

Cabinet

10 February 2015

Report of the Assistant Director – Housing & Community Safety
(Portfolio of the Cabinet Member for Communities)

Private Rented Sector Consultation - Review

Summary

- 1 The purpose of this report is to inform cabinet of the results from the consultation regarding the private rented sector in relation to the review of the YorProperty Voluntary Landlord Accreditation Scheme.

Recommendations

- 2 Cabinet are asked to:

- Approve option (ii) Continue with the current service with the accreditation scheme and other initiatives to support a healthy private rented sector and to carry out further detailed consultation focusing on those groups which didn't respond and commission the BRE to provide an updated picture of the condition of the stock to provide a more complete picture of the private rented sector for members to make a judgement.

Funding for this work to be considered as part of the 2015/16 budget process.

Reason: To maximise the contribution made by the private rented sector in York towards meeting current and future need through tailored, targeted and proportionate intervention and support, designed to secure safe, well managed and decent accommodation.

Background

- 3 As the city's population has grown by 9.2% since 2001, the private rented sector (PRS) is becoming an increasingly important part of the whole housing market, particularly when considering the provision of affordable housing for residents. The 2011 census found 14,980

privately rented households in York. Through its Housing Strategies the Council is committed to supporting and improving the PRS, which makes up an estimated 18% of the housing stock in the city.

- 4 In addition, private tenants are becoming a more diverse group including higher proportions from every income bracket and household type, including families. There are a number of sub-markets in York including students, young professionals, lower and middle income families as well as vulnerable groups.
- 5 The last Private Sector Stock Condition Survey (PSSCS) carried out in 2008 had a statistically low number of Houses in Multiple Occupation included and since then the wider PRS has grown and changed. It is important to have more up to date information about the condition of the sector.
- 6 The 2008 PSSCS found that properties in the private rented sector were in the poorest condition of all the sectors in York. We have used this information to direct our work initially in the Private Sector Strategy 2008-2013 and the work outlined in the draft Private Sector Strategy 2014-2019. However we are concerned that this data is now dated and is becoming increasingly unreliable. To undertake a full stock condition survey would be very expensive, however up to date information is critical to ensure that we are targeting our resources effectively. As part of our work within the Leeds City Region, we have the opportunity to commission the Building Research Establishment (BRE) to undertake stock condition modelling and there is an opportunity to benefit from a discount by combining this work with other local authorities. This work could also include a Health Impact Assessment.
- 7 A report to the cabinet member in August, 2014 recommended carrying out a citywide consultation exercise to gather more data about the sector to help make recommendations regarding future involvement and service delivery planning.

Consultation

- 8 The consultation was undertaken from the 15th October to the 21st November. Given the nature of the different groups being consulted, the wider community, stakeholders, tenants, landlords and letting agents, this took the form of an electronic survey offered on the Council website and via a publicised link. A paper copy was also made available if required and groups were offered the option of a drop in

session at their venues where appropriate, although no-one took up this offer. This was advertised on the council website, via Twitter and press release and was forwarded by e-mail to a number of groups, individuals, partners and stakeholders to pass on to their mailing lists and members (Appendix A). The consultation was also promoted at events during housing week.

- 9 In total over 450 responses were received, of which 304 were fully completed. This was made up of 219 landlords, 17 letting agents, 27 stakeholders and 159 individuals, including 125 tenants, 34 residents from the wider community. The majority of the incomplete responses included useful information included in the study of results.
- 10 It is also clear from the consultation that there is a split picture when considering the view of standards of the PRS in York, with no landlords or agents in the city feeling that any of the properties within the PRS were of poor or very poor standards, something which is very difficult to explain especially when you consider that the 2008 PSSCS identified that 28.3% of homes in the PRS were non-decent. This is clearly an area which needs to be explored further to understand why there is such a differing view from this group. For example the Building Research Establishment (BRE) could be commissioned to provide an updated picture of the condition of the stock to provide a more complete picture of the private rented sector.
- 11 Whilst the consultation provided good and statistically valid information from landlords, letting agents and tenants who were not students, the poor response from the wider community and the shared student sector means that the picture is incomplete and further work will be necessary to confirm findings from these sectors.
- 12 Members may want to note some general messages from across all respondents were:

The Standard of the Private Rented Sector in York (%)

	Very Good	Good	Average	Poor	Very Poor
Agent	33.3	44.4	22.2	0	0
Landlord	17.1	56.1	26.8	0	0
Tenant	1.1	29.3	46.7	15.2	7.6
Stakeholder	9.1	18.2	45.5	27.3	0
Community	14.3	17.9	50	14.3	3.6
Overall	12.2	42.8	35.5	6.9	2.6

The Overall Impact that Private Rented Sector Properties have on parts of York (%)

	Very Good	Good	Average	Poor	Very Poor
Agent	22.2	44.4	22.2	11.1	0
Landlord	13.4	35.4	43.3	7.9	0
Tenant	2.2	12	57.6	18.5	9.8
Stakeholder	18.2	9.1	45.5	18.2	9.1
Community	14.3	3.6	32.1	35.7	14.3
Overall	10.5	24.7	46.1	14.1	4.6

- 13 Over half of those responding to the consultation were aware of the Council's YorProperty voluntary accreditation scheme. Over two thirds of landlords, agents and stakeholders were aware of the scheme, as were just under half of the wider community responders. Only 16% of tenants were aware, identifying a future need to publicise the scheme.
- 14 An almost universal theme across responses to questions about how the Council could help to raise standards in the sector and deal with issues associated with shared housing involved the need for more pro-active enforcement. Of landlords, 25% were in favour of more enforcement to raise standards and 32% thought it would create a level playing field in the sector to counter poorer landlords.

Options

- 15 Arising from the findings, there are two options being proposed with regard to the future direction of the authority's approach:
- **Option (i)** – Continue with the current service with the accreditation scheme and other initiatives to support a healthy private rented sector;
 - **Option (ii)** – Continue with Option (i) above and to carry out further detailed consultation focusing on those groups which didn't respond and commission the BRE to provide an updated picture of the condition of the stock to provide a more complete picture of the private rented sector for members to make a judgement.

Analysis

16 Option (i) There are no cost implications for this option. It gives additional time for the accreditation scheme to attain a suitable level of membership to meet future operating costs. The scheme may be self-supporting within a further year of operation. Current training initiatives are set to increase income in support of this.

17 The advantages of option (i) are:

- It is a continuation of existing work within the relevant Council team;
- It has minimum cost implications and brings in income to the authority;
- It frees up the limited existing resources to enable a responsive service to deal with issues.

18 The disadvantages of option (i) are:

- It lacks a complete picture of the sector to enable a service to be developed which meets the needs of the sector as a whole;
- Consultation suggests that there is a gap between expectation of tenants and letting agents which isn't currently being addressed;
- That there are issues in the sector, as reported by tenants, such as damp and mould and excess cold, also reflecting the outcome of the previous PSSCS. Extra pressure on the limited existing enforcement resources means there is a potential for an increase in the numbers of complaints due to the limited proactive approach to improve landlord knowledge and management of the property. Responders to the survey were supportive of additional, pro-active enforcement. The consultation confirms that the majority of landlords in York (79%), own only a small number of properties, and require more support and assistance rather than being treated as rogue.

19 Option (ii) Further consultation with the wider community and student sector in particular will give a more complete picture of the wider PRS as would any up to date work on property conditions. The former could be carried out through consultation with the Citizen's panel, and targeted questionnaires to those communities with high levels of private rented properties, and the latter linked in to the Higher York Student Unions student accommodation consultation planned to be undertaken in June 2015. Linked to current activities, this additional

evidence would enable an holistic approach to planning future effective interventions and service delivery.

- 20 The BRE approach offers a quantitative health impact assessment of the city's housing stock using a modelling programme which uses English Housing Survey data, Experian dwelling level data and annual fuel poverty data for DECC.
- 21 Stock condition modelling is relatively inexpensive when compared to previous surveys including the stock condition survey. Other advantages of this type of survey are; the area is completely covered and it will generate detailed sub-reports, it integrates local data and provides a live dwelling database which ensures the quality of the information provided. It should be noted the Health Impact Assessment would be particularly useful for the development of other services as it will predict the likely fuel type, insulation levels, calculate levels of energy efficiency, carbon emissions and excess cold hazard for each individual property and the likelihood of other hazards occurring in the home such as falls.
- 22 The advantages of option (ii) are:
 - As outlined in option(i) above;
 - Allows for an overview of the sector to enable members to consider future options for intervention which will create a healthy PRS, including how it impacts on the City as a whole;
 - Enables a redesign of the service to meet the identified needs.
- 23 The disadvantages of option (ii) are:
 - There would be a cost associated with undertaking the BRE modelling work along with a small cost associated with the additional consultation work. If this option is chosen it is proposed that any cost implications would be addressed through the budget setting process.

Risk Management

- 24 There is currently no identified funding to enable the authority to participate in the Building Research Establishment stock condition modelling work. There may be cost implications involved in designing service responses to address issues raised by the enhanced consultation process.

Council Plan

25 Supporting, promoting and enforcing standards within the private rented sector in York supports and contributes to the aims of the York and North Yorkshire Strategic Partnership, and also contributes to the following Council Plan Priorities –

- Create Jobs and Grow the Economy - Provision of suitable accommodation to support the workforce and the employment market
- Builds Strong Communities – Contributes to sustainable neighbourhoods and communities. Housing provision of the right type and affordability makes York an attractive place to live and promotes quality of life for the community
- Protects Vulnerable People – Ensures private rented accommodation is of a standard that protects the most economically and socially vulnerable households
- Protects the Environment – Introduces energy efficiency targets for properties as part of accreditation standards and provides training for landlords to assist them in meeting these

26 It also ties in with and meets all six of the specific local housing priorities within the City of York Housing Strategy 2011-2015 and particularly with the objectives of Strategic Aim 2 of the Draft York Private Sector Housing Strategy 2014-2019.

Implications

27 The direct implications arising from the report are:

- **Financial** - The accreditation scheme has been managed within existing resources and Delivery and Innovation Fund (DIF) allocation to date. After March, 2015 DIF funding ends. Alternatives to fund the forecast shortfall of £10,000 in 2015/16 or alternatives to the scheme itself will be identified.

The costs associated with the BRE model are detailed in the table below. They vary depending on which options the council want to include and whether the timing of the commissioning enables the council to take advantage of the discount.

Activity	Cost	Cost with 15% discount for stock data if 5 or more LAs take up service
Housing Standards Variable	£16,000	£13,600
HMOs	£3,000	£3,000
ECO/ Green Deal	£7,000	£7,000
Energy Planning	£3,000	£3,000
Energy Planning with improvement scenarios*	£7,000	£7,000
Experian Data	£2,640	£2,640
TOTAL	£38,640	£36,240

- **Human Resources (HR)** – Implications will need to be considered following the additional consultation and stock condition work referred to at option (ii).
- **Equalities** – Raising standards, through training and better management, however encouraged, serves to address health inequalities in the private rented sector where standards are lower than owner-occupied homes. Poor housing conditions not only have a detrimental effect on the health and wellbeing of the occupiers but also pose a risk to life for the most vulnerable. Accredited landlords follow a code of management which ensures non-discriminatory practices. Community Impact Assessments from July 2014 were positive for the accreditation scheme.
- **Legal** - None.
- **Crime and Disorder** – Although it is difficult to demonstrate an impact on crime and disorder, the introduction of a code of management and the promotion of tenants’ rights and responsibilities may impact on levels of ASB and improve neighbourhoods.
- **Information Technology (IT)** – The accreditation scheme website was the subject of discussions with ICT Systems Support regarding its suitability and compatibility with existing Council systems. These raised no issues with its adoption and operation. Operation of the website to date has been successful. The BRE stock modelling data will provide a live dwelling database which other services can use to transform services.
- **Property** - The property standards required by the accreditation scheme include adequate heating systems and recommendations regarding thermal insulation so this should improve the energy efficiency in the premises of the accredited landlords of

YorProperty Plus standard properties. In the short term Work arising out of the consultation data is being used to develop training initiatives for example for landlords/agents. Once the additional evidence is obtained other strategic approaches to interventions in the sector can be determined

- **Other** - None

Authors:	Chief Officer Responsible for the report:		
Jed Smawfield Accreditation Officer Communities and Neighbourhoods 01904 551563	Steve Waddington Assistant Director – Housing & Community Safety		
	Report Approved	√	Date 29 th January 2015
Wards Affected:		<i>All</i>	
<i>For further information please contact the authors of the report</i>			

Background Papers:

- Private Sector Stock Condition Survey 2008
- Findings of York Private Rented Sector Consultation Oct/Nov 2014
- Controlling the Concentration of Houses in Multiple Occupation Supplementary Planning Document Review – report to Cabinet 7th January 2014
- BRE Stock Condition Modelling & Health Impact Assessment Proposal

Appendices

Appendix A – List of those Consulted and Consultation findings

Glossary of Abbreviations used in the report

HMO – House in Multiple Occupation
 ASB – Anti-Social Behaviour
 PSSC - Private Sector Stock Condition Survey
 PRS – Private Rented Sector
 BRE – Building Research Establishment