



# A Guide to Implementing Voluntary Accreditation Schemes for Private Landlords



# A Guide to Implementing Voluntary Accreditation Schemes for Private Landlords

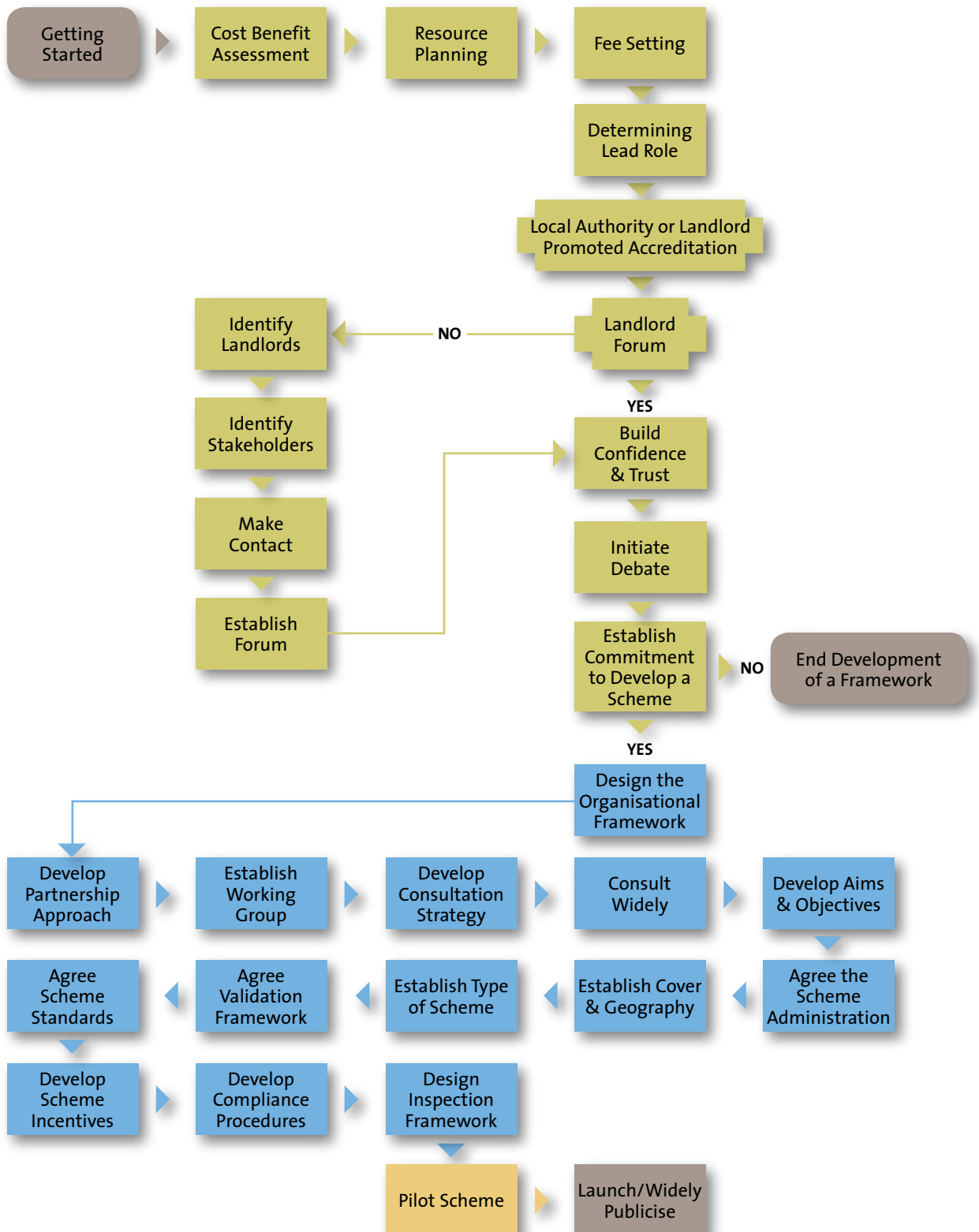
<b>1. An Introduction to Accreditation</b>	<b>4</b>
1.1 Structure of Guidance	4
1.2 Background	5
1.3 Accreditation – an Overview	6
1.4 Support for Accreditation	7
1.5 Accreditation Schemes in Operation	8
<b>2. Using this Guide</b>	<b>9</b>
2.1 About this Guide	9
2.2 Good Practice Framework	10
<b>3. Getting Started</b>	<b>11</b>
3.1 Cost Benefit Assessment	11
3.2 Resource Planning	11
3.3 Fee Setting	12
3.4 Determining Lead Role	13
3.5 Landlord Forums	14
3.6 No Landlord Forum	14
3.7 Identifying Landlords	15
3.8 Identifying Key Stakeholders	15
3.9 Initiate the Debate	16
3.10 Establish a Commitment to develop a Scheme	16
<b>4. Organisational Framework</b>	<b>17</b>
4.1 Developing a Partnership	17
4.2 Establish a Working Group	18
4.3 Consult Widely and Sensitive	19
<b>5. Aims and Objectives</b>	<b>21</b>
5.1 Introduction	21
5.2 Aims	21
5.3 Objectives	22

<b>6. Scheme Administration</b>	<b>23</b>
6.1 Cover and Geography	23
6.2 Type of Accreditation Scheme	24
6.3 Validating Framework	25
6.4 Risk Assessment	26
6.5 Recommendations	28
<b>7. Setting the Standards</b>	<b>29</b>
7.1 Types of Standards	29
7.2 Scope of Standards	29
7.3 Setting the Standards	30
<b>8. Developing Incentives to join</b>	<b>31</b>
8.1 Introduction	31
8.2 Type of Incentives	31
8.3 Agreeing the Standards	33
<b>9. Developing Compliance</b>	<b>34</b>
9.1 Monitoring Compliance	34
9.2 Complaints and Disputes Procedures	34
9.3 Design Inspection Framework	35
9.4 Piloting the Scheme	36
9.5 Launching and Widely Publicising the Scheme	37
<b>Appendix 1 – Accrediting Letting Agents</b>	<b>39</b>
<b>Appendix 2 – Acknowledgements</b>	<b>41</b>

# 1. An Introduction to Accreditation

## 1.1 Structure of Guidance

1.1.1 This guidance has been structured to follow the process of establishing a voluntary accreditation scheme for private landlords. The following diagram illustrates this process. Each element of the process reflects specific guidance on the subject.



## 1.2 Background

---

- 1.2.1 The private rented sector in Scotland plays an important role in providing accommodation for many different types of households. In our university towns and cities it is vital for meeting the needs of their large student populations. In rural and remote areas it is a key contributor to the provision of much needed affordable rented housing as well as sustaining essential tied housing on estates and farms. With its ease of access, it supports labour mobility in a way that other rented tenures fail to match. For many young professional households, it is the tenure of first choice – or, in an era of over-inflated house prices – of necessity. For a number of households disadvantaged by serious social or health problems, it is a haven of last resort. For some older tenants in the remaining protected tenancies, it is simply their permanent home.
- 1.2.2 In recent years, for those with uncertain pension provision, the private rented sector has become their future pension provider. The growth of the Buy-To-Let market has shown that in an era of low stock market yields, private renting offers the possibility of more stable returns. This has resulted in the proliferation of part-time landlords who may not have the same degree of knowledge or expertise as their full-time counterparts. The issue of professionalism within the sector is perhaps more pertinent now than ever.
- 1.2.3 Housing quality in the private rented sector varies widely from very poor to highly desirable. Management is also a variable commodity. There are many landlords who pride themselves on their professional approach to management and the quality of their properties. There are others who know little, do little and care little about their properties or tenants.
- 1.2.4 While the public image of the private landlord is less negative today than in the past, there is still an issue and landlords accept that their status in the housing market could be improved. The Final Report of the Housing Improvement Task Force (2003) provided a welcome boost to the sector's status. While recognising the problems of poor conditions and management that would have to be tackled, the commitment to a positive future for the sector was underscored by the statement:  

'We want to see a thriving private rented sector providing well-managed accommodation of acceptable quality for the diversity of types of tenants, who through choice or necessity, take up residence in the sector' (p. 102).
- 1.2.5 This perspective should find resonance at local level in the Local Housing Strategies of local authorities, who have a statutory duty established by the Housing (Scotland) Act 2001, to consider housing issues across all tenures. The production of Local Housing Strategies has stimulated local authorities to assume a more developmental role in the private rented sector, in order to achieve wider housing objectives relating to sustainability, choice, affordability and quality, whilst responding to national policy initiatives associated with fuel poverty and property condition. The increasing appointment of local authority private sector liaison officers and the proliferation of commissioned research on the sector reflects this.
- 1.2.6 Although local authorities will maintain a regulatory stance to deal with problems of sub-standard conditions and poor management in the private rented sector, now more than ever opportunities are arising for local authorities and private landlords to work together in a more co-operative manner that brings benefits to both parties. Several authorities have cultivated a more positive working relationship with private landlords by setting up landlord forums or holding information seminars on key issues such as housing benefit payments.
- 1.2.7 The current homelessness policy context has generated a more proactive relationship between local authorities and the private rented sector. The development of rent deposit guarantee schemes, stimulated by the implementation of recommendations by the Homelessness Task Force (2001), has contributed significantly in this respect. The Housing (Scotland) Act 2006 gives ministers the authority to introduce a regulatory framework in relation to tenancy deposit schemes.
- 1.2.8 In addition, the Scottish Executive Code of Guidance on Homelessness promotes the development of temporary accommodation strategies, which encourage authorities to increase the supply of temporary accommodation across tenures and exploit opportunities within the private rented sector. As a result, the concept of lead tenancies has evolved, as reflected by research commissioned in this area by the Scottish Executive in 2002. A growing number of local authorities are currently establishing long-term leasing relationships with the private landlords, where properties are subsequently sub-let to homeless households as temporary tenancies.

## 1.3 Accreditation – an Overview

---

- 1.3.1 Accreditation can be described as a formal means of recognising and confirming the good property and management practices of those private landlords who apply for, and are accepted into, a local accreditation scheme. Local accreditation schemes represent an opportunity to develop a new and more positive relationship than has existed historically between local authorities and private landlords. Accreditation should be seen as a way of moving forward from the traditional regulatory relationship to a more trusting partnership, and provide scope to build on existing positive relationships established through the development of Landlord Forums, rent deposit guarantee schemes and lead tenancy initiatives.
- 1.3.2 As a way of raising status and standards, accreditation is not seen as an answer for the whole of the private rented sector. It is better understood as part of a set of initiatives – voluntary and regulatory – but one that can make a useful contribution in particular segments of the sector. The private rented sector is not a homogenous sector. It varies in quality and price, as well as location. Accreditation is more likely to appeal to landlords operating in the middle and upper end of the private rented market who should already be well down the road of meeting the good practice standards of an accreditation scheme. It should also be of interest to landlords operating below the middle part of the market who would welcome the support from an accreditation scheme to raise their management standards, or appeal to the increasing number of part-time landlords who may need support or information to address gaps in knowledge or expertise.
- 1.3.3 Although accreditation is unlikely to appeal to landlords at the bottom end of the market, in some respects these landlords may have most to gain in establishing positive partnership relationships with local authorities as their reliance on the administration of local authority services tends to be greater (e.g. in the administration of Housing Benefit, repair and improvement grants, the licensing of HMOs etc). There may also be scope to encourage landlords to participate in accreditation schemes as part of a wider package of initiatives where financial or management incentives are more explicit (e.g. lead tenancy initiatives).
- 1.3.4 Achieving accreditation status should represent a realistic challenge by encouraging good landlords to go that bit further and enhance their management and property standards. In other words, accreditation should not be considered a soft touch that simply ratifies what exists. Over time, standards should rise and professionalism should increase as a result of a successful accreditation scheme.
- 1.3.5 Accreditation is a voluntary concept. For landlords to sign up to an accreditation scheme, there must be a sense of gain. While successful accreditation allows landlords who operate good practices to have these publicly ratified and, at the same time, distinguish themselves in a positive way from other non-accredited landlords, more tangible incentives, financial and otherwise, will need to be built in to schemes if they are to be successfully launched and sustained.
- 1.3.6 It is instructive to note that accreditation is also a voluntary concept for private tenants. Unless tenants are aware of the benefits of accreditation – choosing properties where the landlords' management standards are accredited – the benefits for landlords will be curtailed. The market context and demand for private rented properties will have an impact on the choices prospective tenants may exercise. Therefore, one of the most important issues for local accreditation schemes will be identifying how to most effectively communicate and publicise schemes to tenants.

## 1.4 Support for Accreditation

---

- 1.4.1 Until recently, there has been limited interest in Scotland in establishing voluntary accreditation schemes although the picture is changing with the development of local housing strategies and the associated national policy agendas. The Home Improvement Task Force Final Report identified voluntary accreditation schemes as one of several approaches along with registration, certification and selective licensing, which could be adopted to raise standards in the private rented sector (see [www.scotland.gov.uk/library5/housing/pfph-oo.asp](http://www.scotland.gov.uk/library5/housing/pfph-oo.asp)). The Task Force supported a partnership approach to the development of local accreditation schemes such that local authorities could take the lead role in promoting their development, but were not encouraged to introduce or run them on their own without backing from landlords in their area.
- 1.4.2 The Chartered Institute of Housing in Scotland and the Scottish Association of Landlords published a jointly commissioned report 'Accreditation of Private Sector Landlords: Options for the Future,' (2003) advocating the development, with Scottish Executive financial support, of a set of National Standards and Guidance on voluntary accreditation although they also recommended establishing a national property registration scheme (see [www.cih.org/scotland/policy/resproject009.pdf](http://www.cih.org/scotland/policy/resproject009.pdf)).
- 1.4.3 In 2004 Communities Scotland and the Scottish Executive published 'National Core Standards and Good Practice Guidance for Private Landlords and for Local Accreditation Schemes: A Quality Framework'. This guidance introduced National Core Standards for private landlords to provide a framework for setting and monitoring the achievement of good management and property standards. The Standards reflected a combination of current legislation, good practice and common sense.
- 1.4.4 To coincide with the publication of the National Core Standards guidance, the Scottish Executive provided funding to four local authorities to pilot voluntary accreditation schemes. The outcome of this process has been that four voluntary accreditation schemes have been developed and good practice has been collated as a result. In addition, due to new legislation, in particular the Anti-Social Behaviour etc (Scotland) Act 2004 and the Housing (Scotland) Act 2006, some revisions have been made to both the National Core Standards and the Model Tenancy Agreement. As a result Communities Scotland has now published HomePointer 49: Scottish National Core Standards and Good Practice Guidance for Private Landlords and HomePointer 50: A Guide to Implementing Voluntary Accreditation Schemes for Private Landlords.

## 1.5 Accreditation Schemes in Operation

---

- 1.5.1 As a result of grant funding from the Scottish Executive four voluntary accreditation schemes were established in Dumfries and Galloway, Dundee, Edinburgh and South Ayrshire. All four schemes were based on the National Core Standards and associated guidance and each accredits private landlords and letting agents for meeting both property and management standards.
- 1.5.2 In addition a number of independent accreditation schemes have been developed by local authorities throughout Scotland. Scotland's first accreditation scheme was established by Fife Council, Charter for Private Landlords. This scheme accredits landlords on achieving a mix of property and management standards. At time of publication both Aberdeenshire and East Dunbartonshire Councils were progressing local accreditation schemes.
- 1.5.3 Until recently the main experience of operating local accreditation schemes has been in England and to a lesser extent, in Wales. The origins of accreditation lay in the student part of the market where there were concerns about poor conditions and tenancy management. They comprised a set of negotiated standards agreed between landlords and either local authorities, universities and colleges or their managing agents (See the UNIPOL Code of Standards for student housing at [www.unipol.leeds.ac.uk](http://www.unipol.leeds.ac.uk)). Other schemes followed covering student accommodation standards but subsequent schemes have evolved which focus on parts of, or the entire, private rented sector.
- 1.5.4 A major impetus was given to the promotion of voluntary accreditation schemes by the publication in 2001 of guidance by the then Department of Environment, Transport and the Regions (DETR): 'Developing a Voluntary Accreditation Scheme for Private Landlords: A Guide to Good Practice' (DETR, 2001) (see [www.communities.gov.uk/index.asp?id=1152084](http://www.communities.gov.uk/index.asp?id=1152084)). In addition, a booklet 'Private Landlords can Benefit from Belonging to a Local Accreditation Scheme' has been produced by the Office of the Deputy Prime Minister (ODPM) and can be obtained at: [www.communities.gov.uk/index.asp?id=1152083](http://www.communities.gov.uk/index.asp?id=1152083).
- 1.5.5 A National Accreditation Network (ANUK) was established in 2002 comprising local authorities, universities, colleges and landlord and agent organisations to exchange and develop good practice in the development and operation of accreditation schemes (see [www.anuk.org.uk](http://www.anuk.org.uk)). ANUK has published a National Model Accreditation Scheme, Version 1: May 2003 comprising guidance, a model landlord accreditation scheme, a model tenant accreditation scheme and a list of suggested benefits from being an accredited landlord. The scheme is the copyright of members of ANUK from whom membership particulars can be obtained. A National Accreditation Directory published on behalf of the National Accreditation Network by Leeds City Council and UNIPOL provides details of over 20 accreditation schemes (contact [neil.marsden@leeds.gov.uk](mailto:neil.marsden@leeds.gov.uk)).

## 2. Using this Guide

### 2.1 About this Guide

---

- 2.1.1 This guide has been designed to assist the promotion and development of voluntary accreditation schemes. It complements guidance on the National Core Standards and Model Tenancy Agreement outlined in HomePointer 49: Scottish National Core Standards and Good Practice Guidance For Private Landlords.
- 2.1.2 The success of any voluntary accreditation scheme will ultimately depend on the work done in the early stages of development.
- 2.1.3 There is no one right way of developing an accreditation scheme. While recommendations are made on best practice, those who seek to develop a scheme have choices to face and decisions to make on what is the best approach for them depending on local conditions and the nature of the private rented market.
- 2.1.4 The guidance draws partly on examples of operational schemes in Scotland and partly on available English guidance, particularly the DETR and ANUK guidance. However, in either case, the acceptance or modification of their approaches is shaped by what is considered more appropriate for the Scottish context.

### **The Obvious Warning**

**If an attempt is made to establish a scheme that:**

- **lacks support**
- **invites misunderstanding or**
- **provokes suspicion as to its motives**

### **IT WILL FAIL**

**Partnership and co-operation are vital to the success of an accreditation scheme.**

**Do not confuse accreditation with enforcement of statutory responsibilities.**

## 2.2 Good Practice Framework

---

2.2.1 The good practice framework for investigating and establishing a voluntary accreditation scheme is summarised below. It focuses on the preparatory work leading up to the launch of a scheme and provides guidance on post-launch implementation.

### Key Steps to Develop a Local Voluntary Accreditation Scheme

- Carry out a Cost Benefit Assessment and Resource Planning exercise
- Determine lead role in the scheme
- Establish a private landlord forum to build confidence and trust
- Identify landlords and key stakeholders to inform the process and make contact
- Initiate the debate on the potential to develop the scheme
- Establish the commitment to develop the scheme
- Develop a partnership approach
- Establish a working group
- Consult widely and sensitively
- Define the aims and objectives of the scheme that address each party's interests
- Establish the cover and geography of the scheme
- Establish the type of scheme and the Standards to be adopted
- Carry out an implementing Standards risk assessment
- Establish how to validate the Standards
- Develop a practical set of incentives to encourage landlords to join
- Develop compliance procedures
- Establish a complaints and disciplinary procedure
- Design an inspection framework
- Pilot the scheme and
- Launch and widely publicise the scheme

## 3. Getting Started

*This chapter outlines the initial key stages to be undertaken in the implementation of a voluntary accreditation scheme.*

### 3.1 Cost Benefit Assessment

---

3.1.1 During initial discussions and deliberation regarding the creation of an accreditation scheme, it is recommended that a Cost Benefit Assessment and a basic resource planning exercise be undertaken. A Cost Benefit Assessment should include:

- assessment of number of landlords (and letting agents) likely to join the scheme
- cost of running the local scheme
- cost of joining a national scheme
- potential for passporting to registration
- sources of funding (Council contribution)
- sustainability of funds
- scale of fees and
- level of incentives to members

### 3.2 Resource Planning

---

3.2.1 An indicative resource plan should be prepared prior to developing an accreditation scheme to inform any decision to proceed. This would also assist in deciding whether the scheme is sustainable at a local level or whether consideration should be given to a scheme covering a wider geographical area.

3.2.2 Evidence from the pilot accreditation process in Scotland indicates that there is an economy of scale for accreditation schemes. This economy of scale is likely to be in the region of 3,000 properties. Schemes below this level are likely to require significant subsidy from the local authority.

3.2.3 Therefore, when developing a scheme consideration should be given to sharing administration with other agencies or authorities. A detailed resource plan should be developed covering:

- set-up costs for scheme
- support costs for a landlord forum/working group/management group
- running costs for the accreditation scheme and
- grants framework

3.2.4 Set-up costs for an accreditation scheme could include:

- staff costs including for research, administration, scheme co-ordination and stakeholder consultation
- design, printing costs for publicity material and postage
- hire of meeting accommodation
- drafting local constitution
- drafting local Standards and
- design of local scheme guidance

- 3.2.5 Consideration could also be given to providing other forms of support and encouragement such as an email or text question and answer service or a web-based advice, consultation and information forum.
- 3.2.6 Support costs for a landlord forum could include:
- one-off grant for administration and support
  - annual grant
  - provision of meeting facilities
  - printing and photocopying facilities
  - minute taking and distribution
- 3.2.7 The running costs for the accreditation scheme could include:
- staff support costs
  - administration, printing and publicity
  - application, assessment and confirmation costs
  - inspection costs
  - monitoring and compliance administration and
  - complaints procedure administration
- 3.2.8 The costs of managing an accreditation scheme will be directly proportional to the level of inspection, the procedures for application and the size of the private rented sector in the authority. Where a self-certification scheme is adopted, there should be greater costs allocated to monitoring and compliance administration.
- 3.2.9 However, where there is a degree of pre or random inspection, the compliance costs may be significantly lower. It will be up to each scheme to design its own resource requirements in line with the nature of the scheme proposed.
- 3.2.10 Consideration should be given to the use of volunteer and/or peer group monitoring and compliance. For example, the decision to remove a landlord from the scheme could be made by a tribunal of a tenant volunteer, volunteer landlord and another stakeholder operating to agreed guidance.
- 3.2.11 A grant framework would require to be linked to the council's overall Local Housing Strategy. The strategic importance of the sector should be reflected in the grant resource allocated within the council. Two forms of grant should be considered: a small grants procedure to assist landlords to meet the accreditation Standards and improvement grants targeted at accredited landlords with the objective of bringing more properties into the rented sector.
- 3.2.12 The resource plan should initially be prepared for a two-year start-up period and then as part of a five-year Resource Plan updated on an annual basis.

### 3.3 Fee Setting

---

- 3.3.1 Accreditation schemes will require significant financial resources for developing consultation, launch publicity and implementation but joining (and renewal) fees should not be seen as a means of significantly offsetting these costs. In a voluntary system, a high fee can be a significant barrier to membership and potentially undermine the benefits offered by incentives. Fees should be kept very low. Indeed there is an argument that as fees could only marginally offset set-up and running costs, there should be no fee at all, only incentives.
- 3.3.2 Half of the 16 local authority accreditation schemes surveyed in England (National Accreditation Network, 2002) and all Scottish schemes currently do not charge for membership. Other English councils charge approximately £30–£60 with some operating a fee scale based on the number of properties being accredited. The Office of the Deputy Prime Minister, in its 2001 guidance, indicated that fee charging by local authorities could be ultra vires as there was no specific legislation to allow them to do so. However, if the accrediting organisation is constructed as a partnership organisation with its own constitution this will eliminate this ambiguity.

- 3.3.3 Where a fee is charged in Scotland, recognition should be given to the level of discount received by the landlord if the accreditation scheme is approved for passporting to registration by the local authority.
- 3.3.4 Joining fees cannot be presumed to meet the administration and inspection costs of running an accreditation scheme.

## 3.4 Determining Lead Role

---

### Local Authority Promoted Accreditation

- 3.4.1 Where the local authority takes the lead role, it should be given to skilled and experienced officers with a positive attitude to the contribution of the private rented sector to meeting local housing needs and market demand. Scotland has had over five years' experience of compulsory licensing of HMOs and more recently of Landlord Registration. In a number of areas this has affected relationships between local authorities and private landlords in general. There must be a strong corporate commitment from the outset to working in partnership with landlords to ensure a robust relationship between the sectors.
- 3.4.2 The lead officers must be aware of any history of difficult landlord/local authority relationships. As the DETR guidance (2001) states:  

'It is essential to draw a line under past negative relationships and perceptions, and to work hard to create a collaborative ethos' (p. 22).
- 3.4.3 Where a local authority wishes to develop a scheme of accreditation but does not consider that such a scheme would have long-term viability, consideration should be given to establishing a scheme in partnership with a national or voluntary organisation such as Scottish Association of Landlords (SAL), Scottish Rural Property and Business Association (SRPBA) or local university accommodation services.
- 3.4.4 A sensible approach to promoting voluntary accreditation would be through a department or service that is not also responsible for managing the authority's mandatory HMO licensing scheme or Landlord Registration. It is advised that accreditation should be separate from these two mandatory functions.
- 3.4.5 Given that the production of Local Housing Strategies has stimulated local authorities to assume a more proactive role in the development of the private rented sector, housing departments are emerging as the most appropriate department to assume a lead role in accreditation. However there should be an understanding and commitment relating to accreditation from the outset across all local authorities' services, for example HMO licensing, Housing Benefit, Registration, Environmental Health, Anti-Social Behaviour Services, and Private Sector Teams.
- 3.4.6 Where it is not appropriate for housing services to assume the lead role, corporate discussion within the authority will be necessary prior to development of a scheme to identify the necessary lead service. It is also important that staff are appointed at an early stage.
- 3.4.7 Promoting accreditation as a positive way forward to raise standards must be done sensitively. The voluntary nature of accreditation must be emphasised. The difference from HMO licensing regulation and Registration should be made clear. A commitment to partnership rather than ownership must be conveyed.

### Landlord Promoted Accreditation

- 3.4.8 There is the possibility of the converse outcome, namely that a local landlords association is positive about accreditation but its local authority, for some reason, is less motivated. In these circumstances there is no reason why the landlords' organisation should not take the lead in developing a local accreditation scheme. The HITF Final report (2003) is clear on this matter:  

'...if landlords want to establish an accreditation scheme but a local authority, for whatever reason does not, that should not prevent landlords from being supported, including financially, to set up a scheme' (p. 114).

3.4.9 Financial support would be dependent on a landlord scheme meeting certain conditions in relation to governance, validation and compliance methods and a sound business plan. It could be expected that this would require a landlord-promoted scheme to involve the relevant local authority, have a proper constitution, establish clear operating procedures including monitoring and financial control, and adopt Standards that are reasonable local interpretations of the National Core Standards.

## 3.5 Landlord Forums

---

3.5.1 Accreditation schemes are best developed and launched with some form of prior, well-established liaison between landlords and local authorities.

3.5.2 A landlord forum should act as a collective body for all local landlords. It acts as a route for sharing experiences, information and resources and to take collective action where necessary. Where there is an established forum this should be the first point of call to build support for an accreditation scheme. A landlord forum can act as a sounding board for accreditation proposals, including consultation on the interpretation of Core Standards, structure and governance of the scheme, compliance framework and agreeing incentives and benefits of joining a scheme.

### Good Practice Example

Several authorities including the City of Edinburgh, East Dunbartonshire, Fife and South Ayrshire have taken a progressive attitude to the role of the private rented sector by setting up landlord forums or organising landlord seminars to keep landlords informed of developments in issues such as housing benefit and housing law. These organisational links help build positive relationships and can give landlords the opportunity to shape the authority's thinking on an ongoing basis. This is a desirable precursor to promoting debate about a voluntary accreditation scheme as it builds on the development of confidence and trust established through contact and collaboration.

## 3.6 No Landlord Forum

---

3.6.1 In most parts of Scotland, local authorities will have no landlord forum and have little or no substantive contact with private landlords in their areas other than through Registration, HMO licensing regulation and housing benefit administration.

3.6.2 In such a situation, rather than initially promote accreditation, local authorities should ensure wide-ranging consultation to put in place a landlord forum as a prerequisite to accreditation (this does not imply that subsequent schemes will be controlled and managed by authorities). Such an approach will reduce the detrimental effect of accreditation being seen as a top-down proposal and will allow it to emerge through dialogue in the subsequent created forum – possibly along with other issues of concern to landlords.

### Good Practice Example

Prior to accreditation, Dumfries & Galloway Council did not have a landlord forum. In order to ensure landlords were involved in the development of the scheme from the outset, the project officer held an information seminar inviting local landlords interested in registration, accreditation and forming a landlord forum to attend. At this event landlords provided their contact details resulting in the establishment of a landlord forum and an accreditation working group.

## 3.7 Identifying Landlords

---

- 3.7.1 Accreditation schemes will have to look for ways of identifying and contacting landlords. The Landlord Registration database held by the authority should be an appropriate source of contact. However due to Data Protection access to information requirements, the local authority must contact registered landlords on the accreditation scheme's behalf.
- 3.7.2 As a key requirement of membership to an accreditation scheme is being a registered landlord this should be the prime source of initial communication.
- 3.7.3 In parallel with this initial mail shot local letting agents should be sent out information on the proposed scheme.
- 3.7.4 At the outset of the scheme it is important that a database of landlords interested in accreditation is created and then maintained.
- 3.7.5 A number of organisations and agencies may be able to assist in identifying private landlords interested in improving their standards and achieving accreditation. These could include:

### Possible Sources

- ▶ National Representative or professional bodies, e.g. Association of Residential Letting Agents (ARLA), Scottish Association of Landlords (SAL), Scottish Rural Property and Business Association (SRPBA)
- ▶ Local property centres, or solicitors
- ▶ National or regional letting agencies
- ▶ Rent deposit guarantee schemes and the National Rent Deposit Forum
- ▶ Rural estate owners and farms with tied accommodation
- ▶ Local authority private sector liaison officers
- ▶ Local authority lead tenancy initiatives
- ▶ Local authority homelessness teams
- ▶ Housing Benefit administration
- ▶ Council Tax administration
- ▶ HMO registration teams and
- ▶ Repair and improvement grant officers

## 3.8 Identifying Key Stakeholders

---

- 3.8.1 The participation of other stakeholders in the private rented sector should not be overlooked in the ongoing development of accreditation schemes, landlord forums or working groups.
- 3.8.2 Where there are universities and/or colleges, their accommodation services, student unions and student welfare representatives should be engaged in discussions, as they are likely to be major users of privately-rented accommodation.
- 3.8.3 Whatever local authority department, landlord group or partnership has the lead role, an input should be sought from other services with responsibilities and interests in the private-rented sector both within the authority (e.g. from environmental health, planning and social work) and from statutory bodies outwith the authority (the fire brigade, police and Department of Work and Pensions) – although it must be made clear that the aim of accreditation is not to construct a pseudo-statutory system of regulation or an onerous set of regulatory standards.

- 3.8.4 Where appropriate, national representative bodies such as the Scottish Rural Property and Business Association and Scottish Association of Landlords should be brought into the process. Indeed it may be appropriate for them to develop their own national position on how accreditation should best develop in different parts of the country.
- 3.8.5 Voluntary sector organisations such as Citizens Advice Centres, law centres and Shelter Housing Aid Centres that provide advice and support to private tenants (and landlords) or that liaise with landlords on accommodation for their clients should be included in the process as they can often accurately reflect the interests of their clients. Where available consideration should be given to:
- private tenant representatives
  - consumer representatives and
  - disabled/special needs/BME representation

## 3.9 Initiate the Debate

---

- 3.9.1 The trust and confidence established between stakeholders in developing a private landlord forum provides a sound basis on which to initiate debate on the concept of accreditation. The forum should provide a partnership framework, which identifies priorities for action to develop the role and status of the private-rented sector within an authority and facilitate debate on a variety of issues including the concept of accreditation.
- 3.9.2 It is important that no specific professional group is allowed to dominate the deliberations at this stage. Focus should always be maintained on the practical and achievable combined with an understanding of market economics within the local sector.

## 3.10 Establish a Commitment to develop a Scheme

---

- 3.10.1 The priorities of all stakeholders should be considered in deciding whether or not to progress with the development of an accreditation scheme. The support of landlord forum members will be central to moving forward but if the idea of accreditation cannot gain credence from forum members, a critical review needs to be carried out about progressing the idea further. A critical review should include discussions with landlords to identify:
- why accreditation is not seen as an attractive option
  - any difficulties in communicating with landlords
  - any suspicions concerning the role of the local authority and
  - any concerns regarding costs and benefits

# 4. Organisational Framework

## 4.1 Developing a Partnership

---

4.1.1 In Scotland, all but one accreditation scheme has been located within the local authorities' housing service. Others within the UK are run by university accommodation services.

All schemes have been established through consultation and with support from landlords, landlord organisations and other key stakeholders such as universities and colleges. While this approach is, to an extent, a partnership, the ownership of the scheme is usually with the local authority.

4.1.2 No accreditation scheme should be developed which is not built round a strong partnership approach. The issue for local authorities, landlords and other key stakeholders is to find a way of working together that maximises partnership working. In particular, landlords must play a significant role in determining, in advance, the decision to promote a scheme and in its subsequent development. In university towns and cities, the university accommodation services and student unions should also be integral players.

### Good Practice Example

In Scotland the City of Edinburgh Council established a partnership agreement with the Scottish Association of Landlords (SAL). As a result it was able to access information and advice and also contact a large number of landlords associated with SAL. In addition SAL has provided training and support to accredited landlords and accreditation staff.

Due to the rural nature of much of Dumfries & Galloway's private-rented market, the Council approached the Scottish Rural Property and Business Association (SRPBA) to develop an accreditation scheme. Here a formal partnership contract was agreed which created an accrediting body called Quality Rent South West (QRSW). QRSW is responsible for the management of the scheme based in council premises with resources being available in the form of a grant to the SRPBA who employ a member of staff.

4.1.3 The partnership approach maximises the chances of success of a scheme. It is the best way for landlords to appreciate the constraints – legal, political or financial – that local authorities are under and for local authorities to appreciate the market and financial framework in which landlords have to operate.

Pragmatically, local authorities may still take the lead role in initiating a debate to gauge interest in introducing a scheme but in doing so, they must not assume, or convey an assumption of, ownership of the scheme.

However, within the local authority's role as strategic enabler for the area, they are perhaps best equipped to facilitate identifying the necessary resources to support the scheme and ensure that its development is co-ordinated with other private-rented sector initiatives where this has a positive effect.

It is recommended that where a political decision is required for the authority to establish an accreditation scheme, initially only 'in principle' approval be sought from elected members. Care must be taken to ensure that the embryonic accreditation scheme is not restricted by policy decisions made prior to detailed consultation.

## 4.2 Establish a Working Group

---

4.2.1 The partnership approach should result in a working group of key stakeholders to prepare the groundwork for establishing an accreditation scheme, namely the aims, objectives, type of scheme, standards, incentives, fees, monitoring, compliance, pilot scheme and launch publicity. The development of a working group will provide a more focused decision-making body which should reflect ongoing consultation with landlords and associated stakeholders within the landlord forum.

### Good Practice Example

Good practice would be to ensure representation from the following stakeholders:

- Private landlord with small portfolio
- Private landlord with large portfolio
- Local letting agent
- Tenant/Consumer representative
- University/college accommodation representative (where appropriate)
- Council officer and
- Local or national landlord organisation representative (where appropriate)

### Good Practice Example

The Working Group governing Edinburgh Landlord Accreditation (ELA) consisted of the following representatives:

- Landlords
- Letting agents
- Scottish Association of Landlords representative
- Project Officer
- Tenant representative
- Scottish Ombudsman representative and
- Citizens Advice Bureau representative

## 4.3 Consult Widely and Sensitive

---

- 4.3.1 Consultation is a critical prerequisite to introducing a successful accreditation scheme. Minimising barriers to the acceptance and take-up of an accreditation scheme should be a fixed item on the agenda to develop any accreditation scheme. Landlords do not need to join a scheme predicated on the voluntary principle. Yet, if they do not join in significant numbers over time, the scheme will fail.
- 4.3.2 To identify/target landlords in the first instance, accreditation schemes should consult their local authorities' Landlord Register.
- 4.3.3 It may be appropriate for the accreditation scheme to work in partnership with its local Landlord Registration Scheme to ensure landlords are fully aware of their obligation to register. This joint approach could access as many sources as possible – landlord register, housing benefit records, council tax records, HMO licensing records, rental adverts in local newspapers, owners' lists kept by letting agents and estate agents, local knowledge of members of landlord forums, local membership lists of national organisations such as the Scottish Association of Landlords and Scottish Rural Property and Business Association, university and college landlord lists, local tenant organisations landlord lists, local authority databases and voluntary organisation knowledge of landlord addresses.

### Good Practice Example

Obtaining landlords' contact details can be restricted due to Data Protection. A number of Scottish authorities have dealt with this issue in the following ways:

- ▶ rather than organisations or services providing landlords' details to the accreditation scheme, the organisations could distribute information on the scheme's behalf. For example in Dumfries & Galloway, the Housing Benefit team distributed marketing leaflets on the accreditation scheme's behalf and
- ▶ some accreditation schemes were able, under the local authority's role in providing housing information and advice, to distribute information to both landlords and tenants on accreditation

- 4.3.4 In order to further identify/target landlords, the accreditation scheme should draw on a wide variety of methods including rental adverts in local newspapers, owners lists kept by letting agents and estate agents, local knowledge of members of landlord forums, local membership lists of national organisations such as the Scottish Association of Landlords and Scottish Landowners' Federation, university and college landlord lists, local authority databases and voluntary organisation knowledge of landlord addresses.
- 4.3.5 An accreditation scheme should serve the needs and interests of private tenants as much as it serves landlords' or local authorities' interests. As the DETR guidance (2001) states:
- 'Tenants' views could be particularly important in deciding what are the most important elements of Standards, and on arrangements for dealing with problems or complaints' (p. 23).
- 4.3.6 Therefore, those responsible for promoting and developing a voluntary accreditation scheme should take steps to incorporate the views and experiences of private tenants into their considerations.
- 4.3.7 However, for a number of reasons, achieving effective communication with private tenants is difficult, but those promoting and developing a scheme should explore ways to **consult directly** with tenants. The abstract idea of voluntary accreditation is unlikely to mean much to most tenants. Feedback should relate to tenants' views on what makes a good or bad landlord, what positive and negative experiences of landlords they have had and what are the most important issues for them in terms of good management by private landlords.

#### 4.3.8 Consideration should be given to making direct contact with tenants by:

- enclosing a short questionnaire with a housing benefit or other housing related mail shot (local press, LA newspapers, regional advertisers etc)
- writing to selected tenants from an available list or from names and addresses supplied by landlords or universities to ask them to come to a focus group (made more credible by offering a financial incentive and travel expenses) or
- seeking views of tenants who come to an advice centre run by the authority, local Citizens Advice Bureau, housing charity such as Shelter Housing Aid Centre or independent advice centre

#### **Good Practice Example**

The Scottish accreditation pilots adopted a variety of methods to consult with and represent tenants in all aspects of the accreditation scheme. The following methods were adopted:

- distributing information to tenants and potential tenants through university student welfare emails
- working closely with student welfare officers, accommodation services and student representatives to ensure they are aware of tenant and landlords' responsibilities in relation to accreditation
- attending university Freshers Fairs to inform students what to expect from an accredited landlord
- including student and tenant representatives on working groups and
- distributing tenant questionnaires to gain their views on the services provided by their landlords and to ensure compliance with the scheme; and providing landlords attending landlord forums or working groups with information for tenants

#### **Recommendations**

- A local voluntary accreditation scheme should be promoted and developed through a partnership arrangement involving private landlords, their local authority and other relevant stakeholders such as universities and colleges
- Where there is a landlord forum, local accreditation should initially be promoted to and supported by the forum
- Where there is no landlord forum, local authorities should approach the promotion of accreditation by first establishing a landlord forum
- Where the lead is not the local authority a partnership agreement should be reached to share the information that will enable a forum or accreditation scheme to be established
- The lead officer(s) within an accreditation scheme for promoting accreditation or a landlord forum work in partnership with the management of the authority's Landlord Register or HMO licensing scheme
- Local landlord organisations that want to develop an accreditation scheme where their local authority is not supportive should be able to proceed and be helped financially to set up a scheme if they meet certain conditions and
- Ideally, a working group involving all key stakeholders should manage an accreditation scheme

# 5. Aims and Objectives

## 5.1 Introduction

---

5.1.1 Once the organisational framework of key stakeholders has been created to promote the development of a local accreditation scheme but before the mechanics (e.g. standards, inspection and administration) are addressed, the aims and objectives should be defined. In a partnership approach, the aims must reflect the interests of all key stakeholders. If the consultation process results in a consensus to promote a scheme, a shared view on aims is more likely to emerge though tensions may still need to be defused.

## 5.2 Aims

---

5.2.1 Aims must flow from local agreements but they should all reflect the following themes:

- to see an improvement in property condition and management standards
- to provide accredited landlords with enhanced status and acceptance within the local housing market
- to provide tenants with safer accommodation and more professional management from their landlords
- to help landlords and tenants become better informed about their rights and responsibilities and
- to provide a mechanism by which current and future tenants can recognise good landlords and make informed choices about renting in the private market

## 5.3 Objectives

---

5.3.1 Examples of more specific objectives drawn from the DETR (2001) guidance that may inform local discussions on appropriate objectives are shown below.

### Objectives

- Help landlords to find responsible tenants
- Develop a joint approach to tackling anti-social behaviour
- Provide advice and support to landlords in providing high quality, well-managed accommodation
- Improve the satisfaction of landlords with the services they receive from the local authority
- Provide a channel for consultation between local authority and landlords on strategic issues
- Provide opportunities to inform landlords about legislative proposals, policy or administrative changes, and other matters that may affect them
- Enable landlords to obtain better access to information from local authority staff
- Improve access for landlords to a range of council contacts and services
- Reduce the number of landlord/tenant disputes needing intervention by council officers and
- Enable tenants to obtain information about and get access to better quality accommodation

Source: DETR (2001) Developing a Voluntary Accreditation Guide for Private Landlords (p.19)

### Good Practice Example

Edinburgh Landlord Accreditation agreed objectives, which were specific to the nature of the city's private rental market:

- establish and promote credible Standards in private renting which are accepted and widely recognised by both the industry and consumer alike
- provide a coherent industry led response to the need to improve the reputation and standards of the private rented market
- promote a more effective partnership between the industry, public bodies and consumer groups
- ensure landlords have access to advice and help to improve standards and
- ensure accreditation is understood and widely recognised by current and future customers

## 6. Scheme Administration

### 6.1 Cover and Geography

---

- 6.1.1 A further objective that must be considered is the market and geographical coverage of an accreditation scheme. Accreditation should be seen as one of several means of raising standards in the private-rented sector. It is generally accepted that because accreditation is based on the voluntary principle, its potential attractiveness is likely to lie in the middle and upper part of the market where properties and management will already meet a reasonable or good standard but will not be without the possibility of further improvement. An accreditation scheme can assist in improving standards by making information, training and advice available to all landlords.
- 6.1.2 Accreditation is not the voluntary alternative to mandatory Registration and the differences should be made clear to landlords and tenants.
- 6.1.3 Accreditation is likely to concentrate on single and double household lets that do not fall within HMO licensing. Its promotion should be predicated on that basis. Accreditation is not the voluntary equivalent of HMO licensing, or a substitute for it. Licensing and accreditation should be seen as complementary to each other.
- 6.1.4 However, this does raise the question of whether licensed HMOs can be accredited. If a landlord of a licensed HMO meets the requirements of an accreditation scheme they should be actively encouraged to join a voluntary accreditation scheme. The logic for a licensed HMO landlord wanting to pursue accreditation is that it will provide benefits and have incentives not available through licensing (see later section).
- 6.1.5 The HMO landlord would be required to meet the scheme's Code of Standards and where compliant, their HMO properties could be passported automatically onto the scheme. In addition it would be good practice for accreditation schemes to partner with the relevant council departments responsible for HMO licensing to share information on licensing and property conditions.

#### **Good Practice Example**

In Scotland the City of Edinburgh, Dundee and Dumfries & Galloway passport HMO properties of accredited landlords into the accreditation scheme provided the landlord agrees to meeting the management standards of the scheme.

- 6.1.6 Another common query raised is whether letting agents can participate in an accreditation scheme and if so how. All four of the voluntary accreditation schemes piloted by Communities Scotland accredited letting agents, however a number of different approaches were adopted. See also [Appendix 1](#).

## Example: Inclusion of Letting Agents

### Dumfries & Galloway Council

Only letting agents that provide a full management service for a landlord can be awarded 'Accredited Letting Agent' status. Here a letting agent's management standards can be accredited provided they meet the scheme's Standards. A letting agent would also contact their client base to inform landlords they would like to submit their properties for accredited status. A landlord has the option to contact the letting agent to state they do not want their properties involved.

Therefore it is possible for a letting agent to be an accredited agent (based on their management practice) and to advertise some properties as accredited (based on them meeting the core Standards) and some as not (where the properties do not meet the Standards or where landlords did not want their properties involved).

### City of Edinburgh

Edinburgh felt it would be confusing for tenants looking for privately-rented accommodation to have only some of an agent's properties accredited when the same service Standards apply to all properties available through that letting agent. Therefore Edinburgh accredits letting agents' management standards and completes ad hoc property inspections and interviews with tenants to ensure property conditions meets the scheme's Standards.

(Accompanying diagrams are located in [Appendix 1](#))

- 6.1.7 Another consideration for an accreditation scheme is whether or not registered landlords should be passported into accreditation. Landlord Registration guidance issued by the Scottish Executive recommends that accredited landlords are passported into Landlord Registration for no fee. In order to passport accredited landlords into Registration, local authorities must decide whether the scheme satisfies the authorities' requirements for a 'fit and proper' person test. Where they do, landlords will become registered at no extra cost. Where this is not the case, landlords will not be passported into registration.
- 6.1.8 Where an accreditation scheme does not satisfy the local authorities' 'fit and proper' test, it should be made clear to landlords on application that the membership to the scheme does not qualify for discounted Registration fees.

### Good Practice Example

As Dumfries & Galloway's scheme, Quality Rent South West, asks each accredited landlord to undertake a Basic Disclosure Scotland check and sign a past behaviour declaration as part of their application process the local authority have agreed that this meets their requirements for a 'fit and proper' person and will therefore passport accredited landlords into Registration.

- 6.1.9 In terms of the geographical coverage of an accreditation scheme, there are different options, the choice between which depends on local circumstances. As the HITF Final Report (2003) states:
- 'A voluntary accreditation scheme can target the whole private rented sector or a specific part, by geography or sub-sector but it would be expected there would only be one accreditation scheme operating in each local authority's area' (p. 112).

## 6.2 Type of Accreditation Scheme

- 6.2.1 The preferred type of accreditation scheme is a Landlord and Property Scheme where both the management standards of the landlord and the standard of the property are included.
- 6.2.2 However in certain circumstances it may only be appropriate to accredit a landlord's management Standards as the condition of their property does not meet the property condition standards of the scheme. It could be suggested in these circumstances to provide a plan of action or a timescale to landlords in order for their properties to be improved to the appropriate Standards. Or the scheme could only accredit properties and landlords that meet the Standards.

### Good Practice Example

It should be an aim of the scheme to work with landlords, who have come forward to join the scheme but all of their properties fail to meet the Standards, to ensure standards are raised within the sector. For example identify with the landlords the key areas for each property that require improvement. Provide a checklist of Standards the landlord is required to meet within a specific timescale. In Scotland both Dundee Landlord Accreditation and Quality Rent South West in Dumfries & Galloway agree property improvement plans with landlords to ensure they meet their scheme's Standards within a specific timescale in order for their properties to be accredited.

6.2.3 In the unlikely event that a landlord's management practices met the accreditation Standards but all properties failed to meet the property Standards, the landlord could not be accredited or would lose accreditation.

6.2.4 The scheme should have a mechanism for supporting landlords to improve the quality of their property/ies with accreditation being offered following the completion of an agreed set of works.

## 6.3 Validating Framework

6.3.1 A key factor in designing a scheme is how the scheme's entry Standards will be validated, in other words what kind of inspection process is to be adopted. The validation framework adopted will vary depending on the type of accreditation scheme developed. For example the scheme could accredit the landlord based on all his properties or accredit individual properties.

6.3.2 Validation frameworks suitable to the various types of accreditation schemes are suggested below:

- **Full Self-certification of Management Practice and Property Condition:** a landlord fully self-certifies that their management practice and property conditions meet the scheme's Standards. This could then be verified by a random sample of inspections and tenant interviews/questionnaires or inspections generated by complaints
- **Self-certification of Management Practice and Individual Properties:** a landlord self-certifies their management practice meets the scheme's Standards and identifies which properties meet the Standards. This could then be verified by a random sample of inspections and tenant interviews/questionnaires. For the properties which do not meet the Standards a property improvement plan could be put in place
- **Full Property and Management Inspections prior to Accreditation:** a full property inspection process would be completed by the accrediting body prior to accreditation being granted whereby each landlord puts forward all their properties for inspection
- **Self-Certification and Sample Inspections:** this is a hybrid approach in which some of a landlord's properties are sample inspected with the remainder accepted on a self-certificated basis

6.3.3 A robust mechanism for entry should be developed for each accreditation scheme that will optimise the resources required through a blend of risk assessment and random inspection.




6.3.4 It is recommended that the validation process should be designed around a landlord self-certification framework. Self-certification requires the preparation of standardised, clearly defined and easy to interpret checklists that can be completed by the landlord and returned with the application for accreditation.

6.3.5 In addition it should be noted that property inspections are resource-intensive and time consuming. For validation purposes a sample of property inspections appropriate to the size of the accreditation scheme/sector should be completed. Again a checklist relating to the requirements of the Standards should be compiled by the accreditation scheme to ensure consistency in approach during inspections. It is important that the scheme identifies who will complete the property inspections from the outset and that both landlords and tenants are aware that these will occur as part of the accreditation scheme membership.

## 6.4 Risk Assessment

6.4.1 In designing an effective sampling framework for an accreditation scheme consideration should be given to assessing the level of risk associated with non-compliance.

6.4.2 The following tables are a sample risk analysis that examines factors related to the property, landlord and tenant and identifies whether there is a high, medium or low risk of non-compliance. The methodology used is to identify broad areas of risk that may indicate where there is a higher probability of failure to meet Standards and therefore define where it would be most appropriate to increase the level of sample inspection.

Risk/Issue	Assessment of Risk	Current Controls & Issues	Example of Validation Framework
<b>TENANT</b>			
High income households. May be short-term renters but tend to be longer stay – up to 2 years +. Can afford good quality accommodation at market rents.		Likely to be living in accommodation that is well managed, landlords compliant with existing regulations etc. Market pressures will act to maintain or drive up standards. Owners or lettings agents may be more likely to apply for HMO licence, where applicable.	Self-certification prior to entry into accreditation. Inspection generated by complaint.
Young mobile people, etc. Accommodation may be short term.		Accommodation may or may not be covered by HMO regulations, depending on number of occupants.	For institutional landlords with professional management self-certification prior to entry into accreditation. Private landlords may be helped by advice and information on property and tenancy management prior to self-certification. Inspection generated by complaint.
Lower income, students and vulnerable tenants Economically and socially vulnerable tenants may be eligible for social housing		Current HMO licensing is triggered by numbers of people who are not living as a family. Lower income families may be living in poor quality accommodation. Potential area-based licensing.	Private landlords may be helped by advice and information on property, tenancy management and potential grants prior to self-certification. Consideration could be given to pre-accreditation joint inspection of randomly selected properties. Further inspection generated by complaint.
Tied accommodation tenants		May have some of the poorer quality accommodation, occupied by people living together as a family. Conditions may be poor and occupants dependent on employer.	Co-operation with local landlord organisations to identify key issues within the stock. Consideration could be given to pre-accreditation joint inspection of selected properties.
Regulated sector tenants (tenants of self-contained accommodation prior to 1 January 1989)		Accommodation may have had little investment if rents have stayed low.	Consideration could be given to pre-accreditation joint inspection of properties.

Low Risk =  Medium Risk =  Higher Risk = 

Risk/Issue	Assessment of Risk	Current Controls & Issues	Example of Validation Framework
LANDLORD			
University, Colleges, NHS and similar bodies		Covered by HMO regulation or other regulatory provisions.	For institutional landlords with professional management self-certification prior to entry into accreditation. Inspection generated by complaint.
Privately owned – middle and upper end of market (inc market rent properties)		May be subject to HMO licensing.	Landlord may either have an appropriate professional qualification or employ a professional agent. Therefore self-certification may be appropriate. Landlords may be helped by advice and information on property and tenancy management prior to self-certification. Inspection generated by complaint.
Privately owned – lower end of market (may include concentrations of tenants on HB)		Properties owned may be eligible for HMO or area licensing. Potential link between HB and licensing or registered rents.	Consideration could be given to pre-accreditation joint inspection of properties. Consideration could be given to joint inspection of randomly selected properties. Further inspection generated by complaint.
Owners of tied accommodation		Accommodation will often be let to members of the same family, and fall outwith licensing. There may have been little investment in property.	Co-operation with local landlord organisations to identify key issues within the stock. Consideration could be given to pre-accreditation joint inspection of selected properties.

Risk/Issue	Assessment of Risk	Current Controls & Issues	Example of Validation Framework
PROPERTY			
High quality property at market rent.		Market pressure and existing safety certificate requirements	Self-certification prior to entry into accreditation. Inspection generated by complaint.
Middle range accommodation		Existing safety certificate requirements	Landlords may be helped by advice and information on property and tenancy management prior to self-certification. Inspection generated by complaint.
Lower, cheaper end of market. Property condition likely to be poorer, and rents often paid via HB.		Existing safety certificate requirements	Landlords helped by advice and information on property and tenancy management prior to self-certification. Offer of accompanied assessments and random inspection after accreditation.

Low Risk = Medium Risk = Higher Risk =

6.4.3 It can be seen from the above tables that specific combinations of tenants, property and landlords are likely to need higher levels of support and advice if the accreditation scheme is to have a robust form of validation. Therefore, the inspection and validation framework for the accreditation scheme should recognise the need for different levels of support for different landlord groups.

6.4.4 It is not recommended that there is an annual review of each accredited landlord and property. However, it may be appropriate to have a regime of review by random selection. The sample size could be very small, possibly around 2% per annum, but targeted using local knowledge and risk assessment criteria.

## 6.5 Recommendations

---

### Recommendations

- The preferred type of accreditation scheme is a Landlord and Property Scheme where both the management standards of the landlord and the standard of the property are included
- In certain circumstances it may be appropriate to accredit a landlord whose management practices meet the Standard but only some of the property meets the property condition Standard. In these circumstances the landlord would only be accredited for the properties that met the Standard and
- A validation framework that is based on self-assessment but also incorporates aspects of advice and inspection using effective risk assessment techniques should accompany the accreditation scheme

# 7. Setting the Standards

## 7.1 Types of Standards

---

7.1.1 Standards are at the heart of a voluntary accreditation scheme. There are three main types of Standards that are adopted by accreditation schemes:

- **Tenancy Management Standards** typically cover the landlord-tenant relationship, communications between landlord and tenant, rents, deposits and the tenancy agreement
- **Property Management Standards** typically cover how the landlord should care for the property and meet repair and maintenance responsibilities and
- **Property Condition Standards** typically set the benchmarks for the property meeting the Tolerable Standard, being fit for human habitation, having some level of thermal insulation and being safe and secure for the tenant to live in

## 7.2 Scope of Standards

---

7.2.1 Whilst the National Core Standards, contained in HomePointer 49, should be the fundamental basis of the scheme, local Standards can be set that reflect local housing stock characteristics, local markets and the maximum consensus amongst the key stakeholders. The guidance accompanying the National Core Standards in HomePointer 49 provides assistance with good practice in interpreting the Standards, as does the Model Tenancy Agreement. Therefore, local variations to National Core Standards and the Model Agreement should reflect good practice appropriately amended for local conditions.

7.2.2 The National Core Standards are divided into nine broad categories:

- Communication with the Tenant
- Equality Issues, Complaints and Disputes
- Management of the Tenancy
- Minimum Property Condition
- Repairing Standard
- Repairs and Maintenance
- Facilities and Fittings
- Heating, Insulation and Energy Efficiency and
- Health, Safety and Home Security Features

7.2.3 Within each category, a set of more specific Standards is elaborated which contain a mixture of current statutory Standards and non-statutory good practice Standards.

## 7.3 Setting the Standards

---

- 7.3.1 It will be up to those responsible for local accreditation schemes to set their own Standards taking account of the National Core Standards and accompanying guidance. The National Core Standards are neither prescriptive nor compulsory except those that are statements of existing statutory obligations on landlords. They represent a fine balance between the pressure to have high standards that will simply be a disincentive to landlords to join a scheme and the pressure for too low standards that afford little real protection to tenants and are a disincentive to landlords as they afford little meaningful differentiation between accredited and non-accredited landlords.
- 7.3.2 The National Core Standards are designed as a single entry Standard. They are not graded. However, a number of English and Welsh accreditation schemes have adopted a tiered approach to their Standards that distinguishes between basic standards and higher standards, the achievement of the latter standards giving those landlords and their properties greater public merit and professional merit (Cardiff Council, UNIPOL, Leeds).

# 8. Developing Incentives to join

## 8.1 Introduction

---

- 8.1.1 A realistic approach needs to be taken to the willingness of landlords to join a voluntary accreditation scheme. Some will apply to join because they support the principle of accreditation and are comfortable with the approval requirements. They know they already operate to high standards with quality properties to let. These landlords will value a public kite-mark that distinguishes them from other less professional, less competent landlords. Other landlords, possibly a majority, will be more sceptical or possibly suspicious of the whole initiative.
- 8.1.2 Both types of landlords will look for tangible benefits from going through the accreditation process, more so, the more sceptical landlords. Incentives are therefore a typical element of accreditation schemes and are normally provided by the local authority but there is no reason why other key stakeholders in the accreditation scheme's success could not add their own incentives.

## 8.2 Type of Incentives

---

- 8.2.1 The types of incentives adopted by a scheme can be wide ranging and it is important that local landlords are consulted to highlight potential areas of interest or concern that would encourage them to participate in an accreditation scheme. Typically incentives could include:
- badging that gives public and professional confirmation of status and a (hoped for) marketing advantage
  - preferential lettings advertising
  - provision of information and training
  - discounted registration and HMO licensing costs
  - access to a link officer and specialist advice
  - access to Housing Benefit link officer
  - financial discounts on services and goods
  - access to small grant subsidy
  - access to improvement grants
  - support in dealing with problem tenants
  - access to a dispute conciliation or arbitration service via the accreditation body
  - private landlord newsletter
  - online information and support and
  - potential access to out-of-hours/emergency repairs services

## **Good Practice Examples**

### **Potential Financial Incentives**

Dundee Landlord Accreditation worked in partnership with a local electrical and gas supplier to enable accredited landlords and the accreditation scheme to earn commission for switching supplier.

Edinburgh Landlord Accreditation negotiated a deal with Scottish Hydro Electric to provide discounted energy efficient appliances to accredited landlords, including free delivery and disposal of old items. An updated list of accredited landlords is sent to the company and accredited landlords are given a specific phone number by which to claim their discount.

### **Incentives to Improve Property Condition**

In Dumfries & Galloway, QRSW negotiated with a fire alarm and CO<sub>2</sub> detector supplier to provide a free hard-wired alarm for accredited landlords and a 50% discount on subsequent alarms. This incentive was designed to encourage landlords to meet easily the scheme's fire safety Standards.

The scheme negotiated free Portable Appliance Testing (PAT) and gas safety checks for accredited landlords by Dumfries & Galloway Council's Combined Services Group. In addition it is agreed that accredited landlords may use their contractors for emergency repairs on the condition work is paid for within given timescales.

Dundee Landlord Accreditation negotiated free property surveys complete with recommendations on how to improve energy efficiency and how to gain assistance in funding improvement works from Dundee's Energy Advice Project. This includes free home visits to tenants to provide advice and assistance on all energy issues, including efficiency, fuel debt, billing and preventing condensation.

### **Improved Information on Rights and Responsibilities for Landlords**

Edinburgh Landlord Accreditation works in partnership with the Scottish Association of Landlords and Letwise (City of Edinburgh Council private-rented service) to provide accredited landlords and letting agents with free access to training events, advice and support.

### **Improved Information on Rights and Responsibilities for Landlords**

All of the accreditation schemes piloted by Communities Scotland produced Tenants' Handbooks for accredited landlords to include either as part of the tenancy agreement or to display in their properties.

### **Marketing Advantages for Accredited Landlords**

In Edinburgh, where there is a large competitive private landlord market, many of the incentives agreed concentrated on providing accredited landlords with a marketing advantage. A number of methods have been adopted here including:

- ▶ development of an accreditation website, which provides information on accreditation and private renting in Edinburgh, enables landlords to apply for accreditation, enables tenants and potential tenants to check if their landlord is accredited and enables accredited landlords to advertise vacant property for free and
- ▶ provision of accreditation approved business stickers and window stickers to enable accredited landlords to clearly advertise their accredited status in their properties and on letting agent advertisements

## 8.3 Agreeing the Standards

---

- 8.3.1 The importance attached to each of the Standards should be heavily influenced by the views of local landlords although ultimately will be agreed by the scheme's working group.
- 8.3.2 With both discounts and grants, an authority would need to make a clear political commitment that providing such financial incentives was beneficial in helping ensure the success of a voluntary accreditation scheme.
- 8.3.3 In terms of specific incentives, accreditation schemes in England and Wales have provided a wide range of incentives to encourage and reward membership of an accreditation scheme. A substantial list of suggested benefits of being an accredited landlord has been compiled by ANUK as part of its recommended national model accreditation scheme version 1 May 2003 (see: [www.anuk.org.uk](http://www.anuk.org.uk)). The DETR (2003) guidance devotes a chapter (Chapter 9) to the subject and sets out a list of possible incentives with examples of incentives adopted by some accreditation scheme operators (see [www.communities.gov.uk/index.asp?id=1152084](http://www.communities.gov.uk/index.asp?id=1152084)).

# 9. Developing Compliance

## 9.1 Monitoring Compliance

---

- 9.1.1 The organisational framework to manage, implement and maintain the scheme must also be agreed. The accreditation scheme should not be projected as the local authority's. Ideally, the scheme should be controlled by a management group of key stakeholders – though the implications for non-local authority members of the commitment this could require must be addressed and resolved.
- 9.1.2 At this stage it may be appropriate for the working group to become the management group for the accreditation scheme.
- 9.1.3 A core function of any management group would be managing the compliance process associated with landlord accreditation. It is anticipated that most voluntary accreditation schemes will be based on a landlord's self-certification concept where landlords with portfolios would only be required to submit a sample of their properties as evidence of compliance. Where properties have not been subject to inspection and complaints on the management or condition of a property are subsequently received, a complaints procedure that investigates potential non-compliance and initiates remedial action must be developed.

## 9.2 Complaints and Disputes Procedures

---

- 9.2.1 From time to time complaints about an accredited landlord or accredited property will arise. These may come from a variety of sources including the tenant, a neighbour, another landlord, the local councillor or a council department. For the removal of doubt, a tenant's request for a repair to be carried out is not a complaint. A failure by a landlord to carry out a repair or failure to do so in a realistic timescale is a legitimate basis for a tenant to register a complaint. Therefore, a complaint that is appropriate for the accreditation scheme to investigate is where there is evidence that the landlord has not complied with the accreditation requirements.
- 9.2.2 It must be emphasised that an integral part of the complaints management process lies one step back, in prevention. This minimises the need for formal intervention by the accrediting body. For accreditation, a landlord should have a credible in-house procedure for dealing with complaints. The recommended National Core Standard requires a landlord, as a minimum, to log all complaints and their outcome. Where a landlord is a member of a professional body or a trade association, the landlord should adopt its complaints procedure.
- 9.2.3 Whether or not the complaint is justified, an accreditation scheme must have the ability to receive complaints (provided they are not subject to concurrent criminal or civil action), investigate them and implement a disputes resolution procedure. The detail of how a complaints and disputes handling procedure is set up is a matter for each scheme's management. Two options are to:
- create a small internal group representing the key stakeholders
  - refer cases to a third party, an independent arbitrator
- 9.2.4 The way that complaints are dealt with is very important. An outline of a procedure would be:
- before accepting there is a legitimate basis to a complaint, the first stage is for evidence to be submitted by all involved parties
  - where a complaint is accepted, the second stage should involve conciliation to resolve the dispute in an informal manner
  - if this fails, a third stage of binding arbitration should be invoked and a decision on the complaint reached
  - a final stage requires the creation of a right of appeal not involving anyone involved in the preceding decision

- 9.2.5 This may seem a rather elaborate system to construct but it is necessary if only to have in reserve for the few occasions it will be needed. The Scottish accreditation schemes piloted by Communities Scotland reported very low levels of complaints.
- 9.2.6 Whichever method of disputes resolution is adopted, there must be sanctions available and a willingness to invoke them when justified. A comprehensive approach to grading sanctions can be found in the most recent version (9/03) of the Code of Practice of the Association of Residential Letting Agents (see [www.arla.co.uk/info/codeofpractice.htm](http://www.arla.co.uk/info/codeofpractice.htm)).
- 9.2.7 The types of sanctions that could be most relevant to an accreditation scheme include: written apology, caution, refund of fees or charges, financial penalty, order to rectify or correct the failure, reprimand, suspension, expulsion and referral to other regulators or enforcing bodies (including the police), private rented housing committee under the Housing (Scotland) Act 2006 and the local authority private Landlord Registration team.

### Good Practice Example

Edinburgh Landlord Accreditation (ELA) has a robust complaints and disputes procedure in place. ELA recognise two categories of breaches of the scheme's Standards. Category 1 is persistent problems, which covers minor management problems or minor breaches of the property Standards. Here a landlord/agent will be given 7–8 days to rectify the issue depending on the seriousness of the problem. Category 2 is serious management problems or breaches of the property Standards, which require landlords and letting agents to rectify the issue within 7 days and the scheme may pass the complaint on to the relevant authorities. Serious breaches would include harassment, assault or illegal eviction, failure to register with Landlord Registration Scheme and breaches of the physical standards where there is a health risk.

## 9.3 Design Inspection Framework

- 9.3.1 Four types of inspection framework could be considered:
- 100% pre-accreditation inspection
  - pre-accreditation random inspection
  - post-accreditation random inspection and
  - inspection instigated by complaint
- 9.3.2 The most comprehensive and the most expensive inspection framework is the 100% pre-accreditation inspection. Whilst this framework will guarantee that all landlords and properties comply fully with the Standards prior to becoming accredited, it will also be time consuming for both landlord and inspector and may be interpreted as an over-bureaucratic intrusion for little perceived benefit to the landlord. Given the costs of such a scheme and the likelihood of it acting as a disincentive 100% pre-inspection is not recommended. None of the Scottish pilot accreditation schemes opted for this approach.
- 9.3.3 A pre-accreditation random inspection framework offers the benefits of being a potential check on an applicant landlord and making effective use of limited resources. The sample framework could be a simple percentage of landlords applying, a percentage of properties to be accredited or a structured sample reflecting the experience of known non-compliance by different types of property or landlord.
- 9.3.4 The post-accreditation random sample inspection framework provides the most cost-effective method of assurance of compliance. The fact that such a regime exists acts as an incentive to landlords to comply with and maintain standards. The sample size could be very small and could be constructed to reflect the known risk of non-compliance.
- 9.3.5 The lightest form of inspection is that instigated following a complaint. This option does not have the advantages of the random inspection and could be very misleading regarding the quality of landlords and property accredited.
- 9.3.6 If this approach is adopted it is essential that there is a formal signed declaration by each landlord as part of the accreditation application.

- 9.3.7 The inspection framework should be designed in conjunction with the application procedures. There are significant advantages in both time and landlord confidence in there initially being a self-inspected application process. However, a key factor is to have the self-inspection documentation well designed and piloted to ensure that it is easily understood and can be completed accurately. This process combined with support and advice to landlords when completing the application will help ensure that the appropriate Standards are in place at the point of accreditation.
- 9.3.8 For example it is good practice to include a self-inspection checklist as part of the application pack distributed to each applying landlord.
- 9.3.9 Before launching the accreditation scheme there should be an agreed set of assessment criteria to ensure that the performance of the scheme is monitored in an objective manner. Key elements of monitoring should include:
- number of applications
  - number of accredited landlords and agents
  - number of accredited properties
  - number and nature of complaints
  - number of property inspections
  - number and result of compliance actions
  - number of referrals to other agencies
  - number of refusals, removals and
  - number and result of appeals

## 9.4 Piloting the Scheme

---

- 9.4.1 There is now significant experience in Scotland on the development of accreditation schemes. It is appropriate to draw on the lessons learned from these schemes and to utilise the materials available.
- 9.4.2 It would therefore be prudent to test how the accreditation scheme's organisation, standards, self-certification/inspection and administration procedures will work in practice by running a small pilot scheme for a number of months involving landlords who have been supportive of the development work. This will allow the inevitable problems to be highlighted and resolved before the main publicity and launch of the main scheme. A simple example of the benefits of a pilot is shown in the case of South Ayrshire Council's pilot:

### Good Practice Example

In South Ayrshire a small pilot accreditation scheme was run where ten landlords applied to be accredited and each submitted two properties for a full property inspection in order to test the Core Standards and compliance frameworks. Although it was perceived as successful by landlords and project staff it highlighted a range of issues to be addressed prior to fully launching the scheme. Issues included the replacement of 100% pre-accreditation inspections, as they were too onerous and resource intensive, with a random sample inspection.

## 9.5 Launching and Widely Publicising the Scheme

---

- 9.5.1 Publicising an accreditation scheme is crucial to its success. Local accreditation management groups should draw up a clear **publicity and marketing strategy** based on a realistic appreciation of the hurdles that need to be overcome. Publicity should highlight the scheme's benefits and its incentives for landlords to join (and for tenants to use if they have problems). Publicity should also be geared to answer and rebut any misconceptions that are raised about the scheme.
- 9.5.2 The main preparatory tasks are:
- resourcing the appropriate publicity strategy
  - working out how to communicate with landlords to be targeted
  - producing publicity and membership materials and
  - identifying the range of communication mediums that will have to be utilised
- 9.5.3 The management group should develop and cost each of the key elements of the publicity strategy. In order to ensure cost effective communication with the sector, care should be taken in the design of publicity materials such that it clearly illustrates the benefits to a landlord accreditation scheme.
- 9.5.4 In designing publicity materials consideration should be given to what committee or other approvals are required. Although the adoption of innovative packaging of marketing materials may be initially eye catching, it should be noted that they also require to be economical to update, to post and to file or store.
- 9.5.5 The target audience to be identified are landlords and agents who are registered on the local authority's Landlord Register.
- 9.5.6 While accreditation is likely to be marketed towards those landlords who have existing positive relationships with local authorities, the benefits of accreditation should be targeted to all landlords with the objective of improving standards within the sector.
- 9.5.7 The concept of accreditation could perhaps be incorporated into a package of other initiatives (e.g. lead tenancies) as a prerequisite to landlords gaining entry to such schemes.
- 9.5.8 Publicity materials include posters, basic leaflets, more detailed guides, application forms and accreditation packs with a range of information enclosed including the Accreditation Standards and Guidance.
- 9.5.9 To encourage landlords and agents to become accredited in a busy private-rented market it is beneficial to ensure prospective tenants are aware that accreditation entails recognised standards of property and tenancy management and conditions.

### Good Practice Example

As part of Edinburgh Landlord Accreditation's publicity campaign it focused on tenants in particular by distributing marketing materials to students at University Freshers events, on campus, via student email systems and through university accommodation and student welfare officers. In addition flyers and postcards were distributed in local pubs and bars throughout the city.

9.5.7 As wide a net as possible should be cast to inform landlords about the scheme's introduction. Where appropriate, the key stakeholders identified through the development and consultation process should be approached to gain their agreement to publicise the scheme through their channels of communication. Additionally, publicity by local newspaper features and adverts, local radio public service features, posters in estate and letting agents' offices, public libraries and local authority public offices generally, should all be considered. A website should also be created and its address included with all the publicity material.

## **Good Practice Examples**

### **Edinburgh Landlord Accreditation**

Due to the considerable scale of the sector in Edinburgh, the accreditation scheme developed a publicity and marketing strategy. Methods adopted included:

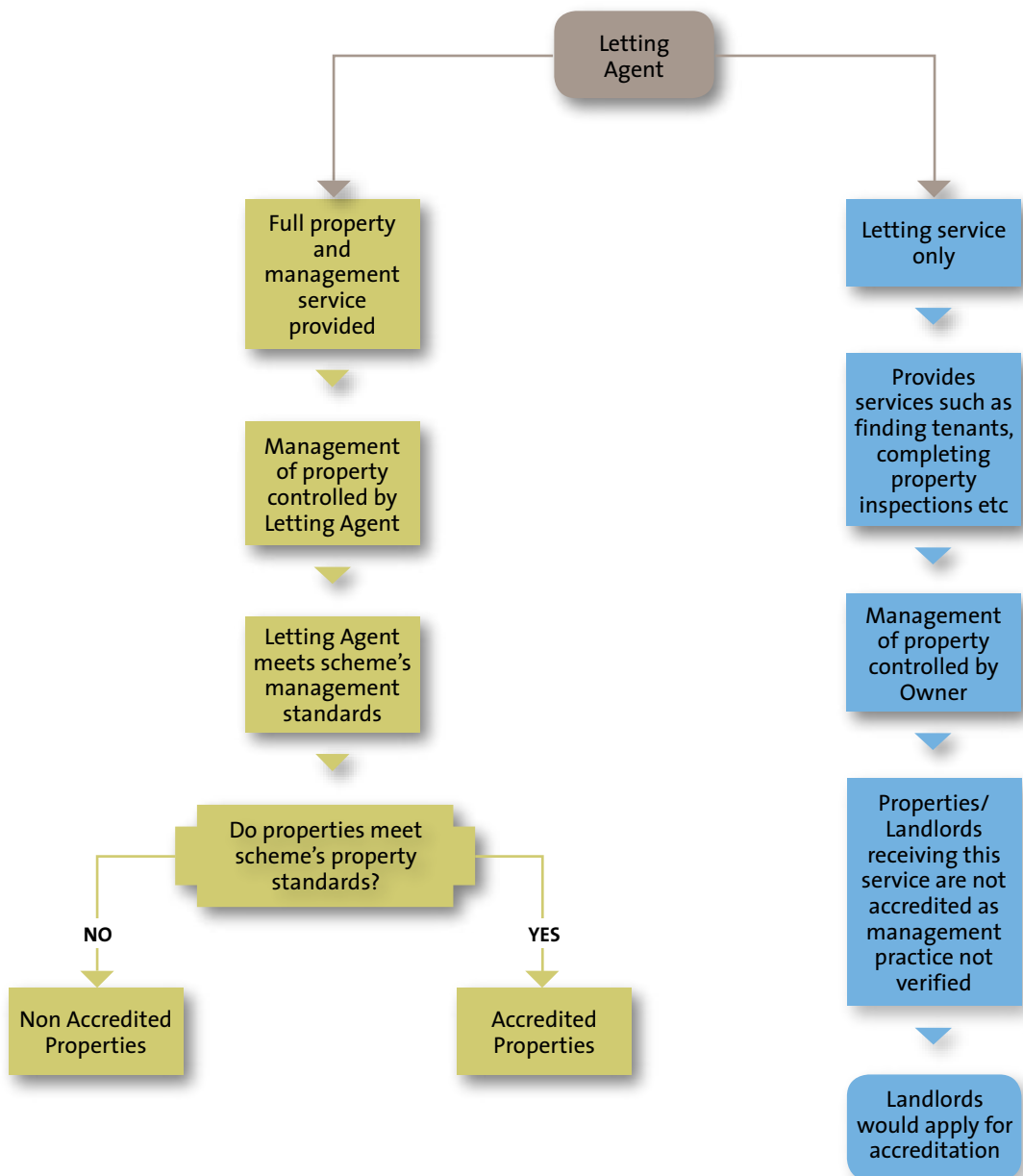
- an accreditation website ([www.edinburghlandlordaccreditation.co.uk](http://www.edinburghlandlordaccreditation.co.uk)) which provides information on accreditation and enables landlords to apply online
- working with local agents, council services and landlord organisations to distribute promotional material on the scheme's behalf
- the citywide distribution of promotional material including leaflets and posters to local banks, building societies, solicitors and letting agencies throughout Edinburgh
- a local media campaign
- a promotional DVD on Edinburgh Landlord Accreditation, describing the benefits of accreditation for landlords and tenants
- a prominent advertising campaign throughout the city. In addition the local universities distributed information via email to all local students
- an accreditation database consisting of all accredited landlords and letting agents which can hold details on the number of landlords, agents, properties, HMOs, complaints etc and is able to flag persistent offenders/addresses. It also monitors whether ELA are meeting targets and produces standard letters
- a joint event for private landlords on private housing services as part of Edinburgh Council's 'Responsible Renting' week

### **Dumfries & Galloway**

In Dumfries & Galloway, due to the rural nature of the region, Quality Rent South West (QRSW) developed a number of methods to advertise to its dispersed private rented sector. For example the scheme held a number of launch events across the authority and utilised the help of the local media (radio and press) to advertise the scheme as widely as possible.

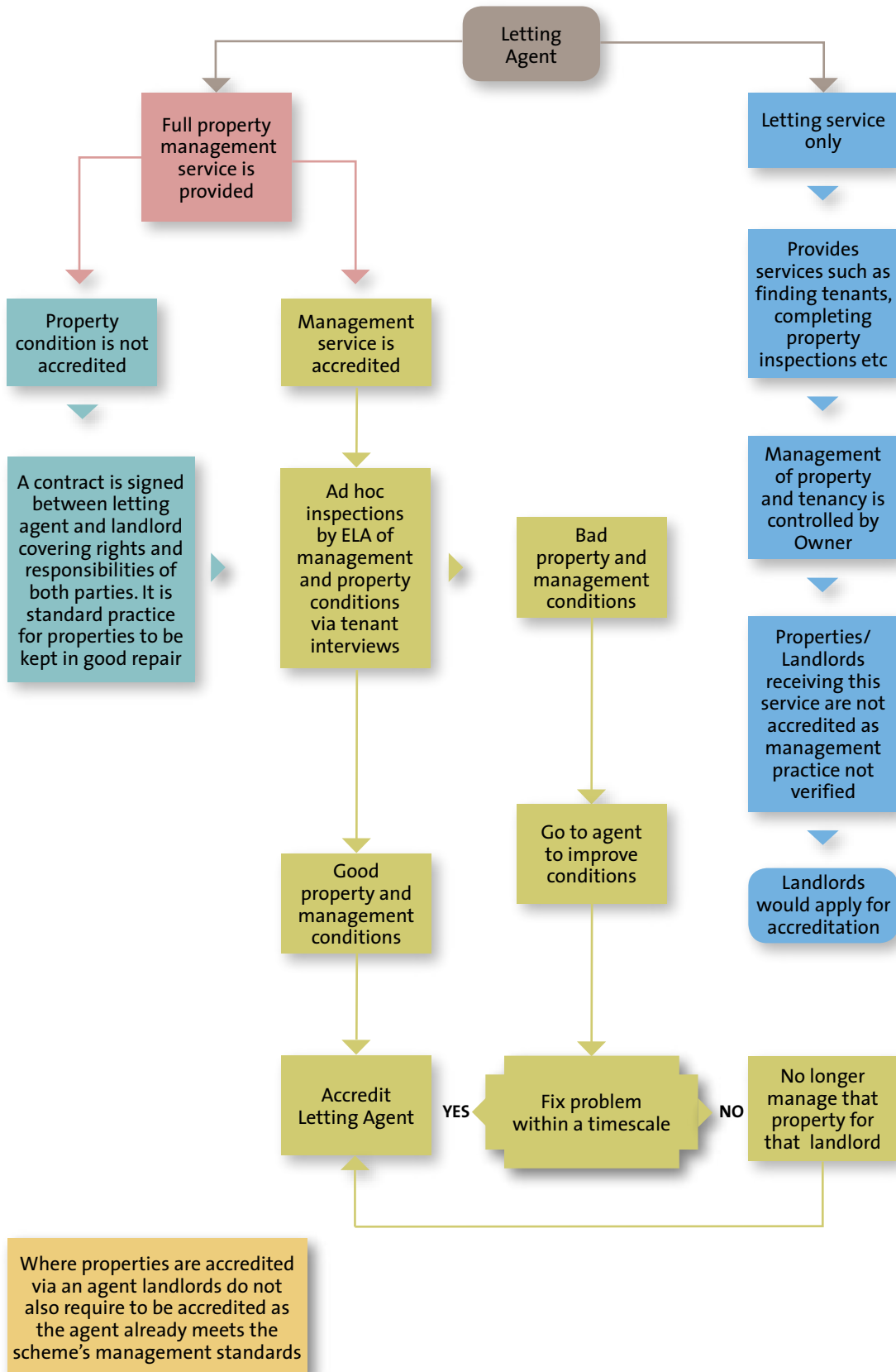
# Appendix 1 – Accrediting Letting Agents

## Quality Rent South West (Dumfries & Galloway)



Where properties are accredited via an agent landlords do not also require to be accredited as the agent already meets the scheme's management standards

# Edinburgh Landlord Accreditation (Edinburgh)



## Appendix 2 – Acknowledgements

---

### Working Group

**Eleanor Clark** Communities Scotland  
**Judi Reid** Communities Scotland  
**Pauline Gilroy** Communities Scotland  
**Roger Harris** Scottish Executive  
**Nick Fletcher** CIOH  
**Jason McDonald** COSLA  
**Des Ryan** Cyrenians  
**Andrew Bradford** SRPBA  
**Angela Yih** Age Concern Scotland  
**Lisa Muinonen** RICS  
**Stephen Peasnell** SAL  
**Elsbeth Mcrae** Ryden Lettings  
**Jennifer Wallace** Scottish Consumer Council  
**Rosemary Brotchie** Shelter  
**Irene Mungall** Citizens Advice Bureau

### Voluntary Pilot Accreditation Schemes

**Heather Kirkland** City of Edinburgh Council  
**Damien Griffith** South Ayrshire Council  
**Carrie Annabi** South Ayrshire Council  
**Lynn Kennedy** Quality Rent South West  
**Derek Anderson** Dumfries & Galloway Council  
**Jim O’Neil** Dumfries & Galloway Council  
**John Lynch** Dumfries & Galloway Council  
**James Carruthers** QRSW/SRPBA  
**Gabrielle Van Rensburg** Dundee City Council  
**John Wolstencroft** Dundee City Council  
**Robin Shields** Dundee City Council  
**Euphene Shek** Fife Council

### Consultants

**Natalie Sutherland** Arneil Johnston  
**Douglas Johnston** Arneil Johnston  
**Donna Milton** Arneil Johnston  
**Alan McKnight** Arneil Johnston  
**John McGurk** Arneil Johnston  
**Derek O’Carroll** Adviser

