

Committee	Date	Classification	Report No.	Agenda Item No.
Overview and Scrutiny Committee	6 <sup>th</sup> April 2010	Unrestricted		
<b>Report of:</b>		<b>Title:</b>		
Lutfur Ali, Assistant Chief Executive		<i>Report of the Scrutiny Review Working Group on the Private Rented Sector</i>		
<b>Originating Officer(s):</b>		<b>Ward(s) affected: All</b>		
Mohammed Ahad Scrutiny Policy Officer				

## 1. Summary

- 1.1 This report submits the report and recommendations of the Private Rented Sector Working Group for consideration by the Overview and Scrutiny Committee.

## 2. Recommendations

It is recommended that Overview and Scrutiny Committee:

- 2.1 Agree the report.
- 2.2 Authorise the Service Head for Scrutiny and Equalities to amend the final report before submission to Cabinet, after consultation with the Scrutiny Lead for A Great Place to Live.

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### LOCAL GOVERNMENT ACT, 1972 (AS AMENDED) SECTION 100D

#### **LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT**

Background paper

Name and telephone number of and address where open to inspection

None

N/A

### **3. Background**

- 3.1 In June 2009 the Scrutiny Lead for a *Great Place to Live*, Councillor Alex Heslop, identified the Private Rented Sector as a priority for review and in July 2009 a Scrutiny Working Group was established. Reasons for this review include the negative publicity within the sector as well as the notion that residents who have no real chance of social housing and can't afford to buy are reliant on the Private Rented Sector. The key aim for the review was to identify gaps and issues that exist within this very important housing sector in Tower Hamlets and recommend potential initiatives which could improve service deliver.
- 3.2 The review had a number of key objectives:
- To analyse issues facing tenants of the PRS
  - To identify gaps in the support available to tenants of the PRS
  - To examine issues that may effect landlords who are renting out to tenants
  - To analyse the growing number of private tenants of leaseholders and how the housing partners should interact with such tenants
  - To consider the merits and demerits of possible initiatives such as the Council providing a full management service for leaseholders who are subletting
- 3.3 The Working Group undertook various evidence gathering sessions and heard from key stakeholders including Crises, Shelter, Tower Hamlets Homes, the National Landlords Association and local RSLs. Evidence was also heard from a number of Council Services. These have been useful in framing recommendations for this review.
- 3.4 A number of recommendations have been put forward for consideration. At the heart of these recommendations include the need to develop a new Private Sector Housing Strategy in order to understand and analyse the current status of the sector locally. The review recognised that the private sector can no longer be the sector of default but rather needs to be the sector of choice for many of our local residents. Furthermore, there was a need to move away from a policy of enforcement to one of self regulation by increasing our support for good landlords. There was a need to publicise the work of good landlords and endorse them on the Council's website. Good landlords should also be supported in accessing grant or loan funding to improve the quality and energy efficiency of their properties.
- 3.5 With expected cuts in public services looming the Working Group also suggested the urgent need to work in greater partnership with organisations who have an interest and are effected by the PRS and in particular the issues relating to Health and Housing. Members were also keen for the borough to explore developing models to see the feasibility of providing a full management service for those leaseholders that are sub-letting their properties.
- 3.6 The report with recommendations is attached at Appendix A.

3.7 Once agreed, the Working Groups report will be submitted to Cabinet for a response to the recommendations.

#### **4. Concurrent Report of the Assistant Chief Executive (Legal)**

4.1 The Council is required by section 21 of the Local Government Act 2000 to have an Overview and Scrutiny Committee and to have executive arrangements that ensure the committee has specified powers. Consistent with this obligation, Article 6 of the Council's Constitution provides that the Overview and Scrutiny Committee shall make reports and recommendations to the Full Council or the Executive in connection with the discharge of any functions. It is consistent with the Constitution and the statutory framework for Cabinet to provide a response.

4.2 The Council has broad housing functions as a housing provider, a housing enabler and as a regulator of the standard of housing accommodation. The recommendations set out in the report appear capable of being carried out within the Council's statutory functions.

4.3 For example, the report recommends that the Council carry out a full private sector condition survey. Whilst this is not in terms dealt with in legislation, the Council does have a duty under section 3 of the Housing Act 2004 to keep housing conditions in Tower Hamlets under review with a view to identifying action that may need to be taken under specified provisions, including enforcement of housing standards under the 2004 Act, licensing of houses in multiple occupation and provision of housing assistance. The Council is also subject to a duty under section 8 of the Housing Act 1985 to consider housing conditions in Tower Hamlets and the needs of Tower Hamlets with respect to the provision of further accommodation. A condition survey is capable of being viewed as discharging the Council's duties in this regard.

4.4 Whether or not each recommendation is lawful will ultimately depend on the detail of how it is carried out. If, ultimately, the Council pursues the recommendations, it will be for officers to ensure that legal advice is taken as appropriate and the recommendations are carried out lawfully.

#### **5. Comments of the Chief Financial Officer**

5.1 This report describes the review and recommendations of the Private Rented Sector Working Group for consideration by the Overview and Scrutiny Committee.

5.2 There are no specific financial implications emanating from this report but in the event that the Council agrees further action in response to this report's recommendations then officers will be obliged to seek the appropriate financial approval before further financial commitments are made.

#### **6. One Tower Hamlets consideration**

- 6.1 A number of recommendations in this report have One Tower Hamlets implications as the intended outcome is to reduce housing inequalities within the borough with the greater use of the private rented sector.
- 6.2 Recommendations 2, 4, 6, and 7 are linked to making sure that private rented properties meet the decant homes standards which is a component of One Tower Hamlets as is outlined in the Community Plan.

## **7. Risk Management**

- 7.1 There are no direct risk management implications arising from the Working Group's report or recommendations.