

Agenda Item IMD13

INDIVIDUAL EXECUTIVE MEMBER DECISION

REFERENCE IMD: IMD 2022/13

TITLE	WBC Response to A Decent Homes Standard in the Private Rented Sector Consultation
DECISION TO BE MADE BY	Deputy Leader of the Council and Executive Member for Housing - Stephen Conway
DATE, MEETING ROOM and TIME	10 October 2022 David Hicks 1 at 10am
WARD	None Specific;
DIRECTOR / KEY OFFICER	Director, Place and Growth - Steve Moore

PURPOSE OF REPORT (Inc Strategic Outcomes)

To agree on Wokingham Borough Council's response to the Government's consultation on A Decent Homes Standard in the Private Rented Sector, for submission by Friday 14th October. This consultation seeks feedback from local authorities, tenants, landlords and other relevant stakeholders regarding proposals to introduce a Decent Homes Standard in the private rented sector, to match the Decent Homes Standard in the social rented sector.

RECOMMENDATION

That the Executive Member for Housing authorises Wokingham Borough Council to respond to the Government's Decent Homes Standard in the Private Rented Sector consultation, as set out in Appendix 1 of the report.

SUMMARY OF REPORT

This report summarises the response which Wokingham Borough Council intends to submit to the Government through this private rented sector Decent Homes Standard consultation. The proposed response details both the Council's views on the most effective way to deliver this new standard, ensuring that it provides additional useful information and better standards for tenants, whilst also limiting any additional burden on reputable landlords as far as possible. This will both improve private rented sector standards whilst preventing any shrinking of the private rented sector through limiting additional work for landlords whose properties are up to the appropriate standard.

Background

The Government's consultation, to which Wokingham Borough Council proposes to respond, relates to the proposed introduction of a Decent Homes Standard for the private rented sector (as currently exists in the social rented sector). This aims to target the minority of homes in this sector which are unsafe or not of a reasonable standard, with over a fifth of tenants experiencing substandard housing and with the reputation of all landlords being tarnished as a result.

The White Paper "A fairer private rented sector" was published on 16th June 2022 and set out the proposal for a legally binding Decent Homes Standard in this sector, to match the Decent Homes Standard in place in the social rented sector since 2001. This currently open consultation constitutes part of the engagement work being done to best understand how to apply this new Standard, meet needs and mitigate potential risks.

In terms of existing background legislation (to which this new Decent Homes Standard legislation will be additional and separate), a key piece of legislation relevant to the private rented sector and which is already in place is the Housing Act 2004. This places a duty on local councils to take action against a landlord in the event of discovering significant hazards in a rented home. For this, councils use the Housing Health and Safety Rating System, a risk assessment tool which assesses such hazards, setting out 29 different types. The hazards are broken down into category 1 and category 2, with category 1 hazards always requiring action (category 2 being at the Council's discretion).

Additionally, the Homes (Fitness or Human Habitation) Act 2018 requires that landlords ensure properties are suitable for habitation throughout tenancies, whilst there exist additional specific requirements for houses in multiple occupation (rented out by 3 or more people who are not from one 'household'). There are also requirements on landlords relating to energy efficiency, electrical safety, gas safety and smoke and carbon monoxide detectors.

Business Case (including Analysis of Issues)

The Government consultation consists of sections covering a large range of questions relating to the new proposed Standard, from the Standard itself, to the scope of its application and the potential implications of its introduction. Wokingham Borough Council proposes to respond to each of the sections to help shape the Government's introduction of the Standard in such a way that it meets its aim of improving standards in the private rented sector, whilst equally not creating significant new burdens on reputable landlords which would shrink this important sector. The full extent of the Council's proposed responses can be found in Appendix 1, however, analysis of some key points which the Council raises and suggestions that it makes are summarised here.

As such, in the Section on 'Exemptions from the duty', Wokingham Borough Council highlights both the importance of Councils being able to make appropriate exemptions, in order not to shrink the private rented sector where this is not necessary, whilst emphasising the need for clear guidance. This is to ensure that Councils can be confident in both making suitable exemptions and maintaining the private rented sector

where possible, whilst also ensuring that these are not used as loopholes by landlords with unsuitable properties.

The Council clearly outlines its views in the section 'Registering Decent Homes Standard compliance on the Property Portal', in order to highlight its concerns about the possibility of duplicative burdens on landlords through the proposal of the Property Portal. Throughout the consultation, the Council emphasises the importance both of improving properties in the private rented sector through the Standard, whilst also preventing any shrinking of the sector through its introduction as far as possible. In this section, the Council's comments highlight the existing duties which landlords have in terms of following legislation and providing certificates and checks, and the importance that this new information on the Property Portal carries additional benefits for tenants and is not a duplicated burden on existing work done by landlords.

In the section on the 'Duty on local councils to investigate Decent Homes Standard complaints and report on enforcement action', it is noted that Councils already undertake enforcement action in relation to the existing Housing, Health and Safety Rating System, where complaints are raised regarding the standard of a private rented property. Therefore, the Council recommends that the Government provides very clear guidance on how the new Standard will interact with these existing tools in the Housing Act which currently determine suitability of properties, so that there is clear understanding on how the new Standard should add value and be implemented compared to existing Council practice.

Additionally, the Council provides recommendations to the Government through its proposed consultation response regarding mitigations for potential negative impacts of introducing this Standard (alongside the benefits from improved standards). In response to Q56, the Council highlights that significant mitigation is required in light of the fact that extra costs will likely be experienced by tenants and local authorities through the new Standard. This is due to the additional pressures that it will add to landlords, of which the result may be to reduce the financial viability and attractiveness of having properties in the private rented sector, which may in turn result in reduced landlord portfolio.

Therefore, the Council recommends the importance of the non-duplication of burdens on landlords through the new Standard, with clear added benefit to tenants of the new measures, as well as the recognition that the growth of the private rented sector is a strategic objective for the Council. The recommendations which WBC gives in the proposed consultation response are important in order to both see the effective improvement of private rentals through the Standard's introduction, whilst also reducing any resultant negative impact on growth in the private rented sector and enabling the Council to continue prioritising its related strategic objective of private rented sector growth.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	N/A	N/A	
Next Financial Year (Year 2)	N/A	N/A	
Following Financial Year (Year 3)	N/A	N/A	

Other financial information relevant to the Recommendation/Decision

The recommendation is that a proposed consultation response is submitted to the Government to express the views of Wokingham Borough Council on how this new Decent Homes Standard in the private rented sector would best be implemented. The submission of these views does not guarantee that they will be implemented. However, in its response, the Council emphasises the importance of both improving private rental sector standards whilst equally ensuring that all possible measures are taken so that the Decent Homes Standard's introduction does not shrink the private rented sector. A reduction in the number of private rented sector properties in Wokingham Borough could have a negative financial impact on the Council, therefore, the submitted view expresses the need for the Standard to deliver improvements in such a way that any negative impact on private rented sector growth is limited as far as possible.

Cross-Council Implications

As above, a strategic objective of Wokingham Borough Council is to encourage growth in the private rented sector. Therefore, the consultation response proposed for submission takes this into account alongside the importance of improved standards within this private rented sector, by emphasizing the need for the new Standard to be introduced in such a way that any negative impact on private rented sector growth is minimised.

Public Sector Equality Duty

Due regard to the Public Sector Equality Duty has been taken through an Initial Equality Impact Assessment in relation to the recommendation of this consultation response. From this, a full Equality Impact Assessment is not required, as the proposal does not recommend any actions which would have a negative impact on any group with a Protected Characteristic as in the Equality Act.

SUMMARY OF CONSULTATION RESPONSES

Director – Resources and Assets	No comment received.
Monitoring Officer	No comment received.
Leader of the Council	No comment received.

List of Background Papers
Appendix 1 – Proposed Consultation Response Document Appendix 2 – Initial Equality Impact Assessment

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