

Decision Pathway – Report

PURPOSE: Key decision

MEETING: Cabinet

DATE: 03 October 2023

TITLE	Bristol Living Rent Commission report recommendations		
Ward(s)	City Wide		
Author: Tom Gilchrist	Job title: Head of Private Sector Housing and Accessible Homes		
Cabinet lead: Councillor Tom Renhard, Cabinet Member for Housing Delivery and Homes	Executive Director lead: John Smith, Interim Executive Director Growth and Regeneration		
Proposal origin: Other			
Decision maker: Cabinet Member			
Decision forum: Cabinet			
Purpose of Report: For Cabinet to approve the findings and recommendations of the ‘One City’ Bristol Living Rent Commission (LRC) report published on 27 June 2023, and endorse the council’s work to consider and implement the report’s recommendations and engage in dialogue with central Government on them.			
Evidence Base:			
<ol style="list-style-type: none"> 1. Bristol’s Private Rented Sector (PRS) is in crisis and faces affordability, quality, and access issues. The city’s population is the fastest growing among the UK Core Cities, increasing 10% between 2011 and 2021. 2. Over the last ten years, the average house price in England and Wales increased by 67%. Bristol has experienced this increase especially sharply: house prices over the same period rose by 93%, around £161,000. 3. Over 134,000 people privately rent in Bristol - almost one-third of the city’s population. This is significantly higher than the national average of 20% and places pressure on social housing stock, with more than 19,000 households on the social housing waiting list and 1,200 households in temporary accommodation. Rents in the city increased by 52% in the decade following 2011, whereas wages grew by just 24%. 4. Rents in Bristol have also risen faster for cheaper properties. Even after adjusting for flat size, rents for cheaper properties in 2018 grew between two and four times as fast as rents for more expensive properties. This impacts the lower end of the rental market harder, with ‘cheaper’ studios and one-bedroom flats experiencing over 40% growth over the two-year period. Median advertised rent increased by 25% from 2018 to 2020. This reflects the change in “entry price” for private renting in Bristol. 5. The supply of properties listed to rent declined by nearly two-thirds from 2018 to 2020, even after adjusting for seasonal variation. The Commission found when a property gets re-listed on the market, its rent increases by roughly 6%. This reflects the typical experience of Bristol tenants. 			
Living Rent Commission:			
<ol style="list-style-type: none"> 6. The Mayor’s 2021 manifesto included a pledge to make Bristol a “living rent city” and campaign for rent control powers to be devolved to local authorities. The Council has been using existing powers to try and improve the Private Rented Sector. This includes the roll out of licensing schemes and building houses - 2,563 new homes were built in 2021/22, including the largest number of affordable homes in more than a decade. Despite this, rent levels remain the highest of all Core Cities in England. 7. The ‘One City’ Bristol Living Rent Commission was formed to explore issues in the Bristol PRS and consider what role devolution could play in addressing them. The Commission was launched in July 2022, following a Renters’ Summit in March 2022. Commissioners were made up of sector experts, tenants, and landlords. 8. Co-chaired by Professor Alex Marsh and Cllr Tom Renhard, the Commission provided an opportunity to bring 			

partnership-focused organisations together to explore the issues facing renters, with an evidence base to help develop an approach for Bristol.

9. Over six months, the Commission heard multiple evidence sessions and conducted two surveys, which received roughly 2,500 responses (see Appendix B). Overall responses highlighted that the design of rent control policy was crucial to the effect it has on the market. Respondents indicated out of the potentially negative consequences a rent control policy could have, the most important to mitigate were the quality of housing reducing, the availability of housing reducing and discrimination.

Commission Recommendations:

10. The final report was presented to the Mayor on June 27th and in total, 29 recommendations were detailed, with 23 of these for the specific attention of the Council (recommendations are summarised in Appendix A)
11. Some of the recommendations identified by the LRC were already being undertaken and some have recently been developed and used by the Council. For example, the Council is:
 - Improving housing conditions in the PRS using a range of enforcement interventions including civil penalties and prosecution action, that has included the use of banning orders.
 - Taking action to stop discrimination in the PRS with new conditions in the ‘West of England Rent with Confidence Scheme’ and with the inclusion of a discrimination clause included in the new property licensing consultation.
 - Checking all letting and managing agents, known to the council, to ensure they are members of a Client Money Protection Scheme, operate within the requirements of the Agents Redress Scheme and clearly publicise their fees. Where they have been found not to do so, formal action has and will be taken against them.
 - Consulting on two new property licensing schemes covering all houses in multiple occupation (HMO) in the city and for other rented homes in Bishopston and Ashley Down, Cotham and Easton. As part of the consultation documentation, the outcomes from previous licensing schemes are outlined. The consultation closes on 7th November 2023. The consultation responses will be taken into account before any decision is taken.
 - Clear in its ambition to deliver 1,000 new affordable homes each year by 2024 through a variety of ways, including through the delivery of council homes for social rent and working with community groups. Our housing delivery strategy, Project 1000, has a clear commitment to supporting community-led housing and self-build land disposal programme.
 - Planning to support a review of current information and sources of dissemination, and input into a collaborative approach for engaging with the city.
 - Regularly advocating to central Government on the need for more funding for social housing and the need for benefits to be adjusted to take account of actual rents and other living costs. Activity includes writing to the Secretary of State for Levelling-up, Housing and Communities with a copy of the Commission final report advocating for devolving powers, along with wider recommendations.
 - Working on a communications exercise that will ensure that the work of the Council, and PRS policy outcomes, are understood publicly.
12. The Council intends to develop a Private Rented Sector Strategy, which will articulate our priorities and vision for the PRS in Bristol and how the Council will consider the recommendations in the LRC. We expect to consult on this strategy in Spring 2024.

Officer Recommendations:

That Cabinet:

1. Welcomes and endorses the recommendations of the ‘One City’ Bristol Living Rent Commission (LRC) report and the progress to date as set out in Appendix A.
2. Authorises the Executive Director Growth and Regeneration in consultation with the Cabinet Member Housing Delivery and Homes to continue to progress the recommendations noting the actions as set out in Appendix A. Implementation of specific recommendations will be subject to appropriate legal powers, the outcome of public consultation and further decisions in accordance with the decision pathway.
3. Endorse the development of a Private Rented Sector Strategy which will form the basis to further consider the recommendations where they fall within the remit of the Council.

- Endorses the continued engagement with central Government about recommendations that would require national action.

Corporate Strategy alignment:

- The Corporate Strategy sets out the aim of pursuing a “living rent” in the city.
- The Corporate Strategy commits to ensuring fair access to a decent home for people in Bristol.
- The Corporate Strategy commits to ensuring people in Bristol can live where they choose and are able to access jobs and amenities close to where they live.

City Benefits:

- Affordability, access, and quality of Private Rented Sector (PRS) in Bristol improved.
- Better support and information for PRS residents on their rights and responsibilities as a tenant.
- Support the sustainability of the wider housing market including delivering Purpose Built Student Accommodation (PBSA) and Social Housing.

Consultation Details:

- The Living Rent Commission brought together analytical data, expertise, input and lived experience testimony from several key city partners and representative groups, through multiple evidence sessions held over six months, beginning in July 2022. Commissioners attended two preparatory meetings, five evidence sessions and two further wrap up discussions.
- As part of preparing for this work, the City Office supported a Renters Summit organised with the Bristol Fair Renting Campaign and ACORN. Almost 150 renters came together in March 2022, along with landlords and other Bristol residents, to share their experiences and discuss rent controls in the city, enforcement power and ways to tackle discrimination. This work fed into the Commissions’ evidence gathering.
- Two tenant experience surveys were conducted during this period (Appendix C). These surveys received around 2,500 responses, helping demonstrate the views of people across the city. The first, “Bristol Renters survey” (12 October - 13 November 2022) focused on tenant experiences of private renting. The second, “Bristol Rent Control survey” (6 December - 29 December 2022) gathered views on how to deal with affordability in the PRS, with a particular focus upon rent control.

Background Documents:

- Bristol Living Rent Commission [Executive Summary](#)
- Bristol Living Rent Commission [Full Report](#)
- [Project 1000 Affordable Housing Delivery Plan 2022-2025 \(bristol.gov.uk\)](#)

Revenue Cost	£	Source of Revenue Funding	
Capital Cost	£	Source of Capital Funding	
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice:

Demand for, and the cost of private rents within Bristol have increased dramatically in the last decade, partly as a result of individuals and families relocating from more expensive areas of the country, such as London, and commuting to work on an infrequent basis as they take advantage of home working.

The financial impact on Bristol residents is stark, with rent increases outstripping wage growth in the city by more than two to one in the last decade. Taken together with the context of the current wider economic climate, these increases are leading to real pressures on household budgets in the immediate term, but are also severely hampering the ability of families to save sufficient deposit levels to enable them to purchase their own homes.

The immediate pressures being felt by families in private rented accommodation presents a risk to them that they may soon be unable to afford their housing costs, resulting ultimately in becoming homeless.

The proposals outlined within the recommendations produced by the Living Rent commission aim to limit both the frequency of rent increased, and the amount by which they can be increased, thereby helping to alleviate some of the financial burden, to improve the quality both of accommodation provided and of the service received by private tenants from landlords and agents, and also to clamp down on discrimination within the sector.

However, it should also be noted that a significant risks is also identified within the recommendations, namely being the withdrawal of landlords from the private rented sector. This would likely result in an increase in individuals and families presenting themselves as homeless and so will need to be carefully considered and managed during any implementation.

Further consideration should also be given to any potential impact on the homelessness service of any landlords currently supplying BCC with homeless accommodation deciding to exit the sector.

Finance Business Partner: Martin Johnson – Interim Finance Manager – Housing & HRA – 21 September 2023

2. Legal Advice:

This report asks Cabinet to note the recommendations and progress to date. Any proposals or action taken must comply with the applicable statutory regimes.

There must be an identified legal power for Bristol City Council to put any new proposal into action.

Considerations and recognition of issues the City is facing are not subject to a legislative regime but in order to effect any change or impose regulation/requirements or conditions on the sector, any such change must be lawful and compliant with the statutory framework in which the sector operates.

Where consultation is taking place or will take place, the consultation responses must be conscientiously taken into account in finalising the decision. The leading cases on consultation provide that consultation should occur when proposals are at a formative stage, should give sufficient reasons for any proposal to permit intelligent consideration and should allow adequate time for consideration and response. There must be clear evidence that the decision maker has considered the consultation responses, or a summary of them, before taking its decision.

Case law guides on what constitutes lawful consultation and from this some key guiding principles have been established, in summary that those being consulted must:

1. be provided with material upon which a decision is likely to be made;
2. be given enough time for intelligent consideration of that material and to respond to it;
3. be given the opportunity to make considered representations;
4. have their representations conscientiously considered.

It is therefore important that members are satisfied that any consultation process allows sufficient time to enable any person or body wishing to make representations to obtain relevant material, to consider it and to put their representations to the Council.

Legal Team Leader: Kate Burnham-Davies, Specialist Solicitor for Private Housing and Husinara Jones, Team Manager 21 September 2023

3. Implications on IT: I can see no implications on IT in regard to this activity.

IT Team Leader: Alex Simpson – Lead Enterprise Architect – 13 September 2023

4. HR Advice: No HR implications are evident.

HR Partner: Bryn Williams – 11 September 2023

EDM Sign-off	John Smith, Executive Director, Growth and Regeneration	25 September 2023
Cabinet Member sign-off	Cllr Tom Renhard, Cabinet Member for Housing Delivery and Homes	25 September 2023

For Key Decisions - Mayor's Office sign-off	Mayor's Office	25 September 2023
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Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	YES
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO