

<b>Title of meeting:</b>	Full Cabinet
<b>Date of meeting:</b>	10 <sup>th</sup> March 2020
<b>Subject:</b>	Draft Private Rental Sector Strategy for Portsmouth
<b>Report by:</b>	James Hill (Director of Housing Neighbourhoods and Building Services)
<b>Wards affected:</b>	All
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## **1. Purpose of report**

- 1.1. The purpose of the report is to present the Council's draft strategy for the Private Rental Sector (PRS) in the city. The following report provides an executive summary, objectives, and actions as outlined in the draft strategy document.

## **2. Recommendations**

- 2.1. That the Cabinet approve the draft Private Rental Sector strategy for Portsmouth. (Appendix 1).
- 2.2. That officers immediately begin to implement the actions within the strategy that do not require any further permissions, budget or resources, as identified in section 6 of this report.
- 2.3. That the Cabinet authorises officers to undertake a consultation on this draft strategy.
- 2.4. That officers bring back to Cabinet the results of the consultation, along with a final strategy and action plan for approval and identify any additional decisions required to implement the strategy

## **3. Background**

- 3.1. The Cabinet Member for Housing considered a report at the Housing decision meeting on the 21<sup>st</sup> October 2019. The report updated members on a range of issues in the Private Rental Sector (PRS). The cabinet member agreed recommendations that a PRS Strategy is developed following informal consultation with stakeholders, using the Cabinet report as the basis for encouraging views and ideas to make the PRS safer and easier to access.
- 3.2. The Private Sector Housing service undertook the informal consultation which was available online through the Council's website, links were sent to key stakeholders,

and it was advertised through social media. The survey went live on the 23rd December 2019 and closed on the 20th January 2020. 849 responses were received to the survey, 324 were from landlords and 525 were from tenants. The survey results are summarised in the supporting information (Appendix 2) have been used to shape the draft strategy.

- 3.3. The PRS is an important part of the provision of housing in Portsmouth, as it is across England. It is not only vital in providing a home for some 30,000+ people that live in it, and a living for those that are landlords, but also has a wider impact upon the economy and community of the city.
- 3.4. The legislative and policy framework which surrounds the renting of private homes is complex and has developed over a number of years, with a focus on health and safety, home standards and the requirements surrounding tenancies. The signal from the government at the end of 2019 was that more legislation can be expected, particularly around the ending of 'no fault' evictions. The impact of this change upon the PRS is unclear but could bring major changes to the market.
- 3.5. The licencing of Houses in Multiple Occupation (HMOs) has been a major change in recent years but only covers a part of the HMO sector. Whilst licencing has focused the council on the standards within properties, it has not been fully utilised to deal with the proven impacts that they can have on the local community. The impact of HMOs on waste and antisocial behaviour is disproportionate to their number and this should be addressed.
- 3.6. It is also clear that the supply and demand for private renting in Portsmouth is biased towards the suppliers, with demand having risen in recent years due to a growth in student numbers, increasing numbers not able to own their own home and the slow shrinkage of the social rented sector. In many cases market rents are significantly above what those on benefits can reasonably be expected to afford, and access often requires a significant deposit, rent in advance or a guarantor.

#### **4. Outline of the draft strategy**

- 4.1. An assessment of the tenants of Portsmouth shows that whilst the largest single group of renters are those under 35 years old, an increasing number of people are renting for the long-term, with the number of tenants over 45 years old on the increase. This use of the PRS as a long-term solution for housing is something that needs to be at the heart of a strategy which makes the sector work for all. Tenants in Portsmouth have shown that they want a safe and secure place to live, which is affordable and can be rented for as long as needed and this strategy proposes that Good tenants do the following
  - 4.1.1. Pay their rent on time
  - 4.1.2. Communicate well with landlords and neighbours
  - 4.1.3. Take care of their home even though they don't own it
  - 4.1.4. Understand and follow the tenancy agreement

- 4.2. The integration of private tenancies into the rest of the community has been shown to need improvement to meet the needs of both users of the sector but also neighbours and other stakeholders.
- 4.3. Many of the landlords with properties in the city will be individuals with one or a few places to rent, and are doing so either as an investment or have obtained property unintentionally. Many landlords feel that issues such as taxation and regulation have made being a landlord harder, and are focussing on the security of their property and consistent payment of rent are top priorities.
- 4.4. The nature of how someone became a landlord does not necessarily indicate how good they are at managing a property, although those with less experience and time to understand the complex regulations and local policies are more likely to fall foul of them. Driving up the standards of landlords, and the properties they provide, is vital and the opportunity for improvement should be given to those who are well intentioned but need clear advice and training. Conversely the Council should be making every effort to find and root out those landlords who, either deliberately or through ignorance, put the lives of people at risk through dangerous homes, or exploiting those who are vulnerable. Focusing on the creation and support of more Good landlords who do the following will drive up standards:
- 4.4.1. Act in a fair, considerate and just way towards tenants
  - 4.4.2. Create a good tenancy
  - 4.4.3. Maintain a good tenancy
  - 4.4.4. Work in good faith with tenants and regulators to resolve problems
  - 4.4.5. Ending a tenancy in a good way
- 4.5. The evidence leads to six themes which make a well-functioning private rental sector, and if these can be improved then it is highly likely that the lives of tenants, landlords, neighbours and other stakeholders will also improve. These are:
- 4.5.1. Affordability
  - 4.5.2. Safety
  - 4.5.3. Security of tenure
  - 4.5.4. Ease to enter and leave the sector
  - 4.5.5. Ability to work well with other tenures and is part of the community
  - 4.5.6. Regulation

## **5. Strategic aims and objectives**

- 5.1. All of the local and national evidence leads to a conclusion that the private rental sector works for many but does not work as well as it could in all instances and therefore there are two aims that should be set:
- 5.1.1. To achieve an active and well-functioning PRS which works fairly for all.
  - 5.1.2. For the PRS to be seen as a desirable type of tenure which meets the needs of those who use it, with support being focussed on those who need it most.

5.2. From these aims there are nine proposed strategic objectives which are;

1. Good landlords will be welcomed, supported and promoted through the use of accreditation.
2. Information and guidance for landlords and tenants will be clear, easy to access to enable them to make fully informed choices when entering and moving around the PRS.
3. More tenants can afford a sustainable rent level. More tenants will also receive support in overcoming financial access barriers such as deposits and bonds.
4. The maintenance of tenancies will be supported, as far as possible, using a range of routes to try to resolve problems without the need for eviction.
5. Users of the PRS will be a stronger part of, and more integrated with, their local community. This will increase inclusion and cohesion with other tenures.
6. A wide range of stakeholders and user groups will work together to provide a focal point for the delivery of outcomes.
7. Tenants and landlords will be considered when significant decision-making within the city occurs, and that the benefits of economic regeneration will be felt equitably by those within the PRS.
8. Fair, transparent and professional regulatory functions will provide reassurance and support to all that request it and not adversely affect those that need help by adding disproportionate burden.
9. Strong regulators will use all of their powers, working with partner agencies and stakeholders, to tackle and remove criminal and antisocial behaviour.

## **6. Initial council action plan**

6.1. The role of the Council is varied but not without limits. It is not aiming to take management responsibility for a land number of rental properties, nor can it mandatorily control rent levels.

6.2. But there is more that it can do, both in the short term and over the next few years to improve the private rental sector in Portsmouth. Improvement needs to be measured, and overseen not only by the council but also by the network of stakeholder groups that it works with.

6.3. The strategy identifies actions that officers can undertake without the need for additional permissions or resources. The aim is that all of these will be completed by 31<sup>st</sup> December 2020.

- 6.3.1. Expand on the current website information on what makes a good tenant and include different situations. (For example someone living in a shared house will have different expectations put on them than someone who lives alone.)
- 6.3.2. Provide more information for tenants, such as average market rents across property sizes. This will help tenants to make an informed choice.
- 6.3.3. Develop the current HMO governance board into a multi-agency partnership group which oversee this strategy. Review the stakeholders to ensure that all voices are covered.
- 6.3.4. Investigate with third party stakeholders the feasibility for closer partnership working on a single communications and web strategy.

- 6.3.5. Work more closely with stakeholders to increase the understanding of the services that could be provided across Portsmouth to support the PRS.
- 6.3.6. Work with other local authorities to find new ideas to support the PRS
- 6.3.7. Ensure that data sharing, both within the Council and with external partners is maximised, within the legal boundaries of relevant legislation.
- 6.3.8. Review of all relevant enforcement policies to make them more transparent.
- 6.3.9. Implement the revised supplementary planning document for HMOs.
- 6.3.10. Ensure that officers responsible for regulating the PRS are trained to a professional standard and capable of meeting the needs of this strategy.
- 6.3.11. Working with stakeholders, approach the MHCLG to look for support in the development and implementation of this strategy, with a particular request to pilot some of the changes identified in actions 15-23.
- 6.3.12. Undertake a pilot of the rent deposit and bond scheme.
- 6.3.13. Continue to deal proactively when an unlicensed HMO is reported.
- 6.3.14. Be more proactive in promoting where enforcement and prosecution has been successful.

## **7. Actions which require further work**

- 7.1. A further nine actions (15-23) require additional investigation and resources. Officers will be required to bring further, more detailed, reports to councillors for approval before any can be permanently implemented. These will outline costs, timescales, risks, impacts and an operational delivery plan. The aim is that, subject to the feedback on the consultation of this draft strategy, all of these actions will be reviewed and a more detailed plan for timescales will be established, with an overarching aim that all agreed actions within the final strategy will be completed within the five year period. Progress of this will be monitored by the cabinet member for Housing.
- 7.2. Those actions are:
  - 7.2.1. Work with tenancy groups to provide workshops on how to be a good tenant, aimed at helping a tenant to maintain a tenancy
    - Money management
    - Good behaviour
    - How to work with the landlord
  - 7.2.2. Expand the Rent It Right model to help more tenants access the PRS
  - 7.2.3. Create a mediation service between landlords and tenants to help improve security of tenure. This may include a 'private sector housing court'
  - 7.2.4. Work with landlord groups to provide workshops on how to be a good landlord.
    - how to choose appropriate tenants
    - carrying out their own HHSRS assessment on their property.
  - 7.2.5. Provide bonds to help those who are eligible to gain access to the PRS
  - 7.2.6. Provide low interest loans for those who are eligible to be able to access the private rental sector. The loan will cover the rent deposit and any additional fees required to be paid to enter the Private Rental Sector.
  - 7.2.7. Provide loans for good, accredited landlords to improve the quality of their property. By creating such a loan a landlord would be able to make improvements to their property and the local authority would be able to provide positive instruction on what those works should be.

- 7.2.8. Consult on reintroducing additional licencing for HMOs to help in the better management of them and understand how they interact with the local community
- 7.2.9. Working with multi agency partners, develop the council's accreditation scheme to offer benefits to good landlords.

## **8. Consultation**

- 8.1. The draft strategy is not a statutorily required document and therefore the Council is not required to consult. However because of the city-wide nature of the issue, and the desire to ensure successful delivery and buy-in from stakeholders and residents, it is proposed that consultation is undertaken to gain feedback on this draft strategy.
- 8.2. It is proposed that the consultation takes place between 30<sup>th</sup> March and 30<sup>th</sup> June 2020.
- 8.3. Details of how to respond to the draft strategy will be developed and communicated following the approval of this report. The Council will not proactively communicate the consultation of this draft strategy during the purdah period prior to elections, although it will continue to receive feedback during this time
- 8.4. Consultation will take place with a range of stakeholders, including but not limited to:
  - 8.4.1. University of Portsmouth
  - 8.4.2. Tackling Poverty Partnership
  - 8.4.3. Safer Portsmouth Partnership
  - 8.4.4. Health and Wellbeing Board
  - 8.4.5. Housing associations
  - 8.4.6. Voluntary groups
  - 8.4.7. Private Sector landlord groups such as the PDPLA
  - 8.4.8. PCC directorates, including Regeneration, planning
- 8.5. Following consultation the feedback will be collated and reviewed and a final strategy and action plan (with appropriate design and communications) will come back to councillors for approval.

## **9. Reasons for recommendations**

- 9.1. As outlined in this report the need for this strategy has been identified to improve the PRS.
- 9.2. Officers have identified actions which could be undertaken without delay, to give some short term impetus to the strategy.
- 9.3. Officers have identified actions which would require consultation, as there are a large number of stakeholders and their views are paramount to the success of actions taken.
- 9.4. The consultation will enable us to have a rounded picture of the strategy and actions which should be taken forward. We will also be able to develop those actions which need permissions or additional resources.

## **10. Integrated impact assessment**

10.1. An Integrated Impact Assessment will be provided with the final report

## **11. Legal implications**

11.1. The basis of the recommendations are clearly outlined within the report. The necessary initial consultation is an essential pre-modelling stage in that dependent upon the results there will likely be a need to engage in a full statutory consultation as the future set of decisions facing Members will encompass potential: cost, effects to particular groupings (landlords and or tenants) and wider implications to PCC as the authority responsible for initiation and enforcement of any promulgated final policy.

## **12. Director of Finance's comments**

12.1. Any actions arising from recommendation 2.1 where officers immediately begin to implement the actions within the strategy will be met from existing Cash Limited resources as will the consultation on the draft strategy.

12.2. If as a result of the consultation on the strategy that measures are identified that require additional funding the Director of Housing and Neighbourhood Services will seek to meet this from his cash limited where possible, and a further report will be brought back to cabinet outlining what these measures might be.

Signed by:

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James Hill, Director of Housing, Neighbourhood and Building Services

## Appendices:

### Appendix 1 - Draft Private Rental Sector Strategy

### Appendix 2 - Supporting information

### Appendix 3 - Integrated Impact Assessment

## Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Making the Private Rented Sector easier and safer - Housing Cabinet decision report 21 <sup>st</sup> October 2019	PCC Democratic services website

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Leader of the City Council