

Chichester District Council

CABINET

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Redress Schemes for Lettings Agents and Property Managers

1. Contacts

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2. Recommendation

- 2.1 That the Head of Housing and Environment Services be authorised to exercise the enforcement powers reserved by the Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014, and as may be amended.**

3. Background

- 3.1 The Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014, made under the Enterprise and Regulatory Reform Act 2013, came into force on 1 October 2014. The Order introduced new enforcement responsibilities for Chichester District Council to ensure all letting and managing agents are members of a government backed Ombudsman scheme. The purpose of the new legislation is to ensure tenants and leaseholders have a clear defined route to report complaints about poor working practices to an approved body, giving increased protection against unscrupulous agents.
- 3.2 There are three Ombudsman schemes which the government has approved, and these will deal with complaints about the working practices of letting and managing agents. Within the boundaries of the district, Chichester District Council is the enforcing authority for this legislation and is responsible for ensuring all applicable agents have complied with the new requirements, and have joined an approved scheme.
- 3.3 Any business not registered with one of the three approved redress schemes may face a fine of up to £5,000.
- 3.4 Since the introduction of the legislation, the Council has notified letting agents of their responsibilities through a monthly newsletter, which is circulated to approximately 46 letting and managing agents throughout the District.

4. Outcomes to be achieved

- 4.1 Once officers are authorised to exercise the relevant enforcement powers they can ensure letting and managing agents are complying with the legislation. Those found to be in breach of the Order will be served with a notice requiring them to join an approved scheme within 28 days. If after the 28 days, they have still not joined a redress scheme a fine will be imposed. Government guidance suggests that a maximum fine of £5,000 should be imposed in these instances. The Head of Housing and Environment Services will, however, have discretion to impose a lower fine if satisfied there are extenuating circumstances.

5. Proposal

- 5.1. It is proposed to delegate the power to enforce the Order to the Head of Housing and Environment Services.
- 5.2. Furthermore, the Head of Housing and Environment Services will be empowered to reduce the level of fine if the response to a formal notice indicates that a lower fine may be appropriate.

6. Alternatives that have been considered

- 6.1 The Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014 places statutory duties on the District Council. Therefore there are no alternatives in this instance.

7. Resource and legal implications

- 7.1 An enforcement procedure with regard to the Order has been developed, which is attached. The Order will be enforced using existing staffing resources within the Environmental Housing Team. There may, however, be the need to consult Legal Services on occasion.
- 7.2 It is suggested that any monies received through the imposition of fines are used to provide training events for agents.

8. Consultation

- 8.1 Consultation is not relevant in this instance as this is a statutory function, which the Council has a duty to undertake.

9. Community impact and corporate risks

- 9.1 By ensuring compliance with the Order, tenants will be given the opportunity to raise complaints about their letting or managing agents, thereby holding them to account.
- 9.2 The Council may be open to challenge if it fails to regulate agents as required by the Order.

10. Other Implications

Crime & Disorder	None
Climate Change	None
Human Rights and Equality Impact	This scheme ensures access to an Ombudsman for private tenants
Safeguarding	None

11. Appendix

11.1. Chichester District Council enforcement procedure in respect of the Redress Schemes for Letting Agents and Property Managers.

12. Background Paper

12.1. Department of Communities and Local Government – Letting Agents and Property Managers – which government approved scheme do you belong to?