

**NORTH SOMERSET COUNCIL  
DECISION**

**DECISION OF: COUNCILLOR ELFAN AP REES, EXECUTIVE MEMBER FOR  
STRATEGIC PLANNING, HIGHWAYS, ECONOMIC DEVELOPMENT AND HOUSING  
WITH ADVICE FROM: DIRECTOR PEOPLE AND COMMUNITIES  
DIRECTORATE: PEOPLE AND COMMUNITIES**



**DECISION NO: P&C 68 2017/18**

**SUBJECT: REVIEW OF CONDITIONS IN THE PRIVATE RENTED HOUSING SECTOR**

**KEY DECISION: YES**

**BACKGROUND:**

In August 2016 as part of the decision to revoke a selective licensing scheme for part of Weston-super-Mare it was agreed that a further review of housing conditions in the private rented sector should be undertaken to identify and progress options to deliver the prime objective of improving housing conditions in that sector. This comprehensive review (ref: Appendix A) has now been completed and as well as outlining the findings; makes a clear recommendation on the way forward.

Key information for the Review was obtained from a range of sources including an updated Stock Condition Report. Additional sources of data e.g. historic complaints were also analysed and mapped

The Review was undertaken in the context of Government plans to enhance the powers relating to regulation in the Private Rented Sector:

- A statutory instrument has been laid by Government which extends mandatory licensing of Houses in Multiple Occupation (HMOs) to a much wider type of building (mainly removing the 3 storey requirement) and is scheduled to come into force on 1<sup>st</sup> October 2018. As a result the mandatory HMO licensing regime will apply to a greater number of HMOs in North Somerset in future (estimated to be an additional 294 HMOs).
- The Housing and Planning Act 2016 introduced a range of strengthened powers; particularly the ability to use fixed penalty notices and an updated Enforcement Policy will need to be introduced following consultation, including to reflect the proposed approaches set out in the Review.
- The creation of a national database of rogue landlords and letting agents who are subject to banning orders.

- Clarification of the minimum room sizes for the purposes of licensing HMOs e.g. 6.51 square metres for single person occupation.

Approaches adopted in other parts of the country were examined and current and new powers available were reviewed to carefully consider the opportunities and options which were fully evaluated.

A summary of the Review findings is set out below:

- the poorest housing conditions in North Somerset are to be found in the older (pre-1919) privately rented housing stock
- there are high concentrations of privately rented housing including Houses in Multiple Occupation (HMOs) located in Weston-super-Mare town centre
- a variety of data sources confirm there is a concentration of poor quality privately rented housing in Weston-super-Mare town centre
- whilst the Additional Licensing scheme for HMOs is resulting in HMOs being improved the administration of the licensing scheme is resource intensive and a significant element of the cost of running the scheme cannot be recovered through licencing fees
- the reactive service provided to respond to complaints from tenants about poor housing conditions is resource intensive, results in significant staff time being spent dealing with housing which is generally not in the poorest condition and only results in small numbers of homes being improved in comparison to the number of complaints received
- there is a large number of known HMOs which are likely to be in a poor condition or have ineffective management practices and are located primarily in Weston-super-Mare town centre
- the introduction of new legislation will result in more HMOs being required to be licensed and will provide additional tools which can be used to improve the poorest rented housing
- using additional new powers will enable the council to recover the cost of enforcement action and to issue civil penalties where necessary, this income could be used to resource the enforcement service to enable a more proactive approach to be taken.
- the option appraisal concludes there is an opportunity to improve the efficiency of the service and release resources to proactively tackle poor housing conditions in the private rented sector by:
  - working in partnership with those Rent with Confidence accrediting agencies who offer a full tenants complaints service to ensure landlords self-regulate in the first instance.
  - redirecting staff resources from complaints work to focus on the poorest quality privately rented accommodation.
  - introducing an Area Action approach in a defined area of Weston-super-Mare - parts of Central Ward, Hillside Ward and the edge of Uphill and Clarence Ward and Milton Ward (ref: Appendix A) which will ensure resources are targeted on 'Rogue Landlords' in a significantly more efficient way than through licensing, presenting fewer risks and providing greater flexibility

Consultation - A comprehensive consultation exercise was undertaken of the Review and the proposed way forward. A summary of the views of respondents and the council's response is set out in Appendix C. Whilst we received a number of helpful suggestions;

there were no viable alternative options put forward which had not already been evaluated. In summary there were wide ranging views on the 2 options – Targeted Selective/Additional Licensing schemes and Area Action approach, with no consensus for either of the options. On balance it is recommended that the Area Action approach is implemented for the reasons set out above and in the Review and Consultation Report (ref Appendices A and C)

There were a wide range of conflicting views on the size of the area to be targeted with the majority of respondents (18) indicating the proposed area was about right. There were a similar number of respondents who felt it was too big and too small. Only 7 stated we should include some other area. On balance it is considered that the area proposed as set out in Appendix B is of an appropriate size. Adopting a smaller area would run the risk of not achieving the improvements in housing conditions sought whilst increasing the size of the area would result in the poorest properties not being targeted. Resource constraints would prevent at this stage the adoption of proposed Action Area approach across the whole of North Somerset as it would require considerably more homes to be inspected. However in response to this issue and other issues and useful suggestions raised in the consultation it is proposed:

- A similar approach to advising all landlords in the Action Area of their responsibilities in relation to housing conditions and highlighting the benefits of joining an accreditation scheme offering a full complaints service is taken in relation to landlords of properties in North Somerset located outside of the Action Area.
- A similar approach is taken outside of the Action Area as within it where properties are inspected as a result of a complaint (all inspections by the council will result in formal enforcement action where Category 1 hazards are identified along with full use of powers contained in the Housing and Planning Act for any breaches in management arrangements. Full cost recovery would be applied). These approaches would need to be reflected in a revised Enforcement policy.
- To regularly review the progress of the Area Action approach, with criteria to assess improvements, which should include consideration of the boundary of the area to ensure it is meeting the objectives of improving homes. If the Area Action approach on review was not found to be successful alternative options including discretionary licensing would be considered. Members of the Adult Services and Housing Policy and Scrutiny Panel would be involved in such reviews as agreed with Panel.
- To work closely with Rent with Confidence partners to satisfy the complaint handling criteria and work to introduce performance indicators to measure outcomes

**DECISION:** to agree:

1. that the evidence set out in the Review of Private Sector Housing Conditions (Appendix A) demonstrates that there is a concentration of poor housing conditions in privately rented homes located in the area of Weston-super-Mare shown in Appendix B.

2. to commence an Area Action approach of education, promotion and enforcement targeted on privately rented homes located in the area of Weston-super-Mare set out in Appendix B, and that officers prepare and implement the necessary operational arrangements to deliver the approach.

3. that officers make the necessary preparations for the introduction of an expanded mandatory HMO licensing regime under the Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018.

4. to schedule periodic reviews of the outcomes from the Area Action approach;

5. that the council's housing Enforcement Policy should be updated

### **REASONS:**

To improve conditions in the private rented sector by targeting action on the concentration of poor privately rented housing in Weston-super-Mare and making best use of the available resources to secure improvements

### **OPTIONS CONSIDERED:**

The review incorporated a comprehensive option appraisal with a clear recommendation for an Area Action approach.

The options considered were:

- Area Action
- Targeted Selective and Additional Licensing Schemes

### **FINANCIAL IMPLICATIONS:**

The main costs of implementing the decision will be ensuring all landlords are directed to information on minimum standards and implementation of the Communication Plan and undertaking inspections of homes, depending on the number of landlords who become accredited.

The government have indicated local authorities will be tasked with informing landlords of HMOs which will require a licence under the expanded regime and while detailed guidance is yet to be published its anticipated any costs associated with this work can be recovered through the fee structure included in the annual fees and charges review.

#### **Costs**

In order to undertake the necessary work to introduce the scheme and resource the initial inspections an additional post of enforcement officer will be required for a period of 1 year. This will be funded through the use of ring fenced housing reserves held for the purposes of property surveys. It is anticipated that the cost of any additional staffing required will be met through income generated from enforcement activities

## **Funding**

An element of income generation through the introduction of fixed penalty notices has been included in the MTFP but the ability to release team resources to tackle the worst properties may accelerate the number improved and increase income.

## **LEGAL POWERS AND IMPLICATIONS**

The main legal powers for intervention in the conditions in the private rented sector is the Housing Act 2004 (as amended), secondary legislation and guidance.

The legislation requires a local housing authority to keep the housing conditions in their area under review with a view to identifying any action that may need to be taken to intervene.

The council's (housing) enforcement policy will need to be updated in the light of the Housing and Planning Act 2016 and the proposed Area Action approach.

## **CONSULTATION**

A comprehensive consultation was conducted as set out in Appendix C

In considering the responses, a number of helpful comments were made and some amendments have been made to the proposal for targeted action as set out above.

The Review has been considered by Adult Services and Housing Policy and Scrutiny Panel; who formed a Working Group to consider the Consultation report. The Working Group's recommendations to the Executive Member on behalf of the Panel have been incorporated into the proposals set out in this decision.

## **RISK MANAGEMENT**

- Failure of Rent with Confidence (RwC) partners or implementation of amended operational arrangements resulting for example removal of the complaint handling process. This has been assessed as low risk . The periodic review of performance information will alert the Council to any potential issues allowing any necessary amendments to the scheme to be made or alternative approaches to be considered.
- Rogue landlords use accreditation as a means of avoiding meeting minimum standards. We will work closely with RwC partners and undertake random inspections of properties owned by landlords who are members and if non-compliance is detected the accrediting body will be required to take action. Inspections of all the non-compliant landlord's properties will follow and where appropriate enforcement action will be taken. If the Area Action approach on review was not found to be successful alternative options including discretionary licensing would be considered

## **EQUALITY IMPLICATIONS**

An Equality Impact Assessment has been completed. The primary purpose of this decision is to improve housing conditions in the private rented sector and this will have a medium positive impact for those individuals and families living in that tenure.

There is a possibility rogue landlords may choose to leave the market in response to the threat of enforcement action negatively impacting on tenants although the likelihood and impact is assessed as low and the interventions could have positive outcomes through improved knowledge and increased membership of the Rent with Confidence scheme.

The proposals will also have a positive impact on health as they will enable poor housing conditions that negatively impact on health to be improved.

People in receipt of a low income, disabled people, younger people/families with children and people from different ethnic groups are over represented amongst people living in the private rented sector and any impact will therefore have a disproportionate impact on these groups.

## **CORPORATE IMPLICATIONS**

The improvement of housing conditions in the private rented sector contribute to the wider health and wellbeing aims of the Council and the Action Area incorporates Weston-super-Mare town centre; so property and management improvements arising from the actions will contribute to regeneration.

Many properties will be occupied by groups vulnerable through income or poor and improving housing conditions will have a positive impact on their health and well-being.

## **BACKGROUND PAPERS**

Review of Housing Conditions in the Private Rented Sector (17/18 PC 32)

<http://www.n-somerset.gov.uk/my-council/councillors/decisions/executive-member-decisions/2017-executive-member-decisions/november-2017-executive-member-decisions/>

Appendices listed below.

## **SIGNATORIES:**

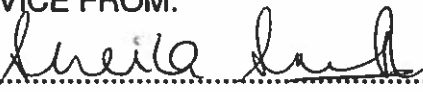
### **DECISION MAKER(S):**

Signed:  .....

Title: Exec Member Housing .....

Date: 21/3/18 .....

WITH ADVICE FROM:

Signed: .....

Title: Director People and Communities

Date: 22.3.18.....

Signed: .....

Title: Head of Strategy and Housing

Date: 21/3/18.....

**Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable:**

There has been an amendment to the Consultation Report (Appendix C) in that the original text below:

*"However it is recognised that an extension of the approach to advising all landlords (in the Action Area) of their responsibilities in relation to housing conditions and in addition highlighting the benefits of joining an accreditation scheme offering a full complaints service to all landlords in North Somerset would be beneficial and in response to the consultation this proposal will implemented alongside the Action Area." (Page 7 first paragraph)*

replaced with:

*"However it is recognised that adopting a similar approach to advising all landlords in the Action Area of their responsibilities in relation to housing conditions and highlighting the benefits of joining an accreditation scheme offering a full complaints service in relation to landlords of properties in North Somerset located outside of the Action Area would be beneficial and in response to the consultation this proposal will be implemented alongside the Action Area."*

## List of Appendices

### A. Review of housing conditions

<http://consult.n-somerset.gov.uk/consult.ti/PRS17/consultationHome>

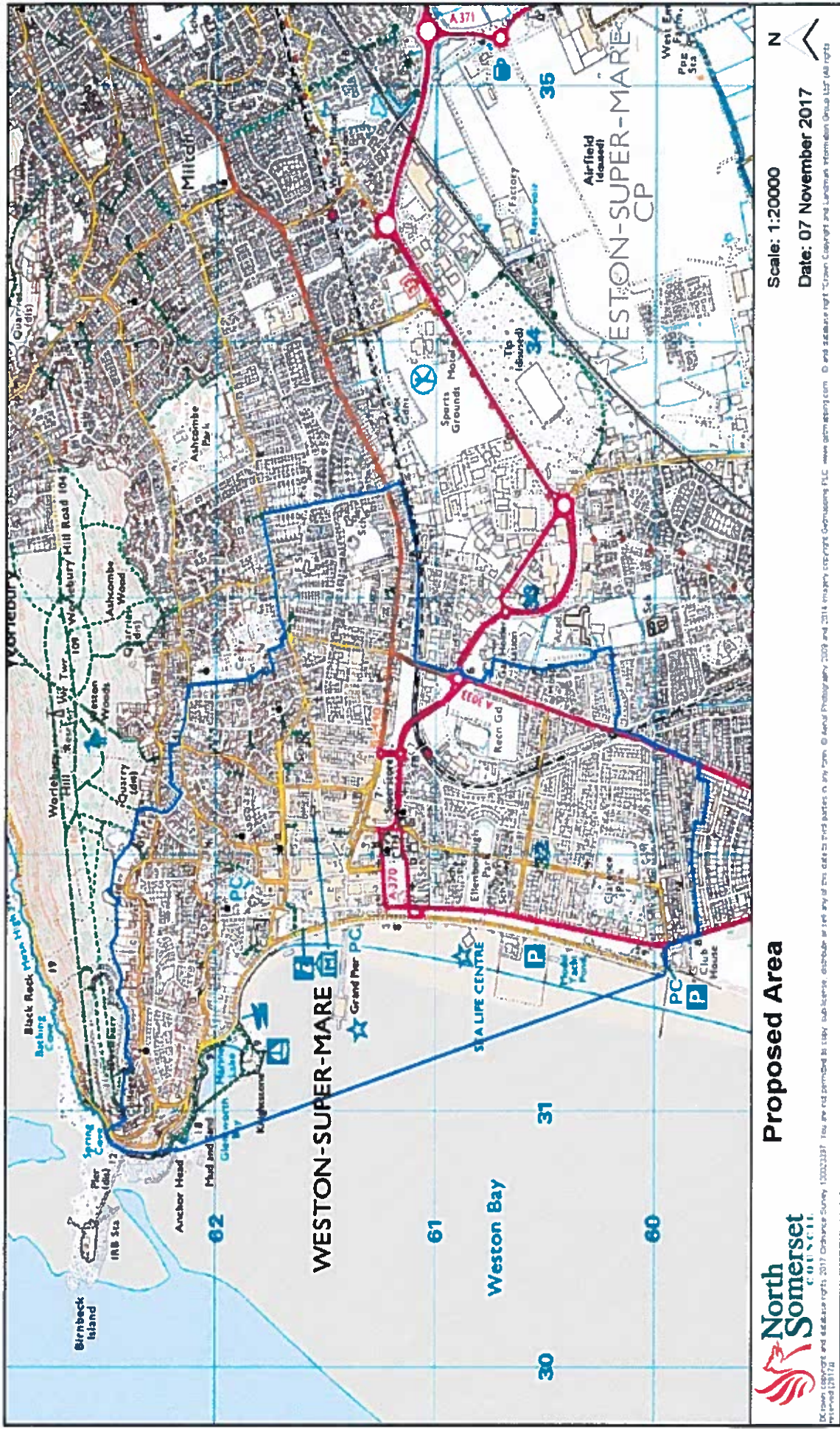
### B. Map showing proposed Action Area

### C. Consultation report

<http://consult.n-somerset.gov.uk/consult.ti/PRS17/consultationHome>







**Proposed Area**

Scale: 1:20000

Date: 07 November 2017

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