

Private Landlord's Newsletter

Homes and Communities

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No more regulation' says Government

The Housing Minister, Grant Shapps, recently announced that the Government has no plans to introduce new regulations on the private rented sector in England.

This means that plans to introduce a landlord register, written tenancy agreements and regulate agents have all been dropped. Instead the Government is calling on local authorities to focus on tackling the minority of bad landlords using existing powers.

The Minister went on to say: *'With the vast majority of England's three million private tenants happy with the service they receive, I am satisfied that the current system strikes the right balance between the rights and responsibilities of tenants and landlords.'*

Landlords in Wales will have to wait and see whether similar proposals by the

Welsh Assembly Government will also be dropped. The consultation in Wales ended on 14 May 2010.

Trader Register comes to Herefordshire

Private Sector Housing and Trading Standards have launched a new online Trader Register. Herefordshire landlords and residents will be able to search for traders closest to them that can provide a range of home improvement works.

The register can be found at www.traderregister.org.uk/herefordshire

Businesses registered with the scheme have all demonstrated their commitment to fair and honest trading practices and delivering good customer service. The Herefordshire Trader Register also links in with existing schemes in Worcestershire and Shropshire providing a wide range of contractors to choose from. Contractors can register their business for free and can also sign up for enhanced membership through

Good landlords take advantage of good weather

The summer months are a perfect time to schedule routine maintenance and carry out improvements to the outside of your property. Undertaking a visual inspection now will give you plenty of time to prepare and plan for the months ahead. Things to look out for include:

- Loose and missing roof tiles
- Rotten and exposed woodwork
- Unsafe and blocked guttering
- Broken and uneven paving
- Blocked and obstructed airbricks
- As a landlord you have a legal responsibility to keep your property in a good state of repair.

It can also make good business sense to protect your investment and ensure that small problems don't lead to big repair bills. For more on your repairing responsibilities visit our website at www.herefordshire.gov.uk/psh

the national Trust Mark scheme.

Sustainable Communities Director Geoff Hughes said: *"Whilst the majority of traders are professional and do an excellent job, there are still too many cases of residents being taken advantage of by bogus builders and tradesmen who have no respect for the more vulnerable amongst us. Our hope is that this new scheme will go some way to putting a stop to the work of rogue traders*

Warmth for tenants health

Herefordshire Council has just re-launched its Special Energy Efficiency Scheme (SEES) for 2010/11 offering up to £500 to help county residents install energy saving measures and help to reduce fuel bills.

Conserving energy in the home also makes a vital contribution towards the Government's climate change commitments to reduce carbon dioxide emissions by 34 per cent by 2020 and 80 per cent by

Rent Officers look to Herefordshire landlords for help

2050. Loft insulation, cavity wall insulation, draught proofing for doors and windows, thermostatic radiator valves, room thermostats, programmers, hot water cylinder thermostats and jackets are all measures covered by the SEES grants

Private homeowners or private tenants living in Herefordshire may apply if they are aged 60 or over; or if they heat their home as a main source of heat by Electric storage heaters, Electric central heating, Solid fuel central heating, LPG central heating, Oil fired central heating, Room heaters with no central heating, or if they pay for their fuel use with prepayment meters.

Any private home owner or tenant with less than 4 inches of loft insulation can also apply for a grant to pay for the insulation to be topped up to the recommended depth of 10 inches. They are also eligible for cavity wall insulation regardless of income. Aside from the SEES scheme, there are other heavily discounted schemes which residents can apply for to have their home insulated funded by energy suppliers.

To find out more contact Domestic and General Insulation on 0844 5430043 or the Energy Saving Trust Advice Centre on 0800 512 012

Budget impact for Landlords

The Chancellor, George Osborne, delivered the Coalition Government's first budget on Tuesday 22 June 2010. Benefit claimants bore the brunt of cuts with Government seeking to save £1.8bn a year from Housing Benefit:

- Maximum awards payable will be capped from April 2011
- Payments will be reduced from October 2011
- Individual awards will be cut by 10% for people who claim Jobseekers Allowance for 12 months or more, from April 2013
- Capital Gains Tax (CGT) to rise to 28% for high earners

The rise in CGT was not as high as feared, increasing from 18% to 28% for higher and additional rate taxpayers:

- CGT rates aligned more closely with income tax rates
- New 28% rate for high earners from 23 June 2010
- Rate remains 18% for basic rate taxpayers

VAT is to increase to 20% from 4 January 2011, giving landlords the chance to purchase items or carry out work before prices increase. The Budget also included measures affecting Furnished Holiday Lets, Corporation Tax, help for small businesses and 'Green Loans' repayable from energy savings, to encourage energy efficiency measures.

Hopefully, most landlords in the County will have already had some contact with rent officers, but they are now calling on all landlords to help build a better picture of rental values in Herefordshire.

The functions of the Rent Service were transferred to the Valuation Office Agency (VOA) to provide impartial expert rental valuations to local authorities, landlords and tenants and to set a Local Housing Allowance (LHA). To do this they need a database of current rent levels and a thorough understanding of the local markets. They are asking landlords, letting agents and other sources to provide information on market rents that they can use as comparables to carry out their statutory valuation functions. This will ensure that their decisions are accurate and reflect current market conditions. It will also help them to account fully for the decisions they make and to ensure that differences between contractual rents and Housing Benefit are prevented as far as possible.

The introduction of the Local Housing Allowance in April 2008 means that new claims for Housing Benefit will have the rate of benefit based on a median rent. The Rent Officers who recently visited our Landlord Focus Group reminded the Group that in the Emergency Budget one of the more significant changes would be to the value of Local Housing Allowances (LHA) paid in respect of private tenants who claim housing benefit. Up until now the

LHA (bedroom size) rates had been based on a median rent (i.e. 50% average value of local rents), but from October 2011 calculations will only be based on the 30% value. This would mean a considerable decrease in awards.

Rent officers do not set the LHA rates. It is done automatically, based on the rental information rent officers have collected. Rent officers need to make sure that there is a representative range of recent lettings data that

reflects the market. To ensure the accuracy and fairness of LHA rates it is essential that rent officers collect information on as wide a range of properties and rents as possible. Rent officers collect this information from landlords and letting agents like you; the more information collected and the wider the range of that information, helps to ensure that median rents reflect the market rents.

The Valuation Office Agency (incorporating Rent Officer Functions) can assure you that all the information you provide will be treated in confidence and in accordance with the Data Protection Act. The information that you provide will be added to their secure database, along with information that they

Slough landlord fined for unlicensed HMO; tenant fined for providing false information

Slough Borough Council has successfully prosecuted a landlord for failing to licence his HMO property. The case also involved successful prosecution of the tenant for providing false information to the council about the occupation of the house. This is another clear warning to those seeking to avoid the law that they will be pursued and prosecuted

receive regularly from other letting agents and private landlords, and used only to help ensure that their valuations or decisions reflect the full range of market rents in the private rented sector.

For further information please follow link below:
http://www.voa.gov.uk/housing_benefit/lettingsresearch.htm

Please contact Filomena Armato on 07774 101798 or 03000 503005 or by email at filomena.armato@voa.gsi.gov.uk if you have any questions.

Council Tax team provide landlords with guidance on new procedures for empty properties

Since January of this year, new procedures have been implemented by the Council Tax section at Herefordshire Council in relation to the award of a class C exemption. The change in procedures has been necessary as part of a management and audit requirement. When a dwelling becomes unoccupied and it is substantially unfurnished, it is exempt from Council Tax for a maximum period of six months. However, if a property is unoccupied but furnished, in Herefordshire, properties attract 90% charge from the day those circumstances apply.

When the Council Tax section is advised that a property has been vacated, owners are now issued with a full Council Tax bill. In order to confirm eligibility for exemption, owners are then required to apply for a class C exemption from Council Tax. Applications for exemptions are required each time a property becomes empty.

There are several ways to apply for an exemption;

1) Via e-mail or in writing The easiest way – when tenants vacate, contact the Council Tax section via e-mail or in writing to give the date of vacation of the outgoing tenants and their forwarding address (if available). Most importantly, please include a line to advise whether the property is empty or furnished, and provide your home address, or an address where communications will be accepted and forwarded to you, e.g. a managing agent. The Council Tax section e-mail address is – counciltax@herefordshire.gov.uk

If writing to apply for an exemption, the address is Council Tax Section PO Box 224, Hereford HR1 2XW

2) By telephone Exemption forms can be obtained by contacting the Info in Herefordshire call centre on 01432 260360. Complete the form and return it to the Council Tax section.

3) Via the Council's website There is an exemption application form on the council's website: http://www.herefordshire.gov.uk/docs/Claim_for_Property_Exemption_from_Council_Tax.pdf

Please print off a form, complete it and send it to Council Tax section.

There is also a change of address form on the website. Enter "change of address" in the search

facility, and click on the link "Moving home". This facility allows for the update of the vacating tenants' details and empty property details. When completed the form can be sent back electronically to the Council.

At a recent landlords focus group meeting, it was identified that there is a need to confirm that all landlords' details are correct and up to date on the Council Tax system to ensure that documents are issued correctly to owners. It would therefore be helpful if landlords could supply a list of all addresses of properties that they own in Herefordshire as well as their own home address. Those wishing to do so should supply the information via e-mail to the Council Tax section (see above) or in writing to Council Tax Section, P.O. Box 224, Hereford HR1 2XW.

More Changes to Planning Use Laws

On 17 June 2010, Housing Minister Grant Shapps announced changes to the planning arrangements with respect to Houses in Multiple Occupation (HMOs). The changes are intended to give councils greater flexibility to manage concentrations of shared housing in their area, without tying landlords in red tape.

The Government had previously introduced a new specific Use Class for Houses in Multiple Occupation (HMO) into planning law, using the Housing Act 2004 definition. Under the previous arrangements introduced on 6 April 2010, planning permission was required to convert a normal dwelling house (use class C3) into an HMO with up to six occupants (use class C4). Under the proposed changes, use class C4 will be retained, but permitted development rights will be amended so that properties moving between use class C3 and C4 will not require planning permission. The existing Use Class 'Sui Generis' will continue to apply to residential property that is to be let to seven or more unrelated people who share amenities.

In areas where there is a need to control HMO development, local authorities will be able to use an Article 4 direction to remove these permitted development rights and require planning applications for such changes of use. By making these changes, planning controls can still be implemented in those areas where high concentrations of HMOs are deemed to be adversely impacting on the local community (by introducing an Article 4 direction). But in those areas where the concentration of HMOs is not deemed problematic, planning permission for changes of use to use class C4 will no longer be required.

It is anticipated that the changes will come into force in October 2010. If you have any views on this as a landlord or letting agent, you are welcome to share them with Herefordshire Council either through the Landlord Focus Group or by contacting the Planning Department on telephone number 01432 260386 or by email at planning_enquiries@herefordshire.gov.uk

HIPS are history

The Government has scrapped Home Information Packs (HIPs) in the hope of kick starting the housing market in England and Wales.

The requirement to provide a HIP when selling a home was suspended on 21 May 2010 and will be abolished shortly. This means that homes put on the market on or after 21 May 2010 will no longer need a HIP.

Landlords and homeowners will still need to provide an Energy Performance Certificate (EPC) before selling or letting homes:

An EPC must be commissioned before a property can be marketed for sale or to let (if not already available). EPC are not required when marketing non-self contained HMOs for let (eg bedsits). The EPC must be available before the contracts are exchanged or the tenancy agreement is signed. All EPCs for sales and letting are valid for up to 10 years. Only qualified and accredited Domestic Energy Assessors (DEAs) are able to create an EPC.

Yarnold & O'Mahony's House Doctor Surgery

Tired of asking the same housing question and not getting a straight answer? Never fear, our resident House Doctors, Yarnold and O'Mahony are here to answer all your housing queries.

Q. My tenant has just told me that they have lost their job. Should I take action to regain possession?

A. Ending and renewing tenancies is a costly and time consuming business for Landlords. Tenancies should only be brought to an end when it makes good business sense to do so.

Unemployment does not necessarily make the tenancy unaffordable to your tenant.

You and your tenant can take the following actions to work to sustain the tenancy:



- Your tenant has been honest with you so keep lines of communication open.
- Your tenant should be advised to contact the Homelessness and Housing Advice Team at Herefordshire Council, by calling in person to Garrick House during office opening hours or telephoning 01432 261600.
- A Prevention Officer from the team will be able to find out your tenants eligibility to benefits and may be able to arrange for these to be paid direct to you in some circumstances.
- Your tenant may be entitled to receive financial support to cover the full amount of the rent for up to 13 weeks. This is known as the Local Housing Allowance (LHA) 13 week Protection rule and is aimed at tenants who would normally be able to afford the rent, and have not previously claimed Local Housing Allowance for the past 52 weeks. The level of LHA paid is very close to the market rent in most cases. In cases where the rent is higher the 13 week rule can be of assistance.
- If there is a shortfall in the LHA the tenant may be entitled to Discretionary Housing Payment which can be used to make up the difference between the rent and any LHA that is received.
- Your tenant will be signposted to suitable support agencies to ensure that they receive all their entitlements and support to find alternative employment.
- If at anytime you are not happy with the situation or feel that you have no other option than to

serve legal notice then please contact the Homelessness and Housing Advice Team. A Prevention Officer can offer you advice and assistance to assist in the sustainment of the tenancy or ensure that arrangements are in place for when the tenancy comes to an end.

Q. I am thinking of renting a property to a number of unrelated tenants. Are there any other Council departments I should speak to other than Private Sector Housing before going ahead?

A. Yes. Planning permission is required where a material change of use has occurred, and if a house is used for multiple occupation, planning permission may be needed. It will be for the Planning service to determine if there has been a material change of use. It is therefore advisable to clarify the planning issue at an early stage by contacting the Planning service.

If the use has existed for a long time, it may be possible to obtain a certificate of lawfulness instead of planning permission. Planning permission is not required for a house where it is used by a single person or by people living together as a family.

Landlords must satisfy both Planning and Housing law requirements which are independent of each other.

Herefordshire Council Planning Service can be contacted on telephone number 01432 260386 or by email at planning_enquiries@herefordshire.gov.uk

Q. I feel landlords are being left out of important decisions made by the Council. Is there anything I can do to make my voice heard?

A. The Council regularly meet with the landlord focus group to discuss and consult on all aspects that impact on the rented sector. For example, the group have been instrumental in the New Landlord and Tenant Accreditation Scheme and have been involved in decisions regarding the HMO Amenity standard and licence application form. If you are interested in joining the group, or have suggestions how we could improve consultation with Herefordshire landlords, why not contact the Private Sector Housing on telephone number 01432 260746.

Please indicate which preferred time you would like to see the next Landlord's Focus Group held:

10:00 a.m.

2:00 p.m.

6:00 p.m.

Please return to The Herefordshire Council, Sustainable Communities Directorate, Private Sector Housing, 84 Whitecross Road, Hereford HR4 0DH;

or email your response to psh@herefordshire.gov.uk