

Subject:	Update on Private Rented Sector Scrutiny Panel Recommendations		
Date of Meeting:	21 September 2016		
Report of:	Executive Director Economy, Environment & Culture		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF THE REPORT AND POLICY CONTEXT

- 1.1 In 2014, a request was received from the Citizen's Advice Bureau to look at the private rented sector using a scrutiny panel, because of the '...worrying increase in the number of people seeking advice from CAB' in relation to the private rented sector and letting agents.
- 1.2 The Scrutiny Panel's report and recommendations were published in 2015 and the council's formal response was approved by Housing & New Homes Committee on 11 November 2015. A commitment was made to produce an annual update for committee on progress implementing the agreed recommendations.
- 1.3 This is the first annual update to Housing & New Homes Committee.

2. RECOMMENDATIONS

- 2.1 That the Housing & New Homes Committee notes the progress made in implementing the Scrutiny Panel recommendations (Summarised in 3.5 and 3.6, and detailed in Appendix 1).

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 In 2014 a request was received from the Citizen's Advice Bureau to look at the private rented sector using a scrutiny panel, because of the '*...worrying increase in the number of people seeking advice from CAB*' in relation to the private rented sector and letting agents.
- 3.2 The request to set up a Panel was approved at the council's Overview and Scrutiny Committee on 20th October 2014. The Panel members were Professor Darren Smith, Professor of Geography, Loughborough University (Chair); Councillor Chaun Wilson and Councillor Phélim MacCafferty. The panel set their terms of reference to:

- Understand the current private sector housing market in the city, and how it has changed since 2011;
 - Consider the best ways of managing private sector housing and improving standards in this sector;
 - Determine whether the relevant actions identified for private sector housing in the Draft Housing Strategy 2015 tie up to the evidence gathered by the panel. Where possible the panel will suggest how these actions could be practically implemented.
- 3.3 The Panel’s formal report and recommendations were published in 2015. Members recognise that there is a lot of good practice in the city, particularly in terms of organisations joining forces in new and innovative ways.
- 3.4 A formal response was presented to the Housing & New Homes Committee on 11 November 2015 and officers committed to providing an annual update to Members.
- 3.5 Over the last year, our key achievements have included:
- **Improving Standards in the Private Rented Sector:** A new additional HMO (houses in multiple occupation) licensing scheme affecting 7 further central and coastal wards began as planned on 2 November 2015, with over 250 applications received to date in addition to the existing Lewes Road scheme. In total around 3,200 HMOs across the city are now licensed. HMO licensing enforcement work is ongoing. Research is being undertaken into whether or not further discretionary licensing would be appropriate anywhere in the city and the results will be reported to a future Housing & New Homes Committee.
 - **Improving the supply of affordable housing:** City Plan Part One is now adopted (March 2016) with Policy CP20 for Affordable Housing. CP20 introduces a sliding scale approach to affordable housing contributions with commuted sums required on smaller development sites (5-14 units). The use of the collected commuted sums will assist with delivery of affordable rented housing. In order to further increase the supply of new affordable homes additional funding options are being actively investigated including buying new homes off plan and Special Purpose Vehicle / Joint Venture options.
 - **Bringing empty private sector homes back into use:** In 2015/16, 158 empty homes were brought back into use with the support of the council. A further 40 empty homes were brought back into use in Quarter 1 of 2016/17. The empty property team is also in constructive dialogue with the owners of 257 properties.
 - **Improving letting agency practices:** Brighton and Hove Trading Standards have been working closely with Home Sweet Home campaign group to make sure that lettings agencies display their fees in accordance with the Consumer Rights Act 2015. When the project began in August 2015 of the 116 agents identified, fewer than 10% were displaying their fees and several were not members of an approved redress scheme. Now at least 99% are compliant.
- 3.6 The following table highlights the current status of implementing the recommendations:

1	Support a strong and buoyant local private sector housing market	Complete
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2	Understand the city's changing housing market and evidence the influence of additional purpose –built student accommodation	 GREEN
3	Conduct regular reviews of the Housing Strategy's evidence-base	Complete
4	More effectively regulate the conversion properties to HMOs	 GREEN
5	Consider the effects of the Article 4 Direction on the city's HMOs, and the use of licensing schemes and other legislative powers	 GREEN
6	Increase the supply of affordable owner-occupied housing	 GREEN
7	Improve the identification of empty private sector homes and voids, and maximise the use of these properties	 GREEN
8	Joint working with neighbouring local authorities to strategically plan housing supply and demand in a regional context	 GREEN
9	Allow the universities to continue to grow their student populations across the Greater Brighton area	 GREEN
10	Consider the effects of the densification student accommodation on university campuses and the Lewes Road corridor	 AMBER
11	Identify/develop sites for affordable student housing developments in other parts of the Greater Brighton area	 AMBER
12	Promote the development of student union and/or university letting agencies	 AMBER
13	Promote the development of university-endorsed landlords and letting agents, and encourage these to be championed	 AMBER
14	Promote the use of a city-wide rate-my-landlord scheme	 AMBER
15	Develop ethical models for letting agents, estate agents and landlords, and publish these organisation on a website	 AMBER
16	Development and promote the uptake and benefits to landlords of registration to PRS accreditation schemes	No longer appropriate
17	Create a register of landlords proven to have undertaken retaliatory evictions	National Government
18	Increase the supply of private sector housing with rental costs that are affordable	 GREEN
19	Increase the supply of affordable 'social housing' for key workers and vulnerable people	 GREEN
20	Foster joined-up working between city council departments and other relevant organisations	 GREEN
21	Set up a living rent commission	National Government
22	Set up a register of all private rented sector landlords	National Government
23	Petition government to allow a rent cap to be introduced	National Government

- **Red** – Off target and not likely to come back to on target without intervention.
- **Amber** – Currently off target but officers are confident that performance should reach target with current improvements in place
- **Green** – On or above target

- 3.7 Recommendations 21-23 were not from the Scrutiny Panel but were requests made direct to Housing & New Homes Committee by residents. The Fairness Commission report, published in June 2016 contained similar requests and in recognising these issues are beyond the power of the council to bring about, the Commission has recommended these to national government:
- 21. Set up a living rent commission
 - 22. Set up a register of all private rented sector landlords
 - 23. Petition government to allow a rent cap to be introduced
- 3.8 Over the next year, our action is focussing on:
- Acting on the findings of research into the evidence that may support the extension of discretionary licensing
 - Exploring the potential for public and third sector partnerships (such as Rent Smart) to help raise quality and standards in the private rented sector aligned to scrutiny recommendations falling outside the remit of the Housing & New Homes Committee and Council.
 - Development of a new Student Housing Strategy
 - Supporting the development of the City Plan Part 2
 - Continuing to develop options for the delivery of new affordable homes including (subject to Committee approval) Living Wage Joint Venture and wholly owned Special Purpose Vehicle to help increase the supply of housing in the City
 - Continuing development of proposals within the Greater Brighton area for increasing the supply of housing

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 It is important to note that not all Private Sector Housing Scrutiny recommendations fall within the remit of the Housing & New Homes Committee with a number linked to the City Plan, the Universities and national government.
- 4.2 The 11 November 2015 report to Housing & New Homes Committee identified and recommended acceptance of Scrutiny Panel recommendations that align with Housing Strategy 2015 agreed at Housing Committee (14 January 2015), Council (29 March 2015), Brighton & Hove Connected (Sept 2015).

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The Panel held three public evidence-gathering sessions in January 2015 and also attended the Strategic Housing Partnership. The Panel also received some verbal and written evidence submitted in confidence from people in the city living in the private sector housing. Further discussions and Task and Finish groups have been held with the Strategic Housing Partnership, Planning, University of Sussex and University of Sussex Student Union and Brighton University.
- 5.2 The Housing Strategy 2015 was developed through extensive consultation with commissioners, service providers, community groups and residents over 2014. Consultation was divided into 2 phases, an extensive scoping exercise to gather the housing experiences of a wide range of residents and organisations which was used to develop the draft strategy and a second phase to test the priorities

and actions in our draft strategy. The final strategy is the outcome of both phases of consultation. The main findings are summarised in 2 consultation reports (1: Initial Scoping Consultation and 2: Draft Strategy Consultation) as part of our evidence base available on the Council's website at www.brighton.hove.gov.uk/housingstrategy

6. CONCLUSION

- 6.1 Scrutiny Panel investigations provide a useful independent insight into areas of concern. It is appropriate that the findings of these investigations are considered to assess their appropriateness in determining the future strategic direction.
- 6.2 Our response to the Scrutiny Recommendations align to the Housing Strategy 2015 which takes a pragmatic approach within our resources and the capacity of our partners to help mitigate the impact the city's housing needs has on local people by promoting development where viable, taking steps to improve housing quality, and by offering support to those in need.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The costs of the work carried out to date and the on-going work required to implement the recommendations of the Scrutiny Panel are being managed within current Housing budgets.

Finance Officer Consulted: Monica Brooks

Date:23/08/16

Legal Implications:

- 7.2 There are no significant legal implications to draw to the Committee's attention. The effect of new relevant legislation, such as the Housing and Planning Act 2016, is set out in the Appendix.

Lawyer Consulted: Liz Woodley

Date: 24.08.16

Equalities Implications:

- 7.3 The Scrutiny Panel was held as a result of inequalities in the Private Rented Sector with recommendations developed to address these inequalities. Where an accepted recommendation leads to a significant change in strategy, policy or service delivery that has wider impacts, the specific equalities implications of this will be assessed as part of the change.

Sustainability Implications:

- 7.4 A well managed affordable high quality private rented sector is essential to support the households living in the city's 34,000 private rented homes.

Crime & Disorder Implications:

- 7.5 A number of recommendations relate to taking a more proactive stance against rogue landlords to help ensure that private rented tenants live in good quality well managed homes.

- Risk and Opportunity Management Implications:
- 7.6 The private rented sector is essential to provide housing solutions and reduce homelessness pressures.
- Public Health Implications:
- 7.7 The Housing Strategy 2015 recognises that poor quality and badly managed homes are detrimental to health and wellbeing.
- Corporate / Citywide Implications:
- 7.8 A well managed affordable high quality private rented sector is essential to support the wellbeing of those living in the city's 34,000 private rented homes to maintain health, sustain a workforce and support children's education.

SUPPORTING DOCUMENTATION

Appendices:

Appendix 1: One Year On Update to Private Rented Sector Scrutiny Panel Recommendations (September 2016)

Documents in Members' Rooms

None

Background Documents

1. Response to Scrutiny Panel Report on Private Sector Housing & New Homes Committee, 11 November 2015 and Appendix
<http://present.brighton-hove.gov.uk/ieListDocuments.aspx?CId=884&MId=5930&Ver=4>
2. Scrutiny Panel Report on Private Sector Housing, Housing & New Homes Committee, 17 June 2015
<http://present.brighton-hove.gov.uk/ieListDocuments.aspx?CId=884&MId=5928&Ver=4>