

The future direction of regulation in the private rented sector – an LGA perspective

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Rise of the private rented sector

- Over the last 10 years the number of households in private rented accommodation has grown steadily. Private rented accounted for around 8% of the housing stock in the early 1990s compared to over 17% today
- Private renting is expected to overtake social renting in 2013. Bristol already has more homes for private rent than social rent

Issues for councils

- Councils can use powers under the Localism Act to discharge their homelessness duty in the PRS, without needing the consent of the applicant
- Impact of welfare reform
- Competition for private rented accommodation in some areas, and wider issues of housing supply

Understanding different types of landlords

- The National Landlords Association identified 4 types of landlord:
 - **High performers**, always comply with regulations
 - **Broadly aware**, good idea of what to do and respond to persuasion
 - **Unaware**, don't know what is required but can improve with advice and formal pressure
 - **Never comply**, disliked by high performing landlords and bring the sector into disrepute. A hardline approach is needed

A role for councillors in shaping the private rented sector - 1

- Important to understand local variations
 - High demand in some London boroughs and "hot spots", but in other parts of the country private rented accommodation is over supplied
- Can the PRS help to meet strategic objectives?
 - Increasing the supply of accommodation for people in need
 - Increasing the energy efficiency of homes, linked to health outcomes and new public health role for councils

A role for councillors in shaping the private rented sector - 2

- A large private rented sector & a high volume of HMOs can play an important role in the local economy, housing students and younger workers. Will their experience keep them in the area or drive them away?
- Turning around neighbourhoods where high numbers of poor quality HMOs, rented homes and empty homes are causing problems

Bigger picture of regulation

- Reduce red tape and avoid bureaucratic burdens on businesses
- Risk based assessment - resources need to be targeted at the worst areas. Minimal or light touch inspection for compliant businesses
- Fees should be set at a local level, on a cost recovery basis

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LGA lobbying and activity on private rented sector enforcement powers

- There are plenty of tools available to local authorities and they are using them, but they could be streamlined and made more usable
 - e.g. tightening up definitions in the Housing Act 2004
 - taken forward through LGA lobbying work on reducing red tape
- The level of magistrates fines is a concern, and we need to reinforce the message to all magistrates that failure to comply with HMO enforcement is not a trivial offence – landlords who cut corners are putting lives at risk

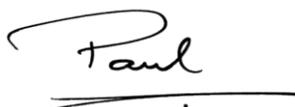
Examples of council responses

- **Hastings Borough Council** has a programme of tough enforcement and property purchase targeted at a struggling neighbourhood
- **Oxford City Council** rolling out a licensing scheme to cover all HMOs in the area
- **London Borough of Newham's** licensing scheme covers all private rented properties

Putting it into practice

- Bracknell forest has a constructive dialogue with landlords
- However the council does not shy away from taking action where necessary
 - For example this year a landlord was prosecuted for a breach of 17 HMO management regulations and was fined over £ 3,000 with the Council being awarded costs
 - This case followed a referral from the police

Thank you



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