

# Scrutiny Inquiry Panel – How do we get a better deal for private sector renters in Southampton?

## Inquiry Meeting – 16 November 2023

Introduction to the inquiry, context and background

Presentations referenced below and a recording of the meeting can be found here: [Agenda for Scrutiny Inquiry Panel - How do we get a better deal for private sector renters in Southampton? on Thursday, 16th November, 2023, 5.30 pm | Southampton City Council](#)

### **Summary of information provided:**

#### **Generation Rent – Conor O’Shea, Policy and Public Affairs Manager**

- A presentation was delivered by Conor O’Shea, outlining the challenges experienced by private sector renters in the UK, the reasons these challenges exist and opportunities to improve outcomes.
- Key points raised in the presentation included the following:
  - 20% of the UK population rent from a private landlord (13m); 23% of families live in private rented homes; 41% of an average couples income is spent on private rental; 619,000 rental properties are estimated to fail safety standards.
  - Key challenge 1 – Availability of properties: Increasing demand for rental properties as people return to cities post Covid. In many areas demand outstrips supply. Gazumping and bidding wars for rental properties have been witnessed.
  - Key challenge 2 – Affordability of rental properties: Rents at peak unaffordability – highest % of incomes since records began. Partly linked to supply and the increasing number of long term rental properties becoming holiday lets.
  - Key challenge 3 – Standard of private rented sector (PRS) accommodation: Energy efficiency of rented homes (One in four living in fuel poverty (1.19M), a higher rate than social housing and owner-occupation); Poorly insulated homes are costing tenants an average of £570 more every year; ECO Grants not used by tenants for fear of eviction; MEES (Minimum Energy Efficiency Standards) uplift to Energy Efficiency Level C recently cancelled. Landlord Licensing - HMO license exists in Southampton, scope for more? More local authority enforcement powers under amendments to the Renters (Reform) Bill
  - Renters (Reform) Bill 2023 – Key legislation going through Parliament. Proposals to Abolish Section 21 (no fault evictions – implementation of proposal currently delayed until courts are reformed) and introduce open-ended tenancies; All landlords must register on the property portal; Homes in the PRS must meet the Decent Homes Standard; Rent increases limited to once a year.
  - Solutions beyond the Bill – Availability / Affordability: Increase supply of housing; consider advocating rent controls; deposit passporting (deposit moves home with you); licensing scheme for holiday lets – Standards; Energy efficiency measures; effective local authority enforcement (hopeful that Renters (Reform) Bill will help to level the enforcement playing field.)
  - Good local authority practice is predominantly associated with employing sufficient enforcement officers to proactively enforce legislation.

## **A tenants perspective – Phil Tyler and David Carr, Directors of Southampton Tenants Union**

- Southampton Tenants Union has been operating for a year and was formed to fight for better housing and to reduce the exploitation of tenants.
- Phil and David explained that, from their experience, the key issues identified in the [private renters survey](#) reflected the issues impacting on private renters in Southampton. Namely - Poor standards, insecurity, and the high cost of renting.
- They do not believe that the present state of affairs should be accepted.
- The work of the Tenants Union is giving confidence to tenants to speak to their landlords, and they are training members to become organisers.
- They welcome elements within the Renters (Reform) Bill but are concerned about, due to resources, the Council's ability to enforce the legislation and how awareness will be raised amongst tenants of the newly acquired rights.

## **A landlords perspective – Peter Littlewood, Chief Executive at iHOWZ Landlord Association and Samantha Watkins, Senior Policy Officer at the National Residential Landlords Association (NRLA)**

- Peter and Samantha delivered presentations outlining the current backdrop to being a landlord. Key points raised in the presentations included:

### **Peter Littlewood**

- Most landlords let property to earn a living. Most landlords are decent hard-working people who look on their tenants as their customers.
- Most tenants are decent hard-working people who look after their properties.
- No government since 1970 has met the required 300,000 new properties per year. Social and council housing has diminished since 1980. The PRS has expanded to meet the shortfall – at the landlord's risk.
- The cost of building materials have nearly doubled since 2018 and mortgages are at a 15 year high, affecting owner-occupiers and landlords alike. Rents have followed increased costs.
- In April 2020 relief for mortgage interest payments and other finance costs on residential property was restricted to the basic rate of Income Tax (20%). This restriction does not apply to holiday lets.
- In 2021, 14% of private rented sector homes were estimated to be unsafe according to the Housing Health and Safety Rating System (HHSRS).
- There are over 170 pieces of legislation landlords must follow, covering - Property conditions, evictions, unnecessary charges and much more. However, a lot of tenants and some landlords are not aware of their rights.
- Private renters had been in their current home for an average of 4.4 years. A small minority (4%) were evicted or asked to leave.
- Request for tenant & landlord associations to work together to improve the PRS

### **Samantha Watkins**

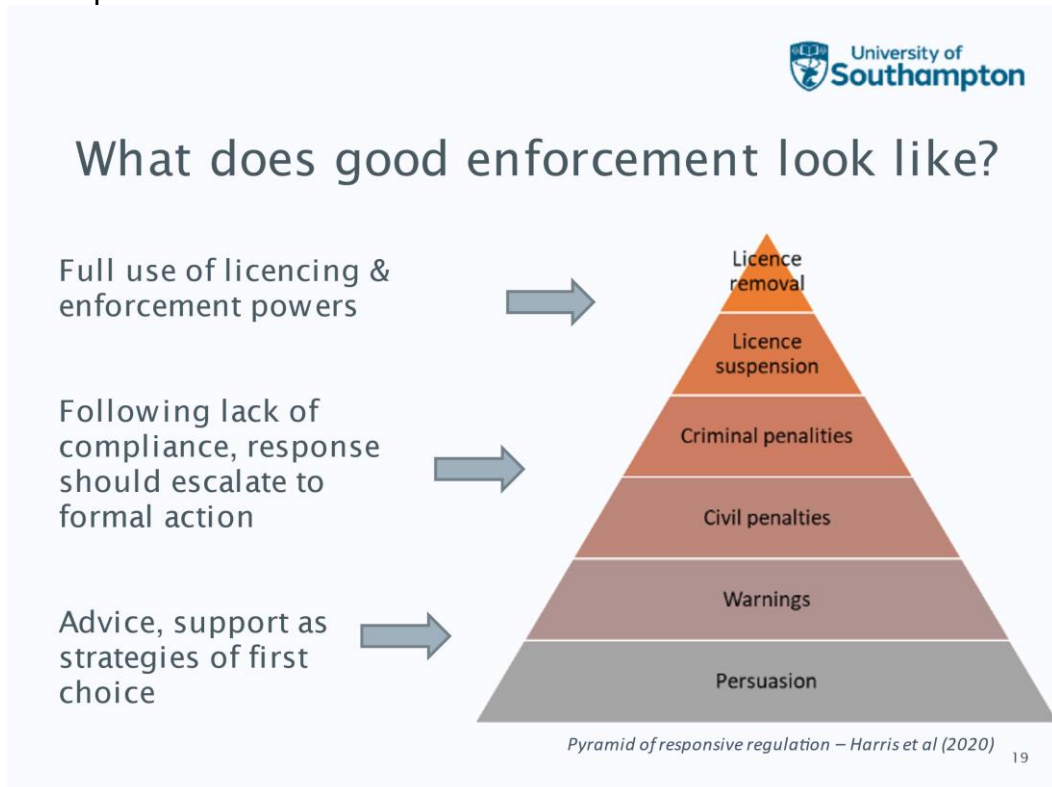
- There is a huge demand for student accommodation in the city, to accommodate the two universities.
- Southampton, Durham and Glasgow are amongst the ten cities with the lowest privately-owned Purpose-Built Student Accommodation available for 2023/2024 academic year - [Increasing demand and rental costs for student accommodation create barriers to higher education \(pwc.co.uk\)](#)
- In Southampton, street housing is comparatively cheaper than PBSA.

- The NRLA and iHOWZ want criminal landlords removed from the PRS and for everybody to live in a safe and decent home.
- The NRLA want a simplification of enforcement legislation and more resource for local authority enforcement, coupled with greater standardisation across the country.
- Leeds City Council's operate the [Leeds Rental Standard](#). It works well, incentivises good practice and is supported by landlord liaison officers.

**Local Authorities and the Private Rented Sector – Professor Helen Carr, Professor of Property law and social justice and Director of the Law School Research Centre, People, Property, Community and Dr Mark Jordan, Lecturer in Housing law at Southampton Law School and founding member of Law School Research Centre, People, Property, Community**

- Helen and Mark delivered a presentation outlining the current regulatory context, the Renter (Reform) Bill and local authorities role in regulating the PRS. Key points raised in the presentation included:
  - Law is voluminous and complex; Often shaped by historical roots; Neither comprehensive, coherent nor easy to locate; Ideologically driven with very limited consensus as to the proper balance between landlords and tenants; Reforms tend to be layered piecemeal onto existing legislation. As a result there is limited access to justice.
  - Housing Act 1988 deregulated private renting, since 1997 increased regulation.
  - Since 2004 acceptance by Conservative Government's that the housing market is 'broken'.
  - Renters (Reform) Bill - Introduced May 2023 second reading November 2023. Key components include - Abolishes s.21 of Housing Act 1988; All assured tenancies to be periodic (exception - Purpose Built Student Accommodation); More comprehensive possession grounds; Private rented sector ombudsman; Privately rented property portal; Right to request a pet; Measures to improve standards.
  - New financial procedures for rents included in the Bill - Rent review clauses will be banned; Rent increases only once a year; Amends s.13 of HA 1988 two months notice must be given of rent rises; Challenge market rents at tribunal; Rent in advance must be returned if tenancy ends earlier than tenant has paid for; Power to limit amount of rent in advance; Ban on excluding tenants on benefits.
  - Local authorities have an important regulatory role that is underpinned by legislation that requires authorities to: Keep housing conditions (incl. overcrowding) under review; take enforcement action where a category 1 hazard is identified; promote equality and respect human rights.
  - Renters (Reform) Bill includes a duty that local housing authority shall 'enforce the landlord legislation in its area'.
  - To fulfil legal duties, local authority have wide enforcement powers including: formal "deterrence-focused" regulation i.e. statutory notices, civil penalty notices (up to £30K fines), banning orders, criminal penalties, rent repayment orders; other approaches i.e. surveys, licencing, informal actions.
  - BUT many local authorities are not proactive but rather operate a 'reactive' enforcement service that responds to individual complaints. This increases pressure on tenants as many will not complain due to anxiety about being evicted.

- Good enforcement – Pyramid of responsive regulation with licensing at the top.



- The capacity, experience and expertise of local enforcement teams and the political will, strategic commitment, and support of legal teams are drivers of good enforcement.
- Barriers to good enforcement include the lack of meaningful data about the PRS.
- Additional and Selective Licensing Schemes can close the data gap.

### **Southampton City Council’s role in the Private Rented Sector – Steven Hayes-Arter, Service Manager for Private Sector Housing and Port Health, SCC**

- A presentation was delivered by Steven Hayes-Arter, summarising how the Council and partners seek to manage and oversee the PRS in Southampton.
- Key points raised in the presentation included the following:
  - Private rented sector accounts for approx. 28,000 properties spread across the city. Mixed tenure and property types. From bedsits to large HMOs.
  - The private rented sector provides an integral part of the housing market ensuring there is accommodation for the needs of the population. As such accommodation standards vary.
  - Service predominantly deals with the standard & safety of the private rented accommodation in the city. Statutory powers under the Housing Act 2004 (& other regulations) require the local authority to act as the enforcing authority.
  - The Service tries to ensure that all properties meet the minimum standards, are safe and free from significant hazards. This includes having sufficient fire detection and means of escape, the right amount of amenities, are not overcrowded, and meet minimum energy efficiency standards.
  - Under the Housing Act our officers assess properties using the Housing, Health & Safety Rating System (HHSRS) to determine what hazards are present and how significant they are. There are 30 Hazards, ranging from

excess cold to structural collapse. Hazards are assessed as Category 1 or Category 2.

- Where Category 1 hazards are identified the LA is duty bound under the Housing Act to enforce. This will generally result in an Improvement notice but could lead to prohibition of part or whole of a property. Prosecution and or issuing of Civil penalty notices can then follow on the landlord and or owner.
- Category 2 hazards lead to 'advisory' action. But can, if left, become more serious and ultimately lead to enforcement.
- The service receives around 500 service requests per year relating to disrepair. The Service currently has 3.5FTE responding to these complaints and dealing with other private sector housing work. Demand is very high & always increases during the colder months.
- HMO Licensing - There are approximately 6,000-7,000 Houses in Multiple Occupation (HMOs) in the city. The majority of the HMOs are situated within the central wards of the city.
- Statutory duty to licence all HMOs with five or more persons in residence. In the city we have approx. 2,500 of these Mandatory HMOs, which require licensing every five years.
- All licensed HMOs must meet certain conditions concerning safety and amenities and be properly managed so as to ensure that they do not impact negatively on the local neighbourhood.
- Currently SCC has an HMO licensing team of 6.5FTE responsible for inspecting and enforcing conditions and standards within the licensed HMOs in the city. Failure to licence & failure to comply with conditions are offences which can result in enforcement. Work closely with the PSH officers in relation to complaints about conditions in HMOs.
- Southampton City Council has also operated additional HMO licensing in certain wards within the city. Additional licensing schemes allow SCC to licence smaller HMOs, and 'cluster flats within purpose-built student blocks not captured by the mandatory scheme.
- The most recent scheme covering the central wards ended on 30 September. Planning for a new scheme in Spring 2024.
- Partnership working - SASSH – Southampton accreditation scheme for student housing. SCC has helped develop standards with both universities. The scheme ensures properties let through the Universities to students meet certain standards.
- iHowz, National Residential Landlords Association – SCC HMO team have developed strong links and good working relationship with these groups to improve standards in the sector.
- Close working with the Environment Centre (tEC) to facilitate energy efficiency improvements and measures in private homes.
- If money was available Steven would want to deliver a more proactive service. The HMO licensing scheme has demonstrated what can be achieved if proactively addressing issues. Additional licensing schemes are an option.
- New burdens funding for local authorities may be attached to the Renters (Reform) Bill. An additional problem is recruiting qualified and experienced Environmental Health Officers.

#### **Conclusions from meeting:**

- The PRS is an integral part of Southampton's housing market ensuring there is accommodation that meets the needs of the population.

- The size of the PRS in the city has grown since 2011 and Southampton has a higher percentage of households living in the PRS than our comparator cities.
- The greatest concentration of households living in PRS accommodation is found in the central wards of the city, clustered around the city centre and the universities.
- Key challenges for tenants living in the PRS relate to affordability, housing standards and security of tenure.
- Law related to the PRS is voluminous, complex and not widely understood by tenants or landlords.
- The Renters (Reform) Bill that is currently working its way through Parliament could help to improve outcomes across the PRS.
- There is collective support for improving enforcement and removing criminal landlords from the sector in the city. However, many local authorities, including SCC, are not proactive but rather operate a 'reactive' enforcement service that responds to individual complaints.
- There are good examples of local authorities that have an effective PRS enforcement service. Strong linkages exist between resources, political commitment and the effectiveness of the enforcement activity.
- SCC works in partnership to improve outcomes. The HMO licensing scheme is an example of a more proactive approach. Limited resources and data currently limit what SCC can deliver.

### **Inquiry Meeting – 21 December 2023**

The affordability of private sector housing

Presentations referenced below and a recording of the meeting can be found here: [Agenda for Scrutiny Inquiry Panel - How do we get a better deal for private sector renters in Southampton? on Thursday, 21st December, 2023, 5.30 pm | Southampton City Council](#)

### **Summary of information provided:**

#### **Bristol Living Rent Commission – Cllr Tom Renhard, Cabinet Member for Housing Delivery and Homelessness, Bristol City Council & Alfie Thomas - Policy, Strategy and Public Affairs Officer, Bristol City Council**

- A presentation was delivered by Cllr Renhard and Alfie Thomas, outlining the findings from Bristol's Living Rent Commission. Key points raised in the presentation included the following:
  - In Bristol between 2011-2021 the cost of renting privately grew by 52% while wages grew by 24%.
  - Median advertised rent increased by 25% from 2018 to 2020. When a property gets re-listed in the city its rent increases by roughly 6%. Even after adjusting for flat size, rents for cheaper properties in 2018 grew between two and four times as fast as rents for more expensive properties.
  - Average house price in Bristol is almost x10 local average earnings. House prices forcing people to stay in an already cramped PRS market for longer.
  - The supply of properties listed to rent declined by nearly two thirds from 2018 to 2020.
  - The Council's Corporate Strategy sets out the aim of pursuing a "living rent" in the city and commits to ensuring fair access to a decent home.
  - The Council (BCC) is committed to increasing housing supply which is one of the major challenges - 2,563 new homes were built in 2021/22. Project1000

- focuses on building affordable homes – aiming to deliver 1000 affordable homes a year by 2024.
- The Bristol Living Rent Commission (LRC) concluded that private renting in the city faces a serious access, affordability and security of tenure crisis, which is impacting the wellbeing and quality of life for people in Bristol and playing a major role in creating homelessness.
  - The final report outlines 29 recommendations – 23 of these were for BCC.
  - LRC concluded that it could be possible to develop a rent control system that has a broad base of support – if power was devolved to pursue further research into a workable method.
  - Considering the rent control policies outlined in the rent control survey, capping the absolute levels of rent, or capping the rate of increase, were both policies that were endorsed by a proportion of respondents and could be considered by BCC following a redistribution of power to LAs.
  - In response to the recommendations BCC has started writing a Private Rented Sector Strategy for the City. The strategy will articulate BCC's strategic vision, standards and approach to intervening in the Bristol PRS.
  - BCC has also consulted on proposals to introduce new property licensing schemes and this will be going to Cabinet in February. The first of the two schemes for privately rented housing were for a citywide additional licensing scheme where most Houses in Multiple Occupation (HMOs) not already subject to mandatory licensing will need a licence. The second scheme was a selective licensing scheme in 4 wards where most other types of private rented accommodation in these areas will need a licence.
  - BCC do inspect properties and they do enforce standards. They are working with landlords and letting agents to improve standards and will need to increase the size of the licensing team to deliver the proposals. Initial research from the Scrutiny Manager identified that there are 35 officers who work in BCC's licensing team, potentially increasing to 70 with the increased demands and funding linked to the additional and selective licensing schemes proposed.

### **The impact of rent levels – Kirsty Rowlinson, Business Manager at Citizens Advice Southampton**

- A presentation was delivered by Kirsty Rowlinson, summarising the casework relating to the affordability of rent in Southampton. Key points raised in the presentation included the following:
  - Since January 2023, Citizens Advice Southampton have dealt with over 2,200 issues related to housing. 45% of them were related to private sector housing.
  - Section 21 'no fault' evictions are rising extremely rapidly. In the last couple of months there has been a notable increase. Most common reason given is a landlord wants to raise the rent and tenants haven't signed a new tenancy agreement because they can't afford the increase.
  - Affordability is a major problem for clients. Increasingly, tenants can be expected to pay above the asking price for rental properties and are sometimes expected to take a property without seeing it. Competition is fierce.
  - Affordability becomes even more of a problem when welfare benefits are involved. The majority of our housing clients receive some sort of welfare benefit – very often in-work benefits. However, the Local Housing Allowance is hugely out of kilter with actual rental costs.
  - Some clients are putting up with poor conditions if their rent is affordable for fear of not finding anywhere else to live.

- Disrepair, particularly damp and mould is an extremely common issue. Unsurprisingly, it is increasing as cost of living issues rise. Tenants can't afford to keep their properties warm, which increases damp and mould issues, and landlords sometimes can't afford to do repairs.
- Many clients are effectively shut out of the rental market because deposits are rising, and letting agents are increasingly asking for guarantors for people on low incomes. Previously deposits were one month's rent but are now increasing and sometimes asking for 6 to 12 months rent upfront.
- Monthly spend on essentials such as housing and utilities is significantly higher for everyone than it was two years ago, but we can see that the increase is most significant for private renters, although mortgage holders are starting to catch up.
- There is a need to significantly increase the supply of social housing in Southampton. It would improve security of tenure and affordability for a lot of the clients seeking support.

### **A tenants perspective on rent levels – Cecilia Kovacs and Chloe Braddock, Directors of Southampton Tenants Union**

- Southampton Tenants Union conducted a cost of renting survey. Cecilia Kovacs outlined the key findings from the survey:
  - Over 80% reported an increase in their rent in the recent past or has been notified about an imminent rent rise.
  - About half of the rent rises stayed at under £100/month, typically £50, those that rose some reported £300-400/month rent rises, the typical being around £200-250/month.
  - About 20% reported an affordability of 30% or below. The majority have said between 35-50%, some as much as 60% (% income spent on rent).
  - Bidding wars are happening in Southampton for rental properties. Agents are demanding a guarantor to view a property and exemptions are being applied.
  - Rental costs are simply much too high, and the burden is not evenly distributed. While things are bad enough for the average renter, they are significantly worse for those at the bottom end of the rental market, who live in constant fear of being totally squeezed out and becoming homeless.
  - These people are the lifeblood of our city and they not just deserve but need better.
  - The continual failure of the council to ensure that a significant proportion of new-build properties are earmarked for social or low-cost housing is particularly concerning. The only long-term solution is for the council to ensure that a proper supply of social housing is provided to meet the social need.
  - In addition to this we need firm but fair controls on rent to rein in the market.
  - The Tenants Union would like to see landlords return deposits immediately if a S21 eviction notice has been served.

### **A landlords perspective on rent levels – Liz Mackenzie, Regional Representative from the NRLA and Rogel Bell (South Hampshire Chair), Phil Watmough (Committee Member) iHOWZ Landlord Association**

- Liz, Roger and Phil delivered presentations outlining the current backdrop to being a landlord. Key points raised in the presentations included:

**Liz Mackenzie**



- Southampton - NRLA analysis shows a 40% drop in availability of rental properties but a 140% increase in demand. For example, in post code SO14 in 2020, there were 1308 properties listed but in September 2023 only 540.
- Comments from Taylor Hill & Bond landlords regarding the reasons why they feel rent levels have risen - Continuous interest rate increases has had a knock-on effect to my mortgage repayments; Lack of property supply and high tenant demand.
- Landlords are leaving the market or increasing rents because finances have been hit by S24 tax (on turnover not profit) plus 14 increases in interest rates; Every landlord has faced increased cost of insurance, higher prices for materials and labour for repairs and maintenance and in some areas the cost of licences; Backlog in the courts has meant that possession is taking up to 8 months.

### **Rogel Bell & Phil Watmough**

- Landlords are losing money. Some landlords are selling their rental properties. Those properties are being bought by 1st time buyers who typically will not share. Result is less dense housing. The effect is shortages are driving up rents. Supply and demand dictates prices
- Big Issue - October 2023: *'An imbalance between supply and demand is the main driver of record-high prices.'*
- Landlords' costs - Cost of building has nearly doubled since 2018; Mortgages are at a 15 year high affecting owner-occupiers and landlords alike.
- English Housing Survey (2021/22) reports 75% of landlords have a mortgage
- Rents have been frozen from time to time in the UK and it has always led to black marketeering, rent to rent and homelessness.
- Christine Whitehead, emeritus professor of housing economics with the London School of Economics, stated in 2020: *"Rent controls are quite good if they can provide stability, but if all you're providing is stability to people who are already in place, that's not very helpful."*
- Phil Watmough provided an example of the return on a typical 3 bed semi let to students in Southampton. 'Profit' was £76 per month.
- Need to increase the supply of rental properties, especially smaller units. To encourage investment and good landlords iHOWZ recommended SCC improve local planning procedures; Cooperation between Landlords and Council; Bring back training and accreditation to further educate landlords in all matters including rent levels; Consider tenant accreditation.

### **Affordability of private renting – Professor Helen Carr, Professor of Property law and social justice and Director of the Law School Research Centre, People, Property, Community**

- Prof Helen Carr delivered a presentation outlining the affordability of private renting. Key issues raised included the following:
  - The private rented sector is the most expensive tenure and since 2021 high rent inflation. Cost comprises rents (the lion's share of costs), indirect housing related costs, increased costs due to condition of property.
  - Private renting unaffordable for a large proportion of households - 1.2 million private rented households rely on housing support to pay their rent.
  - Renters (Reform) Bill should make the cost of private renting more predictable - Limits rent increases to once per year; Minimum notice of rent

increase 2 months; Ends use of rent review clauses; New ground for persistent rent arrears; No rent control.

- Rent control is politically and economically contentious.
- Little research on interaction between rent control and rest of housing market particularly in complex local conditions of UK.
- Renters Reform Bill potentially will reveal stark reality of housing unaffordability.
- Data on market rent levels, used to set Local Housing Allowance, is collected by the Valuation Office, but is limited. Opportunities for partners to gather local rent information on a database to support work of Valuation Office.

#### **Conclusions from meeting:**

- The rise in the cost of renting has resulted in private renting becoming unaffordable to a growing proportion of households in Southampton.
- The availability of rental properties has dropped whilst demand has risen. In Southampton this has resulted in a growing number of housing benefit claimants, rise in threats of homelessness, fierce competition for properties, and an increase in vulnerability, particularly for low-income renters.
- The Local Housing Allowance has been unfrozen from April 2024 (for a year) and the Renters (Reform) Bill, that is currently working its way through Parliament, should make the cost of rent more predictable.
- A number of authorities have proposed some form of rent control to increase affordability and security. Rent control is politically and economically contentious and there has been little research on the interaction between rent control and the rest of housing market particularly in complex local conditions of the UK.
- Increasing the supply of housing, particularly social housing and affordable housing, is recognised as a requirement to help improve housing affordability, particularly for low-income households. In Southampton the draft Local Plan identifies potential for over 18,000 new dwellings up to 2040 and the Affordable Housing Framework will ensure that more affordable housing is built and will contribute to the target of 8,000 new affordable homes by 2040.
- Tenants can challenge rent rises where they are above market levels. Data on market rent levels, used to set Local Housing Allowance, is collected by the Valuation Office, but the data is limited. There are opportunities for partners to gather local rent information on a database to support work of Valuation Office.

#### **Inquiry Meeting – 18 January 2024**

The condition of private sector housing

Presentations referenced below and a recording of the meeting can be found here: [Agenda for Scrutiny Inquiry Panel - How do we get a better deal for private sector renters in Southampton? on Thursday, 18th January, 2024, 5.30 pm | Southampton City Council](#)

#### **Summary of information provided:**

**London Borough of Newham's Selective Licensing scheme – Cllr Shaban Mohammed, Cabinet Member for Housing Management and Modernisation; Housing Needs, Homelessness and the Private Rented Sector & Helen Masterson, Head of Private Sector Housing Standards**

- A presentation was delivered by Cllr Mohammed and Helen Masterson, outlining Newham's selective licensing scheme. Key points raised in the presentation included the following:
  - 38.5% of households in Newham are in the Private Rented Sector (PRS). Research indicates that **52-54%** of Newham's residents are renting privately.
  - Property Licensing schemes in LB Newham started in 2013. First large-scale property licensing scheme in England.
  - 2018 – Second scheme introduced, selective and additional licensing for 19 out of 20 wards, 42,000 licenses.
  - Unprecedented 3rd Licensing scheme confirmed by SoS (DLUHC) in Dec 22.
  - Objectives include to improve the quality, safety and choice of residents across Newham and to raise the housing standards across Newham by penalising landlords who fail to provide homes of suitable quality and requiring remedial action where necessary.
  - Financial incentives offered to accredited landlords and those with properties that have an energy efficiency rating of A-C.
  - Total of 66 officers in Private Sector Housing Standards Team, funded from license fees.
  - LB Newham PSH Compliance undertake 800 inspections per month and refer about 100 per month to enforcement referrals process.
  - In 2018-22: Newham banned 84 landlords from running licensing properties; Launched almost 2,000 'breach of licence' investigations; Issued 342 financial penalty final notices; 6,447 enforcement letters to landlords; 26k licence holders; 93 evictions avoided through Tenancy Liaison post.
  - Letting agents project to ensure Compliance with consumer protection law - 79 Letting Agents served with final Fixed Penalty Notices (2022-23).
  - To improve information, advice and guidance, Newham has produced a landlords pack, a tenants pack, runs landlord forums with NRLA twice a year, has an e-bulletin for landlords (18k out of 26k landlords signed up to it) and has relevant info on the Council's website.
  - The property licensing schemes enable proactive inspections and have improved housing conditions and ensured healthy housing for occupants by driving up standards and stamping out poor and illegal practices for the benefit of tenants and responsible landlords.
  - The scheme collects and collates data which informs how resources are used to target enforcement action and supports applications for future licensing designations.
  - Scheme helps Newham prepare for duties under the Renters (Reform) Bill and demonstrate local housing authority ability to keep housing conditions in the area under review (HA2004).

### **Energy efficiency in the private rented sector – Adam Goulden, Chief Executive, the Environment Centre (tEC)**

- A presentation was delivered by Adam Goulden, summarising the initiatives delivered by the Environment Centre in Southampton to improve the energy efficiency of properties in the private rented sector. Key points raised in the presentation included the following:
  - tEC referenced the large number of poor quality PRS homes in Southampton. Draughty, much higher heat loss than owner occupied. Often damp and mouldy. Lots of on-peak heaters.
  - Now in its 12<sup>th</sup> year Southampton Healthy Homes Scheme has supported 1000's of Southampton residents to access grant funding for heating

- upgrades, insulation, and renewable technologies, help with energy bills and support those who are vulnerable or on low incomes.
- Between April and December 2023 tEC helped 1,688 residents, approximately 14% of those are in the PRS. Total gains/savings achieved for Southampton households above valued at £862,710.
- tEC offers free and impartial advice for landlords and tenants, provides support for tenants to liaise with landlords as often tenants are concerned about talking to landlords, helps facilitate access to national and local funding for energy efficiency improvements.
- SCC provides discretionary funding to top up with at least 20% contribution required from landlords. Not many other authorities are offering this resource.
- tEC work closely with the Private Sector Housing team and advice partners, particularly Citizens Advice who tEC refer through to regularly for PRS clients.
- Little incentive for landlords to invest in energy efficiency initiatives, beyond legal minimum. Most of the landlords tEC deal with are unconcerned (even with significant resource) often begrudging spending 20% of the shortfall.
- HUG2 funding requires 1/3 contribution from landlords - no landlords want to pay this & ECO4 grants are quite restricted for PRS properties.
- Southampton Healthy Homes Service 2024-29 – limited work will happen without support and access to top up funding from SCC.
- Landlords approach could change if there were a limited number of prosecutions for non-compliance of MEES by SCC.

### **A tenants perspective on housing conditions in rented accommodation – Chloe Braddock and Phil Tyler, Directors of Southampton Tenants Union**

- Southampton Tenants Union conducted a flash survey to gather feedback about housing conditions. Chloe Braddock outlined the key findings from the survey:
  - The Southampton Tenants Union conducted a snap survey on housing conditions in the PRS in the city. The self-selecting survey received a number of responses commenting on the poor standard of accommodation, despite the high rental costs, lack of repairs and unwillingness to complain for fear of eviction.
  - Complaints about damp and mould were common. Tenants are often told to ventilate rooms better, including keeping windows open in the winter.
  - There are limited incentives for landlords to address repairs etc.
  - Tenants should be empowered to speak with their landlords without fear of eviction or bad references, and to withhold rent until repairs are undertaken.
  - STU would welcome enforcement of letting agents, similar to LB Newham's approach and for selective and additional licensing schemes to be introduced in Southampton.

### **A landlords perspective on rent levels – Samantha Watkin, Senior Policy Officer & Liz Mackenzie, Regional Representative - NRLA and Rogel Bell (South Hampshire Chair) & Phil Watmough (Committee Member) iHOWZ Landlord Association**

- Samantha, Roger and Phil delivered presentations providing a landlords perspective on housing conditions in the sector. Key points raised in the presentations included:
  - **Samantha Watkin**
    - Response to a FOI request from NRLA identified: Based on a PRS stock of 25,000 (DLUHC submission), Southampton received a total of 837 PRS complaints over 2021/2022 & 2022/2023; Over 2021/2022 & 2022/2023, 131

HHSRS inspections were carried out on PRS properties; Over 2021/2022 & 2022/2023, 15 Improvement Notices (mixture of category one and category two hazards) were served on PRS properties in Southampton.

- 0.2% of PRS properties in Southampton estimated to have category 1 damp and mould hazards. SCC has taken formal and informal enforcement action on damp and mould hazards: 18 times in 2019/2020; 3 times in 2020/2021; 3 times in 2021/2022.
- There has been 0 use by SCC of Civil Penalties.
- NRLA are not opposed to selective licensing schemes if it is targeted effectively.

### **Rogel Bell & Phil Watmough**

- All Private Rented Residential Property must meet HHSRS and have in place prior to renting - Gas certificate from GasSafe Engineer (CP12); Electric certificate from Qualified Electrician; Energy Performance Certificate; Risk Assessment; "Right To Rent" must have been served prior; Landlords address must be available to the renter.
- iHOWZ Landlord Association makes documentation available for members and includes a checklist of what is required. Checks – including property conditions are advised and iHOWZ run training and accreditation courses and encourage councils to become involved.
- Recognition that it is not only homes in the PRS that fail the decent homes standard - Southampton second worst council in England for 'non-decent homes', this refers to social housing (Daily Echo headline in November 2023).
- Tenants need to be aware that they have a legal obligation to act in a tenant like manner and report problems to the landlord.
- They must do minor 'maintenance' around the property or notify landlord if unable / unwilling.
- Must apply the necessary amount of heat to keep undue condensation at bay thus avoiding damp and mould.
- Landlords must respond to tenants' complaints – Good Communications key; Maintain property at own expense promptly; Rectify all HHSRS problems promptly; provide an emergency Number 24/7/365.
- SCC must be firmer towards bad landlords; Ensure prosecutions get press coverage; Encourage tenants to complain to SCC.
- Raising Standards is vital for the sector.

### **Expansion proposals of the University of Southampton and SASSH – Ros Lyon, Head of Occupancy and Residential Customer Services; Dan Cole, Associate Director of Facilities; Kate Fay, Public Affairs Manager for Estates**

- Ros Lyon, Dan Cole and Kate Fay delivered a presentation outlining the University of Southampton's expansion plans, the potential impact on the private rented sector in Southampton and the Southampton Accreditation Scheme for Student Housing (SASSH). Key issues raised included the following:
  - The UoS is planning to increase student numbers to more than 30,000 by 2033 (currently 25,000).
  - £1 billion to be invested in physical and digital estate.
  - With an increase in students, UoS will need more accommodation for them. The Southampton Local Plan requires that academic floor space built is matched by bedspaces built.

- UoS estimate that by 2027, there will be a need for an additional 3,800 bedspaces in the city and to meet their existing accommodation guarantee they would need c.2000 additional rooms either owned, leased or nominated.
- Expected 3,000 additional bed spaces will be required in the PRS by 2027.
- Southampton Accreditation Scheme for Student Housing (SASSH) is a web platform that lets agents and landlords upload adverts for their properties. The day-to-day administration is done by UoS and Solent University, and the City Council is involved in the setting of the standards for each year.
- To be published on the platform, the advert must meet all statutory minimum requirements for letting. Certificates are checked by either the Solent or Southampton accommodation team.
- The number of properties registered has plateaued since 2020. From 2015 to 2020, 130-160 properties were added each year, and since 2020 it's been around 35.
- Compared to the high numbers of students registering each year, supply isn't keeping pace with demand, and the scheme isn't growing.
- UoS and Solent University are keen to reinvigorate SASSH with a new interface, property reviews, and information on living in the city safely and respectfully.
- Planning to re-start property inspections and review standards - homes should be more than the current 'bare minimum' standards.
- Keen to encourage more landlords to join the scheme and keen to work with landlords who have, or who are willing to provide, accessible accommodation.
- Full-time City Housing Relationship Manager at UoS to complement Solent's full-time Housing Officer.
- UoS would welcome additional Purpose Built Student Accommodation in the city centre of Southampton, especially cluster flats, and are supportive of HMO licensing schemes.

**Conditions in the private rented sector – Professor Helen Carr, Professor of Property law and social justice and Director of the Law School Research Centre, People, Property, Community & Dr Mark Jordan, Lecturer in Housing law at Southampton Law School and founding member of Law School Research Centre, People, Property, Community, University of Southampton**

- Prof Helen Carr and Dr Mark Jordan delivered a presentation outlining the regulation relating to housing conditions in rented accommodation. Key issues raised included the following:
  - The Housing Health and Safety Rating Standard (HHSRS) is a risk-based assessment tool to triage local authority enforcement. 29 hazards which can be assessed at either Category 1 or Category 2.
  - Actions include improvement notices, prohibition orders, emergency remedial action. It is a valuable tool which could be used more extensively & creatively.
  - Tenants have little say in the system but can claim Rent Repayment Orders (RROs) for breach of improvement notices and prohibition orders.
  - Simplification and production of base line standards is in the works.
  - Landlord's repairing obligations - S.11 of the Landlord and Tenant Act 1985 – 'Keeping in repair structure and exterior and installations' & Homes (Fitness for Human Habitation) Act 2018 – 'Homes must be fit for human habitation at the commencement and throughout the tenancy.'
  - The Renters (Reform) Bill includes an extension of Decent Homes Standard to PRS, enforced through civil penalties and RROs and a duty on local authorities to ensure housing meets the standard.

- To meet the Decent Homes Standard a property has to: meet the current statutory minimum standard for housing (it must be free of category 1 hazards, assessed through the HHSRS); be in a reasonable state of repair; have reasonable facilities and services; and provide a reasonable degree of thermal comfort eg EPC band E.
- The Decent Homes Standard is not an exacting standard but a lot of PRS will fail it, particularly older dwellings and overcrowded housing that will not have adequate space/facilities.
- Despite widespread licencing schemes, PRS has the worst conditions eg English Housing Survey (2021): 14% of PRS homes have a category 1 hazard (extrapolation - 3,900 homes in Southampton); 23% of PRS homes do not meet the Decent Homes Standard (extrapolation - 6,400 homes in Southampton). This is likely to be a conservative estimate given the profile of housing in Southampton and the results of 2008 stock condition survey (2008). Renters (Reform) Bill promises to double scope of enforcement.
- The Renters Reform Bill is likely to have significant regulatory and resource implications for councils. The limits of complaint driven reactive enforcement are clear. Adopting a more proactive and responsive regulatory approach can: Demonstrate compliance; Develop novel data led enforcement practices - Eg NHS hospital admissions data and Indices of Multiple Deprivation data can be mapped onto housing conditions survey to target enforcement.
- Success depends upon regular housing stock condition surveys.
- In conclusion - Houses in England – and Southampton – are in very poor condition. This has health and financial consequences. A fairly extensive legal framework has not eliminated poor standards in the private rented sector.
- What is required is: Landlords need to understand that the maintenance of property requires regular investment; Local authorities need to be more proactive on housing standards; Tenants need to feel free to exercise their rights and use RROs and the courts as appropriate.

#### **Conclusions from meeting:**

- Nationally the private rented sector has the worst housing conditions of any housing tenure. This is likely to be reflected in Southampton despite the lack of recent data to support this.
- Poor housing conditions have health and financial consequences. A fairly extensive legal framework has not eliminated poor standards in the private rented sector.
- Southampton has been in the vanguard in providing incentives and grants for energy efficiency improvements to the PRS. There are few incentives however for landlords to invest in improving their properties beyond legal minimum standards.
- To help improve conditions in the PRS a proactive and responsive regulatory approach is required, driven by data, including regular stock condition surveys.
- A number of authorities have introduced selective and additional licensing schemes to improve housing standards. These schemes can help prepare councils for the additional duties proposed under the Renters (Reform) Bill and demonstrate the local housing authority's ability to keep housing conditions in the area under review (HA2004).
- Proactive enforcement needs to be supported by effective communications, information, advice and guidance for tenants and landlords.

- Landlord accreditation schemes can be a valuable aid to improving standards. Consistency of approach such as that employed by Leeds is valued. In Southampton the planned improvements to the SASSH Scheme are welcome.

## **Inquiry Meeting – 29 February 2024**

### **Enforcement of the private rented sector - SCC**

Presentations referenced below and a recording of the meeting can be found here: [Agenda for Scrutiny Inquiry Panel - How do we get a better deal for private sector renters in Southampton? on Thursday, 29th February, 2024, 5.30 pm | Southampton City Council](#)

### **Summary of information provided:**

#### **Southampton City Council's approach to enforcement of the private rented sector - Steven Hayes-Arter, Service Manager for Private Sector Housing & Port Health at Southampton City Council**

- A presentation was delivered by Steven Hayes-Arter, outlining Southampton City Council's approach to enforcement. Key points raised in the presentation included the following:
  - Reactive inspection of properties using Housing Act 2004 part 1 powers (HHSRS) - These are only where tenants have made complaints or raised issues. This includes HMOs (not covered by licensing) & all other private rented accommodation.
  - All work carried out across two teams – Private Sector Housing & HMO licensing. PSH team consists of 3.5FTE, HMO licensing team of 6.5FTE funded by licence fees. 10 FTE covering enforcement of sector of approximately 28,000 properties.
  - Demand for services & lack of resources means that all PSH service requests are triaged. An inspection is only carried out where likelihood of significant hazard (Cat 1, HHSRS) is identified.
  - Only 489 complaints in 2022/23 and 2,180 since 2019/20. Only 88 of the complaints led to an inspection in 2022/23 (18%).
  - In 2022/23 only 6 enforcement notices were served by PSH team – 72 in total since 2019/20. Notices are generally issued after required work is not completed. 0 Civil Penalty Notices (CPNs) issued by SCC.
  - **Mandatory HMO licensing** - Legal requirement for LAs to license larger HMOs in their area. This covers all HMOs with 5 or more residents from 2 or more households. In the city we have between 2300- 2500 Mandatory HMOs, which require licensing every five years, out of approximately 6000-7000 HMOs in Southampton.
  - The majority of the HMOs are situated within the central wards of the city, predominantly in Bevois, Bargate & Portswood.
  - Regulations impose certain mandatory conditions that HMOs and licence holders must meet. Southampton CC has its own published HMO standards that cover all HMOs in the city, including those not requiring licensing.
  - Every HMO is inspected prior to licence being issued. Either by SCC HMO surveyor or an accredited independent surveyor (CIEH or RICS certified).
  - Failure to comply with any condition is a breach of the licence and can result in enforcement action & ultimately the revocation of the licence. 15 HMO landlords have been prosecuted since 2014, but none for 8 years.



- **Additional HMO Licensing** - Southampton City Council has also operated three additional HMO licensing in certain wards within the city over the past ten years. Additional licensing schemes allow LAs to licence smaller HMOs, and 'cluster flats within purpose-built student blocks. Any HMO with 3 or more persons forming 2 or more households.
- Schemes have covered the four central wards of Bevois, Bargate, Portswood & Swaythling and also the western wards of Shirley, Freemantle, Bassett & Millbrook. The most recent scheme covering the central wards ended on September 30<sup>th</sup> 2023.
- Additional schemes can only run for five years & run on a 'cost recovery' basis. Schemes must meet with prescribed conditions set out in the Housing Act 2004.
- First designation made in 2013 (central wards). Majority of evidence used for justification came from 2008/9 Stock Condition & HMO survey of City.
- Scheme saw approx. 3600 licensed and at the end of 5 years, compliance rate with conditions was at 62%.
- Second designation in western wards was introduced in 2015. Only 600 licensed by end of scheme in 2020. Compliance very high at 80%.
- Third designation introduced in Autumn 2018 covering same central four wards as first scheme (2013). Overall compliance very high, ending at approx. 90%. Success of scheme however makes further designations less easy to justify. In order to satisfy the legal tests, robust case needed that licensing is the most effective tool to ensure sufficient management of HMOs.
- Previous additional licensing has captured approx. 2800 HMOs across the city. (Mostly within central spine) In conjunction with Mandatory licensing it has resulted in approx. 5000 HMOs of the estimated 6-7000 in the city being covered by licensing.
- HMO licensing is an effective tool in managing the condition and impact of HMOs. In Southampton, licensing of HMOs has led to a 75% reduction in complaints from tenants relating to their conditions over the past 10 years.
- Now looking at proposing a further additional designation in 2024 to capture the majority of the City's HMOs (8 wards) & keep standards high. Designation would capture between 2800-3000 HMOs including all of the Purpose-Built Student accommodation blocks.
- Ideally SCC would have new data sets for the city from a more recent stock condition survey to support the case for a new designation. So far this has not been commissioned due to costs far exceeding budget. (Cost circa £500k, budget £125K).
- **Selective Licensing** - Can be used separately or in parallel with Additional HMO licensing. Requires legal tests to be met, similar but not the same as additional HMO licensing. More challenging to gather evidence, lots of data required, ideally stock condition survey needed beforehand.
- Has potential to target parts of sector that are otherwise hard to reach or engage with, smaller non-HMO market.
- Can be used to raise income for private sector housing enforcement work and lead to increased enforcement activity. Resource intensive & costly to set up, but options to 'outsource'.
- Circa 20,000 private rented properties not covered by HMO licensing schemes. No landlord registration required so sector can slip under the radar.
- Selective licensing can target some or all of these, depending on ambition of LA. Larger schemes capturing more than 20% of sector require SoS approval but small schemes do not. Many LAs start small e.g. targeting a small number of certain wards.

- In Southampton the wards most likely to meet criteria would be the central areas. This could mean certain wards require all PSH & HMOs to be licensed.
- Selective licensing could be a useful tool to tackle the sector in our city.
- **Future plans & challenges** - New guidance on damp and mould and changes to HHSRS; Current and future work programme around high-rise fire safety; Renters Reform Bill will see biggest shake up in years to private renting. Increased focus on rent repayment orders and decent homes standard extended to PRS likely to see increased demand on PSH team resources. The abolition of S21 may also result in an increase in complaints due to tenants being more confident to report issues.
- **Renters Reform Bill - Decent Homes standards** - Likely to see implementation in late 2024. New powers to require landlords to make properties decent. Expectation that LAs will prioritise PRS enforcement. Probability that many houses will not meet standards and demand for inspection and assessment will be high.
- Government will be publishing new operating & enforcement guidance for LAs. Potential for significant impact on PSH team and SCC resources. Ideally additional funding will be made available to LAs to resource this work.
- Standards at risk of falling if enforcement of sector is not prioritised appropriately. Service therefore needs to be effectively resourced and all available enforcement tools need to be considered.
- Future additional HMO licensing and selective licensing within the city are the most appropriate tools currently available and need to be considered.

#### **A tenants perspective on Southampton City Council's approach to enforcement – Cecilia Kovacs, Southampton Tenants Union**

- A presentation was delivered by Cecilia Kovacs, outlining the views of Southampton Tenants Union relating to licensing and enforcement of the PRS. Key points included the following:
  - The Tenants Union support licensing of all the PRS in Southampton, not just HMOs.
  - However, licensing is not enough. Tenants need an outlet to report disrepair.
  - Timescales at the moment can mean tenants in homes with disrepair can be susceptible to prolonged danger of harm and health issues, even death. Legal support is inaccessible.
  - The Tenants Union offered to help capture PRS issues in Southampton in support of a future stock conditions survey or selective/additional licensing scheme.

#### **A landlords perspective on Southampton City Council's approach to enforcement – Rogel Bell (South Hampshire Chair) iHOWZ & Liz Mackenzie – Regional Representative, NRLA**

- Key points raised included:
  - Southampton PRS enforcement team is constructive and helpful.
  - The HMO licensing schemes have driven bad landlords out of the market.
  - Enforcement has been adequate and the use of Chartered Surveyors is valued.
  - More resources to enforce licensing schemes, standards and conditions would be beneficial.

- iHowz would welcome selective licensing schemes in Southampton. There is a need for more landlords to become accredited with reputable landlord associations to raise standards.

## Security, stability and overcrowding in the private rented sector

### Overview of homelessness in Southampton and the link to the private rented sector – Maria Byrne, Service Lead for Housing Needs & Welfare Support at Southampton City Council

- Maria Byrne delivered a presentation on the link between the PRS and homelessness in Southampton. Key issues raised included the following:
  - Local authorities have a duty to provide advice and information to people on housing issues. The number of households approaching the authority has increased over the past few years.
  - One of the top three reasons households in Southampton become homeless is due to being asked to leave from the private rented sector.
  - The top three reasons that households become homeless in Southampton is - Family or Friends no longer willing to accommodate; End of private rented tenancy – assured shorthold; Domestic Abuse.
  - The top reasons why households become homeless from private rented accommodation - Landlord wishing to sell or re-let the property; Tenant’s experiencing financial difficulties; Increase in rents.
  - To assist households that become homeless SCC - Work with both tenants and landlords to resolve any issues where possible to enable the tenant to remain in the property; Assist households in securing alternative private rented accommodation; Provide financial assistance to help households find alternative accommodation.
  - So far this year we have assisted 320 households into the private rented sector.
  - There are 7,666 live applications on the Housing Register:

Property Size	Numbers Waiting	Wait Times (with priority)	Wait Times (no priority)
1 bed	4304 (includes 1481 eligible for older persons housing)	2 years 3 months	4 years 8 months
2 bed	1498	2year 4 months	4 years 9 months
3 bed	1,548	9 years	11 years 5 months
4 bed +	316	10 years 1 month	12 years 6 months

- Due to the limited availability of social housing in the city. Households are looking for alternative housing options and rely on the private rented sector to try and resolve their situation.
- There are 182 households in temporary accommodation at present funded by SCC. 150 people are in nightly paid accommodation. This is expensive provision.

- SCC want to work more with landlords and tenants to sustain existing private rented accommodation and also assist those who need to move to new accommodation.
- Homelessness and Rough Sleeping Strategy 2024-2029 – SCC have recently launched a five-year homelessness and rough sleeping strategy which sets out our vision over the next 5 years. Our vision “A city where everyone has a safe place to call home”.
- Priority 1 is prevention; Priority 2 is intervention; Priority 3 is working together and Priority 4 is housing solutions.
- **The work SCC are undertaking to work with the private rented sector -** Reviewing our landlord offer and considering models around leasing options, our rent deposit scheme.
- We are looking to work with landlords at the earliest opportunity to provide support where we can to prevent homelessness.
- Considering better ways we can engage with landlords in the PRS.
- Considering whether a landlords forum would be beneficial to landlords in Southampton.
- We are working on a call before you serve project to consider better ways we can work with landlords.
- Looking at good practice examples that are being carried out by other local authorities e.g BCP provide grants to the landlords to improve the standard of private rented sector properties in return for nomination rights to the properties.
- Prevention, and maintaining tenancies, is a cheaper option for LAs than temporary accommodation and delivers better outcomes.
- Steven Hayes-Arter’s team have helped train Maria’s officers on what to look out for when visiting private rented properties. Close working relationship between the 2 teams.

**Security, stability and overcrowding - Professor Helen Carr & Dr Mark Jordan from the People, Property and Community Research Centre, Southampton Law School, University of Southampton**

- Prof Helen Carr and Dr Mark Jordan delivered a presentation outlining the regulation relating to security, stability and overcrowding in the PRS. Key issues raised included the following:
  - Deregulation of PRS was based on the vision of the sector as a source of housing for ‘transitional’ households - The revival of PRS has challenged this vision: 1/3 are families with children (8,400 households in Soton); 1/3 are low income/struggling/vulnerable households.
  - The average renter has lived in their home for 4.4 years & many expect to stay for medium/longer term.
  - Ending of an Assured Shorthold Tenancy (AST) is a ‘significant cause of homelessness’ (31% of cases in 2015/16) and the use of ‘no-fault’ evictions has increased by almost 50% since 2022.
  - PRS instability has major regulatory and resource implications for local authorities as it triggers homelessness prevention & other duties eg proactive tenancy relations; Lack of social housing has meant growing use of highly expensive temporary accommodation (£1.74 billion in 2023); 47% of families with children were forced to move schools as a result of living in temporary accommodation (Shelter, 2023).
  - **Legal security of tenure**
  - Housing Act 1988; Protection from Eviction Act 1977

- Renters (Reform) Bill - Abolition of s.21 will constrain retaliatory eviction; Landlords redress scheme may provide a more accessible way to enforce standards for tenants; Extension of Banning Orders; Extension of Decent Homes Standard to PRS enforced through civil penalties and RROs and a duty on local authorities to ensure housing meets the standard.
- Reforms in Scotland - Private Residential Tenancy (Scotland) Act 2016 abolished no fault evictions & extended protections for tenants. Impact - Slight decline in PRS but increase in Social Rented Sector and Signs that landlords have exited the market and turned to 'short term lettings' but new regulation of this activity (2023).

### **Conclusions from meeting:**

#### **Enforcement**

- Outside of HMO licensing, SCC, due to resource constraints, employs a largely reactive approach to enforcement of the PRS.
- The HMO licensing schemes have been an effective tool in managing the condition and impact of HMOs in Southampton.
- Plans for an HMO additional licensing scheme to cover 8 wards would be welcomed and the Panel are aware of the potential impact selective licensing schemes can have on conditions in the PRS and levels of enforcement activity.
- The lack of meaningful data on the PRS could be an impediment to future licensing schemes, in particular the lack of an up-to-date stock condition survey.
- The Renters (Reform) Bill will expand enforcement powers and impose new enforcement duties on local authorities. This will significantly increase demands on the city council's overstretched and under resourced PRS team.
- Standards in the PRS are at risk of falling if enforcement of the sector is not prioritised appropriately. The service needs to be effectively resourced and all available enforcement tools need to be considered.

#### **Security, stability**

- In England the PRS is the most insecure source of housing compared to other tenures.
- Ending of an Assured Shorthold Tenancy is a 'significant cause of homelessness' and the instability in the PRS has major regulatory and resource implications for local authorities.
- One of the top three reasons households in Southampton become homeless is due to being asked to leave their tenancy in the private rented sector.
- SCC works hard to assist households that become homeless - So far this year the council have assisted 320 households into the private rented sector.
- SCC want to work more with landlords and tenants to sustain existing private rented accommodation and also assist those who need to move to new accommodation. To achieve these outcomes SCC are considering and employing a number of initiatives, this includes the Call before you serve scheme.
- The abolition of Section 21 should improve tenant security moving forward and restrain retaliatory action.