

How do we get a better deal for private sector renters in Southampton? Scrutiny Inquiry Terms of Reference and Outline Inquiry Plan

1. Scrutiny Panel membership:

Councillor
Councillor
Councillor
Councillor
Councillor

2. Purpose:

To identify opportunities to improve outcomes for private sector renters in Southampton.

3. Background:

- According to the English Housing Survey in 2020 to 2021, the Private Rented Sector (PRS) accounted for 4.4 million (19%) households in England, housing over 11 million people. The sector has doubled in size since the early 2000s but the proportion of PRS households has remained stable at around 19% or 20% since 2013 to 2014.
- The Government White Paper, [A Fairer Private Rented Sector](#) published in June 2022 outlined that everyone deserves to live in a safe and decent home and stated that most landlords and agents treat their tenants fairly and provide good quality and safe homes. However, the white paper noted that this is not universal practice and too many of the 4.4 million households that rent privately live in poor conditions, paying a large proportion of their income to do so, with the threat of sudden eviction hanging over them.
- Poor-quality housing undermines renters' health and wellbeing, affects educational attainment and productivity, and reduces pride in local areas.¹
- In England, despite improvements over the past decade, over a fifth of privately rented homes (21%) are non-decent, and 12% have serious 'Category 1' hazards, which pose an imminent risk to renters' health and safety.²
- Private renters spend an average of 31% of their income, including housing support, on rent. In comparison, those buying their home with a mortgage spent 18% of their household income on mortgage payments and social renters paid 27% of their income on rent.³ The median monthly rent recorded between April 2022 and March 2023 was £825 for England; this is the highest ever recorded.⁴

¹ [A fairer private rented sector - GOV.UK \(www.gov.uk\)](#) - Chapter 2 (P23)

² English Housing Survey 2020 to 2021

³ English Housing Survey 2020 to 2021

⁴ [Private rental market summary statistics in England - Office for National Statistics \(ons.gov.uk\)](#)

- More than one fifth of renters (22%) who moved in 2020-2021 did not end their tenancy by choice, including 8% who were asked to leave by their landlord and a further 8% who left because their fixed term ended.⁵
- In Southampton 29.2% of households lived in private rented sector accommodation in 2021 (approximately 30,000). This is the highest out of our ONS comparator cities⁶ and has increased from 24.9% in 2011.⁷
- Data published in June 2023 identified that the median monthly rent in Southampton was £875⁸. This is £50 higher than the national median.
- A recent private sector stock condition survey has not been undertaken in Southampton, but the 2008 Southampton City Council Private Sector House Condition Survey found that over 28,000 (38%) of privately owned and rented homes in the city do not meet the Decent Homes Standard.⁹
- More broadly, Southampton is a growing city. The population increased by 5.1%, from just under 236,900 in 2011 to around 248,900 in 2021. There are approximately 30,000 higher education students studying in Southampton and both universities anticipate the number of students studying at the institutions to increase over the coming years. These trends create housing challenges for all tenures as well as concerns about affordability, especially for low income households. For example, the average rent for a three-bedroom property in Southampton is £1,100 per month, while the local housing allowance rate for this type of property is £922 per month.¹⁰
- Following the white paper, the Government has published the [Renters Reform Bill](#) and it had its first reading in the House of Commons in May 2023. The Bill seeks to level up the Private Rented Sector and rebalance the relationship between tenants and landlords.
- Local councils play a vital role in regulating and enforcing compliance in the Private Rented Sector. A number of innovative practices have been introduced by local authorities in England that have been designed to improve outcomes for private sector renters.

4. Objectives:

- a) To identify the challenges and concerns of private sector renters in Southampton.
- b) To understand existing plans and opportunities to address the identified challenges.
- c) To identify good practice being employed to get a better deal for private sector renters in the UK and beyond.
- d) To identify what initiatives and approaches could work well in Southampton to improve outcomes for private sector renters.

5. Methodology:

⁵ English Housing Survey 2020 to 2021

⁶ Census 2021 - [Microsoft Power BI](#)

⁷ [How life has changed in Southampton: Census 2021 \(ons.gov.uk\)](#)

⁸ [Private rental market summary statistics in England - Office for National Statistics \(ons.gov.uk\)](#)

⁹ [Housing and Homelessness \(southampton.gov.uk\)](#)

¹⁰ [Local Housing Allowance \(southampton.gov.uk\)](#)

- a) Seek the views of residents and stakeholders
- b) Undertake desktop research
- c) Identify best practice

6. Proposed Timetable:

Six meetings between October/November 2023 and April 2024

Meeting 1: 6 October or 16 November 2023

- Introduction, context and background
 - The shape of the private rental sector in Southampton
 - Understanding tenants needs and concerns – Including tenants survey
 - Overview of national legislation and policy
 - How the Council and partners seek to manage and oversee the private rental sector in Southampton.

Meeting 2: 16 November or 21 December 2023

- The cost of renting in Southampton
 - Feedback from tenants and landlords
 - Local and national data
 - National and local policy
 - Alternative approaches / Good practice

Meeting 3: 21 December 2023 or 18 January 2024

- The condition of private sector rental properties
 - Feedback from tenants and landlords
 - Local and national data
 - National and local policy
 - Alternative approaches / Good practice

Meeting 4: 18 January or 15 February 2024

- Southampton's HMO Licensing Scheme
 - Analysis of the existing HMO licensing scheme in Southampton

Meeting 5: 15 February or 29 February 2024

- Security, stability and overcrowding
 - Feedback from tenants and landlords
 - Local and national data
 - National and local policy
 - Alternative approaches / Good practice

Meeting 6: 18 April 2024

- Consideration of the final report