

Scrutiny Inquiry Panel - How do we get a better deal for private sector renters in Southampton?

Thursday, 18th April, 2024
at 5.30 pm

PLEASE NOTE TIME OF MEETING

Council Chamber - Civic Centre

This meeting is open to the public

Members

Councillor McEwing
Councillor Evely
Councillor Powell-Vaughan
Councillor Windle
Councillor Blackman

Contacts

Democratic Support Officer
Melanie Morley
Email: Melanie.Morley@southampton.gov.uk

Scrutiny Manager

Mark Pirnie
Tel: 023 8083 3886
Email: mark.pirnie@southampton.gov.uk

PUBLIC INFORMATION

Role of Scrutiny Panel Inquiry –

Purpose:

To identify opportunities to improve outcomes for private sector renters in Southampton.

Use of Social Media:- The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair's opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council's Standing Orders the person can be ordered to stop their activity, or to leave the meeting.

By entering the meeting room you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public.

Any person or organisation filming, recording or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so.

Details of the Council's Guidance on the recording of meetings is available on the Council's website.

Southampton: Corporate Plan 2020-2025

sets out the four key outcomes:

- Communities, culture & homes - Celebrating the diversity of cultures within Southampton; enhancing our cultural and historical offer and using these to help transform our communities.
- Green City - Providing a sustainable, clean, healthy and safe environment for everyone. Nurturing green spaces and embracing our waterfront.
- Place shaping - Delivering a city for future generations. Using data, insight and vision to meet the current and future needs of the city.
- Wellbeing - Start well, live well, age well, die well; working with other partners and other services to make sure that customers get the right help at the right time

Public Representations

At the discretion of the Chair, members of the public may address the meeting about any report on the agenda for the meeting in which they have a relevant interest.

Smoking policy – the Council operates a no-smoking policy in all civic buildings.

MOBILE TELEPHONES:- Please switch your mobile telephones or other IT to silent whilst in the meeting.

Fire Procedure – in the event of a fire or other emergency a continuous alarm will sound and you will be advised by Council officers what action to take.

Access – access is available for the disabled. Please contact the Democratic Support Officer who will help to make any necessary arrangements.

Dates of Meetings: 2023/2024

16 November 2023
21 December 2023
18 January 2024
15 February 2024
29 February 2024
18 April 2024

CONDUCT OF MEETING

Terms of Reference

The terms of reference of the Committee are contained in the Council's Constitution.

Business to be discussed

Only those items listed on the attached agenda may be considered at this meeting.

Rules of Procedure

The meeting is governed by the Council Procedure Rules as set out in Part 4 of the Constitution.

Quorum

The minimum number of appointed Members required to be in attendance to hold the meeting is 3.

Disclosure of Interests

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "personal" or "prejudicial" interests they may have in relation to matters for consideration on this Agenda.

Personal Interests

A Member must regard himself or herself as having a personal interest in any matter

- (i) if the matter relates to an interest in the Member's register of interests; or
- (ii) if a decision upon a matter might reasonably be regarded as affecting to a greater extent than other Council Tax payers, ratepayers and inhabitants of the District, the wellbeing or financial position of himself or herself, a relative or a friend or:-
 - (a) any employment or business carried on by such person;
 - (b) any person who employs or has appointed such a person, any firm in which such a person is a partner, or any company of which such a person is a director;
 - (c) any corporate body in which such a person has a beneficial interest in a class of securities exceeding the nominal value of £5,000; or
 - (d) any body listed in Article 14(a) to (e) in which such a person holds a position of general control or management.

A Member must disclose a personal interest.

Continued/.....

Prejudicial Interests

Having identified a personal interest, a Member must consider whether a member of the public with knowledge of the relevant facts would reasonably think that the interest was so significant and particular that it could prejudice that Member's judgement of the public interest. If that is the case, the interest must be regarded as "prejudicial" and the Member must disclose the interest and withdraw from the meeting room during discussion on the item.

It should be noted that a prejudicial interest may apply to part or the whole of an item.

Where there are a series of inter-related financial or resource matters, with a limited resource available, under consideration a prejudicial interest in one matter relating to that resource may lead to a member being excluded from considering the other matters relating to that same limited resource.

There are some limited exceptions.

Note: Members are encouraged to seek advice from the Monitoring Officer or his staff in Democratic Services if they have any problems or concerns in relation to the above.

Principles of Decision Making

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

AGENDA

Agendas and papers are now available online at
www.southampton.gov.uk/council/meeting-papers

1 APOLOGIES AND CHANGES IN MEMBERSHIP (IF ANY)

To note any changes in membership of the Panel made in accordance with Council Procedure Rule 4.3.

2 DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer.

3 DECLARATIONS OF SCRUTINY INTEREST

Members are invited to declare any prior participation in any decision taken by a Committee, Sub-Committee, or Panel of the Council on the agenda and being scrutinised at this meeting.

4 DECLARATION OF PARTY POLITICAL WHIP

Members are invited to declare the application of any party political whip on any matter on the agenda and being scrutinised at this meeting.

5 STATEMENT FROM THE CHAIR

6 MINUTES OF THE PREVIOUS MEETING (INCLUDING MATTERS ARISING) (Pages 1 - 6)

To approve and sign as a correct record the minutes of the meeting held on 29th February 2024 and to deal with any matters arising, attached.

7 HOW DO WE GET A BETTER DEAL FOR PRIVATE SECTOR RENTERS IN SOUTHAMPTON? - INQUIRY DRAFT FINAL REPORT (Pages 7 - 62)

Report of the Scrutiny Manager recommending that the Panel discuss, amend and agree a final version of the draft final report attached as Appendix 1.

This page is intentionally left blank

SCRUTINY INQUIRY PANEL - HOW DO WE GET A BETTER DEAL FOR PRIVATE SECTOR RENTERS IN SOUTHAMPTON?

MINUTES OF THE MEETING HELD ON 29 FEBRUARY 2024

Present: Councillors McEwing, Every, Powell-Vaughan, Windle and Blackman

Apologies: None

10. **MINUTES OF THE PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

RESOLVED that the minutes of the meeting held on 18th January 2024 be approved and signed as a correct record.

11. **SOUTHAMPTON CITY COUNCILS APPROACH TO ENFORCEMENT OF THE PRIVATE RENTED SECTOR**

The Panel considered the report of the Scrutiny Manager concerning Southampton City Council's approach to enforcement of the private rented sector.

The Panel received the following representations:

Steven Hayes-Arter, Service Manager for Private Sector Housing and Port Health, Southampton City Council outlined the Council's approach to enforcement. Key points raised in the presentation included the following:

- Reactive inspection of properties using Housing Act 2004 Part 1 powers (HHSRS) - only where tenants have made complaints or raised issues. This includes HMOs (not covered by licensing) and all other private rented accommodation.
- All work is carried out across two teams – Private Sector Housing and HMO Licensing. The PSH Team consists of 3.5 FTE, the HMO Licensing Team of consists of 6.5 FTE funded by licence fees. Therefore there are ten FTE covering enforcement of a sector of approximately 28,000 properties.
- Demand for services and lack of resources means that all PSH service requests are triaged. An inspection is only carried out where a likelihood of significant hazard (Cat 1, HHSRS) is identified.
- There were only 489 complaints in 2022/23 and 2,180 complaints since 2019/20. Only 88 of the complaints led to an inspection in 2022/23 (18%).
- In 2022/23 only six enforcement notices were served by the PSH Team and 72 in total since 2019/20. Notices are generally issued after required work is not completed. No Civil Penalty Notices (CPNs) were issued by the City Council.
- There is a legal requirement for local authorities to license larger HMOs in their area, namely all HMOs with five or more residents from two or more households. In the City there are between 2300- 2500 mandatory HMOs, which require licensing every five years, out of approximately 6000-7000 HMOs.
- The majority of the HMOs are situated within the central wards of the City, predominantly in Bevois, Bargate & Portswood.

- Regulations impose certain mandatory conditions that HMOs and licence holders must meet. Southampton City Council has its own published HMO standards that cover all HMOs in the City, including those not requiring licensing.
- Every HMO is inspected prior to a licence being issued by either a City Council HMO surveyor or an Accredited independent Surveyor (CIEH or RICS certified).
- Failure to comply with any condition is a breach of the licence and can result in enforcement action and ultimately the revocation of the licence. Fifteen HMO landlords have been prosecuted since 2014, but none for eight years.
- Southampton City Council has also operated three additional HMO licensing schemes in certain wards within the City over the past ten years. Additional licensing schemes allow local authorities to licence smaller HMOs, and 'cluster flats' within purpose-built student blocks, any HMO with three or more persons forming two or more households. Schemes have covered the four central wards of Bevois, Bargate, Portswood and Swaythling and also the western wards of Shirley, Freemantle, Bassett and Millbrook. The most recent scheme covering the central wards ended on 30th September 2023. Additional schemes can only run for five years and run on a 'cost recovery' basis. Schemes must meet with prescribed conditions set out in the Housing Act 2004.
- The first designation was made in 2013 in central wards. The majority of the evidence used for justification of the scheme came from a 2008/9 Stock Condition and HMO survey of the City. That scheme resulted in about 3600 licensed premises and at the end of five years the compliance rate with conditions was at 62%.
- The second designation in western wards was introduced in 2015. Only 600 premises were licensed by the end of that scheme in 2020. Compliance rates were very high at 80%.
- The third designation was introduced in Autumn 2018 covering the same central four wards as the first scheme. Overall compliance was very high, ending at approx. 90%. Success of the scheme however makes further designations less easy to justify. In order to satisfy the legal tests, a robust case is needed to show that licensing is the most effective tool to ensure sufficient management of HMOs.
- Previous additional licensing has captured about 2800 HMOs across the city. (Mostly within the central spine). In conjunction with mandatory licensing it has resulted in about 5000 HMOs out of the estimated 6000-7000 in the City being covered by licensing.
- HMO licensing is an effective tool in managing the condition and impact of HMOs. In Southampton, licensing of HMOs has led to a 75% reduction in complaints from tenants relating to their conditions over the past ten years.
- Southampton City Council is proposing a further additional designation in 2024 to capture the majority of the City's HMOs (in eight wards) to keep standards high. Designation would capture between 2800-3000 HMOs including all of the Purpose-Built Student accommodation blocks.
- Ideally Southampton City Council would have new data sets for the City from a more recent stock condition survey to support the case for a new designation. So far this has not been commissioned due to costs of about £500,000 far exceeding budget of £125,000.
- Selective Licensing can be used separately or in parallel with additional HMO licensing. It would require legal tests to be met, which are similar but not the same as for additional HMO licensing. It is more challenging to gather

evidence, as lots of data is required, and ideally a stock condition survey is needed.

- It has the potential to target parts of the sector that are otherwise hard to reach or engage with, such as the smaller non-HMO market.
- It can also be used to raise income for private sector housing enforcement work and lead to increased enforcement activity. Whilst resource intensive and costly to set up, there are options to 'outsource'.
- About 20,000 private rented properties are not covered by HMO licensing schemes. No landlord registration is required so that sector can slip under the radar of the Council.
- Selective licensing can target some or all of these, depending on the ambition of a local authority. Larger schemes capturing more than 20% of the sector require Secretary of State approval but small schemes do not. Many local authorities start small, targeting a small number of wards.
- In Southampton the wards most likely to meet the criteria would be the central areas. This could mean certain wards would require all PSH & HMOs to be licensed.
- Selective licensing could therefore be a useful tool to tackle the sector in the city.
- There are future plans and challenges. New guidance on damp and mould and changes to HHSRS; Current and future work programme around high-rise fire safety; Renters Reform Bill will see biggest shake up in years to private renting; Increased focus on rent repayment orders and decent homes standard extended to PRS likely to see increased demand on PSH team resources. The abolition of s21 evictions may also result in an increase in complaints due to tenants being more confident to report issues.
- The Renters Reform Bill will introduce Decent Homes Standards likely to be implemented in late 2024. New powers will be granted to require landlords to make properties decent. The expectation is that local authorities will prioritise private rented sector enforcement. Many houses will not meet the standards and demand for inspection and assessment will probably be high.
- Government will be publishing new operating and enforcement guidance for local authorities with the potential for significant impact on the PSH Team and Southampton City Council's resources. Ideally additional funding will be made available to resource this work.
- Standards are at risk of falling if enforcement of the sector is not prioritised appropriately. The service therefore needs to be effectively resourced and all available enforcement tools need to be considered.
- Future additional HMO licensing and selective licensing within the City are the most appropriate tools currently available and need to be considered.

Cecilia Kovacs, Southampton Tenants Union, outlined the tenants' views. Key points raised in the presentation included the following:

- The Tenants Union support licensing of all the private rented sector in Southampton, not just HMOs.
- However, licensing is not enough. Tenants need an outlet to report disrepair.
- Timescales currently can mean tenants in homes with disrepair can be susceptible to prolonged danger of harm and health issues, even death. Legal support is inaccessible.

- The Tenants Union offered to help capture issues in Southampton in support of a future stock conditions survey or selective or additional licensing schemes.

Rogel Bell, South Hampshire Chair, iHOWZ and Liz Mackenzie, Regional Representative, NRLA, outlined the landlords' views. Key points raised in the presentations included:

- The Southampton City Council enforcement team is constructive and helpful.
- The HMO licensing schemes have driven bad landlords out of the market.
- Enforcement has been adequate and the use of Chartered Surveyors is valued.
- More resources to enforce licensing schemes, standards and conditions would be beneficial.
- iHowz would welcome selective licensing schemes in Southampton. There is a need for more landlords to become accredited with reputable landlord associations to raise standards.

12. **SECURITY, STABILITY AND OVERCROWDING IN THE PRIVATE RENTED SECTOR**

The Panel considered the report of the Scrutiny Manager concerning security, stability and overcrowding in the private rented sector.

The Panel received the following representations:

Maria Byrne, Service Lead for Housing Needs and Welfare Support, Southampton City Council outlined the link between the private rented sector and homelessness in Southampton. Key points raised in the presentation included the following:

- Local authorities have a duty to provide advice and information to people on housing issues. The number of households approaching the authority has increased over the past few years.
- The top three reasons that households become homeless in Southampton are family or friends no longer willing to accommodate; the end of a private rented tenancy under an assured shorthold tenancy; Domestic Abuse.
- The top reasons why households become homeless from private rented accommodation are the Landlord wishing to sell or re-let the property; Tenant's experiencing financial difficulties; Increase in rents.
- To assist households that become homeless Southampton City Council works with both tenants and landlords to resolve any issues where possible to enable the tenant to remain in the property; Assist households in securing alternative private rented accommodation; Provide financial assistance to help households find alternative accommodation.
- So far this year the team has assisted 320 households into the private rented sector.
- There are 7,666 live applications on the Housing Register.
- Due to the limited availability of social housing in the City households are looking for alternative housing options and rely on the private rented sector.
- There are 182 households in temporary accommodation at present funded by Southampton City Council. 150 people are in nightly paid accommodation. This is expensive provision.

- Southampton City Council wants to work more with landlords and tenants to sustain existing private rented accommodation and also assist those who need to move to new accommodation.
- Southampton City Council has recently launched a five-year homelessness and rough sleeping strategy which sets out a vision over the next five years of “A city where everyone has a safe place to call home”.
- Priority 1 is prevention; Priority 2 is intervention; Priority 3 is working together and Priority 4 is housing solutions.
- Southampton City Council will work with the private rented sector, reviewing its landlord offer and considering models around leasing options, and a rent deposit scheme. It is looking to work with landlords at the earliest opportunity to provide support to prevent homelessness. Consideration will be given to better ways to engage with landlords in the private rented sector.
- Consideration is being given as to whether a landlords’ forum would be beneficial in Southampton.
- Southampton City Council is developing a ‘call before you serve’ project to consider better ways to work with landlords and is looking at good practice examples that are being carried out by other local authorities such as BCP that provide grants to landlords to improve the standard of the private rented sector properties in return for nomination rights to the properties.
- Prevention, and maintaining tenancies, is a cheaper option for local authorities than temporary accommodation and delivers better outcomes.
- Steven Hayes-Arter’s team have helped train Maria Byrne’s team on what to look out for when visiting private rented properties and there is a close working relationship between the two teams.

Professor Helen Carr and Dr Mark Jordan, University of Southampton, delivered a presentation outlining the regulation relating to security, stability and overcrowding in the private rented sector. Key points raised in the presentation included the following:

- Deregulation of the private rented sector was based on the vision of the sector as a source of housing for ‘transitional’ households. The revival of the sector has challenged this vision. One third of renters are families with children (8,400 households in Southampton), and one third are low income, struggling or vulnerable households.
- The average renter has lived in their home for 4.4 years and many expect to stay for medium to longer term.
- Ending of an Assured Shorthold Tenancy is a ‘significant cause of homelessness’ (31% of cases in 2015/16) and the use of ‘no-fault’ evictions has increased by almost 50% since 2022.
- Private rented sector instability has major regulatory and resource implications for local authorities as it triggers homelessness prevention and other duties such as proactive tenancy relations; Lack of social housing has meant growing use of highly expensive temporary accommodation (£1.74 billion in 2023); 47% of families with children were forced to move schools as a result of living in temporary accommodation (Shelter, 2023).
- Legal security of tenure
 - Housing Act 1988
 - Protection from Eviction Act 1977

- Renters (Reform) Bill - Abolition of s.21 will constrain retaliatory eviction; Landlords redress scheme may provide a more accessible way to enforce standards for tenants; Extension of Banning Orders; Extension of Decent Homes Standard to private rented sector enforced through civil penalties and RROs and a duty on local authorities to ensure housing meets the standard.
- Reforms in Scotland can inform likely outcomes. The Private Residential Tenancy (Scotland) Act 2016 abolished no fault evictions and extended protections for tenants. The impact was a slight decline in the private rented sector but an increase in the Social Rented Sector and signs that landlords have exited the market and turned to 'short term lettings' but there is new regulation of this activity (2023).

DECISION-MAKER:	SCRUTINY INQUIRY PANEL
SUBJECT:	HOW DO WE GET A BETTER DEAL FOR PRIVATE SECTOR RENTERS IN SOUTHAMPTON? - INQUIRY DRAFT FINAL REPORT
DATE OF DECISION:	18 APRIL 2024
REPORT OF:	SCRUTINY MANAGER

<u>CONTACT DETAILS</u>			
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	

STATEMENT OF CONFIDENTIALITY

None

BRIEF SUMMARY

At the concluding meeting of the ‘How do we get a better deal for private sector renters in Southampton Inquiry’, the Panel are requested to discuss, amend and approve a final version of the draft report attached as Appendix 1.

RECOMMENDATIONS:

	(i)	That the Panel discuss, amend and agree a final version of the draft final report attached as Appendix 1.
	(ii)	That, to enable the comments made by Panel members at the meeting to be incorporated into the final report, authority be delegated to the Scrutiny Manager to amend the final report, following consultation with the Chair of the Panel.

REASONS FOR REPORT RECOMMENDATIONS

1.	To enable a final report to be presented to the Overview & Scrutiny Management Committee (OSMC) for consideration.
----	--

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED
--

2.	None.
----	-------

DETAIL (Including consultation carried out)
--

3.	The Scrutiny Inquiry Panel undertook the inquiry over 4 evidence gathering meetings and received information from a wide variety of organisations. This included Generation Rent, Southampton Tenants Union, iHOWZ Landlords Association, The National Residential Landlords Association (NRLA), Bristol City Council, London Borough of Newham, the Environment Centre, Citizen’s Advice
----	---

	Southampton, the University of Southampton, Southampton Solent University and officers from Southampton City Council.
4.	The draft final report, attached as Appendix 1, has been sent to those who provided evidence to the Inquiry. Where comments have been received prior to publication of the draft report they have been reflected in the final report. Comments received after publication will be presented to the Panel at the meeting.
5.	The Panel is now invited to consider the attached draft final report, and summary of the draft conclusions and recommendations, and approve a final report for submission to the OSMC and then to Cabinet in the new municipal year.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue/Property/Other</u>	
6.	In practice any future resource implications arising from this review will be dependent upon whether, and how, each individual recommendation within the inquiry report is progressed by the Executive. More detailed work will need to be undertaken by the Executive in considering its response to each of the recommendations set out in the Inquiry report.
7.	During the inquiry a number of potential sources of funding were identified that could help to deliver certain recommendations. These were: <ul style="list-style-type: none"> • New burdens funding anticipated from Government from the Renters (Reform) Bill • Funding from the utilisation of the full range of enforcement powers available to the Council.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
8.	The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.
<u>Other Legal Implications:</u>	
9.	None
RISK MANAGEMENT IMPLICATIONS	
10.	None
POLICY FRAMEWORK IMPLICATIONS	
11.	None
KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	How do we get a better deal for private sector renters in Southampton? – Draft final report

2.	How do we get a better deal for private sector renters in Southampton? – Draft conclusions and recommendations
----	--

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?	No
--	----

Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?	No
---	----

Other Background documents available for inspection at:

Title of Background Paper	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

This page is intentionally left blank

How do we get a better deal for private sector renters in Southampton?

- Draft Final Report



Scrutiny Inquiry Panel

PANEL MEMBERSHIP – 2023/24

Councillor Windle (Chair)

Councillor Every (Vice-Chair)

Councillor Blackman

Councillor McEwing

Councillor Powell-Vaughan

Scrutiny Manager – Mark Pirnie

Contents

Contents	Page
Chair's introduction	3
The aim of the Inquiry	4
Introduction and background	6
Key challenges for tenants in the private rented sector	11
Affordability of renting in the private rented sector	12
Security, stability and overcrowding in the private rented sector	17
The condition of private rented sector housing	23
Enforcement of private rented sector housing regulations	28
Conclusion and recommendations	38
Appendices	41

Chair's Introduction



Councillor Windle – ‘How do we get a better deal for private sector renters in Southampton?’ Inquiry Panel Chair (2023/24)

To be added post 18th April 2024 Inquiry Panel meeting

How do we get a better deal for private sector renters in Southampton?

The Aim of the Inquiry

1. In 2022-23, the private rented sector accounted for 4.6 million or 19% of households in England. Throughout the 1980s and 1990s, the proportion of private rented households was steady at around 9% to 11%. The sector has doubled in size since the early 2000s, but the rate has remained around 19% or 20% since 2013-14.¹
2. In Southampton the private rented sector accommodates a significantly higher percentage of households than the national average. Data from the 2021 Census identified that 29.2% of Southampton's households lived in private rented sector accommodation.² This is the highest out of Southampton's comparator cities³ and has increased from 24.9% in 2011.⁴
3. In June 2022 the Government published 'A Fairer Private Rented Sector' White Paper. In the foreword to the report, the Secretary of State for Levelling Up, Housing and Communities, the Rt Hon Michael Gove MP, stated that:
*'Everyone has a right to a decent home. No one should be condemned to live in properties that are inadequately heated, unsafe, or unhealthy. Yet more than 2.8 million of our fellow citizens are paying to live in homes that are not fit for the 21st century..... The reality today is that far too many renters are living in damp, dangerous, cold homes, powerless to put things right, and with the threat of sudden eviction hanging over them.'*⁵
4. Following publication of the White Paper that outlines the Government's plans for reforming the private rented sector, The Renters (Reform) Bill was introduced in Parliament on 17 May 2023. At time of writing the Bill is still awaiting Royal Assent.
5. The White Paper recognises the vital role local authorities play in regulating and enforcing compliance in the private rented sector.⁶ A number of innovative practices have been introduced by local authorities in England that have been designed to improve outcomes for private sector renters. However, although local authorities have extensive powers to tackle poor property conditions and management standards in the private rented sector, there's evidence of low and inconsistent levels of enforcement between authorities.⁷
6. Given the importance of the private rented sector in Southampton; concerns about housing conditions and affordability; impending new legislation and inconsistencies in approaches adopted by councils enforcing existing regulations, the Overview and Scrutiny Management Committee recommended at the September 2023 meeting, that an inquiry focussing on getting a better deal for private sector renters in Southampton be undertaken by the Scrutiny Inquiry Panel.

¹ [Chapter 1: Profile of households and dwellings - GOV.UK \(www.gov.uk\)](#)

² [How life has changed in Southampton: Census 2021 \(ons.gov.uk\)](#)

³ ONS Census 2021 - [Microsoft Power BI](#)

⁴ [How life has changed in Southampton: Census 2021 \(ons.gov.uk\)](#)

⁵ [A fairer private rented sector - GOV.UK \(www.gov.uk\)](#) - Foreword

⁶ [A fairer private rented sector - GOV.UK \(www.gov.uk\)](#) -p11

⁷ [Regulation of private renting - National Audit Office \(NAO\) report](#)

7. The set objectives of the inquiry were:
 - a. To identify the challenges and concerns of private sector renters in Southampton.
 - b. To understand existing plans and opportunities to address the identified challenges.
 - c. To identify good practice being employed to get a better deal for private sector renters in the UK and beyond.
 - d. To identify what initiatives and approaches could work well in Southampton to improve outcomes for private sector renters.
8. The full terms of reference for the inquiry, agreed by the Overview and Scrutiny Management Committee, are shown in Appendix 1.

How the inquiry was conducted

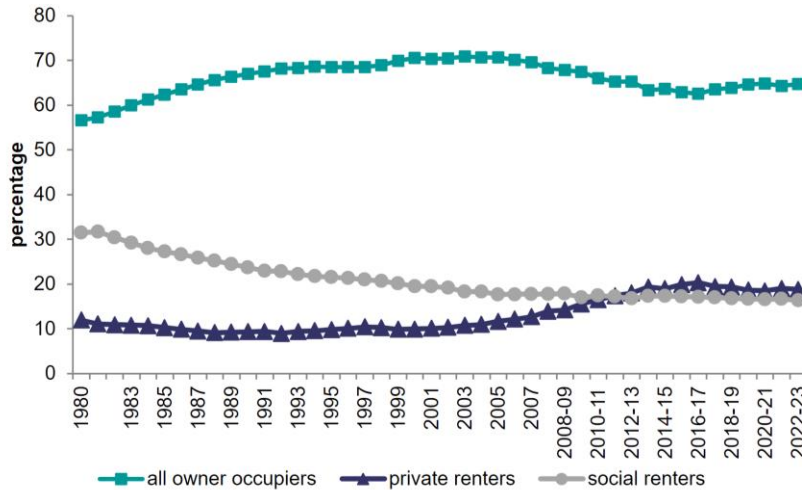
9. The Scrutiny Inquiry Panel undertook the inquiry over 4 evidence gathering meetings. The Panel received information from a wide variety of organisations, including Generation Rent, Southampton Tenants Union, iHOWZ Landlords Association, The National Residential Landlords Association (NRLA), Bristol City Council, London Borough of Newham, the Environment Centre, Citizen's Advice Southampton, the University of Southampton, Southampton Solent University and officers from Southampton City Council. A full list of those who provided evidence is attached as Appendix 2.
10. The key findings, conclusions and recommendations from the inquiry are detailed succinctly later in this report.
11. Members of the Panel would like to thank all those who have assisted with the development of this review, in particular the Panel's Expert Advisers who have provided the Panel with invaluable advice throughout the inquiry:
 - Professor Helen Carr – Professor of Property law and social justice and Director of the Law School Research Centre, People, Property, Community, University of Southampton
 - Dr Mark Jordan – Lecturer in Housing law at Southampton Law School and founding member of Law School Research Centre, People, Property, Community, University of Southampton.

Introduction and Background

The private rented sector in Southampton - Households

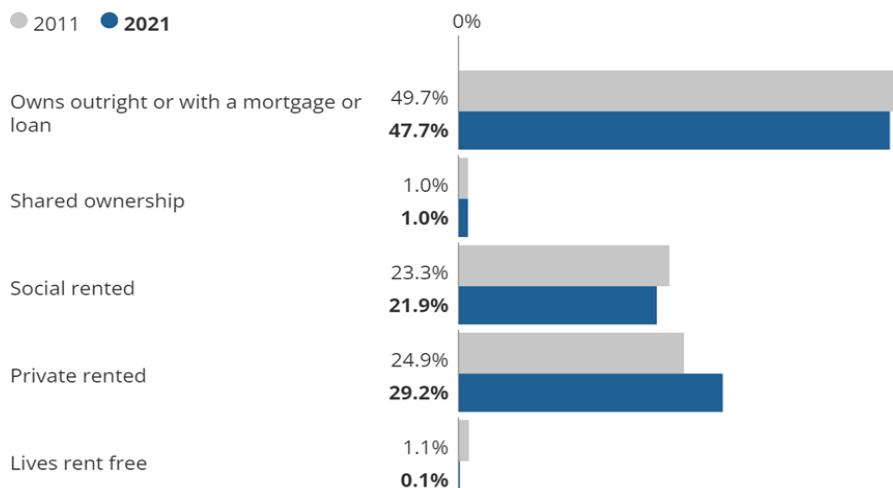
12. In 2022-23, there were an estimated 24.4 million households in England living in self-contained accommodation. It is estimated that 19%⁸ of households in England are accommodated in the private rented sector, housing up to 13 million people.⁹ Over the past two decades, the sector has doubled in size across the UK reflecting a range of demand and supply factors.¹⁰

Figure 1 - Trends in tenure (proportions) 1980 – 2022 / 2023¹¹



13. In Southampton the private rented sector is estimated to house 29.2% of households in the city, approximately 30,000 households. As identified in the chart below, the size of the private rented sector has increased significantly in Southampton since 2011 as the percentage of owner occupiers and social renters has declined.

Figure 2 – Percentage of households by housing tenure, Southampton



Source - ONS 2011 Census and 2021 Census

⁸ [Chapter 1: Profile of households and dwellings - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/414222/Chapter_1_Profile_of_households_and_dwelling.pdf)

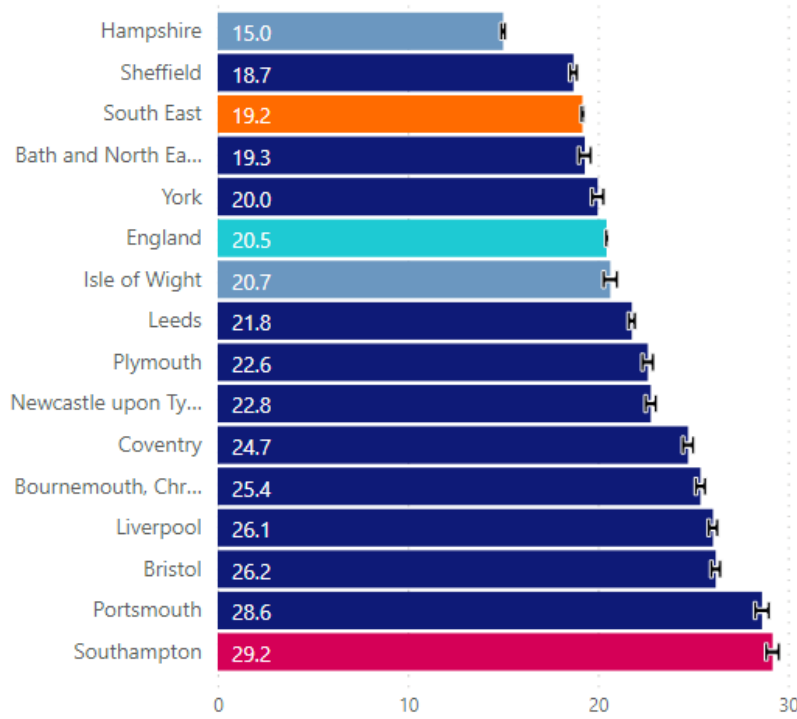
⁹ [About Generation Rent - Generation Rent](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/414222/Chapter_1_Profile_of_households_and_dwelling.pdf)

¹⁰ [TDS-Overview-paper_final.pdf \(housingevidence.ac.uk\)](https://www.housingevidence.ac.uk/pubs/TDS-Overview-paper_final.pdf) pp 5-7.

¹¹ [Chapter 1: Profile of households and dwellings - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/414222/Chapter_1_Profile_of_households_and_dwelling.pdf)

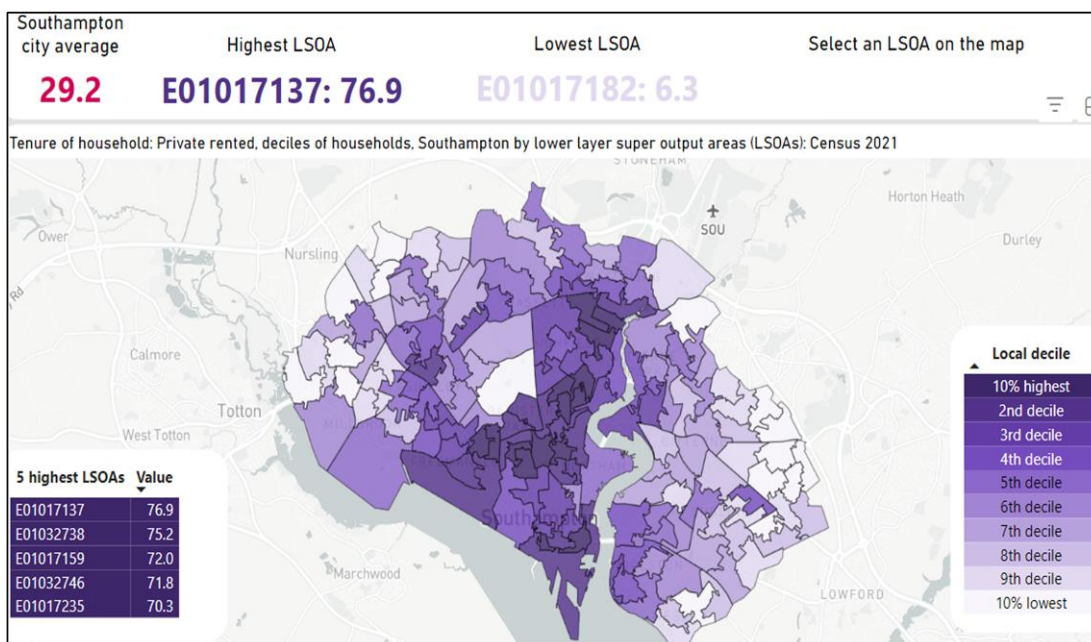
14. The percentage of households in the private rented sector in Southampton is much higher than the national average and is the highest out of Southampton's ONS statistical comparators.

Figure 3 - Tenure of household – Private rented percentage of households, Southampton and ONS Comparators: Census 2021



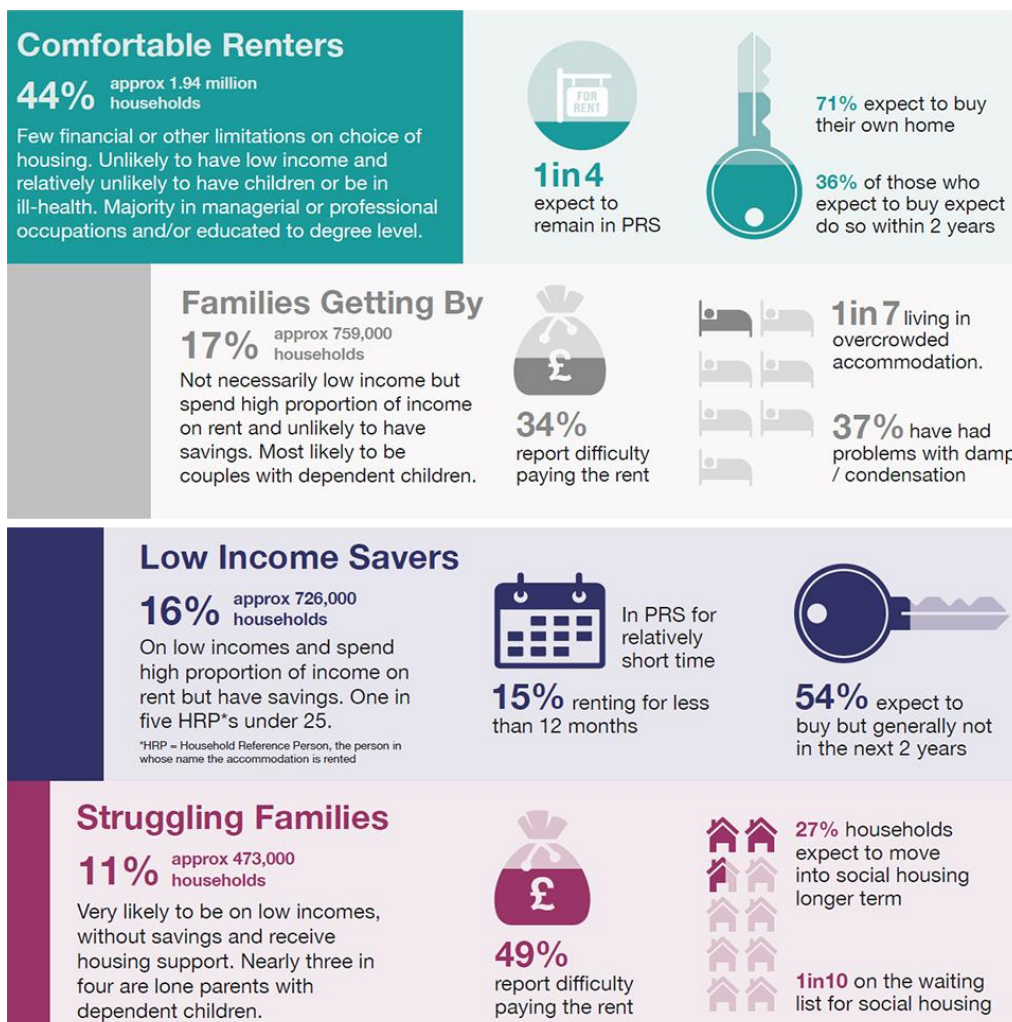
15. The areas of Southampton with the highest percentage of households that are occupied by private renters are located in the central wards of the city, clustered around the inner city and the universities. The highest identified value from the 2021 Census is 76.9% in the Banister and Polygon Ward.

Figure 4 - Tenure of household: Private rented in Southampton



The private rented sector – Tenant profile

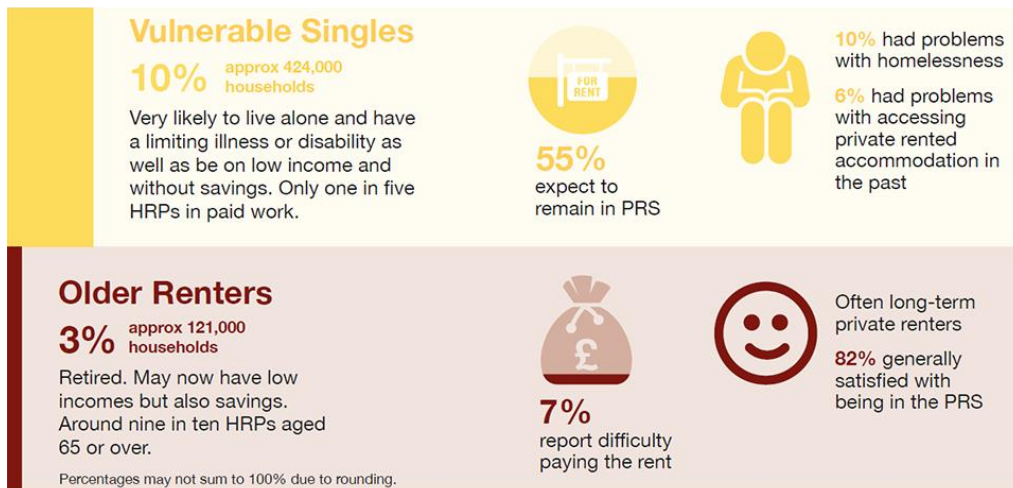
16. Nationally, as more households have been channelled towards private renting, the nature of the sector has changed. Whilst private renters are younger than those in other tenures, in 2020 to 2021, those aged 16 to 34 accounted for 43.5% of private renters in England, with 25 to 34-year-olds the most common age group of private renters at 31%, adults of retirement age made up 8.6% of private renters, this is a 38% increase from 2010/11 to 2020/21.¹²
17. There have been significant increases in private rented households with children, accounting for 30% of households, and the sector provides housing for increasing numbers of lower income households. Finally, more households have settled into the sector for the longer term. In 2022 private renters had lived in their home for 4.4 years on average.¹³
18. At the time of the publication of the White Paper in 2022, the Department for Levelling Up, Housing, & Communities (DLUHC) prepared diagrams which are replicated below, which give an indication of who lives in the private rented sector and under what constraints.¹⁴



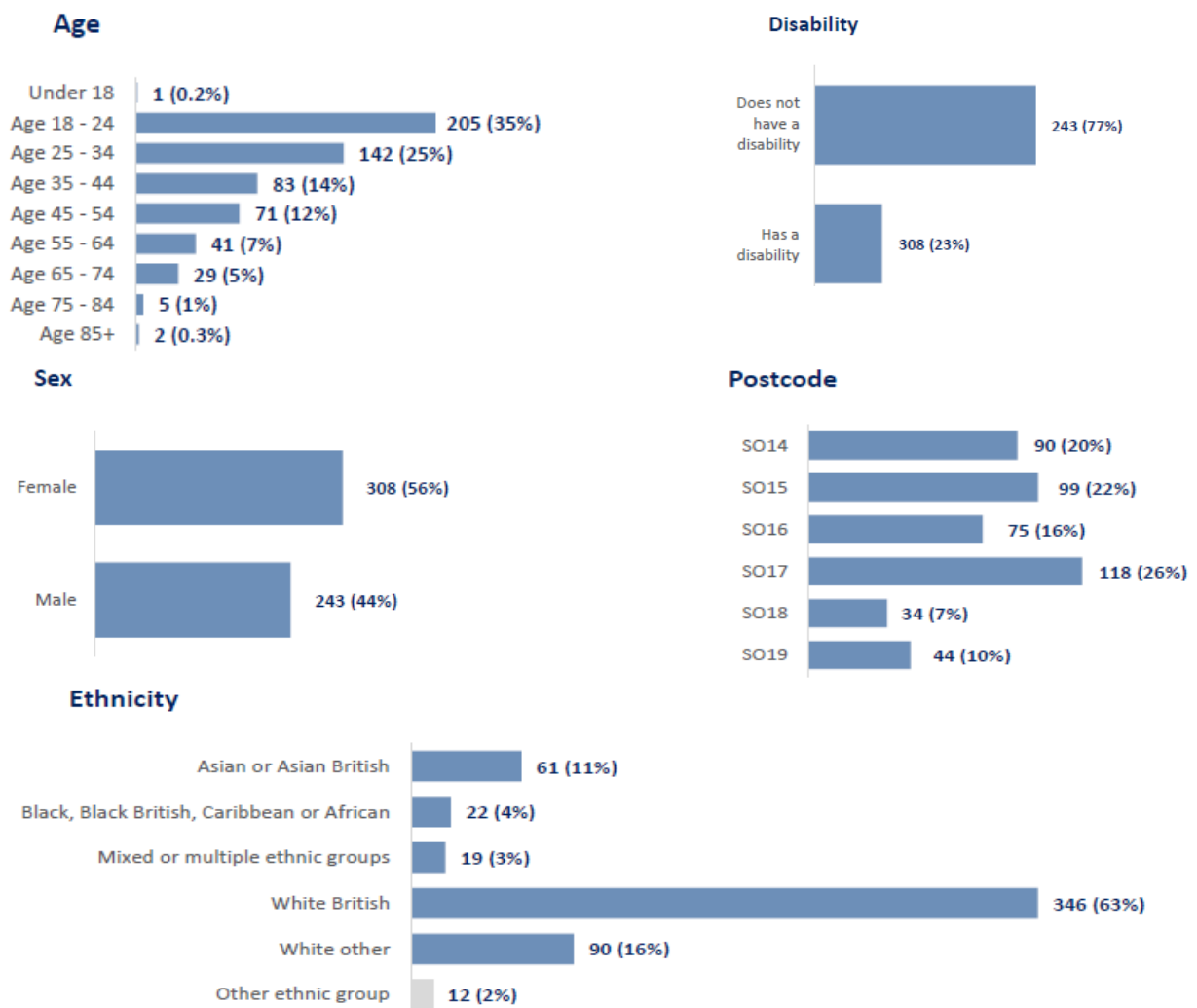
¹² [English Housing Survey 2021 to 2022: private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-private-rented-sector)

¹³ [English Housing Survey 2021 to 2022: private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-private-rented-sector)

¹⁴ [A fairer private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/a-fairer-private-rented-sector)

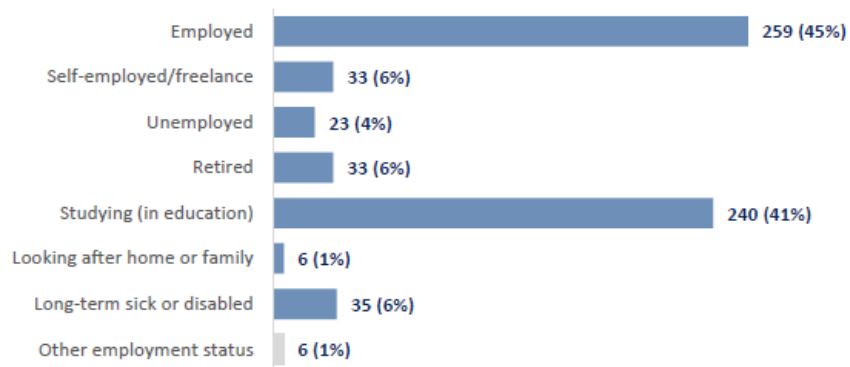


19. This information reflects the national picture. The profile of private renting in Southampton is not known. To help provide the Inquiry Panel with an insight into the private rented sector in the city, a survey of private renters in Southampton was undertaken online between 10/10/23 and 23/10/23 and received 599 responses. The following charts reflect the profile of tenants who responded to the survey:¹⁵

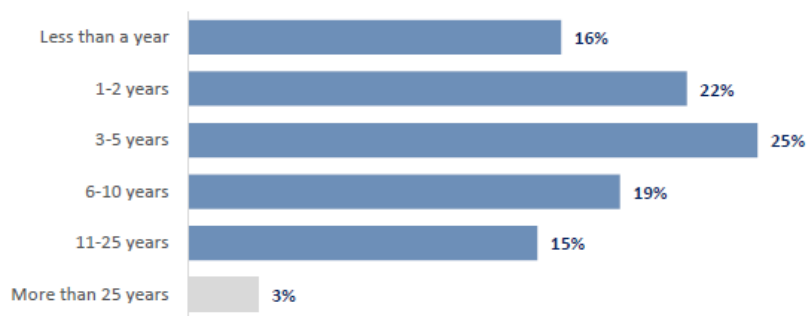


¹⁵ [Southampton's Private Rented Sector Survey - Oct 2023](#)

Employment status



How long have you been renting from private landlords in Southampton?



Key challenges for tenants in the private rented sector

20. The case for change to the private rented sector, outlined in the 2022 Government White Paper - 'A Fairer Private Rented Sector', referenced that:
- 'Everyone deserves to live in a safe and decent home. Most landlords and agents treat their tenants fairly and provide good quality and safe homes. However, this is not universal practice and too many households that rent privately live in poor conditions, paying a large proportion of their income to do so.'*¹⁶
21. Reflecting on the points raised above, the report concluded that:
- 'Collectively, this adds up to a Private Rented Sector that offers the most expensive, least secure, and lowest quality housing to 4.4 million households, including 1.3 million households with children and 382,000 households over 65. This is driving unacceptable outcomes and holding back some of the most deprived parts of the country.'*¹⁷
22. Applying the issues raised in the White Paper, the inquiry was structured around the following key challenges experienced by tenants:
- The affordability of renting in the private rented sector
 - Security, stability and overcrowding in the private rented sector
 - The condition of private rented sector housing
23. Separate meetings looking at each of the challenges were scheduled. In addition, the Panel considered local councils use of enforcement powers to address poor property conditions and management standards in the private rented sector.
24. At each meeting the Panel were provided with a detailed briefing from the Expert Advisers on relevant legislation and good practice. This included the potential impact on outcomes for tenants of the Renters (Reform) Bill, identified at the inaugural meeting of the Inquiry Panel by Conor O'Shea, Policy and Public Affairs Manager at Generation Rent, as being:
- "The biggest opportunity to reform renting for a generation."*

¹⁶ [A fairer private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk) – p23

¹⁷ [A fairer private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk) -p5

'The cost of renting has jumped by 30 percent in just one year. It's just too expensive for me'

'Rents are sky high. Our landlord is selling our property which means we will have to rent elsewhere and the monthly rents are £300 a month more.'

'The rents are so much higher. The minimum wage has increased but the housing benefit rates of earnings has not increased making the vulnerable pay more towards rent.'

'The market has gotten tighter, rents have increased so it is harder to move to a new place and get a decent price.'

'Compared to rents in other areas in the south, rents in Southampton are more affordable.'

'Within the last few weeks I have been given a 35% increase. I simply can't afford it.'

'The worst is the rent increases with no increase to Local Housing Allowance. Financially crippling us and most families.'

'We've gone from paying £900pcm for a 3 bed house to looking at £1300pcm for a 3 bed property in less than 5 years.'

'My landlady increased my rent this month by £245, from £1250 to £1495'

'The price of renting in the city has risen to extortionate levels, especially in the past three years'

'Prices keep rising for students and student finance is not increasing. This means a larger proportion of the student finance is being taken due to accommodation.'

'one of the viewings we went to had 30 people viewing it whereas probably 5 years ago there would only be a handful.'

*Quotes taken from responses to the Southampton Private Rented Sector Survey related to affordability

Affordability of renting in the private rented sector

25. The report to the Inquiry Panel meeting on 21 December 2023, and the accompanying briefing paper from Expert Advisers, Professor Carr and Dr Jordan, both linked below, provide significant detail on the affordability of the private rented sector both nationally, and in Southampton, and the reasons why rent levels have been rising.

[The affordability of private rented housing](#)

[Briefing paper: Affordability of private rented housing](#)

26. Utilising the information in the two reports, and the [evidence](#) presented to the Panel at the meeting, the following summary outlines the key findings as it relates to the affordability of renting in the private rented sector in Southampton.

The cost of renting in Southampton

27. The ONS Private rental market statistics in England from April 2022 to March 2023 identified that the median monthly rent in Southampton was £875¹⁸. This is £50 higher than the national median but £123 lower than the South-East median.
28. Zoopla's data, for the average monthly rents for new lets for January each year, outlines the post pandemic increase in the cost of renting in Southampton.¹⁹ The data comes from Zoopla's property listings, adjusted to reflect differences between asking and actual rents. The average rent figures shown are based on the median of one, two, three and four-bedroom homes every January, adjusted to reflect the mix of private rented homes in each area.

Area	Growth in past year	2020	2021	2022	2023
Southampton	9%	£867	£887	£949	£1,034

Why have rents been rising?

29. Rental costs have been increasing due to a range of demand and supply factors. Demand for rented housing has been driven largely by the growing unaffordability of owner occupation and with persistent undersupply of new housing, particularly social housing.
30. The trade body for estate agents, Propertymark, outlined that rents were increasing due to fewer houses being on the market. This was because many landlords have decided to sell properties because of rising taxes, charges and maintenance costs.²⁰

The impact of rising rents

31. The rise in the cost of renting has resulted in private renting becoming unaffordable to a growing proportion of households in Southampton.

¹⁸ [Private rental market summary statistics in England - Office for National Statistics \(ons.gov.uk\)](#)

¹⁹ [Rent prices: How much have they gone up in your area? - BBC News](#)

²⁰ [Growing share of under-30s pay unaffordable rent - BBC News](#)

32. Analysis of Southampton's Tenants Survey, conducted in October 2023, identified that 60% of respondents were spending over 40% of their monthly income on rent. Indeed, 24% of respondents said that they were spending 60% or more of their income on rent.
33. The Affordable Housing Commission concluded that when rents or purchase costs exceed a third (33%) of household income for those in work, it can lead to financial difficulties, arrears, debts and personal problems. These difficulties become critical where housing costs are 40% or more of household income.²¹
34. Department for Work and Pensions data estimates that, mirroring the national average, 33% of private renters in Southampton were claiming housing benefit (legacy housing benefit or universal credit housing allowance) in June 2022 to help pay the rent.²²
35. In their report 'Cover the Cost', Shelter concludes that low-income private renters are being squeezed out of the private rental market and the severe shortage of social rented homes means that, if private rents are unaffordable to homeless households, they are likely to end up in temporary accommodation.²³
36. As at 29 February 2024 there were 182 households from Southampton in temporary accommodation funded by Southampton City Council. This number has increased significantly since the pandemic.²⁴

Actions proposed to increase the affordability of renting

37. The linked reports from the Scrutiny Manager and Expert Advisers outline a number of actions that have been proposed that could help to make rent more affordable to some tenants. These include the following actions:

Increase in the Local Housing Allowance

38. The autumn statement in November 2023 ended the freeze on housing allowances meaning that Local Housing Allowance will be linked to the lowest 30% of market rents from April 2024 providing an extra £800 per annum support for low income renters.

Renters (Reform) Bill

39. Through the Bill, the Government proposals aim to ensure that rent increases become more predictable. The Bill proposes to:
 - Limit rent increases to once a year
 - Increase the minimum notice landlords must give of a rent increase to 2 months
 - End the use of rent review clauses in tenancy agreements.
40. Existing legislation (s.14 of the Housing Act 1988) already gives tenants an opportunity to refer a rent increase to the First Tier Tribunal in circumstances where the rent requested is above the market rent. The Bill is expected to result in more challenges to rent levels made to the tribunal moving forward.

²¹ [Defining and measuring housing affordability \(nationwidefoundation.org.uk\)](https://nationwidefoundation.org.uk)

²² [Private renters claiming housing benefit by local authority, June 2022 \(dwcdn.net\)](https://dwcdn.net)

²³ [Cover the cost \(ctfassets.net\)](https://ctfassets.net)

²⁴ Figure provided by SCC's Service Lead for Housing Needs & Welfare Support at 29/2/24 meeting of the Inquiry Panel

Rent Control

41. In February 2023 the Mayors of Manchester, Liverpool and London called for an immediate rent freeze and a ban on evictions to be introduced in England to help renters deal with the cost of living crisis.²⁵
42. Subsequently, a number of local leaders in England, including those in London and Bristol, have been calling for Westminster to grant them powers to set rent controls in their own areas.²⁶ This was reiterated in the presentation to the Inquiry Panel on Bristol's Living Rent Commission.²⁷
43. In response to the request in February 2023, Housing Minister - Felicity Buchan, replied: "*The government do not support the introduction of rent controls in the private rental sector.*" She said controls would "*discourage investment, lead to declining property standards and may encourage illegal subletting.*"²⁸
44. In her presentation to the Inquiry Panel on 21st December 2023, when discussing rent control, Professor Carr referenced the:

'Little research on interaction between rent control and the rest of housing market particularly in complex local conditions of the UK'.²⁹

Southampton City Vision Local Plan and the Affordable Housing Framework

45. The draft City Vision Local Plan, the plan that sets out the vision for future development in the city, includes a vision for housing in Southampton that incorporates plans to increase the housing supply by 18,002 dwellings by 2040. Accompanying the draft local plan, the Council's Affordable Housing Framework aims to ensure that more affordable housing is built and will contribute to the target of 8,000 new affordable homes over the plan period.

What actions can be taken in Southampton that will make renting more affordable for tenants?

46. As identified above, a number of initiatives are being delivered nationally that may improve the affordability of rents in Southampton. Evidence on the effectiveness of rent control is not conclusive and the power to set rent controls sit with government, not local authorities, and government have identified their opposition to the policy.
47. Fundamentally, individual cities currently have limited controls over the cost of renting. However, reflecting the link between supply and demand on rent levels, through planning policy, increasing the supply of housing, particularly social and affordable housing, is a key mechanism local authorities can utilise to help improve housing affordability, particularly for low-income households.
48. The link between the loss of social housing and the increase in private sector rent has been recognised by Kate Henderson, Chief Executive of the National Housing Federation, who said:

"The chronic shortage of social housing is having wide-ranging impacts, not only for those becoming homeless and living in poverty and overcrowding, but also in the

²⁵ [#RentFreezeNow open letter | London Renters Union](#)

²⁶ [City mayors call for rent freeze and eviction ban for England's tenants | Housing | The Guardian](#)

²⁷ [Bristol's Living Rent Commission presentation - 21/12/23](#)

²⁸ [City mayors call for rent freeze and eviction ban for England's tenants | Housing | The Guardian](#)

²⁹ [Affordability of private renting \(southampton.gov.uk\)](#)

private rented sector, where increased demand from people who cannot access social housing has pushed up rents and, in turn, house prices."³⁰

49. The expansion plans of the University of Southampton and Southampton Solent University must be factored into the supply and demand equation. The University of Southampton alone expect an additional 3,000 bed spaces will be required in Southampton's private rented sector by 2027.³¹
50. Another area where local collective working by partners across the city could help influence local rent levels is by keeping accurate data on market rent levels. Tenants can challenge rent rises where they are above market levels. Data on market rent levels, used to set Local Housing Allowance, is collected by the Valuation Office, but the data is limited. There are opportunities for partners, including Southampton Tenants Union, Student Unions, the University of Southampton and Southampton Solent University to gather local rent information on a database to support the work of the Valuation Office.
51. To improve the affordability of private rented housing in Southampton the following actions are recommended:
 - i. That the final version of Southampton City Vision Local Plan retains the ambitious housing delivery figures for the city, maintains an ambitious policy position for the delivery of affordable housing through major planning applications, and that the Council commits to facilitating the delivery of 8,000 affordable homes by 2040.
 - ii. That partners develop and update a database of market rent levels in Southampton to support the work of the Valuation Office.

³⁰ [Six times more newly homeless families than new social houses, England data shows | Social housing | The Guardian](#)

³¹ [University of Southampton presentation - 18/1/24](#)

'tenancies have become insecure and unaffordable. I am aware of over 20 people I know first hand who have been given no fault evictions in the last 2 yrs so landlords could double the rent. Law offers zero protection to tenants.'

'The price rise and the fact we have no say in the increase, if you disagree with the amount you are issued a section 21.'

'Evictions for rent hikes to bypass tenancy agreements to limit year on year cost increases are really common.'

'Absolutely no protection against any of it, and any attempt to report or improve maintenance just means eviction without reference (which in Southampton with current housing pressure means literally you cannot rent again).'

'lack of stability - our landlord sold our previous flat and we had 2 months to pack up and go, whilst finding new accommodation'

'We were evicted from our previous rental last year after living there for thirteen years, because it was being sold.'

'Landlords can charge whatever they like with no regard for the tenant calling it their home and possibly not being able to afford an increase. There is very little security for the tenant and not many places to rent. Renting isn't always a temporary choice for people. Some rented properties are a home, but a home with no security.'

'I am terrified of asking for repairs. I'm afraid that, if I ask for repairs, the landlord will raise the rent, and I can't afford that.'

'Fear of eviction and/or rent increase.'

*Quotes taken from responses to the Southampton Private Rented Sector Survey related to security and stability

Security, stability and overcrowding in the private rented sector

52. The report to the Inquiry Panel meeting on 29 February 2024, and the accompanying briefing paper from Expert Advisers, Professor Carr and Dr Jordan, both linked below, provide significant detail on security, stability and overcrowding in the private rented sector both nationally, and in Southampton.

[Security, stability and overcrowding in the private rented sector](#)

[Briefing paper - Security, Stability and Overcrowding in Southampton](#)

53. Utilising the information in the two reports, and the [evidence](#) presented to the Panel at the meeting, the following summary outlines the key findings as it relates to security, stability and overcrowding in the private rented sector in Southampton.

Security, stability and overcrowding in Southampton

Security and stability

54. In England the average renter has lived in their home for 4.4 years.³² However, at present, private renters lack effective security of tenure. This is largely because landlords can evict tenants without having to give a reason by using the 'no fault' ground under section 21 of the Housing Act 1988. After receiving a s.21 notice, tenants have two months before their landlord can apply for a court order to evict them.
55. Research by Shelter, the homeless charity, estimates that in the 3 years between April 2019 and April 2022 nearly 230,000 private renters in England had been served with a no-fault eviction notice.³³
56. In reality, the majority of private tenancies are ended by the tenant. In 2021/2022, 77% of private renters voluntarily left their last tenancy, an increase from 73% the previous year. In contrast, only 4% mentioned leaving because their landlord or agent asked them to, a decrease from 6% the previous year.^{34 35}
57. In Southampton, 7% of responders to the Private Rented Sector Survey indicated that they had been served an eviction (Section 21) notice by their landlord in the past 5 years.³⁶ Analysis of case work by Citizens Advice Southampton identified a notable increase in the number of clients contacting Citizens Advice Southampton since 2022 due to a Section 21 eviction notice being served.³⁷

Overcrowding

58. According to the English Household Survey 2022 to 2023³⁸ 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

³² [English Housing Survey 2021 to 2022: private rented sector - GOV.UK \(www.gov.uk\)](#)

³³ [Every seven minutes a private renter is served a no-fault eviction notice despite government promise to scrap them three years ago - Shelter England](#)

³⁴ <https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-private-rented-sector>

³⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1088486/EHS_20-21_PRS_Report.pdf

³⁶ [Southampton Private Rented Sector Survey](#)

³⁷ [Citizens Advice Southampton - Presentation to 21/12/23 meeting](#)

³⁸ [Chapter 4: Dwelling condition - GOV.UK \(www.gov.uk\)](#)

(148,000 households) were overcrowded compared with 8% of social renters (328,000) and 5% of private renters (232,000).

59. Data from the 2021 Census identified that 8.1% of homes in the private rented sector in Southampton were overcrowded.³⁹ Mirroring the findings from the English Household Survey, Southampton households living in owner occupied accommodation were less likely to be overcrowded than households living in rented accommodation.

The impact of overcrowding and the lack of security of tenure in the private rented sector

Health and wellbeing

60. Co-ordinated by Shelter, in October 2023 a group of 30 charities and non-profit organisations wrote to the Prime Minister urging action to be taken to address the insecurity experienced by tenants in the private rented sector. The letter states:
- ‘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.’⁴⁰*
61. Evidence cited in ‘A Fairer Private Rented Sector’, indicates that children in insecure housing experience worse educational outcomes, reduced levels of teacher commitment and more disrupted friendship groups, than other children.⁴¹ Supporting this finding, a study by Shelter found that ‘almost half (47%) of families with school age children have been forced to move schools as a result of living in temporary accommodation.’⁴²
62. Similarly, according to a government report published in 2007 – ‘Tackling overcrowding in England’⁴³, 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

63. The ending of a private rented tenancy is the most common reason for a household being at risk of homelessness and has been recognised by the Government as a ‘significant cause of homelessness.’⁴⁴ 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 2019.⁴⁵

³⁹ [Overcrowding and under-occupancy by household characteristics, England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

⁴⁰ [Charities ‘concerned’ over lack of progress with Renters Reform Bill - BBC News](https://www.bbc.com/news/health-67444444)

⁴¹ [Moving Always Moving Report](https://www.childrensociety.org.uk/press-releases/moving-always-moving-report) (The Children’s Society); Kristine von Simson & Janis Umblijs (2021) [Housing conditions and children’s school results: evidence from Norwegian register data](https://doi.org/10.1080/19491247.2020.1814190), International Journal of Housing Policy, 21:3, 346-371, DOI: 10.1080/19491247.2020.1814190. Cited in [A fairer private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/a-fairer-private-rented-sector)

⁴² https://england.shelter.org.uk/media/press_release/almost_half_of_children_who_become_homeless_forced_to_move_schools#:~:text=Shelter's%20research%20found%20that%20more.numerous%20times%20at%20short%20notice.

⁴³ [\[ARCHIVED CONTENT\] \(nationalarchives.gov.uk\)](https://www.nationalarchives.gov.uk)

⁴⁴ <https://researchbriefings.files.parliament.uk/documents/SN06856/SN06856.pdf>

⁴⁵ [Tables on homelessness - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/tables-on-homelessness)

64. Statistics for Southampton indicate that the two most frequent reasons for households being threatened by homelessness during 2021/22 were due to family or friends no longer being willing or able to accommodate people, often attributed to overcrowding, and the end of an assured shorthold privately rented tenancy. A similar pattern is also observed for households assessed as homeless.⁴⁶
65. 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.⁴⁷
66. 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.⁴⁸
67. As noted earlier in this report, as at 29 February 2024 there were 182 households from Southampton in temporary accommodation funded by the City Council.⁴⁹

It makes it more difficult to challenge poor practice

68. The prospect of being evicted without reason at two months' notice can leave tenants feeling reluctant to challenge poor practice. 'A Fairer Private Rented Sector' quotes the following statistics:⁵⁰
 - 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](#)).
69. At the Inquiry Panel meeting on 21st December 2023, representatives from Southampton Tenants Union and Citizens Advice Southampton expressed the fear that some tenants experience about raising concerns with landlords and provided examples where tenants have asked for repairs to be carried out, and the landlord has retaliated by issuing a Section 21 notice.

Actions proposed to increase stability and security in the private rented sector

70. The linked reports from the Scrutiny Manager and Expert Advisers outline a number of actions that have been proposed that could help increase the security and stability for tenants in Southampton (addressing overcrowding will be considered as part of the enforcement section of this report). These include the following actions:

Renters (Reform) Bill

71. As currently drafted, the Bill will abolish Section 21 evictions, which allow landlords to evict tenants without a reason. The Bill introduces three new mandatory grounds for

⁴⁶ <https://data.southampton.gov.uk/media/3zsf4jaw/homeless-needs-assessment-september-2023.pdf>

⁴⁷ [Detailed LA 202306 All Dropdowns Fixed.ods \(live.com\)](#)

⁴⁸ [£1.74 billion spent supporting 104,000 households in temporary accommodation | Local Government Association](#)

⁴⁹ Figure provided by SCC's Service Lead for Housing Needs & Welfare Support at 29/2/24 meeting of the Inquiry Panel

⁵⁰ [A fairer private rented sector - GOV.UK \(www.gov.uk\)](#)

possession, which will enable landlords to regain their properties following the removal of s.21.

72. Alongside the abolition of Section 21, the Renters (Reform) Bill includes 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.
73. The end to Section 21 evictions and assured shorthold tenancies, is recognised as being a significant development and 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.⁵¹

Local Authority actions under the homelessness prevention duties

74. The Homelessness Reduction Act 2017 (HRA) has, since 3 April 2018, placed additional duties on authorities in England to work to prevent homelessness for all eligible applicants who are threatened with homelessness within 56 days.
75. Recognising the impact that the ending of private sector tenancies is having on homelessness, and local authority budgets, a number of councils are developing creative approaches to work with landlords to provide support and prevent evictions.
76. DASH (Decent & Safe Homes) is a social enterprise which provides shared services for local authorities across the East Midlands. In 2019, DASH launched Call B4 You Serve (CB4YS), a landlord-focused service encouraging contact as early as possible if a landlord or agent has problems with a tenancy.
77. 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 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.
78. 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.⁵² Southampton City Council is currently working with DASH to implement the CB4YS scheme in Southampton.
79. Bournemouth, Christchurch and Poole 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.⁵³

⁵¹ [Renters' Reform Bill, Second Reading, House of Commons, 23 October 2023 | Local Government Association](#)

⁵² [Homelessness prevention by DASH | Crisis UK](#)

⁵³ [Grants and assistance for landlord | BCP \(bcpcouncil.gov.uk\)](#)

What actions can be taken in Southampton that will increase security and stability for tenants?

80. As stated by the Government, the proposed abolition of Section 21 and assured shorthold tenancies will *'provide greater security for tenants while retaining the important flexibility that privately rented accommodation offers.'*⁵⁴ These measures should result in tenants having more certainty, stability and confidence to raise issues with landlords without fear of retaliation.
81. However, even with the abolition of s.21 and assured shorthold tenancies, renters will continue to be evicted from private sector accommodation in Southampton under the three new mandatory grounds for possession. The sharp increase in expenditure on temporary accommodation by local authorities in recent years demonstrates that there are, and will continue to be, major cost implications for local authorities that do not take proactive action to improve stability for private tenants.
82. Adopting a proactive approach can help ensure greater stability for private tenants which can in turn lead to better educational and health outcomes for growing numbers of children living in the sector.
83. At the 29 February 2024 Inquiry Panel meeting the Service Lead for Housing Needs and Welfare Support outlined the service's desire to work more with landlords and tenants to sustain tenants in existing private rented accommodation and assist those who need to move to new accommodation. A number of initiatives are being considered, alongside the Call B4 You Serve scheme, including a Landlord Liaison post.
84. To improve the security and stability of tenants in private rented housing in Southampton the following actions are recommended:
 - i. That Southampton City Council develops and embeds a range of creative solutions to work with landlords and tenants in the private rented sector, at the earliest opportunity, to prevent homelessness.

⁵⁴ [A fairer private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

' My new landlady [...] is wonderful and really cares about her tenants and is very prompt on repairs etc. Very reasonable rates of rent and good condition of the property.'

' Increasing rent for decreasing quality of housing.'

'rent has increased but standards have not - paying more rent for the same poor housing conditions.'

' Energy costs have gone up, but landlords not obliged to insulate properties well so you end up spending lots more trying to keep properties warm..'

'my landlord hasn't completed works that need doing. I have a leak in my roof which has been there for 5 years. Mould issues. Freezing in the winter because the window seals are so old and poor.'

' The standard of houses during this time for rent has been shocking.'

'The time it takes for my landlord to repair any maintenance issue I report. It took 9 months to fix a leak in the roof and 10 months to repair broken guttering.'

'I asked my letting agency to fix the damp and mould issue at least 15 times or more in the last 3 years didn't receive any help, roof leaks water when it rains heavily didn't receive any help. This winter is gonna be very difficult for us.'

'Student renting has been getting worse, it seems that landlords openly treat student properties worse because they know its short term/the students are less likely to know how to complain. Student properties are often in horrible condition and when I have reported issues it takes weeks for the letting agent to respond let alone fix it.'

*Quotes taken from responses to the Southampton Private Rented Sector Survey related to housing conditions

The condition of private rented sector housing

85. The report to the Inquiry Panel meeting on 18 January 2024, and the accompanying briefing paper from Expert Advisers, Professor Carr and Dr Jordan, both linked below, provide significant detail on the condition of accommodation in the private rented sector nationally, and, to some extent, in Southampton.

[The condition of private rented housing](#)

[Briefing paper - The regulation of PRS housing conditions](#)

86. Utilising the information in the two reports, and the [evidence](#) presented to the Panel at the meeting, the following summary outlines the key findings as it relates to the condition of housing in the private rented sector in Southampton.

Condition of private rented properties in Southampton

87. The private rented sector has the worst housing conditions in England relative to ownership and social renting. The English Housing Survey (2021 to 2022) estimates that 23% of private rented dwellings in England (around 1 million homes) did not meet the Decent Homes Standard. This compares with 13% of owner-occupied dwellings and 10% of social rented dwellings. It also estimates that 14% of private rented dwellings (approximately 640,000 homes) had at least one Category 1 hazard under the Housing Health and Safety Rating System (HHSRS) and therefore contravened the legal minimum housing condition and safety standard.⁵⁵
88. Private renters generally live in poorer performing homes with regards to energy efficiency compared with social renters. 14% of homes in the private rented sector had, on a scale of A-G, with A being the highest, an Energy Efficiency Rating of E to G. This compares to just 3% of the social rented sector. Despite recent improvements, in the private rented sector 4.9% of the properties fell into bands F and G in 2021. This is below the Minimum Energy Efficiency Standards (MEES) requirement for all properties to reach at least band E.⁵⁶
89. This is a significant factor in the high prevalence of fuel poverty in the sector, with the most recent statistics suggesting that the private rented sector has the highest proportion of households deemed to be living in fuel poverty (24.1%).⁵⁷
90. There is no equivalent up to date information on housing conditions in the private rented sector in Southampton. The Council receives approximately 500 complaints from tenants in the city each year. This indicates there is a problem with substandard housing however it is not possible to establish the extent of that problem from tenant complaints alone. Indeed, individual complaints are likely to understate the scale of the problem because tenants face various barriers to making a complaint, not least the risk, already highlighted, that doing so may expose them to retaliatory eviction or a punitive rent increase.
91. The most reliable source of data on housing conditions is the local authority private housing stock condition survey. This is vitally important in developing a scientific basis for understanding housing conditions and targeting enforcement action in a

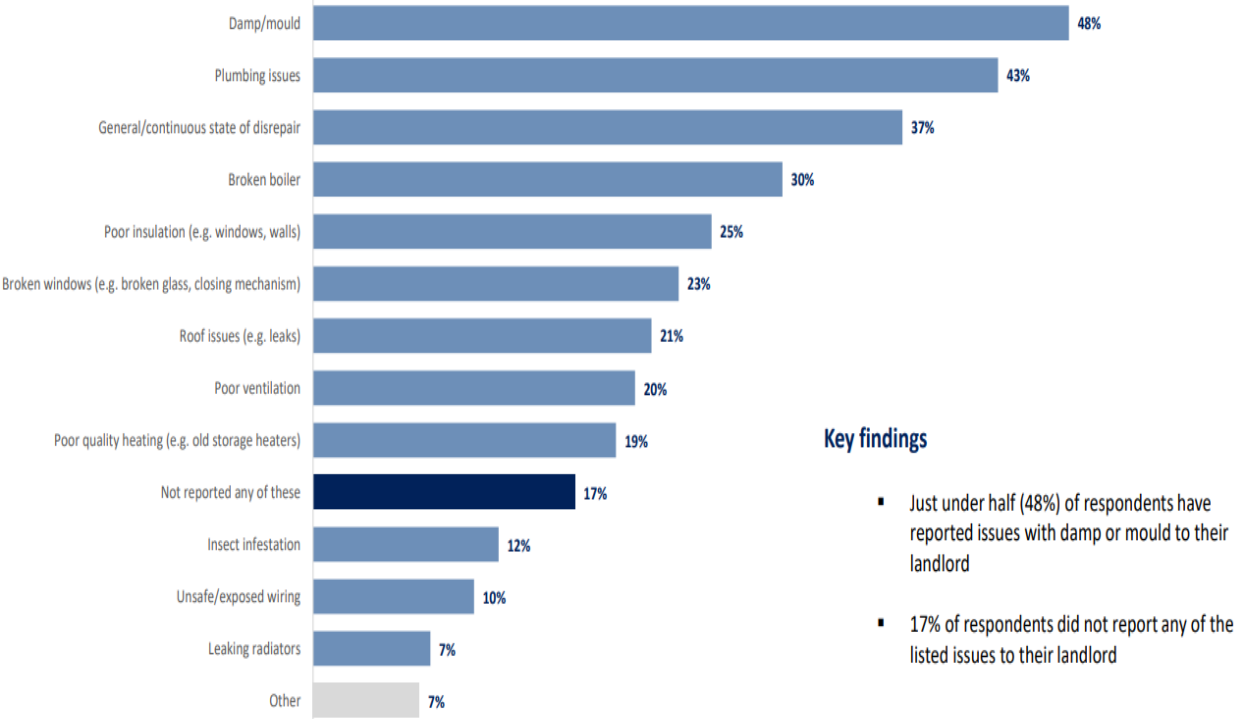
⁵⁵ [English Housing Survey 2021 to 2022: private rented sector - GOV.UK \(www.gov.uk\)](#)

⁵⁶ [English Housing Survey 2021 to 2022: private rented sector - GOV.UK \(www.gov.uk\)](#)

⁵⁷ [Annual Fuel Poverty Statistics LILEE Report 2023 \(2022 data\) \(publishing.service.gov.uk\)](#)

proactive and structured fashion. The most recent Southampton Council housing stock condition survey (2008) found that 38% of all private homes (owned and rented) in Southampton did not meet the Decent Homes Standard while 25% of private rented dwellings had a hazard that is likely to result in harm that needs medical treatment.⁵⁸ The leading causes of failure were poor insulation and heating.

92. The Southampton Tenants Survey asked respondents if they have ever reported problems about the condition of their home to their landlord. The responses are summarised below:



Source – [Southampton Private Rented Sector Survey](#)

93. These findings were echoed by the findings from a snap survey conducted by Southampton Tenants Union for the 18 January 2024 Inquiry Panel meeting.⁵⁹

The impact of poor-quality housing

94. Besides the financial cost associated with heating energy inefficient properties, the Government’s White Paper, ‘A Fairer Private Rented Sector’, links poor quality housing to undermining renters health and wellbeing, affecting educational attainment and productivity, and reducing pride in local areas.⁶⁰

95. The White Paper develops these points by identifying the following:

- Damp and cold homes can make people ill, and cause respiratory conditions. Children in cold homes are twice as likely to suffer from respiratory problems such as asthma and bronchitis.⁶¹

⁵⁸ Southampton City Council, Housing and Health in Southampton Report available at [Appendix.pdf](#) p38. Also see [A3 \(seeda.co.uk\)](#)

⁵⁹ [Minutes - 18/01/24 meeting](#)

⁶⁰ [A fairer private rented sector print.pdf \(publishing.service.gov.uk\)](#)

⁶¹ Quoted in [A fairer private rented sector print.pdf \(publishing.service.gov.uk\)](#) – source: Housing and the health of young children, National Children’s Bureau, 2016

- Homes that overheat in hot summers similarly affect people’s health. In the private rented sector alone, this costs the NHS around £340 million a year.⁶²
- Illness, caused or exacerbated by living in a non-decent home, makes it harder for children to engage and achieve well in school, and adults are less productive at work.
- Visibly dilapidated houses undermine pride in place and create the conditions for crime, drug-use, and antisocial behaviour.

Actions proposed to improve housing conditions in the private rented sector

96. The linked reports from the Scrutiny Manager and Expert Advisers outline a number of actions that have been proposed that could help improve property conditions for tenants in Southampton. These include the following actions:

Energy Efficiency Grant Schemes

97. To help improve energy efficiency levels within the private rented sector a national patchwork of energy efficiency grant schemes has developed, with a variety of measures supported and differing eligibility criteria for renters and landlords. Southampton City Council, with partners, have supported a number of programmes designed to improve the energy efficiency of homes within the private rented sector in Southampton.
98. Now in its 12th year the Southampton Healthy Homes Scheme, delivered in partnership with the Environment Centre, has supported 1000’s of Southampton residents to access grant funding for heating upgrades, insulation, and renewable technologies, help with energy bills and support for those who are vulnerable or on low incomes, including many private sector tenants.
99. In February 2024 Cabinet approved the procurement of a new contract for providing the Southampton Healthy Homes affordable warmth programme up until 2029.⁶³

Renters (Reform) Bill

100. A key target within the ‘A Fairer Private Rented Sector’ report is to reduce the number of non-decent rented homes by 50% by 2030. The Renters (Reform) Bill includes a number of proposals deigned to help meet this target, including:
- Decent Homes Standard in the private rented sector - The Decent Homes Standard is a regulatory standard in the social rented sector but there is no requirement for private rented sector properties to meet any standard of decency. The Renters (Reform) Bill includes a legislative duty on private landlords to meet the Decent Homes Standard, stipulating what tenants should expect from their home, ensuring it is safe, warm and decent. It is hoped that this will raise standards and make sure that all landlords manage their properties effectively, rather than waiting for a renter to complain or a local council to take enforcement action.
 - Property Portal - A new digital Property Portal will provide a single ‘front door’ to help landlords understand, and demonstrate compliance with, their legal requirements. Landlords will be legally required to register their property on

⁶² Quoted in [A fairer private rented sector print.pdf \(publishing.service.gov.uk\)](#) – source: National Audit Office, Regulation of Private Renting 2021

⁶³ [Southampton Healthy Homes – Procurement of a new contract for providing an affordable warmth programme](#)

the portal. It is perceived that the Property Portal will increase local councils' ability to enforce against criminal landlords and it will build on the existing database of Rogue Landlords.

- Property Ombudsman – The Government is proposing to introduce a single government-approved Ombudsman covering all private landlords who rent out property in England, regardless of whether they use an agent. This will ensure that all tenants have access to redress services in any given situation, and that landlords remain accountable for their own conduct and legal responsibilities. The Ombudsman should provide fair, impartial and binding resolution more quickly, cheaper and less adversarial than the courts and encourage landlords to improve substandard properties in the sector.
- Stronger enforcement powers for local councils - Local authorities will be given new enforcement powers to require landlords to make properties decent, with fines up to £30,000 or a banning order in the worse cases. Tenants will also be able to claim up to 24 months' rent back through rent repayment orders up from 12 previously.

What actions can be taken in Southampton that will improve the condition of housing for tenants in Southampton's private rented sector?

101. In their briefing paper to the Inquiry Panel on the regulation of housing conditions in the private rented sector, Professor Carr and Dr Jordan concluded that:

*'The relatively extensive legal framework has proved ineffective to improve standards in the private rented sector. What is required is a culture change. Landlords must understand that proper investment in property is a requirement of being a decent landlord. Local authorities must be proactive in gathering and maintaining meaningful statistics on housing standards and using that data to target enforcement to improve housing conditions. Finally, tenants must be empowered to exercise their rights either through legal aid or through simple court procedures so that they can act for themselves.'*⁶⁴

102. The target to reduce the number of non-decent rented homes by 50% by 2030 is welcome but, without effective enforcement by Southampton City Council, including effective information, advice and guidance for landlords and tenants, there will not be the required improvement in the condition of properties in the private rented sector in the city that tenants have been calling for. Enforcement will be considered in the next section of this report.

⁶⁴ [Briefing paper on the regulation of PRS housing conditions](#)

'I believe that the conditions in rental properties are also declining, as there is no pressure for landlords to carry out maintenance whilst it remains so easy for them to evade any consequences, particularly in 1 year contracts.'

'Lack of willingness for Southampton council to assist with landlord issues.'

'There needs to be a minimum standard for any HMO, and every accommodation should be checked annually or bi-annually, to ensure it meets a minimum standard.'

'Standards have dropped and the council do nothing to hold landlords to account. they feel invulnerable to your action and do as they please.'

'Lack of effective government/local council powers/enforcement'

'Absolutely no protection against any of it'

'I have absolutely no faith in Southampton city council to prevent this from happening.'

*Quotes taken from responses to the Southampton Private Rented Sector Survey related to local authority enforcement of private rented sector regulations

Enforcement of private rented sector housing regulations

103. The report to the Inquiry Panel meeting on 29 February 2024, and the briefing paper from Expert Advisers, Professor Carr and Dr Jordan to the 16 November 2023 meeting, both linked below, provide significant detail on the enforcement of regulations within the private rented sector.

[Southampton City Council's approach to enforcement of the private rented sector](#)

[Briefing paper on local authority regulation of the PRS](#)

104. Utilising the information in the two reports, and the evidence presented to the Panel at the meetings on [18 January 2024](#) and [29 February 2024](#), the following summary outlines the key findings as it relates to the enforcement of private rented sector housing regulations in Southampton.

Role of local authorities

105. The Department for Levelling Up, Housing and Communities (DLUHC) sets the overall policy for the private rented sector and oversees the regulatory framework. Local councils are responsible for regulating the private rented sector in their area and enforcing landlords legal obligations.
106. Legislation requires local authorities to:
- keep housing conditions (including overcrowding) under review
 - take enforcement action where a Category 1 hazard is identified.
107. To fulfil legal duties, local authorities have a wide range of enforcement powers including:
- formal “deterrence-focused” regulation i.e. statutory notices, civil penalty notices (up to £30K fines), banning orders, criminal penalties, and rent repayment orders.
 - other approaches i.e. surveys, licencing, informal actions.
108. As noted in the previous chapter, under the Renters (Reform) Bill local authorities will be given new enforcement powers to require landlords to make properties decent, with fines up to £30,000 or a banning order in the worst cases.
109. Councils will also be given stronger powers to investigate landlords who rent substandard homes. These additional powers will be accompanied by a duty that local housing authorities shall ‘enforce the landlord legislation in its area.’

Barriers to local authority enforcement

110. A study commissioned by DLUHC in 2021 to explore local authority enforcement in the private rented sector, found that the powers and enforcement measures available to local authorities are valuable tools for tackling poor conditions in the private rented sector. However, the findings also identified that local authorities face significant barriers to tackling poor conditions, resulting in an uneven picture of enforcement.⁶⁵

⁶⁵ [Local authority enforcement in the private rented sector: headline report - GOV.UK \(www.gov.uk\)](#)

111. The main barriers identified were:

- Lack of meaningful data about private renting
- Capacity of local enforcement teams
- The experience and expertise of enforcement teams
- Political will, strategic commitment and related support of legal teams
- Issues relating to the legal framework

112. The study concluded that: *'With some notable exceptions and pockets of good practice, the barriers identified above, and other challenges, appear to leave many enforcement teams operating a reactive, rather than proactive service that is focused on fulfilling statutory duties and targeting only the worst standard properties. Addressing these barriers is likely to result in increased and more effective action to improve conditions and standards in the private rented sector.'*⁶⁶

Southampton City Council's approach to enforcement of the private rented sector

113. In his presentation to the Inquiry Panel, the City Council's Service Manager for Private Sector Housing recognised the barriers identified in the DLUHC commissioned study and identified them as being contributory factors to the approach being undertaken in Southampton.

114. The last private sector housing conditions survey was undertaken in 2008 and, in a city where circa 30,000 households live in the private rented sector, enforcement is undertaken by 10 FTE officers. The Private Sector Housing Team consists of just 3.5 FTE and the HMO (Houses in Multiple Occupation) Licensing Team of 6.5 FTE posts.

115. Resource limitations mean that inspections of properties are reactive, initiated by tenants who have made complaints or raised issues. All Private Sector Housing Service requests are triaged and an inspection is only carried out where a likelihood of significant hazard (Category 1, HHSRS - serious and immediate risk to a person's health and safety) is identified.

116. Perhaps influenced by fear of eviction, only 489 complaints were raised with the Private Sector Housing team in 2022/23. Of the 489 complaints only 88 (18%) led to an inspection in 2022/23.

117. In 2023/24, as of 29 February 2024, 19 enforcement notices had been served by the Private Sector Housing Team, 72 in total since 2019/20. Despite being introduced through the Housing and Planning Act 2016, Southampton City Council has never issued a Civil Penalty Notice.

118. The level of complaints received, and inspections undertaken do not appear to reflect the extent of the problem with housing conditions in Southampton's private rented sector as identified in the Southampton Private Rented Sector Survey, 2008 private sector housing conditions survey, or the presentations made by Southampton Tenants Union at meetings of the Inquiry Panel.

119. The Council is more proactive in its approach to HMOs. All local authorities have a legal requirement to license larger HMOs in their area. This covers all HMOs with 5 or more residents from 2 or more households. There are between 2,300- 2,500

⁶⁶ [Local authority enforcement in the private rented sector: headline report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/101111/local-authority-enforcement-in-the-private-rented-sector-headline-report.pdf)

'Mandatory HMOs', which require licensing every five years at a cost to the landlord, out of 6,000-7,000 HMOs in Southampton.

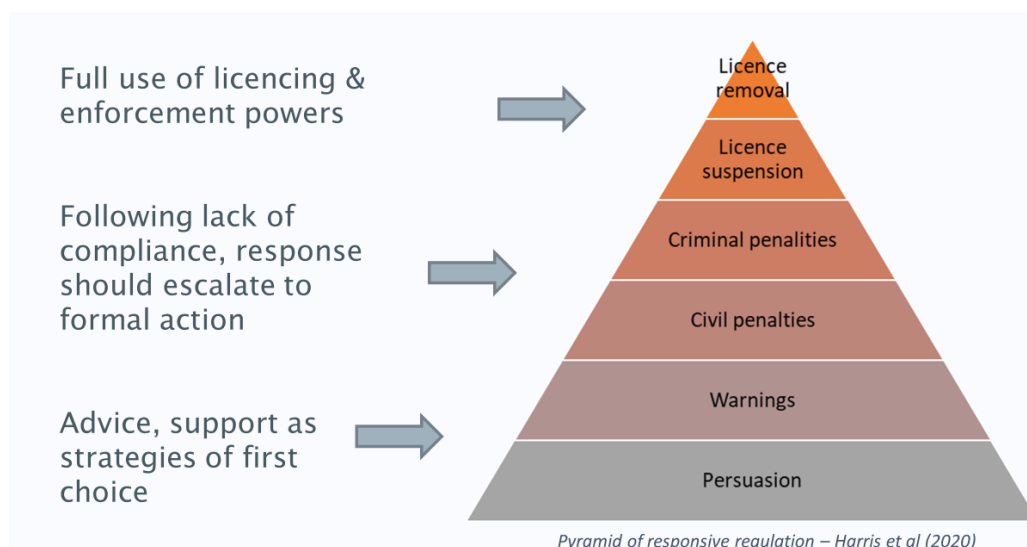
120. Every Mandatory HMO is inspected, either by a member of the HMO licensing team or an accredited independent surveyor, prior to a licence being issued. The inspections assess whether the property meets published HMO standards relating to issues such as room sizes, amenities, fire safety, conditions and property management.
121. Southampton City Council has also operated three additional HMO licensing schemes in certain wards within the city over the past ten years. Additional licensing schemes allow councils to licence smaller HMOs (any HMO with 3 or more persons forming 2 or more households), and 'cluster flats within purpose-built student blocks. Additional HMO licensing schemes can only run for five years and must run on a cost recovery basis funded by a license fee.
122. Schemes have covered the four central wards of Bevois, Bargate, Portswood and Swaythling and also the western wards of Shirley, Freemantle, Bassett and Millbrook. The most recent scheme covering the central wards ended on 30 September 2023.
123. Collectively the Mandatory and Additional Licensing Schemes resulted in approximately 5,000 out of the estimated 6-7,000 HMOs in the city being covered by a license.
124. The Service Manager for Private Sector Housing identified the HMO licensing schemes as being effective tools in managing the condition and impact of HMOs. In Southampton, licensing of HMOs has led to a 75% reduction in complaints from tenants relating to conditions, and compliance with standards has been high. The licensing schemes were supported by Southampton Tenants Union, the University of Southampton and landlord organisations at meetings of the Panel.
125. To maintain standards, the Council is proposing a further additional licensing scheme designation in 2024 to capture the majority of the city's HMOs in the 8 wards where schemes operated previously. Designation would capture between 2,800-3,000 HMOs including all of the Purpose-Built Student accommodation blocks. This proposal was welcomed by the Inquiry Panel.
126. Whilst valuing the more proactive approach to HMOs, the Panel were made aware that circa 20,000 private rented properties in Southampton are not covered by licensing and, that information, advice and guidance for landlords and tenants on the Council's website, that could help to increase understanding of rights, responsibilities, and to identify and promote good practice, is also limited.
127. With the Renters (Reform) Bill likely to result in the biggest shake up in years to private renting, including the Decent Homes Standard being introduced to the private rented sector which Expert Advisers to the Panel expect to double the scope of enforcement in Southampton⁶⁷, and an increase in complaints triggered by the abolition of Section 21, it is likely to result in significantly increased demand on the Council's Private Sector Housing teams limited resources. In the words of the Service Manager for Private Sector Housing at the 29 February 2024 meeting:
"Standards are at risk of falling if enforcement of the sector is not prioritised appropriately."

⁶⁷ [Security, stability and overcrowding presentation - 29/02/24](#)

The value of a proactive approach to enforcement

128. Local authorities can play a significant role in securing a better private rented sector for tenants. Councils have duties to assess housing conditions and have extensive, enforcement powers that can be used to tackle poor conditions in the sector.
129. In their briefing paper to the Panel, Expert Advisers, Professor Carr and Dr Jordan, outlined the values of a proactive approach to enforcement:
- ‘Adopting a proactive and responsive regulatory approach, rather than a reactive enforcement service that responds to individual complaints, can help to enable a local authority to anticipate regulatory changes, establish the case for greater resource from central government, and demonstrate compliance through developing data led regulatory interventions to improve housing conditions.’⁶⁸*
130. Prof Carr and Dr Jordan referenced that the success of a proactive model depends upon local authorities conducting regular housing stock condition surveys. This is vitally important in terms of identifying the extent of substandard housing and developing effective strategies for targeting enforcement to improve housing and health outcomes for tenants.
131. Prof Carr and Dr Jordan used the example of a local authority area where NHS hospital admissions data and Indices of Multiple Deprivation data were mapped onto the housing conditions survey to gain a general idea of where the best and worst quality housing and the tenants most in need of support were located. This data was then used to target enforcement activity and welfare support for tenants.⁶⁹
132. A recent report by the UK Collaborative Centre for Housing Evidence has argued one example of good proactive practice is a responsive regulatory approach.⁷⁰

Figure 5 – Pyramid of responsive regulation



133. In this model, local authorities employ advice, support and assistance as strategies of first choice and this is where most action will take place. Should the landlord fail to comply then the local authority response escalates to more formal action, higher up the pyramid.

⁶⁸ [Briefing paper on the regulation of PRS housing conditions - 18/1/24](#)

⁶⁹ J Harris et al, *Improving compliance in the private rented sector* (UK Collaborative Centre for Housing Evidence, 2020)

⁷⁰ J Harris et al, *Improving compliance in the private rented sector* (UK Collaborative Centre for Housing Evidence, 2020)

Proactive and responsive regulatory approaches

134. There are various examples of local authorities developing proactive and responsive regulatory approaches to enforcement of the private rented sector.

Information, advice and guidance – Exeter City Council

135. The Pyramid of Responsive Regulation has advice and support as the strategies of first choice. As stated when identifying the limitations of Southampton City Council's website, information, advice and guidance is key to increasing landlords and tenants understanding of their rights, responsibilities, and to identify and promote good practice. This will be of increased importance following ratification of the Renters (Reform) Bill and the substantial changes it will introduce.
136. The approach followed by Exeter City Council to educate and inform both landlords and tenants via checklists and training modules is both comprehensive and clear and can be accessed via the links below:

[Private Tenants' Checklist - Exeter City Council](#)

[Landlord Checklist - Exeter City Council](#)

[Landlord training modules - Exeter City Council](#)

Voluntary schemes for landlords

137. A number of local authorities have developed charters or accreditation schemes in partnership with landlords to raise standards within the private rented sector. The Panel were informed of the following innovative approaches:

Good Landlord Charter – Greater Manchester⁷¹

138. Greater Manchester Combined Authority's proposed Good Landlord Charter is a voluntary scheme for landlords who want to commit to higher standards than they are currently required to by law. The scheme represents an instance of good practice in how it was designed with effective participation of landlords associations, tenant unions and other stakeholders which acted as members of the coordinating group.
139. To become a member of the Charter, landlords are required to demonstrate they meet twenty member criteria, which are specific commitments to going beyond the minimum required by law.

Leeds Rental Standard⁷²

140. The Leeds Rental Standard is a badge developed by Leeds City Council that:
- Establishes an overarching minimum standard for privately rented accommodation across the city
 - Aims to bring unity to accreditation
 - Raises the standards in professional and student lets in the city
141. The Leeds Rental Standard operates under the following existing schemes:
- [National Residential Landlords Association Accreditation Scheme](#)

⁷¹ <https://www.greatermanchester-ca.gov.uk/what-we-do/planning-and-housing/good-landlord-charter>

⁷² [Leeds Rental Standard : Home](#)

- [Unipol Code \(unipol.org.uk\)](http://unipol.org.uk)
- [ANUK / Unipol National Code \(for larger student developments\)](#)

142. Leeds City Council supports and partly funds the Leeds Rental Standard scheme in partnership with the other accrediting organisations - Unipol Student Homes and the National Residential Landlords (NRLA).
143. Leeds City Council want the Leeds Rental Standard to result in lighter touch regulation allowing the local authority to concentrate their regulatory resources on those that showed no sign of meeting standards voluntarily.
144. In Southampton landlord accreditation schemes do exist. The NRLA and iHOWZ landlord association, both of which are represented in Southampton, run accreditation schemes. Accredited landlord members are able to demonstrate their knowledge, training, skills and intentions to manage properties and tenancies in line with best practice, helping build their reputation with tenants and Local Authorities.
145. Since 2013 SASSH - Southampton Accreditation Scheme for Student Housing, a scheme run in partnership between the University of Southampton, Southampton Solent University and Southampton City Council has been operating in the city. The purpose of the scheme is to ensure that students have access to a supply of high quality, safe accommodation that is well managed.
146. To advertise a property through the scheme, a landlord must declare that the property meets the required SASSH standards. This is a self-accreditation scheme and relies on landlords making accurate assessments of their property against the SASSH standards.
147. In recent years property inspections have stopped and the scheme has plateaued. The universities are keen to reinvigorate SASSH, re-start property inspections and review standards to ensure that homes meet than the current 'bare minimum' standards.

Selective Licensing

148. Local authorities may introduce a selective licencing scheme to include private rented housing not covered by mandatory licencing under the Housing Act 2004.⁷³ This can be introduced where the local authority believes that an area is one experiencing: low housing demand (or is likely to become such an area), a significant and persistent problem caused by anti-social behaviour, poor housing conditions, high levels of migration, high level of deprivation and high levels of crime. The decision to designate an area as subject to selective licensing for a period of 5 years must be approved by the Secretary of State, should the scheme affect more than 20% of privately rented homes in the local authority area or of the geographical area.

London Brough of Newham⁷⁴

149. 38.5% of households in Newham are in the private rented sector. Research indicates that 52-54% of Newham's residents are renting privately.
150. Newham introduced the country's first large scale selective licensing scheme in 2013 and in 2018 a second scheme was introduced, which included a selective and

⁷³ [Selective licensing in the private rented sector: a guide for local authorities - GOV.UK \(www.gov.uk\)](#)

⁷⁴ [LB Newham - Selective licensing presentation to inquiry Panel - 18/1/24](#)

additional HMO licensing scheme for 19 out of Newham's 20 wards. This represented 42,000 licenses. An unprecedented third selective licensing scheme was confirmed by the Secretary of State in December 2022 to commence in 2023.

151. Objectives of the selective licensing scheme include improving the quality, safety and choice for residents across Newham and to raise housing standards across Newham by penalising landlords who fail to provide homes of suitable quality.
152. A total of 66 officers are employed in Newham's Private Sector Housing Standards Team, funded from license fees. Officers undertake about 800 inspections per month and refer about 100 per month to an enforcement referrals process.
153. Between 2018-22 Newham, out of 26,000 license holders:
 - Banned 84 landlords from running licensing properties
 - Launched almost 2,000 'breach of licence' investigations
 - Issued 342 financial penalty final notices
 - Sent 6,447 enforcement letters to landlords.
154. According to LB Newham's Head of Private Sector Housing Standards, the property licensing schemes enable proactive inspections and have improved housing conditions and ensured healthy housing for occupants by driving up standards and stamping out poor and illegal practices for the benefit of tenants and responsible landlords.⁷⁵
155. The scheme collects and collates data which informs how resources are used to target enforcement action and supports applications for future licensing designations. The licensing schemes help Newham prepare for duties under the Renters (Reform) Bill and demonstrate local housing authority ability to keep housing conditions in the area under review.
156. Newham is also innovative in its approach to providing information, advice and guidance. Newham has produced a landlords pack, a tenants pack, runs landlord forums with the NRLA twice a year, has an e-bulletin for landlords that 18,000 out of 26,000 landlords have signed up to, an up to date and relevant information is posted on the Council's website.

Nottingham City Council⁷⁶

157. Nottingham City Council's selective licensing scheme began in August 2018 and is aimed at tackling poor property conditions, high levels of antisocial behaviour, crime, and deprivation. As of June 2022, the Council's team of 75 officers had received over 29,000 applications. The provision of advice to licence holders and compliance inspections led to approximately 25% of properties being improved.
158. The Council has also had success in finding unlicensed properties and taking enforcement action against owners who don't comply. They have issued 47 Civil Penalty Notices and 13 landlords have been prosecuted for 49 offences at 30 properties, 27 of these relate to selective licensing. This has helped the team to secure 1,305 licence applications from previously unlicensed properties. The scheme

⁷⁵ [LB Newham - Selective licensing presentation to inquiry Panel - 18/1/24](#)

⁷⁶ Case study included in [A fairer private rented sector print.pdf \(publishing.service.gov.uk\)](#) – p51

also led to a reduction in the proportion of privately rented homes with EPC energy rating below 'D' from 25.9% to 15.6%.

159. To support landlords, the Council also offers a lower selective licence fee for accredited landlords through partners Decent and Safe Homes (DASH) and Unipol. This has seen the number of accredited landlords rise from 650 to 1,715 in January 2022. Approximately a third of all individually licensed properties are now accredited, with these landlords letting over 8,300 properties in January 2022, up from 3,917 in 2018.

What actions can be taken in Southampton that will improve conditions and standards for private sector renters through effective enforcement?

160. Southampton City Council's approach to enforcement of the private rented sector is limited in its effectiveness, and predominantly reactive in nature. In summary:
- Partly due to the latest private sector housing conditions survey being undertaken in 2008, there is a lack of meaningful data to identify the extent of substandard housing in the city and to target enforcement activity.
 - More can and needs to be done to advise, support and assist landlords and tenants through effective information, advice and guidance.
 - The voluntary landlord accreditation schemes designed to improve housing conditions in the sector are welcome but disjointed and membership has stagnated.
 - Due to insufficient resources, enforcement powers are under-utilised outside of HMO licensing, resulting in limited redress for tenants living in circa 20,000 homes in the city.
161. The reforms included in the Renters (Reform) Bill will result in additional demands on the under resourced Private Sector Housing team. Unless changes are made, this will challenge the ability of the Council to 'enforce the landlord legislation in its area' and deliver the improvements expected to conditions, overcrowding and standards in Southampton's extensive private rented sector.
162. To improve the conditions and management standards for private sector renters through effective enforcement, the following actions are recommended:

To help target enforcement action and facilitate the future use of available enforcement tools

- i. Commission a private sector housing conditions survey.

To implement the pyramid of responsive regulation approach

- ii. Using examples of best practice, improve the information, advice and guidance provided to landlords and tenants, and utilise landlord forums and other opportunities to build relationships with stakeholders.
- iii. Review, with partners, the current approach to voluntary landlord accreditation in the city with a view to developing a citywide scheme akin to the Leeds Rental Standard or the Good Landlord Charter. Increasing the effectiveness and take up of voluntary accreditation schemes will allow the Council to concentrate regulatory resources on landlords and agents that show no sign of meeting standards voluntarily.

- iv. Review the new operating and enforcement guidance for local authorities to be published by Government and identify opportunities to utilise the full range of informal and formal enforcement powers available to the Council. The use of Civil Penalty Notices, designating a new HMO additional licensing scheme, and a selective licensing scheme in the city should be considered as part of the review, following the recognised best practice examples provided in this report.
- v. Undertake economic activity modelling to identify the additional resources required to deliver a comprehensive proactive and responsive regulatory approach to enforcement of the private rented sector in Southampton.

To provide transparency to the Council's approach, utilise available expertise, and demonstrate political commitment

- vi. Develop a Private Rented Sector Strategy for the city that articulates Southampton City Council's strategic vision, standards and approach to intervening in Southampton's private rented sector.
- vii. Work with experts from the University of Southampton to help deliver the responsive regulatory approach.

Conclusions and Recommendations

163. A summary of the key evidence presented at each of the inquiry meetings is attached as Appendix 3. All the reports, presentations and minutes from the inquiry meetings can be found here:

[Browse meetings - Scrutiny Inquiry Panel - Scrutiny Inquiry Panel - How do we get a better deal for private sector renters in Southampton? | Southampton City Council](#)

Conclusions

164. In 2022, to tackle the renting crisis in Bristol, the City Council, University of Bristol, and stakeholders launched a Living Rent Commission. Following a lengthy inquiry, Bristol's Living Rent Commission concluded that:
- 'Private renting in the city faces a serious access, affordability and security of tenure crisis, which is impacting the wellbeing and quality of life for people in Bristol and playing a major role in creating homelessness.'*⁷⁷
165. Reflecting the findings from the Private Rented Sector Survey⁷⁸ and feedback presented to the Inquiry Panel by tenants, it is difficult, when considering the situation in Southampton, to arrive at a different conclusion from that reached by Bristol.
166. As rents in Southampton continue to rise, without accompanying improvements to housing quality, and the supply of rental properties tightens, access and affordability continues to be a serious challenge for renters in the city.
167. Whilst recognising that the city contains a diverse range and quality of rented accommodation, and that the following response is not representative of all of the feedback received via the survey, it does reflect a view expressed by a significant number of tenants in Southampton:
- 'Rent has increased but standards have not - paying more rent for the same poor housing conditions.'*
168. The Government White Paper - 'A Fairer Private Rented Sector' identified that nationally the private rented sector offers the most expensive, least secure, and lowest quality housing relative to other tenures.⁷⁹ As Expert Advisers, Professor Carr and Dr Jordan, stated in their final presentation to the Inquiry Panel: *'This inquiry tends to confirm that the problems associated with the private rented sector nationally are equally, if not more, prominent in Southampton.'*⁸⁰
169. There are, however, positive developments that can give renters hope. The Renters (Reform) Bill presents a genuine opportunity to address a number of the challenges experienced by renters in Southampton. The abolition of Section 21, and the transition from assured shorthold tenancies to periodic tenancies should increase security of tenure for renters. The proposals to limit rent increases to once a year, increase the minimum notice landlords must give of a rent increase to 2 months, and end the use of rent review clauses in tenancy agreements should ensure that rent increases become more predictable. Finally, applying the Decent Homes Standard to the private rented sector, the Property Portal, Property Ombudsman and providing

⁷⁷ [The Bristol Living Rent Commission - Bristol One City](#)

⁷⁸ [Southampton Private Renters Survey](#)

⁷⁹ [A fairer private rented sector print.pdf \(publishing.service.gov.uk\)](#)

⁸⁰ [Local authorities and the private rented sector \(southampton.gov.uk\)](#)

local councils with stronger enforcement powers can help work towards meeting the target of reducing the number of non-decent rented homes by 50% by 2030.

170. A number of the desired improvements are however predicated on actions delivered in Southampton by the City Council and partners. Fundamentally, the cost of renting is dependent on a number of demand and supply factors. By increasing the supply of houses, particularly social and affordable housing, it can help to help improve housing affordability, particularly for low-income households. By working effectively with landlords and tenants to prevent evictions it can aid stability. By developing a more proactive approach to enforcement it can improve housing conditions and standards for tenants in Southampton.
171. These actions are not a quick fix and require investment and commitment from the Authority. However, as explained by the Expert Advisers to the Panel, the advantages of the approach described above will result in better outcomes for tenants, the council and the city:

‘Adopting a more proactive regulatory approach involving stock condition surveys, enforcement action at each level of the regulatory pyramid, and supporting tenant relation and homelessness officers preventing evictions and ensuring tenancies continue involves significant initial expense. However, once an integrated proactive approach is up and running, it can reduce costs for the local authority, particularly in terms of expenditure on temporary accommodation. Furthermore, private sector enforcement is self-financing in that fines raised are ring fenced for further enforcement activity. Finally, and most importantly, a proactive approach can help ensure greater stability for private tenants which can in turn lead to better educational and health comes for growing numbers of children living in the sector.’⁸¹

Recommendations

172. In this report recommendations have been identified against each of the key challenges experienced by tenants in the city. In summary, reflecting the key findings and conclusions, the following actions are recommended to get a better deal for the 30,000 households renting in Southampton:

Affordability of renting in the private rented sector

173. To improve the affordability of private rented housing in Southampton the following actions are recommended:
1. That the final version of Southampton City Vision Local Plan retains the ambitious housing delivery figures for the city, maintains an ambitious policy position for the delivery of affordable housing through major planning applications, and that the Council commits to facilitating the delivery of 8,000 affordable homes by 2040.
 2. That partners develop and update a database of market rent levels in Southampton to support the work of the Valuation Office.

Security and stability in the private rented sector

⁸¹ [Briefing paper - Security Stability and Overcrowding.pdf \(southampton.gov.uk\)](#) – p15

174. To improve the security and stability of tenants in private rented housing in Southampton the following actions are recommended:

3. That Southampton City Council develops and embeds a range of creative solutions to work with landlords and tenants in the private rented sector, at the earliest opportunity, to prevent homelessness.

Housing conditions in the private rented sector

175. To improve the conditions and standards for private sector renters in Southampton through effective enforcement the following actions are recommended:

To help target enforcement action and facilitate the future use of available enforcement tools

4. Commission a private sector housing conditions survey.

To implement the pyramid of responsive regulation approach

5. Using examples of best practice, improve the information, advice and guidance provided to landlords and tenants, and utilise landlord forums and other opportunities to build relationships with stakeholders.
6. Review, with partners, the current approach to voluntary landlord accreditation in the city with a view to developing a citywide scheme akin to the Leeds Rental Standard or the Good Landlord Charter. Increasing the effectiveness and take up of voluntary accreditation schemes will allow the Council to concentrate regulatory resources on landlords and agents that show no sign of meeting standards voluntarily.
7. Review the new operating and enforcement guidance for local authorities to be published by Government and identify opportunities to utilise the full range of informal and formal enforcement powers available to the Council. The use of Civil Penalty Notices, designating a new HMO additional licensing scheme, and a selective licensing scheme in the city should be considered as part of the review, following the recognised best practice examples provided in this report.
8. Undertake economic activity modelling to identify the additional resources required to deliver a comprehensive proactive and responsive regulatory approach to enforcement of the private rented sector in Southampton.

To provide transparency to the Council's approach, utilise available expertise, and demonstrate political commitment

9. Develop a Private Rented Sector Strategy for the city that articulates Southampton City Council's strategic vision, standards and approach to intervening in Southampton's private rented sector.
10. Work with experts from the University of Southampton to help deliver the responsive regulatory approach.

Appendices

Appendix 1 - Inquiry Terms of Reference

Appendix 2 - Inquiry Plan

Appendix 3 - Summary of evidence

Appendix 1 – Inquiry Terms of Reference

How do we get a better deal for private sector renters in Southampton? Scrutiny Inquiry Terms of Reference and Outline Inquiry Plan

1. Scrutiny Panel membership:

Councillor Windle
Councillor Blackman
Councillor Evely
Councillor McEwing
Councillor Powell-Vaughan

2. Purpose:

To identify opportunities to improve outcomes for private sector renters in Southampton.

2. Background:

- According to the English Housing Survey in 2020 to 2021, the Private Rented Sector (PRS) accounted for 4.4 million (19%) households in England, housing over 11 million people. The sector has doubled in size since the early 2000s but the proportion of PRS households has remained stable at around 19% or 20% since 2013 to 2014.
- The Government White Paper, [A Fairer Private Rented Sector](#) published in June 2022 outlined that everyone deserves to live in a safe and decent home and stated that most landlords and agents treat their tenants fairly and provide good quality and safe homes. However, the white paper noted that this is not universal practice and too many of the 4.4 million households that rent privately live in poor conditions, paying a large proportion of their income to do so, with the threat of sudden eviction hanging over them.
- Poor-quality housing undermines renters' health and wellbeing, affects educational attainment and productivity, and reduces pride in local areas.
- In England, despite improvements over the past decade, over a fifth of privately rented homes (21%) are non-decent, and 12% have serious 'Category 1' hazards, which pose an imminent risk to renters' health and safety.
- Private renters spend an average of 31% of their income, including housing support, on rent. In comparison, those buying their home with a mortgage spent 18% of their household income on mortgage payments and social renters paid 27% of their income on rent. The median monthly rent recorded between April 2022 and March 2023 was £825 for England; this is the highest ever recorded.
- More than one fifth of renters (22%) who moved in 2020-2021 did not end their tenancy by choice, including 8% who were asked to leave by their landlord and a further 8% who left because their fixed term ended.

- In Southampton 29.2% of households lived in private rented sector accommodation in 2021 (approximately 30,000). This is the highest out of our ONS comparator cities and has increased from 24.9% in 2011.
- Data published in June 2023 identified that the median monthly rent in Southampton was £875. This is £50 higher than the national median.
- A recent private sector stock condition survey has not been undertaken in Southampton, but the 2008 Southampton City Council Private Sector House Condition Survey found that over 28,000 (38%) of privately owned and rented homes in the city do not meet the Decent Homes Standard.
- More broadly, Southampton is a growing city. The population increased by 5.1%, from just under 236,900 in 2011 to around 248,900 in 2021. There are approximately 30,000 higher education students studying in Southampton and both universities anticipate the number of students studying at the institutions to increase over the coming years. These trends create housing challenges for all tenures as well as concerns about affordability, especially for low income households. For example, the average rent for a three-bedroom property in Southampton is £1,100 per month, while the local housing allowance rate for this type of property is £922 per month.
- Following the white paper, the Government has published the [Renters Reform Bill](#) and it had its first reading in the House of Commons in May 2023. The Bill seeks to level up the Private Rented Sector and rebalance the relationship between tenants and landlords.
- Local councils play a vital role in regulating and enforcing compliance in the Private Rented Sector. A number of innovative practices have been introduced by local authorities in England that have been designed to improve outcomes for private sector renters.

3. Objectives:

- a. To identify the challenges and concerns of private sector renters in Southampton.
- b. To understand existing plans and opportunities to address the identified challenges.
- c. To identify good practice being employed to get a better deal for private sector renters in the UK and beyond.
- d. To identify what initiatives and approaches could work well in Southampton to improve outcomes for private sector renters.

4. Methodology:

- a. Seek the views of residents and stakeholders
- b. Undertake desktop research
- c. Identify best practice

5. Proposed Timetable:

Six meetings between November 2023 and April 2024

Meeting 1: 16 November 2023

- Introduction, context and background
 - The shape of the private rental sector in Southampton
 - Understanding tenants needs and concerns – Including tenants survey
 - Overview of national legislation and policy
 - How the Council and partners seek to manage and oversee the private rental sector in Southampton.

Meeting 2: 21 December 2023

- The cost of renting in Southampton
 - Feedback from tenants and landlords
 - Local and national data
 - National and local policy
 - Alternative approaches / Good practice

Meeting 3: 18 January 2024

- The condition of private sector rental properties
 - Feedback from tenants and landlords
 - Local and national data
 - National and local policy
 - Alternative approaches / Good practice

Meeting 4: 15 February 2024

- Southampton's HMO Licensing Scheme
 - Analysis of the existing HMO licensing scheme in Southampton

Meeting 5: 29 February 2024

- Security, stability and overcrowding
 - Feedback from tenants and landlords
 - Local and national data
 - National and local policy
 - Alternative approaches / Good practice

Meeting 6: 18 April 2024

- Consideration of the final report

Appendix 2 – Inquiry Plan

DATE	MEETING THEME	EVIDENCE PROVIDED BY
16/11/23	Agree terms of reference and introduction, context and background to the inquiry	<ul style="list-style-type: none"> • Conor O’Shea - Policy and Public Affairs Manager, Generation Rent • Phil Tyler and David Carr - Directors, Southampton Tenants Union • Peter Littlewood - Chief Executive, iHOWZ Landlord Association • Samantha Watkins - Senior Policy Officer, NRLA • Professor Helen Carr - Professor of Property law and social justice and Director of the Law School Research Centre, People, Property, Community, University of Southampton • Dr Mark Jordan - Lecturer in Housing law at Southampton Law School and founding member of Law School Research Centre, People, Property, Community, University of Southampton • Steven Hayes-Arter - Service Manager for Private Sector Housing and Port Health, SCC
21/12/23	The affordability of private sector renting	<ul style="list-style-type: none"> • Cllr Tom Renhard - Cabinet Member for Housing Delivery and Homelessness, Bristol City Council • Alfie Thomas - Policy, Strategy and Public Affairs Officer, Bristol City Council • Kirsty Rowlinson - Business Manager, Citizens Advice Southampton • Cecilia Kovacs and Chloe Braddock - Directors, Southampton Tenants Union • Liz Mackenzie - Regional Representative, NRLA • Rogel Bell (South Hampshire Chair) and Phil Watmough (Committee Member) - iHOWZ Landlord Association • Professor Helen Carr - Professor of Property law and social justice and Director of the Law School Research Centre, People, Property, Community, University of Southampton • Polyanne Gouldthorpe – Housing Advisor, Southampton Solent University • Ian Loynes – Chief Executive, Spectrum CIL • Amber Trueman – Strategic Planning Manager, SCC

DATE	MEETING THEME	EVIDENCE PROVIDED BY
		<ul style="list-style-type: none"> • Jonathan Clegg - Managing Director, Hunters Estate and Lettings Agent
18/01/24	The condition of private sector housing	<ul style="list-style-type: none"> • Cllr Shaban Mohammed - Cabinet Member for Housing Management and Modernisation; Housing Needs, Homelessness and the Private Rented Sector, London Borough of Newham • Helen Masterson - Head of Private Sector Housing Standards, London Borough of Newham • Adam Goulden - Chief Executive, the Environment Centre (tEC) • Chloe Braddock and Phil Tyler – Directors, Southampton Tenants Union • Samantha Watkin (Senior Policy Officer) & Liz Mackenzie (Regional Representative) - NRLA • Rogel Bell (South Hampshire Chair) & Phil Watmough (Committee Member) - iHOWZ Landlord Association • Ros Lyon, Head of Occupancy and Residential Customer Services; Dan Cole, Associate Director of Facilities; Kate Fay, Public Affairs Manager for Estates – University of Southampton • Professor Helen Carr - Professor of Property law and social justice and Director of the Law School Research Centre, People, Property, Community, University of Southampton • Dr Mark Jordan - Lecturer in Housing law at Southampton Law School and founding member of Law School Research Centre, People, Property, Community, University of Southampton
15/02/24	Southampton City Council's approach to enforcement of the private rented sector -	Cancelled
29/02/24	Southampton City Council's approach to enforcement of the private	<ul style="list-style-type: none"> • Steven Hayes-Arter - Service Manager for Private Sector Housing & Port Health, SCC • Cecilia Kovacs – Director, Southampton Tenants Union

DATE	MEETING THEME	EVIDENCE PROVIDED BY
	rented sector & Security, stability and overcrowding in the private rented sector	<ul style="list-style-type: none"> • Rogel Bell (South Hampshire Chair) – iHOWZ Landlord Association • Liz Mackenzie – Regional Representative, NRLA • Maria Byrne - Service Lead for Housing Needs & Welfare Support, SCC • Professor Helen Carr - Professor of Property law and social justice and Director of the Law School Research Centre, People, Property, Community, University of Southampton • Dr Mark Jordan - Lecturer in Housing law at Southampton Law School and founding member of Law School Research Centre, People, Property, Community, University of Southampton
18/04/24	Agree final report	

The minutes for each meeting, the evidence submitted to the Scrutiny Inquiry Panel and presentations delivered at each meeting is available at:

[Committee details - Scrutiny Inquiry Panel - How do we get a better deal for private sector renters in Southampton? | Southampton City Council](#)

Appendix 3 – Summary of Evidence

Following each meeting of the Inquiry Panel the Scrutiny Manager provided a summary of the evidence presented to Panel Members. The summaries can be accessed via the following link:

[How do we get a better deal for private sector renters in Southampton? - Summary of evidence](#)

How do we get a better deal for private sector renters in Southampton?

Conclusions and Recommendations

Conclusions

In 2022, to tackle the renting crisis in Bristol, the City Council, University of Bristol, and stakeholders launched a Living Rent Commission. Following a lengthy inquiry, Bristol's Living Rent Commission concluded that:

*'Private renting in the city faces a serious access, affordability and security of tenure crisis, which is impacting the wellbeing and quality of life for people in Bristol and playing a major role in creating homelessness.'*¹

Reflecting the findings from the Private Rented Sector Survey² and feedback presented to the Inquiry Panel by tenants, it is difficult, when considering the situation in Southampton, to arrive at a different conclusion from that reached by Bristol.

As rents in Southampton continue to rise, without accompanying improvements to housing quality, and the supply of rental properties tightens, access and affordability continues to be a serious challenge for renters in the city.

Whilst recognising that the city contains a diverse range and quality of rented accommodation, and that the following response is not representative of all of the feedback received via the survey, it does reflect a view expressed by a significant number of tenants in Southampton:

'Rent has increased but standards have not - paying more rent for the same poor housing conditions.'

The Government White Paper - 'A Fairer Private Rented Sector' identified that nationally the private rented sector offers the most expensive, least secure, and lowest quality housing relative to other tenures.³ As Expert Advisers, Professor Carr and Dr Jordan, stated in their final presentation to the Inquiry Panel: *'This inquiry tends to confirm that the problems associated with the private rented sector nationally are equally, if not more, prominent in Southampton.'*⁴

There are, however, positive developments that can give renters hope. The Renters (Reform) Bill presents a genuine opportunity to address a number of the challenges experienced by renters in Southampton. The abolition of Section 21, and the transition from assured shorthold tenancies to periodic tenancies should increase security of tenure for renters. The proposals to limit rent increases to once a year, increase the minimum notice landlords must give of a rent increase to 2 months, and end the use of rent review clauses in tenancy agreements should ensure that rent increases become more predictable. Finally, applying the Decent Homes Standard to the private rented sector, the Property Portal, Property Ombudsman and providing local councils with stronger enforcement powers can help work towards meeting the target of reducing the number of non-decent rented homes by 50% by 2030.

A number of the desired improvements are however predicated on actions delivered in Southampton by the City Council and partners. Fundamentally, the cost of renting is dependent on a number of demand and supply factors. By increasing the supply of

¹ [The Bristol Living Rent Commission - Bristol One City](#)

² [Southampton Private Renters Survey](#)

³ [A fairer private rented sector print.pdf \(publishing.service.gov.uk\)](#)

⁴ [Local authorities and the private rented sector \(southampton.gov.uk\)](#)

houses, particularly social and affordable housing, it can help to help improve housing affordability, particularly for low-income households. By working effectively with landlords and tenants to prevent evictions it can aid stability. By developing a more proactive approach to enforcement it can improve housing conditions and standards for tenants in Southampton.

These actions are not a quick fix and require investment and commitment from the Authority. However, as explained by the Expert Advisers to the Panel, the advantages of the approach described above will result in better outcomes for tenants, the council and the city:

*'Adopting a more proactive regulatory approach involving stock condition surveys, enforcement action at each level of the regulatory pyramid, and supporting tenant relation and homelessness officers preventing evictions and ensuring tenancies continue involves significant initial expense. However, once an integrated proactive approach is up and running, it can reduce costs for the local authority, particularly in terms of expenditure on temporary accommodation. Furthermore, private sector enforcement is self-financing in that fines raised are ring fenced for further enforcement activity. Finally, and most importantly, a proactive approach can help ensure greater stability for private tenants which can in turn lead to better educational and health comes for growing numbers of children living in the sector.'*⁵

Recommendations

In this report recommendations have been identified against each of the key challenges experienced by tenants in the city. In summary, reflecting the key findings and conclusions, the following actions are recommended to get a better deal for the 30,000 households renting in Southampton:

Affordability of renting in the private rented sector

To improve the affordability of private rented housing in Southampton the following actions are recommended:

1. That the final version of Southampton City Vision Local Plan retains the ambitious housing delivery figures for the city, maintains an ambitious policy position for the delivery of affordable housing through major planning applications, and that the Council commits to facilitating the delivery of 8,000 affordable homes by 2040.
2. That partners develop and update a database of market rent levels in Southampton to support the work of the Valuation Office.

Security and stability in the private rented sector

To improve the security and stability of tenants in private rented housing in Southampton the following actions are recommended:

3. That Southampton City Council develops and embeds a range of creative solutions to work with landlords and tenants in the private rented sector, at the earliest opportunity, to prevent homelessness.

Housing conditions in the private rented sector

⁵ [Briefing paper - Security Stability and Overcrowding.pdf \(southampton.gov.uk\)](#) – p15

To improve the conditions and standards for private sector renters in Southampton through effective enforcement the following actions are recommended:

To help target enforcement action and facilitate the future use of available enforcement tools

4. Commission a private sector housing conditions survey.

To implement the pyramid of responsive regulation approach

5. Using examples of best practice, improve the information, advice and guidance provided to landlords and tenants, and utilise landlord forums and other opportunities to build relationships with stakeholders.
6. Review, with partners, the current approach to voluntary landlord accreditation in the city with a view to developing a citywide scheme akin to the Leeds Rental Standard or the Good Landlord Charter. Increasing the effectiveness and take up of voluntary accreditation schemes will allow the Council to concentrate regulatory resources on landlords and agents that show no sign of meeting standards voluntarily.
7. Review the new operating and enforcement guidance for local authorities to be published by Government and identify opportunities to utilise the full range of informal and formal enforcement powers available to the Council. The use of Civil Penalty Notices, designating a new HMO additional licensing scheme, and a selective licensing scheme in the city should be considered as part of the review, following the recognised best practice examples provided in this report.
8. Undertake economic activity modelling to identify the additional resources required to deliver a comprehensive proactive and responsive regulatory approach to enforcement of the private rented sector in Southampton.

To provide transparency to the Council's approach, utilise available expertise, and demonstrate political commitment

9. Develop a Private Rented Sector Strategy for the city that articulates Southampton City Council's strategic vision, standards and approach to intervening in Southampton's private rented sector.
10. Work with experts from the University of Southampton to help deliver the responsive regulatory approach.

This page is intentionally left blank