

LS21 – Private Sector Housing Pen Portrait

LS21 Private Rented Sector (Housing Transformation Division)					
Gross Expenditure 14/15 (£m):	£0.976m	LTFS saving 14/15 included in 14/15 budget (£m)		£0	
Gross External Income 14/15 (£m):	(£0.571)	LTFS saving 14/15 included in 14/15 budget (% of gross controllable expenditure before saving)		0	
Net budget 14/15 (£m):	£0.405m	Step-up (additional) LTFS saving 15/16 (£m)		£0	
Staff Dec 2013 (FTE)	23.41	Step-up (additional) LTFS saving 15/16 (% gross controllable exp 14/15)		0	
Gross Expenditure	Controllable Expenditure	Gross Income	Controllable Income	Net	Controllable Net
£975,841	£611,501	(570,531)	(£206,191)	£405,310	£405,310

Core Responsibilities: Private Rented Services

Private Rented Sector Housing (PRS)

The PRS Team aims to improve and enforce security and housing standards in the private rented sector and to bring privately owned empty properties into use. These activities are delivered through advice, guidance and enforcement in accordance with the Private Housing Enforcement Policy.

Services include:

Private Tenancy Unit – providing advice and guidance to private landlords and tenants as follows:

- Prevention of homelessness ~ Local Authorities have a statutory duty to prevent homelessness and to provide advice and assistance to people facing homelessness. The Private Tenancy Unit offers advice in this area.
- Enforcement – application of approximately 13 criminal offences relating to ‘the harassment and unlawful eviction of private tenants’.

*Councils are under obligation to tackle crime, disorder and Anti Social Behaviour.
Tackling the above contributes to this council objective.*

Housing Standards – discharging a range of duties to address property standards in the private sector.

- Mandatory licensing of Houses in Multiple Occupations (HMOs) *Part 2 of the Housing Act 2004 requires the licensing of HMOs which are 3 or more storey's in height, occupied by 5 or more people living in one or more households and sharing amenities.*

The licensing scheme generates an income to cover the administration and licensing compliance function based on a fee to landlords based on the methodology recommended in a licence fee toolkit developed by the Local Government Association in consultation with the Chartered Institute of Public Finance Accountants (CIPFA). This equates to £200k per annum over a five year rolling programme.

- Delivering a reactive service to support tenants achieve minimum housing standards.
- Support on Disrepair and Litigation and challenges regarding housing conditions on homeless referrals – officer's act as expert witnesses in defence of the City Council.
- A contribution of £0.15m is provided from the HRA for professional advice provided by Environment Health Officers in respect of claims from tenants with regard to Section 82 and Section 11 (Environment Health Act 1990). This allows the Council to defend potential claims and these costs have reduced significantly from more than £8m in 2005/06 to less than £2m in 2013/14 (this allows these resources to be redirected to other services for tenants including repairs) this contribution complies with the 'who benefits principle' for recharges to the HRA – this service is provided to support the provision of council housing.
- Supporting the procurement of compliant properties for use with the Social Letting Agency.

Empty Properties

The Empty Property Strategy 2013~18 sets out a range of activities and targets to bring privately owned empty properties into use. This involves engagement with owners and partner agencies, securing properties and other enforcement action through to compulsory purchase.

Bringing empty properties into use contributes to the growth agenda , deducing homelessness, improving the street scene and environmental crime and generates an income to the city via New Homes Bonus.

- the Council received £16.2m in 2014/15 for the New Homes Bonus (this comprised three elements including a base allocation of £14.3m, £0.8m for affordable homes and £1.1m as one-off resources to compensate for the shortfall in the top-slicing of the RSG to fund this programme)
- this programme was funded nationally by top-slicing existing resources and therefore did not represent new additional resources
- the Council utilises the NHB as a general grant to support the overall budget of the Council
- the affordable homes element of £0.8m is pass-ported to the private sector housing service to support our strategies for empty properties and the provision for new affordable homes.

Statutory responsibilities (if any)

Service has delegated duties under the following:

Housing Act 2004 – Housing surveys and condition/Licensing HMOs
Housing Act 1996 (Homelessness)
Homeless Act 2002
Environmental Protection Act 1990
Protection from Eviction Act 1977
Prevention of Damage by Pests Act 1949
Landlord and Tenants Acts 1985 and 1987

With delegated powers under
Building Act 1984
Local Government (Miscellaneous Provisions) Acts 1976 & 1982

Public Health Act 1936 and 1961
Town and Country Planning Act 1990

Key outputs:

Develop models regarding the Private Rented Sector
(Leader's Policy Statements)
Operate a mandatory HMO licensing scheme
Promote the efficient use of empty private properties in Birmingham (LPS)
Intervene and enforce housing conditions in the private rented sector
Intervene and enforce the security of tenure in the private rented sector
Work with private landlords to promote good standards of accommodation

External income generated or leveraged

HMO fees are charged to private sector landlords and generate around £200k per annum.

Saving proposals for 14/15:

There are no current savings proposals for 2014/15 nor 2015/16.

significant risks/issues

The percentage of PRS properties has grown whilst the PRS function has reduced to a purely reactive service.

