



the **newsletter** for private landlords in the Bury area, produced by the Bury Landlord Accreditation Scheme



HMO Licensing – what you need to know

Homes with multiple occupants will have to comply with certain requirements to be licensed

The new Housing Bill, expected to become law in 2005, is intended to help not only the most vulnerable in society but also strengthen the housing market. It will also drive the Government's targets to ensure that the Decent Homes Standards are met by 2010.

The Bill comprises a wide-ranging reform package and will introduce mandatory licensing of high risk HMO's (Houses in Multiple Occupation).

It is envisaged that mandatory licensing will include HMO's (other than those exempt from licensing and converted blocks), which comprise of 3 or more stories and are occupied by five or more persons, made up of two or more households.

On the introduction of mandatory licensing, a person owning or managing a HMO, which is required to be licensed, must apply to the Local Authority for a licence for that property.

The Local Authority will grant a licence if it is satisfied that the HMO is suitable for occupation by the permitted number of persons having regard to the minimum prescribed standards of amenities and facilities e.g. WC's cooking facilities etc. The licence holder will also have to be a 'fit and proper person'.

If the Local Authority is not satisfied that it



can grant a licence it must make an Interim Management Order, which has the effect of transferring the management of the HMO to the Local Authority for a period of up to 12 months.

The licence will specify the maximum number of occupants who may occupy the HMO and may also include conditions relating to:

- The management of the house
- The condition of the house, its contents and amenity standards

- Requirements to carry out specified works or take actions within specified times

Failure to comply with the licensing requirements set out in the Bill can result in the landlord being fined up to £20,000. It is important, therefore, that you are fully aware of how the new Housing Bill affects you and your properties. For more information on HMO licensing you can contact Bury Metro's Housing Standards Team on 0161 253 5506.

Savings can be made on your income tax!

From 6 April 2004, the Government introduced a new tax measure called Landlord's Energy Saving Allowance (REV BN 31). The measure gives a tax allowance for capital expenditure on loft and cavity

wall insulation in rented accommodation.

The changes allow landlords a deduction for income tax purposes up to a maximum of £1,500 when they install loft or cavity wall insulation in a dwelling house which

they let.

If you think you qualify, you can get more information from your local Inland Revenue tax office or visit: www.inlandrevenue.gov.uk

Are Bury's landlords set to build upon local affordable housing shortage?

A study by Salford University, commissioned by Bury MBC, has predicted that between 2001-2005 there would be an overall shortage of affordable housing in Bury. Need will outstrip supply as waiting times for Council and Housing Association properties get longer!

There is a growing demand developing across Bury for landlords who can accommodate tenants who may be in receipt of a low income but are not well-placed for a property with Bury Council or the local Housing Associations.

There may be the demand, but what about the shortcomings and 'shortfalls' of tenants on Housing Benefit?

Poor perceptions of Housing Benefit payments and the planned reform of the present system to move to a Local Housing Allowance—paid directly to the tenant—has left landlords who currently let to tenants in receipt of benefits cynical, and those who don't perhaps even more convinced that this is an area that they should avoid!

So what incentives are there for landlords to move into this market?

The Local Housing Allowance is expected to be rolled out nationally early in 2006. The early feedback from the pathfinder areas has been positive. The majority of tenants in these pilot areas are receiving higher payments under the LHA than under the Housing Benefit system. Therefore they are receiving amounts much closer to the market rents set by landlords, confronting the issue of low local reference rents and unaffordable 'shortfalls'.

But if the tenant starts receiving the money themselves they might spend it on something other than the rent!

Safeguards have been put in place to allow that where a tenant is vulnerable or is 8 weeks in arrears the LHA can then be paid directly to the landlord. The Local Authority makes the decision as to which tenants may be considered vulnerable. The National Rent Deposit Forum has recently negotiated that



There is a high demand for properties available to let to tenants on Housing Benefit

Rent Deposit Guarantee Schemes be included in the list of organisations able to demonstrate a tenant's vulnerability.

In Bury, the Bond Scheme helps single people and couples without dependant children, on low incomes, access private sector accommodation.

A written bond guarantee is issued to a landlord in place of a cash deposit. Should there be any unreasonable damage caused, theft or 4 weeks Housing Benefit eligible rent arrears, then the landlord can make a claim from the Bond Guarantee in the same way they would make a deduction from a tenant's cash deposit. Tenants are also encouraged to make regular contributions towards accumulating their own cash deposit.

Bury Bond Scheme works with Landlords to provide:

- Liaisons with Bury MBC's Housing Benefit Dept to ensure accurate claims are made.
- Reductions in delay of payment.
- Support to make the tenancies as successful as any other.
- Clear advice on the legal rights and

responsibilities of both the landlord and tenant.

- Regular updates on changes to Housing legislation.
- Access to relevant training and information sessions.

There is a huge demand in Bury for landlords with properties to let to tenants in receipt of Housing Benefit. Working with a Bond Scheme in your area offers the opportunity to do this with relevant support and the further assurance that assistance will be in place when the transition is made to the LHA.

Need to know more?

If you would like further information please contact:

Sarah Duncan,
Pre-tenancy worker
Bury Bond Scheme
19 Knowsley St,
Bury
BL9 0ST

Tel: 0161 761 6163 Fax: 0161 762 5276

Preferential insurance rates available for Scheme members

Elliott Garden Insurance Services first became involved with Landlord Accreditation in 2002 and since then the scheme has successfully developed and we now have a separate division within the Business dedicated to arranging the Landlords Let Property Insurance (LLPI) and meeting our customers' needs.

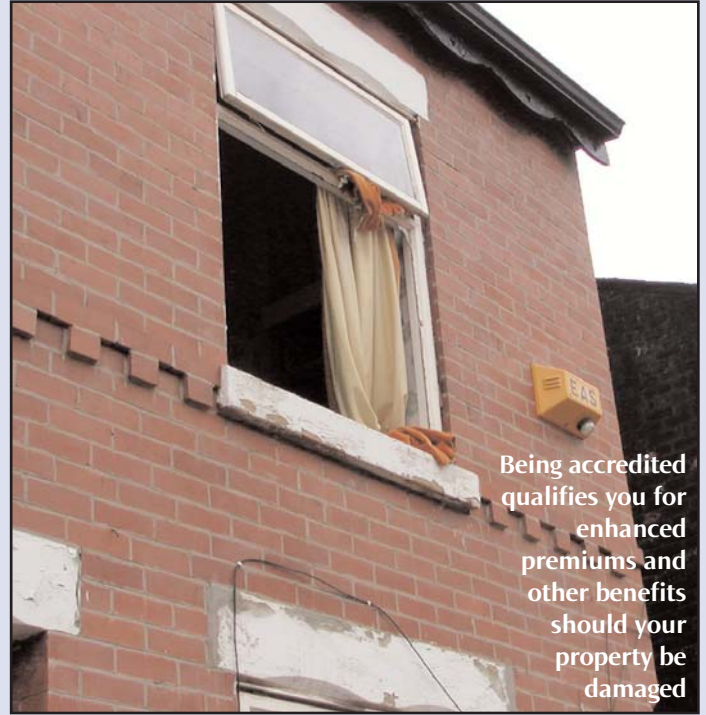
Being an accredited Landlord means that you qualify for the additional benefits and enhanced premiums available. You will find our deals hard to beat.

Our scheme is written by Spectrum, the insurance arm of the HSBC Group, and we have a panel of insurers available who are able to offer extensive policy cover for houses, flats and bedsits covering all types of tenants.

Standard Policy Cover

- all risks with only £100 excess increased to £1000 for subsidence
- malicious damage by tenant
- arson cover whilst unoccupied
- any tenant type, including DSS, asylum seekers, students and professionals
- basic 90 day cover for unoccupied properties
- property owners liability (£2 million limit)
- accidental damage to underground service
- loss of rent (up to 20% of sum insured)
- legal expenses
- loss of metered water (£5000)

Contents cover is also available.



Being accredited qualifies you for enhanced premiums and other benefits should your property be damaged

If you would like to take advantage of this fantastic cover at competitive prices or would like further information please call Elliot Garden Insurance Services on 0191 512 3541.



It's time to have your say!

Here at BLAS, we are constantly looking for ways to help and support Bury landlords. Whether you're a new or experienced landlord, we are keen to find out what sort of services and information you would find useful, whether it is training, advice, or discounts and financial incentives.

So far, we have run information sessions in conjunction with Housing Benefit and The Rent Service. These

events were well attended, with landlords particularly keen to voice their concerns about the Governments proposals to change the way Housing Benefit is paid and rents are set.

BLAS will make sure that you are kept up to date with information on any changes that affect you through regular newsletters.

Future topics for landlord events will include a briefing session on the impact

of the new Housing Bill with particular emphasis on licensing and a training day on landlord/tenant law.

If you have any ideas about how we can offer the sort of services or information you need, or have suggestions for topics which we could cover at landlord events, contact Babette Howard, Accreditation Co-ordinator on 01204 365711 or email b.howard@mmhg.org.uk



Accredited properties in East Bury can benefit from Government grants

Environmental grants rolled out in Fernhill

Through the Bury Landlord Accreditation Scheme (BLAS) the East Bury Initiative (Single Regeneration Budget) is offering landlords who have accredited properties in the Fernhill area the opportunity to benefit from additional environmental works at no cost.

The East Bury Initiative is a Government funded programme run through Bury Council which is aimed at regenerating local areas physically, socially and economically.

These Environmental Grants, which are being offered until March 2006, are in addition to the benefits and incentives already provided by BLAS and have been set up to further recognise and reward landlords who maintain their properties to the BLAS standard.

Works include boundary wall treatment, minor external repairs, painting and brick cleaning.

For further information contact Babette Howard on 01204 365711.

Fire Safety from Chubb

In association with BLAS, Chubb Fire is offering a discount across all fire products and services.

Extinguisher Annual Maintenance

Annual maintenance is the key to fire safety and along with supplying all your extinguishing equipment at a discounted rate, the routine, on site, annual maintenance of this equipment is available to BLAS members for just £6.95 per unit regardless of manufacturer.

This includes all parts and refills required for the annual service, but excludes the 10-year pressure test of carbon dioxide extinguishers.

Discounts on 20 or more appliances per company are available.

For further details call your Accreditation Co-ordinator on 01204 365711.



Interested in BLAS membership?

Joining BLAS is straightforward, with staff from the Accreditation Team on hand to help you through the process.

You can obtain an application form either by contacting the Accreditation Co-ordinator on 01204 365711 or downloading one from our web site www.mmhg.org.uk/blas

Once we have received your completed application form, we will arrange for your properties to be inspected by a member of the Housing Standards Team.

It is important that you let your tenants know why their home is being inspected. We have information leaflets specifically aimed at tenants to help you to do this.

If there are any repairs that you need to do to bring your property up to accreditation standard, we will write to you and let you know, giving a timescale during

which the work should be done.

We will also need copies of the most recent annual Gas Safety Certificate, an electrical inspection report and a copy of the tenancy agreement that you use.

Once you have met the standards you will be issued with a Certificate of Membership and given your Landlords Information Pack. You will also be able to use the scheme logo to advertise your properties and for correspondence.

We will then keep you updated on incentives and training events as well as providing you with a wide range of information and services, tailored to your requirements.

For more information on membership, contact Babette Howard, Accreditation Co-ordinator on 01204 365711, or email at b.howard@mmhg.org.uk

