

North Somerset Council

REPORT TO THE ADULT SERVICES AND HOUSING POLICY AND SCRUTINY PANEL

DATE OF MEETING: 7 MARCH 2019

SUBJECT OF REPORT: PRIVATE RENTED SECTOR CONDITIONS UPDATE

TOWN OR PARISH: ALL

OFFICER/MEMBER PRESENTING: HOWARD EVANS

KEY DECISION: N/A

RECOMMENDATIONS

1. The Panel note the progress made to improve housing conditions in the Private Rented Sector and actions taken in response to new legislation affecting the sector.
2. The Panel consider if there are additional performance information that could potentially be included in future progress reports.

1. SUMMARY OF REPORT

Following a review of housing conditions in the private rented sector; a formal decision was taken to commence an area action approach in a specified area in Weston-super-Mare. Several changes have been introduced since decision; the report provides a brief outline on implementation of the action area approach and implications of the changes; including:

- Expansion of mandatory HMO licensing
- Additional HMO licensing exit
- Enforcement policy update
- Domestic Private Rented Sector Standard (Energy)
- Area Action implementation
- Rent with Confidence update

The final section provides an outline of next steps and some outcomes from the current year.

2. POLICY

This report contributes to delivery of the Housing Strategy as part of the Strategy actions to improve housing conditions in the private rented sector.

3. DETAILS

A review of housing conditions in the private rented sector was undertaken concentrating on central Weston-super-Mare to identify and progress options to deliver the prime objective of improving housing conditions in that sector. A formal Executive Member decision was taken in March 2018 to commence an Area Action approach of education, promotion and enforcement targeted on privately rented homes located in a specific area of Weston-super-Mare. It was agreed to schedule periodic reviews of the outcomes from the new approach, following implementation.

At the same time, Central Government has introduced several legislative changes which required action, including

- Expansion of mandatory licensing of Houses in Multiple Occupation (HMOs) to a wider type of building (mainly removing the 3 storey requirement). Estimated over 200 additional HMOs to be licensed in North Somerset
- Introduction of civil penalties for housing enforcement work requiring amendment to the Enforcement Policy.
- Creation of a database of rogue landlords and letting agents who are subject to banning orders.
- Restriction on new tenancies for poorly energy rated homes i.e. Energy Performance Certificates Category F&G.

Expansion of mandatory HMO licensing

Secondary legislation was introduced which reformed the HMO licensing regime. The effect was to extend the scope of mandatory HMO licensing to buildings one or two storeys in height (previously minimum three storeys). The occupancy requirement is unchanged in that must be occupied by five or more persons, from two or more separate households.

In addition; new mandatory conditions were added for new licences issued: mandatory minimum sleeping room sizes and prescribed waste disposal provision requirements. The minimum floor area for rooms used for sleeping now mirror the statutory overcrowding standard.

It was estimated more than 200 additional HMO licenses would need to be issued; although initial numbers suggest the figure will be much lower. However, the team are currently dealing with HMOs which no longer require licensing under the additional licensing regime which expired on 31st December 2018 but do fall under the expanded mandatory scheme.

The team have been dealing with around 90 HMOs since October; either issuing new licences, processing applications (inspections pending) with four cases referred for further investigations, which could lead to prosecution or the issuing of a civil penalty.

Additional HMO Licensing Scheme

In 2013 the council introduced an additional HMO licensing scheme covering part of central Weston-super-Mare which lasted for five years, expiring at end December 2018. The team are currently reviewing exit data although initial indications are the scheme achieved its

overall objectives of improving housing conditions and standards of management.

The expansion of the mandatory scheme referenced above will require a number of these HMOs to be licensed under the new regime, although only where occupied by 5 or more unrelated residents.

Enforcement Policy update.

The strategic housing enforcement policy required updating mainly as a result of the Housing and Planning Act 2016 and new legal powers and the revised policy was approved by the Executive Member in 2018.

The main changes were:

- Incorporating policy guidelines for setting civil financial penalties
- Incorporating a statement of principles for the Smoke and Carbon Monoxide Alarm Regulations 2015
- Updating the policy in relation to our approach to providing information and guidance to service users and its link to enforcement

The policy sets out the council's approach to charging for enforcement action and makes it clear that, where appropriate, the true cost of officer time involved in taking formal action, such as serving notices, orders etc will be recovered.

The revised policy was published in August 2018. Since the introduction of the policy and completion of staff training financial penalties in the region of £10,000 have been issued against landlords and letting agents. A fixed penalty notice has also recently been issued for an unlicensed HMO in central Weston super Mare. The policy emphasis echoes the government drive for a more enforcement driven approach against non-compliant landlords using the additional tools available e.g. civil penalties. It is worth highlighting that this approach has seen an increase in the number of landlords challenging actions taken and currently there is one case with an appeal hearing pending at Tribunal.

Domestic Private Rented Sector Standard (Energy)

The Energy Act 2011 places a duty on Government to improve the energy efficiency of buildings in the private rented sector. Consequently, the Government introduced regulations establishing a minimum level of energy efficiency for privately rented property. These regulations had the effect that from April 2018 landlords of privately rented property must ensure that their properties reach at least an Energy Performance Certificate (EPC) rating of E before granting a new tenancy to new or existing tenants. These requirements will apply to all private rented properties even where there has been no change in tenancy arrangements from 1 April 2020.

Initial estimates suggested there are over 1,000 properties in the sector in North Somerset which fall into that category although energy efficiency measures carried out over last 12 months will have improved in the region of 120 dwellings above the minimum level.

Area Action implementation

In advance of launching the area action approach, a number of actions were required which included updates to the technical information and guidance on the Council's website, enhancing the Rent with Confidence standard to incorporate a facility for tenants to report disrepair, compiling and verifying a comprehensive property database.

In relation to the technical guidance it was critical to ensure information available on our website was updated, comprehensive and clear about landlord's responsibilities in particular in relation to housing conditions and assessment for the presence of Category 1 hazards. The issues covered include gas & electrical safety, legionella assessments, managing asbestos and general home safety. Specific fire safety requirements e.g. smoke detectors apply particularly for HMOs and regulations require the installation of carbon monoxide detectors in prescribed circumstances e.g. where there are solid fuel appliances.

A key element of the area action approach is education and support for the sector with a robust enforcement regime for any non-compliant landlords. An essential prerequisite was ensuring as far as possible all landlords and agents who have stock within the area receive information on the proposal and actions required, including joining a Rent with Confidence accrediting body. A significant amount of time has been spent on compiling a comprehensive list of contact addresses for landlords and agents to maximise coverage and while it cannot be guaranteed every landlord will receive a letter, a publicity plan has been produced to publicise the message.

Compiling the address details of landlords etc was a complicated task accessing and involved comparing multiple databases within the GDPR restrictions and different formats of data, especially where historic information conflicted with other data sources. However, from an initial list of over 14,000 buildings (included commercial properties) indicating private renting tenure, the database has been filtered and analysed to generate an address list of around 1,300 landlords and agents (to date) linked to over 2,300 dwellings. Each landlord/agent has been sent a letter outlining the area action approach, encouraging them to join the accreditation scheme, providing links to website information together with a timely reminder that inspections are scheduled to commence shortly and that non-accredited properties will be prioritised for inspection.

We have worked closely with the only accreditation provider who meets the area action scheme requirements, National Landlord Code of Excellence (NLCE), who are based in North Somerset. NLCE have responded by: enhancing their offer to incorporate a repair reporting facility for tenants, updating their website to publicise accredited members (and members removed) and promoting and encouraging landlords to work with our Lettings Team to help find accommodation for homeless households. It's encouraging to note no complaints about members failing to respond to tenant's concerns have been escalated within NLCE or to the local authority i.e. members are dealing with tenants concerns on notification.

The emphasis on encouraging landlords to join an accreditation scheme has many advantages for both landlords and the Council. Accredited members benefit from a comprehensive compulsory training day, on-going access to information and advice, and regular training on essential topics e.g. fire safety, legionella. The Council benefit as the approach will help develop a professional and responsive sector.

There has been a mixed response since the letters were issued but encouragingly many landlords are taking up membership of NLCE, seeking clarification on compliance and providing updated information on tenure. The overall effect should result in releasing resources to target rogue landlords which the government are encouraging.

An agreed action following the consultation on the area action approach was to develop a simple “**rogue landlord reporting**” process; something the Panel supported, and this has now been activated; and has already resulted in a small number of referrals. The on-line reporting system is open to all (including tenants) and can be used to report concerns about housing conditions, harassment, refuse issues.

We have recently been notified of a successful bid to the Government’s “**Rogue Landlord Fund**” which will provide resources to increase publicity of the scheme through targeted action including strategically locating the MAVIS bus, dedicated leaflets, promoting accreditation through NLCE, uniforms for staff undertaking inspections, news releases and social media campaigns around launch date 11 March 2019.

Rent with Confidence update

Since the launch of the Rent with Confidence in 2017 and its promotion to landlords, membership has increased with the most significant number joining NLCE which offers enhanced membership services including repairs reporting service for tenants. One organisation, Considerate, has folded which leaves six accrediting organisations although some specialise in student accommodation and others are Bristol focused.

Next Steps

Now the initial task of compiling a database of landlords and agents with properties in the area and sending letters is complete, the main activity now will be to schedule inspections. The addresses will be selected with reference to NLCE accredited landlords, complaint data, licensed HMOs and departmental intelligence i.e. rogue landlord reporting.

The actions agreed under the Rogue Landlord Fund Communication Plan will be implemented and ward members will be informed of any specific activity in the locality. Outcomes will be captured in line with the conditions of the grant.

Specific team training will be completed regarding the revised procedure for investigating housing condition complaints, enforcement actions, health and safety implications and sources of potential funding.

The current performance information will be reviewed to ensure the outcomes from the area action are captured and reported through the usual updates to Panel and corporate monitoring regime.

Outcomes 2018/19 – Private Rented Sector (to date)

- 58 HMOs improved
- 100 PRS hazard removed
- 32 HMO licences issued (new)
- 49 HMO licence applications received pending inspection/issue
- 4 HMOs referred for investigation – license application overdue
- 3 civil penalties issued with value c £10k

- 125 homes receiving home energy efficiency measures
- 67 landlords/agents accredited through NLCE with a further 11 pending completion of training. Over 40% increase in membership since Executive Member decision.
- Total number of units of accommodation owned or managed by accredited NLCE members is now approximately 1,700

4. CONSULTATION

There has been routine informal consultation with landlords through the Private Sector Housing Forum who have expressed support for the approach the council have adopted. The Tenants Forum have been updated on actions although the group indicated they will be concentrating on “Housing First” model; in conjunction with the Council and partners.

5. FINANCIAL IMPLICATIONS

There are no direct financial implications associated with this report.

Costs

N/A

Funding

N/A

6. LEGAL POWERS AND IMPLICATIONS

The legal powers are as set out in legislation or through delegated authority under the Constitution.

7. RISK MANAGEMENT

There are no risks associated with providing the update report.

8. EQUALITY IMPLICATIONS

An Equality Impact Assessment was undertaken as part of the Executive Member decisions relating to the Action Area approach and enforcement policy and no significant risks identified.

9. CORPORATE IMPLICATIONS

None

10. OPTIONS CONSIDERED

N/A

AUTHOR

Howard Evans, Private Sector Housing Service Leader.

BACKGROUND PAPERS

Executive Member decision P&C68 2017/18

<http://www.n-somerset.gov.uk/wp-content/uploads/2018/02/PC68-Signed-version.pdf>