

Report Impact Review

Protecting London's property guardians

Released 6 February 2018



Feedback and impact

- Katharine Hibbert, Founder and Director of DotDotDot - a property guardian company, welcomed the report, stating: "We wholeheartedly agree with the report that guardians need to be provided with good, safe homes and a source of redress when things go wrong". She voiced her support for the recommendations given in the report, stating; "The housing committee's recommendation that there should be more clarity about which laws that primarily relate to all tenancies protect property guardians too and that guardians should have more sources of redress when these legal rights are ignored, are also helpful". She also states that the reports call that any future regulation should maintain "the many benefits that property guardianship offers, and does not prevent guardian companies from getting properties into use which could provide homes for Londoners" was welcomed by DotDotDot.
- Representatives from seven property guardian companies; Dex Property Management, Live-in Guardians, VPS Guardians, Ad Hoc, Guardians of London, DotDotDot Property, Low Guardians wrote an open letter to the Guardian in response to an article the newspaper published on the report's findings – this article is discussed below. This letter states that: "In our experience is not that people are forced into living as property guardians. Good, well-managed housing (including health and safety and clear unambiguous standards) are important features and we recognise our role in achieving that. We are all the more determined to ensure that our sector is managed well, ethically and professionally, to deliver high-standard alternatives to the rising cost of city rents".
- In response to the report's recommendation that the Ministry of Housing, Communities and Local Government (MHCLG) should provide guidance about the legal rights of guardians and where guardians can access help, the MHCLG published a factsheet on their website. This factsheet outlines the legal rights and responsibilities that a property guardian has, as well as the potential limitations of taking part in property guardianship.

Media coverage

- There has been wide spread media coverage for the report, from a number of different news outlets. This includes daily news outlets such as; The Sun, The Morning Star, Open Democracy UK and City Lab, as well as trade news such as FM World and The Planner. Articles were published also by The Independent, The Guardian and Forbes.
- The report received attention from two radio news sources. BBC Radio 4 ran a programme covering the report on the 21st of February 2018 entitled: "How people are saving on rent by living as caretakers". Secondly, London Live News conducted an interview with Sian Berry - the Chair of the Housing Committee, on the report's findings.
- One article from The Guardian stated that the report found: "The threat of homelessness is forcing thousands of people into becoming live-in property guardians, often in poor living conditions with virtually no legal protection". This prompted the response from seven property guardian companies outlined in the previous section.

Official response and recommendation implementation

Evaluating responses from the Mayor, the Valuation Office Agency and the Ministry of Housing, Communities and Local Government.

	Recommendations	RAG	Response
1	MHCLG should review legislation and guidance (for example, the Tenant Fees Bill 2017) to see how licensees can benefit from the improvements made in the private rented sector.	G	Mayor: The Mayor supports this recommendation. He states that he has made it clear in his discussions with the Government, and in his draft London Housing Strategy, that the ban on letting agent fees and the cap on tenancy deposits must apply equally and universally to all private renters to avoid the creation of loopholes that may be exploited by unscrupulous agents and landlords.
		R	MHCLG: The response received from the MHCLG states that they do not plan to introduce regulation into the property guardianship sector. This is due to fears that this could be interpreted as endorsement of property guardianship schemes as a legitimate housing option.
2	The Mayor and MHCLG should provide guidance about the legal rights of guardians and where guardians can access help.	A	Mayor: The Mayor is concerned that the lack of clarity in terms of the rights of property guardians leaves them vulnerable to exploitation. His officers have asked the MHCLG to provide clarity and guidance on this issue on several occasions, but this has not been obtained. He recommends that such guidance should also be given to local councils.
		G	MHCLG: The MHCLG recognises that it is important that anyone taking part in property guardianship to be aware that they have very limited rights. As a result of the report they have committed to publishing a factsheet on their website (noted above) which highlights, among other things, that guardians have very limited rights.
3	The Mayor should advise councils (especially those that use property guardians) to ensure the words 'property guardian' are included on all local authority publicly promoted resources on raising grievances about property standards, fire safety and environmental health concerns.	A	Mayor: The Mayor states he is happy to discuss this issue with the Private Rented Sector Partnership to determine the best way to communicate routes to redress for property guardians. However, he points out that until clarification is provided either by the courts or by MHCLG on the legal status of property guardians, it is difficult to determine exactly what support guardians are entitled to.

4	MHCLG should require all property guardian companies to register with a recognised property agents redress scheme. This would allow guardians to raise concerns about a company in a 'safe space'.	N/A	Mayor: The Mayor states that he supports this recommendation.
		R	MHCLG: In their response to the GLA's report the MHCLG did not touch on this recommendation, other than stating that it does not intend to introduce regulation into the property guardian sector.
5	The Valuation Office Agency should provide clear guidance on whether commercial properties that are temporarily occupied by guardians are entitled to a temporary revaluation from business rates to council tax. This would ensure property guardian companies and property owners are aware of the rules around business rates and council tax.	N/A	Mayor: States that he supports measures which make property guardian companies and property owners aware of their responsibilities in relation to business rates and council tax. He recognises that the VOA has an important role to play in providing this guidance.
		G	VOA: The VOA have recognised the need to clarify the nature of properties on the border line between domestic and non-domestic. They have introduced a new Check feature on their website, which allows a property guardian company or a property owner to determine whether the property should be subject to business rates or council tax.
6	MHCLG should clarify whether the Housing Act 2004 is enforceable against malpractice in the property guardian sector. MHCLG should revisit the Housing Act 2004 if it is no longer protecting people effectively.	G	Mayor: The Mayor states that he supports this recommendation, and that his officers have asked MHCLG officials to provide this clarification.
		R	MHCLG: The MHCLG responded that they will not be introducing regulation into this sector, and so this recommendation is unlikely to acted upon.
7	The Mayor should use the London Boroughs' Private Rented Sector Partnership to share best practice and lessons learned by local authorities.	G	Mayor: The Mayor recognises that the Partnership exists to allow councils to share such best practice and ensure renters across London are better protected. He states that Officers will raise the issue of property guardians and best practice-sharing with the Private Rented Sector Partnership at the next opportunity.
8	MHCLG should provide statutory guidance for environmental health officers and the London Fire Brigade	N/A	Mayor: The Mayor supports this recommendation.

	on how to effectively deal with buildings occupied by property guardians, like guidance provided for bedsits and shared accommodation.	R	MHCLG: The MHCLG responded that they will not be introducing regulation into this sector, and so this recommendation is unlikely to be acted upon.
9	The Mayor and MHCLG must provide clarity on how local authority planning departments should handle commercial properties occupied by property guardians.	G	Mayor: The Mayor responds by offering clarification on this subject. He claims that in the GLA's view: "no special planning requirements apply to such properties. Either permitted development rights for change of use from office to residential would apply... or, in the case of industrial buildings, permission to convert to residential accommodation on a temporary or permanent basis would be required".
		R	MHCLG: The MHCLG responded that they will not be introducing regulation into this sector, and so this recommendation is unlikely to be acted upon.
10	The Mayor and MHCLG should set out best practice guidance for local authorities when procuring property guardian services. Guidance should include a standardised contract between building owners and guardian companies, which contains a minimum length of tenure, licence fee setting if applicable, and clear guidance on repairs and maintenance responsibilities. This guidance could also form part of the 'A fairer deal for private renters and leaseholders' section of the Mayor's Housing Strategy.	N/A	Mayor: The Mayor states that issuing best practice guidance on property guardian services is the responsibility of the MHCLG. He also claims that clarification from MHCLG on the rights of property guardians is a prerequisite for this work. Arguing that without a full understanding of the legal status of guardians, it will be difficult to develop best practice.
		R	MHCLG: The MHCLG responded that they will not be introducing regulation into this sector, and so this recommendation is unlikely to be acted upon.
11	Efforts by guardian companies to introduce common standards are welcome, but it is important all companies follow them if they are to be effective. Therefore, the Mayor and Government, as well as councils who use guardian companies, should look at what can be done to ensure new standards are applied more widely.	N/A	Mayor: The Mayor states that the MHCLG should head this effort, working with the GLA, the industry, councils, property guardians and renters' rights organisations to come up with a clear framework for this industry. He recommends this framework should include: 1) A clarification of the legal status of all aspects of the industry. 2) Best practice for councils regarding planning, enforcement of standards and conditions and procurement. 3) A common standard of service to be adopted by the industry. 4) Clear communication of the rights of property guardians.

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