

**BIRMINGHAM**

# **Private Rented Sector Strategy 2022-2027**



## Foreword

This Private Rented Sector Strategy embodies the promise we made on coming to power - to meet the needs of all Birmingham citizens with a range of housing types and tenures, and to create strong, cohesive communities and vibrant neighbourhoods. We hope that the action and activities contained here will support improvements in private rented sector housing in our City for the benefit of all our residents.

Our plans for the next five years set out where we focus our resources to have the biggest impact. We intend to work even more closely with the many conscientious landlords already providing truly viable housing options in the private rented sector, while tackling rogue landlords through an expanded programme of licensing, inspection and regulation. In this strategy, we also look further afield to support energy improvement and influence legislation. This is in addition to recognising the real problems that can arise from concentrations of certain tenure types in very small local neighbourhoods and looking for local initiatives for local issues.

We can't realise this vision alone, indeed this strategy acknowledges how very important our partnerships with the Police, the Fire Service and with landlords are to the transformations we want to see. Most of all, of course, this strategy depends on our residents and citizens, and their engagement as the fascinating and necessary project of shaping a new, vibrant, private rented sector in Birmingham.

It is my pleasure to introduce the Birmingham City Council Private Rented Sector Strategy.

Cllr Shabrana Hussain,

**Cabinet Member for Homes and Neighbourhoods**

**8 February 2022**

## Executive Summary

The Private Rented Sector Strategy 2022-2027 sets out the strategic direction for the Council's Private Rented Sector service over the next five years. Its purpose is to highlight what we believe are the main priorities and what will be done to meet these.

With demand for social housing far exceeding supply, and owner occupation out of reach for many households, private rented accommodation performs a vital role in meeting housing need in the city. It is therefore essential that the Council works with landlords, tenants, and partners: to protect tenants from harm, to improve property conditions across the whole sector, raise management standards bring long term empty properties back into use, and support the Government's Net Zero strategy and the city's Carbon Roadmap.

We will work with private landlords to encourage and support them to improve standards and take robust enforcement action against those landlords who fail to manage their property properly. We will respond to reports of disrepair, overcrowding, illegal eviction and harassment quickly and in accordance with legislation and existing policies and procedures.

The Council recognises the benefit of joint working and will develop and improve its links with both internal and external partners. Through information sharing, the Council will develop its understanding of this housing sector, respond to concerns made on behalf of tenants, and increase awareness of the help available for both tenants and landlords.

It is generally accepted that poorly managed private rented accommodation can negatively impact individual residents, neighbourhoods, and the wider community – “the broken window” syndrome. Conversely, properly managed and maintained accommodation will help reduce environmental crime and increase community cohesion.

## Introduction

Housing is one of the key determinants of health. The quality of people's homes is strongly related to economic prosperity and minimising the adverse effects of poor housing remains a major challenge for the Council. Living in a home which is in good condition, that the household can afford to heat and in an area in which they feel safe and well supported by the local community underpins the wellbeing of individuals and families.

The impact of poor housing in childhood can affect an individual for a lifetime and can affect physical, social and psychological development. In addition to daily activities such as the ability to cook and wash, overcrowding contributes to conflict within the family and for young people the ability to have space to do their homework and relax. Damp, cold and overcrowded conditions can lead directly to physical illness and there is also increasing evidence that poor housing conditions can seriously affect people's mental health and sense of wellbeing.

The private rented sector is growing fast with recent estimates indicating that the number of private rented sector units increased to 104,000 units or 22.4% of the city's housing stock in 2021. A large part of the sector is made up of Houses of Multiple Occupation (HMOs) with over 6000 across the city. The city has the largest Exempt Accommodation sector in the UK with over 22,000 units concentrated across 20 wards.

The Private Rented Sector Strategy identifies the key challenges facing Birmingham and sets out the Council's priorities for tackling them in the context of the priorities set out in Birmingham's overarching Housing Strategy which are:

- A strong supply of new high quality homes;
- Citizens are able to find, access and sustain housing that meets their needs;
- Neighbourhoods are enhanced and the quality of existing housing is improved.

This strategy supports the Council Plan 2018 – 2022. The Council Plan sets out six outcomes that the Council seeks to achieve:

- Birmingham, an entrepreneurial city to learn, work and invest in
- Birmingham, an aspirational city to grow up in
- Birmingham, a fulfilling city to age well in
- Birmingham, a great, clean and green city to live in
- Birmingham, a city whose residents gain the most from hosting the Commonwealth Games;
- Birmingham a city that takes a leading role in tackling climate change.

Achieving the priorities within this strategy will improve standards in the private rented sector and help meet 'Birmingham, a great, clean and green city to live in'.

Additionally, the strategy will contribute to priorities 2 and 3 of the eight priorities within the Plan to help achieve this outcome:

**Priority 2 - We will have the appropriate housing to meet the needs of our citizens.** The priorities within this strategy aim to ensure that all privately rented properties offer tenants a safe and stable home and helps with building cohesive communities. Tenants should be confident that homes can meet the minimum energy saving requirements which would contribute to the green city aspiration. The strategy will contribute to alleviating fuel poverty as measures to improve standards are implemented.

**Priority 3 - We will work with partners to tackle rough sleeping and homelessness.** The availability of and living in, improved housing conditions will contribute to the reduction in homelessness. An increased awareness of the private rented sector and wrapping around partner services will reduce homelessness from the private rented sector which is a major contributor to homelessness in Birmingham.

The number of residents being made homeless from the private rented sector has increased. There are a variety of reasons for this, including disrepair. By ensuring that disrepair is tackled it would be expected that there would be a reduction of homeless applications for this reason. This will support the aims and objectives of the Homelessness Prevention Strategy 2017+.

The Council's Empty Property Strategy aims to bring privately owned properties back into use. Empty properties adversely affect the lives of people in the vicinity. They attract vandalism and anti-social behaviour. In addition, empty properties have a negative impact on the surrounding living environment and drive down property values. There is great demand for family accommodation in the city and most of the empty properties reported are houses. Bringing these properties back into use will contribute to the supply of family accommodation.

Our vision is to “Achieve long term and sustainable improvements in the quality of private rented sector through engagement and regulation”

To achieve this vision, the Council has defined several priorities.

## Priorities

1. Increase the supply of safe and secure accommodation by bringing empty homes back into use
2. Identify and implement local initiatives to address local issues
3. Tackle disrepair and criminality
4. Prevent illegal evictions and harassment
5. Improve the energy efficiency of Birmingham homes, tackle fuel poverty, and reduce carbon emissions
6. Operate a high-quality mandatory Houses of Multiple Occupation licensing scheme
7. Seek to influence Government and national regulatory agencies to enhance relevant legislation and regulation.

## Priority 1 - Increase the supply of safe and secure accommodation by bringing empty homes back into use

There are approximately 9,900 empty properties across the city (2021) and this strategy sets out the actions we will undertake to bring empty properties back into use as quality housing accommodation and to raise awareness of the issues surrounding empty properties. The actions below support the Council's Private Sector Empty Property Strategy 2019-2024.

In order to meet this priority, we will:

- Proactively work with other services to identify and help bring back into use any long-term empty properties within the city.
- Bring 350 empty properties back into use each year.
- Work with owners of empty homes to bring back into use and prevent negative impact on neighbourhoods.
- Encourage owners to bring empty properties back into use as self-contained family accommodation where possible.
- Identify and prioritise bringing back into use those empty properties that are having the greatest negative impacts on the local community. This will include those vacant properties which are attracting criminality (fly tipping, drug use) and properties which are a visual blight on the community (broken windows, overgrown gardens).
- Provide support, advice, and information to homeowners to bring empty properties back into use.
- Use enforcement action when necessary and appropriate. Action will include the use of compulsory purchase orders. Legal action of this kind will typically be the option of last resort and used where the owner has failed to act on extensive advice and guidance given.
- Signpost landlords with vacant properties to the Council's private rented sector housing scheme (Help to Rent) for homeless families.

## Priority 2 – Identify and implement local initiatives to address local issues

The conditions found within the private rented sector vary greatly across the city. In addition to the varying standard of accommodation, the proportion of private sector housing in each ward also varies greatly. In 2021 nearly half (49.3%) of the housing in the Bournbrook and Selly Park ward is made up of private rented housing, whilst in other areas it makes up only around 10% of the stock (Shard End 10.3%, Kings North South 10.1%, Frankley Great Park 10.3%, and Nechells 9.1%). It is therefore important that the Council's resources are targeted at those areas where housing conditions are at their worst and where the greatest benefits can be achieved.

In order to meet this priority, we will:

- Consult on the introduction of a selective licensing scheme by 2023 (subject, if appropriate, to Cabinet and Government approval).
- Undertake a review of the city's Houses of Multiple Occupation (HMO) and implement Additional Licensing if required.
- Develop and implement a supported housing strategy and work with exempt accommodation providers to improve management and support standards.
- Explore the potential to work in partnership with a Landlord Accreditation Scheme, reviewing and revising as necessary.
- Work with partners to publicise services offered by the Private Rented Sector team. These include domestic abuse and mental health services, as well as adult and children social services.
- Work in partnership with local communities and elected members to identify and address issues. This will include responding to enquiries quickly and accurately and developing agreed plans of action. Responses will be tailored to the housing conditions being experienced in each neighbourhood.
- Work with INReach (Birmingham City Council's wholly owned company) which was set up to provide high quality private rented homes) to explore opportunities to provide additional homes that are spacious, affordable and flexible to rent. The provision of market rent homes through INReach, provides an additional housing offer and housing growth for the City.



- Develop models to work with commercial developers/investors/landlords to increase private rented sector housing supply for the citizens of Birmingham including opportunities for homelessness prevention, nominations and other means to meet need.
- Work with Birmingham City Council's planning team to support their approach to preventing harmful concentrations of HMO's arising which negatively impact on the character, balance, and amenity of local communities. This approach will enable the concentration of Exempt Accommodation to be taken into account.

A city-wide HMO Article 4 direction requires planning permission to change from a residential house to an HMO. Policy DM11 Houses of Multiple Occupation within the Development Management in Birmingham Document sets out the Council's local planning policy in relation to the development of new or extensions of HMOs which is supported by the proposed supplementary planning document.

- Support the review of the Birmingham Development Plan and associated policies relating to the provision of good quality private rented accommodation.

### Priority 3 - Tackle disrepair and criminality

Disrepair and deficiencies such as inadequate fire safety measures, dangerous electrical wiring, and uneven floors can lead to accidents and injury. Damp and mould, two of the most common hazards found in the private rented sector, have a major impact on respiratory conditions. Children are particularly susceptible to bad housing which is linked to debilitating and even fatal, illnesses and accidents.

The Council are authorised to act under a range of legislative provisions, the primary legislation being the Housing Act 2004 under which most offences are criminal. The Act includes the enforcement provisions related to housing standards and the identification of hazards under the Housing, Health and Safety Rating System.

To meet this priority, the Council will:

- We will publish a Private Rented Sector Charter of Rights to help tenants and landlords understand their responsibilities and give details of the support available and what to do if things go wrong.
- Help tenants living in poor quality private rented properties by responding to their concerns quickly and effectively.
- Undertake risk-based assessments using the Housing, Health and Safety Rating System and prioritise Category 1 hazards such as gas and electrical faults, excess cold, and damp and mould.
- Update the Government's database of rogue landlords and property agents. Section 303 Housing and Planning Act 2016 allows the Council to make entries for a person who has been convicted of a banning order offence and/or received two or more financial penalties in respect of a banning order.
- Publicise successful criminal prosecutions.
- Share information with Her Majesties Revenue and Customs (HMRC), West Midlands Police, West Midlands Fire Service and other local and central government departments.
- Use the full range of legislative tools available when taking action against negligent landlords. The Council will have regard to its Enforcement Policy when deciding the most appropriate course of action. This action could include the service of Civil Penalty Notices, action under the Proceeds of Crime Act 2002, and rent repayment orders.
- Establish joint protocols with other relevant statutory bodies such as West Midlands Police, and West Midlands Fire Service

## Priority 4 – Prevent illegal evictions and harassment

The Council is authorised to act under the Protection from Eviction Act 1977 to respond to allegations of illegal eviction and harassment. The Act defines unlawful eviction and harassment of residential occupiers and creates a criminal offence for breaches which any person subsequently convicted of an offence may receive an unlimited fine and/or a term of imprisonment.

Residential Occupiers [tenants] occupying a privately rented property under the provisions of an Assured Shorthold Tenancy are entitled to exclusive possession of the property, to enjoy the property without interference to either their peace or comfort and not to be unlawfully evicted from it.

Any person with the intent to cause the residential occupier of any premises and any person who knows, or has reasonable cause to believe the conduct committed is likely to cause the residential occupier or members of their family to give up the occupation of the premises, to refrain from exercising any right in respect of the premises, or does acts calculated to interfere with the peace or comfort of the residential occupier or members of their household; or persistently withdraws or withholds services reasonably required for the occupation of the premises as a residence, shall be guilty of an offence.

Whilst many landlords will manage their property in a lawful manner, some will not follow the prescribed procedures, either through ignorance or wilful disregard. To reduce eviction and harassment, the Council will:

- Ensure that help and advice is available to tenants and respond to alleged offences under the Protection from Eviction Act 1977 in a quick and timely manner. In doing so, the Council will have regards to its Enforcement Policy.
- Assist with physical reinstatement or injunctive action against the landlord when required
- Ascertain the reason for the landlord's actions and refer the tenant to the Council's housing advice service for assistance under the Homelessness Reduction Act 2017 as necessary
- Offer training and guidance to landlords to raise management standards and prevent offences from occurring
- Publicise and provide a "Call Before You Serve" service to enable landlords to develop alternatives to eviction with the city council. Hence preventing potential homelessness.
- Publicise successful prosecutions of landlords where tenants have been harassed or illegally evicted.

## Priority 5 - Improve the energy efficiency of Birmingham homes, tackle fuel poverty, and reduce carbon emissions

A household is said to be in fuel poverty when it cannot afford to keep adequately warm at reasonable cost, given their income. The incidence of fuel poverty in the city is around 1 in 5 households, considerably higher than the national average of 1 in 10. A cold home is bad for health and increases the risk of cardiovascular, respiratory, and rheumatoid diseases. Many of the excess winter deaths each year are attributable to the coldest 25% of homes. Domestic energy is responsible for around a third of all carbon emissions.

Birmingham has an ambitious target of a 60% reduction in total carbon dioxide (CO<sub>2</sub>) emissions by 2027, against 1990 levels. The most up to date government data indicates that in 2015 Birmingham's CO<sub>2</sub> emissions have decreased by 33.7% against the 1990 baseline.

- Provide advice and assistance on energy efficiency measures, alternative methods of heating and energy provider switching services to tenants.
- Identify and bid for funds to promote energy efficiency and tackle fuel poverty, targeting interventions to those at most risk of falling into fuel poverty and the most energy inefficient homes.
- Signpost residents to information and advice to resolve financial hardship.
- Integrate our energy improvement activity into the wider Financial Inclusion Strategy to maximise outcomes through partnerships and local support providers.
- Ensure landlords are compliant with all aspects of the Energy Act 2011 including compliance with the Minimum Energy Efficiency Standards
- Signpost landlords and tenants to grant funding opportunities for heating and insulation works. Heating homes more efficiently will not only make utility bills more affordable for the tenant but will also contribute towards the Government's Net Zero Strategy and the city's Carbon Roadmap.

## Priority 6 - Operate a high-quality mandatory HMO licensing scheme

A high-quality mandatory HMO licensing scheme will ensure shared accommodation is safe and provides appropriate facilities to occupiers.

Houses of Multiple Occupation (HMOs) play a valuable role in the city's housing market as they provide accommodation for many low income, vulnerable people and those requiring short term housing. However, HMOs are not without their problems with the physical condition varying considerably and there are concerns from many residents and partners that the property and management standards are poor.

HMOs also create increased population density, leading to greater demand for infrastructure services, such as waste collections and on-street parking. They can also lead to a higher proportion of transient residents, potentially leading to less community cohesion and making the area less popular with local residents.

In order to address these issues, we will:

- Develop proactive initiatives to identify HMOs that require a mandatory licence. This will include working with the Council's planning and council tax departments, West Midlands Fire and Rescue Service, West Midlands Police, and UK Visas and Immigration service (previously UK Border Agency)
- Ensure that HMOs have adequate waste and recycling facilities and work with other departments to address fly tipping and other environmental crimes linked to these properties.
- Undertake regular inspections to ensure compliance with licence conditions and take action against landlords who fail to comply. In doing so, it will have full regard to the Council's Enforcement Policy.
- Protect tenants by ensuring that all mandatory HMOs are free from Category 1 hazards.
- Use any money recovered through civil penalties or proceeds of crime to develop enforcement activities and improve housing standards.

## Priority 7 - Seek to influence Government and national regulatory agencies to enhance relevant legislation and regulation.

The City Council will use opportunities to influence the Government, other regulatory agencies, and partners to advocate for better standards in the private rented sector on behalf of its residents.

To that end the City Council will:

- Lobby for more effective legal provisions and better control of the private rented sector.
- Propose revised standards for control of all parts of the private rented sector.
- Lobby for better regulation of the exempt accommodation sector.
- Work in partnership with other local authorities and the voluntary sector to propose improvements in regulation.

## Monitoring and review

The strategy is subject to change and will be reviewed after the first year of operation and/or in line with changes in legislation and guidance.

The first-year review will consider whether the Council is achieving its priorities, whether these remain valid, and whether the prescribed actions remain fit for purpose. It will also allow the City Council to consider whether any priorities need to be added to address new or worsening housing situations.

Monitoring will give the opportunity to update guidance on grants and other assistance available to landlord and tenants. Monitoring will include the agreement of key performance indicators and monitoring achievement against the targets.