



Title of meeting:	Cabinet Member for Housing & Preventing Homelessness
Date of meeting:	25 January 2021
Subject:	Private Rental Sector Strategy for Portsmouth
Report by:	James Hill (Director of Housing Neighbourhoods and Building Services)
Reports Authors:	Paul Fielding - Assistant Director of Housing Patrick Lee - Interim Head of Private Sector Housing
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1. The purpose of the report is to present the City Council's strategy for the Private Rental Sector (PRS) in the city for approval.
- 1.2. The report provides an executive summary, objectives and actions as outlined in the strategy document.
- 1.3. The report contains the outcome of the consultation undertaken during September 2020 - November 2020 of the draft Private Rental Sector Strategy.

2. Recommendations

- 2.1. That the Cabinet Member for Housing and Preventing Homelessness notes the consultation feedback on the draft Private Rental Sector Strategy amounting to 458 responses.
- 2.2. That the Cabinet Member for Housing and Preventing Homelessness approves the Private Rental Sector Strategy 2021- 2026 for Portsmouth. (Appendix 1) and agrees the final strategy will be published on the PCC website.
- 2.3. That the Cabinet Member for Housing and Preventing Homelessness approves the implementation of the actions within the strategy and delegates to the Director for Housing Neighbourhood and Building Services the ability to deliver those actions within existing resources or to provide necessary information to allow the Cabinet



Member to make decisions in relation to any requirement for additional resources necessary to implement these actions.

2.4. That the Cabinet Member for Housing and Preventing Homelessness approves that the following actions that were included in the 2020 PRS consultation are prioritised as they received the highest level of support. These actions are outlined in sections 6.7 & 7.3 of this report but are summarised below.

2.4.1. **Unlicensed HMOs:** To continue to deal proactively when an unlicensed HMO is reported (88% of consultation respondents said very high or high priority) and **Professional standards of regulation:** Ensure that officers responsible for regulating the PRS are trained to a professional standard and capable of meeting the needs of the strategy (84% of respondents said very high or high priority). These actions are expected to be achieved in year one of the strategy.

2.4.2. **Workshops: (A)** To work with landlord groups to provide workshops on how to be a good landlord. **(B)** To work with tenancy groups to provide workshops on how to be a good tenant, aimed at helping a tenant to maintain a tenancy (76% of respondents said very high or high priority) and **Mediation:** Create a mediation service between landlords and tenants to help improve security of tenure. (72% of respondents said very high or high priority). These actions are expected to be achieved in year one of the strategy.

2.4.3. That the following action is also brought forward as it will help to support people to find homes in PRS as the impact of the lifting of the COVID-19 eviction ban is felt. **Financial support:** To undertake a pilot of the rent deposit and bond scheme. This action is expected to be achieved in quarter one of 2021/22.

2.5. That the Cabinet Member for Housing and Preventing Homelessness notes that the following additional actions are expected to be achieved by 31 March 2022. These actions are summarised. Full details are in section 6.8 of this report. These actions are expected to be delivered within current budgets.

2.5.1. Communication/information: To provide information for tenants, expand the current website, investigate a single communications and web strategy with stakeholders.

2.5.2. Governance: To develop the current HMO governance board into a multi-agency partnership group to oversee this strategy

2.5.3. Shared services: To work with stakeholders to increase the understanding of the services that could be provided across Portsmouth to support the PRS.

2.5.4. Council internal processes: To implement the revised supplementary planning document for HMOs. Review enforcement policies to make them more

transparent. Work with other local authorities to find new ideas to support the PRS. Ensure that data sharing is maximised within legislation.

2.5.5. Pilots: To approach the MHCLG to look for support for the implementation of this strategy, including piloting some of the changes identified in section 7 of this report.

2.5.6. Additional licencing for HMOs: A Decision will be required on the appropriateness of a consultation on reintroducing additional licencing for HMOs. This decision is anticipated to be made in the summer or early autumn of 2021 as the PRS becomes more stable and we move away from the pandemic. Further information is contained in section 7.3.5 of this report.

3. Background

3.1. 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.

3.2. 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. Although many changes have been put on hold due to the pandemic it is expected that they will be introduced in 2021. The impact of this change upon the PRS is unclear but could bring major changes to the market. Any PRS strategy will therefore need to evolve as the additional anticipated legislative changes and regulation follow in 2021.

3.3. 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.

3.4. 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.

3.5. During 2019 the Cabinet Member for Housing and Preventing Homelessness indicated that a formal strategy to addresses issues within the PRS in Portsmouth was required.

- 3.6. In order to move forward with the PRS strategy the council undertook an online survey to discover the view of tenants and landlords who are active in Portsmouth. This took place in late 2019. The results of this survey were used by officers to produce a draft strategy.
- 3.7. The draft strategy was brought to the Cabinet for consideration on 10 March 2020. The report updated members on a range of issues in the Private Rental Sector (PRS) and set out a draft PRS strategy. Cabinet agreed that the draft PRS strategy should be subject to a public and stakeholder consultation.
- 3.8. Since that decision was made the COVID-19 pandemic has had a major impact on the private rental sector in Portsmouth, including eviction bans, potentially rising rent arrears and tenants unable to move. The COVID-19 pandemic has also resulted in the private rental sector undergoing major shifts with increases in job uncertainty, furloughing and lockdowns affecting service industries such as retail and hospitality. As a result it is anticipated that there will be a growing dependence on Universal Credit. Officers expect that there will be an uncertain rental market in 2021.
- 3.9. In addition there has been an impact on the City Council's ability to fully regulate and monitor the private rental sector due to restrictions in the safe visiting and entering of domestic properties.
- 3.10. The impact of the pandemic upon the council's ability to communicate and consult with residents delayed the implementation of the consultation on the draft strategy. It eventually took place over an 8 week period ending on 11 November 2020.
- 3.11. The Private Sector Housing and Research & Engagement teams collaborated to produce the consultation, which was delivered using an online survey available through the City Council's website. Links were sent to key stakeholders and it was advertised through social media. There were 458 completed responses to the survey, 31% were from landlords and 46% were from tenants. This compares to the previous survey when there were 849 respondents, of which 38% were from landlords, and 61% were from tenants. The latest survey results are summarised in Section 12 of the strategy and have been appropriately considered in shaping the final strategy.

4. Outline of, and response to, the strategy

- 4.1. The September/November 2020 consultation shows that there is an appetite for a private rental strategy. Support for the strategy objectives was high; the majority of respondents agreed with each one. Strong regulation was met with the highest level of agreement amongst respondents with 90% saying they 'strongly agree' or 'agree'.
- 4.2. 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.



- 4.3. In addition the consultation confirms that the majority of private renters in Portsmouth have a periodic rental term where it continues on a rolling monthly basis (70%) and that the remaining cohort have a fixed term tenancy with a definite expiry date (30%). In addition to this the consultation suggests that 79% of private renters plan to be renting for the long term with 76% saying that they rent because they do not have an alternative option.
- 4.4. 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.
- 4.5. 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.
- 4.6. 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 as top priorities.
- 4.7. 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 are vital and the opportunity for improvement should be given to those who are well intentioned but need clear advice and training. Conversely the City 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. By focusing on the creation and support of more good landlords, standards should go up:
- 4.8. 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:
 - 4.8.1. Affordability
 - 4.8.2. Safety
 - 4.8.3. Security of tenure
 - 4.8.4. Ease to enter and leave the sector
 - 4.8.5. Ability to work well with other tenures and is part of the community
 - 4.8.6. 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. This leads to any strategy having two overarching aims:

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 this there flow nine proposed strategic objectives. We asked people in the city to indicate those objectives that they wished to support. These are listed below with percentage of respondents who 'strongly agreed' or 'agreed' shown.

5.2.1. Good landlords will be welcomed, supported and promoted through the use of accreditation (83%).

5.2.2. Information and guidance for landlords and tenants will be clear and easy to access to enable them to make fully informed choices when entering and moving around the PRS (90%).

5.2.3. More tenants can afford a sustainable rent level. More tenants will also receive support in overcoming financial access barriers such as deposits and bonds (77%).

5.2.4. 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 (78%).

5.2.5. 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 (62%).

5.2.6. A wide range of stakeholders and user groups will work together to provide a focal point for the delivery of outcomes (63%).

5.2.7. 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 (80%).

5.2.8. 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 (77%).

5.2.9. Strong regulators will use all of their powers, working with partner agencies and stakeholders, to tackle and remove criminal and antisocial behaviour (86%).

6. Initial council action plan

A properly functioning PRS would encourage the following things:

6.1. Tenants to:

6.1.1. Pay their rent on time

6.1.2. Communicate well with landlords and neighbours

6.1.3. Take care of their home even though they don't own it

6.1.4. Understand and follow the tenancy agreement

6.2. Landlords to:

- 6.2.1. Act in a fair, considerate and just way towards tenants
- 6.2.2. Create a good tenancy
- 6.2.3. Maintain a good tenancy
- 6.2.4. Work in good faith with tenants and regulators to resolve problems
- 6.2.5. Ending a tenancy in a good way

6.3. The role of the City Council to help deliver those things is varied but not without limits. It is not aiming to take management responsibility for a number of rental properties, nor can it mandatorily control rent levels.

6.4. 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.

6.5. The draft strategy, published in March 2020, identified actions officers could undertake without the need for additional permissions or resources. The aim was that all of these would have been completed by 31st December 2020. However the COVID-19 pandemic had significant impacts upon landlords, tenants, stakeholder groups and the City Council. These led to delays in implementing those actions.

6.6. Although some progress has been made it is proposed that an action plan is put in place to move forward with these actions.

6.7. The two top priorities for action from this list identified in the consultation are:

6.7.1. **Unlicensed HMOs:** Continue to deal proactively when an unlicensed HMO is reported (88% said very high or high priority) and

6.7.2. **Professional standards of regulation:** Ensure that officers responsible for regulating the PRS are trained to a professional standard and capable of meeting the needs of the strategy (84% said very high or high priority). Both of these actions are expected to be achieved in year one of the strategy.

6.8. These actions will be given precedence and although they are not time limited it is an informal quarterly report and a formal annual report is made available so that progress can be monitored. The remaining actions achieved a very high or high average priority score in the consultation and have been grouped under headings. Full list of actions below in order of priority:

6.8.1. **Communication/information:** Provide more information for tenants, such as average market rents across property sizes. Expand on the current website information on what makes a good tenant (including different situations). Investigate with third party stakeholders the feasibility for closer partnership



working on a single communications and web strategy. This action is expected to be achieved in year one of the strategy.

- 6.8.2. **Governance:** 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. This action is expected to be achieved in year one of the strategy.
- 6.8.3. **Financial support:** Undertake a pilot of the rent deposit and bond scheme. This action is expected to be achieved in quarter one of 2021/2022.
- 6.8.4. **Shared services:** Work more closely with stakeholders to increase the understanding of the services that could be provided across Portsmouth to support the PRS. This action is expected to be achieved in year one of the strategy.
- 6.8.5. **Council internal processes:** Implement the revised supplementary planning document for HMOs. Review all relevant enforcement policies to make them more transparent. Work with other local authorities to find new ideas to support the PRS. Ensure that data sharing, both within the Council and with external partners is maximised, within legislation. This action is expected to be achieved in year one of the strategy.
- 6.8.6. **Pilots:** 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 section 7 of this report. This action is expected to be achieved in year one of the strategy.

7. Actions which require further work

- 7.1. 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.
- 7.2. These actions have been reviewed in light of the response to the consultation and have been grouped and are set out in order of priority below. This priority has been established by combining the very high priority and high priority scores for each action. The highest scoring actions are landlord workshops (76%) and a mediation service (72%). The overarching aim is 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 & Preventing Homelessness.
- 7.3. Those actions are:
 - 7.3.1. Workshops: (A) Work with landlord groups to provide workshops on how to be a good landlord. E.g. how to choose appropriate tenants and carrying out their own HHSRS assessment on their property. (B) Work with tenancy groups to provide workshops on how to be a good tenant, aimed at helping a



tenant to maintain a tenancy. Focussing on money management, behaviour & how to work with the landlord (80% of private renters compared to 66% of landlords who took part in the survey gave a 76% rating of high or very high priority) - **This will be an initial task for the newly appointed Housing Regulation Manager. Aim to have workshops up and running from July 2021.**

- 7.3.2. Mediation: Create a mediation service between landlords and tenants to help improve security of tenure. This may include a 'private sector housing court' - (76% of private renters compared to 65% of landlords who took part in the survey gave a 72% rating of high or very high priority) - **Officers to work with the Portsmouth & District Private Landlords Association (PDPLA) to move this forward including seeking funding to deliver. This action is expected to be achieved in year one of the strategy subject to funding.**
- 7.3.3. Financial support for the PRS: Provide loans for good, accredited landlords to improve the quality of their property. 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). Provide bonds to help those who are eligible to gain access to the PRS (A range of 68% to 77% of private renters compared to a range of 43% to 59% landlords who took part in the survey gave a range of 58% to 67% rating of high or very high priority for these actions combined) - **Officers have been working on a partnership scheme to provide financial support to the sector. This work is ongoing. Officers will report back to Members with progress. This action is expected to be achieved in year one of the strategy.**
- 7.3.4. Accreditation: Expand the Rent it Right model to help more tenants across the PRS. Working with multi-agency partners, develop the council's accreditation scheme to offer benefits to good landlords - This work will build on the progress made by officers during the pandemic who have built constructive relationships with landlords and tenants. (A range of 64% to 73% of private renters compared to 51% of landlords who took part in the survey gave a range of 59% to 66% rating of high or very high priority for these actions combined) **Respondents to the consultation urged that accreditation should be aligned with national schemes such as those supported by the National Residential Landlords Association (NRLA). Officers will investigate this proposal. This action is expected to be achieved in year two of the strategy.**
- 7.3.5. **Additional licencing:** Consult on reintroducing additional licencing for HMOs to help in the better management of them and understand how they interact with the local community (66% of private renters compared to 48% of landlords who took part in the survey gave a 62% rating of high or very high priority) - **Officers propose that this action is reviewed once the above actions outlined in 7.3.1-7.3.4 of this report have been completed or are in**

progress and the private rental sector is stable as we move away from the pandemic. It is anticipated that the earliest time to consider this would be the summer and early autumn of 2021.

8. Reasons for recommendations

8.1. As outlined in this report the need for this strategy has been identified to improve the private rentals sector within Portsmouth, which is home to at least 20% of the whole population.

8.2. Officers have identified actions which can be undertaken during the first year of the strategy, to give some short term impetus to this work.

9. Integrated impact assessment

9.1. An Integrated Impact Assessment can be found at Appendix 3.

10. Legal implications

10.1 The legal implications of the proposals are contained within the report and the appendices referred to along with the policy document. There is nothing that gives rise to risk worry either in terms of what is proposed or how the proposals are implemented- adequate and proportionate consultation has been undertaken engaging all relevant groups.

11. Director of Finance's comments

11.1. The recommendations within this report will be met from existing approved cash limited resources.

11.2. As set out in section 7 if as result of a successful pilot it is identified that further financial resources are required a report will be bought back for decision that sets out the initiative, the costs associated with it and a funding source.

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Signed by: James Hill, Director of Housing, Neighbourhood and Building Services

Appendices:

Appendix 1 - Private Rental Sector Strategy

Appendix 2 - Supporting information and consultation summary

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 st October 2019	Agenda for Cabinet Member for Housing on Monday, 21st October, 2019, 4.30 pm Portsmouth City Council
Draft Private Rental Sector Strategy for Portsmouth - Cabinet decision report 10 th March 2020	Agenda for Cabinet on Tuesday, 10th March, 2020, 12.00 pm Portsmouth City Council

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

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Signed by: