



Report for:	Housing and Communities Overview and Scrutiny Committee
Date of meeting:	5 June 2019
Part:	1
If Part II, reason:	

Title of report:	Private Sector Housing
Contact:	Cllr Margaret Griffiths, Portfolio Holder for Housing Lynne Hunt, Private Sector Housing Team Leader
Purpose of report:	<ol style="list-style-type: none"> 1. To provide Members with an update on the developments within Private Sector Housing and the work of the team. 2. To provide Members with an overview of key legislative changes and an update to the Enforcement Policy. 3. To provide Members with an overview of Houses in Multiple Occupation licencing requirements and the draft policy.
Recommendations	<ol style="list-style-type: none"> 1. For Members to offer feedback on the update on the work of the Private Rented Sector Team. 2. For Members to offer comments on the Private Sector Enforcement Policy update. 3. For Members to offer comments on the Houses in Multiple Occupation Policy.
Period for post policy/project review	Review of the council's performance in relation to Private Sector Housing to be undertaken annually.
Corporate objectives:	<p>The Strategic Housing Service's responsibilities and activity in relation to the Private Rented Sector contributes to the following corporate objectives:</p> <p>Clean Safe and enjoyable environment Building Strong and vibrant communities</p>
Implications:	<u>Financial</u>
'Value for money'	Failure to actively regulate the private rented sector could have financial implications for the council in relation to prevention of homelessness and in relation to pressures on temporary accommodation provision. Failure to effectively regulate and

implications	<p>enforce in the private sector could have a reputational impact for the authority. Additionally undertaking enforcement action to improve the standards of the private rented sector will require sufficient staff resource and additional legal input.</p> <p><u>Value for money</u></p> <p>Any income gained from activity related to regulating the private rented sector, is ring-fenced and must be retained for expenditure within the general fund to deliver an effective private sector housing service.</p>
Risk implications	<p>The risk register presented to members on a quarterly basis will take the new remit into consideration.</p>
Community Impact Assessment	<p>In view of the objectives of licensing for Houses in Multiple Occupations (HMOs) - which are to ensure that all tenants can live in safe, warm and secure accommodation - it is felt that a Community Impact Assessment is not applicable. The private rented sector, in particular HMOs, houses a younger and transient population than the national average. HMOs in particular will have higher proportion of migrants and vulnerable younger people. The impact of licensing is not felt to have a negative effect on any of the groups protected under the Equality Act 2004.</p>
Health and safety Implications	<p>One of the key aspects of work with the private rented sector is to ensure that homes are safe to live in. Where problems with a health and safety implication are found in rented properties the landlord will be required to remedy these, or face enforcement action if they do not. This is guided by the Housing Health and Safety Rating System (HHSRS)</p> <p>https://www.gov.uk/government/collections/housing-health-and-safety-rating-system-hhsrs-guidance</p>
Consultees:	<p>Natasha Beresford, Group Manager, Strategic Housing</p> <p>Fiona Williamson, Assistant Director Housing</p> <p>Mark Gaynor, Corporate Director Housing and Regeneration</p> <p>Herts and Beds Private Sector Housing Network</p> <p>Hertfordshire Fire Service</p>
Background papers:	<p>Appendix 1 - Enforcement Policy</p> <p>Appendix 2 - Tenant Fees Act Guidance</p> <p>Appendix 3 – Homes (Fitness For Human Habitation) Act 2018</p> <p>Appendix 4 - Houses in Multiple Occupation Policy</p> <p>Appendix 5 – New fee charges for HMOs</p>

Glossary of acronyms and any other abbreviations used in this report:	Houses in Multiple Occupation (HMO) Private Rented Sector (PRS) Full Time Equivalent (FTE) Housing Health and Safety Rating System (HHSRS) Ministry of Housing Communities and Local Government (MHCLG) Final Management Order (FMO) Key Performance Indicator (KPI)
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1. Introduction

- 1.1. In January 2018, the housing service took on the responsibility for regulating private sector housing.
- 1.2. We have continuously reviewed the transferring service, to ensure we are offering a structured and consistent service to allow households in the borough access to suitable, affordable and secure housing.
- 1.3. In July 2018, H&COSC reviewed the service approach to enforcement and HMO licencing and the Enforcement Policy was subsequently approved at Cabinet.
- 1.4. The purpose of this report is to provide members with an update on developments within the service and our response to legislative change. The report also includes an amendment to the Enforcement Policy and a draft Houses in Multiple Occupation Policy for consideration.

2. Context

- 2.1. On a national scale, the private rented sector is the fastest growing housing tenure type, having more than doubled in size over the last decade. A 2016 BRE Integrated Stock Model Report has identified that there are 65,289 dwellings in Dacorum, 11,700, or 18% of which, are privately rented properties.
- 2.2. As a result of growing national focus on this tenure type, there has been revision of guidance and an introduction of new legislation in this area during 2018/19.

3. Remit, Staffing and Resources

- 3.1. The Private Sector Housing team sits within Strategic Housing and now includes a dedicated Team Leader following approval for growth at 2019 Budget Scrutiny. The team structure chart can be seen at *appendix 6*.
- 3.2. The remit of this team is as follows;
 - Regulation of the Private Rented Sector (PRS) landlords and property standards
 - Licencing Houses in Multiple Occupation (HMO)
 - Interventions for owner occupier properties or Registered Providers where there are Category 1 Hazards, as defined by the HHSRS, and works outstanding

- Energy Efficiency Standards and Fuel Poverty
- Prevention of illegal evictions or harassment
- Empty Properties (as defined in 4.1)

3.3. Due to the capacity of the current staffing resource, change in guidance and legislation the team's primary focus has been on developing new procedures, policy and regulation of HMO's (which are felt to be a higher risk area). As a result, the team have yet to start tackling Empty Homes across the borough.

3.4. The table below is a basic overview of some of the key areas of work the team have undertaken since the transfer. The data below is taken from the monthly and quarterly KPI's and the status of the team workloads as at May 2019.

Enquiries received since June18 to May19	Total = 272 0-3 days to respond = 239 4-10 days to respond = 24 11 or more days to respond = 9
Inspections/visits undertaken since June18 to May19	205
FOI's received since June18 to May19	29
MP Enquiries received since June18 to May19	7
Current staff workloads (as at 1 May 2019)	Private Sector Enforcement Officers = 127 Private Sector Support Officer = 37 Environmental Health Officer = 36 Home Energy Officer = 28
Current HMO licence status	Licensed = 46 Pending licence = 32 Awaiting supporting documentation = 24

3.5. The above information gives an indicator of the work demands in the team; each enquiry is required to be investigated, visits undertaken and any remedial action advice given to the landlord. On average enquiries remain active and open with an officer for 8 weeks to enable the officer to undertake all necessary enquiries, ensure that the landlord has completed remedial works and any follow up inspections. The above data does not include follow up inspections, only initial visits.

3.6. Key Performance Indicator reporting over the past 12 months has shown a rising demand through direct approaches by tenants and enforcement work required by the team. The figures also show that we have an increase in approaches and service requests following our proactive work, which involved action days, estate/letting agent visits, advertising via Twitter and Facebook, newsletters and door knocking exercises.

3.7. The team are also responsible for two properties under Final Management Orders (FMO) following successful prosecution in 2014 & 2015. Prosecution related to serious nuisance activity and disrepair within both properties, affecting residents and the local community.

3.8.

An FMO is granted if the local authority is not satisfied that they would be able to grant a licence to the landlord or if there is a need to protect the health, safety or welfare of persons occupying the house on a long-term basis. A FMO is granted for a period 5 years. The council took the decision in 2014 to pass the daily management to Squires Estate Agents. Although both properties are managed in this way, the team must regularly review both FMO's to ensure the operation of the order and in particular, the management scheme and whether keeping the order in force in relation to the house with or without making any variations is the best alternative available to them.

4. Identification of Empty Homes

4.1. The Housing Act 2004 gives local authorities powers to tackle empty homes by using Empty Dwelling Management Orders. Local authorities should be engaging with owners and landlords and considering enforcement action, where it is identified that a property is unoccupied for at least 6 months or more and has no reasonable prospect of it being occupied in the near future.

4.2. The service has access to data held by the Council Tax department in relation to empty homes within the borough and as at the 1 May 2019, records show that there are 103 empty homes within the borough, which have been empty for two or more years.

4.3. Long-term empty homes represent a wasted resource, and cause a number of problems for the owner and the surrounding neighbourhood:

- Empty properties are a wasted resource that could provide an additional home in an area of high housing need
- Aid in the prevention of homelessness thus reducing demand for social housing and temporary accommodation
- Empty homes attract crime and anti-social behaviour
- They reduce the value of surrounding properties
- They are often an eyesore in the neighbourhood
- They can be costly for the owner to maintain
- And they are costly to the Local Authority to investigate

4.4. Returning an empty home to use has benefits for everyone in the area, by:

- Providing additional housing
- Reducing crime and vandalism in the area
- Regenerating the area
- Reducing the need for new developments
- Unlocking potential capital for the owner

- 4.5. Due to the level of resourcing available to the service on transfer to Housing in January 2018, efforts have been focussed on upskilling the team and developing a robust approach to the more high profile areas, such as HMO licensing, with the impending legislative change, which carry a greater risk if not identified and addressed. There have been no active complaints to the service with regards to Empty Homes and therefore no enforcement action has been taken to date.
- 4.6. The service intends to consider a proposal for further consideration as part of 2019/20 budget scrutiny for resourcing an approach in relation to empty properties.

5. Implementing Central Government Policies

5.1. A specific Private Sector Enforcement Policy was approved at Cabinet in July 2018 but due to legislative change since this time, a revision to the policy is proposed and can be seen at appendix 1. Additionally a HMO Policy has been drafted (appendix 4) to take account for the new legislation introduced by Central Government. This paper will draw attention to the key changes.

5.2. HMO Licensing Reform

5.2.1. In December 2017, the Ministry for Housing, Communities and Local Government (MHCLG) published a response to the proposed HMO licensing reforms. The new reforms offer major revisions to the HMO legislation extending the definition of an HMO to include houses with less than three storeys. This will mean all HMOs will be required to apply for a license regardless of the number of storeys the property has. Dacorum currently has 44 licensed HMOs in the borough.

5.2.2. This legislation went live in October 2018, Central Government have advised Local Authorities to prepare for a minimum increase of 350 properties, which could take the number of HMOs in Dacorum closer to 400. However it is noted that a Building Research Establishment (BRE) stock modelling report undertaken in 2016 identified a figure of 916 HMOs across Dacorum, it is not clear from this report how many of the identified properties would potentially be licensable under a scheme as the report was commissioned prior to legislative change. It is clear that the service has not yet identified all HMOs at this point (though it has more than doubled the number that are identified)

5.2.3. To achieve this, all suspected HMO's are being logged and inspected by the team. This involves writing to landlords of suspected HMO's informing them of the changes in definition and the requirement to apply for a licence. Failure to do so will result in enforcement action. Currently further plans are being developed to undertake a larger scale detection approach in collaboration with local agencies and letting agents.

5.3. Homes (Fitness for Human Habitation) Act 2018

5.3.1. This Act amends the Landlord and Tenant Act 1985 to create a new duty on landlords to ensure homes are fit for human habitation at the start of tenancy and throughout. The term fitness will be amended from the nine factors e.g. repairs, water supply, freedom from damp to also include any category 1 hazard under the HHSRS. Based on our knowledge of current properties with this category of hazard, this is approximately 1,800 homes in Dacorum.

5.4. Tenant Fees Act 2019

5.4.1. This Act defines what lawful charges a landlord or letting agent may place upon a tenant at the commencement or during the tenancy. The Act provides new enforcement powers for Trading Standards to take action where it is considered that a landlord or agent is charging unlawfully and local authorities are required to work in partnership with Trading Standards to support any such investigation or enforcement action.

6. Service demands & performance 2018/19

6.1. At present DBC has two Management Orders on properties, which are set to expire in 2019 and 2020.

6.2. We have provided 19 energy efficiency grants via Hertfordshire Warmer Homes since November 2017. The project co-ordinators have requested further investment from the council for the next 3 years; this is currently being considered by Housing Senior Management team.

6.3. Minimum Energy Efficiency Standards for the private rented sector were introduced in April 2018 for new tenancies and renewing an existing tenancy. In the last 12 months, we have been raising Landlord's awareness of the standards and advising on compliance. In the next 12 months, we will be consulting on the Council's approach to enforcement of the Minimum Energy Efficiency Standards in readiness for April 2020 when the standards will apply to all new and existing private rented sector tenancies. Further information on the Council's work to promote energy efficiency is available in the Council's Home Energy Conservation Act Progress Report 2017-19.

6.4. As at 1 May 2019 the council has 46 licenced HMO's. With a further 52 applications currently pending at various stages of assessment. Landlords are required to provide a variety of documentation to support their application, which includes gas and electrical safety certificates, DBS check and Energy Performance Certificate. In addition to vetting and checking documents received from landlords, the Officers are required to undertake scheduled inspections for each new application and then subsequent inspections at Year 2 and 4 of an approved licence. Following inspection visits it is normal for landlords to be required to undertake works to support their application. Each application is also subject to a 21-day objection period, this process means that licencing of a HMO is lengthy and often takes as much as 120 days.

- 6.5. Details of the fees payable by a landlord when submitting a HMO licence application can be found at appendix 5, it is important to note that HMO licence costs and income generated through enforcement action is ring fenced for investment back into the service area.
- 6.6. The website pages for the Private Sector Housing Team have been reviewed and updates, providing Dacorum landlords and tenants easily accessible guidance for the private sector. Individual factsheets have been created outlining the HHSRS identifiable hazards and the standards required when letting a property in the PRS.
- 6.7. A quarterly Private Housing Newsletter is now issued for landlords and tenants, the newsletter provides the latest legislation, news and updates from central government and advice for both parties on how to approach these changes as they happen in the sector.
- 6.8. Our dedicated landlord forum is run in partnership with the National Landlords Association is ran twice a year. The forum provides update to attending landlords on the latest enforcement guidance and changes; this is to ensure landlords within the borough keep a consistent approach when letting properties in the area.
- 6.9. With the government's increasing focus on the private rented sector, we will need to provide our landlords and tenants guidance for various acts which will be affecting the sector. The Homes (Fitness for Human Habitation) Act 2018 we will be a crucial tool for tenants to use if their homes are not meeting the required standards for human habitation. A guidance and information booklet is currently being developed within the team to and is intended for publication online in the summer 2019. This guide will provide tenants information on how to access support and advice from the Private Sector Housing Team if they are concerned about property standards.
- 6.10. The team is in liaison with Trading Standards to agree a collaborative approach to investigating breaches of the Tenant Fees ban. As this legislation comes into effect on 1 June 2019, the service is currently developing information and guidance to update our website with information on the permitted fees and how breaches can be reported. Further details will be issued via our summer newsletter to subscribers.

7. Understanding Dacorum's Private Sector and future needs

- 7.1. As mentioned, earlier in the report a BRE stock model report of the private sector in Dacorum was undertaken in 2016. We are required to undertake a further report during this financial year to gain a better understanding of the sector and challenges specifically to Dacorum. This will assist the service in shaping our future approach to improving conditions across the borough.
- 7.2. Undertaking an private sector stock condition survey will assist the service to establish a clear direction and fulfil our commitment of developing a Private Sector Housing Strategy. This will be developed in partnership with landlords, tenants, letting agents and other professional partners.

8. Fees and Charges

8.1. The service has worked closely with external legal advisors and our finance department to develop a new breakdown of costs to support a revision to our licence fee charges. The charges were approved at Cabinet in January 2019.

9. Conclusion

9.1. This report also draws members' attention to key legislative changes, which the team are required to meet over the next year.

9.2. Through the amended PRS Enforcement Policy and the drafted HMO Policy, the service sets out a proposal for regulating the PRS. These draft documents offer members an opportunity to help shape the approach taken.

9.3. Finally, the report informs members of the work that is on-going to regulate the service and the challenges faced