

Improving the private rented sector

A toolkit for councils



Introduction

This toolkit is one of three publications produced by Housing Quality Network (HQN) for the Local Government Association (LGA) on helping councils and their partners to improve standards in the private rented sector.

The main report focuses principally on the strategic role of councils, consumer regulation, enforcement and new emerging issues. It is supplemented by a case studies report that highlights the challenges and opportunities facing individual councils. Reference to specific case studies and source material is made at the start of each of the eight themes of the checklist.

Although the publications can be used separately, they are intended to form a single comprehensive guide.

Overview

Our main report emphasises the principle of a localist approach. By this, we mean that councils and their partners should continue to develop and implement policies that reflect local challenges and opportunities.

Our case studies illustrate the diversity of issues. For example:

- proportion of stock in the private rented sector varies from just over 15 per cent (Hartlepool) to over 40 per cent (London Borough of Tower Hamlets)
- town and cities with a large and expanding university sector have a unique set of issues (eg Bristol, Coventry and Oxford)
- rural areas may have a relatively low proportion of private rented stock but, in some cases, are faced with tackling appalling conditions faced by migrant workers sometimes associated with modern slavery (eg Boston and Fenland)

- traditional seaside resorts have neighbourhoods with concentrations of vulnerable households living in large poor quality HMOs (eg Blackpool)
- some midlands and northern cities that had their housing market renewal pathfinder programmes cancelled in 2010/11 have a legacy of run-down neighbourhoods with over 50 per cent of the stock in the private rented sector that is, in some cases, empty and abandoned (eg Hartlepool, Hull, Stoke-on-Trent and Sunderland).

A 'one size fits all' approach is, therefore, not appropriate, and councils are taking a range of approaches to address the specific local challenges and opportunities.

Councils and partners need to build up an evidence base to better understand their private rented sector so as to develop and implement appropriate measures to improve the health and well-being of tenants.

Use of the checklist

This checklist is based around eight themes. These are set out in a series of tables beginning with high level issues such as policy, governance and partnership working before moving on to specific topics such as consumer regulation and enforcement. The final theme is on emerging issues including the impact of COVID-19. This structure reflects the format of the main report and that of each of the case studies.

It is not intended as a tick-box exercise. Instead, it aims to challenge how far your organisation and its partners have gone on providing an excellent service to help improve the health and well-being of tenants. Each of the eight themes begins with a list of relevant case studies, source material and cross-references to the diagrams in the main report.

We recommend that it is used in a team setting as part of an initial phase of reviewing your policies, processes and procedures. The right-hand columns are intended to help you identify gaps and future actions.

Evidence base

Case studies

Bristol: Evidence-based approach to understanding the private rented sector leading to more focussed policy making

Hull: Building up a database on rogue landlords and unlicensed HMOs

London Borough of Tower Hamlets: Identifying changing private rented market segments

Oxford: Understanding the role of the private rented sector as part of the broader housing market

Greater Manchester: One of three workstreams is building an evidence base

Source material

Cromarty, H. (2020) Housing Conditions in the Private Rented Sector (England), London, House of Commons Library, Briefing Paper No 7328

Office for National Statistics (2019) UK Private Rented Sector: 2018, London, ONS

Rugg, J. and Rhodes, D. (2018a) The Evolving Private Rented Sector: its contribution and potential, York, University of York, Centre for Housing Policy

Rugg, J. and Rhodes, D. (2018b) Vulnerability amongst Low-income Households in the Private Rented Sector in England, York, University of York, Centre for Housing Policy and Nationwide Foundation

Please refer to diagram one in the main report on the policy making process.

Evidence base	Yes/No	Evidence	Comments	Action required
Have you up-to-date and accurate information on the overall size and condition of the private rented sector?				
Have you assessed which sub-sectors of the private rented market work effectively and which parts are problematic?				
Have you a timetable in place to improve your evidence base (eg stock condition surveys and environmental performance) and that takes account of the forthcoming 2021 Census?				

Evidence base	Yes/No	Evidence	Comments	Action required
Do you have information on the changing pattern of demand among the groups that look towards the sector to meet their housing requirements?				
Do you have information on the changing pattern of landlords and lettings agents operating in your area?				
Do you understand the business models of landlords and lettings agents that have poor quality stock and inadequate property management?				
Do you have information on the different types of private rented stock eg houses in multiple occupation (HMOs), traditional family accommodation, purpose-built student accommodation and build-to-rent schemes?				
Are you able to bring together and analyse relevant internal databases to improve your evidence base eg council tax records, planning applications and enforcement action?				
Do you collaborate with adult social care to identify vulnerable households living in the private rented sector?				
Do you have an understanding of the changing geography of the private rented sector?				

Evidence base	Yes/No	Evidence	Comments	Action required
Do you work with the health sector, adult social care and children's services to help identify patterns of poor health and vulnerability in the private rented sector?				
Do you analyse and understand the role of the private rented sector in relation to the overall housing market (eg owner occupation and social renting)?				
Are agreements in place to share and exchange information with other organisations (eg fire and rescue, DWP, HMRC, Border Force and Gangmasters and Labour Abuse Authority [GLAA])?				
Are appropriate protocols between organisations in place to share data (eg GDPR requirements)?				
Have you considered using big data (eg analysing social media) and artificial intelligence (AI) to improve the evidence base?				

Policy and policy making

Case studies

Blackpool: Strategic space and place policy

Coventry: Housing and homelessness strategy and local plan focus on private rented sector policies

Hartlepool: Private rented sector highlighted as a corporate priority in the Council Plan

Oxford: Developing and evaluating new initiatives prior to wider rollout

Sunderland: Private rented sector policies aligned with broader neighbourhood renewal strategy

Source material

Russell, S.C. (2020) How councils play a crucial role in driving up private rented sector standards, Inside Housing, 28 February – this is a useful summary of the importance and role of local authorities

Simpson, M. and Wheatley, M. (2012) Shaping and improving your private rented sector, London, LGA

Smith Institute (2014) The Growth of the Private Rented Sector: what do local authorities think?, London, Smith Institute

Please refer to diagram one in the main report on the policy making process

Policy and policy making	Yes/No	Evidence	Comments	Action required
Do you have you an up-to-date strategy for the private rented sector?				
Does it include a realistic action plan?				
Do you regularly review the strategy especially the aims and objectives?				
Have you considered prioritisation of objectives in order to take account of resource constraints?				

Policy and policy making	Yes/No	Evidence	Comments	Action required
Is there a balance between incentives for landlords and lettings agents to improve performance and enforcement?				
Do you have performance measures for each of your aims and objectives?				
Have you considered the relevance of specific strategies on, for instance, student housing?				
Do you regularly consult on policy issues with partners and stakeholders (eg landlords' associations, tenants' groups, community organisations and universities)?				
Is your strategy aligned with the local plan (including supplementary planning documents – SPDs), the housing strategy and the corporate plan?				
If relevant, are policies for the private rented sector aligned with those on neighbourhood renewal including empty homes strategies?				
Are you developing policies for improving the environmental performance of the stock in the light of the climate change emergency?				

Policy and policy making	Yes/No	Evidence	Comments	Action required
Are private rented sector policies linked with those for tackling modern slavery?				
Are private rented sector policies aligned with strategies to tackle poverty and deprivation (eg affordable warmth, public health etc)?				
Are policies on the quality of accommodation linked to homelessness and rough sleeping strategies and the use of the sector for temporary and permanent accommodation?				
Do you monitor relevant government announcements and decisions on, for instance, selective licensing?				
Do you monitor the impact of significant legal cases?				
Do you regularly assess your policies against equality duties?				

Resources

Case studies

Boston: Accessing MHCLG funding

Bristol: Self-financing for additional and selective licensing

Derby: Use of a sub-regional organisation – DASH East Midlands

Greater Manchester: Funding from Nationwide Foundation with support from Shelter

Source material

House of Commons Housing Communities and Local Government Committee (2018) Private Rented Sector, London, House of Commons, paras 80-94 on resources for enforcement

Local Government Association (2014) Prosecuting Landlords for Poor Property Conditions, London, LGA

Resources	Yes / No	Evidence	Comments	Action required
Is private rented sector policy and implementation a corporate priority?				
Have you reviewed your approach on enforcement to maximise income?				
In setting fees for, say, accreditation schemes, do you engage with stakeholders to ensure that they are appropriate?				
Do you make use of MHCLG and other external funding sources?				

Do you have capacity to respond quickly and effectively to external funding initiatives?				
Do you work with partners to maximise resources such as finance and skills?				
Have you considered working on a city region and/ or a sub-regional basis to address resource issues?				

Governance

Case studies

Coventry: Place directorate oversees and manages private rented sector

Derby: Housing standards team and joint working with other departments eg adult social care

Fenland: Tackling private rented sector issues as a political priority

Greater Manchester: 'Fair Housing Futures' board comprises funders, support organisations and a wide range of city region stakeholders

Source material

House of Commons Housing Communities and Local Government Committee (2018) Private Rented Sector, London, House of Commons, paras 95-103 on political will and joint working

Governance	Yes/No	Evidence	Comments	Action required
Is there a senior officer responsible for the private rented sector?				
Is there a housing standards team (or equivalent) in place covering all aspects of the private rented sector?				
Are there effective links with other in-house services eg housing advice, homelessness, planning etc?				
Is there a lead councillor for the private rented sector?				

Governance	Yes/No	Evidence	Comments	Action required
Do you operate a delegated authority system so as to make minor amendments to policies and processes as required?				
Are monitoring reports regularly presented to senior management teams and to cabinet/ committees?				

Partnerships

Case studies

Blackpool: Working with community and residents' groups

Boston: Collaborating with adjoining districts and the county council

Bristol: Working with landlord and lettings agents' organisations, universities and community groups

Fenland: Multi-agency approach involving, for example, Fire & Rescue, HMRC, Police etc

Source material

Kelly, L. (2012) Top Tips: How should councils work with private landlords? Guardian, 20 January

Hall, R. and Packham, A. (2019) 'Students have a bad name': how cities are healing the town v gown divide, Guardian online 19 December

Partnerships	Yes/No	Evidence	Comments	Action required
Are the objectives, requirements and views of partners and stakeholders understood and acted upon?				
Do you operate with a formal partnership board?				
Are there regular meetings with partners and stakeholders at an officer level to discuss policy and operational issues?				
Are there effective links with third sector organisations?				

Do you work sub-regionally with other councils to share information and resources?

Consumer regulation

Case studies

Bristol: Landlords forum, regional landlord roundtable and sub-regional annual expo event

Coventry: Landlord accreditation scheme

Hartlepool: Social lettings agency

Stoke-on-Trent: Work of tenancy relations officer

Source material

Archer, T. et al (2019) Scaling up social lettings – A study of social lettings agencies, York, JRF

Garnham, L. and Rolfe, S. (2019) Tenant Participation in the Private Rented Sector, Glasgow, CaCHE – see also a blog at <https://housingevidence.ac.uk/participation-activism-and-empowerment-for-private-tenants>

Harris, J. (2020) Alternative Approaches to Resolving Housing Disputes, Glasgow, CaCHE

Please refer to diagram two in the main report on consumer regulation

Consumer regulation	Yes/No	Evidence	Comments	Action required
Is consumer regulation a priority in the strategy for the private rented sector?				
Have you assessed the advantages and disadvantages of a proactive approach and a reactive approach on consumer regulation?				
Do you operate or support a property management service / social lettings agency?				
Do you support and encourage tenants' groups?				

Consumer regulation	Yes/No	Evidence	Comments	Action required
Do you operate a landlords' forum?				
Do you operate or support a landlord accreditation scheme?				
Do you operate or support a tenant advice service that covers the private rented sector?				
Do you work closely with Trading Standards departments?				
Have you considered developing a dispute resolution service?				
Do you make use or signpost initiatives such as 'marks out of tenancy' to tenants and landlords?				

Enforcement

Case studies

Blackpool: Benefits of informal enforcement

Boston: Proactive inspections followed by strong enforcement

Derby: Reactive enforcement based on risk management

Hull: Formal enforcement first approach

London Borough of Tower Hamlets: Multi-disciplinary approach on enforcement

Stoke-on-Trent: Formal enforcement as a last resort

Sunderland: Four-stage approach on enforcement

Source material

Chartered Institute of Housing and the Chartered Institute of Environmental Health (2019) A Licence to Rent, Coventry and London, CIH and CIEH

Lawrence, S. et al (2019) An Independent Review of the Use and Effectiveness of Selective Licensing, London, MHCLG, Opinion Research Surveys

Ministry of Housing, Communities and Local Government (2019) Private Rented Sector Enforcement – Knowledge Bank, London, MHCLG

Simcock, T. and Mykkanen, N. (2018) The Postcode Lottery of Local Authority Enforcement in the PRS, Manchester, Residential Landlords Association

Please refer to diagram three in the main report on enforcement.

Enforcement	Yes/No	Evidence	Comments	Action required
Do you operate a reactive enforcement policy based on complaints by tenants and communities?				
Do you operate a proactive enforcement policy?				
Do you have you an effective evidence base for a proactive approach?				

Enforcement	Yes/No	Evidence	Comments	Action required
Do you have processes in place to respond to new regulations such as the electrical safety regulation introduced in summer 2020?				
Have you discussed the advantages and disadvantages of informal and formal enforcement?				
Do you operate an additional licensing scheme?				
Do you operate a selective licensing scheme?				
Do you evaluate the effectiveness of your licensing schemes?				

Emerging issues

Case studies

Boston: Minimum energy efficiency standards (MEES)

Hull: Tackling exempt accommodation

London Borough of Tower Hamlets: Short term lets by companies such as Airbnb

Stoke-on-Trent: Enabling and facilitating good quality office conversions

Source material

Seely, A. et al (2020) The Growth in Short-term Lettings (England), London, House of Commons Library, Briefing Paper No 8395

Rae, A. (2019) The Rapid Rise of Short-term Lets and the Implications for the Housing Market. In Stephens, M. et al (2019) UK Housing Review 2019, Coventry, CIH

Sarsfield, B. (2019) We must prevent 'grey renting' becoming a threat to our ageing population, Inside Housing, 27 February

Emerging Issues	Yes/No	Evidence	Comments	Action required
Do you monitor the changing nature of the private rented sector in your area to identify emerging issues?				
Do you review research publications on the private rented sector by organisations such as the UK Centre for Collaborative Housing Evidence (CaCHE)?				
Have you considered the long-term role of the private rented sector in relation to the wider housing market (will for instance the buy-to-let market decline)?				
Are you considering how you will respond to new legislation and guidance such as the forthcoming Renters Reform Bill?				

Emerging Issues	Yes/No	Evidence	Comments	Action required
Are short-term lets (eg Airbnb) a growing issue?				
Have you considered the implications over the next decade of a growth of the number of older households in the private rented sector?				
Are you considering the environmental performance of the private rented sector stock as part of the climate change agenda?				
If relevant, are you working with universities to map out future student accommodation needs?				
Are office conversions without the need for planning permission a growing issue?				
Is the quality of 'exempt accommodation' an increasing issue?				
Are you monitoring national policies, reports and research on the impact of COVID-19 on private renting?				

Emerging Issues	Yes/No	Evidence	Comments	Action required
Do you have procedures in place to deal with the impact of local lockdowns on the private rented sector?				
Are you discussing protocols for dealing with the impact of COVID-19 on the private rented sector when the eviction ban ends with (i) landlord organisations, (ii) tenant groups and (iii) advice and support agencies?				



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