

Private Sector – Briefing Paper

Introduction

In January 2018, the Private Sector Housing (enforcement) Team previously under the Environment Health Service transferred into the Private Rented Sector Team within Strategic Housing. We have since reviewed the transferring service, to ensure we are offering a structured and consistent service to allow families in the borough access to suitable, affordable and secure housing in the borough.

Context

The team have focused on completing specialist training to ensure they can deliver the new team responsibilities and legislative responsibilities within private sector housing.

Due to the demands of the service, the reality that before transfer a number of areas of responsibility were not being met, the systems inherited and new legislation the officers are under resourced to meet current service and statutory requirements. These include enforcement and administration of licensing House in Multiple Occupation (HMO's). Property compliance with Housing Health and Safety Rating System (HHSRS) hazards across private and social housing in Dacorum.

In February 2017, BRE concluded an Integrated Stock Model Report on all properties across the borough from evidence obtained. The report identified that there are 65,289 dwellings in Dacorum, 18% of which are privately rented properties & 20% of which are social housing.

This report highlighted the condition on stock across Dacorum. Below are figures taken from this report. Approximately 4% of the private rented stock in Dacorum is considered to be in a state of disrepair (key building component is old and needs replacing or major repair) and 14% contain at least one category of Housing Health and Safety Rating System (HHSRS) hazards. A category 1 HHSRS hazard means that it is of serious and immediate risk to someone's health and safety. The majority of properties with HHSRS hazards are across more rural areas of Dacorum.

Whilst these figures remain unchanged, we previously quoted due to the forthcoming new legislative change in HMO licencing we had reported an increase to 600 properties falling under the new definition of an HMO's and requiring licencing, we have now received a report that suggests this is likely to be an increase up to 916 properties.

The new legislation comes fully into force on 1 October 2018. At transfer of the service in January 2018 there were 40 licenced HMO properties. Currently Dacorum licence 41 properties registered the table on page 2 shows that this number constantly changes with the number of new applications received and granted, plus those licences that require review.

As of April 2018, there was also a requirement for private sector properties to normally have a minimum energy performance rating of E or above. If the rating is lower than F-G then a property owner will be unable to legally let it. It is estimated that 6.7% (786 properties) of private rented properties within the Borough do not currently meet this.

Analysis of the current service

The team have completed a variety of specialist training courses to assist them in the delivery of the service. Over the last 6 months, the team have been actively promoting the service, which have involved action days, estate agent visits, advertising via Twitter and Facebook, newsletters and door knocking exercises.

The Private Rented Sector team have implemented joint working with the Homeless Prevention and Assessment team, to ensure the correct use of the Homeless Prevention Fund (HPF). The HPF is means of a deposit to a landlord to prevent homelessness in the private sector housing. The Homeless Prevention and Assessment team issues the HPF. The team complete a financial assessment to ensure it is an affordable repayment plan. A full property inspection is undertaken by the Private Rented Sector Team to ensure the property meets the required standards.

One of the challenges is 'Civica'. Civica is the business case management system used to report on the team's activities and casework. This system and was inherited from Environmental Health and its figures. Due to the how the service previously ran, this system required a review, update and a smarter way of working. The Lead Officer had undertaken this work until now with assistance from the in house Civica business developer, but due to recent management changes, the review although is ongoing, it is only concentrating on areas the team are actively working on and not the whole remit of the Private Sector Team.

From the tables below, you will see that from April until October only a few licences were issued. It became apparent that the licence template was out of date and all the associated template letters on Civica were to. Due to the licence template being out of date and unusable, this has added additional pressure on the team, from them having to re-write letters when required, but also advising HMO applicants of the delay in issuing a licence.

The team have also completed mailshots to Landlords following the legislation change minimum energy performance rating of E or above and this increase in contact has risen.

From the team's monthly & quarterly KPI's reporting, the demands have increased on the current team.

| Description | Frequency | Apr | May | Jun | Jul | Aug | Sept | Oct |
|-------------------------|-----------|-----|-----|-----|-----|-----|------|-----|
| Number of licenced HMOs | Monthly | 40 | 42 | 43 | 43 | 42 | 41 | 40 |

| Description | Frequency | Apr | May | Jun | Jul | Aug | Sept | Oct |
|---------------------------------------------|-----------|-----|-----|-----|-----|-----|------|-----|
| Number of HMO licence applications received | Monthly | 1 | 1 | 1 | 3 | 2 | 27 | 20 |

| Description | Frequency | Apr | May | Jun | Jul | Aug | Sept | Oct |
|------------------------------------------------------------------------------------------|-----------|-----|-----|-----|-----|-----|------|-----|
| Number of properties below accepted energy efficiency standard where action can be taken | Quarterly | - | - | 229 | - | - | 145 | - |

| Description | Frequency | Apr | May | Jun | Jul | Aug | Sept | Oct |
|-----------------------------------------|-----------|-----|-----|-----|-----|-----|------|-----|
| Number of inspections/visits undertaken | Quarterly | - | - | 15 | - | - | 87 | - |

It is clear to see that the increase in HMO applications being submitted since September following the legislation change, but the numbers are still low according to the BRE report which suggests 916 properties, which in turn mean the team will need search and/or gather intelligence for potential HMO's, which will take more time, than an applicant approaching.

Following publications, social media updates and promoting the service the team have received an increase in referrals, entailing an increase in inspections noted in September figures.

With only one trained Environmental Health Officer (EHO) on the team, and the new officers needing clarification, support and confirmation of their actions, the EHO is not being able to complete their own casework, which is dealing with more complex cases of enforcement. This also leaves the team vulnerable to a single point of failure.

The autumn budget so an announcement from the Chancellor to introduce mandatory tax registration checks. Last December the HMRC consulted on these proposals in their "Tackling the hidden economy: public sector licensing" public consultation. The Chancellor last week announced as part of the Autumn Budget: "Following the consultation 'Tackling the hidden economy: public sector licensing' published in December 2017, the government will consider legislating at Finance Bill 2019 to introduce a tax registration check linked to licence renewal processes for some public sector licences. Applicants would need to provide proof they were correctly registered for tax in order to be granted licenses. This would make it more difficult to trade in the hidden economy, levelling the playing field for compliant businesses." The public sector licence types that will be affected by the Government's proposals will include:

- SIA
- Scrap metal dealers
- Taxi/PH driver and operators
- HMOs
- Street/market trading
- Massage and special treatment premises licences

Introducing additional checks into the Private Sector Team will have a significant impact on resources that are already under significant pressure with the new regulatory requirements.

Proposal

To be given additional resources to support the team. A Team Leader, ideally a qualified EHO would be able to pick up from where the Private Sector Lead officer left off with the reviewing of Civica, ensuring all letter templates up to date, and meet the new legislation as well as helping to provide direction and resilience to the team.

This role would also be able to offer support and guidance to the Private Sector Lead Officer (currently acting up as Team Leader) and Private Sector Enforcement Officers (PSEO) to enable them to get clarification or advice. They would be able to assist in case reviews on a weekly basis. The Team Leader would also be able to provide support, guidance and act as a sounding board to the current EHO of the team, supporting or challenging their decisions. In addition, should the current EHO be unavailable, this is a single point of failure for the team and any enforcement action would need to cease until their return.

Currently the team equivocate to one Private Sector Housing Lead Officer, three Private Sector Enforcement Officers, an Environmental Health Officer (EHO) and a Home Energy Conservation Officer (HECO, a Private Sector Insight and Improvement Officer (PSIIO) and a Private Sector Support Officer (PSSO).

Recommendations

In light of the above information and increased pressures on the Private Sector Team, it is recommended for that a new Team Leader post, ideally a qualified EHO post be created. This will enable the team to focus the resources on driving up the property standards in the private rented sector, tackling malpractice, enforcement action and using the Council resources better to enable stability for people in the Private Rented Sector, whilst reducing and preventing homelessness.