

BOLSOVER DISTRICT COUNCIL

SAFE & INCLUSIVE SCRUTINY COMMITTEE

Scrutiny Review of Barriers to Accessing Private Housing

December 2013

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**Foreword of Councillor Mary Dooley
Chair of the Safe & Inclusive Scrutiny Committee**

The Safe & Inclusive Scrutiny Committee has carried out its Review of the Barriers to Accessing Private Rented Sector Housing. This Review has been very enlightening to say the least. As an authority, we must all be aware of the difficulties facing the majority of tenants wishing to access private accommodation and the obstacles they have to overcome. These would be tenants are often at their most difficult time in their lives. The private sector should be made accountable to its tenants.

At the Tenants Participation Group we attended, they firmly believe that Bolsover District Council was by far the best landlord and we, as Members, should be proud of that.

The Safe & Inclusive Committee feel that all of our residents deserve a better deal and hopefully our recommendations will help to achieve that.

I would like to take this opportunity to thank all Members of the Safe and Inclusive Scrutiny Committee for their hard work and attendance throughout the Review; the Portfolio Holder for Social Inclusion; and all the officers involved for their input and guidance – the Housing Needs Manager, Housing Strategy and Enabling Manager; Environmental Health Manager (Housing and Pollution). Finally, my thanks go to our Scrutiny Officer, to Democratic Services and to the Temporary Scrutiny Officer for collating the information for this report.

Councillor Mary Dooley
Chair of the Safe & Inclusive Scrutiny Committee

1. Introduction

At its meeting on 11 June 2013, the Safe and Inclusive Scrutiny Committee agreed to undertake a review focusing on the restrictions for local people wishing to access private rented accommodation and identifying solutions to these restrictions whilst taking into account the existing support available.

The review topic was identified as a priority by elected Members at the Scrutiny Conference. It was considered timely to examine this area to review current practices and identify any areas for improvement, particularly given the demand for council housing in Bolsover District and the shortage of council properties.

The private rented sector is an important part of housing provision in Bolsover District and while it is not often a long-term choice for tenants it can be an important transitional tenure as households progress towards owner-occupancy or into social rented housing. The Council's recent Draft Strategic Housing Market Assessment report has highlighted that while the district's private rented sector remains relatively modest in size, it is a key growth area in the local housing market with an increase of just over 5% in the sector in the last decade. The current size of the private rented sector in Bolsover District can be estimated from Census 2011 data which identified 4,276 'private / other rented' households (13% of all households) compared to 5,965 households (18.2%) which rent from the Council or a housing association.

The private rented sector can be divided between those resident in the tenure who are claiming Local Housing Allowance and others who do not rely on Housing Benefit. Local Housing Allowance is a flat allowance used to decide the eligible rent of all Housing Benefit claimants with similar sized households living in a broad rental market area, rather than tying the level of benefit to an individual property. Local authorities use these rates to work out the amount of rent which can be met with Housing Benefit but there is frequently a shortfall which has to be met by the tenant.

Of the 2,147 households claiming Local Housing Allowance in Bolsover District in summer 2013, 27% were single people of working age and just under 23% were lone parents. Private renters not claiming Local Housing Allowance were mainly couples with no children (25.9%) with single people of working age again forming a significant proportion (24.2%). Local Housing Allowance claimants were also less likely to move than non-claimants, with just over 40% moving home within the last two years.

The areas for Scrutiny emerging from the Committee's review of literature can be summarised in the four key issues identified by the House of Commons' Communities & Local Government Committee in its 'First Report: The Private Rented Sector':

- Poor standards of property and management in some parts of the sector;
- Lack of regulation of letting agents and the extent of sharp practice by some agents, in particular the fees they charge to tenants and landlords;
- An increase in the number of families living in the sector and the need for greater security of tenure; and

- Lack of awareness amongst both tenants and landlords about their respective rights and responsibilities and about the law covering the private rented sector.

In March 2013, an adjudication by the Advertising Standards Authority required letting agents to make clear when non-optional fees and charges that could not be calculated in advance, were excluded from quoted prices, and to provide enough information to allow the consumer to establish easily how further charges would be calculated. This adjudication, together with a better understanding of the local private rented sector gained from our Review, refocused our efforts on the Council's work with landlords.

It is hoped that the recommendations set out in this report will support the Council in ensuring that it is providing the most effective service to meet the needs of all our communities across the district.

2. Recommendations

Having considered the issues and reached their conclusions, the Safe and Inclusive Scrutiny Committee makes the following recommendations:

- 2.1. The Council to continue using Decent And Safe Homes (DASH) to carry out inspections of Private Rental Sector properties.
- 2.2. The Council to investigate the possibility of advertising Decent And Safe Homes Accredited properties on the Councils website. Care would need to be taken to ensure the Council was not seen to be endorsing landlords.
- 2.3. The Council's website should be updated to include signposting information including Advertising Standards Authority information and the Citizens Advice Bureau's guide to the Private Rental Sector. In addition, the website should provide advice and information about the importance of formal tenancy agreements in securing tenants' rights.
- 2.4. Make the website more accessible to the public, including information on the Bond Guarantee Scheme.
- 2.5. Arrange for Chesterfield Law Centre to deliver training to Members.
- 2.6. Look at advertising the services provided by Chesterfield Law Centre on the TVs within Contact Centres.

3. Scope of Review

The Review focused on the restrictions for local people wishing to access private rented accommodation and potential solutions to these restrictions whilst taking into account the existing support offered by the Council and other agencies.

The aim of the Review was:

- To understand the barriers faced when trying to access private rented accommodation
- To identify ways to overcome these barriers
- To consider the cost to the authority of providing temporary homeless accommodation and the role of the private rented sector in meeting the housing needs of homeless households
- To identify what information is available to people and where this information can be obtained.

Members carried out the review with key issues in mind. These included the support available from the authority, partners and agencies to those trying to access the private rented sector; and the ways in which the authority can assist or support landlords in providing accommodation to local people.

The Committee comprised the following Members:

Cllr Mary Dooley (Chair)	Cllr Terry Connerton (Vice Chair)
Cllr Brian Hendry	Cllr Terry Cook
Cllr Eric Hall	Cllr Sandra Peake
Cllr Tom Rodda	Cllr Ken Walker
Cllr John Phelan	Cllr Vivienne Mills

Support to the Committee was provided by the Scrutiny Officer and the Democratic Services Officer.

4. Method of review

The Committee met on 4 occasions to consider the scope of the review, key issues they wanted to discuss and the people they wished to interview.

The Committee undertook a review of relevant literature to identify thematic areas for investigation and sought both oral and written evidence from tenants, council officers and partner agencies.

A Scrutiny Review of private rented sector housing in Harrow provided a methodology for our approach. The methods used were a review of relevant literature; face to face interviewing and focus groups.

4.1 Tenants and Residents

A focus group was drawn from members of Bolsover District Tenant's Panel and local Tenants and Residents Associations to gather the views of non-private rented sector tenants on the local private rented sector. At a meeting on 4 September 2013, attendees were asked to consider:

- (a) What the benefits of private renting might be;

- (b) The impact of private renting on an area; and
- (c) How the Council might maximise the benefits of private renting.

4.2 Partners and agencies

Invitations to speak to the Scrutiny Committee were sent to Action Housing, Shelter and the Chesterfield Law Centre, with a view to seeking information on the issues faced by people accessing the private rental sector and the support available to them.

4.3 Interviews

Interviews with individuals took place from July to October 2013. The Housing Needs Manager, the Environmental Health Manager (Housing and Pollution) and the Housing Strategy and Enabling Manager gave evidence of ongoing work both within the Council and with its partners.

Attached at **Appendix 1** is a list of stakeholders involved in the review.

5. Evidence

The Committee sought evidence of the extent and cost of temporary homelessness in the district and the role of the private rented sector in meeting the housing needs of homeless households. It sought information about current provision and take up in the local private rented sector and to identify how effectively the Council used its powers and brought its influence to bear to raise standards in property and management practice.

5.1 Documentary evidence

- Information on Bolsover District Council Website – Private Sector Housing and Landlord Accreditation Service
- Advice Guide – Renting from a Letting Agency (Citizens Advice Bureau)
- Improving Private Renting – Shelter report
- Housing options and solutions for young people in 2020 – Joseph Rowntree Foundation report
- Private Renting – Gov.uk report
- East Midlands Accreditation Scheme – Decent and Safe Homes
- House of Commons – The Private Rented Sector – Communities and Local Government Committee Recommendations.

5.2 Tenants and Residents

The focus group considered the following issues:

- What the benefits of private renting might be;
- The impact of private renting on an area; and
- How the Council might maximise the benefits of private renting.

Benefits of the sector

Positive aspects of private sector renting identified by the group included a wider choice of accommodation and location; greater flexibility of tenures; and a reduction in the volume of empty properties in some neighbourhoods. The Creswell Model Village was cited as a good example of an area improving because increased private sector rentals had brought empty properties back into use.

Nevertheless, the private rented sector was perceived as expensive both in terms of rents and in terms of up-front costs such as bonds and deposits. Provision of references by the tenant to the landlord and the fact that tenancies were not secure were also viewed as barriers.

Impact of private renting on local areas

Private sector rented accommodation can be perceived as having a negative effect on an area when properties were not adequately maintained, contrasting with the positive effect of private lets reducing the volume of empty properties. However, there was a perceived risk that where references were not sought by landlords, some tenants may be unable to manage their tenancies to the standards expected.

Maximising the benefits: improving standards

The focus group felt that the Council has opportunities to maximise the benefits of the private sector renting by improving standards in the sector, particularly the maintenance of properties; dealing with empty properties by using enforcement powers, including Compulsory Purchase; and raising awareness of rights and responsibilities with regard to both landlords and tenants.

A Good Landlord Scheme could help to achieve improvements to both properties and neighbourhoods. The group also felt that the Council should advertise its Bond Guarantee Scheme more widely to encourage take up.

5.3 Partners and Agencies

The Area Supervisor from Chesterfield Law Centre attended the Committee's meeting on 27 August 2013 and identified the following issues:

Lack of legal support to address poor property standards

Government changes to the Legal Aid system meant that people in the private rented sector could no longer obtain legal support for matters such as disrepair, as this was now only available to those facing rent arrears. Whilst the majority of enquiries to the Law Centre were about disrepair, it was now unable to offer more than limited advice in these cases.

Poor management practice

Questionable practices by landlords in the district included making weekly charges for tenancy administration; charging for routine gas servicing which is the legal responsibility of the landlord; and entering properties without reasonable notice. Although the Council has powers to deal with unlawful access to tenanted property, tenants were unwilling to make complaints about landlords as they feared repercussions.

Lack of knowledge of tenants rights

The Law Centre identified a lack of knowledge of tenant's rights underpinning the above points and suggested that providing training for elected Members to raise their awareness would be beneficial in tackling this.

5.4 Interviews

Having heard evidence of tenancy issues in the local private rented sector and noting the views of tenants and residents about the benefits and barriers with regard to the sector, the Committee questioned Council officers to gain insight into ongoing work by the authority; to highlight any gaps in provision of services; and to identify best practice.

Evidence from the Housing Needs Manager demonstrated how the Council works proactively with its partners to prevent homelessness and to find homes for those who need them.

Homelessness

The Localism Act, 2011 redefined how the Council can respond to homeless applications, so that whilst it may owe a family a duty, this can be discharged in the private rented sector rather than in social housing. Whilst in many cases this may reduce pressure on social housing, sometimes solutions have to be sensitive to risk factors - for example, housing offenders subject to public protection arrangements or the resettlement of those who have fled domestic violence.

Through its performance management framework, the Council set a Corporate Plan target (SI 02) to achieve a 50% prevention rate for homelessness; in 2012/13 this target was exceeded at 58%. Details of the extent of statutory homelessness in the district and outcomes from preventative interventions are set out below:

- In 2012/13 there were 292 approaches to the Council for advice and assistance by people bordering on losing their home with successful intervention in 169 cases by way of legal advice etc preventing their becoming homeless. In total, 47 people were accepted as statutory homeless.
- From April to June 2013 there were 46 approaches of which 15 were prevented (33%) and 6 were accepted as statutory homelessness clients, which is broadly in line with the previous year. Whilst there has not been a significant increase in approaches since the implementation of welfare reforms in April, its effects have yet to fully impact.
- In 2012/13 there were 529 'nights' in bed & breakfast (28 cases). These were emergencies for single people. Only 1 or 2 of these cases included children.
- In 2012/13 there were 5 'individual approaches' - a total of 66 days. The cost of £2k was met from the bed and breakfast budget, which is £20k.
- The Government recommends that all local authorities have measures in place if the temperature drops below zero for 3 consecutive nights. Last year

the extremely cold weather triggered a high volume of payments which were met from the allocation within the bed and breakfast budget.

The Council works with partners such as the Law Centre when tenants are at risk of eviction or other action and do not have an assured tenancy. Concerns were raised by Members regarding families who may be given very little notice to find alternative accommodation at the end of their tenancy. This was considered to be due in part to mortgage lenders who place restrictions on owners who let their properties, leading to an increase in short-term tenancies.

People are signposted to the private sector where there is no requirement on the Council to provide accommodation and/or where there is no priority need. However, the authority does not guarantee tenant relationships with private landlords nor does it endorse private landlords.

Bolsover district has a high proportion of private rented stock compared to neighbouring authorities but not all is in good condition. A significant proportion of private rented sector tenants are on the waiting list for council housing. The Council is seeing some slippage on its Corporate Plan target (CFS 06) to reduce average re-let times appears; this appears to be linked to welfare reform with some larger properties in unpopular areas (for example New Bolsover) becoming more difficult to let.

Partnership work

The Housing Needs Manager highlighted the Council's existing links with Framework, Stonham Housing, P3 and Action Housing, which work well in practice. In north Derbyshire, Action Housing delivers a private rented housing access scheme supporting single young people into rented accommodation, offering initial support to ensure these tenants are able to manage their tenancies. There is a bond scheme which can be funded by the council; however this particular scheme does not extend to families.

Accreditation Schemes

Decent and Safe Homes (DASH) is a joint-working initiative with local authorities, property owners, landlords and tenants. DASH encourages and promotes good property standards and management practices in the private rented sector through accreditation schemes for landlords, letting agents and more recently, good tenants.

Quality standards in private rented housing

The Council advertises its own and housing association properties but does not undertake to advertise private rented sector properties. The Decent And Safe Homes accreditation scheme for landlords and the Landlords Forum assist in promoting and benchmarking the quality standards desired by tenants and expected by local authorities. Signposting those wishing to rent or let in the private sector to the accreditation schemes can help to raise awareness of these standards.

The Environmental Health Manager (Housing and Pollution) highlighted how the authority works with local landlords through an annual Landlords Forum and on an informal basis through Environmental Health services. In many cases, liaison with landlords could resolve tenant complaints without the need to go through formal enforcement powers which can be used more effectively in targeting those properties

in the poorest condition and in bringing empty properties back into use. The latter is a Corporate Plan target (E 09) comprised of three areas of activity:

- Proactive engagement with owners of empty properties
- Responding to complaints, pursuing public health matters and taking enforcement action where necessary
- Sharing best practice via environmental health and regeneration networks and taking part in developing projects and funding bids.

The Housing Strategy and Enabling Manager indicated that a recent Housing Market Assessment had focused specifically on the District's private rented sector. Whilst this was work still in progress, key findings included:

Preference

Data from a questionnaire survey of tenants in the private rental sector highlighted that the sector is not always the tenure of choice for local residents, with 62% of those tenants receiving Local Housing Allowance expressing a preference for social housing. This may be due to several factors including pressure on tenants from shortfalls in rent because of changes to Local Housing Allowance and security of tenure.

In Bolsover district, tenants are more likely to access private sector rentals via word of mouth or directly with the landlord, rather than using letting agencies. This can lead to a situation where there is no contract as there is no proper tenancy agreement making it difficult for tenants to get repairs done. The Committee felt that while a contract was crucial, tenants may not understand the importance of having a properly completed tenancy agreement.

Increasing supply of properties

Where possible, the Council makes use of Section 106 Planning agreements to request that affordable housing includes the smaller properties now in demand because of changing household needs and the effect of welfare reforms. However, the challenge for the Council is to meet the needs of our communities now.

6. Key findings

• Bonds

Bonds are a major obstacle for low income earners and those claiming Housing Benefits.

• Admin fees and charges

There is no governance over the amount letting agents can charge; this is a particular barrier to those on benefits.

• Rent levels

Whilst the private rented sector in Bolsover is relatively affordable, the quality of the cheaper stock tends to be poor.

• Local Housing Allowance

As Local Housing Allowance is now paid on the 30th centile of average local rents, only cheaper, poorer quality property is affordable. This is leading to many tenants having to top up any shortfall in their rent.

- **Security of tenure**

Traditionally the area does not have long rental tenure arrangements so tenants are obliged to pay credit check fees, etc more often. Informal tenancy arrangements are common but are not assured as they have no contractual basis.

- **Perception of quality of stock**

The perception of poor quality can be off putting before people even begin to look for a property in the private rental sector.

- **Supply**

There is emerging evidence of a national trend of landlords steering away from claimants of Local Housing Allowance and this may become more significant with the implementation of Universal Credit when benefit for rent is paid direct to the tenant and not to the landlord. Where possible, the Council makes use of Section 106 Planning agreements to request that affordable housing includes the smaller properties now in demand because of changing household needs and the effect of welfare reforms.

7. Conclusions

The Scrutiny Committee has considered the findings from the evidence presented and concluded that the Council has demonstrated successful use of its enforcement powers to improve standards of property maintenance and to bring empty properties back into use. It has developed effective relationships with both landlords and voluntary sector agencies resulting in good practice which supports the driving up of standards in property maintenance and tenancy management.

Nevertheless, more could be done to raise standards in the private rented sector. Key to this is the Council's continuing support for the landlord accreditation scheme provided by Decent And Safe Homes and working with our partners to reduce the risk of both homelessness and other problems with tenancies by raising awareness of the rights and responsibilities of tenants and landlords. In particular, training for Members would be of benefit in their decision-making and in their contact with residents who seek advice on resolving housing problems.

The Safe & Inclusive Scrutiny Committee has therefore formulated six recommendations which are set out in section 2. At its meeting on 17 February 2014, the Scrutiny Management Board considered that tenants who use informal contacts such as family and friends for accommodation could be at risk from insecure tenancies with regard to eviction; effecting necessary property repairs; and any benefit claims. The Board therefore recommended that the following wording be added to Recommendation 2.3:

In addition, the website should provide advice and information about the importance of formal tenancy agreements in securing tenants' rights.

As this Review was concluded, the government announced that it intended to implement two of the recommendations made by the House of Commons Communities & Local Government Committee: a Tenants Charter and a requirement for letting agents to advertise administration and other fees in advance of letting.

The Committee further noted that councils are adopting new approaches to respond to the growth of the private rented sector, such as the establishment of a Social Lettings Agency by the London Borough of Hackney.

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Appendix 1

Cllr. Ann Syrett - Portfolio Holder for Social Inclusion
Wes Lumley - CEO / Executive Director - Growth
Paul Hackett - Executive Director - Transformation
Sarah Clow – Strategic Housing Strategy and Enabling Manager
Samantha Bentley – Environmental Health Manager (Housing and Pollution)
Peter Campbell – Head of Housing
Diane Bonsor – Housing Needs Manager

Agencies including;

Bolsover District Tenant's Panel and local Tenants and Residents Associations
Chesterfield Law Centre
Citizens Advice Bureau
Credit Union
Derbyshire Unemployed Workers Centre
The Family Employment Initiative
Local Food Banks
Royal British Legion
Two Shires Credit Union