

Private Rented Sector Workshop - Councillors

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Purpose and Context of the workshop

On the 7th March 2022 at Full Council, a motion was passed to halt the consultation being undertaken on a larger Selective Licensing scheme, covering around 5000 properties within the PRS.

As a result, a small working group of Councillors was set up to look at the future approaches that could be taken by the Council within the PRS and to explore these accordingly.

A key element of this process is to engage with existing Councillors to understand what their aspirations are for the sector alongside seeking direction on any specific approaches or interventions that they wish to be explored.

Therefore the aims of this session are to:

- **provide you with a basic data set outlining the current picture within the PRS in West Lindsey**
- **provide an overview of the national strategy position for improving the PRS**
- **understand what you think are the key challenges the Council needs to focus on**
- **seek a clear direction from you on the areas which you believe require further exploration and development moving forward**

Terminology

- **Cat. 1 Hazard** – a hazard identified under the HHSRS which is serious
- **HHSRS** – Housing, Health and Safety Rating System. The system which is used by Council's to assess hazards in properties.
- **HMO** – House in Multiple Occupation
- **MEES** – Minimum Energy Efficiency Standards
- **PRS** – Private Rented Sector
- **Selective Licensing** - a licensing regime for private landlords that applies to a specified area designated by the relevant local housing authority
- **SoS** – Secretary of State

Ground Rules

- Focus on the bigger picture
- This is about the Private Rented Sector, please stick to that tenure.
- If you have specific questions on the slides or data included, please e mail them to Andy Gray.
- Be mindful of time and of others
- Use the chat function to ask any questions or make any comments
- The meeting will be recorded (on MS Teams) for future reference and to be made available to any Cllrs that cannot attend.
- If you have any cases that you wish for the team to look at, please raise those separately with officers.

A Fairer Private Rented Sector (June 2022)



This document sets out the Government's ambitions for the private rented sector, of which there are 5.

Our ambition

We are committed to delivering a fairer, more secure, and higher quality Private Rented Sector. We believe:

1. All tenants should have access to a good quality, safe and secure home.
2. All tenants should be able to treat their house as their home and be empowered to challenge poor practice.
3. All landlords should have information on how to comply with their responsibilities and be able to repossess their properties when necessary.
4. Landlords and tenants should be supported by a system that enables effective resolution of issues.
5. Local councils should have strong and effective enforcement tools to crack down on poor practice.

A Fairer Private Rented Sector (June 2022) cont.

The document also included a 12 point action plan, which covers the following areas;

- A new Decent Homes Standard for the PRS
- A focus on areas that need it most (most deprived)
- Abolishing “no fault” section 21 evictions
- Easier possession proceedings for landlords
- Limit rent increases to once a year
- Introducing a single Ombudsman for the tenant
- Addressing Court delays
- **Introduce a new property information portal (Landlord Register)**
- Strengthening local enforcement powers
- Make illegal, the banning families or those on benefits from tenancies
- Introduce a right to request a pet in a property
- Look at innovative solutions for tenancy deposits

These reforms are progressing at different speeds and will be enshrined within the “Renters Reform Bill”.

Council Position

Through its Corporate Plan and its Housing Strategy the Council has set out its intentions in relation to the PRS.

Corporate Plan

Our People > Improve homes and transform places > Improved quality of and access to housing

Our Place > To improve housing standards and take appropriate enforcement action where necessary

Housing Strategy Refresh 2022 – 2024: Theme 2 – Improving Homes and Transforming Places

- Acknowledges the challenges with the existing housing across the districts, with improvements to all housing stock a key priority.
- Demonstrates success of previous Selective Licensing Scheme and looks at how a broader scheme could have a wider impact.
- Welcomes additional regulation within the sector, alongside the need for increased advice and support for landlords.

Homes for Independence Blueprint (Adopted in 2021)

Objective – Make best use of enforcement powers available across different organisations to target criminal landlords.

Our Place: Housing Profile



There are 43,732 dwellings in the district, an increase of 532 on the previous year. Of these, 4,832 are private registered providers and 38,709 are privately owned.



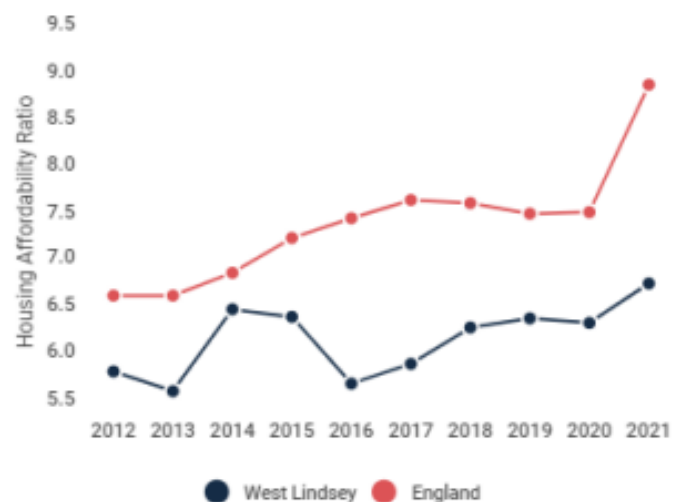
As of March 2021, West has a deliverable housing supply of 4,184 dwellings.



As of March 2021, 485 additional dwellings were completed against the Local Plan annual target of 1,540 per year. Of those completed, 20 were affordable dwellings.



Average house prices have risen 13% to £210,000 in 2021. This is below the national average of £285,000



Housing has become less affordable in West Lindsey, in line with the national trend where wage increases have not kept up with the rise in house prices.

Our Place: Housing Stock Condition



Excess cold is an issue in rural areas

10% of homes are in excess cold, double the national average. This is particularly an issue in rural areas, with the highest concentration in Waddingham and Spital, Hemswell and Wold View.

Social housing stock is more thermally efficient than private rented stock due to more stringent conditions placed on social housing providers.



The number of off-grid homes is high

9,941 homes, or 23% of all homes in the district, are not in receipt of mains gas. This is mostly concentrated in a band running from the Thonock and Blyton areas and down to Welton, taking in Waddingham and Hemswell.

Being off grid increases the risk of fuel poverty. Heating oil, for example, is not subject to the same price cap as gas and electricity.



20% of homes contain a hazard (8,000 homes)



9% of homes (3,914) are a fall hazard risk



5% of homes (1,947) are in a state of disrepair

The Private Rented Sector in West Lindsey

Levels of PRS (WLDC Metastreet Report 2021)						
Wards	% PRS 2021	No. of PRS	Number of PRS with cat 1 hazards	% Cat 1 hazards 2021	Housing complaints	Rate of housing complaints / 1000 dwellings
National average	>19%			>13%		
Bardney	16.90%	214	35	16.40%	21	98
Caistor and Yarborough	18.20%	494	115	23.30%	37	75
Cherry Willingham	14.20%	508	72	14.20%	7	14
Dunholme and Welton	13.20%	505	93	18.40%	28	55
Gainsborough East	15.40%	504	81	16.10%	89	177
Gainsborough North	30.20%	1058	310	29.30%	148	140
Gainsborough South	56.70%	1752	792	45.20%	469	268
Hemswell	31.70%	389	127	32.60%	21	54
Kelsey Wold	11.10%	132	45	34.10%	11	83
Lea	11.10%	111	15	13.50%	8	72
Market Rasen	20.90%	861	198	23.00%	89	103
Nettleham	11.50%	247	41	16.60%	10	40
Saxilby	16.30%	465	71	15.30%	9	19
Scampton	33.00%	410	44	10.70%	13	32
Scotter and Blyton	13.70%	464	106	22.80%	37	80
Stow	13.30%	144	29	20.10%	8	56
Sudbrooke	9.80%	114	20	17.50%	1	9
Torksey	11.80%	163	40	24.50%	10	61
Waddingham and Spital	15.90%	182	55	30.20%	10	55
Wold View	27.40%	332	124	37.30%	21	63
Council total	19.62%	9,049	2413	23.1%	52	78

Key Statistics:

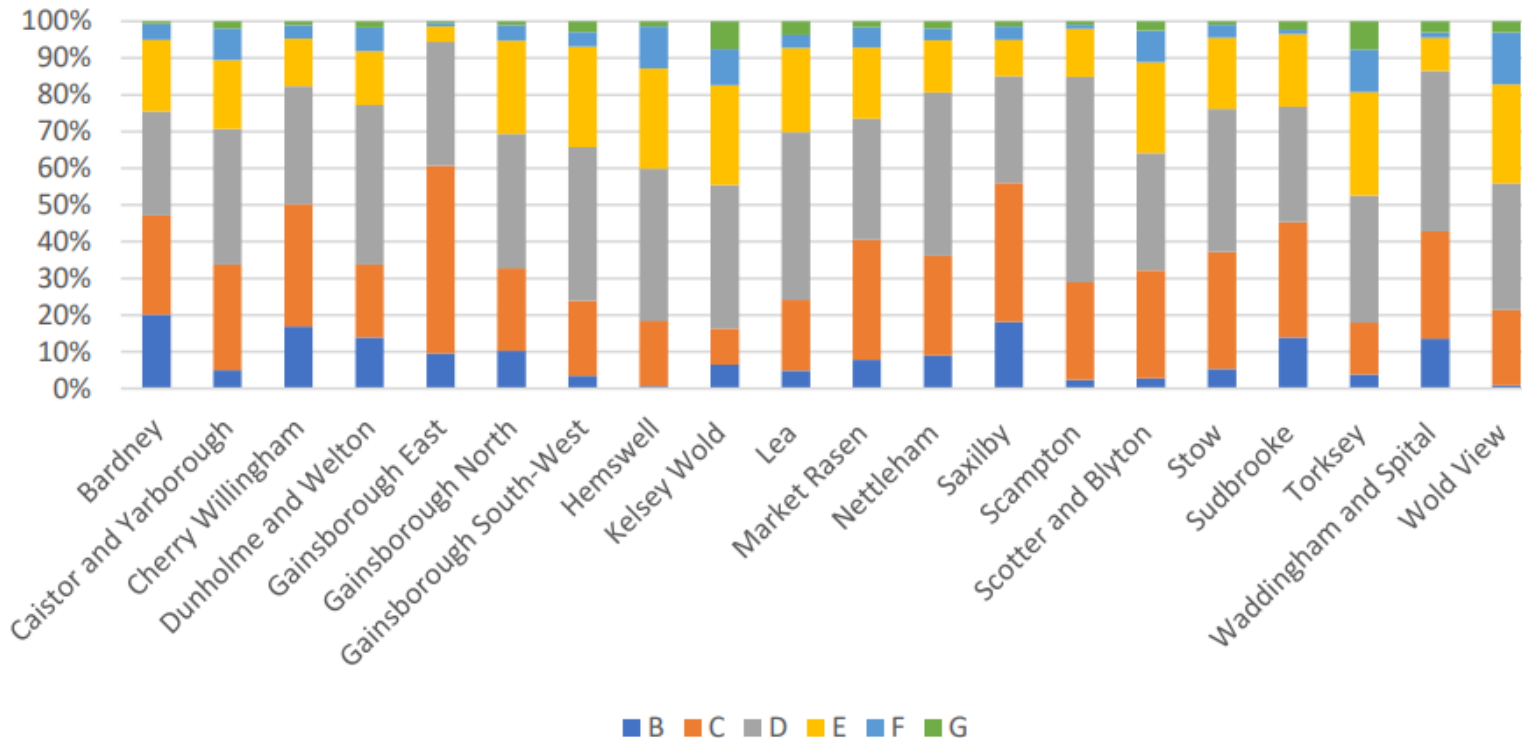
- There are over 9000 properties estimated to be in the PRS.
- Out of 20 wards, 6 have a PRS % that is above the National Average.
- The average across the whole district is also above the national average.
- 19 out of 20 wards have a %age of Cat. 1 Hazards that is above the national average.
- There is estimated to be 2413 properties in the PRS with at least one Cat. 1 Hazard
- The district average for Cat. 1 Hazards is 23.1%

*17% is the threshold outside of London

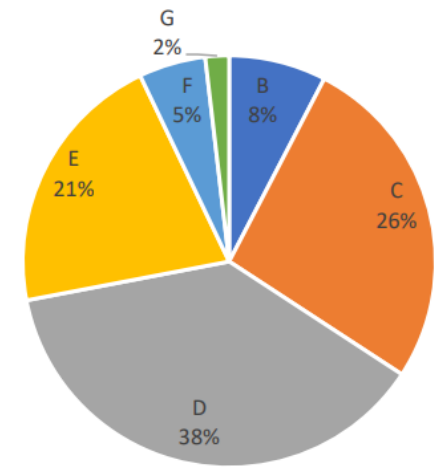
The Private Rented Sector in West Lindsey

The energy efficiency of the stock is reflected below.

- Under the MEES requirements, properties must legally have an EPC rating of E and above to be compliant.
- The Council received grant funding to focus a specific project on properties not meeting this requirement and carried out 120 inspections as part of this work. There are not any known F or G rated PRS properties currently.
- Generally, where properties did not meet the required EPC standard, they contained other Cat 1. or Cat. 2 Hazards that were then addressed (see focussed MEES work slide).
- The properties inspected were generally in rural areas.



****Minimum EPC rating likely to increase for the PRS in the coming years****



Examples of MEEES work

Rural Case example

Deficiencies

No fixed heating

Single glazed windows

Out of date electrical installation (1 plug socket upstairs)

Hand rail on stairs inadequate

EPC – Graded G

Hazards

Category 1

Fire, excess cold, falls on stairs

Category 2

Damp and mould

Food safety

Action taken

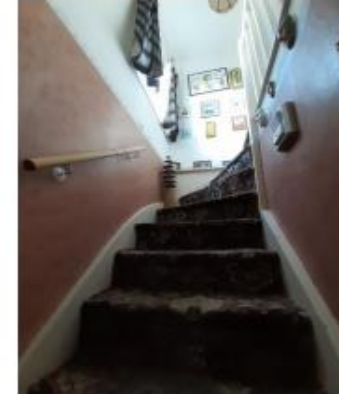
Improvement notice S.11 & S.12

Notice requesting EICR

Remedial notice

Further formal action pending

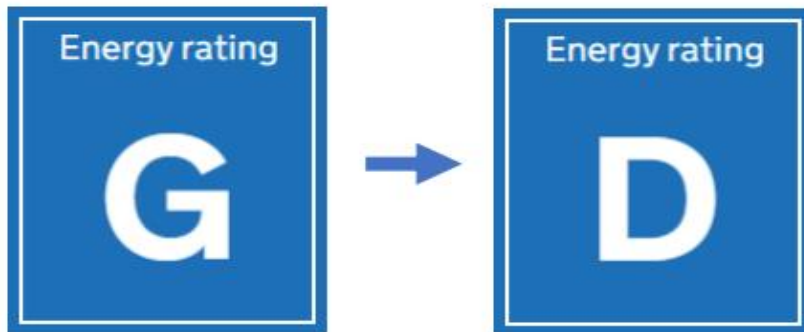
6 known properties in district



Examples of MEEES work

Property improvements:

- Central heating system fitted into property
- Single glazed windows replaced with double glazed fittings
- Property rewired and electrical installation brought up to standard
- EPC improved from G - D

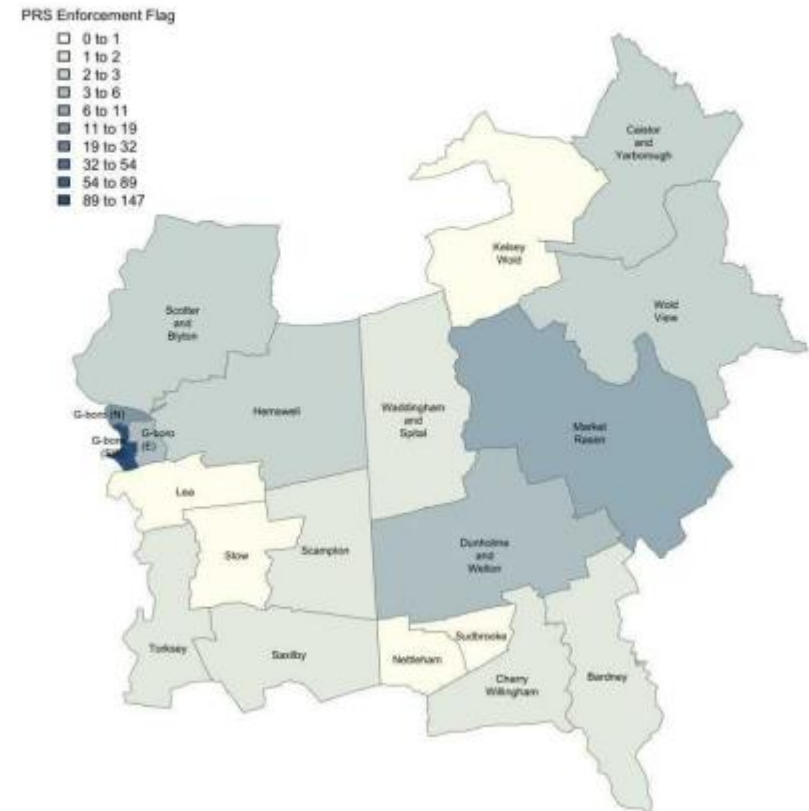
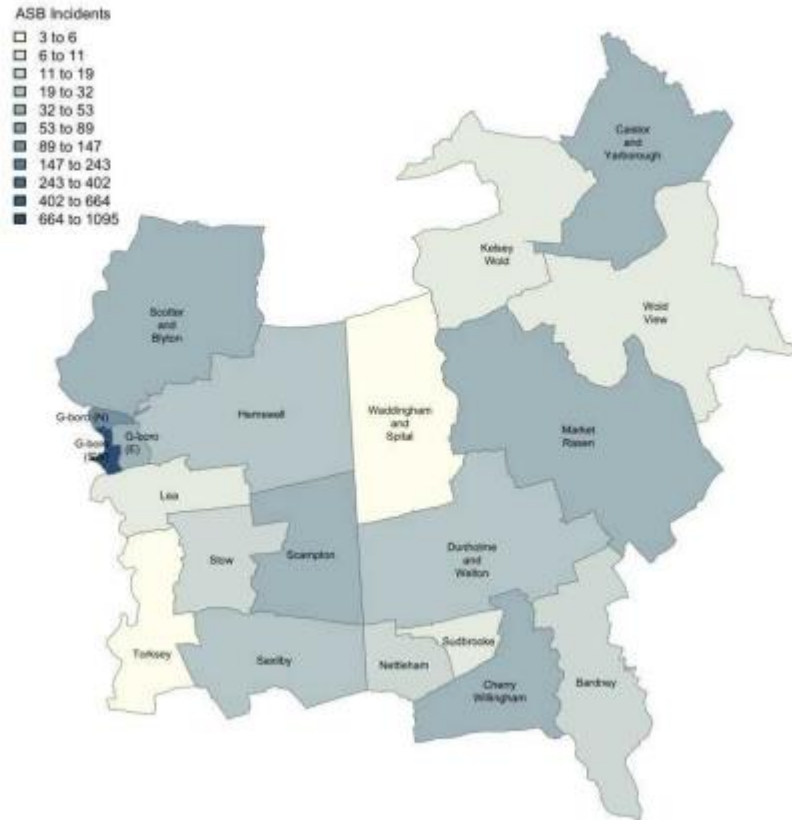


The Private Rented Sector in West Lindsey

Other points to note are:

- There is a correlation between the level of ASB and the areas where the PRS is greatest.
- There has generally also been more formal enforcement action taken in these areas.

PRS properties subject to one or more ASB investigations across West Lindsey are shown in Map 5. **Figure 14. Housing and public health notices served on PRS properties by ward (Source: Ti 2022).**



Councillor Feedback - 1

“Having seen the data and proposals for reform what do you believe the Council’s priorities to address are?”

What are the Council required to do?

“The Council has a statutory duty to take action to remove Category 1 Hazards as per the Housing Health and Safety Rating System (HHSRS) and housing conditions that fall under the definition of a statutory nuisance. The Council must also run a licensing scheme for certain types of high risk houses in multiple occupation (HMO).The Council also has an obligation to take action where they have grounds to believe a landlord is in breach of their duties in respect of electrical safety.”

WLDC Enforcement Challenges

A headline report on local authority enforcement in the PRS was published in June 2022. This was informed via a survey to all English local authorities, combined with secondary and qualitative data. The report identified a number of key drivers of enforcement, which were not evidenced to be found in all local authority areas. These drivers were as follows:

- Capacity of local enforcement teams
- The experience and expertise of enforcement teams
- Political will, strategic commitment and related support of legal teams
- Issues relating to the legal framework
- Difficulties gathering evidence to support enforcement

<https://www.gov.uk/government/publications/local-authority-enforcement-in-the-private-rented-sector-headline-report/local-authority-enforcement-in-the-private-rented-sector-headline-report>

Councillor Feedback - 2

“What 1 thing do you think we could do differently to improve our approach in the PRS?”

Potential Approaches

On the next few slides are some options for future approaches that could be delivered to address some of the challenges in the sector. The list is not exhaustive and a combination of options could be the way forward. Please note that:

- The status quo is an option. The Council can continue to respond as it currently does to housing disrepair complaints.
 - Approaches can be combined and tailored. Many authorities have more than one approach in place to tackle different issues (e.g. selective licensing or rogue landlord projects in areas where needed, alongside landlord accreditation type schemes)
 - How we engage with landlords, tenants and letting agents will need to be considered and developed within any approach.
 - Any approach would need to align with the existing work being undertaken to improve and develop communities.
-

Overview of Options

Rogue Landlord Project – a regime of inspections targeted on rogue landlords (those that are operating illegally, not meeting their obligations and causing most harm). Properties and landlords identified using intelligence available and a specific resource set aside to deal solely with this work.

Targeted MEES project – a regime of inspections targeted solely on properties with the lowest EPC ratings in the PRS. Specific resources would be set aside to solely focus on this work.

Selective Licensing – the mandatory licensing of all PRS properties (regardless of condition) within a designated geographic area. Areas must meet specific criteria (i.e. poor housing conditions, ASB and deprivation). All properties subject to a licence fee and inspection regime. Previously delivered in a small part of Gainsborough South West Ward. Requires consultation and potentially SoS approval.

Trusted/Accredited Landlord Scheme – voluntary scheme which landlords can sign up to in order to demonstrate that they meet and continue to meet particular standards and conditions.

Rogue Landlord Project

Pros

Targeted based on intelligence
In line with current approach (e.g. MEES project)
Can be tailored in terms of its scale and scope
Could work alongside other approaches (i.e. selective licensing or accreditation)
Could focus on urban and/or rural
Could be a short term intervention

Cons

No guaranteed income
May not be a long term intervention
Unlikely to cover large volumes of properties
Would require significant additional resources to be effective (above and beyond what is already delivered)

Targeted MEES Project

Pros

Targeted based on intelligence
Established method of delivering
Can be tailored in terms of its scale and scope
Could work alongside other approaches (i.e. selective licensing or accreditation)

Cons

No guaranteed income
Needs to be a long term commitment
Circa 1800 properties currently E EPC rated
No legislative requirement to be better than an “E” currently

Key considerations:

- A very specific and targeted scheme can be delivered.
- Lends itself to the climate and sustainability agenda

Selective Licensing

Pros

Self financing
Focussed at certain geographic areas based on specific data
Provides additional regulatory powers
Provides access to all PRS properties in the designated areas
Sets standards for the management and condition of homes
Widely used tool across the country

Key considerations:

- There has to be broad political commitment to a selective licensing scheme.
- Scheme proposals are unlikely to ever be unanimously supported by all stakeholders.

Cons

Blanket approach to the sector
Every PRS property in scope pays the fee
Requires extensive consultation
Can require SoS approval (depending on scheme size)
You cannot pick and choose where to deliver selective licensing, it must be data driven.
Presents an initial financial risk.

Trusted/Accredited Landlord Scheme

Pros

- Easy to identify landlords meeting certain requirements.
- Can provide access to additional training, advice and support.
- Could work alongside other approaches.

Cons

- Free scheme already available for Lincolnshire Councils via DASH (minimal membership)
- A number of well known organisations offer this already (NRLA, EMPO, UNIPOL, DASH).
- Unlikely to attract landlords of a poor standard.
- Unlikely to achieve high volumes without an incentive.

Key considerations: will this type of scheme help to address the worst properties and the worst landlords? What incentives could be offered to ensure a scheme like this is successful?

Other Approaches and Examples

Derby City Council – “Private Sector Landlords Charter” which sets out to help existing landlords to understand their responsibilities <https://www.derby.gov.uk/trading-standards-environmental-health/environmental-health/housing-standards/derby-city-council-landlords-charter/>

Hartlepool Borough Council – commissioned a neighbourhood strategy for a particular area of regeneration where over 50% of the stock was in the PRS

Lincoln City Council Trusted Landlord Scheme - to improve standards of accommodation, management of tenants and neighbourhood relations <https://www.lincoln.gov.uk/landlords/advice-new-landlords/4#:~:text=Trusted%20Landlord%20Scheme,-Due%20to%20the&text=The%20purpose%20of%20the%20scheme,who%20participate%20in%20the%20scheme>

Hull City Council – amended enforcement policy to be zero tolerance, but to give some leeway to landlords that were accredited

Rogue Landlord and Selective Licensing Schemes – there are numerous example of these types of scheme from up and down the country

Councillor Feedback - 3

“What would be your preferred approach or approaches?”

Please write it in the chat also

Additional Information

Where are we aiming to get to?

The workshop is aimed at setting direction and to understand what Councillors want to achieve as priorities. This will enable officers to then work up approaches that will seek to meet those outcomes. A visual illustration of this is below as an example:

Desired Outcomes:

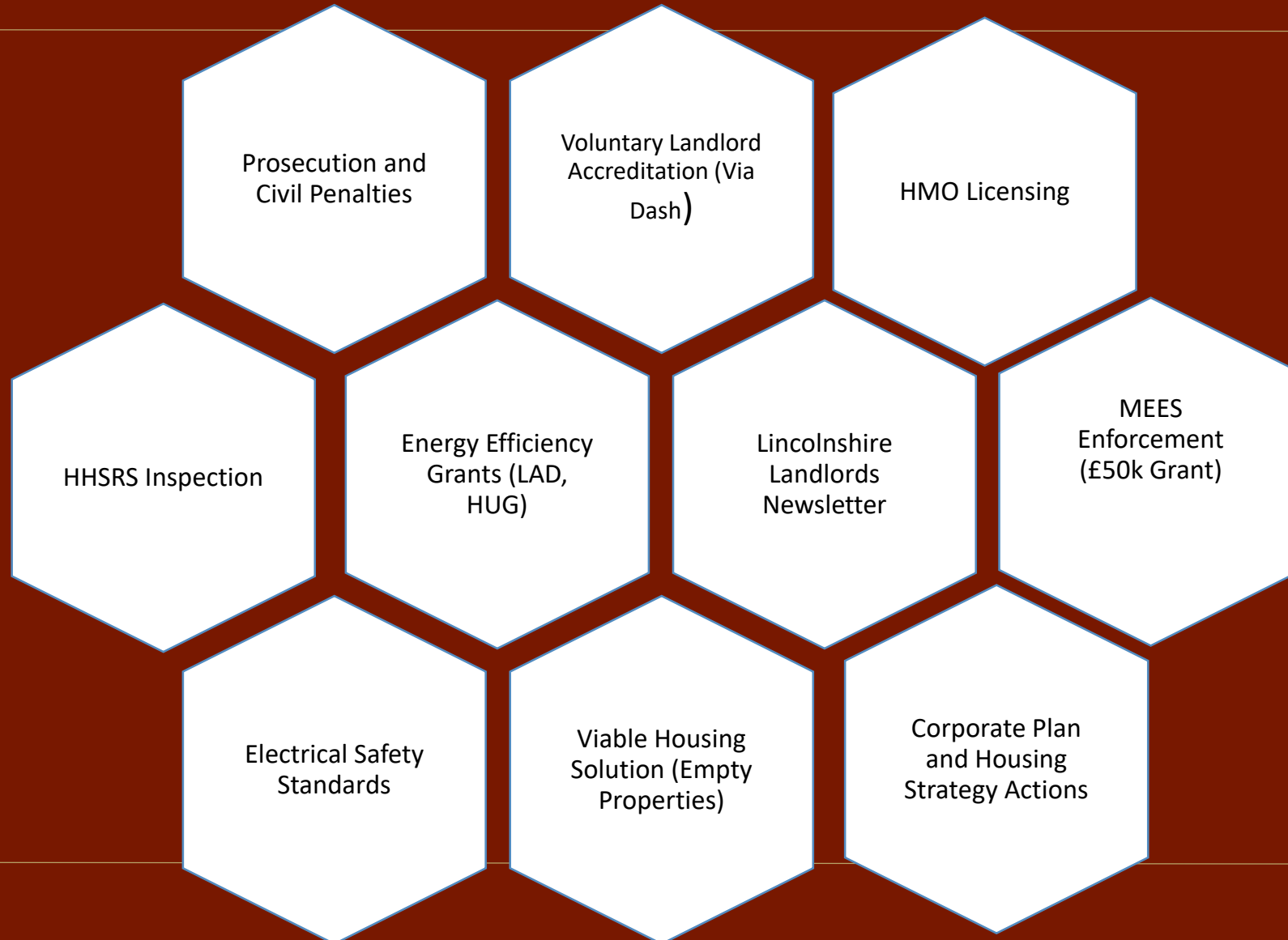
- Improving property conditions
- Improved relationships with landlords
- A more targeted approach to enforcement (using the data)
- Direct focus on rogue landlords
- Improved tenant accountability
- Improved support for tenants to sustain tenancies
- **Improved landlord accountability**
- Reduction in anti-social behaviour
- **Additional support and advice for landlords**
- Improved relationships with letting agents
- Additional support and advice for letting agents
- A specific focus on rural areas
- A specific focus on urban areas
- Empty properties

Approach

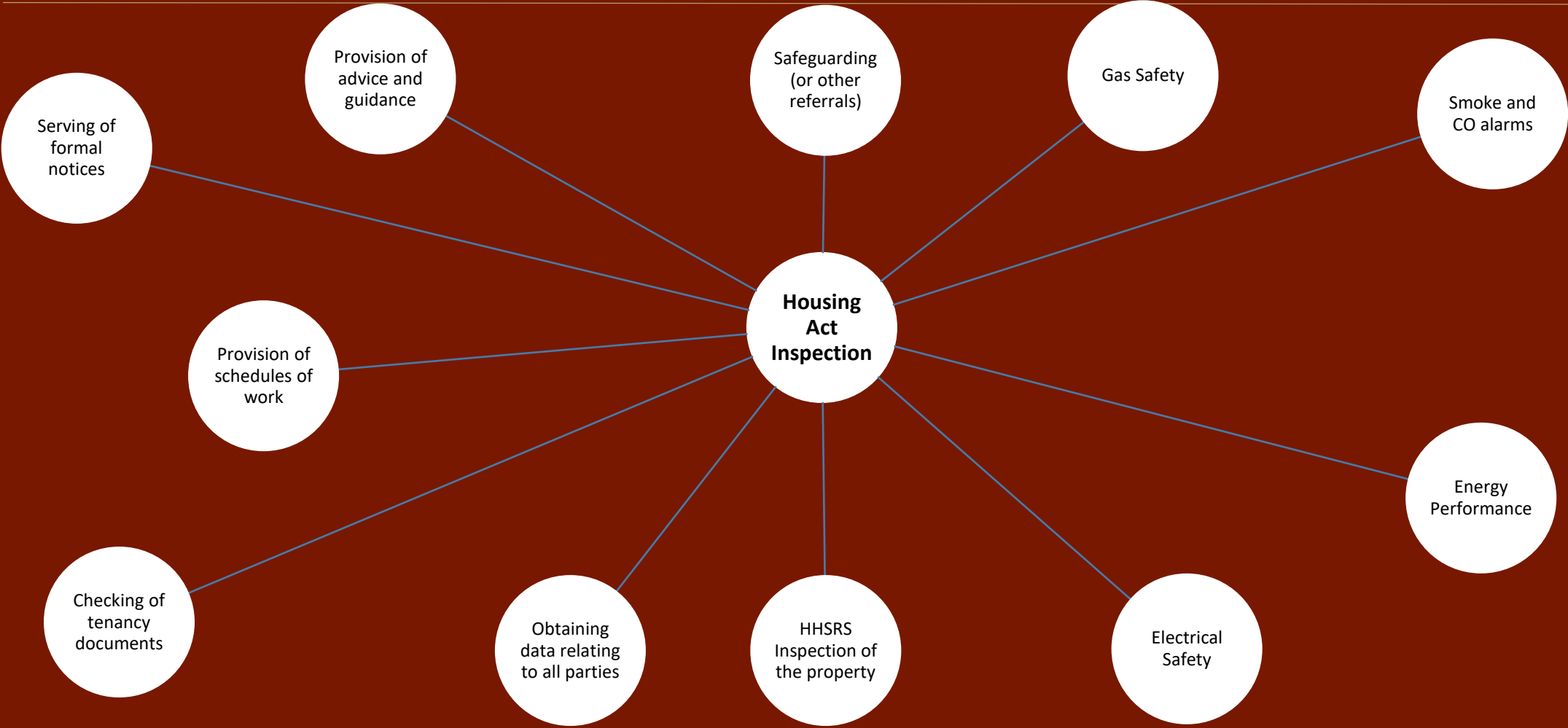


An options appraisal (inc. resources and finance) would be conducted across all preferred options.

What else are we doing?



What does a standard inspection involve?



WLDC Enforcement Challenges

A headline report on local authority enforcement in the PRS was published in June 2022. This was informed via a survey to all English local authorities, combined with secondary and qualitative data. The report identified a number of key drivers of enforcement, which were not evidenced to be found in all local authority areas. These drivers were as follows:

- Capacity of local enforcement teams : more proactive work was carried out by those local authorities that had the largest teams. **There is little benchmarking available to compare team size across the board, however it is clear that the more resources you have, the more issues you can tackle.**
- The experience and expertise of enforcement teams : multi-disciplinary teams with highly qualified and experienced staff were the most proactive. **There is not believed to be an issue within West Lindsey's staffing cohort in regards to this.**
- Political will, strategic commitment and related support of legal teams : clear correlation between local authorities with strategic or political commitment to improving PRS through enforcement action and those being proactive in doing so. Upsetting local landlords or being seen to be punitive were hindering efforts. **West Lindsey are seeking to work through these challenges to come to an agreed consensus across all political parties.**
- Issues relating to the legal framework : various aspects of the legal framework were found to present challenges to local authorities in their efforts to enforce against poor standards. **This is evident in the white paper and in previous Government research. Officers seek to utilise the powers available in the best way possible.**
- Difficulties gathering evidence to support enforcement : reluctance of tenants to report, evidential proof, resources required to gather evidence and establishing the identity of landlords were all cited as issues. **These are also believed to be issues within West Lindsey to a certain extent.**

<https://www.gov.uk/government/publications/local-authority-enforcement-in-the-private-rented-sector-headline-report/local-authority-enforcement-in-the-private-rented-sector-headline-report>