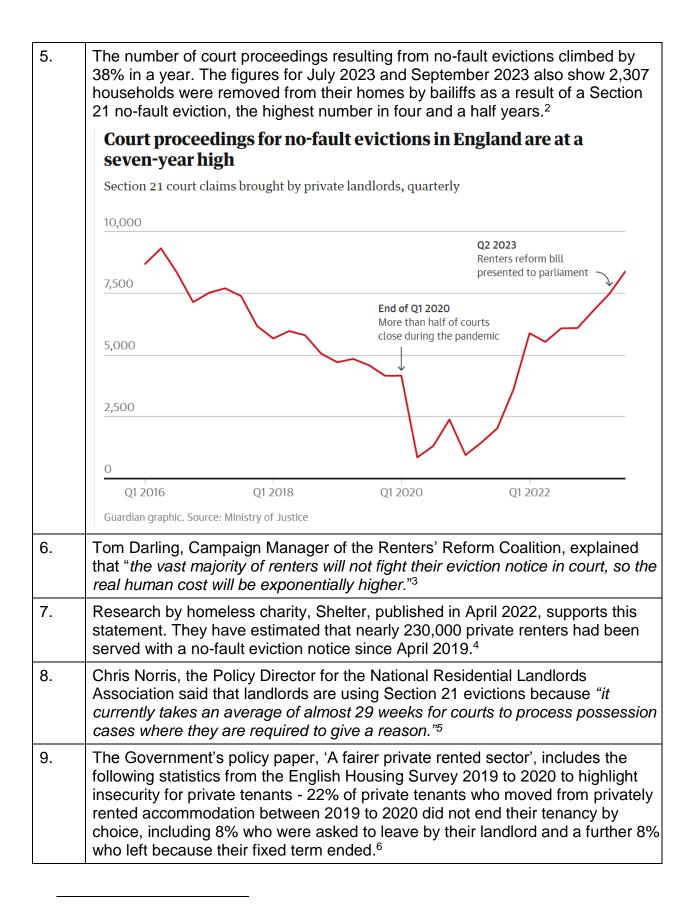
DECISION-MAKER:	SCRUTINY INQUIRY PANEL
SUBJECT:	SECURITY, STABILITY AND OVERCROWDING IN THE PRIVATE RENTED SECTOR
DATE OF DECISION:	29 FEBRUARY 2024
REPORT OF:	SCRUTINY MANAGER

CONTACT DETAILS				
Executive Director	Title	Executive Director – Corporate Services		
	Name	Mel Creighton	Tel:	023 8083 3528
	E-mail	Mel.creighton@southampton.gov.uk		
Author:	Title	Scrutiny Manager		
	Name	Mark Pirnie	Tel:	023 8083 3886
	E-mail	Mark.pirnie@southampton.gov.uk		

Г

STATEMENT OF CONFIDENTIALITY					
None					
BRIEF	SUMMARY				
Panel	In accordance with the Inquiry Plan, at the 29 February 2024 meeting of the inquiry the Panel will be considering security, stability and overcrowding in the private rented sector housing in Southampton.				
RECO	MMENDATIONS:				
	(i) The Panel is recommended to consider the comments made by the invited guests and use the information provided as evidence in the review.				
REAS	ONS FOR REPORT RECOMMENDATIONS				
1.	To enable the Panel to compile a file of evidence in order to formulate findings and recommendations at the end of the review process.				
ALTE	RNATIVE OPTIONS CONSIDERED AND REJECTED				
2.	None.				
DETA	IL (Including consultation carried out)				
	Stability and security in the private rented sector				
3.	Under current housing legislation, known as Section 21, private sector landlords can evict tenants without giving a reason. After receiving a Section 21 notice, tenants have two months before their landlord can apply for a court order to evict them.				
4.	Ministry of Justice data showed that between July 2023 and September 2023 8,399 landlords in England started Section 21 no fault eviction court proceedings against their tenants – the highest number for seven years. ¹				

¹ Mortgage and Landlord Possession statistics: July to September 2023 - GOV.UK (www.gov.uk)



² Mortgage and Landlord Possession statistics: July to September 2023 - GOV.UK (www.gov.uk)

⁴ Every seven minutes a private renter is served a no-fault eviction notice despite government promise to scrap them three years ago - Shelter England

⁶ English Housing Survey 2019 to 2020: headline report - GOV.UK (www.gov.uk), cited in <u>A fairer private rented</u> sector - GOV.UK (www.gov.uk)

³ No-fault evictions in England 'soaring out of control', say campaigners | Housing | The Guardian

⁵ No-fault evictions in England 'soaring out of control', say campaigners | Housing | The Guardian

10.	Reflecting the above statistics, the policy paper concludes that: 'It has become increasingly apparent that the current tenancy system doesn't always provide the security that those renting privately need.' ⁷			
	The impact of the lack of housing security experienced by tenants			
	Homelessness			
11.	The ending of a private rented tenancy is the most common reason for a household being at risk of homelessness. In the first quarter of 2023, 32% more households (6,550 households) presented to councils at risk of homelessness after being served with a Section 21 notice, compared to the last quarter of 2019 ⁸ – highlighting that the increase in Section 21 notices is more than just a rebound from the eviction ban introduced during the pandemic. ⁹			
12.	To be classified as 'threatened with homelessness' by their council, a household must be at risk of losing their home in the next 56 days (8 weeks). ¹⁰			
13.	The main reasons given for households requiring a prevention duty [*] , due to the end of an assured shorthold private rented tenancy, from April to June 2023, were as follows: ¹¹			
	 Landlord wishing to sell or re-let the property – 66% Other / Reasons not known – 17% Rent arrears – 13% Breach of tenancy (not related to rent arrears) – 1.4% 			
14.	Many households threatened with homelessness end up, where entitled, being accommodated in temporary accommodation. According to the Local Government Association, councils are spending £1.7bn a year renting temporary and often overcrowded accommodation for more than 100,000 households, more than at any time in the past 25 years. ¹²			
	It makes it difficult for tenants to challenge poor practice			
15.	 The prospect of being evicted without reason at two months' notice can leave tenants feeling reluctant to challenge poor practice. The 'fairer private rented sector' policy paper quotes the following statistics:¹³ In 2019 to 2020, 22% of tenants who wished to complain to their landlord 			
	 did not do so (English Housing Survey 2019 to 2020) In 2018, Citizens Advice found that if a tenant complained to their local council, they were 5 times more likely to be evicted using Section 21 than those who stayed silent (Touch and Go, how to protect renters from retaliatory evictions, Citizens Advice, 2018) 			

^{*} When the authority is satisfied that the person is eligible for assistance, and homeless or threatened with homelessness within 56 days, they must assess the person's housing needs and draw up a housing plan. If the person is threatened with homelessness, the authority has a duty to help prevent them becoming homeless (the prevention duty). If the person is already homeless, the authority has a duty to help them secure accommodation for at least six months (the relief duty).

⁷ <u>A fairer private rented sector - GOV.UK (www.gov.uk)</u>

⁸ Tables on homelessness - GOV.UK (www.gov.uk)

⁹ Renters' Reform Bill, Second Reading, House of Commons, 23 October 2023 | Local Government Association

¹⁰ Shelter Legal England - Legal definition of homelessness and threatened homelessness - Shelter England

¹¹ Detailed_LA_202306_All_Dropdowns_Fixed.ods (live.com)

^{12 £1.74} billion spent supporting 104,000 households in temporary accommodation | Local Government Association

¹³ <u>A fairer private rented sector - GOV.UK (www.gov.uk)</u>

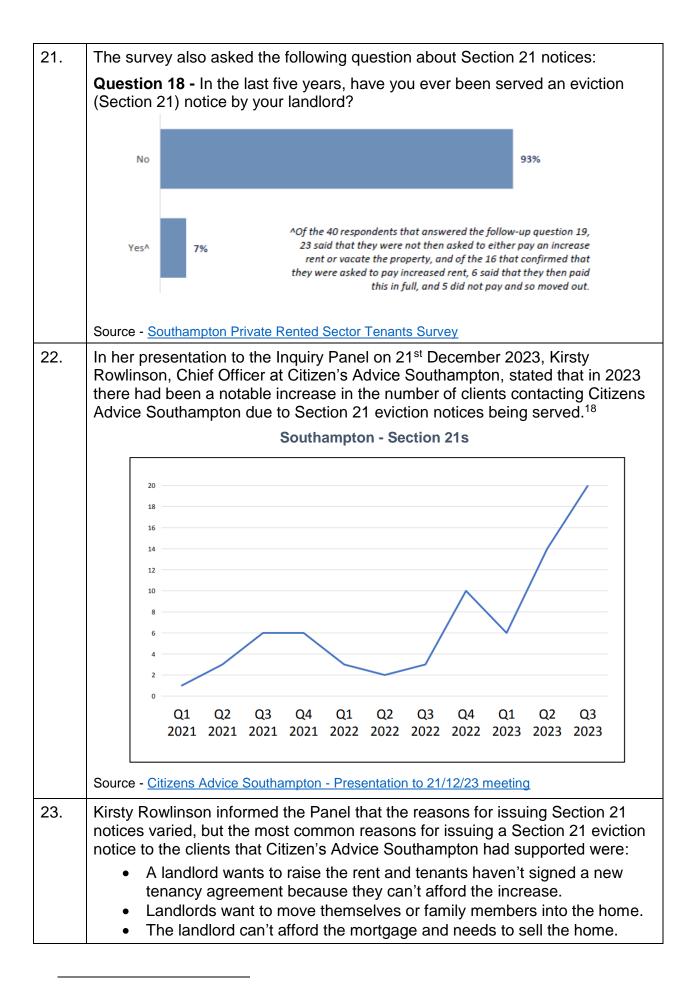
	Health and wellbeing				
16.	In October 2023 a group of 30 charities and non-profit organisations urged the Prime Minister to pass a bill to ban 'no-fault' evictions. In the letter, co-ordinated by Shelter, it points out that "poor and insecure housing makes people physically sick, and has a well-documented, negative impact on their mental health". It added: "It causes social isolation and financial hardship, and traps people in cycles of poverty, struggle and uncertainty that are difficult, sometimes impossible, to break." ¹⁴				
17.	Evidence cited in 'A fairer private rented sector', indicates that families worry about moves that do not align to school terms, and tenants feel they cannot put down roots in their communities or hold down stable employment. Children in insecure housing experience worse educational outcomes, reduced levels of teacher commitment and more disrupted friendship groups, than other children. ¹⁵				
18.	Further research for Shelter, published in September 2023, extrapolated data to show that 7% of tenants over 55s had received a 'no fault' Section 21 notice in the last three years. The research found that a quarter of renters aged over 55 say that worrying about being evicted is having a negative impact on their mental or physical health. ¹⁶				
	Stability and security in the private rented sector - Southampton				
19.	The Southampton Tenants Survey, ¹⁷ conducted in October 2023, asked how long renters had been renting their current home. Question 6 How long have you been renting your current home? Respondents 582				
	Less than a year 42%				
	1-2 years 22%				
	3-5 years 14%				
	6-10 years 16%				
	11-25 years 6%				
	More than 25 years 1%				
	Source - Southampton Private Rented Sector Tenants Survey				
20.	As expected, tenancies of an ongoing duration of less than a year are most common in student demographics. 78% of 18–24-year-olds and 71% of those in education said that they've been renting their current home for less than a year.				

¹⁴ <u>Charities 'concerned' over lack of progress with Renters Reform Bill - BBC News</u>

¹⁵ <u>Moving Always Moving Report</u> (The Children's Society); Kristine von Simson & Janis Umblijs (2021) <u>Housing</u> conditions and children's school results: evidence from Norwegian register data, International Journal of Housing Policy, 21:3, 346-371, DOI: 10.1080/19491247.2020.1814190. Cited in <u>A fairer private rented sector - GOV.UK</u> (www.gov.uk)

¹⁶ Tenants over-55 hit with a no-fault eviction notice every 16 minutes - Shelter England

¹⁷ Southampton Private Rented Sector Tenants Survey



¹⁸ <u>Citizens Advice Southampton - Presentation to 21/12/23 meeting</u>

	Data analysed by Citizens Advice Southampton also identified a number of retaliatory evictions whereby a tenant will ask for repairs to be carried out, and the landlord will issue a Section 21 notice. ¹⁹				
24.	Case studies appended to the 21 December 2023 meeting of the Inquiry Panel, provided by Polyanne Gouldthorpe, Housing Advisor, Southampton Solent University, highlighted some student experiences that raised a number of concerns as well as undermining tenant security: ²⁰				
	 Case Study 2: Illegal Eviction, Rent Raised Overnight* - An international student and his wife were illegally evicted from a property after the landlord raised the rent overnight. Case Study 3: Withheld Deposit* - A student has been living on a boat; when the student raised several repairs, they were evicted. The landlord subsequently withheld their deposit. Case Study 4: Illegal Eviction* - A student living with a resident landlord was evicted when she rejected his advances. 				
	*NB The appropriate authorities were informed where applicable with limited results.				
	The impact of the lack of housing security experienced by tenants - Southampton				
	Homelessness				
25.	The Strategic Assessment for the Council's Homelessness Prevention Review, updated in September 2023, identified that Southampton has experienced a sustained increase in the rate of households threatened by homelessness, with the Southampton rate significantly higher than the national average in 2022. ²¹				
26.	Statistics for Southampton indicate that the second most frequent reason for households being threatened by homelessness during 2021/22 was the end of assured shorthold privately rented tenancy (150, 27.7%). A similar pattern is also observed for households assessed as homeless with the end of assured shorthold privately rented tenancy the stated reason for 13.5% (143) of cases. This again was the second most frequest reason given.				
27.	The latest available figures show that, in the second quarter of 2023, 42 households presented to Southampton City Council as being at risk of homelessness after being served with a Section 21 notice. ²²				
	What actions have been proposed to increase stability and security for private sector renters? - National				
	Renters (Reform) Bill				
28.	The Bill will abolish Section 21 evictions, which allow landlords to evict tenants without a reason. The Bill introduces three new mandatory grounds possession, which will enable landlords to regain their properties following the removal of Section 21:				
	• New ground 1 and 2 allow a landlord to regain possession if they or their family want to live in the property, or they wish to sell the property. The				

 ¹⁹ <u>Citizens Advice Southampton - Presentation to 21/12/23 meeting</u>
 ²⁰ <u>Appendix 3 - Student housing information overview from Southampton Solent University.docx.pdf</u>
 ²¹ <u>Strategic Assessment - Homelessness Prevention Review</u>
 ²² <u>Detailed LA 202306 All Dropdowns Fixed.ods (live.com)</u>

	 notice period for these grounds will be two months. Landlords will not be able to use them in the first six months of a tenancy. After using them, they will be banned from reletting or remarketing their property within 3 months. The Bill also includes a new mandatory ground for eviction, in the case where a tenant has been in at least two months' rent arrears three times within the previous three years. The notice period for the rent arrears ground will be increased to four weeks from two weeks. The Bill will expand the existing discretionary ground to evict tenants who exhibit anti-social behaviour, to include behaviours "capable of causing" nuisance or annoyance. Currently, the landlord must demonstrate that a tenant's behaviour is "likely to cause" a nuisance or annoyance. On this ground, landlords can begin eviction proceedings immediately.²³ 			
29.	The Local Government Association have identified an additional benefit of removing Section 21. They anticipate it will give councils and central government more accurate information on why tenancies are ending, to help improve support. ²⁴			
30.	Alongside the abolition of Section 21, through the Renters (Reform) Bill, the Government plans to transition Assured Shorthold tenancies to periodic tenancies. This means that in the future those tenancies will no longer have a fixed term (i.e. there will be no set end date) and a tenant will need to provide two months' notice to a landlord to terminate the tenancy and vacate.			
31.	The Government believe that these measures will 'provide greater security for tenants while retaining the important flexibility that privately rented accommodation offers. ²⁵			
32.	The end to Section 21 evictions and assured shorthold tenancies, is supported by the Local Government Association who believe that this will help to give private rented sector tenants greater security and stability in their home, and reduce the number of people facing homelessness due to 'no-fault' evictions or a tenancy ending. ²⁶			
	Call B4 You Serve - DASH ²⁷			
33.	DASH (Decent & Safe Homes) is a social enterprise which provides shared services for local authorities across the East Midlands. In 2019, DASH launched the Call B4 You Serve (CB4YS) pilot. One staff member, based at Derby City Council, served as a single point of contact for private landlords who were experiencing tenancy problems and intended to take eviction action. The officer was available to advise landlords across ten authority areas, with each contributing towards a portion of the pilot costs.			
34.	CB4YS is a landlord-focused service, encouraging contact as early as possible if a landlord or agent has problems with a tenancy. Around half of referrals to its service come from landlords. The other half come from partner authorities: they refer all Section 21 notices, received by tenants who present as threatened with			

 ²³ <u>Renters' Reform Bill, Second Reading, House of Commons, 23 October 2023 | Local Government Association</u>
 ²⁴ <u>Renters' Reform Bill, Second Reading, House of Commons, 23 October 2023 | Local Government Association</u>
 ²⁵ <u>A fairer private rented sector - GOV.UK (www.gov.uk)</u>

²⁶ Renters' Reform Bill, Second Reading, House of Commons, 23 October 2023 | Local Government Association

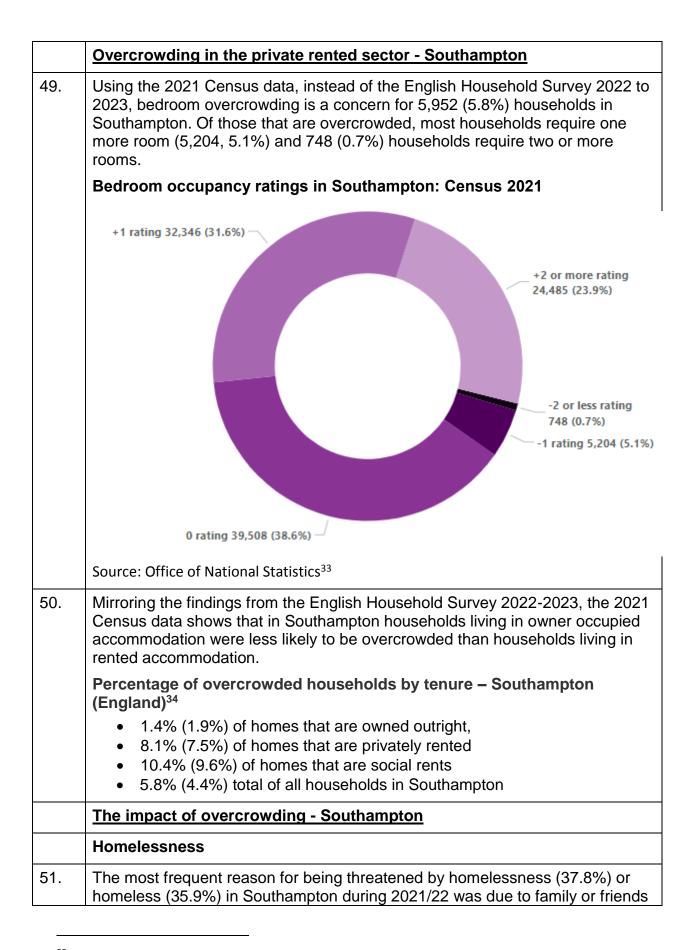
²⁷ DASH Services - Call B4 You Serve

	homelessness, to CB4YS. The remit of the service is to exhaust all tenancy sustainment avenues. If this is not possible, CB4YS seeks to facilitate a positive tenancy end (from both sides), and a planned move for the tenant.
35.	CB4YS has established extensive partnerships within the ten councils, and across their wider service landscape. Whilst the CB4YS officer entirely manages relationships with landlords, providing advice, mediation, support and updates, they are reliant on council and other partners stepping in and providing advice and support to tenants, where needed. That includes following up on any enforcement action where illegal or unsafe management or property conditions are detected.
36.	In year one, CB4YS received 462 referrals. Landlords did not go on to serve notice in 21% of cases and withdrew notices in 14%. 34% tenants moved to other homes, without a need for either legal action or temporary accommodation. This gives a prevention rate of 69%. 14% of remaining cases received extensive assistance. CB4YS estimates savings to councils of over £1.2 million in homelessness service costs in year one. Seven more councils joined in year two.
37.	CB4YS finds landlords appreciate a service which listens to their side of the story. They've been willing to work through problems, including writing off arrears if a tenancy is stabilised and they're able to receive support. Via landlords, tenants access advice and support earlier. Even where a tenancy can't be salvaged, CB4YS negotiates 'good ends'. Relationships between councils and landlords have improved, with landlords showing greater willingness to let homes to tenants on benefits and who are in urgent housing need. ²⁸
	BCP Council - Grants and assistance for landlords
38.	Bournemouth, Christchurch and Poole Council employ a number of innovative grants and incentive schemes that are beneficial to those looking to rent out a property - <u>Grants and assistance for landlord BCP (bcpcouncil.gov.uk)</u> .
39.	One of the schemes they operate is a Property Investment Grant. A Property Investment Grant is available to landlords to assist them in renovation or improvement work to a property to improve the property's overall standards.
40.	Landlords with properties in Bournemouth, Christchurch or Poole can receive up to 60 per cent of eligible renovation works. In return, the landlord gives the Council nomination rights to the property for a continual period of 3 years at a rent level no higher than 10 per cent above local housing allowance levels.
41.	If you're a local landlord with private rented properties in Bournemouth, Christchurch or Poole, you could also receive an incentive of up to £2,500 through their Help to Let scheme, to provide an affordable tenancy for eligible individuals or families.
42.	BCP Council provide support and incentives to landlords who can offer affordable rented accommodation for specific local people in need of a home. In return, the Council offer landlords a financial incentive, depending on the property type. The tenant is also offered support to help them to maintain their tenancy helping to increase security and stability.

²⁸ Homelessness prevention by DASH | Crisis UK

	What actions have been proposed to increase stability and security for private sector renters? - Southampton			
43.	The Council's Service Lead for Housing Needs and Welfare Support will be in attendance to outline the actions planned or proposed to increase security and stability for tenants in Southampton's private rented sector.			
44.	 The actions identified should be seen within the context of the City Council's <u>Homelessness and Rough Sleeping Strategy 2024-2029</u>. Priority 4 includes an objective to improve relationships with Private Rented Sector housing providers and landlords. The strategy states that the Council want to achieve: A better understanding of the current challenges in the PRS and an increased availability for residents to access the PRS where possible. Work both proactively and reactively with landlords to incentivise, and support them to provide appropriate and high-quality housing for residents. Explore options for ensuring local housing availability and quality for tenants.²⁹ 			
	Overcrowding in the private rented sector			
45.	Levels of overcrowding and under-occupation are measured using the bedroom standard. This is essentially the difference between the number of bedrooms needed to avoid undesirable sharing (given the number, ages and relationship of the household members) and the number of bedrooms actually available to the household.			
46.	According to the English Household Survey 2022 to 2023 ³⁰ the overall rate of overcrowding in England in 2022-23 was 3%, with approximately 708,000 households living in overcrowded conditions. Overcrowding was more prevalent in the rented sectors than for owner occupiers. In 2022-23, 1% of owner occupiers (148,000 households) were overcrowded compared with 8% of social renters (328,000) and 5% of private renters (232,000).			
47.	In November 2023, The Guardian reported the problem of criminal landlords more than doubling their rental income by cramming strangers into family homes without obtaining a house in multiple occupation (HMO) licence, which limits how many people can share kitchens and bathrooms. ³¹			
	The impact of overcrowding experienced by tenants			
48.	According to a Government report published in 2007 – 'Tackling overcrowding in England' ³² , living in overcrowded accommodation can, both directly and indirectly, have a devastating effect on families. Under-achievement at school can be caused by lack of space for children to do their homework. Absence rates may be higher because of illness associated at least in part with poor living conditions. Older children may spend more time outside the home, on the streets, simply to find privacy and space. Overcrowding may exacerbate stress, depression and in the worst cases domestic violence or breakdown of relationships.			

Homelessness and Rough Sleeping Strategy 2024-2029 (southampton.gov.uk)
 Chapter 4: Dwelling condition - GOV.UK (www.gov.uk)
 There's no space': rogue landlords double income by ignoring overcrowding rules | UK news | The Guardian
 [ARCHIVED CONTENT] (nationalarchives.gov.uk)



³³ Source ONS, cited <u>https://data.southampton.gov.uk/media/3zsf4jaw/homeless-needs-assessment-september-</u> 2023.pdf

³⁴ Overcrowding and under-occupancy by household characteristics, England and Wales - Office for National Statistics (ons.gov.uk)

	no longer being willing or able to accommodate people. The rates are				
	significantly higher than the national level (25.5% and 30.5%, respectively). ³⁵				
52.	If you interpret family or friends no longer being willing or able to accommodate people as being due to a property being overcrowded, then it is possible to link overcrowding with high levels of homelessness in Southampton.				
	Invited Guests				
53.	To provide context to the information above, a number of guests have been invited to present at the 29 February 2024 meeting of the Inquiry Panel:				
	 Maria Byrne – Southampton City Council's Service Lead for Housing Needs and Welfare Support will be in attendance to: 				
	 Provide a brief overview of homelessness in Southampton and the link between tenants being asked to leave private rented sector accommodation and homelessness. 				
	 Outline the importance of private rented sector housing to accommodating homeless people in Southampton. 				
	 Inform the Panel of the work Southampton City Council are undertaking, or are planning to do, to improve understanding and engagement with the private rented sector to deliver better outcomes for tenants relating to security and stability. 				
	Southampton Tenants Union				
	The Tenants Union have been asked to provide a tenants perspective on security, stability and overcrowding in Southampton.				
	Representatives from Landlord Organisations				
	Liz Mackenzie, Regional Representative from the NRLA, Sam Watkins, Senior Policy Officer at the NRLA and Peter Littlewood, Chief Executive Officer at iHOWZ have been asked to provide the Panel with a landlords perspective on security, stability and overcrowding within private rented accommodation in Southampton.				
	Professor Helen Carr and Dr Mark Jordan from the <u>People, Property and</u> <u>Community Research Centre, Southampton Law School, University of</u> <u>Southampton</u>				
	Expert Advisers to the Panel, Professor Carr and Dr Jordan, will provide an overview of legislation relating to security, stability and overcrowding as well as identifying examples of approaches being applied, or considered, elsewhere to increase the security associated with renting in the private sector.				

³⁵ https://data.southampton.gov.uk/media/3zsf4jaw/homeless-needs-assessment-september-2023.pdf

54. The invited guests will take questions from the Panel relating to the evidence provided. Copies of any presentations will be made available to the Panel and will be published on the Inquiry Panel's pages on the Council website:

Browse meetings - Scrutiny Inquiry Panel - How do we get a better deal for private sector renters in Southampton? | Southampton City Council.

RESOURCE IMPLICATIONS

Capital/Revenue/Property/Other

55. Resources to support the scrutiny review will come from existing budgets.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

56. The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.

Other Legal Implications:

57. None

RISK MANAGEMENT IMPLICATIONS

58. None

POLICY FRAMEWORK IMPLICATIONS

59. None

KEY DE	CISION?	No			
WARDS/COMMUNITIES AFFECTED:		FECTED:	None		
	SUPPORTING DOCUMENTATION				
Appendices					
1.	None				

Documents In Members' Rooms

1.	None			
Equality	/ Impact Assessment			
	Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out?			
Data Pr	otection Impact Asses	sment		
Do the implications/subject of the report require a Data Protection Impact No Assessment (DPIA) to be carried out?				
Other Background Documents Other Background documents available for inspection at:				
Title of Background Paper(s)		Relevant Paragraph of the Access to In Procedure Rules / Schedule 12A allow document to be Exempt/Confidential		
1.	None			