



Report to: Communities Committee, 22nd July 2020

Report of: Corporate Director, Homes and Communities

Subject: YEAR 2 UPDATE REPORT – ADDITIONAL RESOURCES TO IMPROVE STANDARDS WITHIN THE PRIVATE RENTED SECTOR

1. Recommendation

1.1 That the contents of this report are noted.

2. Background

- 2.1 In 2018 this Committee confirmed that identifying those HMO's that were operating without an appropriate license in order to bring them into the licensing regime, and at the same time improve property standards was a priority.
- 2.2 To support the Committees position, during February 2018, Council approved an allocation of £100,000 for Private Sector Housing Enforcement (2 Years). £50,000 was allocated from the City Plan Fund with the remaining £50,000 being repurposed from the Long-Term Empty Properties Enforcement Fund.
- 2.3 At Communities Committee on 6th March 2018 Members agreed to utilise this money by recruiting additional Private Sector Housing Officers. Two additional officers were appointed resulting in order to support the work outlined at para 2.1.
- 2.4 These Officers were recruited on a two-year fixed term contract (ending July 2020) and included a Full Time Property Standards Officer and a Part Time Business Services Administrator. Contracts for both these posts have been extended to the start of April 20201 by using private sector housing civil penalty income which is ring fenced.
- 2.5 A Year 1 Update Report was brought to this Committee in July 2019. This report noted the Year 1 outcomes and that additional funding from Civil Penalty income would be used to extend these two posts to April 2021. At that time Members agreed the continuation of staff funding to be considered for budget setting for 2021/22, and in addition requested that a further update report be brought back to this Committee in July 2020.

3. Overview of the Private Sector Housing Team Role and the Additional Officers

- 3.1 The Private Sector Housing Team deals with a wide variety of issues found in private sector housing. From complaints regarding disrepair, illegal evictions, housing related grants, empty homes and HMO licensing. While HMO's play an important part in the housing provision of single households in Worcester City, these properties are higher risk due to the numbers of people occupying them, increasing fire risk and placing additional pressure on amenities.

- 3.2 There are approximately 1100 HMO's in Worcester and the majority of these are licenced. The HMO market is dynamic, and properties fall in and out of the market place on a regular basis. It is also recognised that the demand for this type of accommodation is growing due to the pressure on social housing and affordability issues preventing access to private rented sector and home ownership. Therefore, the need to monitor HMO accommodation continues to be important and officers work proactively to locate these types of property to ensure they are licensed and that living conditions meet relevant standards. More often than not it is the investigation of hidden HMO's that can take up the greatest amount of officer time.
- 3.3 The additional officers recruited have provided greater capacity in order to assist with the volume, identification, response and the time required to deal with the more difficult landlords. They enable the Council to discharge its private sector housing responsibilities in a proactive way using enforcement action when required to fully meet its statutory obligations.
- 3.4 PSO participate in multi-agency inspections conducted by West Mercia Police, Worcestershire Regulatory Services, South Worcestershire Building Control and Worcester Fire Service. Also, to help detect Modern Day Slavery, overcrowding in addition to property risk assessments. During the two year funding period the PSO have participated in five multi agency property visits to tackle issues such as modern day slavery, labour exploitation and for immigration concerns.
- 3.5 The Business Services Administrators role is to provide the necessary support to processing the HMO applications received, issuing HMO licences and providing customer service. This then enables the PSO to focus more of their time on securing improved living standards by inspecting properties and liaising with landlords.
- 3.6 Following the Communities Committee decision on 10th March 2020 to declare a ward based Additional Licensing scheme from 1st September 2020. There will be around 300 HMO licence applications to process and these properties will require inspection during 2020 and 2021. The following wards are included in the additional licencing scheme St Johns, St Clements, Bedwardine, Arboretum and Cathedral. This scheme will last from 1st September 2020 to 31st August 2025.
- 3.7 The enforcement work of the PSO has generated £29,000 income in the form of Civil Penalties which are issued where landlords fail to secure improvements where requested to do so by statutory notice or when they fail to licence their HMO and breach the Management Regulations. Civil penalty income has been ring-fenced nationally and must be re-invested back into that area of work. As outlined already these monies will be used to extend the contract for both officers until March 2021.
- 3.8 The progress against the objectives has been detailed in **Appendix 1** (City Plan Prioritisation Document) and summarised in section 4.

4. Summary of Key Year 2 Outcomes

4.1 For a full progress report of all objectives please see Appendix 1.

4.2 During 2019/20:

- 99 HMO licences were approved. 59 of these were new licences and 40 of these were mandatory licence renewals;

- 95 investigations of suspected unlicensed HMO's were undertaken;

4.3 These suspected properties were referred to the Private Sector Team by neighbours, Councillors, the online report it form, Council records and proactively discovered through research of rooms to let advertised online, shop window adverts, and reviewing Electoral and Council Tax records. Following these investigations:

- 15 properties were licenced as HMO's;
- 1 of the properties investigated was found to be a HMO but was exempt from the licence regime as it is operated by a Care Provider which is inspected by Care Quality Commission, and
- 34 of the suspected HMO's are now no longer HMO's. This could be due to the landlord resolving unauthorised tenants subletting or by serving notice on the current tenants so that the property is vacant or let to a family.

4.4 During 2019/20, 109 property standards complaints have been received, in addition to informal resolution, Officers have carried out the following formal enforcement:

- 1 Improvement Notice served for property standards where the property had no heating, no running water, damaged flooring;
- 1 Temporary Exemption Notices from licencing issued;
- 3 Police & Criminal Evidence (PACE) interviews carried out under caution;
- 1 prosecution of an unlicensed HMO with Management Regulation Breaches (safety breaches), and
- 1 simple caution issued for an illegal eviction.

4.5 During 2019/20, in addition to HMO and property standards investigations;

- 189 empty properties were externally inspected and assessed by Officers, and
- Of these assessments; 1 x Band A (highest priority assessed band), 2 x Band B, 11 x Band C. The remaining properties are banded D- F (lowest assessed priority band).

4.6 The outcomes from this project directly contributes to Theme 1 in the City Plan (2016-2021) – Stronger and Connected Communities, with the reduction in underused property, including re-using empty homes and more flats over shops as well as reducing the number of substandard rental properties.

5. **Funding**

5.1 The funding approved by Council in February has enabled the recruitment of 2 additional posts up until the end of July 2020. In order to extend these posts through to March 2021, Civil Penalty Notice income (£18,081.83) will be used.

Period	Full Cost of 2 Posts	Cumulative Cost
2018/2019 (part)	£27,430	£27,430
2019/2020	£42,754	£70,184
2020/2021	£47,897	118,081 (see para 5.2)

- 5.2 The remaining £29,816 funding from the £100,000 budget plus £18,081 from the income from civil penalties covers the extension of the contracts until March 2021.
- 5.3 The enforcement work of the officers has generated an income of £29,000 from two civil penalty charges. These have been fully paid to the Council during 19/20. The Government has specified that civil penalty income must be ring fenced to fund housing enforcement. Therefore it is intended to use part of this funding to contribute to the continuation of the two posts and the valuable role they play by extending their employment until March 2021. Further funding will need to be identified from the budget setting 20/21, to extend these posts further.

Ward(s): **All Wards**
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Background Papers: **None**

Appendix 1

City Plan Prioritisation

Private Sector Housing Enforcement Officers (2 -year fixed term)

No.	Objective	Indicator of Success	Timescales for achievement	Progress	
1.	To locate unlicensed additional and mandatory HMO's with in the City.	Pentana target of 55 HMO licences to be received 18/19.	End of 18/19	<p>During the 2 years, 235 HMO licence applications have been received and 249 licences have been granted.</p> <p>During the 2 years, 454 properties have been investigated as unlicensed HMO's by Officers.</p>	Met and ongoing
2.	To investigate unlicensed HMO's which have been located.	Pentana target of 12 unlicensed HMO cases per quarter to be investigated and resulting in receipt of a HMO application.	End of 18/19	<p>During the 2 years, 454 properties have been investigated as unlicensed HMO's.</p> <p>Of these investigations:</p> <ul style="list-style-type: none"> - 15 have resulted in a HMO licence. - 3 have been confirmed as occupied by a single household. - 19 are exempt from licencing under Schedule 14 of the Act. - 310 are no longer are HMO's due to the landlords undertaking 	Met and ongoing

No.	Objective	Indicator of Success	Timescales for achievement	Progress	
				action such as resolving any unauthorised tenant subletting, changing into a single household or reducing the household to two.	
3.	To enforce where necessary on unlicensed HMO's.	Serve the relevant enforcement notices or to gather evidence for formal action to provide Legal Services.	End of 19/20	During the 2 years: 8 x HMO declarations have been served 6 x Temporary Exemption Notices from Licensing. 8 x PACE interviews undertaken. 2 x Prosecutions 2 x Civil Penalties 1 x Formal Caution	Met and ongoing
4.	To continue to improve property standards through resolution of tenant complaints.	To continue to improve property standards through Council intervention.	End of 19/20	During the 2 years: 209 property standards complaints have been resolved by Council intervention. 3 formal enforcement notices had been served (1 Prohibition and 2 Improvement).	Met and ongoing
5.	To investigate complaints received on empty properties.	To externally inspect all complaints of empty homes with in 3 working days and priority assess these.	On all new cases	Complaints can be received by telephone, email or through online reporting. These are recorded on the computer system and assigned to Property Standards Officers for inspection.	Met on ongoing

No.	Objective	Indicator of Success	Timescales for achievement	Progress	
6.	To proactively, externally visit empty properties in the City which have been empty for over two years and priority score these.	To externally inspect all properties which have been empty for over 2 years and priority assess them.	End of Q3 18/19	All empty properties over 2 years have been externally inspected. During the 2 year period Officers have externally inspected 320 empty properties. This is an ongoing process as more properties over time will fall into this bracket.	Completed January 19 and ongoing
7.	To work with the Housing Enabling and Solutions Officer to liaise with empty property owners to bring these properties back into use.	To have contacted all long term empty property owners (over 2 years).	End of 18/19 then ongoing.	All empty properties long term empty properties owners have been contacted to discuss the reasons for the property remaining empty. This is an ongoing process as more properties over time will fall into this bracket.	Completed and now ongoing
8.	To carry out a Council wide joined up approach on enforcing empty properties, where necessary.	<p>To attend Problem Properties Group and contribute to the West Midlands Empty Properties Officers Group.</p> <p>To work with the Housing Enabling and Solutions Officer to strategically bring long term properties back into use.</p>	From Q2 18/19	<p>Attendance at Problem Properties Group and West Midlands Empty Properties Officers Group.</p> <p>First Enforced Sale has been carried out in the City in 2019.</p>	Meeting

No.	Objective	Indicator of Success	Timescales for achievement	Progress	
9.	To support the delivery of the new EPC legislation, promotion and enforcement where required.	Working with the Housing Services Improvement Officer to follow up on non compliance with the developing legislation.	19/20	There were 194 private rented properties with and EPC of F or G in 2019. Officers have written to all landlords of these properties. Following 1 st letter the number reduced to 152 properties. Following the 2 nd letter the number has reduced to 104. Of these 7 are exempt, 43 are G rated and 54 F rated. These remainder of landlords will be contacted by Officers a final time before the enforcement starts.	Ongoing
10.	To work with landlords and tenants to ensure that both parties are aware of their rights and responsibilities alongside the Motion to Council in 2017	Working with the County Cohesion Officer and Communications Team to develop resources and PR to raise awareness of tenants rights and landlords responsibilities.	End of Q2 18/19	Has developed and produced a leaflet in both English and Polish to promote awareness of tenants rights and landlords responsibilities. In addition there were two articles in City Life Magazine and a press release during the year.	Completed September 2018 and ongoing
11.	To administer and maintain an empty homes data base.	To be updated at least monthly.	From Q2 18/19	The empty homes data base has been set up and it's maintained monthly. With any updates being noted on computer system.	Ongoing and met

No.	Objective	Indicator of Success	Timescales for achievement	Progress	
12.	To administrate HMO licence applications.	To have no HMO licence applications with any process outstanding.	First quarter from recruitment	There are currently no HMO licence applications with any administrative processing outstanding.	Ongoing and met

