

## Policy Briefing for Leader of the Council

# Private Renters' Rights: Safe and Stable Homes in Kensington and Chelsea

Thank you for your interest in seeking further good practice case studies on improving the private rented sector. This briefing outlines some key recommendations, as set out in the KCSC 2015 report<sup>1</sup>, on driving up standards of renting, to enable safe and stable homes in the Royal Borough. We hope you find this useful as a follow up to our report, and in considering the viable and efficient solutions for a better PRS in this borough.

## 1. Rent stabilisation

Across London, there is a significant variation in how much private tenants pay for rent. The average cost of studio for London is £800, while for the Royal Borough this is £1212 per month. Our report highlighted that the true cost of renting in this borough means people on low to middle income are living below an acceptable standard of living<sup>2</sup>.

High rental costs also means that communities in Kensington and Chelsea will become polarized, pushing even middle income earners out of the borough, who cannot afford to save for a housing deposit.

Rent stabilisation schemes have been seen as good international practice models, and a voluntary scheme was recommended by the Borough of Camden, for future landlords entering the private rental market. Rent stabilisation offers tenants security of tenure, and a low raise in rent, following an extended term of rent (see Germany example in our report).

## 2. Selective licensing

## 2.1 What is selective licensing?

The Housing Act, 2004, brought in mandatory licensing for houses in multiple occupation, (HMOs) consisting of three of more storeys, which are occupied by five or more people in two or more households.<sup>3</sup> Selective licensing means LAs can extend the benefits of licensing beyond the mandatory licensable properties (large HMOs). It aims to improve the management of privately rented homes for single households.<sup>4</sup>

Selective licensing is a discretionary scheme that empowers local authorities (LAs) to introduce licensing for all privately rented properties in a given area. The area must be an area of low housing demand or be experiencing problems with antisocial behaviour.<sup>5</sup>

In the absence of a national register of landlords, licensing supports local housing enforcement officers to develop proactive inspection and enforcement programmes for private rented properties.<sup>6</sup>

<sup>3</sup> Shelter 2014,

http://england.shelter.org.uk/\_\_data/assets/pdf\_file/0003/1039530/FINAL\_SAFE\_AND\_DECENT\_HOMES\_REPORT-LISE\_FOR\_LAUNCH pdf

<sup>&</sup>lt;sup>1</sup> Khatun, (2015), Private Renters' Rights, safe and stable homes in Kensington and Chelsea

<sup>&</sup>lt;sup>2</sup> ihid

<sup>&</sup>lt;sup>5</sup> ibid

#### 2.2 What can selective licensing achieve?

- It can ensure landlords are 'fit and proper persons'
- Good and fair management of tenancy relations
- Support for landlords to participate in regeneration and tackle antisocial behaviour effectively
- Protection for vulnerable tenants from the worst housing conditions and from bad landlords
- Strategic knowledge to support LA's in targeting health and safety inspections<sup>7</sup>

Our research found some London borough's to have introduced the selective licensing, these are the Borough of Newham, Croydon and Redbridge. An example of how the licensing is working for Newham is demonstrated below:

## 2.3 Good practice case study: The London Borough of Newham

Newham's private rented sector now represents 40% of the housing market. The borough has seen increasing problems of extortionate rents and appalling conditions in the sector. The council supported landlords to sign up to a voluntary accreditation scheme, but less than 2.5% registered. Licensing however enables the council to identify criminal landlords and require all landlords to adhere to a basic set of conditions including levels of occupation, tenancy management and property standards. There are now over 32,000 properties licensed and the council have carried out over 1,500 inspections, while taking a light touch approach to those running a professional operation. This has resulted in over 300 prosecutions and 15 of the borough's worst landlords being banned.

Interim findings from an independent evaluation of Newham's scheme show that licensing tackles anti-social behaviour, the proportion of reported anti-social behaviour against unlicensed properties is more than double that of licensed properties. Renters' satisfaction with landlord service more than doubled after their property had been licensed. Crucially, licensing protects renters by requiring landlords to provide them with a tenancy agreement and improved standards (Shelter 2014).

## 3. Local Tenants' Charter

3.1 Thanks to ongoing lobbying by charities, such as Shelter and Crisis, the Department of Communities and Local Government conducted a consultation on a draft Tenant's Charter in 2013, which resulted in a publication in 2014 of: Renting a safe home: a guide for tenants. This was an effort at increasing landlord and tenant awareness of rights and responsibilities and thereby better professionalisation of the sector.

Some local authorities have published their own local guidance for tenants. Our report, titled: Private Renters' Rights: safe and stable homes in Kensington and Chelsea, drew on the case study of East Northamptonshire Council, and the publication of their Tenants' Charter, 9 which we consider to be a good model for educating tenants of their rights, and who to contact, should a need arise.

In regards to making this work better in the Royal Borough, we suggest a local charter be promoted on the RBKC website, as well as widely with the Environmental health team who could take copies on visits and assessments, and be used by local advice agencies.

http://england.shelter.org.uk/\_\_data/assets/pdf\_file/0003/1039530/FINAL\_SAFE\_AND\_DECENT\_HOMES\_REPORT-\_USE\_FOR\_LAUNCH.pdf

<sup>9</sup> East Northamptonshire Council, 2015,

<sup>&</sup>lt;sup>6</sup> Shelter 2014,

<sup>&</sup>lt;sup>8</sup> DCLG, 2015, https://www.gov.uk/government/publications/renting-a-safe-home-a-guide-for-tenants

#### 3.2 Good practice case study: East Northamptonshire Council

East Northamptonshire Council produced its own Tenant's Charter which aims to help people living in the PRS to have a better understanding of what they can expect, and if something goes wrong where to go for help. The charter includes guidance on guestions to ask before a tenant agrees to rent a property, tenant rights, ending the tenancy, if something goes wrong and what to expect during the tenancy (Khatun 2015).

## 4. Promote retaliatory evictions law

According to the findings from the National Landlord Association (NLA), 88% of tenants were unaware of the new legislation banning Retaliatory Evictions, which came into effect on 1 October 2015. 10

Research by Shelter, suggested that more than 200,000 people were at risk of retaliatory eviction in 2014.<sup>11</sup> Meanwhile KCSC report highlighted that 10% of tenants had been evicted in the past, although these evictions were not necessarily in Kensington and Chelsea. 12

It is important time for councils to provide clear guidance, and set a framework, for dealing with complaints by tenants. For this to happen, the council must begin by educating tenants and landlords on the implications of this new and welcome legislation. The voluntary and community sector is also well suited to support the council to promote this new legislation, and could work together to establish further initiatives.

## 5. Further recommendations for the Leader of the Council

## Rent stabilisation

We recommend the Council fully explores the option of a voluntary rental stabilisation scheme to its landlords and future landlords. We propose the Council work with Dr Christine Whitehead to test such options through robust evidence-based research.

## Selective licensing

We recommend the Council works with its Environmental Health team to look at the options for the introduction of the selective licensing scheme. The council could also consider a wider consultation on this area.

#### **Local Tenant's Charter**

In light of all the evidence gathered in the KCSC report, we consider it a matter of urgent need to make tenants aware of their rights, and who to contact should a need arise. A tenant's charter, detailing this information will help alleviate some of the problems associated with poor housing conditions and lack of support and voice, resulting in health problems for tenants.

<sup>&</sup>lt;sup>10</sup> Cited in International Business Times, 2015, http://www.ibtimes.co.uk/uk-housing-90-tenants-unaware-new-law-banningrevenge-evictions-by-landlords-1521888 <sup>11</sup> Shelter 2014,

http://england.shelter.org.uk/\_\_data/assets/pdf\_file/0003/1039530/FINAL\_SAFE\_AND\_DECENT\_HOMES\_REPORT-USE\_FOR\_LAUNCH.pdf

12 Khatun, (2015), Private Renters' Rights, safe and stable homes in Kensington and Chelsea

## **Promotion of Retaliatory Evictions law**

 The council should consider a designated RBKC website page for information and guidance for both tenants and landlords on the new evictions law, to avoid unnecessary complaints and pressures on resources at the council, and help inform both parties of their rights and responsibilities.

If you have any further questions please feel free to contact: **Amina Khatun** 

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