

Report to: Full Council

Date: 22/01/2025

Subject: H&F Private Rented Sector Policy

Report of: Councillor Frances Umeh, Cabinet Member for Housing and Homelessness

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Responsible Director: Sukvinder Kalsi, Executive Director of Finance and Corporate Services

SUMMARY

This report, which will be considered by Cabinet in February 2025, proposes the adoption of a new Private Rented Sector (PRS) policy for Hammersmith and Fulham (H&F), to ensure that private rented housing standards in the borough are among the best in London. The PRS has increased significantly in the past two decades, driven by historical national policy failures that paved the way for a reducing social housing and owner occupy housing sector. We have excellent landlords in the borough but national and local evidence shows that a significant number of PRS homes are poorly maintained and are unaffordable for local residents. Parts of the sector are also exploited by the rogue and unscrupulous behaviour of some landlords, agents and intermediaries, with families living in fear that they could lose their home with little notice or justification.

For many years, H&F has been delivering a comprehensive set of measures designed to improve the experience of private renting in our borough, through effective regulation and enforcement – led by our Private Sector Housing team. The PRS policy brings a renewed focus to how we will improve standards under four strategic priorities:

- **Priority 1: Working together with residents and private landlords** to listen to their views, raise awareness of rights and obligations and meet local housing needs.
- **Priority 2: Improving private rented quality, maintenance, and standards** so the borough has the right homes for our residents through local licensing and a national PRS register, leading in safety and a long-overdue Decent Homes Standard (DHS).
- **Priority 3: Delivering comprehensive enforcement action** that targets the poorly performing parts of the sector to safeguard the exploitation of residents.

- **Priority 4: Building a more inclusive and accessible PRS** that tackles discriminatory rental practices and delivers a more accessible and inclusive sector.

We will work to deliver against these priorities now, but what we need most urgently is significant national reforms to improve renters' rights, security, and housing standards. We are committed to collaborating with the new government on our shared ambitions to improve oversight of the sector and bring about a more equitable and balanced housing market for all.

RECOMMENDATIONS

1. The Council is to note the report and the supporting Private Rented Sector Policy for H&F (Appendix 1).

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Corporate Plan and the H&F Values
Building shared prosperity	The policy intends to deliver improved private housing standards for all residents.
Creating a compassionate and inclusive council	The policy sets out a range of measures to support residents in accessing good quality housing, and commits to help tackle rental discrimination in the sector, and listen to the needs of residents and landlords.
Doing things with residents, not to them	The policy commits to a programme of both landlord and resident engagement, and these groups have been engaged actively through the development of the policy.
Being ruthlessly financially efficient	The policy primarily identifies targeted support to renters that can be delivered within existing resources. Any additional expenditure in delivery will need to be agreed through the council's normal budget setting process.
Taking pride in H&F	The policy sets out the importance of high-quality private rented housing in our borough to our residents.
Rising to the challenge of the climate and ecological emergency	The policy speaks directly to the importance of the PRS in helping to deliver a net zero future and the need for central government to improve national energy efficiency standards.

Financial Impact

The Council (in common with all public sector services) continues to face significant medium term financial challenges with increasing demographic, legislative and financial pressures. There are no direct financial implications arising from this report or the policy. Existing resources in this area will be directed towards delivery of the

commitments in the policy and any additional expenditure will need to be agreed through the Council's normal budget setting process.

Verified by James Newman (Assistant Director of Finance) – 8 November 2024)

Legal Implications

The Council's principal powers and responsibilities relating to the private rented housing sector and renters are contained in the Housing Act 2004. This Act includes an obligation on the Council to keep housing conditions under review and to take appropriate enforcement action (including both civil and criminal penalties) to maintain standards in both self-contained and shared accommodation. In addition, the Renters Rights Bill will increase the Council's powers relating to the private rented sector.

Further legal advice will be given on a case-by-case basis whenever necessary to protect the interests of the Council and residents.

Verified by Glen Egan (Assistant Director Legal) - 2 December 2024

Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

The rise of the PRS

1. This report presents a new PRS Policy for H&F. The policy will be considered by Cabinet in February 2025.
2. The PRS fulfils an important role in H&F providing many residents and families with housing arrangements that they want and need. The sector has grown significantly in the last two decades and is now the largest tenure and accounts for approximately 30,000 properties (almost 32%). As a result, H&F has one of the highest densities of private rented properties nationally.
3. Since the 1980s, the UK has experienced a shift in housing tenure. This has been driven by historical national policy failures from the introduction of Assured Shorthold Tenancies in 1988 and the end of Protected Tenancies; the introduction of Right to Buy in 1980 and associated under-investment by central government in new affordable housing; growth in buy-to-let mortgages during a period of low interest rates; and the significant growth in house prices which has made purchasing unaffordable for many people in London. This paved the way for a reducing social housing and owner occupy housing sector.
4. This Council is committed to increasing the number of genuinely affordable and accessible homes in the borough, with the target for 3,000 new affordable homes to be built or underway by 2026.

Standards in the PRS

5. English Housing Survey data shows that PRS homes are more likely to fall below national housing standards, when compared to socially rented and privately owned homes¹. In 2022/23, the English Housing Survey estimated that 21% of PRS homes fall short of the Decent Homes Standard (DHS), the minimum legal threshold that must be met by socially rented properties. This means there are likely to be a significant minority of PRS homes in the borough that are unsafe, cold, in a poor state of repair or with outdated kitchen or bathroom amenities. Local residents have identified this as a key concern. Of the private renters we consulted as part of developing this policy, 37% said they were unhappy with the quality of their housing.
6. Today, the PRS is the least secure of all tenures, with a complex tenancy system. Renters withhold concerns about poor and unsafe conditions because of a fear they will be evicted through no-fault Section 21 evictions, with just two months' notice.² Nationally, cases of families being evicted by bailiffs in 2023, because of no-fault evictions, rose by 40% compared to the previous year.³ For this reason, more and more people are presenting as homeless and requiring temporary accommodation in the borough.
7. We are aware that the high cost of renting is the biggest concern for some PRS residents living in the borough. Recent economic instability and inflation have fuelled record rent rises across London. Rental growth on newly let properties during 2023 peaked at 17% in inner London,⁴ with the median monthly rent for a two-bedroom flat in H&F being £2,319 – the 4th highest in London.⁵
8. The PRS is broadly composed of three types of renter; those renters who pay for their accommodation themselves; renters on low incomes who experience little choice and have to rely on benefits to pay their rent; and non-mainstream renters in the shadow economy. This policy is for all private renters in the borough, but with a particular focus on the latter two groups, given they can be vulnerable to some landlords, agents and intermediaries who seek to exploit and discriminate against them.

The role of the Council

9. For several years, H&F has been delivering a comprehensive set of measures designed to improve the experience of private renting in our borough, by driving up standards through effective regulation and enforcement. At the heart of this long-standing approach has been our selective PRS Licensing schemes which cover 20% of our borough and require landlords to register their properties and offer a decent standard of housing.
10. The Council's Private Sector Housing team takes a multi-disciplinary approach to improving the PRS, working across Trading Standards, Environmental

¹ English Housing Survey 2022 to 2023: housing quality and condition. Available [here](#).

² DLUHC. (February 2023). Reforming the Private Rented Sector. Available [here](#).

³ Guardian. (February 2024). Renters in England face rising no-fault evictions as reform bill delayed again. Available [here](#).

⁴ Hamptons (2024). Rental index data. Available [here](#).

⁵ H&F BI data, August 2024.

Health, and Housing and Homelessness services to deliver a range of statutory duties and discretionary work. Measures taken by the Council to improve private renting in the borough have included:

- Launching and incentivising sign up to H&F's Landlord's Charter
- Promotion of the London Landlords Accreditation Scheme and membership of recognised landlords' associations
- Enforcement action taken against hazardous housing conditions and failure to comply with legal obligations, including securing the largest fine we have ever issued to a private landlord
- Securing affordable home ownership and rental products to meet the needs of Home Buy clients
- Dealing with landlords that are not complying with their obligations, including multiple prosecutions for breaching existing housing regulations
- Assisting renters to obtain Rent Repayment Orders.

11. H&F has exemplary landlords (including local residents) and letting agencies that provide an important, professional, and dependable service. They are hugely valued, and the Council wants to retain and work in partnership with all landlords to achieve our ambition for H&F to be the best place to live in London where residents can thrive and fulfil their ambitions. However, H&F seeks to put on notice any rogue and unscrupulous landlords, agents, and intermediaries operating within the sector. Through this policy, we will seek to clamp down on those practices which prey upon and exploit our private renters. The Council is pleased that the sector recognises the need for improvements to ensure that private rented housing for residents is affordable, fair and secure as this will promote long term sustainability for both tenants and landlords.

National reforms

12. To support our ambitions, what renters need today is a significant change in national policy to improve their rights, security, and raise standards. The new government is taking significant steps to bring about the necessary change through the Renters' Rights Bill.
13. The Council will work with the new government to introduce the reforms that residents and landlords need. This will provide clarity and security to tenancies, introduce an independent arbitration service to put the sector on an equal footing to social housing, aid regulation and compliance through a national PRS register and improve standards through the introduction of a DHS for the sector.

The Private Rented Sector Policy (Appendix 1)

14. The policy has been developed because the PRS today is the most unaffordable and insecure of all housing tenures in the borough, with lower housing standards and limited recourse to challenge injustices and redress with landlords. Affordable, accessible, secure, and high-quality private rented housing is essential to ensure that the borough remains a place where people want to live, work, and thrive.

15. The policy supports delivery of the Council's ambition within the [H&F Plan 2023-2026](#) to, "continue to work with residents to provide more affordable, accessible, safe, and sustainable housing... ensuring we have the right mix of affordable housing options that are accessible and of a high standard." The policy sits alongside the Council's wider strategic housing policy, including our Housing Strategy and Older and Disabled Peoples Housing Strategies⁶, which provides the overarching framework for delivering our housing services and improving the local housing market.
16. The policy brings a refreshed and renewed focus to make private rented housing standards among the best in London. The policy has four strategic priorities which provide a clear course of action. They are:
- **Priority 1: Working together with residents and private landlords** to listen to their views, raise awareness of rights and obligations and meet local housing needs.
 - **Priority 2: Improving private rented quality, maintenance, and standards** so the borough has the right homes for our residents through local licensing and a national PRS register, leading in safety and a long-overdue DHS.
 - **Priority 3: Delivering comprehensive enforcement action** that targets the poorly performing parts of the sector to safeguard the exploitation of residents.
 - **Priority 4: Building a more inclusive and accessible PRS** that tackles discriminatory rental practices and delivers a more accessible and inclusive sector.
17. The policy sets out a series of commitments under each of the four themes focusing on a range of approaches, including, but not limited to:
- Improved engagement between the council, landlords and private renters, led by the establishment of a new landlords forum
 - Continued commitment to our selective license scheme
 - Robust enforcement action through our licensing schemes, and exploring the case for expanding the schemes
 - Ahead of national reforms, continued promotion of London's Landlord Accreditation, National Residential Landlord Association membership, the Property Ombudsman scheme, and our own Landlord Charter.
 - Ensuring developers commit to building better energy efficient homes
 - Robust enforcement against unscrupulous landlords
 - Bringing empty properties back into use
 - Supporting Disabled residents with grants to adapt their homes
 - Tackling rental discrimination and supporting those most at risk of homelessness.

⁶ H&F Housing Strategy.. Available [here](#).

18. The policy has been developed by a cross-council working group of officers, drawing on a best practice review commissioned from the New Economics Foundation. A delivery plan will monitor progress against the commitments in this policy, led by a senior officer, who will carry out a review after one year of the policy being adopted, to ensure our actions are having the desired impact.

Options

19. The policy sets out clearly, the Council's aspirations and ambitions that will help to enhance the reputation of the sector in LBHF.

Equality Implications

20. An Equality Impact Assessment (EIA) of the policy has been completed and is attached at Appendix 2. This explains that the policy seeks to tackle and prohibit rental discrimination within the PRS that threatens the ability of some residents to secure accessible, secure, and safe housing. Drawing on our pioneering co-production initiatives, the policy sets out that we will work to drive out systemic discrimination and unfairness within the PRS and help people with additional support needs to ensure that the local PRS works for them. Overall, the EIA concludes that the PRS Policy is expected to have a positive impact on protected groups, with no negative impact expected based on our analysis.

Risk Management Implications

21. There is a management risk that this policy is not adhered to, is not updated and that supporting processes are not maintained. It is therefore recommended that the policy is reviewed at a frequency of not less than biannually and that as applicable changes are made, approved, and communicated.

Jules Binney, Risk and Assurance Manager, 6th December 2024

Climate and Ecological Emergency Implications

22. In 2021, Fuel Poverty statistics showed that 11.3% of households in H&F were fuel poor, having both a low income and low Energy Performance Certificate (EPC) rating, with higher concentrations in the north of the borough. Poor energy efficiency penalises fuel poor private renters, with EPC E rated properties consuming 48% more gas than those properties with an EPC C rating.⁷
23. The policy speaks directly to the importance of the PRS in helping to deliver a net zero future. The new government has indicated that it will push for raising the Minimum Energy Efficiency Standard (MEES) up to EPC C rating as the minimum requirement for properties to be let in the long-term. The policy supports this move, whilst recognising that further work is needed to look at financial and tax instruments to assist landlords in meeting the costs of upgrading their properties. In the meantime, the policy supports the introduction

⁷ Resolution Foundation (2022). *Shrinking footprints: The impacts of the net zero transition on households and consumption*. Available [here](#)

of a DHS for the PRS, and for that to include standards on energy efficiency to raise standards in the sector.

Matthew Sales, Assistant Director, 18 October 2024.

Consultation

24. H&F is a council that believes in doing things with residents, not to them. In developing this policy, we have consulted widely with PRS renters, local residents, landlords, letting agents and other stakeholders. In total, 234 people responded to our consultation survey, and 36 people participated in interviews and focus groups. In July 2024, we also consulted the Housing and Homelessness Policy Accountability Committee (PAC). We value the views and experiences gained from these engagements which have enhanced the policy.

LIST OF APPENDICES

Appendix 1 – H&F Private Rented Sector Policy

Appendix 2 – EIA Assessment