

SLOUGH BOROUGH COUNCIL

REPORT TO: Neighbourhoods and Community Services Scrutiny Panel **DATE:** 4th September 2014

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PORTFOLIO: Neighbourhoods and Regeneration; Councillor James Swindlehurst

PART I **FOR CONSIDERATION & COMMENT**

BEDS IN SHEDS (SLOUGH SHEDS)

1 Purpose of Report

The purpose of this report is to update the members on the progress of the 'Slough Sheds' project and to detail the internal and external agency partnerships in tackling the unauthorised outbuildings that are used as accommodation and in turn those landlords who are not compliant with the required obligation in landlord and tenant legislation.

2 Recommendation(s)/Proposed Action

The committee is to note the 'Slough Sheds' project update report in relation to the change in project objectives to identify those properties that are not within the requirements for planning enforcement and have been subject to regularisation. The committee should also note that project objectives have moved to an income maximisation and landlord / owner compliance for accommodation standards.

The Sustainable Community Strategy, the JSNA and the Corporate Plan

3a. Sustainable Community 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 project will provide safeguards for the most vulnerable in society, and contributes to other council priorities by generating additional revenue income through council tax from legitimised dwellings and outbuildings

3b. **Sustainable Community Strategy: Cross-Cutting themes**

The proposed Allocation Scheme rewards civic responsibility by recognising applicants' community contribution in terms of employment, education, training and positive contribution to community priorities through sustained voluntary work. Anti social behaviour and failure to be financially responsible will not be tolerated in council housing and will prevent those who demonstrate this behaviour becoming ineligible, thus contributing to community safety.

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 Sheds with beds project supports the priorities in the JSNA and it contributes to reducing inequalities in health through preventing access to poor quality sub-standard housing

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 uncontrolled development and assists in the financial management of the council by identifying dwellings which are eligible for Council Tax

5 **Other Implications**

(a) **Financial**

There are no additional financial implications on any Slough Borough Council General fund Budget. The Communities and Local Government grant of £220,000.00 has been utilised to secure the required staff support and expertise within the project for to include, trading standards for the Energy Performance Certificate (EPC) enforcement, planning enforcement and building control to establish the legality of outbuilding use through planning legislation, business support to facilitate the administrative and intelligence gathering functions of the project, a lead project manager and the funding for the thermal imaging data and associated GIS mapping information. The project lead manager has a budget monitoring and management system that is frequently reviewed. The grant budget is decreasing to an extent that the project can only continue through and invest to save model of income maximisation.

(b) **Risk Management**

Risk	Mitigating action	Opportunities
Legal	With no planning enforcement resource dedicated to the project, Planning enforcement has been assisted by head of	

	<p>legal with a small number of high profile cases been allocated to the lead planning enforcement for the purpose of seeking demolitions. With the scheme of delegations not as yet approved for operational officers and managers, the project officers are still reliant on other departments for access to problem properties if not granted by owners.</p>	
Property	None	
Human Rights	None	
Health and Safety	None	
Employment Issues	None	
Equalities Issues	None	
Community Support	None	
Communications	<p>There have been numerous press releases and coverage regarding the Energy Performance Certificate (EPC) enforcement and the 'Blue Sky' thermal imagery data capture. There have also been communications in relation to the demolition of outbuildings in the borough and communications are managed and co-ordinated by Leo Tarring to ensure radio and media interviews reflect the Boroughs objectives to improve accommodation standards whilst tackling non compliant landlords.</p>	
Community Safety	none	
Financial	None	
Timetable for delivery	<p>With the project objectives changing slightly from full enforcement to effective regulation, SBC corporate management decided to continue the project through an invest to save model that required specific experienced inspection</p>	

	staff. The project team have had difficulties appointing these members of staff and the project could not deliver on its objectives or outcomes in the timetable previously stated.	
Project Capacity	All project post requirements have now been fulfilled with temporary appointments and budgeted for and have already started to deliver on the required targets for referrals and outcomes.	
Other		

(c) Human Rights Act and Other Legal Implications

The project has no legal or human rights implications. The intelligence of properties with outbuildings is gathered from aerial images from both the thermal imaging data capture by 'Blue Sky' and by ordnance survey who conducted an aerial imagery capture of Slough prior to the London Olympics.

(d) Equalities Impact Assessment

The Enforcement Policy of private sector housing service 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.

The equalities impact of Planning Enforcement forms part of the Initial Screening for the Planning Service carried out in September 2008. Planning Enforcement is a discretionary tool. Any action taken would be proportionate to the harm being caused by the independent occupation of the offending outbuildings. Efforts will be prioritised towards the more flagrant breaches of planning control with the potential for greater sensitivity to more minor / technical breaches.

(e) Workforce

This report will reveal that the previous work force implication of staff capacity has been addressed through the appointment of temporary staff to fulfil the project objectives as the housing and environment transformation restructure has not released any capacity to assist in the project inspections. The trading standards team offer their support for the regulation and enforcement of energy performance certificates on outbuildings that have been regularised and approved for independent dwellings but the limitations of enforcement due to the size of the properties and lack of evidence of tenancy commencement dates reveal a small amount of EPC enforcement. The Planning enforcement officers post has been deleted from the project team as the post could not be appointed to as the previous officer left SBC for another post and recruitment of this specialist post was not successful, SBC legal

and SBC planning enforcement have agreed to the high profile and difficult cases only due to capacity.

6 Supporting Information

- 6.1 The initial regional Government grant funding of £220,000 in 2010 was utilised for the funding for a project to establish a multi agency approach to tackling Houses in multiple occupation (HMO's) and Slough Sheds. The key objectives of the project were to focus on improving standards in HMO's and reduce the number of Slough Sheds as anecdotally it was felt that Sheds were housing illegal workers. Early project outcomes revealed that the slough sheds were used as accommodation for a wide ranging population demographic and not primarily for illegal workers as first thought. However, it is clear that the accommodation was used and still is by persons who are in low paid work and in a small number of cases were sharing the outbuilding accommodation. As of April 2014 financial reporting has stated there is £80,000 remaining within the project budget but there are a number of temporary salary invoices that require reconciling to report a true financial figure.
- 6.2 The project has been reviewed corporately a number of times due to difficulties in achieving the initial outcome of robust planning enforcement and lack of available resources in existing teams to complete the property inspections. The review has also been prompted by Communities and Local Government departments who have stated that Local Authorities should also address the rising problems of 'rogue landlords' who provide poor quality housing for low paid vulnerable tenants. The change in project objectives and continuation of outbuilding identification has seen Slough Borough Council listed in the 'Shelter' best practise for dealing with 'Rogue landlords'. The review has seen Slough Borough Council work closely with owners of properties having outbuildings and advising them on the legal obligations for ensuring the properties offer safe accommodation. From this point it was prudent to ensure owners who rented out the independent outbuildings to non family members were correctly identified for additional taxation (Council tax)
- 6.3 The project now have referral links between the District Valuation Office (VOA) at Reading and the SBC Council tax collections and billing section, currently serviced by Arvato. The inspection regime now looks at referring owners of independently accessed outbuildings that have their own utility facilities of bathrooms and kitchens to the District Valuation Office. A determination is then made on individually banding the outbuilding for council tax and this has seen new objectives in the project brief to maximise income through improving housing and accommodation standards in outbuildings.
- 6.4 Since February 2014 (latest project review) we have successfully referred 38 outbuildings to the valuation office for council tax determination and banding. We have had 8 cases confirmed with 2 owners appealing against the determination and another 28 cases requiring further investigation and possible visits by the valuation office. This would see an additional income in the form of council tax and an additional central government grant called the new homes bonus. For each outbuilding that is added to the Council tax list would add £929.63 a year in Council tax and £1494.44 per year for 6 years. Over a 6 year period providing the property continues as an accommodation unit, each outbuilding would over a 6 year period add £5,577.78 in council tax and £8,966.64 for the new homes bonus grant giving a total of £14,544.42 for each property. Should all 38 referred properties be successful then Slough Borough Council would see an additional income of £552,687.96 over a 6 year period. The new homes bonus (NHB) is an un-ring fenced income.

- 6.5 Since 2010 we started with 299 owners paying additional council tax for outbuildings, these are people self referring to council tax. To date that has now reduced 115 live council tax accounts for outbuildings NOT including the latest batch of 38. This would see an annual council tax additional income of $115 \times £929.63 = £106,907.45$ per year and there would have been an average additional NHB of $115 \times £1494.44 = £171,860$ per year for 6 years. Although there would have been 299 in the early years of the project we have taken the lower figure of live accounts from this year so the success figure is based upon the lower number of live accounts but these accounts will continue to rise as more inspections are completed. We have also noted that there are a large number of outbuildings that now have the kitchen in the main property which negates the requirement for an additional council tax account but the VOA have rebanded the main property to a higher band as it sees the property as increasing in size and therefore larger council tax bills have been issued
- 6.6 Since the project review in February 2014 there have been 725 visited where access was granted by owners to 571 and there are 154 properties that will require access enforcement notices for officers to gain entry and inspect the outbuildings. We have also visited properties (15 to date) that have received approval direct or otherwise to use the outbuilding for accommodation and they have been assessed for hazards utilising part 1 of the Housing Act 2004. Of the 15 properties we have identified that 5 require substantial improvements to the accommodation standards and schedules of work have been issued to the owners to ensure the standards improve to a level that minimises risks to any occupants of the outbuildings.
- 6.7 The project lead (Ray Haslam) continues to attend the Communities and Local Government task group, which has members attending from 9 other local authorities. The latest meeting in April looked at revising the legislation regarding the accommodation conditions and enforcement penalties for landlords who continue to rent poor quality properties and continue with illegal landlord practises that would constitute illegal eviction or harassment. This legislative review has been distributed for a wide ranging consultation with a view to a revision of the 2004 Housing Act giving added protection to vulnerable tenants and added enforcement actions available to regulatory bodies.
- 6.8 Referrals to the HMRC hidden economy are quite high as the project facilitator has identified a large number of owners who are possibly gaining an income from the outbuildings from rental for accommodation purposes and these have been sent in batches to the lead of the hidden economy investigation team. Although we have identified 613 of these referrals SBC will continue to refer more, specifically where we have identified properties where there isn't a kitchen or bathroom in the outbuilding and therefore have to utilise the facilities in the main building and yet these outbuildings are still rented. This would negate an individual council tax determination but the owners are still gaining an income which they may or may not be declaring. HMRC are unable to respond with how many of the referrals will result in full investigations regarding undeclared income to the HMRC. The referral process will not give a qualitative or quantitative outcome other than SBC have made the referrals to HMRC. The same cases will also be data cleansed for overall area measurements to ensure those which are over 50M squared are referred to Trading Standards for the EPC enforcement process to which they have sufficient resourcing to complete their investigations and enforcement.

- 6.9 Ray Haslam and Cllr Rob Anderson were invited to make a presentation to the then Housing Minister Mark Prisk in 2013 regarding the principles of how Slough Borough Council are tackling rogue landlords and the rise of unauthorised outbuildings used as accommodation. Slough Borough Council were commended on their project aims and objectives specifically on the thermal imaging and referrals to internal and external agencies.
- 6.8 The Project has established reliable referrals routes to the Thames Valley Police and The Home Office to ensure two risk elements are mitigated, the risk of interrupting any ongoing investigations by these services or any risks of warning signs of occupants or visitors who have warning signs of violence. The referral process has enabled safe inspections completed by Slough Borough Council officers. The Home Office department that are now responsible for immigration enforcement through the initial 'Sheds' project are now identified as the Home Office immigration enforcement department, identified as an acronym (I.C.E.). This team have been removed from the external UKBA agency structure and now it is firmly embedded in the Home Office responsibility. Slough Borough Council representatives have met with the ICE team and re-established any working group links for both the 'Sheds' and neighbourhood enforcement projects and investigations into licensing in it's various guises within.
- 6.9 Ray Haslam has also joined other internal Groups to tackle elements of vulnerability of tenants and residents in poor quality housing and outbuildings in Slough with a view to identifying and tackling issues of alleged child sexual exploitation and domestic slavery. The sheds project team have worked closely with the child sexual exploitation groups and the Police Foundation for the safer slough partnership in detailed mapping of violent incidents and accommodation of both suspects and victims. The street and shed mapping data acquired when the thermal imaging data was captured will enable Slough borough Council to effectively target areas of alleged criminal activity that has a direct coloration to poor quality and at time unauthorised and unlicensed accommodation whether in an outbuilding or a house in multiple occupation. There are obvious benefits for the project team to work directly with other internal and external groups in sharing information and sharing strategic aims and objectives.
- 6.10 The thermal web portal is now operational and has had a launch that has also seen a press release that can assist those in private and Slough Borough Council stock properties to indicate how energy efficient the property is and can direct those in private properties to various Government funding streams to further improve the heat retention of the properties to tackle affordable warmth. This function is seen as a customer focused service for the revise Home Energy Conservation Act (HECA) responsibility Slough Borough Council has to report on as of 2015

7 Comments of Other Committees

None

8 Conclusion

This report is for the committee to note the continued progress of the Slough Sheds project and that the review of the project has seen a shift in objectives in line with central Government legislative requirements and changes to the overall taskforce

aims and objectives, moving slightly away from sheds with beds as the main area to be tackled and to address the poor practises of 'rogue landlords' and the protection of vulnerable tenants.

9 **Background Papers**

None