



Update on LCC Private Rented Sector Strategy

Corporate Priorities for a holistic, balanced approach to issues arising from within the Private Rented Sector

Housing Scrutiny Commission: 30th October 2023

Lead Assistant Mayor: Cllr Elly Cutkelvin

Lead Strategic Director: Richard Sword

Lead Directors: Chris Burgin & Sean Atterbury

Useful information

■ Ward(s) affected: All

■ Primary report authors and contact details:

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■ Report version number: 1

1. Purpose of report

- 1.1. This report provides a progress update to Housing Scrutiny Commission Members on LCC's Private Rented Sector Strategy objectives.

2. Summary

- 2.1. Good progress has been made across a range of workstreams. This is detailed in Part 3.
- 2.2. The following Key Performance Indicators demonstrate the impact of workstreams in progress. Regular monitoring takes place in order to continuously improve and optimise initiatives, as well as identifying any additional opportunities or new challenges.

Compliance and Standards			
	Baseline	Target direction	Forecast for 23/24
1a Number of mandatory licensed HMOs	901	Increase	▲ 1300
1b Number of properties licensed through Selective Licensing	0	Increase	▲ 4000

Compliance and Standards KPI Commentary:

The number of licensed Houses in Multiple Occupation (HMOs) continues to rise both as a result of new HMOs being created and licensed and officers investigating reports of unlicensed HMOs. Stock modelling indicates approximately 1000 unlicensed HMOs in the city.

Work has begun to look at the profile of HMO licence applications and income over the 5-year rolling licence period and a review of the licence fee to ensure income adequately resources a team to process applications, find unlicensed properties and take appropriate enforcement action.

The number of licensed properties in the designated areas continues to rise. The initial influx during the early bird discount period has now slowed and the team are diverting resources to engagement with large portfolio landlords and letting agents and to offering drop-in sessions for advice about licensing and help with making applications.

Homelessness & Housing Need			
2a Tenancies created via Incentive Schemes <i>Baseline on total for the 4-quarter period directly before launch of the new incentives.</i>	164 ¹	Increase	▲ Forecast for 23/24 is 200-230
2b PRS Tenancy Prevention <i>Baseline total from 21/22</i>	78%	Increase	▲ Forecast for 23/24 is 80%
2c PRS Tenancy prevention via sustainment <i>New Baseline taken from totals from 21/22</i>	38%	Increase	▲ Forecast for 23/24 is 47%
2d PRS Tenancy prevention via new solutions <i>Baseline total from 21/22</i>	40%	Increase	▼ Forecast for 23/24 is 33%
2e Prevention interventions resulting in homelessness <i>New Baseline taken from totals from 21/22</i>	22%	Decrease	▼ Forecast for 23/24 is 20%
2f Reduction in temporary accommodation use as a result of PRS evictions	35%	Decrease	▲ June snapshot is 41%

Homelessness & Housing Need KPI Commentary:

In summary we are seeing an improved level of homelessness prevention that can be directly attributed to the work of the new specialist teams:

Homelessness prevention as a result of successful sustainment of the current home is forecasted to see a 9% improvement (on the baseline) during 2023/24 (2c).

Conversely, however, it must be noted that prevention as a result of finding new accommodation solutions before homelessness occurs is forecasted to fall by 7% (2d). This is as a result of challenges brought by the housing crisis, and the ability of applicants and services to access suitable and affordable housing.

This highlights the importance of strengthening our ability to sustain accommodation. At present the improvements in this area are combatting the challenges with accessing new housing, resulting in a 2% overall forecasted improvement to prevention of homelessness despite huge challenges faced (2b).

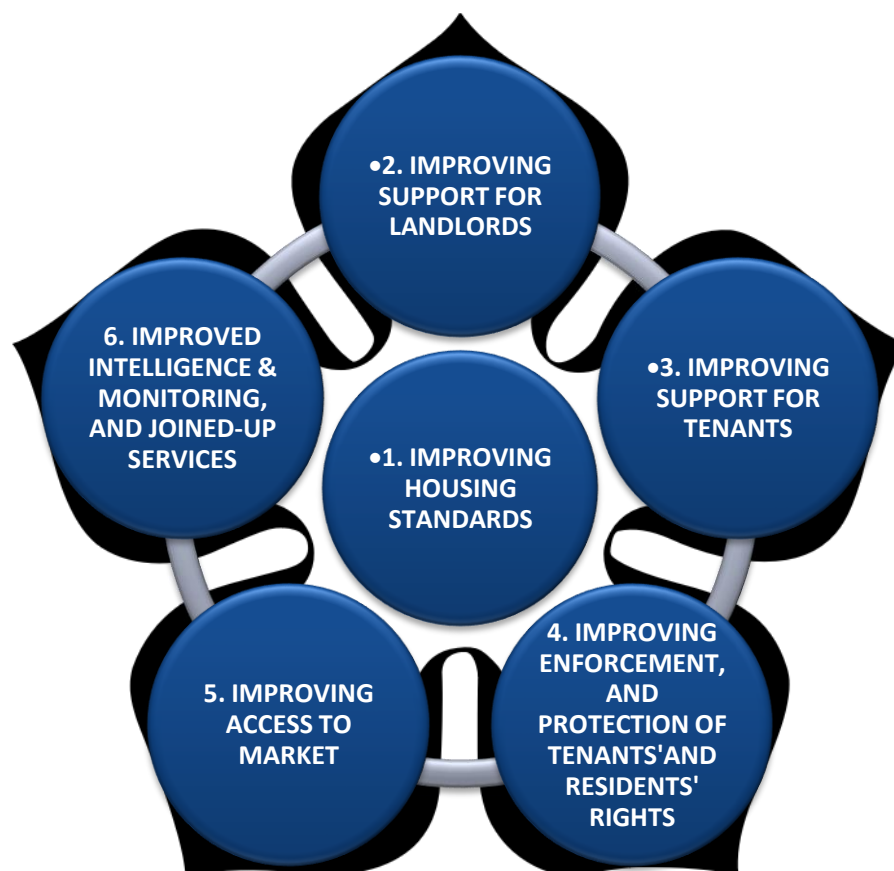
It also highlights the importance of the Private Rental Sector (PRS) Access Schemes, as without these initiative's applicants and services would have even larger challenges in finding new accommodation solutions, and indicators at both 2b and 2d would be negatively affected.

3 Recommendations

- 3.1. Members of the Housing City Centre & Neighbourhoods Board / Housing Scrutiny Commission are recommended to;
1. Note the content of this report and provide any comment/feedback.

4 Background

- 4.1. The City Council have an ambition to ensure the private rented sector in Leicester is fit for purpose and to address where this is not the case by raising housing standards.
- 4.2. A Strategy to support this was introduced late-2021. The overall objective of the strategy is to have a holistic approach that ensures tenants and landlords are appropriately supported, as well as retaining and improving our ability to protect tenants' safety and rights, and tackle rogue/poor landlords. Maximising this, whilst maintaining a balanced, fair, and proportionate approach, will ultimately lead to the raising of housing standards within the sector.
- 4.3. This strategy focusses on six high-level priorities, five 'feeder' priorities with one central principal objective at the core – improving housing standards in Leicester's private rented housing sector:



5 Progress against the 6 priorities

5.1. IMPROVING HOUSING STANDARDS ACROSS THE SECTOR

Developments / additions to the Strategy:

5.1.1. Operation EPC (Energy Performance Certificate)

Lead Service: Regulatory Services. Status: Completed

Funding of £99K was awarded by Department of Business, Environment and Industrial Strategy (BEIS) to help to LAs (Local Authorities) identify poor energy efficient properties, engage with landlords to make energy efficiency improvements.

Funding was used to:

- Train 12 staff to become Energy Performance Certificate (EPC) assessors and retrofit assessors. This upskilling of staff will ensure staff are able to correctly interpret and question EPCs and identify measures landlords should take to improve their properties.
- Develop an online portal for tenants in the PRS to report issues with their properties. The portal will also provide help and advice such as how to reduce damp and mould and energy efficiency advice
- Introduce the use of inspection tablets to streamline inspections. Information submitted by tenants through the portal will be downloaded to a tablet. Inspectors will complete inspection notes, take photographs using the tablet and download to a case management system

Progress on ongoing workstreams:

5.1.2. Selective licensing

Lead Service: Regulatory Services. Status: On-going Oct 2022-Sept 2027

The Selective Licensing scheme was granted approval at Full Council on the 7th July 2022.

The scheme launched on the 10th October 2022. This involved the setting up of a new team to process applications and issue licences.

The scheme commenced with several discounts, including early bird applications, licence applicants who are accredited by a recognised body, and where landlords have undertaken EPC work to their properties.

The scheme requires an inspection prior to issuing a licence to ensure the properties are free of any severe hazards. 103 Category 1 hazards have been identified following 2,188 inspections and 1801 (75%) of properties have received minor works letters to bring the properties up to a decent standard. At the end of September 2023 2,400 licences have been issued.

5.1.3. Mandatory HMO Licensing

Lead Service: Regulatory Services. Status: On-going

A Stock Modelling Report in 2019 indicated there were 2,300 licensable HMOs in the city at the time there were approximately 700 licenses. Work started in late 2019 to identify unlicensed HMOs but had to be paused during the pandemic. (Identification of an unlicensed HMO involves an unannounced visit to the property)

At end of September 2023 there were 1,100 licensed HMO.

Work has begun to profile expected licence applications and income over the 5-year rolling licence period along with a review of the licence fee. The licence fee will reflect the time spent to receive and process an application and issue a licence and will be set to adequately resource a team to process applications, find unlicensed properties and take appropriate enforcement action.

5.1.4. Consider the viability and benefits of extending Repayable Home Repair Loan (RHRL) into the private rented sector

Lead Service: Housing Development. Status: Ongoing

A successful bid was submitted via the General Fund capital bidding process for £200k in 23/24 to be able to continue with this scheme.

5.1.5. Discretionary Licensing

Lead Service: Regulatory Services. Status: Under consideration

The public consultation undertaken in 2021-22 to gauge opinion about discretionary licensing found considerable support for Additional Licensing (licensing of 3 and 4 person HMOs). A business case is being developed to look at the potential scope of an Additional Licensing Scheme. This will include a review of the data to determine if the PRS and in particular small HMOs would benefit from Additional Licensing, and development of a financial model to ensure such a scheme is adequately resourced.

5.1.6. Carry out a range of planning-based initiatives

Lead Service: Planning. Status: Ongoing

A new Local Plan has been submitted for is currently at the submission stage with an Examination, with hearings expected in early 2025 The Draft Local Plan includes extensive policy and supporting evidence on design expectations, managing the impacts of HMOs and other typologies. The policies do however need to comply with Government Guidance and pass Examination by a Government Inspector.

5.2. IMPROVING SUPPORT FOR PRIVATE SECTOR LANDLORDS AND TENANTS

Developments / additions to the Strategy:

5.2.1. Anti-poverty initiatives

Lead Service: Combined. Status: Ongoing.

As we head into autumn and winter 2023, the cost-of-living crisis continues to have serious impacts on the residents of Leicester.

The City Council has continued to deliver a range of programmes and interventions to address the rising cost of living.

There is still a requirement for coordinated activity across Divisions. It is also important to recognise that the interventions needed to address the cost-of-living crisis are varied; there is no single mitigating intervention that could address the multiple factors that contribute to whether a household can cope with insufficient income, high cost of essentials, and financial insecurity and debt.

The extent of the current crisis means that support continues to be needed on a greater scale than we have previously experienced, including for those who have not previously sought support before, and who may not have experience with our access channels, or be known to our services.

As such we need to target available support, reaching the maximum number of people with our available resources while working with our partners and stakeholders across different sectors.

The cost-of-living incident management team brings together different divisions, sectors, partners and organisations to consider all possible impacts of the crisis, facilitate a structured and coordinated response, and provide opportunity for partners to provide regular updates and discussions around our local response.

5.2.2. Website and information improvements for landlords
Lead Service: Combined. Status: Complete.

A project was undertaken with the Comms & Marketing Team to introduce a dedicated section on leicester.gov.uk that provides better and easier access to a range of resources for landlords and tenants.

We are now considering how best to promote the changes to members, landlords, and tenants.

Progress on ongoing workstreams:

5.2.3. Leicester Landlord Forum and landlord liaison
Lead Service: Homelessness, Prevention & Support. Status: Ongoing.

Forums were re-launched in July 2021 with a positive and collaborative focus. The forum was well received, and continued with a second successful forum in January 2022, albeit attendance lower than desired.

Another Forum is now being planned for late 2023 and some enhanced marketing efforts will be made to improve attendance.

Four Newsletters have been sent out since the beginning of the selective licensing scheme, updating landlords on the legislation and issues.

5.2.4. Implementation of Specialist PRS Housing Advice / Homelessness Prevention, and the Call Before You Serve service
Lead Service: Homelessness, Prevention & Support. Status: Ongoing.

This service was successfully launched on 4th August 2022 alongside the Call Before You Serve Offer.

The two teams work closely to ensure that tenant and landlord expectations are met and managed, whilst maintaining a degree of independence to ensure that the support given to each group remains impartial.

As a current snapshot, the team are managing 672 Tenant cases, and 38 ongoing landlord cases.

Initial KPIs show a 9% forecasted increase in Prevention of homelessness via sustainment, which is the primary goal of the initiatives to combat challenges in preventing homelessness through alternative accommodation.

Further comms and marketing are planned for end of 2023 to drive up the number of landlords using the service.

5.3. IMPROVING ENFORCEMENT, AND PROTECTION OF TENANTS' AND RESIDENTS' RIGHTS

Developments / additions to the Strategy:

Progress on ongoing workstreams:

5.3.1. Continuing to establish the new “Compliant Landlord Taskforce” **Lead Service: Regulatory Services. Status: Under development**

Progress has been made in formulating a wider strategy to coordinate operations and the compliant landlord taskforce, a partnership / multi-agency approach to dealing with rogue landlords. The Recruitment of a Senior EHO (Environmental Health Officer) would be part of this strategy however this workstream must be resourced and linked in across wider Housing Services to be effective. Work will continue on this and a further update will be available at the next juncture.

5.3.2. Damp and Mould **Lead Service: Combined. Status: Ongoing**

Following the Coroner verdict in Autumn 2022 that a child died as a direct result of living in a home that had damp and mould, Local Authorities have been tasked with looking at how they deal with complaints about damp and mould in their own housing stock and how complaints from tenants in the private rented sector are dealt with.

A corporate taskforce has been brought together from Housing, Regulatory Services, Public Health, EBS to develop an action plan and corporate response to concerns about damp and mould in domestic property.

KPIs for both Housing Repairs and Regulatory Services have been developed and will be reported quarterly.

5.4. IMPROVING ACCESS TO MARKET FOR HOUSING SOLUTIONS

Progress on ongoing workstreams:

5.4.1. We continue to monitor the positive impact of the improvements made to the scheme in July 2021, alongside the converse impact of rising rents and changing markets.

A review of the effectiveness of the schemes across 2021 and 2022 showed a gradual, increasing challenge in relation to helping service users with accessing the market in affordable way, as market rents continued to drift further from Local Housing Allowance rates.

Work was undertaken to assess the financial viability of increasing the upper operating limit of the bridging payments within the Platinum, Gold and Silver tiers of the scheme, and further improvements have been made to the scheme in September 2023 as a result.

If forecasts are met this will equate to a 62% increase in the number of properties secured each year.

Next steps identified are to ensure the new offer is communicated effectively to landlords and service users, in order to maximise use of the schemes in preventing and relieving homelessness.

5.5. IMPROVED INTELLIGENCE & MONITORING, AND JOINED-UP SERVICES

Progress on ongoing workstreams:

5.5.1. Workstreams within this priority will follow the creation of the new teams so that clarity is available on which systems are being used, at which point an analysis will be required to establish opportunities for sharing and integration.

Work has already been undertaken to create new joint working and information sharing meetings between key services, but further work is needed to join up intelligence and establish better joint working on shared issues.

6. Financial, legal and other implications

6.1. Financial implications

There are no direct financial implications arising from this update report. Whilst most activities are undertaken within existing resources, £195k has been earmarked from the Homelessness Prevention Grant to fund the creation of the team and the 'Call Before You Serve' service. The financial implications of new service developments are considered as and when they are put forward.

Homelessness is one of the largest cost pressures affecting local authorities, and one that is continuing to grow. The measures included within the PRS Strategy represent important steps in helping to manage and mitigate some aspects of these costs, but the bulk of the financial pressures will persist.

Stuart McAvoy – Head of Finance

6.2 Legal implications

There are no specific legal implications arising from this report.

Jeremy Rainbow – Principal Lawyer (Litigation) – x371435

6.3 Climate Change and Carbon Reduction implications

Housing is responsible for 33% of carbon emissions in Leicester, with PRS housing often the worst performing tenure in terms of emissions. Following the city council's declaration of a Climate Emergency in 2019, and its aim to achieve carbon neutrality, addressing housing-related emissions is therefore a vital part of the council's work, and this is noted as an objective within the strategy. A number of the existing and proposed pieces of work outlined in this report will assist in this goal, including licensing work and the Operation EPC project to support landlords in improving the energy efficiency of properties

Wherever possible all projects should also look from their earliest stages for further opportunities to reduce emissions and enable analysis of their carbon impacts. This includes opportunities to provide support and advice to both tenants and landlords on measures such as improved insulation, efficient appliances and lighting, low carbon heating and renewable energy technologies. Additionally, many of the opportunities to reduce carbon emissions may also provide further co-benefits in terms of reduced fuel poverty and costs and improved health and wellbeing.

Aidan Davis, Sustainability Officer, Ext 37 2284

6.4 Equalities Implications

When making decisions, the Council must comply with the public sector equality duty (PSED) (Equality Act 2010) by paying due regard, when carrying out their functions, to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people who share a 'protected characteristic' and those who do not.

We need to be clear about any equalities implications of the course of action proposed. In doing so, we must consider the likely impact on those likely to be affected by the options in the report and, in particular, the proposed option; their protected characteristics; and (where negative impacts are anticipated) mitigating actions that can be taken to reduce or remove that negative impact.

Protected characteristics under the public sector equality duty are age, disability, gender re-assignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex and sexual orientation.

This report provides a progress update on LCC's Private Rented Sector Strategy objectives, which focus on six high-level priorities with the aim of

improving housing standards with each being supported by identified workstreams. The work listed in this report and carried out under these priorities should lead to positive outcomes for people from across a range of protected characteristics.

We need to ensure equality considerations continue to be embedded throughout the ongoing work to deliver the strategy. Therefore, it is recommended that Equality Impact Assessments (EIAs) are carried out as appropriate on identified areas within the workstreams, such as changes to policies/services/organisational change, to ensure any impacts are identified and addressed, and mitigating actions put in place.

The equality impact assessment is an iterative process that should be revisited throughout the decision-making process and updated to reflect any feedback/changes due to consultation/engagement as appropriate.

Sukhi Biring, Equalities Office, 454 4175

7. Summary of appendices:

None

8. Is this a private report?

No

9. Is this a “key decision”?

Update only.