

Scrutiny review “The private rented sector in Rotherham”

EXECUTIVE SUMMARY

The review was initiated because Members had raised concerns about problems with private sector rented housing in their wards, notably Dinnington. There were also concerns at changes to housing policy and the impact this may have on the private rented sector.

The aim of the review is:

- To find out what current policies & practices around the Private Rented Sector in Rotherham are and how they operate
- To identify any gaps in the service and any areas of work for further development.

The review group was made up of the following members of

- Chair: Cllr Alan Atkin
- Cllr Jenny Andrews
- Cllr Sue Ellis
- Cllr Andrew Roddison

In addition to Council officers, the group spoke to witnesses to give information and opinions to the review and undertook site visits.

Summary of Findings

- The very short supply of housing in the social housing sector - both council and housing association, coupled with shortages of affordable decent, private rented accommodation in some areas of the borough;
- Proposed national changes in local housing allowances and homelessness duties the potential impact this may have on people on low incomes and other vulnerable people renting in the private sector;
- The importance of maintaining advice and support to tenants either through the Community Protection Unit or through third sector organisations such as RoBond or Shelter;
- Examples of proactive work to engage with landlord’s forums and bring empty properties back into use or poorly maintained properties up to decent standards; however the removal of funding means that this work may not be sustained;
- Many areas have experienced ‘tenant churn’ with ‘problem’ tenants moving from street to street. This has compounded some of the problems of anti-social behaviour, vandalism or littering experienced in those areas;
- Examples of tenant and landlord accreditation schemes that have worked in other parts of the country;
- Evidence has shown that there are difficulties in some areas with landlords who do not maintain their properties to decent standards, are absent, or in some cases do not treat their tenants with respect. In light of this there is a need to balance the ‘carrot and stick’; incentivising positive relationships whilst pursuing rigorous enforcement activity if necessary.
- With the reduction in resources, the need to examine how different parts of the council work and communicate effectively with each other, with landlords and tenants to contribute to a thriving, decent private rented sector.

Key Recommendations

1. The production of a long term sustainable development and action plan to improve the physical fabric of the Private Rental Sector in the borough, in line with neighbourhood based regeneration initiatives, local priorities and reflecting changes in Government Policy.

2. Ensure that sufficient resources are aligned to the delivery of the action plan and that working practices across relevant teams are co-ordinated to support it.
3. Alongside the Action Plan, the council should seek to engage landlords, tenants and councillors in its work
4. There should be a re-launch of the Private Landlord Accreditation scheme built on the best of the models developed by other authorities
5. That the Council takes robust enforcement action against those landlords (or tenants) who persistently disregard their responsibilities
6. Consideration should be given to the Council's use of its powers to bring properties back into use
7. Support is given to local agencies such as RoBond to ensure that vulnerable tenants have access to affordable bond guarantees, assistance and advice
8. Designating one of the Advisers to the Cabinet Member for Safe & Attractive Neighbourhoods to a watching brief on the role of the private rented sector in Rotherham

CONTENTS

Executive Summary	1
1 Original Concerns – why Members wanted to look at this Issue	4
1.1 Council Priorities	4
2 Terms of Reference	4
3 Overview of Policy Framework	5
3.1 General Housing Policy.....	5
3.2 Proposed changes to Local Housing Allowances	6
3.3 Proposed changes with the Localism Act.....	7
4 Evidence & findings	7
4.1 Site visits.....	8
4.2 Council staff	11
4.3 Other organisations.....	14
5 Examples of Good Practice	16
6 Conclusions	17
7 recommendations	18
8 Thanks	19
9 Information Sources/References	19

1 ORIGINAL CONCERNS – WHY MEMBERS WANTED TO LOOK AT THIS ISSUE

With high numbers of people seeking affordable housing across all sectors; the availability of decent properties to rent is an ongoing concern. This is reflected anecdotally in surgery reports from councillors who had both private sector tenants coming to them for advice and also local people concerned at the upkeep of private properties in their areas. There were other concerns raised through Area Assemblies and Safer Neighbourhood Teams about the condition of properties and impact on wider community.

As Members discussed the issue other strands emerged:

- a) The very short supply of housing in the social housing sector - both council and housing association and the changing economic circumstances of people entering the housing market during a recession
- b) Proposed national changes to housing benefit which would see a reduction in local housing allowances.
- c) Shortages of affordable decent, private rented accommodation in some areas of the borough.
- d) Tenant and landlord accreditation schemes

Whilst there are concerns about (mostly) EU migrants living in sub-standard housing conditions in the private sector, the review group was aware that there are other strands of work being undertaken in this area. To avoid duplication, this review deliberately did not focus on these issues.

1.1 Council Priorities

One of the Council's priorities, articulated in Corporate Plan is that people should be able to live in safe and affordable housing of their choice. Although council housing is by far the housing of choice as demonstrated by the housing register, the demand far outstrips, the resource. Increasingly, people are reliant on the private rented sector.

The Joint Strategic Needs Assessment links poor housing conditions to long term health conditions and health inequalities. It cites problems with maintenance of existing stock and the requirement for major structural repairs. In addition, energy efficiency in housing is crucial to meeting climate change targets and address issues of fuel poverty. As many of these properties are located in the private rented sector, working with landlords is vital.

2 TERMS OF REFERENCE

Members of the review group agreed the following terms of reference:

- To find out what current policies & practices are, how they operate, where they overlap and how they might be integrated.
- To identify any gaps in the service and any areas of work for further development
- Current policies & practices within Rotherham

- Examples of best practice from other authorities
- The role of councillors

The review group included:

- Cllr Alan Atkin - Chair
- Cllr Sue Ellis
- Councillor Jenny Andrews – Maltby Town Council (Co-opted Member)¹
- Andrew Roddison – Rotherfed (Co-opted Member)

(The review was due to be chaired by Cllr Pat Russell (Vice-Chair of the former Sustainable Communities Scrutiny Panel) but unfortunately the review coincided with an operation and a long period of recuperation.)

The review began its evidence gathering in September 2010. Interviews were organised with officers from Neighbourhood and Adult Services, RoBond, Private landlords & tenants and Shelter South Yorkshire. The review group visited areas of Maltby and Dinnington where there were high levels of Private Sector Rented Accommodation (PSRA). They also attended the Private Landlords Fair (organised by the RMBC), an auction in Sheffield, attended meeting of the Landlords' Forum. Further web-based searches of other housing providers were also undertaken. Views were sought from members of the public via interviews and an article in Rotherham News and the review group also met with a focus group organised by Rotherfed (the borough wide federation of Tenants and Residents Associations), and with RSL representatives and private landlords.

The review group would like to thank all those who contributed to the review and the staff in Key Choices and 2010 Rotherham Ltd for their openness and co-operation.

3 OVERVIEW OF POLICY FRAMEWORK

3.1 General Housing Policy

The Coalition Government has recently published *Laying the Foundations: A Housing Strategy for England* (November 2011). It sets out the Government's intention to address the problems currently facing the housing sector. Recognising that the private rented sector accounts for 16% of the housing stock in England and is the fastest growing sector, experiencing 30 per cent growth since 2005, the government wants boost supply and encourage institutional investment and remove barriers. This is coupled with what is described as "tough enforcement against rogue landlords" (p33).

The measures include:

- working with industry to drive up standards and improve consumer awareness

¹ Note Jenny Andrews and Andrew Roddison have both been elected as borough councillors since the review was undertaken

- encouraging local authorities to make full use of the robust powers they already have to tackle dangerous and poorly maintained homes.
- requiring landlords to make reasonable improvements (from 2016) and meet minimum standards in relation to energy efficiency (from 2018)

The policy of the previous Labour Government took the view that if the private rented sector is seen as affordable and secure, more low-income households will be encouraged into private renting². Although there was a commitment to legislate in this area, this did not occur prior to the General Election of 2010.

Its recommendations included:

- Establish a national register of landlords, to protect tenants and support local authority enforcement activity.
- Introduce full regulation of letting and managing agents.
- Require all tenancies to take the form of a written agreement.
- Increase the limit for assured shorthold tenancies.

Despite these proposals receiving widespread support from housing charities and tenants organisations, the current government have rejected them, insisting that their adoption would be an unnecessary burden on landlords.

3.2 Proposed changes to Local Housing Allowances

The June 2010 Budget announced several measures to reduce Housing Benefit expenditure. The rationale behind this was:

“Housing Benefit is often criticised as making excessively generous payments that damage work incentives. To address this, the Government will remove payments that trap benefit claimants in poverty instead of providing incentives to work as well as being unfair to the millions of families on low income who do not depend on welfare”³.

These measures were to be introduced from April 2011 onwards. The package of reforms aimed to save £1.765m by 2014/15 (7% of total expenditure). From the package of measures listed below the first three will only affect claimants living in private rented accommodation while measure 4 will affect all claimants:

1. Changing the basis for setting Local Housing Allowance rates from the median to the 30th percentile of local market rents from October 2011, saving £425m by 2014/15.
2. Capping LHA rates at £250 per week for a 1 bedroom property, £290 per week for a 2 bedroom property, £340 per week for a 3 bedroom property, and £400 per week for all properties with 4 bedrooms or more, from April 2011. This replaces the inherited policy to exclude the top 1 per cent of rents from the market evidence used to calculate LHA rates, saving £65m by 2014/15.

² Based on the findings of the ‘Rugg report’ University of York, 2008

³ http://cdn.hm-treasury.gov.uk/junebudget_complete.pdf P.33

3. LHA rates to be updated by the Consumer Price Index (rather than the Retail Price Index) from April 2013 – saving £390m by 2014/15
4. Up-rating non-dependent deductions to reflect increases in rent since 2001/02, in April 2011 and annually on the same basis. Saving £340m by 2014/15.

The Department for Work and Pensions has recently published a good practice document on the Local Housing Allowance reforms 2011. The document has been produced to highlight how local authorities are addressing the changes to minimise the impact. It focuses on the following areas:

- Communicating with claimants
- Using Discretionary Housing Payments (DHPs) to deal with the reforms
- Working with landlords
- Working with housing teams and other stakeholders

It suggests that with a less generous HB scheme it is important that local councils engage with landlords in order to keep sufficient levels of private sector housing 'stock'. Effective engagement with landlords can also help reduce evictions, improve property standards, ensure tenants are treated fairly and lawfully, and help benefit teams to process claims.

3.3 Proposed changes with the Localism Act

The Homeless duty will be discharged in the private sector through provision of a minimum 12 month, fixed term tenancy. However if an applicant becomes unintentionally homeless and re-applies for accommodation within two years of accepting an offer of a tenancy in the private rented sector, they will still be owed a duty under s.193(2) regardless of whether they have a priority need. Before the duty is discharged the Local Authority will need to ensure that the offer is of good quality and suitable to the needs of the individual (ie accessible, where this is needed).

4 EVIDENCE & FINDINGS

Demand for council housing is considerable and there are growing numbers on the housing register in Rotherham. Due to the lack of social rented housing, the private rented sector in Rotherham has grown from being almost negligible to about 10% of the housing supply in Rotherham (2009 figures)⁴. It is also likely to be an area of growth⁵ due to the continued depletion of the social rented housing sector due to further incentives to exercise the "Right to Buy". It is also exacerbated by the inability of younger people to afford mortgages even for relatively modestly priced properties due to the low wage economy of South Yorkshire coupled with job insecurity. An increase in student loans could also mean that young professionals, traditionally the first time house buyers, will not be able to get mortgages due to large debts.

There are very few (licensed) Houses in Multiple Occupation in Rotherham. Most

⁴ Research into the private rented sector in South Yorkshire May ECOTEC May 2009

⁵ Tenure Trends in the UK Housing System Building & Social Housing Foundation June 2010

properties were rented as entire properties. The review group therefore concentrated on single properties. The group also agreed to exclude the specific problems facing migrant workers housing conditions.

4.1 Site visits

4.1.1 Maltby Model Village & Little London

Maltby has two areas of predominantly rented private housing: the Model Village and Little London.

The Model Village was built by colliery owners; the quality of the housing on the whole, would not meet today's decent homes standards. There are some pockets of owner occupation but it is thought that it is mostly owned by private landlords⁶. The Estate was sold in late 1980s by British Coal.

"Many of us can remember whole rows of houses going willy nilly under the hammer to city speculators with little or no knowledge of where or what Maltby might be, and even less care about the fact that had any responsibility to tenants"⁷

There has been a gradual decline in the fabric of the properties which accelerated rapidly in the 1990's. Because many of the tenants were in employment albeit in low paid jobs, they were ineligible for government grants for property improvement.

In the Model Village they have set up a community association to tackle many of the issues. They have a neighbourhood agreement. In the housing section of the agreement the council has committed to

- Work with tenants to develop a tenants handbook to inform tenants on their rights and responsibilities
- Provide advice and assistance to owner occupiers through the Home Improvement Agency; this may include applying for funding, technical advice and advice to find suitable buildings.
- Dedicate a Community Protection Unit officer to any complaints about private sector housing within 4 working days.
- Respond to all complaints about private properties within four working days and write to the owners of empty properties to try and establish why they are empty.

Whilst on a walkabout, members of the review group expressed concern about broken windows⁸, fly tipping, poor standards of repair, abandoned buildings and empty properties.

⁶ Based on benefits data in 2009/10, over 10% of the housing in the area was privately rented to benefit claimants.

⁷ About the Model Village – Ray Hearne 8:09:10 Taken from the Maltby Model Village Neighbourhood Agreement

⁸ The "Broken windows" theory suggests that a successful strategy for preventing vandalism is to fix the problems when they are small. Problems do not escalate and thus respectable residents do not flee a neighbourhood. The theory thus makes two major claims: that further petty crime and low-level anti-social behaviour will be deterred, and that major crime will, as a result, be prevented.

The Model Village area has experienced high levels of anti-social behaviour and vandalism. However it was recognised that the resources to undertake intensive neighbourhood management such as that undertaken at Chesterhill were not available in the current financial climate.

Little London was built during the Second World War to house the workers at the newly built munitions factory. Again the housing is of poor quality and would not meet decent home standards. Houses have flat roofs and are prone to damp and condensation, with poor insulation and energy efficiency. A variety of landlords own these properties, with numerous tenants finding their tenancy 'sold on'.

A great number of properties are owned in main by two landlords who appear to own a portfolio of properties around the country. It shares many of the same issues with the *Model Village* in terms of poor physical environment and low levels of investment in property maintenance.

4.1.2 Leicester Road and environs - Dinnington

There has been considerable enforcement activity in the area and there is a Dinnington Private Landlord's Forum. The Area Development Framework steering group has a sub-group which has supported a proactive enforcement approach towards improving housing and environmental standards. Activities have included mapping property ownership and identifying landlords, inspecting properties, undertaking walkabouts/clean up campaigns and community activities to raise tenant's awareness. The Team achieved the following;

- All (147) private rented properties received an internal survey.
- Category 1 hazards were identified within 86 private rented properties. These properties were made compliant prior to the end of the scheme (March 2011)
- 38 empty private properties were brought back into use through private sector investment.
- Properties were beginning to realise values equivalent to those seen in 2007 and investor interest was seen to be increasing with long-term empty properties being purchased for rental purposes.

There continues to be a working relationship with landlords to improve properties, hence the work with the Landlord's Forum. Although, the approach appears to have paid dividends, because of the work is resource intensive it is no longer available on a proactive basis and there are is an issue with its long-term sustainability.

Within Dinnington there are pockets of deprivation concentrated in a small number of streets. The areas tended to be characterised by a high proportion of private rented accommodation, with tenants "churning" around the same small number of properties/streets. The effectiveness of Dinnington landlords' group, which aims to tackle the issue of problem tenants and inappropriate lettings, is often limited by poor attendance.

"...with the support of the ADF steering group, the Area Assembly team, other partners and the Dinnington Landlord forum, the proactive enforcement team did some fantastic work in profiling the most deprived area of Dinnington and bringing many properties up to standard along with

bringing some disused properties back to full occupation. Their loss in the area has been felt but through continued partnership working much of the good work is continuing albeit on a much smaller scale.”

**Cllr Jacquie Falvey
Chair: Dinnington Landlords’ Forum**

4.1.3 Auction

We were aware that many private sector properties are bought at auctions by landlords who may have little connection to the local area. With this in mind, members of the review group attended an auction in Sheffield where houses from Maltby and Dinnington were being sold. The properties sold for low prices; the lowest at £35k and the highest for £44k. The majority of properties were being bought to let.

4.1.4 Landlords

Landlord’s Fair

The council arranged a Landlord’s fair at Whiston Barn. This was an event both for prospective and more well-established landlords, letting agents, the council, the landlord’s forum, Robond and property, maintenance companies. A series of presentations ran throughout the day aiming to give help and support to landlords. Although attendance was lower than hoped for (despite extensive advertising), the review group thought that it was a worthwhile exercise and hope it is repeated in the future.

Landlord’s Forum meeting.

Rotherham and District Residential Landlords’ Association is the main landlord organised forum in the borough with about 40 members. Many small local landlords are willing to engage in the forum. However, there are many more landlords who are ‘absentee’ and who do not wish to engage.

This Forum meets monthly to discuss matters of interest or concern, including speakers from the council to update them of policy or legislative changes. Many of their tenants claim housing benefits (HB). Changes to housing allowances could mean a risk to the security of tenants. Changes to HB for single people under 35 meaning that they would only be eligible to claim for a bedsit/room in an HMO was a particular concern for landlords.

Forum members spoke candidly of their frustrations. Firstly in relation to how information about changes in circumstances housing benefits are not communicated on a timely basis. Secondly, the tone of enforcement letters is ‘heavy handed’ and fails to recognise that often landlords already have a good relationship with the Council. At the same time there was a feeling that the council was not “bullish” enough with ‘rogue’ landlords.

Case Study of a Small Private Rented Sector Landlord

Like many other landlords, Landlord B had bought the property as a long term investment and has a small portfolio. Two of properties are in a neighbouring borough. As with the Landlord’s Forum, Landlord B cited concerns about the

payment of Housing Benefit. Two properties while occupied by tenants receiving HB paid promptly and the Landlord had not been aware that they received HB until the tenant mentioned it.

However on another property the tenant after an initial good start began not to pass on the HB for rent. The landlord is not able to make a complaint about lack of rent until after arrears have built up for 2 months although technically they ought to be able to ask after a month and a day. The landlord has to go through legal procedures to get it or evict the tenant which is costly. In this case the tenant demanded their deposit back as a condition of leaving.

The landlord had been unaware that there was a landlords' forum or that advice & support was available from the council.

4.1.5 Tenants

Cllr Atkin sent a letter to the Sheffield Star inviting private tenants and landlords to contact him with their experiences. Despite a flurry of initial emails, tenants proved reluctant to come forward in a public arena to air their concerns. Only one tenant was willing to speak to the review group and then only under guarantee of anonymity.

Case Study: Long Term Private Sector Tenant

The tenant had lived at the same address for 18 years and their property had been 'sold on' 8 times during this period; the last time for £50k.

The current landlord had put rent up, and was planning further increases. He had turned up at night accompanied by another man, demanding to be let into the property to talk to the tenant. The gas certificate had not been renewed and the flue had been condemned. The landlord had ignored multiple enforcement notices that had been served over the previous four years.

Council officers have supported the tenant, undertaking essential repairs to the roof and bathroom, recharging the cost to the landlord. The property was damp and the tenant has complex health needs exacerbated by these conditions. Whilst being complimentary of the support given by Council officers, it was clear that the level of support could not meet their level of need. The tenant spoke of feeling intimidated by the landlord's repeated harassment.

4.2 Council staff

4.2.1 The Community Protection Unit

Lewis Coates, manager of the **Community Protection Unit** came to speak to the review group. He explained that the Rotherham set up was different from other councils as there was a multi-disciplinary team which worked together on issues from Industrial Air Emissions to Pest control to Private Sector Housing plus many other issues arising such as anti-social behaviour, noise, fly tipping etc. While the sharing of this expertise in one team was a positive aspect, the reduction in resources did hamper work.

The unit had undertaken pro-active work in Dinnington using Neighbourhood Investment Services (NIS) Private Sector Support funding. There had been a “mostly carrot and some stick” approach which had helped to develop relationships with landlords including setting up a local landlords’ forum.

In 2010/11 the unit had taken up

808	Complaints
2,852	Actions
186	Statutory Notices

There were a small number of cases that were settled prior to prosecution.

Other issues raised included examining the Council's capacity to manage properties and how this can be increased. This could involve engaging private sector letting agents, which will allow RMBC to utilise compulsory purchase, enforced sale or Management Orders to bring properties back into use and be managed by the Council. This in turn could not only improve the empty property stock but would also increase housing capacity to link into the homeless process thus ensuring the vulnerable would have a route into good standard properties.

He saw the challenges for the near future being:

- Diminishing resources for frontline pro-active work, particularly with the ending of ring-fenced funding of the Housing Market Renewal Pathfinder
- The proposed reductions in the local housing allowance especially the under 35s shared room rate
- Arising from the above a rise of Housing in Multiple Occupation and the policing problems for this
- Continued EU migration
- The ability to continue reactive work on a significant scale when there was to be a reduction in staffing.

4.2.2 Private Sector Staff from the Housing Service

Paul Benson and Dave Richmond outlined the work undertaken by Paul as the officer responsible for the council’s strategy for the PRS. The strategy’s aim is to improve both the management and the property standards of the PRS. The strategy was due to be refreshed in the light of the Government’s proposed changes in housing policy.

Again there was a discussion about reduction in resources and how future work would be managed. There was an acknowledgement that this was an area of experiencing significant pressure. Although it is an area of increasing need, it is balanced against other priorities and additional resources are not available. Whilst the local authorities have powers of enforcement, this is resource intensive, as is adopting a strategy of early intervention. It was hoped to develop more local landlord forums (along the lines of the one In Dinnington) as well as the general one which was organised by the landlords themselves. Officers attended their meetings on a regular basis and also produced a landlord newsletter – which had a circulation of over a 1000.

The Landlord Handbook which had been produced by ANUK and LACORS was

offered to all known landlords as a useful source of information and signposting. The Landlords Fair had also run sessions on changes to Housing benefits, where to get advice and support and other practical information.

4.2.3 Staff from Key Choices

The Key Choices Service was the subject of a scrutiny review in 2008 so the review group simply asked for an update on their work. A dossier of their further development was given to the review team. The main discussion concentrated on the fact that the Private Sector Landlord accreditation scheme did not appear to have been effective. The review members wanted to know why this had happened.

Staff explained that the scheme had not failed so much as changed and no longer included accreditation. They are still managing properties for many landlords and also working with Letting Agencies to ensure that more PRS housing was available to those coming to the Key Choices Shop. They have a good relationship with Housing Benefits, which includes a fast-tracking system for direct payments for homeless households where tenants have a history of rent arrears. It was recognised that the proposed Sheffield City Region Accredited landlord scheme would be beneficial for both Rotherham Landlords and tenants.

Members were impressed by alternative accreditation schemes, in particular the one developed by Oxford City Council, and considers that it warrants further exploration to see if it could be applied in Rotherham.

4.2.4 Housing Benefits Section

Andy Sheldon, Operational Manager of the Housing Benefits Section spoke to the group.

The service which new claimants can expect means that HB claims should be turned around in 28 days. If all information is submitted from the outset, this can be as low as 14 days. People who have been on Housing Benefit continue to receive it but new claimants now receive the Local Housing Allowance. There was concern that the proposed changes in Housing Benefit levels as it did seem unlikely that rents would reduce and that therefore there would be more arrears cases to be dealt with.

There was discussion of LHA/HB being paid direct to landlords once more. Currently landlords can receive them direct if the tenants have fallen into arrears of 8 weeks or more or if there are deductions from JSA/IS to cover rent arrears. The onus is on landlords to inform HB if they have not received rent from the tenant. Claimants could ask to be paid by cheque rather than directly into an account but this had to be undertaken on a case by case basis.

Claimants, support workers or landlords can request help for those who cannot manage their finances or are unlikely to pay their rents. There are three officers who can support this but even if tenants sign that they want their rent to be paid direct they do have to fulfil criteria to do this⁹.

⁹ RMBC Local Housing Allowance Safeguards Policy March 2008

4.2.5 Councillors

A questionnaire was distributed to all councillors with a very poor response – fewer than ten were returned. This may reflect that private rented housing is in specific pockets of the borough. Of the forms returned, councillors were concerned at an increase in the number of people coming to their surgeries with problems around private rented housing and the councillors' lack of information as to where to send people for help. As a result of Member's interest in this area, all Elected Members are now receiving copies of the newsletter 'Landlord News'. In addition, Member development sessions coupled with web resources would provide a swift solution to this.

4.3 Other organisations

4.3.1 The group received a presentation from **David Burrows & Glenn Stables from RoBond**. (<http://www.robond.org.uk>) RoBond was founded in 1996 by David Walker, the vicar of Dalton who was also the founder of the South Yorkshire Housing Association.

RoBond provides rent bonds for those who would not be able to raise a bond any other way. This includes those previously homeless, those out of prison and those who would be deemed vulnerable. It receives referrals from RMBC, the probation service and voluntary organisations such as the Citizen Advice Bureau. It also accepts referrals directly from private landlords who may have a tenant in need of support. In 2010 it received 1099 referrals, undertook 493 interviews and as a result over 280 bonds issued. The failure rate on the scheme is around 9% - this has increased of late.

All clients referred to RoBond are interviewed to establish whether they qualify for assistance. All staff are HHSRS trained which means that they can all inspect properties and ensure that they are of a fit standard for tenants. If concerns are raised, they will liaise with the Council to ensure improvements are made. They will also check that the rent being requested is reasonable and exactly what percentage of it will be covered by housing benefit.

Bond guarantees are issued in six month periods (the maximum length of a shorthold tenancy) which are renewable for further periods of 6 months for the duration of the tenancy.¹⁰ Funding for the project is precarious depending as it does on grants and contracts which tend to be short term. Support for tenants and proactive work with landlords is therefore vulnerable to reduction when funding dries up.

The group were impressed by the information given by RoBond and acknowledged the immensely valuable work which is undertaken with people, who are generally the more vulnerable, in need of a home.

"There are no comments to produce the amount of thanks for RoBond and its staff we feel. We have a worry free, happy family life now, with great landlords and amazing support from RoBond. Thank you."

¹⁰ Current Bond amounts are: £300 for 1 bedroom property, £350 for 2 bedroom property and £400 for 3 bedroom property

4.3.2 **Andy Nutley of Shelter South Yorkshire** also spoke to the review group. Shelter runs drop-in advice sessions at the RAIN building from 9-4pm to give support for housing and housing debt issues. Homeless people are referred to Key Choices, Ro-bond or Rush house depending on their age and circumstances.

During the first six months of 2010/11 Shelter dealt with the following queries:

Housing – 246 clients

Debt – 196 clients

Welfare Benefits – 94 clients

Community Care – 61 clients

The issues he raised were:

- The disrepair of many private rented houses in Rotherham. These are predominantly in the Eastwood, Herringthorpe, Canklow and Rawmarsh areas although they are no worse than other parts of South Yorkshire.
- There can be a lack of co-operation between council services - "That's not us that's housing" - which is not helpful.
- While the council is able to inspect properties promptly, its ability to move on to enforcement is more mixed.
- Many tenants are forced out without a correct "Notice to Quit" but don't know where to turn for help.
- Many tenants have problems with getting their deposits returned, even when they have been protected.
- The payment of Housing Benefit direct to tenants instead of to landlords has proved a problem for both tenants and landlords. The proposed changes to Housing Benefit would be likely to push people into debt as it was unlikely that rents would be reduced.
- There is a problem of landlords being ignorant of their responsibilities, but Shelter is unable to help them being a tenants' organisation. They are referred to the Citizens Advice Bureau.

Shelter had commissioned research from the Cambridge Centre for Housing & Planning Research into the likely effects of the reduction of Housing Benefit on private sector tenants. The report¹¹ made for grim reading with the conclusion that *"... there is sufficient evidence that the measures as they stand will cause financial and housing hardship to a large number of households, and will damage the supply of private rented housing to LHA claimants"*.

Although the effects would be most likely felt in areas of high rental values such as London, there would very likely be a knock on affect of people seeking cheaper rental properties in areas such as Rotherham. This could well exacerbate a difficult situation as more people seek fewer properties.

¹¹ How will changes to Local Housing Allowance affect low-income tenants in private rented housing? – Cambridge Centre for Housing & Planning Research September 2010

If there were any measures which might improve the lot of private tenants and the work of Shelter, they would be:

- Closer links between Key Choices and the enforcement team. At the moment there is no “dedicated” officer who can be phoned to advise or signpost.
- More training for private landlords with an awareness of their responsibilities. An accredited landlord scheme would only work with clear incentives – perhaps having a dedicated officer to go to might give some incentive.
- More enforcement taken and seen to be taken around poor housing conditions in general.

5 EXAMPLES OF GOOD PRACTICE

Desktop research was undertaken using the internet including the Centre for Public Scrutiny library, the Local Government Association Information pages and the House of Commons Library. A selection of examples includes:

- **Durham County Council** includes a section on the claim form for the tenant to indicate that they were concerned about their ability to pay their rent if the HB were paid directly to them
- Several authorities give preference in some way to accredited landlords and agents. **L B Newham** was highlighted as being helpful in that the borough was able to provide more information on the status of specific HB claims over the telephone.
- A **Sunderland** respondent mentioned a fast-tracking system for accredited landlords with HB tenants in rent arrears under the eight week rent arrears provision.
- **Newcastle Upon Tyne** includes free reference checking, local advertising, help with tenancy agreements, a property maintenance register which carries details of maintenance workers and suppliers who have been recommended by other landlords, training and information sessions for landlords.
- **Gateshead MBC** operates an incentive scheme to encourage landlord participation in their accreditation scheme including a tenant reference scheme which gives a five year housing history. Around 800 tenants have been “vetted” for this scheme.
- **St Helens MBC** offers support to landlords wishing to evict anti-social tenants by way of an action plan and support through the legal process. In some designated areas landlords are offered 50% interest free loans (Max of £10000) to help improve their properties.
- **Pendle** recommended that as with many areas collection of bulky waste is an issue so consideration might be given to incentivising accreditation through free or discounted bulky waste collection to landlords once a year.
- **Oxford City Council** information about its Accreditation scheme via a website gives detailed information about the benefits of the scheme for all participants including mediation for landlords & tenants.
[http://www.oxford.gov.uk/PageRender/dech/Landlord Accreditation Scheme occw.htm](http://www.oxford.gov.uk/PageRender/dech/Landlord%20Accreditation%20Scheme%20occw.htm)

- It also provides a Private Tenants Guide informing tenants of their rights and responsibilities & where to find further help. <http://www.oxford.gov.uk/Direct/PrivateTenantsGuide2010.pdf>

6 CONCLUSIONS

The private rented sector is growing in Rotherham, in size and in importance. Whilst there are many responsible landlords who look after their properties and treat their tenants with respect, by the same token, there are pockets of poorly maintained and sub-standard properties owned by what the Landlord's Forum described as 'rogue' landlords. Many of these properties are located in areas of multiple deprivation.

The review identified the following key issues:

- The very short supply of housing in the social housing sector - both council and housing association, coupled with shortages of affordable decent, private rented accommodation in some areas of the borough;
- Proposed national changes in local housing allowances and homelessness duties the potential impact this may have on people on low incomes and other vulnerable people renting in the private sector;
- The importance of maintaining advice and support to tenants either through the Community Protection Unit or through third sector organisations such as RoBond or Shelter;
- Examples of proactive work to engage with landlord's forums and bring empty properties back into use or poorly maintained properties up to decent standards; however the removal of funding means that this means that this work may not be sustained;
- Many areas have experienced 'tenant churn' with 'problem' tenants moving from street to street. This has compounded some of the problems of anti-social behaviour, vandalism or littering experienced in those areas;
- Examples of tenant and landlord accreditation schemes that have worked in other parts of the country;
- Evidence has shown that there are difficulties in some areas with landlords who do not maintain their properties to decent standards, are absent, or in some cases do not treat their tenants with respect. In light of this there is a need to balance the 'carrot and stick'; incentivising positive relationships whilst pursuing rigorous enforcement activity if necessary.
- With the reduction in resources, the need to examine how different parts of the council work and communicate effectively with each other and partners, and with landlords and tenants to contribute to a thriving, decent private rented sector.

There have been successful initiatives to engage landlords; however, pressure on resources has meant a reduction in proactive work. Changes to local housing allowances, homelessness duties and wider housing policy may also have an impact on the housing market and more vulnerable tenants. Despite the willingness of many landlords to engage, there are some who persistently disregard their responsibilities to their tenants. As the Government has signalled that it considers current powers adequate to deal with these problems, it remains incumbent on

local authorities to take action to address these difficulties.

Given the acute pressure on resources, it is critical that we co-ordinate our efforts to make the greatest impact in the areas of greatest need. The report suggests ways to co-ordinate support, information and advice to both landlords and tenants.

7 RECOMMENDATIONS

In order to ensure a thriving and settled private sector in Rotherham we recommend:

1. The production of a long term sustainable development and action plan to improve the physical fabric of the Private Rental Sector in the borough, in line with neighbourhood based regeneration initiatives, local priorities and reflecting changes in Government Policy.
2. Ensure that sufficient resources are aligned to the delivery of the action plan and that working practices across relevant teams within the Council and with partners are co-ordinated to support it.
3. Alongside the Action Plan, the council should seek to engage landlords, tenants and councillors in its work through:
 - For Landlords – ensure that the borough wide Landlord Forum, facilitated by the National Landlords Association (NLA) and wider South Yorkshire Landlord Forum are supported to discuss local issues affecting the sector and training sessions to inform them of changes in government policy and the Council's response;
 - linking with the wider community regeneration agenda, raise with the landlord forum the issue of 'responsible letting' to ensure that concerns about 'problem' tenants are referred to the relevant agencies to address on an timely basis
 - For prospective tenants – a handbook giving information on rights and responsibilities, how to raise concerns and signposting them to sources of help.
 - For Councillors – training and regular information sessions on the private rental sector in Rotherham , with special regard to any work or enforcement activity going on in their ward.
4. The Development of on-line resources to allow access to information about the council's plans and support for the Private Rental Sector.
5. There should be a re-launch of the Private Landlord Accreditation scheme built on the best of the models developed by other authorities eg Oxford City Council. This scheme should encompass an accredited tenant scheme.
6. Following on from this, the council should explore the development of a partnership scheme within Sheffield City Region to give landlords accreditation across the region; the scheme should deal with long and short term private sector housing demand
7. That the Council takes robust enforcement action against those landlords (or tenants) who persistently disregard their responsibilities, and that such action is publicised in the media.

8. Consideration should be given to the Council's engagement of private sector letting agents, use of compulsory purchase, enforced sale or management orders, and/or other powers to bring properties back into use.
9. Lobbying through MPs, the LGA and other similar fora, for the government to re-examine the current Rent Deposit/Bond Scheme to make sure that tenants' deposits are returned promptly
10. Identifying opportunities to support local agencies such as RoBond to ensure that vulnerable tenants have access to affordable bond guarantees, assistance and advice.
11. In order to demonstrate its importance, consideration should be given to designating one of the Advisers to the Cabinet Member for Safe & Attractive Neighbourhoods to a watching brief on the role of the private rented sector in Rotherham.
12. That Overview and Scrutiny Management Board gives consideration to how the impact of changes to Local Housing Allowances and homeless duties are scrutinised.

8 THANKS

- Andy Nutley, Shelter South Yorkshire
- David Burrows & Glenn Stables, RoBond.
- Dave Richmond, Neighbourhood and Adult Services
- Lewis Coates, Neighbourhood and Adult Services
- Paul Benson, Neighbourhood and Adult Services
- Sandra Tolley, Neighbourhood and Adult Services
- Andy Sheldon, Revenues and Benefits

9 INFORMATION SOURCES/REFERENCES

- 'Rugg report' University of York, 2008
- 2010 Budget HM Treasury
- Research into the private rented sector in South Yorkshire May ECOTEC May 2009
- Tenure Trends in the UK Housing System Building & Social Housing Foundation June 2010
- About the Model Village – Ray Hearne 8:09:10 Taken from the Maltby Model Village Neighbourhood Agreement

- RMBC Local Housing Allowance Safeguards Policy March 2008
- How will changes to Local Housing Allowance affect low-income tenants in private rented housing? – Cambridge Centre for Housing & Planning Research September 2010

For more information about this report, please contact:

Caroline Webb,
Senior Scrutiny Adviser
Resources Directorate
RMBC

(01709) 822765

caroline.webb@rotherham.gov.uk