Welcome to Southend-on-Sea Borough Council’s Landlords’ Forum Newsletter

This newsletter is to share useful information and articles so that we can work together to improve Southend’s Private Rental Sector and work more closely with all our partners.

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**Landlords’ Forum**

On Wednesday 3rd April 2013 at The Darwin Room, Tickfield Centre, Tickfield Avenue, Southend-on-Sea, SS2 6LL

**2:00 – 3:00 pm**
Registration, refreshments and an opportunity to network and visit stands provided by Council teams and partner organisations.

**3:00 pm**
Commencement
David Colwill - Team Leader, Private Sector Housing

**3:05 – 3:30 pm**
Funded Services Helping Vulnerable Adults Maintain Tenancies

Lee White – Lead Officer, Supporting People, Adult & Community Services

**3:30 – 4:00 pm**
SEAL (South East Alliance of Landlords, Agents & Residents): Improving the private rented sector in Southend – Progress update

Martin Ransom (Spokesman) & Clive Lucas (Steering Group Member)

**4:00 – 4:30 pm**
The Thames Gateway South Essex (TGSE) Empty Homes Grants Scheme & other sub-regional initiatives

Alastair Pollock – Strategy Coordinator, TGSE Partnership

**4:30 – 5:00 pm**
The Localism Act, Homelessness Duty & Council Processes:
An Explanation of how it works in practice

Mak Mirza – Senior Reviews & Monitoring Officer, Housing Needs Team

**5:00 – 5:20 pm:**
Additional presentation time or further opportunity to network & speak informally with presenters

5:30 pm - Close
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**Court Judgements, Tribunals and Enforcement**

*In this section of the newsletter, the Council highlights a number of relevant enforcement cases that have been reported locally and nationally*

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**Would you like to write or suggest a future topic for an article?**

**Do you have some interesting stories or information to share?**

If so then please email: landlordsforum@southend.gov.uk
**BUY-TO-LET LENDING REACHED £16.4BN IN 2012**

Buy-to-let lending accounted for 11.5% of total gross mortgage lending in 2012, up from 9.8% in 2011, according to full-year data released by the Council of Mortgage Lenders.

At £16.4 billion, gross buy-to-let lending was 19% higher than the £13.8 billion advanced in 2011, reaching its highest level for four years.

On a quarterly basis, there were 36,700 buy-to-let loans, worth £4.6 billion, advanced in the fourth quarter - up from 34,300 loans worth £4.2 billion in the third quarter, and 34,200 loans worth £3.9 billion in the fourth quarter of 2011.

By number, a total of 136,900 buy-to-let loans were advanced during 2012 (of which nearly half were for remortgage). The total number of buy-to-let mortgages outstanding at the end of 2012 stood at 1,445,300, accounting for 13% of all mortgages.

Lenders typically required a minimum 25% deposit on buy-to-let loans throughout 2012, with an average minimum rental cover requirement of 125%.

In terms of loan performance, 1.14% of buy-to-let loans ended the year in arrears of more than three months, compared with 2.03% of owner-occupier loans. On the other hand, the annual repossession rate at 0.48% was higher than the equivalent owner-occupier rate of 0.27%, reflecting the different considerations involved in the two sectors.

CML director general, Paul Smee, said: “Buy-to-let is benefiting from strong tenant demand, which is likely to continue. Loan performance compares favourably with the owner-occupier sector, and the overall outlook for the buy-to-let sector is positive.

“Landlords who can demonstrate a strong track record are in a good position to expand their portfolios. However, new potential landlords need to tread carefully before entering the buy-to-let market; considerations such as landlord licensing reinforce the need for potential landlords to gain a strong understanding of the legal and operating environment.

“Looking ahead, we will find out later in the year whether or not buy-to-let lending ends up within the scope of mortgage regulation as a result of the European Directive currently being finalised. If this does happen, policymakers must ensure that the very clear differences between buy-to-let and owner-occupier lending risks and operations are fully recognised in any regulatory framework that may emerge.”

**OFT REPORT IDENTIFIES SURPRISE CHARGES IN LETTINGS MARKET**

Tenants are concerned about ‘surprise’ charges and ‘drip-fed’ fees to letting agents, a new report has revealed.

The Office of Fair Trading (OFT) report analysed nearly 4,000 complaints made by people renting a home as well as those letting out a property. It found that both tenants and landlords were concerned about fees and charges levied by agents, poor service provided and that ‘surprise’ charges were introduced or ‘drip-fed’ once contracts have been signed.

The report sets out a number of recommendations for Government, industry, enforcers and others in order to make the market work better for tenants. The recommendations and next steps include:

- Better compliance with legislation and in particular
better up front information. The OFT would like fees to be set out in a clear tariff of charges.

• A general redress mechanism so landlords and tenants can sort out problems when they occur.

• More consistency within the industry so that common principles are applied throughout the industry, such as what information is used for pre-tenancy checks.

• Government, industry, enforcers and consumer bodies to agree a national strategy.

• Agree an enforcement strategy for traders who do not comply with the law.

• Initiatives which make it easier for landlords and tenants to assess quality, such as recognised logos.

• Working with industry and consumer bodies to develop joint educational material such as ‘quick guides’ to help tenants and landlords understand their rights.

Cavendish Elithorn, senior director of goods and consumer at the OFT, said: “Our findings show that tenants and landlords are often dissatisfied with their agents but we also know that most agents want to do the right thing. It's important that tenants ask for key information, but we also believe that Government, industry and enforcers working together can have a real impact and improve overall standards in the lettings market.

"This report sets out our view on what improvements could be made to address concerns with this market and we are keen to play our part in bringing together those involved in the lettings industry to focus efforts where they are most needed."

Peter Bolton-King, RICS residential director, added: "The OFT report adds yet another voice to those calling for changes to the lettings market. However, RICS remain concerned there is still no recommendation for clear, consistent and targeted regulation for all aspects of the UK residential property market. Such a holistic approach is long overdue, since ultimately it is about the provision of shelter, a basic human requirement.

"RICS’ own recently published research - an impact assessment of bringing lettings agents within scope of the Estate Agents Act 1979, and introducing statutory minimum professional standards - shows there is real potential to introduce such clear, targeted regulation without generating burdens on business. In light of this latest OFT report, RICS urges Government to think again, and use the Enterprise and Regulatory Reform Bill to introduce such regulation, in particular, statutory redress for lettings agents.

"In (the) report, the OFT recommend increased transparency in lettings agents' fees and charges, and working with trading standards to develop an enforcement strategy.

These measures are important in creating a level playing field for all residential property professionals and consumers which RICS has long sought.

"As an independent body with a royal charter which requires us to act in the public interest, RICS is ready to help with advice and guidance so consumers are aware of their rights and responsibilities in the lettings market."

CALL FOR COMPULSORY REGISTER OF PRIVATE LANDLORDS IN WESTMINSTER

Labour Councillors in Westminster have called for the establishment of a compulsory register of private landlords.

The calls come after Westminster Council revealed that:

• 1,712 rented properties in the private sector were inspected by its residential environmental health officers in 2011/12, resulting in 206 legal notices being served.

• Council officers also removed 771 hazards in the properties, including causes of excess cold, dampness, and fire and fall hazards in homes

• As a result of the inspections, 111 shared houses of multiple occupation (HMOs) were improved, 461 homes were made decent and 7 prosecutions were made.

Westminster has one of the largest private rented sectors in the UK at an estimated 40 per cent of the 109,000 homes in the borough, according to recent census results.

Councillor Paul Dimoldenberg, leader of the Labour Group, said: "The scale of the problems found by the council's inspectors is very worrying and there are strong arguments for the council to establish a compulsory landlord registration scheme so that all landlords have to meet certain basic standards before they are allowed to let property.

"Westminster has the highest concentration of private flats in the UK and proper regulation is needed if tenants are to be properly protected from the minority of bad landlords."
Westminster Council rules out Landlord Licensing

A leading Conservative council has ruled out setting up compulsory licensing for private landlords.

Giving evidence to the Communities and Local Government Select Committee this week, Westminster’s cabinet member for housing, Jonathan Glanz, said he did not regard such schemes as necessary.

‘We do not believe in burdening the vast majority of landlords who are law abiding with further regulation and red tape, but instead concentrate our efforts on targeting the rogue landlords who are acting criminally, to ensure the safety and wellbeing of tenants renting in the private sector,’ he said.

Mr Glanz said Westminster used existing powers to carry out 1,500 inspections of private rented sector properties last year, resulting in 206 legal notices, and seven prosecutions.

Labour-controlled Newham Council became the first English local authority to introduce compulsory licensing for all private rented sector landlords earlier this year.

In written evidence to the committee Newham said voluntary accreditation failed to deliver ‘tangible improvements’, and urged the MPs to call for existing legislation to be simplified and strengthened to help local authorities deal with rogue landlords

FURY AS LONDON BOROUGHS PAY TENANTS TO MOVE TO ESSEX

Local authorities in Essex are expressing their growing concern as London Boroughs look to offer hundreds of pounds to their tenants as a way of getting them to pack up and move out ahead of looming benefits cuts.

The *Echo* newspaper has reported how South Essex councils are furious they could have to bear the burden of thousands of London tenants descending on already overburdened areas due to the cash incentive schemes.

It comes after the Government announced it would put a £21,000 limit on the amount of housing benefit people can claim from April 2013.

It will be especially difficult for people in London to find homes which come under the limit.

An average two-bedroom flat in a London borough costs £1,930 but in Essex the figure drops to £938.

In the countdown to the capped benefits, councils such as Hackney are offering tenants at least £500 to move to other areas where rents are lower, including south Essex.

Some authorities are even offering a choice of seaside or country locations.

Furious local councils say initiatives like Hackney’s Fresh Start Scheme are set to put a huge strain on services in Southend, Basildon, Rochford and Castle Point and could push up council tax.

The schemes vary but typically pay either several week’s rent or a deposit for private rented accommodation elsewhere but when the money runs out, local councils will be responsible for paying housing benefit and to trying to accommodate people on already pressured housing lists.

It will mean they will also have to pay for services such as school places and social care.

Defiant Basildon council deputy leader Cllr Phil Turner, who is also cabinet member for housing and landlord services, said: “I would give families an assurance they won’t be part of our housing list and I’m pretty sure that our partners, the housing associations, won’t be taking them on either.”

However, the council which already has about 5,000 on its waiting list, like other authorities, cannot refuse to pay for eligible claimants for housing benefit for private accommodation.

Martin Terry, Independent Cllr for Southend, said: “We could end up with a whole raft of people coming to Southend who are totally dependent, that will put enormous pressure on our already over-stretched system. At the council we already know we don’t have enough school places, we’ve already got pressures on budgets.”

He said this could also put pressures on free school meals, home to school transport, and even library services. This could even lead to increases in council tax to meet the demands.

Mr Terry added: “I’m ever so grateful to the Echo for picking this up because it’s a serious problem. It's not about discriminating against any individual families, this is about pure economics and this will threaten Southend’s financial sustainability.”
Landlords buying empty homes to bring them back into use should be exempt from paying stamp duty, according to the Chartered Institute of Housing (CIH).

In its submission to Chancellor George Osborne ahead of next month’s budget, the CIH has called on the government to offer an incentive to purchasers to bring back into use some of the 260,000 empty homes in England by lifting the tax.

The CIH said that the policy could turn around 5,000 properties a year with an investment of £50 million, which could create £142 million of economic activity and support 600 new jobs. The housing trade body added that such a move could cost as little as £2,500 per home for the government.

However, the submission said exempted landlords should enter into an agreement to keep any properties let as rented accommodation for a set period, possibly of up to five years.

The CIH also renewed calls for the government to raise the borrowing caps imposed on local authorities. It suggested increasing the cap on councils’ housing revenue account borrowing from £2.8 billion to £7 billion. Citing last year’s Let’s get building report, it claimed that raising the cap would allow councils to build 12,000 more homes every year for the next five years.

The submission echoes calls made by a number of bodies, including the Local Government Association (LGA), over the last 12 months for the government to review council borrowing limits.

‘This is about building the case [for lifting the cap],’ said Gavin Smart, director of policy and practice at the CIH. ‘We want to highlight the potential that’s there.

‘There is lots of capacity there, we have a shortage of homes and we need to boost the economy.’

The submission also included a re-iterated call for long-term clarity on rental policy after 2015 and an increase in discretionary housing payments to £250 million to help benefit claimants through welfare reform changes.

The National Landlords Association (NLA) has welcomed the Office of Fair Trading’s (OFT) recommendations to build standards in the letting agent market.

Better conformity to legislation, it said, would ensure consistently high standards across the industry and could help to build consumer and landlord confidence in the private-rented sector.

The OFT report set out a number of recommendations for Government, industry, enforcers and others in order to make the market work better for tenants.

The NLA said: “It is important that Government, industry and professional bodies work together to agree a workable strategy. Partnership can only help efforts to improve the sector and increase standards. In this vein, an enforcement strategy for those who do not conform to the agreed standards is essential.

“The NLA encourages letting agents to join professional bodies such as UKALA to benefit from their support and guidance. Membership of professional bodies also offers reassurance and increases standards to existing and potential customers that they are able to pass particular quality assessments.

“The NLA believes that education is crucial to upholding standards. The NLA encourages a letting agent accreditation programme in the same vein as NLA Accreditation for landlords.

“In addition, clarity and transparency over fees and charges will only prove to benefit landlords and tenants who use the services of agents. While a dispute service to resolve any problems, such as those provided by tenancy deposit protection providers would be invaluable to ensuring all parties are treated fairly.”
BOOST WAGES OR CUT RENTS?
From the Blog of Pete Jefferys, Assistant Policy Officer at Shelter

Politicians have their crosshairs firmly centered on the 'squeezed middle'. These low- and middle-income families, excellently described by the Resolution Foundation, will be key to all electoral campaigns in 2015.

The financial squeeze for these families has come from stagnating incomes and the rising cost of living. So far, most political attention has been on the income side of the equation.

From the Living Wage, to the income tax threshold, to tax credits and the 10p tax band, politicians have focused on income not expenditure.

When politicians have looked at living costs, they've boosted income (such as the winter fuel allowance for pensioners). Why not also tackle the rising costs themselves?

Housing costs especially have not received the political attention they merit, given their size in most families' budgets. The Resolution Foundation's 2013 audit strikingly showed that the 'squeezed middle' is increasingly made up of private-renting families. The majority who are under 35 are private renters, up from less than 30% just 10 years ago. The trend looks set to continue [PDF], with more and more families stuck with expensive private rent.

Private renters spend 43% of their income on rent, compared to an average of 19% of income spent on a mortgage by owners, and 29% spent on rent by social tenants. Even in absolute terms, renters pay more than those with mortgages (see below). In London, renters we've surveyed are paying more than half of their income just to keep a roof over their heads.

Why not just solve the unaffordable rent problem with higher minimum wages?

Well firstly, it's a mammoth task. Even the Living Wage is not enough in many cases. To use income policy to make housing affordable would take massive increases in average pay.

Worse, the consequences of higher wages on a housing market that's not producing enough homes to meet demand is. Higher rents!

Medium and high incomes are not a guarantee of home ownership in many parts of the country, especially the South East. As we've seen every year for a decade, this means a rapid increase in families renting. Rising demand for a limited supply of rented homes means rising rents and a vicious circle ensues. This is the Rent Trap.

Reducing rents by increasing housing supply could release a huge amount of potential consumer spending. If private renters paid the same housing costs as social renters, there would be an extra £16.2 billion per year of disposable income released into squeezed middle households.*

Even better, if we achieve lower rents by building genuinely affordable homes, then we boost the economy [PDF] by employing laid-off construction workers and we reduce the housing benefit bill [PDF].

So, perhaps income-focused policies like the 10p tax band miss the point. They might offer some short-term relief, but without solving the structural problems like housing costs, income policies can only go so far. Politicians need to give this side of the equation much more thought.

*Or £4000 per household. Figures on households by tenure and average housing costs from DCLG, English Housing Survey.
Almost two thirds of renters are struggling or falling behind with their rent, according to a new survey by Shelter.

26% of those surveyed said they had faced a rent rise in the last year, with families with children more likely to be facing difficulties.

The survey of 4,300 private renters - the biggest of its kind ever conducted - also shows the knock-on effect rising rents are having on family life.

- 1 in 3 renters are cutting back on birthday and Christmas presents.
- 1 in 4 renting families are visiting family and friends less.
- 1 in 7 renters have used a credit card to pay their rent.
- 1 in 12 renting parents have borrowed money from their children to pay the rent.

The study also revealed 6% of renters, the equivalent of almost 515,000 people, had been forced to move home because of a rent rise.

Pressure on the rental market is growing, with over nine million people now renting their home from a private landlord. This demand has pushed up rents, which rose by an average of almost £300 last year in England, while wages remained stagnant.

Shelter is calling for Stable Rental Contracts to be brought in, to give renting families a chance to plan their finances and put down roots in their home.

Campbell Robb, chief executive of Shelter, said: "This is proof that the growing cost of renting is hitting families where it hurts, forcing them to make impossible choices about what they can cut back on next.

"When families are forced to resort to taking money from their children's savings or paying their rent on a credit card, it's a clear sign that sudden rent rises are pushing many ordinary families to the edge.

"If the Government wants to make life easier for ordinary families, it has to reform our expensive, unstable rental market."

Labour leader Ed Miliband has outlined his party's plans to make the housing market fairer for people who rent their homes privately.

In a speech to the Fabian Society, he said Britain was in danger of having two nations, of homeowners and tenants, and proposed a register of landlords and more powers for councils to tackle rogue ones.

The speech was intended to flesh out the idea of a one-nation party, which was unveiled at Labour's conference last year. A "national register" of landlords was proposed under the last Labour government but this was abandoned by the coalition, which said it did not want to impose "burdensome red tape and bureaucracy".

Miliband told the annual conference of the Fabian Society think-tank: "One Nation Labour is about giving proper rights and protections to those who rent."

"That's why we will root out rogue landlords, we will stop people from being ripped off by letting agents and we want to give new security to families who rent."

The register would give greater security to families who rent and remove the barriers preventing longer term tenancies, he pledged.

He said: "For many families at the moment who are renting in the private rented sector - and there are more than a million families in this position - they face a situation where they may have lived in a house for three, four, five years or more, be sending their kids to the local school, and then find that they can be kicked out at just two months' notice. That is wrong and we have to change it."

The Residential Landlords Association (RLA) said the landlord register would be "onerous, difficult to enforce and costly".

Chairman Alan Ward said: "When in office, Labour estimated the cost of a national register of landlords to be £300 million and its own impact assessment described full licensing as 'onerous, difficult to enforce and costly'. Imposing such a charge on the private rented sector would amount to a further tax on landlords and tenants when we need more homes and people
across the country are feeling squeezed.

"According to figures from Shelter, just 487 landlords in England were prosecuted last year; a figure that is remarkably low out of an estimated 1.2 million landlords in total. This is despite there being 100 individual pieces of legislation and regulations containing around 400 individual measures affecting the sector. The problem is not a lack of powers, but the willingness and ability of local authorities to enforce their existing powers whilst under financial pressure.

"The RLA is calling on all parties to support local authorities to improve the skills available to environmental health officers to more swiftly bring prosecutions against the minority of criminal landlords who bring misery to tenants’ lives. Accreditation schemes would enable councils to better target those who operate under the radar."

Ward added: "Whilst we support Ed Miliband's calls for the regulation of lettings agents, which would be good for landlords and tenants alike, it is scaremongering to talk of families being kicked out with two months’ notice. A landlord would rather have a reliable tenant paying rent than face the costs of finding new tenants."

Private rented properties are already characterised by poor, cramped conditions, and barely affordable rents, the study Poor Homes, Poor Health, claims. "Many homes in the private rented sector are not decent," it says, pointing to official figures that show 1.36m privately rented properties are poor quality. Overcrowding rate at 5%, more than all other sectors, including council housing or owner occupation.

According to the research, the recent price hikes in private rents has made matters deteriorate for private renters, who "choose to remain living in cold and unsafe housing fearing complaints may lead to eviction or higher rents."

"Feelings of insecurity are heightened which, combined with trying to live on a small budget, contribute to increased levels of stress and anxiety."

Private renters are also at greater risk of social isolation as they increasingly borrow from close acquaintances to meet day-to-day living expenses. "They feel increasingly isolated from the world," the research says. "Debt damages relationships with families and friends and they cannot afford to socialise."

Report author Gill Leng, a director of consultancy GLHS, says the vast majority of private tenants interviewed in depth as part of the study reported deteriorating mental health.

"The effect this is having on people's health is quite shocking," she explains, adding that 95% of the 19 people they spoke with suffered from anxiety, stress or depression."

Private renters faced with ever-shrinking benefit support now face a downward spiral towards poorer health and wellbeing, according to Leng.

"The government [stance] is that people have choices but the choices people have will all have a detrimental effect."

The report does carve out an important role for local authorities, landlords, healthcare providers and mental health charities. They could together help to alleviate any negative effects by working out ways to improve the mental health and wellbeing of private renters.

Liverpool City Council's "healthy homes" programme, which aims to address health problems among private renters, is cited as an example of particularly good practice.

STUDY FINDS WELFARE REFORM HITS PRIVATE RENTERS HARDEST

Thousands will be forced to move to low cost neighbourhoods as a result of the government's new welfare reforms, according to the Pro-Housing Alliance.

A report published by the organisation claims the £26,000 annual welfare ceiling will see an exodus of benefit recipients from high to low cost neighbourhoods as well as a deterioration in health and wellbeing.

The report casts new light on the effect of diminished welfare support on a group officially accepted as the hardest hit by the cap: the 1.4 million private renters.
The Green Deal is the Coalition Government's flagship policy to help households make energy efficiency improvements to their properties and pay for all or some of the work over time through the savings in their energy bills.

The Energy Company Obligation (ECO) works alongside Green Deal to provide additional support for packages of energy efficiency measures, including solid wall insulation or hard to treat cavity wall insulation – measures which are socially cost effective, but unlikely to be fully financeable by Green Deal finance under the ‘Golden Rule’. ECO also provides free insulation and heating measures to low-income and vulnerable households and communities.

Delivery of ECO is the responsibility of energy suppliers – but the framework incentivises suppliers to look for the most cost effective routes to deliver their obligations. Which is where you come in!

Energy UK and the Department of Energy & Climate Change (DECC) are co-hosting an ‘ECO Roadshow’, to bring information about ECO to a city near you.

Together, key representatives from central and local government, energy suppliers, Green Deal Providers and installers and delivery partners will stage an informative and interactive event that will help you discover more about ECO and, more importantly, highlight the opportunities it presents for consumers and the whole supply chain in your area and beyond.

Attendees will have the opportunity to hear about the policy, its aims and objectives, how ECO is already being delivered and how to get involved in delivering it in your area. Case studies from DECC-funded pilot projects already underway or completed will also be showcased in the cities where they are taking place.

The dates and locations of the events are:

- **Birmingham** 9 April
- **Sheffield** 16 April
- **Cardiff** 18 April
- **Glasgow** 23 April
- **London** 25 April

All the events will run from 11.00 to 16.30 and will be held in central locations in each city. Refreshments will be provided.
A decision in the House of Lords to introduce an amendment in law to help protect tenants and regulate the lettings industry has been welcomed by the Royal Institution of Chartered Surveyors (RICS), The Property Ombudsman, Which? and ARLA.

The change to the law will give tenants much needed access to redress in the event of poor practice, and helps raise standards in the lettings market.

In addition it will:

- Extend consumer protection measures governing estate agents to letting agents, giving the Office of Fair Trading (OFT) powers to ban sales, lettings and managing agents who act improperly.
- Require all agents to have clear and free consumer redress mechanisms in place.
- Stop sales agents who have been banned from trading to immediately set up a new business as a lettings and/or managing agent.

These organisations and others have long campaigned for the regulation of the lettings industry, working with MPs and Peers to highlight problems and inconsistencies in current legislation which is having a detrimental effect on consumers and business.

Following the House of Lords vote, RICS, The Property Ombudsman, Which? and ARLA now look to Government to implement these much needed changes.

Peter Bolton-King, RICS residential director, said: "RICS has long called for the regulation of the lettings industry, given that ultimately, this is about the provision of shelter, a basic human requirement. This decision is one step nearer to this vital change becoming law."

Ian Potter, ARLA managing director, added: "We all look forward to working with Government on the Bill as it moves back to the Commons for final approval."

Christopher Hamer, The Property Ombudsman, said: "From my experience of disputes that arise between consumers and letting agents this is a welcome and positive step that could see the 40 per cent of agents currently not registered with TPO or affiliated to a professional body, brought within a framework of standards.

This will mean greater protection for a greater number of consumers."

Richard Lloyd, executive director of Which?, said: "Renting is now the only housing option for millions, and our research has shown this market is dogged by poor practice and there is an alarming lack of consumer protection.

"Tenants deserve much better and the Government must take this opportunity to improve regulation and redress in this sector. We want letting agents to be covered by the same rules as estate agents, overseen by an independent ombudsman."

The amendment comes after a ruling by the Advertising Standards Agency that letting agents must make their full fees clear in the quoted price of all rental properties.

The ruling follows research by Shelter last year, which revealed almost 1 in 4 British people have been ripped off by a letting agent - equivalent to 11 million people.

Shelter's findings included:

- Renters being charged over £150 for repeat credit checks every year. Shelter research suggests the checks cost letting agents between £8 and £25 to run.
- People being charged £100 each time they viewed a property.
- Renters being charged up to £540 for non-refundable 'administration' fees.
- Letting agents double-charging fees for the same service to landlords and tenants.

Campbell Robb, chief executive of Shelter, said of the new ruling: "This is extremely welcome news for struggling renters who often find themselves facing unfair and unclear charges.

"While this is undoubtedly a step in the right direction, it's vital that we address not just the disclosure of fees but the fees themselves.

"Our investigation uncovered unexplained charges of over £500. With costs like these on top of the sky-high rents that families already face, the Government needs to take action on this issue that affects hard-pressed families on a huge scale."
The Private Sector Housing (PSH) Team at Southend Council endeavours to work with landlords and agents informally, without the need to serve a Statutory Notice. However, there are occasions when a landlord chooses, despite advice from the Council, managing agents and peers, to ignore the Notice or to not tackle the problem.

The same also applies to requests for information which aid the PSH Team in identifying concerns, renewing licences and ensuring that the correct action is taken. When landlords refuse to comply with statutory requests, the final sanction the Council can take is to prosecute that person through the Courts or by taking them to a Residential Property Tribunal for a Management Order.

The following are a few of the more recent cases that have been taken to the Magistrates Court or the Eastern Residential Property Tribunal by the Southend Borough Council PSH Team.

This section is to highlight to good landlords that the Council is prepared to take strong action against those whom fail to take the appropriate action.

Southend on Sea Borough Council v Mr Hon Shu Pang and Mrs Yeun Ming Pang

Mrs Yeun Ming Pang 64, and Mr Hon Shu Pang, 72, - who were once the subject of an Echo investigation into the state of their accommodation - pleaded guilty to a breach of management at 72 York Road.

A Private Sector Housing officer visited the property after a complaint in January 2013 and found a hole in a bathroom, filthy and unsecured carpeting on the stairs, blocked drainage gulleys outside the property and damp in all the bedrooms.

The Council said the Pangs had ignored warnings to improve the bedsit’s conditions.

Southend Magistrates’ Court heard that the property, which has four bedsits, had also been a haven for drug users, prostitution, and other crimes.

They were each fined £700 x 3 offences and told to pay £222.50 each in costs and a victim surcharge of £70. The total of £4785 was to be paid at the rate of £1000 per month.
Kay Boycott, director of communications, policy and campaigns at Shelter, said: “We are delighted to hear that Newham Council has introduced this scheme, which will help protect vulnerable tenants from rogue landlords who are making their tenants’ lives hell.”

**Also in Newham, Landlord fined £1,250 for forcing two pensioners to live in a "hell hole"**

At Thames Magistrates’ Court, Sukhbir Singh Birak, 37, of Ilford, admitted failing to comply with an Improvement Notice. This was served on him under the Housing Act by Newham Council in July 2011 for his mid terraced three-bedroom Victorian house on Chester Road in Forest Gate. Birak was also ordered to pay costs of £370 and a Victim Surcharge of £15.

Council Housing Inspectors found the elderly couple had been living for over seven months with a deficient heating system, a broken window, collapsed ceilings in both the bedroom and kitchen and an electric shower as the only source of hot water.

The landlord ignored numerous requests from the Council, who asked him to rectify these problems. Housing Inspectors, with concerns for the welfare of the elderly couple, had to step in and carry out remedial works costing over £1400, which the council is claiming back.

**Newham Mayor Sir Robin Wales** said: “We want to ensure that private sector rented properties are well managed and meet a good standard. We also want to deal with the crime and anti-social behaviour that is sometimes associated with bad private sector rented housing.

“One bad house can drag down a whole street and we are doing this for the community.

“There are good landlords in Newham and we want to work with them. Unfortunately there are also some unscrupulous ones - and these are the ones we are targeting.

“We will never accept private sector tenants being directly exploited by landlords who force them to live in dangerous and unacceptable conditions. Good landlords have nothing to fear. For the bad ones, we have a clear message: clean up your act or pay the price.”

**National Enforcement Making the News**

**Newham Council in first 20 prosecutions under licensing scheme for rental properties**

Newham Council has begun 20 housing prosecutions since introducing a pioneering, borough-wide licensing scheme for private rented properties, it has been revealed.

The local authority added that it had the capacity to prosecute more than 500 cases over the next 12 months. Newham claimed that if this number of cases were brought, the total would amount to more housing enforcement than for the whole of the UK put together.

Newham introduced its scheme – the first time a Council sought to licence all private properties – on 1 January 2013. However, landlords were given a month’s extension. By 1 February, some 27,000 landlords had applied.

The council said officers and police had since visited more than 100 properties. It has also drawn up a ‘hit list’ of rented properties in the borough that are operating without a licence.

Sir Robin Wales, Newham’s Mayor, said: “We want to ensure that private sector rented properties are well managed and meet a good standard. We also want to deal with the crime and anti-social behaviour that is associated with bad private sector rented housing.

“There are good landlords in Newham and we want to work with them. Unfortunately there are also some unscrupulous ones – and we are going after them vigorously and robustly.”

Enforcement officers in Newham’s Private Housing team are working in partnership with the police, planning enforcement, UK Border Agency and HMRC to ensure compliance. Newham also recently launched a task force to tackle the issue of ‘sheds with beds’.
**Plymouth Landlord fined over housing conditions**

A landlord has been fined £28,000 for leaving properties in squalor and could be the first to be handed an anti-social behaviour order banning him from leasing to tenants.

David McCabe, 58, appeared in Plymouth Magistrates’ Court this week charged with 28 counts of breaching housing regulations. He was fined £1,000 for each count.

Chris Penberthy, cabinet member for co-operatives and community development at Plymouth Council, said: ‘We have attempted to work with this particular landlord for some time but unfortunately the properties have not been brought up to an acceptable standard so we were left with no choice but to take formal action.

‘This is always a last resort when all other options have been exhausted and is done to protect tenants.

‘One of the council’s priorities is to increase the supply of private rented housing in the city but we need safe properties that are of an acceptable standard.’

Newspaper reports said Mr McCabe, from Plymouth, Devon, had been a landlord for 30 years.

He leased homes strewn with rubbish including mouse droppings in the properties and old tyres in the gardens, with health and safety risks such as exposed wiring and filthy living conditions such as stained sinks.

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**North Kesteven Council V Mr Hughes and Mr Reid**

Private housing landlords in North Kesteven have been fined after failing to improve the standard of their property on Witham Drive, Chapel Hill.

Landlords Mr Hughes and Mr Reid pleaded guilty to the charge of failing to comply with an Improvement Notice under Sections 11 & 12 of the Housing Act 2004.

NKDC housing renewal officers liaised with the landlords for some time to find a solution for upgrading the thermal comfort of the property and other flats owned by them before taking enforcement action.

Cllr Stewart Ogden, executive member with responsibility for housing management said: "The Council is committed to improving standards in the private sector through negotiation and enforcement against landlords that rent out properties in poor condition. We will seek to prosecute landlords who do not carry out the required work."

In many cases any costs imposed by a court will exceed the cost of the work required to bring the property up to standard.

Mr Hughes and Mr Reid were fined £325 each and ordered to pay £100 each towards prosecution costs. The court added a victim surcharge of £15 each and made a collection order for payment. Because of an early guilty plea they were given a third off. Between them they had to pay a total of £880.
A landlord who was given a £17,000 fine for letting out a filthy and badly managed house with minimal fire protection has had his appeal against the sentence rejected by a judge.

Ashfaq Spaul’s rented property in Himley Road, Tooting, housed nine tenants in six bedrooms despite having a lack of fire detection, overflowing bins, a broken window on the ground floor and disrepair throughout communal areas including broken taps, shelves and tiles.

Wandsworth Council launched a successful prosecution against Mr Spaul for various offences under the Housing Act, which he appealed - but a judge at Kingston Crown Court dismissed his argument.

Problems at his property began back in 2009 when a tenant reported issues with the house. Council officers arranged an inspection, which uncovered a raft of issues at the two-storey property, including no fire fighting equipment and a limited automatic fire detection system - potentially putting the tenants at risk in the event of a fire.

Mr Spaul and his company AA Property Construction Services Ltd were served with improvement notices and ordered to provide bins, repair the ground floor front room window, which had been left unrepaired after a burglary, and install a carbon dioxide extinguisher and fire blanket in the kitchen.

Environmental Health Practitioners (EHPs) at the Council also requested to see valid safety certificates and reports. However, Mr Spaul ignored the notices and consistently failed to comply with multiple occupancy regulations, including not giving tenants his contact details.

Mr Spaul and AA Property Construction Services Ltd - responsible for an estimated 60 to 70 properties - were each found guilty at Wimbledon Magistrates’ Court of seven offences under the Housing Act relating to the Himley Road property. They were fined £1,000 each for failure to comply with an Improvement Notice, £1,000 each for failure to provide a copy of a current gas safety certificate and £1,000 each for each of five housing management breaches.

Having been ordered to pay fines totalling £17,030, Mr Spaul subsequently appealed the sentence imposed - but was ordered to pay the full amount by a judge at Kingston Crown Court on November 30.

Cllr Paul Ellis, the Wandsworth’s Cabinet Member for Housing, said: “The Council is committed to doing everything possible to ensure residents enjoy a good quality of life.

“If our officers believe tenants in the private sector are being exploited by landlords who knowingly let out dank, dirty and overcrowded accommodation, they will take action against them.”

### Other Landlords and Tenants in the Courts

A landlord brought a possession claim based on rent arrears. The tenant counterclaimed that the landlord had not provided prescribed information regarding the protection of the deposit and sought an award of three times the deposit.

The landlord said that the deposit had been protected and that any non-compliance with the requirements of the prescribed information provisions had been technical and had caused no prejudice.

The judge found that a combination of the terms of the tenancy agreement and the information actually supplied had amounted to sufficient compliance with the requirements. The Court of Appeal allowed the tenant's appeal.

It decided that there had been non-compliance with the requirements and that, although the failures concerned procedural information, such information was of real importance to tenants.

The landlord was ordered to refund the deposit and pay a sum equal to three times the deposit.