to manage the property, the Council will look to find a new licence holder or continue to manage the property themselves.

Q: (Laurie Nash, Landlord) Is the property or the owner licensed?
A: The licence holder is licensed for the specific property. Each property needs to be licensed and the licence cannot be transferred to another property if the original licensed property is subsequently sold. A new licence will have to be applied and paid for.

Q: (Laurie Nash, Landlord) So isn’t this just a money making opportunity, if the licence cannot be transferred to another property?
A: No. Every property is different and may or may not be compliant with legislation, so every property needs to be individually assessed. HMO Licensing has been compulsory since 2006 and this is not new but a refresher for landlords and agents to ensure they get a licence when it is needed.

Q: (Crystal Horwood, PACE) Is the initial licence for 2 or 5 years?
A: an initial licence is usually for 2 years and then, assuming the property is managed and maintained satisfactorily, the next licence can be granted for up to 5 years. A fee is necessary for each licence renewal, so it is in your interests to ensure the property is managed well, to save yourselves money and help ensure you receive a possible 5 year licence.

Q: (Councillor Garston) Isn’t it worth remembering as well that there may be planning issues involved, as planning permission is needed to turn a property into an HMO?
A: 6 people or less in the property would not require planning permission, 7 or more does. The PSH remit is to licence the property, Planning’s remit is under different legislation. Gaining an HMO licence does not mean it is compliant with other legislation and this onus to check and comply is with the owner or licence holder.

Q: is there anything in the legislation about managers? What if they are 1000’s of miles away?
A: the licence application needs to be made by the most appropriate person who can reasonably manage the property. If the owner is living abroad, they would probably need to appoint a more relevant person to manage the property on their behalf.

Q: (Tara Boyle, PSH) Can I evict tenants if I’ve got a property that needs to be licensed and I haven’t licensed it?
A: No, you cannot. This is written in law.

Q: If a couple have 4 children whilst living in the property, does that make it over occupied or an HMO?
A: It won’t be an HMO as it is one family, but it could be over occupied.
Jeremy gave an explanation of the new Southend Energy, a joint initiative between SBC and OVO. OVO currently has a 1.5% market share but is expanding quickly. ‘WHICH?’ has given them recommended supplier status. OVO has provided the technology and the supply, SBC has provided the tariff. They have calculated that more than 50% of Southend residents could save money on their energy bill. What each resident will save depends on their contract now. OVO do not offer an upfront loss leader tariff to ‘entice’ customers in.

1 year fixed – with a low standing charge. This will be attractive to fuel poverty households and pensioners. OVO will pay 3% interest on credit balances and there are no exit fees.

1 year fixed green – still low cost, but will be slightly more expensive as different fuel sources used.

Standard variable rate – as required. This still saves you money against the Big 6 energy companies.

Pre-payment is available from Day 1.

What’s In It For Landlords? You can save your tenant money – they can more easily pay their rent. The property can be heated better, reducing maintenance issues. As part of OVO, eco funding is accessible. You can upgrade your properties, provide efficient heating etc. SBC is working to promote health, wellbeing and businesses!

They are looking for properties where a robot can be used to go under the floor, install installation itself and then be removed. This means difficulties with accessibility to install insulation will decrease.

Also please let Jeremy know if you are looking to change hot water tanks. They are also investigating TRV heating controls that can ‘zone’ heating. He would love to hear from anyone interested in getting involved in any of the projects.

The website is now live at www.southendenergy.co.uk

Q: For systems that can learn zoning, what happens if the heating is turned up and windows are opened?
A: The heating turns itself off.

Q: What about weather compensation systems?
A: All of these systems can work with weather compensation systems.

Q: (Carl Mingard, Landlord) Is there a bypass for humidity?
A: These can measure light, shade, humidity, and occupany.

Q: (Carl Mingard, Landlord) So surely they must be expensive?
A: We are looking for a target price of £30 a radiator. They do need to be trialled but you don’t need to be a computer programmer to make them work.

Q: If you already an existing OVO customer can SBC beat their existing deal?
A: Yes, whichever is the cheapest tariff can be taken.

Q: (Carl Mingard, Landlord) Is there a minimum direct debit payment amount?
A: Around £40 per month.
Emma explained what is covered by Regulatory Services: air quality, polluted land, licensing, planning consultations and nuisance. The latter might include premises that cause nuisance, insects, or noise. They receive between 4,000 and 5,000 complaints a year re noise.

Statutory nuisance does not include behavioural noise such as arguments, slamming doors etc. These issues would be dealt with by SMAART, Police and/or SEH/SBC.

There are no definitive dB levels for noise nuisance, as it depends on the location; for example, the noise levels considered reasonable in a residential street would be different to those considered reasonable in the countryside.

It is also not correct that 11pm is the ‘cut off’ time for activities. Nuisance can occur at any time of the day or night. You must ask yourself what any ordinary person might reasonably expect?

Noise complaints often involve tenants, particularly social tenants or RSLs. The Environmental Nuisance team would not always contact the Landlord as the tenant has responsibility for their own behaviour, but it depends on the cause of the complaint, e.g. a neighbour complains about a noisy extractor fan. The Landlord is responsible for fixing it but has not done so, despite the tenant reporting it?

The Environmental Nuisance team run an out of hour’s service until 1am on Friday and Saturdays nights, 4 weeks out of every 5.

People don’t always realise or appreciate how their behaviour is affecting other people, so one letter from the Environmental Nuisance team usually stops the complaint, but persistent behaviour will be followed up. Equipment can be seized and people prosecuted. Regulatory Services has supported Landlords in court cases regarding evictions. There are leaflets and guidance available regarding what action individuals can take.

Q: (Alfred Katona, Landlord) When can tenants make a bonfire?
A: There is no set time, people should simply be considerate of others, so checking no one has washing out or eating a barbecue outdoors, for example.

Q: Can people use phones or ‘apps’ to record noise? Are these considered suitable evidence?
A: Regulatory Services do not usually accept people’s own evidence – there is always the possibility it is not genuine. They will arrange to collate their own evidence. Emma is not aware of any ‘apps’ being used.

Q: (Karen Kindley, Landlord) If you record your next door neighbour (for example) do you have to notify them?
A: It will be recorded in the letter to the neighbour as a statement. The complainant can then press a button on their recording equipment that specifically records the noise causing concern, e.g. dogs barking. The recording equipment provided by Regulatory Services will not pick up conversations unless the people are shouting.

Councillor David Norman asked whether Emma could talk about the front garden blitz? Emma explained this was a different team. Councillor Norman then went on to explain the background to the garden blitz. There are currently 6 prosecutions on-going. This is helpful for Landlords to know, as the failure to maintain gardens and property frontages in a reasonable fashion affects everyone.
Bill advised that he heads a team who patrol the entire Southend area, Shoebury to Leigh, 8 x 2 miles. He has 9 police officers and 24 PCSOs who deal with long term problem issues, such as anti-social behaviour, drug use and are also involved with Neighbourhood Watch etc. 41% of their crime occurs within Victoria, Milton and Kursaal wards and 18% along the London Road corridor.

His plea to the attendees was to take the moral high ground. Operation Booth is currently targeting visitors to the town who supply drugs. His team is working with partners to help promote policing of the priority policies which include child abuse, sexual exploitation, organised crime group, domestic abuse & others. Organised crime groups are specifically involved in the supply of class A drugs, slavery and child exploitation. 20 – 40 people are actively supplying drugs in town each day. Half will be affiliated to London gangs.

Your properties may be next door or above some properties where these sort of activities are going on. Police are trying to reduce fear of walking the streets, provide better environment and prevent groups from getting a foothold in the town.

Police are looking to increase intelligence sharing opportunities. Perhaps report new tenants to the Police if they appear vulnerable or exhibit suspicious behaviour, especially if they have come from out of town. Bill wants to improve relationships with landlords and agents so that the Police may not need to knock down doors if better ways can evolve to make contact with tenants. The Police can’t give much back in return, but they want to encourage improved relationships with Landlords.

Bill introduced Michael Armstrong who works within the town to decrease burglaries by suggesting crime prevention strategies. Michael’s contact details are: michael.armstrong@essex.pnn.police.uk
Mobile number: 07885 977066

Bill’s own contact details are as follows: bill.potter@essex.pnn.police.uk
Mobile number: 07939 113788

Q: 2 occasions occurred where I was suspicious cannabis was being grown in the loft. One was correct. How should we deal with it?
A: It is usually fairly obvious if cannabis is being grown as the usage either goes up or down significantly; up because they are paying for the additional heat sources required or down because they’ve bypassed their own system and someone else is paying for it. If that is the case, Landlords do have powers, but may be safer to contact the Police and allow them to deal. You can also contact Crimestoppers to report your concerns if you would refer to remain anonymous.

Q: Can we use the Essex Community Management website to register our interest in getting more involved?
A: Yes, please do. The ECM website can also be accessed through the Essex Police website.

Tracey stressed from the outset that Universal Credit is administered by the DWP through the Jobcentre, not SBC. The claims are all processed by the Jobcentre. Tracey then gave an explanation of Universal Credit, which is broken into 6 elements.

Southend Jobcentre has been processing new claims since 13 April 2015. There will be no mass migration from existing benefits to Universal Credit until 2017. Until then, all Universal Credit applications will be staged.
A ‘break’ in receiving Job Seekers Allowance will necessitate a move to Universal Credit if the applicant has to reapply for benefits. Universal Credit is claimed online. A helpline/claim line is available to those experiencing difficulties.

The date of claim is generally date submitted rather than backdated, although certain criteria may allow a claim to be backdated by up to one month. It is therefore important to submit claim ASAP. Payment is released 7 days after the ‘assessment period’. One payment is made per household, monthly in arrears.

Money advice is offered to all who claim. This is currently being offered through SBC via the Essential Living Fund. It is possible for the Housing Element to be paid direct to a relevant third party, e.g. Landlord.

Landlords can themselves also flag the need for money advice. This would support the tenant if they are not managing. The Landlord can also use the form ‘Landlord Request for Managed Payment’ from the GOV.UK website if there are 2 months’ rent arrears or more.

Even if alternative payment arrangements are put in place, these are still subject to review. Also, if the Landlord requests the rent money goes straight to them instead of the tenant, the Jobcentre will still refer the request to the tenant first for agreement. So ALWAYS consult with our tenant first!

**Q:** I have a tenant on an even older system, which is reviewed yearly. When the tenant moves across to Universal Credit, will the Jobcentre look at the historical background to find out why they already had those systems in place?

A: We don’t know yet for sure, but there will be transitional protection. When a new Universal Credit claim is received, the Jobcentre do not usually for ask for the historical information. Tracey suggests the historical information is therefore not likely to an influence on any new claim.

**Q:** Is there any passporting from Universal Credit to things like free prescriptions?

A: Tracey’s understanding is that existing links will carry through

Should you have any further questions, please direct them to the Forum inbox (landlordsforum@southend.gov.uk) and these will be responded to individually by Tracey.

Copies of all full presentations are available online

The Coordinator closed formal proceedings at 5.20 pm.

Networking and post-speaker discussion continued until 5:30 pm.

Next Landlords’ Forum: 15th October 2015