


London Borough of Waltham Forest

Report Title	Private Rented Sector Strategy	
Meeting / Date	Cabinet, 5 th November 2024	
Cabinet portfolio	Councillor Ahsan Khan, Deputy Leader (Housing and Regeneration)	
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Wards affected	All	
Public access	Open	
Appendices	Appendix 1 - PRS Strategy Appendix 2 - PRS Strategy Delivery Plan Appendix 3 - Equalities Impact Assessment Appendix 4 - Current PRS Service Provision	

1. Summary

- 1.1 The purpose of the report is to seek Cabinet's approval of a new Private Rented Sector (PRS) Strategy. This document derives from and supports the delivery of the borough's overarching Housing Strategy, which was approved by full Council in April 2024.

2. Recommendations

- 2.1 Cabinet is recommended to:
- 2.2 Approve the council's new Private Rented Sector Strategy and Delivery Plan.
- 2.3 Delegate authority to the Corporate Director of Housing in consultation with the Portfolio Lead Member for Housing and Regeneration to make any changes to the strategy and development plan necessary if, and when, the current Renters Rights Bill is enacted.
- 2.4 Delegate authority to the Corporate Director of Regulatory & Contingency Planning Services in consultation with the Director of Governance and Law to make any changes to the Council's Housing and Licensing Team Enforcement Policy necessary if, and when, the current Renters Rights Bill is enacted.

3. **Proposals**

- 3.1 Private renters are disproportionately impacted by the housing crisis: Rents in London have increased much faster than earnings meaning the capital is amongst the least affordable places in the country to rent and the average private rent in Waltham Forest increased by 42% between 2011 and 2019.
- 3.2 Waltham Forest has an estimated 28,500 privately rented properties, making up 28% of all housing in the borough. In comparison to 2013, there were an additional 3,500 households living in the PRS as of June 2023. Private renting has grown steadily over the last decade, both in numbers and as a proportion. This presents a challenge for the council in terms of place shaping and community cohesion as private renting tends to be more transient and many private landlords are based outside the borough.
- 3.3 Increased demand has caused rents to rise above inflation resulting in severe cost of living challenges for many renters. A broken market has direct consequences for the health and wellbeing of the borough's residents. The council's most recent resident insight survey told us that negative mental and physical health impacts from housing are mostly mentioned by black women, less affluent residents, and residents with a limiting illness/disability. The charity Shelter found that over 1 in 5 renters' nationally reported that housing issues or worries were making them feel physically unwell.
- 3.4 Despite the challenges presented to the Council by a growing PRS, a key strategic tool for increasing improving quality and mitigating against increasing rents is to ensure we facilitate the delivery of high-quality *Build to Rent* homes. Our Local Plan 2020-2035 sets out how we will address the supply-demand imbalances that have driven the rent spikes of the last eighteen months and improve affordability in the longer term. Developments such as *Fizzy Walthamstow* and *The Mall* have been successful in delivering much needed new *Build to Rent* developments in the borough. We will work to understand and will strategically plan for how the Council and its trusted delivery partners can directly increase the supply of new homes for rent in the borough.
- 3.5 One of the key recommendations of the Affordable Housing Commission in 2023 was that the council develop a dedicated PRS Strategy that adopts the housing recommendations outlined in the 'Building A Fairer and Healthier Waltham Forest' report to tackle health inequalities and prioritise continued landlord engagement to improve conditions for private renters.
- 3.6 Frontline staff in Homeless Services recommended focusing on homelessness prevention within the PRS as part of their early intervention work as part of staff workshops to develop the Homelessness and Rough Sleeping Strategy and the PRS Strategy.
- 3.7 Improving early intervention in the PRS supports our cross council *Stronger Communities* approach to enhancing our communities and

hard wiring prevention and inclusion across the system. By preventing residents in the PRS from tipping into crisis, we are both preventing and delaying the need for expensive acute services creating cost avoidance and cashable savings across council directorates.

- 3.8 Our response to the 'Building a Fairer and Healthier Waltham Forest: Equity and the Social Determinants of Health' report produced by Sir Professor Michael Marmot and the Institute for Health Equity (IHE) was published in January 2024. The Marmot report provided a robust evidence base on the scale of health inequalities in Waltham Forest. Building on this, the council has committed to taking bolder action in areas where we can have the greatest impact for those who are least likely to live in good health in our borough.

- 3.9 As part of the Council's response to the Marmot report a Healthier Homes Accelerator Area has been identified to improve the homes and the health of tenants in the PRS, seeking to achieve the following outcomes:

- using health data to target PRS enforcement action on the most harmful homes.

- supporting frontline staff across health, care, and other partners to raise issues with the PRS Licensing and Enforcement service, so action can be taken on properties posing health risks to their residents.

- equipping PRS Licensing officers with skills and tools they need to link tenants they meet into wider support that will protect their health, including housing-related support and benefits advice.

- intervening earlier for families in the PRS who are at risk of housing crisis through the Housing Sustainment Team who help with income maximisation, landlord mediation and link residents into other forms of support.

3.10 **The Private Rented Sector Strategy**

- 3.11 We recognise that homes provide a foundation for residents to live a happy and healthy life.

- 3.12 As part of our borough mission to tackle the housing crisis head on, we have promised 'a new deal for private renters'. We will ensure that Waltham Forest has a well-managed and equitable PRS, with good quality, safe and secure homes and where landlords and tenants are all aware of their rights and responsibilities and are properly supported by the Council.

- 3.13 Our strategy for the PRS supports the long-term outcomes of the overarching Housing Strategy:

1. Homelessness and rough sleeping are prevented so they become rare, brief, and non-recurrent.

2. Residents can access homes that meet their needs as their circumstances change.

3. Every home in the borough is healthy, safe, and affordable to heat.

4. Development enhances neighbourhoods and supports stronger, fairer, and safer communities.

3.14 With a particular focus on the following intermediate outcomes:

A. Early intervention and support are improved.

B. Residents who are threatened with homelessness are empowered to make decisions which are right for them.

C. Increasing the supply of different types of homes so people can stay in Waltham Forest throughout their lives.

D. Renting is an attractive and long-term option.

E. Housing-related health conditions are reduced.

F. Housing in Waltham Forest is warm and helps the borough to meet its commitment to reach net zero by 2030.

G. Communities are proud of where they live and feel safe.

3.15 It is therefore expected that the key outcomes will be broadly familiar to Cabinet.

3.16 **Tenants' Rights Officers**

3.17 Following a specific recommendation made by the Housing Commission, our Housing Strategy committed us to: *'establish a team of Tenants' Rights Officers: Building on the work of our Housing Sustainment Team, Tenants Rights Officers will have a wider-ranging remit, supporting all residents in the PRS with casework, and with health and wellbeing initiatives'*.

3.18 As part of the development process for this strategy, a thorough and comprehensive mapping exercise of the current PRS service provision for Waltham Forest residents was conducted (see summary in appendix 4). This mapping exercise indicated that most of the support proposed to be provided by Tenants Rights Officers would be a duplication of current provision, in particular the extensive work already carried out by the Housing Sustainment Team and Cambridge House to mediate between landlords and tenants, advising on landlord legal obligations and drawing up debt relief orders for PRS tenants.

3.19 It is recommended therefore to Cabinet that we do not proceed with establishing a team of Tenants' Rights Officers.

3.20 Given the challenges we face with our finances and resourcing, we instead recommend continuing to support and review the Housing Sustainment Team pilot and review existing service level agreements with our advice and support providers to ensure there is a clear focus on homelessness prevention and tenancy sustainment. This recommendation aligns with the Affordable Housing Commission's strategic priority to review the existing delivery partners and structures so that they meet the council's objectives for delivery.

3.21 Relevant council documents may need to be updated to reflect changes in how we are delivering this commitment.

4. Options & Alternatives Considered

- 4.1 Not producing a PRS Strategy was considered but rejected as an alternative due to the evidence presented to the Housing Commission and recommendation to Cabinet is that a stand alone PRS Strategy be created.
- 4.2 Option to establish a team of Tenants Rights Officers was considered but following mapping exercise decided not to recommend proceeding due to that being a duplication of current service provision.

5. Council Strategic Priorities (and other National or Local Policies or Strategies)

- 5.1 At the core of this strategy is Mission Waltham Forest, which places health equality and wellbeing at the forefront of our vision for transformational change and commits us to *tackling the housing crisis head on*. By embedding a mission-based approach in our PRS Strategy, we are committed not only to improving housing standards but also to addressing the broader social and health inequalities experienced by private renters. Our work is about more than just regulating the sector; it is about creating secure, sustainable homes that support the health and prosperity of all our residents.
- 5.2 The outcomes outlined in the PRS strategy align closely with the outcomes already agreed by full council in the Waltham Forest Housing Strategy.

6. Consultation

6.1 Member Engagement

- The strategy was discussed at informal Cabinet on the 26th of September 2024 and feedback incorporated.
- The Housing and Inclusive Economy Scrutiny Committee considered and endorsed the PRS Strategy on 16th October 2024.
- The Strategy has been discussed on a regular basis at Housing PLM and previously at Renters PLM.

6.2 Resident, staff, and partner engagement

- 6.2.1 The PRS Strategy has been shaped by the extensive resident and landlord engagement led by PRD consultants in the development of the Affordable Housing Commission and overarching Housing Strategy.
- 6.2.2 A key benefit of taking a Mission based approach to the development of this strategy has been how we have been able to pull together resources and intelligence across the many previously disparate council service areas to develop a practical delivery plan that we are confident will have a real impact on residents in the PRS.

6.2.3 Under the joint leadership of the acting Corporate Director of Housing and the Corporate Director of Regulatory & Contingency Planning Services, a series of workshops have been undertaken to develop this strategy involving staff and managers from the following services:

- PRS Licensing.
- Public Health.
- Planning and Regeneration
- Climate Emergency and Behavioural Change.
- Housing Options
- Housing Strategy

6.2.4 The findings are reflected and summarised in the strategy document and delivery plan.

7. Implications

7.1 Finance, Value for Money and Risk

- 7.1.1 There are no general funding implications with the with the PRS Strategy as it is all fully funded within the scheme.
- 7.1.2 No budget was set aside for the proposed team of Tenants Rights Officers so there is no direct financial impact of the decision not to proceed with the setting up of this team.
- 7.1.3 The selective licensing scheme is also awaiting approval from MHCLG. We will account for delivery plan actions regarding licensing and enforcement in the event that government decline to approve the new scheme.

7.2 Legal

- 7.2.1 The Renters' Rights Bill was introduced at first reading in the House of Commons on 11 September 2024. If enacted in its' current form it will:
- Abolish section 21 evictions and move to a simpler tenancy structure where all assured tenancies are periodic – providing more security for tenants and empowering them to challenge poor practice and unfair rent increases without fear of eviction.
 - Ensure possession grounds are fair to both parties, giving tenants more security, while ensuring landlords can recover their property when reasonable.
 - Provide stronger protections against backdoor eviction by ensuring tenants are able to appeal excessive above-market rents which are purely designed to force them out.
 - Introduce a new PRS Landlord Ombudsman that will provide quick, fair, impartial and binding resolution for tenants' complaints about their landlord. This will bring tenant-landlord complaint resolution on par with established redress practices

for tenants in social housing and consumers of property agent services

- Create a PRS Database to help landlords understand their legal obligations and demonstrate compliance, alongside providing better information to tenants to make informed decisions when entering into a tenancy agreement. Landlords will need to be registered on the database in order to use certain possession grounds.
- Give tenants strengthened rights to request a pet in the property, which the landlord must consider and cannot unreasonably refuse.
- Apply the Decent Homes Standard to the PRS to give renters safer, better value homes and remove the blight of poor-quality homes in local communities.
- Apply 'Awaab's Law' to the sector, setting clear legal expectations about the timeframes within which landlords in the PRS must take action to make homes safe where they contain serious hazards.
- Make it illegal for landlords and agents to discriminate against prospective tenants in receipt of benefits or with children .
- End the practice of rental bidding by prohibiting landlords and agents from asking for or accepting offers above the advertised rent. Landlords and agents will be required to publish an asking rent for their property and it will be illegal to accept offers made above this rate.
- Strengthens local authority enforcement by expanding civil penalties, introduces a package of investigatory powers and bringing in a new requirement for local authorities to report on enforcement activity.
- Strengthen rent repayment orders by extending them to superior landlords, doubling the maximum penalty and ensuring repeat offenders have to repay the maximum amount.

7.2.2 Cabinet is being asked to delegate authority to the Corporate Director for Housing to make any changes to the strategy and development plan necessary if, and when, the current Renters Rights Bill is enacted.

7.2.3 Cabinet is also being asked to delegate authority to the Corporate Director of Regulatory & Contingency Planning Services in consultation with the Director of Governance and Law authority to make any changes to the Council's Housing and Licensing Team Enforcement Policy necessary if, and when, the current Renters Rights Bill is enacted. This will enable the Council to exercise any additional powers in accordance with its' existing Housing and Licensing Team Enforcement Policy.

7.3 Equalities and Diversity

7.3.1 An Equalities Impact Assessment is included in the appendix to this report.

7.4 Sustainability and Health

7.4.1 The Strategy aligns with Waltham Forest's Climate Action Plan, aiming for the borough to achieve net carbon zero by 2030. We acknowledge that the PRS plays a vital role in achieving this target by addressing energy efficiency, reducing carbon emissions, and enhancing the quality of housing for private renters. There is a pressing need to address the direct impact of climate change on vulnerable tenants by understanding the significant role of housing in tackling the climate emergency.

7.4.2 The climate emergency exacerbates challenges faced by private renters, particularly in relation to fuel poverty, poor housing conditions, and health-related issues. They are disproportionately affected by rising energy costs due to a higher prevalence of energy inefficient properties in the borough, leading to fuel poverty and increased financial challenges. Many of these homes have poor insulation, outdated heating systems, and ventilation issues, which contribute to uncomfortable living conditions, including cold and damp environments that encourage the growth of mould. These conditions not only affect residents' physical health but also their mental wellbeing, creating a direct link between climate action and housing quality.

7.4.3 Despite the clear need for improvements to energy efficiency for renters, several barriers exist within the PRS market:

- Lack of funding: landlords have fed back at our Landlords' Forum about lacking the access required for the financial capital to retrofit homes.
- Lack of incentive: the financial benefits of energy efficiency improvements such as reduced energy bills mainly accrue for private renters rather than landlords, which limits the motivation for landlords to invest in their properties.
- Low MEES targets: the Minimum Energy Efficiency Standard (MEES) currently requires only an EPC rating of E, which is insufficient to meet climate targets and improve housing conditions at the scale required.
- Transient tenancies: short-term tenancies disincentivise landlords from investing in long-term improvements.
- Complexity of regulations: navigating the landscape of energy efficiency grants, loans, and regulations can be challenging for landlords, leading to inaction.

7.4.4 The PRS Strategy outlines several key actions to overcome barriers to energy efficiency improvements and enhance sustainability in the sector. This includes providing training and support to landlords on the

benefits of energy efficiency, compliance with MEES regulations, and available funding options, such as low-interest loans and grants for retrofitting properties. In parallel, the Strategy strengthens MEES enforcement to ensure properties meet minimum EPC standards and holds landlords accountable for non-compliance. Additionally, tenant education and support are integral, empowering renters to understand their rights and advocate for better housing conditions.

- 7.4.5 Colleagues from the Climate Emergency and Behavioural Change Team were closely involved in the development of the overarching Housing Strategy from its initiation. The Theory of Change approach we took was designed to support the Marmot Report recommendations on the climate emergency. The outcomes framework we developed through this methodology remains at the core of our PRS Strategy.
- 7.4.6 Colleagues from Public Health were closely involved in the development of the overarching Housing Strategy from its initiation. The Theory of Change approach we took was designed to support the Marmot Report recommendations and is in recognition of the critical role that housing plays in health and wellbeing. The outcomes framework we developed through this methodology remains at the core of our PRS Strategy.

Background Information (as defined by Local Government (Access to Information) Act 1985)

None.