



Cabinet Meeting

23 July 2014

Report title	Scrutiny Review of Private Rented Sector Housing	
Decision designation	AMBER	
Cabinet member to give management response	Councillor Peter Bilson Economic Regeneration and Prosperity	
Key decision	No	
In forward plan	No	
Wards affected	All	
Review Chair	Cllr Wendy Thompson	
Review Members	Cllr Linda Leach Cllr Dr Michael Hardacre Cllr Michael Heap	Cllr Neville Patten Cllr Rita Potter Cllr Thomas (Bert) Turner
Lead Scrutiny Review Officer	Deb Breedon Tel. Office: 01902 551250 E-mail: deborah.breedon@wolverhampton.gov.uk	
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Report to be/has been considered by	Strategic Executive Board	29 May 2014

Recommendation(s) for action or decision:

The Cabinet is recommended to:

- 1 Receive the report of the Private Rented Sector Housing Scrutiny Review Group (Appendix 1) and consider the following recommendations from the review:
 - R1 (a) That Cabinet approve in principle the draft 'Rent with Confidence' (RwC) campaign (appendix 1 to the review report) as a positive way forward to encourage a more professional private rented sector and

allow potential tenants to exercise choice when selecting property and a reliable landlord or agent and ask employees to consult in greater detail.

- (b) That consideration is given to the future resources required to move forward with the 'Rent with Confidence' (RwC) campaign and agree the need to implement RwC when resources become available for effective enforcement to help drive improvement in PRS housing in the city.

- R2 That a review of the current PRS enforcement policy is carried out with the aspiration to strengthen the processes, make them fairer across the range of landlords, to improve the quality of accommodation in the city, to promote processes and to identify where resources need to be re-aligned or strengthened.

- R3 That Cabinet approves Additional Licensing as a mechanism to licence and regulate Houses of Multiple Occupation (HMOs) locally and across the city as an alternative and more cost effective way of addressing problems with HMOs.

- R4 That Cabinet gives consideration to tackling problems associated with poor housing standards and overcrowding in inner areas of the City, and to consider the use of Selective Licensing, such as the All Saints Selective Licensing scheme, in other priority areas as identified by the Police and the Housing Standards Team.

- R5 That Cabinet recommend to the Local Government Association that there is a need to regulate letting agencies and to highlight the need to the Housing Minister, Shadow Housing Minister and Parliamentary Select Committee.

- R6 That Cabinet note that a response has been submitted to the parliamentary consultation paper relating to property standards in the PRS and the need to consider a reformed approach, taking into account the evidence and findings of this review with regard.

- R7 That a Councillor Working Group is established to monitor and review all housing matters, which would give a holistic view of Housing and an early indication of pressures in the City.

- R8 That a review of the current Private Sector Leasing (PSL) Scheme is carried out in light of rising demand for PRS housing in the City and consider financial incentives, such as Homes and Communities Agency funding, for encouraging landlords with empty properties to join the scheme.

- R9 That Cabinet and Welfare Reform Programme Board agree that the Council and Wolverhampton Homes should work together with landlords to keep people in their homes during the introduction of Universal Credit.
- R10 That Cabinet note that DCLG funding for the Housing Options Homelessness Prevention Team ends March 2015 and give consideration of funding options for a five year period to embed changes to benefits.
- R11 That Cabinet give consideration to other funding sources to improve PRS Housing in Wolverhampton in relation to the impact of poor housing on children, educational attainment and anti-social behaviour, and that Cabinet further consider the wider impact that not meeting decent home standards has on the most vulnerable residents, mental and environmental health issues, overcrowding, the impact on communities and the financial burden of these implications on the Council.
- R12 That Cabinet note that displacement of homeless people was raised as a concern by the Review Group. More evidence is needed to establish the number of cases and the impact on the City more statistical evidence and data.
- 2 Approve the executive response to the review recommendations (Appendix 2).
- 3 Refer the Cabinet response to Scrutiny Board to monitor the implementation of actions arising as a result of the recommendations.

1.0 Purpose

- 1.1 The report sets out the findings and recommendations of the Scrutiny Review of Private Rented Sector Housing and the executive response to the report.

2.0 Background

- 2.1 The review of housing was identified as a topic for scrutiny review and included on the scrutiny work programme 2013-14. At the scoping session councillors received evidence of current practice, planned actions and challenges. The review group identified pressures impacting on housing in the city and considered the Council's statutory duties under legislation and priorities as set out in the City Strategy and Corporate Plan.

- 2.2 The review group agreed to focus on Private Rented Sector (PRS) Housing with the following terms of reference:

- i. What are the implications for the Council of the rising trend of homelessness and growth of the PRS?
- ii. What more can the Council do to engage landlords, ensure processes relating to PRS are right, properties are safe and that the homeless duty is discharged to the PRS?
- iii. What is the extent and impact of displacement and migration on PRS housing in the City?

- 2.3 The review met on six occasions to consider the evidence relating to PRS housing provision in the City. They highlighted current and future housing pressures and made 12 recommendations to Cabinet, based on the evidence received, to make improvements to the PRS and provide support and housing options to vulnerable people in the city.

3.0 Progress

- 3.1 The scrutiny review of PRS Housing presents evidence based recommendations to improve standards in the private rented sector and provide support and housing options to vulnerable people in the city in line with the Housing Strategy 2013-18.

- 3.2 The review group recognise that a number of the recommendations raise resource implications at a time when the Council is cutting back, however, on balance councillors feel that they have identified bigger problems and burdens on the Council in the future if the Council does not take account of the growth of the private rented sector and the growing dependency of some of the most vulnerable people and families in the city on unregulated and rogue landlords.

- 3.3 The review group maintain that investing in enforcement and prevention now, in conjunction with the proposals to work with the PRS through accreditation is going to

improve housing and opportunities for many vulnerable families in the future and encourage the PRS to improve and self-regulate. The review group welcomes more social opportunities, economic opportunities and the expected health benefits of better housing and it is envisaged that this will free up limited resource to target emerging problems and rogue landlords and save the Council valuable resources in the longer term

4.0 Next Stages

- 4.1 Cabinet is asked to receive the report of the review group and consider accepting or rejecting recommendations. Following which a response from the executive indicating its response and an implementation plan should be monitored by Scrutiny Board.

5.0 Financial implications

- 5.1 Housing Improvement and Housing Standards team restructure will reduce number of full time equivalent posts (FTEs) which will impact on capacity to carry out current role and on the resource needed to fully deliver the Rent with Confidence (RwC) campaign or adopt any Additional Licensing regime.
- 5.2 The review highlights the need to realign or strengthen resource to maintain and increase enforcement against rogue landlords in the PRS.
- 5.3 To implement Additional Licensing it is considered that initially existing resource could be re-directed, but that when fully adopted two FTEs should be established and self-funded through licensing fees.
- 5.4 There is funding available for start-up of a Selective Licensing (SL) scheme within existing budgets, working with Police and other partners to bid for a scheme in inner area of the City, however it is recognised that resources have to be identified for maintaining the scheme.
- 5.5 The increase of Universal Credit (UC) may bring with it potential for an increase in homelessness and bed & breakfast costs due to an increase in evictions and non-renewal of short term tenancies for benefits tenants in the PRS.
- 5.6 There is a need to identify the resources needed to strengthen and maximise publicity.
- 5.7 There is a need to consider other funding sources to improve PPS Housing in Wolverhampton focussing on the impact of poor quality housing on children and families.
- 5.8 Any financial implications arising from recommendations within this report will be subject to a more detailed review, and findings included in future reports for consideration by Cabinet. [JR/12062014/1]

6.0 Legal implications

6.1 The various legal implications of the recommendations are set out in the Appendix to the report. In particular regard must be had to the following:

- Wolverhampton Housing Strategy 2013-18 identifies the legislation:
- Housing Act 2004
- Localism Act 2011
- Housing Act 1996 (Part 7 Homelessness)

6.2 Every local housing authority is legally required to have an “allocation scheme” for determining priorities and as to the procedure to be followed, in allocating housing accommodation. This includes all aspects of the allocation process, and all schemes must comply with S166 (3) of the Housing Act 1996 and other statutory responsibilities.

6.3 The Equality Act 2010 places a general duty on all public authorities to eliminate discrimination, advance equality of opportunity and foster good relations in accordance with the Equality Act 2010. Consideration must be given to the impact these new proposals will have on the different protected characteristic described within the Act. [RB/16062014/H]

7.0 Equalities implications

7.1 In order for the recommendations in the review to be approved and developed into a policy the Council must comply with the public sector equality duty and it will be necessary for the Private Sector Housing and Housing Strategy teams to look at the recommendations in more detail. Most initiatives/policies will require an equalities analysis (see the [equalities toolkit](#) for specific advice).

8.0 Environmental implications

8.1 Targeted enforcement, licensing of Houses of Multiple Occupation, Additional Licensing and Selective Licensing of problem areas will have the combined effect of improving communities and the environment.

9.0 Human resources implications

9.1 The report highlights PRS team capacity to enforce and challenge against rogue landlords and implement RWC with proposed reduction in FTE posts in the Housing Standards and Housing Improvements teams under recent savings proposals.

9.2 Recommendation to consider Additional Licensing of Houses of Multiple Occupation (HMOs) would require additional human resource potentially 2 FTE posts.

9.3 Recommendations to consider more Selective Licensing would necessitate human resource to maintain the selective licensing schemes post implementation.

10.0 Corporate landlord implications

10.1 This report has no corporate landlord implications as it only concerns property in the private sector and within the Housing Revenue account.

11.0 Schedule of background papers

- 11.1 Scrutiny Review of Social Housing (June 2012)
Laying the foundations a Housing Strategy for England (2011)
<https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2>
Tenancy agreement review (30 January 2014)
Wolverhampton Homes Annual delivery Plan (30 January 2014)
Welfare Reform bedroom reclassification (28 November 2013)
Improving the City Housing Offer (23 July 2013)
Housing Strategy 2013-18 (16 April 2013)