

PRIVATE RENTED HOUSING – DRIVING UP STANDARDS

SUMMARY

The propose of this report is to provide information to the Safer Stockton Partnership on a current initiative operated by the Councils Private Sector Housing Team (supported by other Council service teams and external partners).

The Private Rented Sector (PRS) has been growing nationally at an unprecedented rate over recent years, a position which is reflected in our Borough. Against this background local authorities across the country are seeking to work in a proactive manner with PRS landlords one which seeks to support good landlords and ensures unscrupulous landlords are targeted in an effective manner. Following Cabinet approval (November 2014) the Private Sector Housing Team is currently progressing a '**10 Point Plan**'; actions detailed within the plan are intended to send a clear message out regarding the Councils intention to promote best practice and drive up standards (both property condition and management) across the PRS.

RECOMMENDATION

This report is for information only.

Background

- Nationally, the Private Rented Sector (PRS) has doubled in size since 1992; it accommodates 18% of all households in England, is the 2nd biggest tenure in the country (after home ownership) and is expected to rise to 25% by 2020.
- The rise in the PRS is reflected at a local level, up from 5.2 to 13.1% of the Boroughs tenure profile between 2001 and 2011 and is predicted to continue to rise. Based on information provided by Council Tax in 2011 there were 82,628 properties in the borough, a PRS of 13.1% equates to 10,825 properties.

Area Name	Tenure - Private Rented (%)	Tenure - Private Rented (%)	Tenure - Private Rented (%)	Tenure - Rented from LA/HA (%)	Tenure - Rented from LA/HA (%)	Tenure - Rented from LA/HA (%)	Tenure - Owner-Occupied (%)	Tenure - Owner-Occupied (%)	Tenure - Owner-Occupied (%)
	2001	2011	2013	2001	2011	2013	2001	2011	2013
Hartlepool	8.3	18.2		18.1	15.5		71.7	65.3	
Darlington	7.4	14.8		26.6	23.5		63.0	60.3	
Middlesbrough	7.1	16.6		28.2	23.9		61.4	57.8	
Redcar & Cleveland	5.5	12.4		22.9	19.4		69.6	67.0	
Stockton	5.2	13.1		21.5	17.2		71.6	68.8	
Tees Valley	6.1	13.7		24.3	19.6		67.3	64.4	
North East	-			-			-		
National	8.8	16.7	18.0	19.3	17.6	17.0	68.7	64.3	65.0

- Appendix 1** details this tenure change on a ward by ward basis, it is notable that in Mandale and Victoria, Norton South, Parkfield and Oxbridge and Stockton Town centre the PRS now accounts for in excess of 20% of properties.
- The PRS is a diverse tenure and it is this diversity which informs the Private Sector Housing Teams approach. For example: -

Viable stock condition

- The English Housing Survey (2012) identified that of all non-decent dwellings 35% of properties were in the PRS (higher than any other tenure).

- PRS homes are generally older with a high proportion not meeting modern standards.

Varied ownership of the PRS

- Most private landlords are individuals with only 1 or 2 properties and very few are full time professional landlords.
 - By implication of this many landlords are not always familiar with their legal obligations which can lead to variable/inconsistent levels of property condition and management. Whilst many landlords are well intended, there needs to be an increased professionalism in the sector.

Statutory/legal obligations

- The PRS was substantially de-regulated in the 1980's.
 - There are **minimum** safety standards for PRS properties and these are assessed using the Housing, Health and Safety Rating System (HHSRS). There are 29 categories of hazard in the HHSRS including; damp and mould growth, excess cold, excess heat etc.
- LA's have powers to carry out inspections and to take appropriate action (using for example an improvement notice) to address arising issues.
 - However it is **not currently an offence** to rent a property with serious hazards, unless a notice has been issued and not complied with, **no** offence has been committed.

The role of the PRS

- Is increasingly playing an essential role in housing markets at both a national and local level and accommodates a diverse range of households:
 - Those seeking flexible, short-term,
 - Households priced out of homeownership.
 - Households where social housing is not a viable solution i.e. not in the right location or providing the correct property type.
 - Households who may not be able to access to social housing and in some instances the PRS sector may be the tenure of 'last resort'.
- Recent research undertaken by Shelter has highlighted that nationally there is a growing number of households with children in the PRS (they estimate 1 in 5 families).

5. **Whilst most PRS landlords are good landlords, there is a number who are either unaware of their legal responsibilities or a small minority of unscrupulous / rogue landlords who exploit vulnerable people.**

Introduction of the '10 Point Plan'

6. The aim of the '10 Point Plan' is simple; **to signal the Councils clear intent to drive up standards consistently in the PRS.** It was informed by examining what the Private Sector Housing Team and other colleagues do now, reviewing other LA approaches/initiatives, the views of lobbying organisations (i.e. Shelter) and wanting to build upon on the positive relationships we have with the majority of good landlords in the Borough.
7. The '10 Point Plan' is attached at **Appendix 2**. It should be noted that some of the points listed are already successfully undertaken by the Council however it is our intention to re-launch with the aim of encouraging better take-up particularly with new landlords. An overview of progress against is action is also detailed.

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APPENDIX 1
Breakdown of tenure by ward

Wardname	Census - Tenure - Private Rented (%)	Census - Tenure - Private Rented (%)	Census - Tenure - Rented from LA/HA (%)	Census - Tenure - Rented from LA/HA (%)	Census - Tenure - Owner-Occupied (%)	Census - Tenure - Owner-Occupied (%)
	2001	2011	2001	2011	2001	2011
Billingham Central	5.4	16.0	31.5	24.0	63.1	60.0
Billingham East	3.3	13.5	35.7	28.9	61.0	57.6
Billingham North	1.8	8.1	3.9	3.9	94.3	88.0
Billingham South	6.9	16.1	29.5	25.8	63.5	58.0
Billingham West	1.7	7.1	2.4	2.7	95.9	90.3
Bishopsgarth and Elm Tree	2.0	8.2	12.3	10.5	85.7	81.4
Eaglescliffe	4.0	12.2	6.7	4.8	89.3	82.9
Fairfield	1.4	7.2	7.5	6.7	91.1	86.1
Grangefield	1.7	7.6	10.6	9.3	87.7	83.1
Hardwick	3.2	10.6	57.5	46.7	39.3	42.7
Hartburn	1.7	7.2	1.5	1.1	96.8	91.6
Ingleby Barwick East	3.5	11.9	0.5	0.6	95.9	87.5
Ingleby Barwick West	2.3	10.0	2.1	0.8	95.6	89.3
Mandale and Victoria	12.3	24.8	43.6	32.7	44.0	42.5
Newtown	7.8	18.7	39.0	33.3	53.2	48.1
Northern Parishes	4.4	10.0	5.6	2.7	89.9	87.3
Norton North	7.0	16.7	27.3	23.2	65.8	60.1
Norton South	9.6	20.7	16.6	14.3	73.8	65.0
Norton West	1.6	7.6	5.3	4.3	93.1	88.1
Parkfield and Oxbridge	18.6	31.2	19.2	16.4	62.2	52.5
Roseworth	2.1	10.6	38.6	30.1	59.3	59.3
Stainsby Hill	2.0	10.9	35.1	28.8	62.9	60.3
Stockton Town Centre	15.1	25.5	56.9	51.6	28.0	23.0
Village	2.1	14.5	27.8	22.2	70.1	63.4
Western Parishes	3.0	8.1	11.2	7.6	85.8	84.3
Yarm	4.5	14.0	7.5	6.7	88.0	79.3

APPENDIX 2 '10 Point Plan' – Actions and progress update

Landlord element:

One: Introduction of the 'Stockton Rental Standard' for all private rented properties in the Borough
<p><i>Explanation:</i></p> <ul style="list-style-type: none"> ○ To provide an easily accessible, understandable document which provides a clear benchmark of what is expected of all PRS landlords in the Borough – in terms of legal requirements and best practice.
<p><i>Progress - ACHEIVED</i></p> <ul style="list-style-type: none"> ○ Stockton Rental Standards, Guidance Document and Key Contact List introduced. ○ Formally launched (via press release) and circulated to 1400 landlords.
Two: Re-launch our existing , voluntary Landlord Accreditation Scheme
<p><i>Explanation:</i></p> <ul style="list-style-type: none"> ○ Currently cc. 200 PRS landlords have joined our scheme (cc. 900 properties). However there are opportunities to expand this service. ○ Service is aimed at <u>supporting</u> landlords in raising professional standards in the Boroughs PRS.
<p><i>Progress – ONGOING</i></p> <ul style="list-style-type: none"> ○ Application process reviewed and now a 'joint application form' with the Tenant Referencing Service (delivered by Landlord Liaison). ○ Promoted via Tees Valley wide landlord liaison event / article to feature in summer edition of Stockton News / communication plan in place.
Three: Implement a 'Borough wide' Registration scheme
<p><i>Overview / background:</i></p> <ul style="list-style-type: none"> ○ A voluntary, basic scheme for <u>all</u> PRS landlords in the Borough, who will be asked to provide contact details and addresses for all properties they rent. ○ Benefits for PRS landlords; enables the Council to contact them quickly if a request for service/ complaint is received (regarding a property they own), enables the Private Sector Housing Team to communicate with them - via e:bulletins and offer training etc.
<p><i>Progress – EARLY DAYS</i></p> <ul style="list-style-type: none"> ○ Initially explored options of operating across the Tees valley / unfortunately not viable.

<p>Four: Encourage greater take-up of the free Tenant Referencing Service (Landlord Liaison Scheme)</p>
<p><i>Overview / background:</i></p> <ul style="list-style-type: none"> ○ Promotion of the benefits to landlords – free easy to use service. ○ Beneficial to landlords in terms of seeking out good tenants (and allowing them to make informed decisions before they let a property).
<p><i>Progress – ONGOING</i></p> <ul style="list-style-type: none"> ○ As detailed previously ‘joint application form’ with Landlord Liaison Scheme recently introduced to ensure take-up (i.e. landlord now have to ‘opt out’). ○ Details of the service are included in the Stockton Rental Standard / service will be promoted in press releases / Stockton News etc.
<p>Five: Implement a ‘Rogue Landlord Hit Squad’ (in ACTIVE INTERVENTION AREAS)</p>
<p><i>Overview / background:</i></p> <ul style="list-style-type: none"> ○ Pulls together a range of council service teams (Housing, CFYA, Technical Services, Planning, Trading Standards, Environmental Health and the police/fire brigade) that have the powers to tackle poor landlords. ○ Better shared intelligence (to inform proactive investigation work). ○ Aim is to seek out and target rogue landlords ○ Co-ordinated by a dedicated Private Sector Housing Officer.
<p><i>Progress – ONGOING</i></p> <ul style="list-style-type: none"> ○ Pilot recently commenced – 2 streets in central Stockton (totally 110 properties). Tenure details gathered to date highlight in excess of 50% of this area is PRS housing. ○ Contact has been made with all residents which will be followed by property inspections (for PRS properties). ○ This will be twin-tracked with monthly ‘street’ walks attended by Private Sector Housing, PSCO’s, Environmental Health, Community Safety and ASB representatives plus ward members (and others as/when appropriate). ○ First street walk identified a number of issues relating to fly tipping (residential and building materials), graffiti, dog fouling, over-grown hedges, pot holes, empty properties and ASB issues.
<p>Six: To actively seek the views of PRS landlords (and letting agents)</p>
<p><i>Overview / background:</i></p> <ul style="list-style-type: none"> ○ Build upon existing consultation arrangements (Accreditation Forum, Teesside Landlord Forum, on-line surveys etc.), with the aim of working in partnership with good landlords.
<p><i>Progress – ONGOING</i></p> <ul style="list-style-type: none"> ○ Views sought from a number of PRS landlords to inform the Stockton Rental Standard.

Tenant element:

Seven: Introduce a confidential helpline
<i>Overview / background:</i> <ul style="list-style-type: none">○ To encourage reporting of poor housing conditions and tenancy management.
<i>Progress – ACHIEVED (but)</i> <ul style="list-style-type: none">○ 01642 528232 introduced and advertised.○ Need to explore more ways of getting this number known
Eight: Explore the implementation of a 'Know your landlord' service
<i>Overview / background:</i> <ul style="list-style-type: none">○ With the aim of encouraging prospective tenants to carry out checks on a prospective landlord before moving in i.e. is the property accredited or licensed (if a HMO)?
<i>Progress – EARLY DAYS</i> <ul style="list-style-type: none">○ Initially explored options of operating across the Tees valley / unfortunately not viable.

General elements:

Nine: Develop our current webpages
<i>Overview / background:</i> <ul style="list-style-type: none">○ Separate landlord and tenant pages (bespoke to their needs).○ Improved linkages to key external partners/good practise pages i.e. DCLG and Shelter etc.○ Narrative to clearly detail what is expected of <i>both</i> PRS landlords and tenants.
<i>Progress – EARLY DAYS</i> <ul style="list-style-type: none">○ A series of improvements are planned.
Ten: Implementation of an ongoing Publicity Strategy
<i>Overview / background:</i> <ul style="list-style-type: none">○ Use it to reach private landlords (promote services/re-enforce key messages etc.), especially new PRS landlords.○ Help get information out to prospective tenants / a means of supporting tenants / making sure tenants know their rights.○ Reinforce our pro-active targeted approach / "name and shame" following successful prosecutions – to deter rogue landlords (Shelter: Rogue Landlord Toolkit)
<i>Progress – ONGOING</i> <ul style="list-style-type: none">○ 'Stockton Rental Standard' and 'Do you know you are a landlord' have recently featured in Stockton News.○ Two successful prosecutions have picked up by the local media/press.