

Written evidence submitted by Local Government Association

Dear Ms Hillier,

I write in relation to the Public Accounts Committee inquiry into the [‘regulation of private renting’](#) in order to share the Local Government Association’s (LGA) key messages on this issue. Given that the Private Rented Sector (PRS) is both growing and diversifying, this is a major area of interest for the LGA, and we have taken recent steps through our [good practice guide for councils](#) to improve the quality of the PRS across England. The LGA recognises the need for measures to improve housing security for tenants. Everyone deserves a safe, secure, and affordable place to live, this is critical for health and wellbeing in all our communities.

Some segments of the private rented sector work effectively and provide high-quality accommodation for those who choose to rent or who are unable to buy. However, there are also many instances of poor housing conditions which simply isn’t acceptable. Poor housing conditions are generally concentrated at the lower end of the market that provides accommodation to vulnerable groups. To illustrate, the [English Housing Survey](#) showed that the PRS has the highest proportion of non-decent homes, 23% compared to the social rented sector and owner-occupied homes, coming in at 12% and 16% respectively.

[The LGA’s view is that the best way to increase housing security is to address the unaffordability of housing](#), which is a key reason why many people lose their tenancy and become homeless. To fix the unaffordability of housing, the Government needs to reform Right to Buy so that councils can build more genuinely affordable homes, by allowing councils to keep 100 per cent of receipts from homes sold to reinvest in housing delivery. It is also important that challenges of the welfare system such as inappropriate local housing allowance (LHA) rates are addressed. Though this was marginally addressed in the Coronavirus Act, 2020, this is on a temporary basis and we must now see a long-term solution to this problem.

Another issue relevant to PRS is the need to [upgrade the Housing, Health and Safety Rating system \(HHSRS\)](#) governing property conditions. This is because currently they are not understood by many landlords. Local authorities need better data with a national registration system of all landlords, and adequate funding to develop appropriate responses to the challenging nature and context of the PRS. We are pleased the Government has listened to the concerns of councils and is to overhaul the HHSRS. This will help improve councils’ ability to uphold standards in the private rented sector and we look forward to seeing these changes implemented.

[The LGA supports and recognises action from the Government to strengthen protections for those in the PRS](#). Government has acted through its commitment to abolish Section 21 of the Housing Act to protect tenants from no-fault evictions, and to introduce a ‘Renters’ Reform Bill’ to strengthen protections for tenants in the PRS. To date, the bill has not been introduced and the LGA would welcome an update from the Government on its plans to take this forward, especially given recent

changes at the Department for Levelling Up Housing and Communities (DLUHC). The Government should also bring forward its pledge to end 'no fault evictions' in their entirety, which would help reduce the number of people evicted.

While PRS is a critical sector, the key to solving the housing crisis will be empowering local authorities to build affordable housing. [LGA research](#) shows that building 100,000 new social rent tenure homes each year will not only help address the national housing shortage but will tackle headon its impact on those families and communities most disadvantaged by it. The same research shows that building 100,000 new social rent tenure homes each year will provide a £15 billion boost to the economy. With a large proportion of the money spent on the construction of new homes staying local, it can be targeted at communities that need both the homes and the jobs. In addition, licensing the private rented sector can also be a tool for tackling specific issues with poor quality accommodation. However, centrally set restrictions limit its use. We have therefore called for the removal of the requirement for Secretary of State approval for larger schemes so that councils can regulate the PRS more effectively.

The LGA also has concerns in relation to Permitted Development Rights (PDR). PDR is an ad hoc, disconnected approach that undermines councils' and their communities' strategic long-term decisions. PDR significantly impacts communities without genuine public engagement, or the level of transparency proposed in the Government's Planning White Paper. The [Government's own research](#) highlighted how conversions to residential through change of use PDR can fail to meet adequate design standards, avoid contributing to local areas, create worse living environments, and affect vulnerable people disproportionately.

Ultimately, to secure the future of the PRS and ensure the supply of the right mix of tenures to meet the needs of local communities, we need to see a multi-pronged approach. This needs to address the unaffordability of housing, empower councils to increase the affordable housing stock, and increase the standards of the properties in the PRS themselves.

The LGA is already taking action to support these solutions, such as by helping secure some Right to Buy reforms that have given councils increased flexibilities to build more homes and supporting local government through good practice guidance, but it is critical that a national and local partnership is secured which can deliver for future needs, build back local, and work towards levelling up our communities.

The LGA is keen to continue working with the Public Accounts Committee to ensure that the voice of local government is heard in this important debate around the PRS.

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