

Embedding the private rented sector into local housing strategies

Context

This brief paper draws on work carried out as part of the Welsh Government funded project to develop local authority working on the private rented sector. Initially, a template for a private rented sector strategy and action plan were developed (appendix 1). However, the project steering group suggested that instead of this approach, a note on embedding the private rented sector into local housing strategies should be produced.

Welsh Government guidance for local authorities in relation to local housing strategies published in 2007¹ does not include significant information on the role of the private rented sector. However, supplementary guidance published in 2003 focusing on the role of the private sector in local housing strategies included²:

- advice on ways of improving the quality of housing in the private sector. This includes the use of empty homes strategies, the targeting of home renovation grants, the use of area renewal and group repair schemes and schemes for regenerating social housing communities, in conjunction with the private sector
- examples of how local authorities might support, regulate and work with the private rented sector. This includes the encouragement of private landlords to provide good quality accommodation to help meet local needs, the development of local landlords fora, voluntary accreditation schemes, working with higher and further education institutions, developing rent and bond deposit schemes, registering houses in multiple-occupation (HMOs) and providing renovation grants for landlords

In addition to the proportion of properties in the private rented sector increasing significantly in most parts of Wales in recent years, the Welsh Government's proposals for the Housing Bill have major implications for local authorities' work with the private rented sector. The registration and licensing of landlords and lettings agents will provide an opportunity for local authorities to develop much better knowledge of the private sector landlords who own properties in their area, while the ability of local authorities to discharge their homelessness duty into the private rented sector will require knowledge of, and work with, landlords prepared to work closely with local authorities.

Suggested approach

In the above context, the following approach to embedding the private rented sector into local housing strategies is suggested:

- 1) Ensure the private rented sector is adequately taken account of within local housing market assessments which should identify factors such as:
 - the size and condition of the private rented sector
 - the role of the private rented sector in meeting different aspects of housing need
 - trends in the private rented sector – whether it is expected that it will grow
 - the impact of welfare reform on the ability of the sector to meet housing need
- 2) Ensure local priorities for the local housing strategy encompass the private rented sector (see aims section in appendix 1 for possible priorities)

¹ <http://wales.gov.uk/topics/housingandcommunity/housing/publications/localhouseguideforlase/?lang=en>

² <http://wales.gov.uk/topics/housingandcommunity/housing/publications/roleprivate/?lang=en>

- 3) Ensure strategy content is forward looking to take account of the forthcoming legislative requirements in relation to the private rented sector
- 4) Ensure the strategy provides clarity about:
 - appropriate interventions, (support, liaison, grants/loans, enforcement etc), that the local authority will make in relation to the private rented sector for those who are unable to access home-ownership and for those who are in housing need
 - partnership working (within the local authority area and across local authority boundaries) in relation to the private rented sector

The private rented sector project has identified a number of actions that might be included in local housing strategies:

- Undertake research to improve knowledge about private rented sector landlords (as an interim measure before registration and licensing becomes a requirement)
- Improve communications with private rented sector landlords through various means
- Improve corporate working on the private rented sector by the means of a corporate working group or explicit inclusion of the private rented sector within the remit of other corporate group(s)
- Develop an 'offer' for private sector landlords to encourage the use of the properties they own for those who are in housing need
- Ensure work on empty homes (whether using Houses into Homes or other funding) links to using the private rented sector to meet housing need – using appropriate requirements within loan agreements with landlords/owners
- Ensuring a well-functioning social lettings agency is in place which can scale up their activity as required as the proposals in the Housing White Paper are implemented
- Increase the prevention of homelessness within the private rented sector (the evaluation of the benefit mitigation projects within local authorities due to be published soon will be useful here)

Although the overall conclusion of the private rented sector project steering group is to embed the private rented sector into local housing strategies, individual local authorities may deem it appropriate to have a stand alone improvement or action plan for the private rented sector in order to maintain and sustain sufficient focus on this sector.

The action plan template in appendix 1 could be used as the format for the local housing strategy action/operational/delivery plan.

Appendix 1: Private rented sector chapter within a local housing strategy: suggested template

Overall approach – concise/focused

Context

National and local drivers for looking at the PRS (eg housing market factors, welfare reform, housing need, Housing White Paper, local strategies/priorities, concentrations of HMOs etc)

Size and condition of PRS locally (eg numbers of properties, HMOs, condition, HHSRS, energy efficiency etc)

Vision and aims

Vision for the PRS

Aims of the strategy (select from the following/add others as appropriate)

To further develop a corporate and collective approach to work on the PRS

To improve knowledge of the PRS

To improve the quality and energy efficiency of PRS accommodation

To improve access to good quality PRS accommodation

- for those in housing need (including people who are homeless or threatened with homelessness)
- for those unable to access home-ownership

To improve communication and engagement with PRS landlords

To prepare for the introduction of licensing and accreditation

To prevent homelessness within the PRS

To mitigate the negative impacts of welfare reform

For those aims used, identify a small number of desired outcomes

Delivering the strategy (might wish to include this at the end of the local housing strategy as part of the strategy action plan rather than at the end of the PRS chapter)

Linking with other agendas (eg empty homes)

Resourcing the strategy (people and money)

Engaging partner organisations

Monitoring the strategy

Note: private sector housing strategy could include empty property, private sector renewal and PRS elements

PRS action plan: suggested template

Aim 1						
Action/ task	Who is taking the lead	Who else needs to be involved	Financial resources required	To be completed by	How success will be judged/outcome	Progress (for reporting purposes)