

**INVESTIGATION & REVIEW SCRUTINY COMMITTEE  
27TH JANUARY 2010**

**Report of the Director of Housing and Health**

ITEM 6      REVIEW OF ACTIONS AGREED BY CABINET – HOUSES IN  
MULTIPLE OCCUPATION (HMO) PANEL

Purpose of Report

To report on the current status of the actions agreed by Cabinet in response to the recommendations of the Scrutiny Panel on Licensing and Inspection of Houses in Multiple Occupation (HMOs).

Action Requested

To note the progress to date on the agreed actions.

Policy Context

The mandatory licensing of certain, larger HMOs was introduced in July 2006 under the Housing Act 2004. Charnwood Borough Council developed a licensing procedure and fee structure around the legislation – this included the inspection of each licensed property under the Housing Health and Safety Rating System (HHSRS).

Background

Cabinet, at its meeting on 15<sup>th</sup> January 2009 received a report setting out the recommendations of the Scrutiny Panel in respect of the licensing and inspection of HMOs in Charnwood. The work of the panel was assisted in its deliberations by representatives from Loughborough University, Loughborough Student Landlords Group and officers from the Private Sector Housing Team. The Panel also considered research from various sources including the Centre for Housing Policy at York University and the ECOTEC (Research and Consulting Ltd) report.

Recommendations (REC), Responses (RES) and Current Status (CS)

The following are the recommendations of the Panel and the responses (in italic) to the recommendations. The current status (CS) is shown in the text boxes.

**Recommendation 1**

**“We recommend support for pressure to change the Use Classes Order so as to bring all HMOs within reach of planning requirements”.**

**Response:**

*A Supplementary Planning Document (SPD) directed towards the control and delivery of student housing provision in Loughborough was adopted in December 2005. In the*

*preparation of that document it was immediately apparent that the planning system could not control the “change of use” of “family homes” to privately let housing, primarily to serve the expanding demand for student housing, by reason of the provisions of Class C3 of the Town and Country Planning Use Classes Order 1987. Accordingly the SPD included within a schedule of complementary measures a commitment to take further steps to lobby the government for an amendment to the Order.*

*In furtherance of that commitment the Borough Council has engaged with local residents’ groups, Loughborough University and the Students’ Union to present a cohesive front for change and to work collaboratively in the delivery of local improvements. With those partners Council representatives have on three occasions met with the incumbent Parliamentary Under Secretary of State within Communities and Local Government to press the case for an amendment. To underscore the importance which the Borough Council attaches to the issue, the Leader has attended the last two meetings with Iain Wright MP.*

*At the last meeting with the minister, on 16<sup>th</sup> December 2008, Mr Wright confirmed previous assurances that he was committed to a consultation on a potential amendment to the relevant clauses within the Use Classes Order which could extend planning control to include all houses in multiple occupation. The minister explained that the only remaining decision was whether to undertake that consultation in isolation or as part of a wider proposed consultation on a broader basket of housing policy issues. The Borough Council has called for the former approach in a letter to Margaret Beckett MP, Minister for Housing and Planning, in the belief that a consultation focused on the planning issues alone will be likely to deliver an earlier resolution.*

CS: On 13<sup>th</sup> May 2009 Communities and Local Government published a consultation paper: Houses in Multiple Occupation and Possible Planning Responses. The paper was considered by Cabinet on 9<sup>th</sup> July and the Secretary of State was subsequently advised of the Borough Council’s preference for an amendment to the Town and Country Planning (Use Classes) Order 1987 to define a separate Use Class for Houses in Multiple Occupation. If accepted that amendment would bring within the realms of planning control any future proposals to change the use of a dwelling into a house in multiple occupation. The amendment would need to define a house in multiple occupation for the purposes of planning control but, the Council’s response urged the government to adopt the definition employed in the Housing Acts for consistency and ease of interpretation.

The consultation window closed on 9<sup>th</sup> August 2009, but as yet the Secretary of State has not published the results of the exercise or confirmed his response.

## **Recommendation 2**

**“Additional resources/staff should be made available to the team specifically for the tasks associated with licensing and inspection, so that we can meet statutory requirements. Charnwood Borough Council (CBC) should dedicate the fee to this end; it should also recalculate the fee in the light of experience”.**

**Response:**

*As a consequence of the current recession there has been a significant reduction in building construction work nationally and locally and this has impacted on the day to day activities of staff in the Development Directorate. Meetings have recently been held with the Director of Development and Head of Building Control to identify any available capacity and opportunities for re-deploying suitably qualified and experienced staff into the Private Housing Team to carry out the risk based inspection programme of licensable HMOs.*

*It is proposed that two Building Control Officers will be re-deployed for part of the week during this recessionary period to undertake Housing Health and Safety Rating System (HHSRS) inspections in licensable HMOs and they will undertake shadowing inspections with an EHO and a two day external training course in April specifically for this purpose. The Officers already engage in the inspection of this type of premises for securing compliance with Building Regulations and the training course will equip them to identify those properties that comply with the HHSRS and licence standards and refer those that do not back to the Private Housing Team for appropriate enforcement action.*

*It is envisaged that these additional resources for the predicted duration of the recession will enable a cost effective solution to delivering the inspection programme ahead of the original schedule and the position will be subject to regular review in response to the prevailing economic climate.*

*In respect of utilising income from licence fees to increase resources for enforcement work, the next substantial income stream will be during financial year 2012/13 when the current five year licences expire and the fee is reviewed. Licence fee income is currently treated in the same way as other fees and charges, being paid into the general fund and distributed to services in accordance with Corporate Plan priorities in the relevant financial year. It is proposed to review the position ahead of the expiry date of the current batch of licences and in conjunction with the lifespan of the arrangements with Building Control in order that the enforcement regime can be sustained.*

CS: 1 FTE Building Control Officer was seconded to the Private Sector Housing Team on 1<sup>st</sup> June 2009. The role was shared between two officers, who undertook Housing Health and Safety Rating System (HHSRS) training to equip them to carry out inspections of licensable HMOs.

To date, we have identified 306 licensable HMOs within the Borough. Of these, 269 have been licensed and the remaining 37 are in the process of being licensed. As each property is licensed, the details are passed onto the Building Control Officer to programme in an inspection. Prior to 1<sup>st</sup> June 2009, 66 properties had been inspected. Since 1<sup>st</sup> June 2009, a further 143 properties have been inspected, taking the current total to 209 (68% of known licensable properties). The Building Control Officers have been seconded to the section until March 2011. It is anticipated that upon completion of the HHSRS inspections, efforts will be focused on further proactive work looking at unlicensed licensable HMOs and management standards across all HMOs for example.

### **Recommendation 3**

**“We propose that accreditation and enforcement should be looked at together, along with the DASH Scheme, by CBC and the University in Partnership, with the aim of developing a coherent and joined up service that will be of advantage to all. The landlords’ forum should be a close collaborator in this”.**

#### **Response:**

*In essence, the accreditation scheme could be the start of a two tier system in terms of the regulation of standards within the Private Rented Sector. The first option would be for landlords to remain in the statutory enforcement programme, whereby the council will enforce housing standards. The second option, which is being promoted by the government, is one of self regulation, whereby the landlord demonstrates a level of knowledge of the standards required and commits to maintaining such standards within their properties. Anyone choosing the second option but found failing to perform (through a programme of routine inspections) will face returning to the statutory enforcement programme. To progress this issue meetings have been arranged with the University Accommodation Team to discuss the future of the University’s own accreditation scheme and management function, which is in question at the moment. In addition to this, landlords will shortly be consulted on the way forward for accreditation within the Borough, which will include attending meetings of the Loughborough Student Landlord’s Group. An event for other landlords that are not part of this group, but that have expressed an interest in accreditation in at a recent Landlord Forum event held by the Private Housing Team, will be held in the near future.*

### **Recommendation 4**

**“CBC should negotiate to join the DASH scheme, at least in respect of the majority of HMOs. It should also explore the possibility of an enhanced scheme that would cover the requirements attached to licensed HMOs”.**

#### **Response:**

*The introduction of the East Midlands Landlords Accreditation Scheme (EMLAS) to Charnwood will demonstrate a proactive and strategic approach to the private rented sector and will significantly assist in meeting the demands of KLOE 2 (Strategic Approach to Housing) and KLOE 9 (Private Sector Housing), which are the Key Lines of Enquiry employed by the Audit Commission when inspecting strategic housing services provided by local authorities. The KLOES are also used by the Private Housing Team to identify good practice which is implemented through the Team Plan.*

*EMLAS membership will be free of charge for East Midland Local Authorities in 2009/10 with a cost in the region of £3000 for continuation of the scheme into 2010/11 which will need to be met from existing budgets at that time.*

*It is recommended that the scheme is implemented in Charnwood and that the Director*

*of Housing and Health be authorised to sign the Partnership Agreement with DASH. It is proposed that the effectiveness of the scheme will be monitored during the first year in order to establish the value of continued partnership working into 2010/11. It will not be possible to join the DASH scheme specifically in relation to HMOs as the scheme accredits landlords rather than properties and in addition, it is a voluntary scheme - therefore we can only encourage landlords to become accredited. However, through the introduction of the scheme, it is envisaged that enforcement efforts will be concentrated (through the release of resources as a consequence of accreditation) on those landlords that choose to remain in the statutory enforcement programme, with a less rigorous approach being afforded to accredited landlords.*

*Landlords will be encouraged to join the scheme through a programme of promotion, which will highlight the benefits of being accredited which include; financial discounts on various products and services developed by DASH, automatic inclusion in Charnwood's Landlord Services Initiatives, the benefit of an enhanced image and reputation in the private rented sector and general increased confidence and stability in the private residential letting market.*

*In addition, the re-deployment of two Building Control Officers proposed in the response to recommendation 2 will greatly assist in the inspection programme for existing licensed HMOs and as the number of accredited landlords increases, including licence holders – the improvement in management and property standards in the licensed stock should manifest itself in a reduced programme of inspections and enforcement action in future years.*

REC 3 & 4 - CS: In June 2009 we signed a Partnership Agreement with DASH to join the East Midlands Landlords Accreditation Scheme (EMLAS). Prior to this, meetings were held with the Accommodation Team at Loughborough University to ensure that the signing of the agreement would not compromise the previous student accommodation accreditation scheme. It was decided that a new student property scheme would be developed, focusing on property features that students themselves identify as important to them. EMLAS would form the 'entry level' standard for the new scheme i.e. landlords would need to be EMLAS accredited before they could accredit a property under the University Scheme. We also consulted landlords to seek their views on the EMLAS Scheme and accreditation in general.

Since joining the scheme, 147 Charnwood landlords have applied to become accredited, of these 63 are already fully accredited with a combined property portfolio of 176. Charnwood landlords make up 34% of all accredited landlords in the East Midlands Scheme.

Accreditation and in particular the Landlord training element of the accreditation conditions increases Landlord awareness of both physical and management standards in the private rented sector, which in time - and through continued promotion of the scheme – will significantly raise standards in the sector.

## **Recommendation 5**

**“We note that CBC already operates much of the good practice**

**identified in the ECOTEC report. We commend them for it, and ask that other possible avenues are explored, as appropriate”.**

**Response:**

*Good practice will continue to be developed, observed and followed where appropriate. This will include continued regular officer attendance of the Leicestershire Chartered Institute of Environmental Health Housing Sub Group, DASH Regional conferences and HMO Network events as well as consideration and implementation of Lacors (the Local Authorities Coordinators of Regulatory Services) guidance, changes to legislation and recognised good practice.*

CS: The team continue to attend the Leicestershire Chartered Institute of Environmental Health Housing Sub Group, DASH regional conferences and HMO Network events as well as keeping abreast of relevant guidance, changes to legislation and recognised good practice.

**Financial Comments:**

**Recommendation 1**

There are no financial implications at this time

**Recommendation 2**

There are no additional costs to the Council by using existing Building Control officers for the inspections other than training costs of £600, which was met by the existing Housing Standards Service Unit Training Budget.

At the end of the financial year, an inter-service recharge will be made between the two Service Units to cover the officers' time spent on inspections.

**Recommendations 3 & 4**

There may be a possible charge of £3,000 from 2010/11 onwards for EMLAS membership. This cost would be met from existing budgets.

**Recommendation 5**

There are no financial implications other than training course fees, which are met by the existing Housing Standards Service Unit Training Budget.

Background Papers: None

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