

Birmingham City Council

Report to Cabinet - Private Rented Sector Pathfinder Programme Grant 2023-25

14 November 2023



Subject: Private Rented Sector Pathfinder Programme Grant 2023-25

Report of: Craig Cooper, Strategic Director, City Operations

Relevant Cabinet Member: Cllr Jayne Francis, Housing & Homelessness

Relevant O&S Chair: Cllr Mohammed Idrees, Homes

Relevant O&S Chair: Cllr Jack Deakin, Resources

Report author: Nick Lowe, Head, Licensing, Markets and Private Rented Service

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011970/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 On 31st March 2023, the Department for Levelling Up, Housing & Communities (DLUHC) announced funding for a Private Rented Sector (PRS) Pathfinder Project for the West Midlands, for the periods, 2023-24 and 2024-25.
- 1.2 The total allocation is £900,000 for 2023-24, and £900,000 for 2024-25, a total of £1.8 million for the two-year period. Of this amount £300,000 per year is designated for Birmingham, the remaining funds will then be distributed through BCC to Coventry CC, Sandwell MBC, Solihull MBC, Walsall MBC and City Of Wolverhampton Council.

- 1.3 Due to the time requirements from DLUHC in terms of receipt of the funds, this report seeks retrospective Cabinet approval to receive and spend this Grant allocation in line with the terms of the ring-fenced Grant. We expect the first tranche of £450,000 to be allocated by the end of October, this is a DLUHC set date for money release and there is no discretion with this.

2 Recommendations

- 2.1 Cabinet is recommended to: -

2.1.1 Authorise the acceptance of the relevant Private Rented Sector Pathfinder Project funding in the amounts for 2023-24 of £900,000 and 2024-25 of £900,000.

2.1.2 Authorise the expenditure programme set out in Appendix 1.

2.1.3 Authorises the City Solicitor and Monitoring Officer (or their delegate) to negotiate and complete any agreements to give effect to the above decisions.

3 Background

- 3.1 The project proposal is to trial a proactive inspection and enforcement programme across 2 high ranking Lower Super Output areas (LSOA's) in Birmingham and in each of the participating Local Authorities (LAs) across the West Midlands.

The participating partners are:

- Birmingham
- Coventry
- Sandwell
- Solihull
- Walsall
- Wolverhampton

- 3.2 For residents in PRS properties within the focus areas, the aim, over the life of the project, is to improve property conditions and management standards, improve visual amenity, and reduce transiency. It is hoped that these improvements will lead to stronger more resilient communities. Each LA will be sharing progress and best practice as part of the quarterly project board meetings to ensure an ongoing consistent approach throughout the life of the project. The project will test the enforcement activities around the inspections to determine if a proactive approach is more effective than a reactive one.

- 3.3 At the end of the project, we seek to be able to demonstrate that tenants, landlords and property agents will be more aware of their rights and responsibilities. PRS property in each project area should be free from hazards and there will be appropriate certification in place (gas safety, electrical safety, properly licenced if required etc). The publicity from the project will help to inform tenants, landlords and agents of their statutory rights and responsibilities and drive wider

improvements across the region. It will sharpen the focus on providing decent homes and the implications for not addressing disrepair but should also highlight the need for regular and planned maintenance.

- 3.4 Each LA will have qualitative stock information and a better understanding of the PRS markets in its own area at the end of the project and will be able to use the information to plan strategic interventions and investments going forwards. The networks developed by enforcement officers across the region will be strengthened and best practice more widely adopted.
- 3.5 This project is trialling a new approach to intensive proactive enforcement work in the PRS to bring about sustainable change in the property conditions and management standards. The use of other supporting legislation outside of the Housing Act 2004 and the Housing and Planning Act 2016 will be documented and shared throughout the project.
- 3.6 Landlords will be informed in advance that they will be required to provide, for inspection, copies of documentation that they should already have to ensure they are compliant with legislation relating to the letting of properties, for example, a copy of the Electrical Installation Condition Report, Gas Safety Certificate, Energy Performance Certificate. The tenant's version of the letters will be supportive and written to be educational about their rights (and reinforce the "how to rent" messages and behaving in a tenant like manner), and they will be provided with information about tenancy support if required. Each LA may be able to demonstrate wider outcomes such as stronger communities, reduced homelessness, and area uplift.
- 3.7 The project will be the subject of DLUHC evaluation, to be carried out by the independently commissioned Kantar Public. It is to test pilot projects around enforcement in the PRS which will help to shape Renters Reform Guidance and other Government initiatives. The West Midlands pilot have been asked for baseline data at local authority level, which includes information on the current situation in the PRS (stock condition, level of Cat 1 and 2 Hazards, level of enforcement activity etc). This is to understand the quality of accommodation, resources for enforcement and data on civil penalties before the Pathfinder programme started.
- 3.8 This will then be compared with monitoring data that will be provided monthly as agreed with DLUHC for the duration of the programme. There are 37 lines of monitoring data that will be provided, including visits, hazard identification, enforcement notices, civil penalties and wider strategic measures.
- 3.9 The contents of this report have been shared with Councillor Jayne Francis, Cabinet Member for Housing and Homelessness, at various stages in the last 3 months and who on 11th October 2023 confirmed agreement with the report.

4 Options considered and Recommended Proposal

- 4.1 Do nothing:

This option would risk the Council foregoing additional funding to support the PRS service and obtaining quantitative and qualitative data to further inform regional and national PRS Policy decisions and local interventions.

This option is not recommended

4.2 Accept Grant Allocation:

The overall aim of the project will be to build a culture where it is expected that landlords and agents will carry out regular maintenance checks to their properties to ensure that they remain in good repair as opposed to reacting only when a complaint is received.

This option is recommended.

5 Consultation

- 5.1 Consultation has been undertaken with the partner authorities to agree the terms of the project. In addition, a memorandum of understanding has been agreed between DLUCH and BCC, forwarded to them on 26th September 2023, and between BCC and the partner authorities.

6 Risk Management

- 6.1 If the grant is not accepted, in addition to the benefits of the project potentially being lost, the grant will likely be assigned to another authority with the consequent reputational loss. Whilst there is no specific duty on the council to undertake this work, the project will support other statutory functions.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

7.1.1 The proposal supports the delivery of the following Council Priorities as set out in the Corporate Plan 2022 – 2026; -.

- An Inclusive Birmingham: through a focus on tackling poverty and inequality, empowering citizens, promoting diversity and civic pride, and supporting and enabling all children and young people to thrive.
- A Safe Birmingham: through a focus on making the city safer, safeguarding vulnerable citizens, increasing affordable housing, and tackling homelessness.

7.2 Legal Implications

There are no specific legal implications concerning this report.

7.3 Financial Implications

7.3.1 The report seeks approval to accept and spend grant of £1.8m allocated £0.9m in 2023/24 and £0.9m in 2024/25. In each year, £0.6m will be

passported to other Local Authorities in the West Midlands with £0.3m utilised by Birmingham City Council. All spend will be contained within the grant. Spend request has been approved by the S151 Board. Local Authority allocations are outlined in appendix 1

7.4 Procurement Implications

7.4.1 There are no procurement implications with the recommendations in this report. Any procurement required as a result of the proposed spend will be subject to separate reports and will be compliant with the Council's Procurement and Contract Governance Rules.

7.5 Human Resources Implications

7.5.1 Any recruitment processes will be undertaken in accordance with the Council's Recruitment and Selection policy. Any overtime or agency use will be undertaken in accordance with relevant policies and procedures.

7.6 Public Sector Equality Duty

The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment (appendix 2) has been prepared based upon available knowledge and information. The assessment concluded that there is no adverse impact.

8 Environment Sustainability Assessment

Initial assessment undertaken (appendix 3). Confirmed full assessment not required at this stage.

9 Background Documents

The Department of Levelling Up, Housing and Communities PRS Pathfinder Project scoping document.

List of appendices accompanying this report:

Appendix 1 - Table setting out the indicative categories of spend for 2023-24 and 2024-25

Appendix 2 – Equality Assessment

Appendix 3 – Environment and Sustainability Assessment

