

A National Registration Scheme for the private rented sector

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Chartered Institute of Environmental Health (CIEH)

CIEH is the professional voice for environmental health representing almost 8,000 members working in the public, private and non-profit sectors. Building on its rich heritage, CIEH ensures the highest standards of professional competence in its members, in the belief that through environmental health action people's health can be improved.

Environmental health has an important and unique contribution to make to improving public health and reducing health inequalities. CIEH campaigns to ensure that government policy addresses the needs of communities and business in achieving and maintaining improvements to our environment and our health.

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Background

The Chartered Institute of Environmental Health (CIEH) is calling for a national mandatory registration scheme for landlords and letting agents operating in the private rented sector, whereby all rented properties would be listed in the register. We believe this would be a significant step towards improving housing conditions across the country and bringing England in line with the other nations in the United Kingdom.

Poor quality housing is responsible for a high proportion of the deaths, injuries and chronic illnesses that impact on life expectancy in the UK.^{1,2} The private rented sector has higher proportions of substandard housing,³ yet local authorities have limited knowledge of landlords and the properties in their local areas. There is no statutory requirement for landlords to declare their interests, and rogue landlords exploit this to the detriment of their tenants.

Registration and licensing schemes operate in Wales (2015), Scotland (2006) and Northern Ireland (2015), whereby all landlords have to register in order to rent out their property. Properties rented out in England are not currently registered or licensed and landlords do not need to declare that they own or manage property, unless they have a house in multiple occupation with 5 or more occupants or there is an additional or selective licensing scheme in place in their local area. Therefore, the vast majority of rented properties in England are not known to local authorities or any other agencies.

Why is a mandatory registration scheme needed in England?

The introduction of a national mandatory scheme would support better regulation of the private rented sector and should ultimately contribute to improving the safety of rented housing. The poorest quality housing, which causes the most deaths and injuries, is concentrated in the private rented sector. Landlords renting out the worst

properties often stay out of sight and do not maintain decent standards.

At the moment, local authorities do not have accurate and up to date information about where the rented properties are and who is managing these properties in their areas. Whilst many local authorities pay for more accurate stock modelling to be done in their areas, we know that some areas still rely on information from the last census, which was done in 2011. Having accurate information would enable better targeting of enforcement and allocation of resources locally. For example, an accurate number of rented properties should prompt local authorities to allocate appropriate staff to housing enforcement work whilst an accurate map of where these properties are should lead to more proactive projects to be established.

Data from the new register would also enable more local authorities to engage with landlords, via local landlord forums, to improve landlords' knowledge of safe property conditions, good management practices and their obligations as a landlord.

The new register should be connected with the rogue landlord database and banning orders, ensuring that landlords who have committed serious offences, but are not always known to other local authorities, cannot simply move areas to repeat their practices. A national register would aid the identification of criminal landlords who operate across different areas and prevent them from managing any properties going forward.

Tenants would also be able to check whether the property they are planning to rent is registered, thus helping tenants to make a better decision when choosing a property to rent.

Is there widespread support for a register?

Calls for a national register in England have been increasing in recent years. The Government-

commissioned review of selective licensing schemes, published June 2019, has recommended that a national registration scheme should be considered by the Government, citing “significant support from local authorities, tenant organisations, landlord organisations and other stakeholder groups for the introduction of some variant of national registration of landlords”.⁴

The large-scale review of the private rented sector by Dr Julie Rugg and David Rhodes of the University of York, published in 2018, has also recommended that a landlord and letting agents register be introduced.⁵

Other organisations campaigning for improved conditions and safety in the private rented sector have also called for a national register of landlords. This includes Generation Rent,⁶ British Property Federation⁷ and Chartered Institute of Housing.⁸

What happens if landlords decide not to register?

Penalties and offences will need to be designed to encourage registration. Whilst there are always concerns about landlords failing to register with a national scheme,⁹ we believe that this does not make a scheme ineffective. In fact, a national database of landlords could create a much stronger incentive for local authorities to find landlords who are hiding under the radar. This is especially the case if local authorities are allowed to keep the fines issued for non-registration. Local authorities already hold a lot of other data, which can be used to identify unregistered landlords who may be hiding under the radar.

The setting up of registration schemes usually increases the number of properties that local authorities and central Government are aware of. In one Welsh local authority, it was estimated that there were 6,500 rented properties. Yet after the introduction of the registration scheme, the figure had jumped up to 7,300.

Newham Council set up a selective licensing scheme

across the whole borough, which meant that every property had to be licenced. They had anticipated that there were 5,000 landlords operating in the borough, however through the scheme they have uncovered 39,000 rented properties and 26,000 landlords.

What fees would be paid by landlords and agents?

Fees will need to be paid by landlords to fund the administration, IT systems and some basic enforcement of the scheme, including any checks done to ensure persons managing the property are fit to do so.

The fees set in the other nations of the UK give an indication of the likely cost:

- In Scotland, the landlord registration lasts for 3 years and the fee is set at £65, along with an additional fee of £15 per property.¹⁰
- In Wales, the registration lasts for 5 years and costs £33.50, if completed online. Those managing property also need to be licenced at a cost of £144 and complete training at a cost of £50.¹¹
- In Northern Ireland, the registration lasts for 3 years and costs £70.¹²

What other national registration schemes exist to protect public health?

There are many examples of licensing schemes operating when there is a potential threat to public health, including food sales, taxis, car ownership, or the sale of alcohol.

The Driver and Vehicle Licensing Agency manage one of the largest databases in the UK, which is also open to the public: a record of licensed vehicles. At the end of 2018, there were 38.2 million licensed vehicles in Great Britain.¹³ This database is eight times larger than the national landlords database would be. It is estimated that there are around 4.5m households living in the private rented properties in England.¹⁴

How should the national register be designed to optimise its effectiveness?

1. Central management

To be effective and simple for landlords to engage with, central Government should take a lead in funding, developing and running the national landlord register, whilst working in partnership with local authorities. Awareness raising campaigns should also run in conjunction with the establishment of the register to ensure landlords are aware of the new requirements.

In Wales, Cardiff has been appointed as lead authority after the scheme was launched to help to provide central coordination and central enforcement capacity. In Scotland, each local authority does its own registrations, however refunds have to be given to landlords who have properties in more than one area. Given the size and complexity of England's private rented sector, it would be simplest to have one body responsible for running the register and taking some enforcement action against criminal landlords operating across borders.

2. Enforcement

Penalties and offences will need to be designed to encourage registration. For example, automatic offences would be committed by failing to register, providing falsified or incorrect information and not keeping the register up to date.

There needs to be a link between property conditions and the register, whereby someone convicted of very serious offences should be barred from being able to manage property in future. This should be done by connecting the register to the rogue landlord database and incorporating a 'fit and proper' check into the registration process.

3. Resources

A pre-requisite to good enforcement is adequate resourcing of both the central scheme operation and the wider housing enforcement teams at local authorities. The effectiveness of a national register will be realised if local authorities have adequate resources to use the data from the register to target proactive activity in their local areas and to identify some of the worst properties. Making non-registration a civil penalty offence would help towards some funding for housing enforcement teams, however further central Government funding would be needed to ensure that local authorities which are not currently working in a proactive way to tackle poor quality housing are encouraged to do so.

4. Data sharing

The database hosting a national registration scheme would need to be centrally built, designed and maintained. However, access to the data will need to be given to all local authorities and a back-office function should be incorporated to enable better information sharing between local authorities and other key agencies, such as police, immigration, HMRC, the Information Commissioner's Office (ICO) and trafficking agencies.

5. Good design

No database will work well if it is not well designed. The development of the register should incorporate the experience of running and improving these schemes in the nations, so that the right model can be developed for England.

Evidence suggests that the register needs to be mandatory. In Wales, a voluntary scheme was trialled before the introduction of Rent Smart Wales. However, it was found that only a small fraction of landlords engaged with a voluntary scheme.

- ¹ [Press release: 17,000 people in the UK died last winter due to cold homes](#), National Energy Action, published 15 Feb 2019.
- ² [The cost of poor housing to the NHS](#), BRE briefing paper, 2011.
- ³ The private rented sector had the highest proportion of non-decent homes (25%) and the highest proportion of category 1 hazards (14%) out of all the tenures, [English Housing Survey 2017-18: headline report](#), MHCLG, Jan 2019.
- ⁴ p.91, [An independent review of the use and effectiveness of selective licensing schemes](#), MHCLG, June 2019.
- ⁵ p.13, [The evolving private rented sector: Its contribution and potential](#), University of York, Sep 2018.
- ⁶ [Landlord Registration Petition](#), Generation Rent website, accessed 27 Jun 2019.
- ⁷ Paragraph 113, [Report on Private Rented Sector inquiry](#), Housing Communities and Local Government Select Committee, April 2018.
- ⁸ [A licence to rent](#), Chartered Institute of Housing and Chartered Institute of Environmental Health, Jan 2019.
- ⁹ [Rent Smart Wales: 4,000 landlords 'letting illegally'](#), 24 November 2017, BBC online (Accessed on 16/05/19)
- ¹⁰ [Landlord registration](#), Shelter Scotland webpage, accessed on 27 Jun 2019.
- ¹¹ [Frequently Asked Questions webpage](#), Rent Smart Wales website, accessed on 27 Jun 2019.
- ¹² [Register as a landlord or renew your landlord registration webpage](#), Northern Ireland Direct government services, accessed on 27 Jun 2019.
- ¹³ [Vehicle Licensing Statistics](#), Annual 2018, DVLA, Apr 2019.
- ¹⁴ [English Housing Survey - Headline Report 2017-18](#), MHCLG, Jan 2019.