

SLOUGH BOROUGH COUNCIL

REPORT TO: Neighbourhoods & Community Services Scrutiny Panel **DATE:** 06 November 2013

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PORTFOLIO: Councillor James Swindlehurst – Commissioner for Neighbourhoods and Renewal

PART I **FOR CONSIDERATION & COMMENT**

MANAGEMENT AND LICENSING OF HOUSES IN MULTIPLE OCCUPANCY

1 Purpose of Report

1.1 The purpose of this report is to update the members on the statutory function of the management of the licensing of the Houses in Multiple Occupation (HMO's) in accordance with part 2 the Housing Act 2004 within Slough Borough Council, the quality of the housing stock, the aspirations and targets of the service for the coming year and the progress of the additional licensing regime within the Chalvey Ward.

2 Recommendation(s)/Proposed Action

2.1 The Panel is requested to note the management of the Licensing of Houses in Multiple Occupation is compliant in accordance with Part 2 of the Housing Act 2004. An Audit for the statutory function was completed in August 2012 (Appendix A) and detailed within the report were strengths and weaknesses in our procedures and that we have implemented actions raised in the report to address any listed weaknesses.

The Slough Wellbeing Strategy, the JSNA and the Corporate Plan

3a. Slough Wellbeing Strategy Priorities

The quality of and access to housing is a key priority for the council. Slough's Wellbeing Strategy names housing as one of five priorities with the vision that:

“By 2028 Slough will possess a strong, attractive and balanced housing market which recognises the importance of housing in supporting economic growth.”

Housing is central to the health and wellbeing of the population; it gives the ability to access work and assists in providing a safe environment for educational achievement. This function will provide safeguards for the most vulnerable in society living in affordable single person accommodation, and contributes to other council priorities by generating additional revenue income through council tax from revaluing larger HMO properties that have more than one hereditament.

3b. **Slough Wellbeing Strategy Cross-Cutting themes**

The current review of the allocations policy taking into account of the changes in legislation brought about from the Localism Act should enhance the life chances of local people by recognising applicants' community contribution in terms of employment, education, training and positive contribution to community priorities.

Working with developers to secure properties of a size which meets demand as part of planning development agreements.

Residents who are adequately housed are able to take pride in their community and work to improve the image of the town as well as improving their own quality of life and life chances.

3c. **Joint Strategic Needs Assessment (JSNA)**

Housing is a contributory factor to the wellbeing of Slough residents, and the statutory HMO licensing function supports the priorities in the JSNA and it contributes to reducing inequalities in health through preventing access to poor quality sub-standard housing whilst requiring HMO owners to ensure the mandatory licensing conditions are achieved through the licensing scheme. The mandatory license conditions are seen within the Appendix B.

3d **Corporate Plan 2013/14**

The project contributes to the priorities in the Corporate Plan by improving the customer experience by tackling the perceived degradation of the Slough environment by unlicensed houses in multiple occupation and assists in the financial management of the council by identifying those low cost homes which are eligible for additional Council Tax.

5 **Other Implications**

(a) **Financial**

There are no additional financial implications on any Slough Borough Council General Fund Budget. The fee structure within the HMO licensing application process is proportionate to the staffing resource costs to process the application form, although should there be an incomplete application form, Slough Borough Council does add that cost to the total license fee.

The Housing Standards team recently visited the district valuation office in Reading when it was discussed that larger HMO properties could actually be classed as more than one hereditaments (self contained and independent units of accommodation) and currently all HMO's are usually rated and valued as a single property for council tax purposes and the future referrals of the previous licensed properties to the valuation office agency (VOA) may result in additional council tax bills to owners of larger HMO properties.

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	HMO licensing is a statutory function and once a property has been discovered or declared a HMO through the mandatory or additional licensing process then Slough Borough Council has a duty to ensure these properties comply with the licensing regime a failure to comply with this may result in vulnerable persons living in unlicensed properties which may pose a danger to their wellbeing and failure to address the unlicensed use of a HMO would put the reputation of SBC at risk. Robust investigations and licensing prosecutions should ensure compliancy to those who choose not to license HMO's where there is a legal need to do so.	
Property	None	
Human Rights	None	
Health and Safety	None	
Employment Issues	None	
Equalities Issues	None	
Community Support	None	
Communications	There have been numerous press releases and coverage regarding the recent instances of owners of HMO's being prosecuted for operating and allowing the property to be used but failing to license the property. Leo Tarring (communications officer) is central to the press release of prosecution cases brought by SBC which arises from court appearances. The press information needs to balance public interest and personal information.	
Community Safety	none	
Financial	None	
Timetable for delivery	The function of HMO licensing is ongoing and SBC are compliant in the time limitations for receiving a completed HMO application to a license being approved and issued,	
Project Capacity	The housing standards team that have the responsibility to delivery the	

	licensing function have 2 full time vacancies. The emergence of the business transformation and directorate restructure would have seen competent and qualified staff to deliver the service however, continuing delays have seen the vacancies within the team continue. We aim to remedy this situation by appointing two interim officers to the team within 2 weeks to ensure the compliancy of HMO licenses, investigations and declarations.	
Other		

(c) Human Rights Act and Other Legal Implications

There are no human rights implications for this report.

(d) Equalities Impact Assessment

The Enforcement Policy of private sector housing service delivered by the housing standards team has undertaken an Equalities Impact Assessment Initial Screening in September 2008. It also complies with the aims of the enforcement concordat. It includes a range of mandatory and discretionary tools which the council has available for its use. There is no adverse impact on age, religion, sexual orientation or disability.

(e) Workforce

This report will reveal that the previous work force implication of staff capacity should be addressed through the current Housing and Environment transformation restructure in that the previous housing standards teams will be replaced by a specific regulatory enforcement team that has responsibility for houses in multiple occupation licensing and enforcement and the current criminal and rogue landlords project (previously named as the 'sheds with beds project).

6 Supporting Information

6.1 A Private Sector Stock and HMO Condition Survey 2009 estimates there are 2,199 HMO's in the borough mainly within the Upton, Central and Chalvey wards. It is difficult to assess with any degree of accuracy the number of mandatory licensable HMO's; anecdotally there are approximately 200 mandatory licensable HMO's. The survey estimated there are 542 HMO's in Chalvey; 29 have been issued with a mandatory licence; all others would be licensable under the additional licensing scheme. The table below indicates the HMO licensing progress so far. The renewal column refers to licenses that were initially issued in 2007 at the beginning of the new licensing regime where licenses were valid for a period of 5 years. The cost of a HMO license is £550 and an additional £480 for a license for another licensable property owned by the same landlord.

Year	New licences	Renewals	Variations	Revoked	Total
2007	14				14
2008	7				7
2009	11				11
2010	10			1	10
2011	17				17
2012	7	4			11
2013	5	8	1 (not included in total)	1	13
Being processed now					4
Overall total properties currently licensed	69				

- 6.2 Additional Licensing was introduced on November 30 2011 giving Slough Borough Council direct powers to address problems linked with poor HMO's detrimentally affecting the Chalvey area. This followed an extensive public consultation that ran from July to October 2010 involving paper survey forms being sent to local residents and landlords which was also available to fill in online. Letters were sent to councillors and external partners including National Landlords Forum, Royal Berkshire Fire and Rescue Service, and Thames Valley Police.
- 6.3 Chalvey was chosen as the first ward to introduce additional licensing as there was strong evidence of a significant problem of anti-social behaviour taking place in and around the location of HMO's, affecting other residents and the local community. The external condition of some HMO's in the area was adversely impacting upon the general character and amenity of the area. After consultation it was decided that all HMO's within Chalvey should be licensed; any property occupied by three or more persons who do not form a single household comes within the scope of the scheme.
- 6.4 There is no anecdotal evidence that the licensing regime has improved HMO accommodation standards internally. However, the additional and mandatory licensing scheme requires all licensed HMOs to meet the minimum standards in terms of amenity provision for bathroom and kitchen facilities, fire safety, space provision and routine testing of gas/electrical and fire safety installations. A Housing Health and Safety Rating System (HHSRS) inspection is carried out on all licensed HMO's in the five year license period looking at all 29 hazards as well as HMO management regulation requirements any works identified are requested and checked.
- 6.5 At a recent Chalvey Community Forum meeting residents said they have noticed improvements in the area, with landlords doing more work to improve their properties. This is backed up by the figures below, which show that complaints about anti-social behaviour, rats and mice, fly-tipping and messy gardens were down 13 percent in 2012 compared to the previous year.

	2011	2012	Percentage change
Total Service Requests	473	411	13% ↓
Antisocial Behaviour (drugs/alcohol/groups)	37	23	38% ↓
Rats & Mice	83	58	30% ↓
Flytipping	31	24	23% ↓
Littering	14	15	7% ↑
Dog Fouling	8	7	13% ↓

- 6.6 The standard and quality of the private housing stock differs greatly between wards and that is also reflected in the construction of properties. Older properties lend themselves more towards conversion to multiple occupation because of their size and these properties are in areas that are in need of increased social and housing provision. This is due to the fact that the more vulnerable of persons seek accommodation in low cost accommodation which the HMO properties offer. The transient nature of those tenants means that the quality of care of the house and gardens is neither their individual responsibility nor their main priority.
- 6.7 The Neighbourhood Enforcement Teams (NET's) are beginning to work more closely with the housing standards team regarding the reporting of poorly maintained and empty properties which can have a direct link towards anti social and criminal activities, fly tipping and an increase in the fear of crime and inevitably affect the values of housing in the area which has a knock on effect of poorly maintained homes. A necessary tool to combat poor quality housing during austere economic times is to offer a financial incentive to improve the housing conditions both internally and externally with a view to improving the amenity of the area and the financial pressures of the authority has resulted in the review of the financial assistance policy removing capitol funds/grants or loans preventing home owners in deprived neighbourhoods to improve their homes, coupled with an enforcement function through planning (section 215 planning notices for owners to improve their properties that are seen and assessed as a detriment to the amenity of the area), the persuasive argument to improve properties should be more measured and managed. However, the ongoing directorate restructure has meant the identification of HMO's and referrals for poorly maintained properties are fragmented at best and lacking at worst as the housing standards and NET teams are not working together in the neighbourhood structure to tackle neighbourhood and community issues collectively. The scheme of delegating responsibility of issuing section 215 notices still remains with planning enforcement rather than the NET teams and this causes a conflict of prioritisation of work between enforcement and community teams.
- 6.8 The targets for service delivery of this function are totally dependent on available staffing resource. At present we endeavour to issue licenses to appropriate premises and fit and proper persons after receiving a completed application form within 8 weeks. We believe that the function is well managed with the resources available. From an inspirational perspective, additional staffing resourcing will deliver a quality of service to more landlords by completing more applications and therefore ensuring more complaint owners of HMO's with good accommodation standards. The current vacant housing standards officers posts have had previous temporary interim placements whilst the ongoing restructure completes. There are interviews the week commencing 28 October for two temporary officers on interim contracts to assist in completing more HMO applications and the arrival of the neighbourhood enforcement

teams into the proposed neighbourhood services directorate will enhance our investigative capabilities for HMO licensing.

7 **Conclusion**

This report is for the Panel to note that the audit report confirms that Slough Borough Council's HMO licensing process is well managed. However, it is clear from the number of licenses issued both mandatory and additional (98 in total 15 licenses being processed) does not address the need to license the estimated number of HMO's remaining during which time there is a risk persons may be living in HMO properties that are unlicensed and poor conditions. We have confidence that we can resource personnel into the two vacant posts for the HMO licensing function with temporary experienced staff to address the number of HMO licensing investigations that are outstanding and continue to deliver a quality service.

8 **Appendices**

- A - RSM Tenon HMO licensing audit report
- B - Mandatory HMO license conditions