

CABINET – 16TH FEBRUARY 2017

Report of the Head of Strategic and Private Sector Housing Lead Member: Councillor Mercer

Part A

ITEM 9 MANAGING STUDENT OCCUPANCY UPDATE

Purpose of Report

To provide an update on the potential to implement a Loughborough Accreditation Scheme in partnership with the Loughborough Students Union and, following the submission and evaluation of information from the Loughborough Student Advisory Service of complaints data from 2014/2015, whether there is sufficient evidence to warrant introducing Additional or Selective Licensing.

Recommendations

That the following be noted:

- (i) following consideration of the evidence gathered to date and the proposed Government expansion of the Mandatory Licensing of HMOs and having regard to the legislative requirements for making a proposal to introduce an Additional or Selective Licensing Scheme, that there is insufficient evidence to take this forward at this time;
- (ii) the work that has been undertaken to review the Loughborough Student Union Proposal;
- (iii) that a Project Team has been set up to consider the options to extend or expand the existing Accreditation Scheme across the Borough;
- (iv) that a further Cabinet report will be presented once the feasibility of introducing a Borough wide Accreditation Scheme is established and a funding source has been identified.

Reasons

- (i) The evidence currently available is insufficient to warrant introducing Additional or Selective Licensing Scheme.
- (ii)-(iv) To acknowledge that if the existing Decent and Safe Homes (DASH) Accreditation Scheme can be extended or expanded it will assist in improving standards in the Private Rented Sector for both student and non-student accommodation and raise awareness amongst students about the risks associated with poor housing standards.

Policy Justification and Previous Decisions

The Scrutiny Management Board considered the findings and recommendations of the Managing Student Occupancy Scrutiny Panel at its meeting held on 19th March

2014 and the Cabinet subsequently considered the report on 10th April 2014. The Board then received three reports on the implementation of decisions taken following Scrutiny recommendations. The final one, considered on 28th October 2015, showed that the implementation of all Cabinet resolutions were sufficiently complete and no further monitoring was required. However the Board resolved to make two further recommendations to the Cabinet (detailed in Part B of this report).

At its meeting held on 15th November 2015, having considered the report of the Scrutiny Management Board, the Cabinet resolved the following:

1. *that the Head of Strategic and Private Sector Housing further investigate the potential to implement a Loughborough Accreditation Standard in partnership with the Loughborough Students Union;*
2. *that the Head of Strategic and Private Sector Housing consider the submission from the Loughborough Student Advisory Service of complaints data from 2014/15 and evaluate this alongside the evidence that has already been collated;*
3. *that the Head of Strategic and Private Sector Housing submit a report to a future meeting of the Cabinet to provide updates on the evidence gained and the actions taken in relation to resolutions 70.1 and 70.2, above;*

Reasons

1. *If this can be achieved, it will assist in improving standards in the student Private Rented Sector, and raise awareness among students about some of the risks associated with poor housing standards.*
2. *To determine whether or not there are further options for investigation.*
3. *To enable the Cabinet to consider the evidence gained and the potential for further initiatives.*

This report provides an update following those decisions.

Implementation Timetable including Future Decisions and Scrutiny

Work is being taken forward between the Council, DASH and the Loughborough Student Union to extend or expand the existing Accreditation Scheme working in the Borough. A further Cabinet report will be presented once the feasibility of introducing a Borough wide Accreditation Scheme is established and a funding source has been identified.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no financial implications arising from this report at this stage. Any financial implications arising from the discussions to extend or expand the Accreditation Scheme will be the subject of a separate report.

Risk Management

There are no risks associated with the recommendations within this report.

Key Decision: No

Background Papers: Scrutiny Management Board, 18th March 2015 – Agenda Item 8 and Minutes 53.2 and 53.3.

Scrutiny Management Board, 8th October 2014 – Agenda Item 8 and Minute 26.

Cabinet, 10th April 2014 – Agenda Item 6 and Minute 120.

Scrutiny Management Board, 19th March 2014 – Agenda Item 8 and Minute 51.

Cabinet Report – 19th November 2015 – Referral from Scrutiny – Managing Student Occupancy Scrutiny Panel – Agenda Item 6 and Minute 24.

Agendas and notes of the Managing Student Occupancy Scrutiny Panel meetings, available on the Council's website at:
http://www.charnwood.gov.uk/committees/managing_student_occupancy_scrutiny_panel

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Part B

Background

1. The Cabinet considered a report of the Scrutiny Management Board on the 19th November 2015 when it was resolved that the Head of Strategic and Private Sector Housing should further investigate the potential to implement a Loughborough Accreditation Standard in partnership with the Loughborough Students Union; and consider the submission from the Loughborough Student Advisory Service of complaints data from 2014-2015 and evaluate this alongside the evidence that had already been collated.

Government Consultation document – Extending Mandatory Licensing of HMOs and Related Reforms

2. The Department of Communities and Local Government's (DCLG) Technical Discussion paper (published 6th November 2015) set out the options for extending the scope of mandatory licensing of HMO and the proposals to streamline the HMO licensing process to reduce red tape. The closing date for comments was the 18th December 2015. The Council submitted the responses to the consultation approved by the Cabinet on the 17th December 2015, Minute 87.
3. In October 2016 the Government published the response to the consultation and are proposing to take forward the following measures:
 - remove the reference to storeys from the prescribed description of large HMOs, so that all HMOs occupied by five or more people from more than one household, are included;
 - include flats above and below business premises; and
 - clarify that the minimum room size 6.5m² for sleeping accommodation does apply to all licensable HMOs.
4. This will provide tenants occupying relevant properties with greater certainty over the quality of the accommodation to be rented and the good character of their landlord. Local Authorities will have a better understanding of the stock in their area and be better placed to tackle compliance issues and rogue landlords who have been evading detection. Finally, legitimate landlords will benefit from a level playing field, where currently their businesses are undercut by rogue landlords or agents failing to maintain their properties to the required standard.
5. The Government simultaneously published a further consultation on the regulations that will bring these proposals in to law (consultation closed on the 13th December 2016), and the draft regulatory impact assessment of the proposed measures. The implementation date of the Extending Mandatory Licensing of HMOs and Related Reforms will be confirmed once the regulations have been agreed.

6. The potential implication of these reforms is that more of the HMOs in Charnwood will be brought into a Mandatory licensing regime.

The Council Complaints Data

7. Following the Cabinet resolution 13 of minute 120 (2013-2014) data was collected for Student Houses in Multiple Occupation (HMO) complaints from the following sources:
- Planning and Regeneration
 - Strategic and Private Sector Housing
 - Neighbourhood Services
 - Regulatory Services
 - Cleansing and Open Spaces
 - Loughborough University
8. The table below provides the data that has been collected from 2013-2014 to December 2016 (the data is provided in Academic years from the 1st August to 31st July each year):

Complaint Type	2013-2014	2014-2015	2015-2016	2016-2017 Year to date
Accumulations of waste	60	44	41	6
Noise (inc music, banging, shouting etc)	14 *	239	281	203 **
Untidy gardens	2	18	3	3
Side waste/bins	45	60	31	25
Housing Standards/Disrepair	10	16	18	8
Unauthorised Change of Use	35	36	35	15
Suspected Licensable HMO	1	6	15	2

Total	167	419	424	260
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* The figures for 2013-2014 may not include all noise complaints received as data is not available.

** A higher concentration of noise complaints have been recorded in the period August – December tends to be the most concentrated quarter for complaints, as students move into accommodation.

9. The data submitted has been reviewed to understand the reporting mechanisms and how complaints are categorised and dealt with. Across the Council there are a number of systems that complaints are recorded on from Flare to Sentinel.

The complaints are categorised in to low, medium and high priority and the actions that are taken are consistent across the Services, detailed in the table below:

Categorisation	Actions Taken
Low	Informal Discussions Warning Letters
Medium	Notices served
High	Court action taken

Loughborough Student Advisory Service (LSAS) Complaints Data

10. Following receipt of the Loughborough Student Advisory Services complaints data for the last three years and year to date an evaluation of the submission was undertaken with the Council data and a comparison made with the previous years. These complaints are in addition to those received by the Council and may be duplicates of the ones received by the Council. Details of the submissions are presented in the table below:

Complaint Type	2013-2014	2014-2015	2015-2016	2016-2017 Year to date
Environmental Issues	1	1	2	0

Anti-Social Behaviour	5	7	2	1
Disrepair	29	36	61	45
Private Rented Sector	6	3	6	6
Total	45	47	71	52

11. Reviewing the evidence data for 2013-2014 the total number of ASB, Disrepair and Private Rented Sector complaints was 45, compared to 71 in 2015-2016 showing an increase in the number of complaints.
12. Of the complaints received and detailed above, 100% were addressed through the available existing measures and multi-agency working to deal with cases of anti-social behaviour, which include:
 - University Community Wardens
 - Street Wardens
 - Environmental Health
 - Community Safety
 - Private Sector Housing
13. It is clear from the complaints received that the most common associated with HMOs are predominately around noise, accumulations of waste and side refuse, refuse disposal arrangements and disrepair.
14. The Council and the University work in partnership and sit on a multi-agency working group to manage the issue of anti-social behaviour arising from students living in the wider community. The Group follows an incremental approach in managing this issue which is presently working well. The main form of ASB is noise and disturbance particularly at night. Incidences of ASB are recorded by the partnership using the Sentinel system and this information is then accessed to inform the determination of planning applications.
15. With the evidence gathered in relation to Anti-Social Behaviour, with the number of HMOs in the Borough and the number of complaints received which equates to 13% for 2015-2016 of the HMOs (detailed in table below), compared to two recently introduced schemes in Ashfield District Council with 48.5% and Peterborough City Council with 38.6%. This would not be considered as a significant proportion of HMOs being managed sufficiently ineffectively to require an Additional or Selective Licensing Scheme under the Housing Act 2004 to be introduced.

Number of HMOs	2013-2014	2014-2015	2015-2016	2016-2017 Year to date
Number of HMOs complained about *	138	262	280	156
Total Number of HMOs	2130	2083	2077	2077
% of HMOs complained about	6%	13%	13%	7.5%

* There may be more than one complaint lodged against an HMO.

16. The current issues with disrepair of HMOs, maintenance of gardens and refuse disposal arrangements can all be dealt with through existing legislation, Management Regulations and the Housing Act 2004.

Benchmarking

17. A Benchmarking exercise has been undertaken to establish the drivers and the reasons for the Local Authorities which have introduced a Selective or Additional Licensing Scheme.
18. The Local Authorities detailed below have introduced Discretionary Licensing Schemes which fall into the two categories below:

Selective Licencing - to improve conditions, management standards and tenancy practices in the Private Rented Sector to ensure that properties have a positive impact on the area.

Additional Licencing - for buildings converted into self-contained flats, and smaller shared houses and flats where there are fewer than 3 storeys and/or fewer than 5 persons sharing and will impose the following that:

- supporting documents are provided, such as gas and electrical certificates, fire alarm test reports etc, at appropriate intervals or upon demand.
- accommodation, common areas, and amenities are kept in good repair and in a safe condition
- reasonable steps are taken to prevent or reduce antisocial behaviour at, or associated with, the property

19. The table provides the details of the Schemes that have been introduced in other Local Authority areas:

Local Authority	Additional Licensing Scheme	Selective Licensing Scheme
Hastings Borough Council	The Scheme was introduced for all HMOs in 4 wards to deal with ASB, noise, rubbish, crime and fire safety	Introduced for 7 areas of low demand experiencing ASB.
Northampton Borough Council	Introduced for all 2 storey properties in designated areas	
Nottingham City Council	<p>The Scheme was introduced to deal with ASB and noise nuisance</p> <p>Licensing is required for a property if occupied by 3 or more people and the tenants form 2 or more households and falls within the Additional Licensing designated area</p> <p>The impact or the benefits of the Scheme have not been assessed. Have not yet assessed impact of additional licensing</p>	
Peterborough City Council		<p>Selective Licensing was introduced in designated areas of Peterborough on the 1st December 2016</p> <p>Selective Licensing introduced to improve the management and condition of properties in the Private Rented Sector, which will in turn reduce crime and ASB</p> <p>All of the wards being considered for Selective Licensing have ASB higher than the Peterborough average and large percentage changes</p> <p>Within the last 12 months to end August 2015 there were 8,330 ASB incidents recorded by Cambridgeshire Police within the City, of those 3,218 occurred within</p>

		the designated areas which is 38.6% of the overall total
Thanet District Council		<p>The Scheme was introduced in April 2011 to tackle low housing demand and ASB and will continue from April 2016 for a further 5 years</p> <p>Selective Licensing was chosen over additional licensing as there is no obligation to inspect and it covers all potential situations</p>
Warwick District Council	Warwick does not have Additional or Selective Licensing but are considering the case for Additional Licensing. The Council feels that the Government's proposal to extend mandatory licensing may take care of this, and so have not progressed preparatory work on making a case an Additional Licensing Scheme	
Worcester City Council	<p>All HMOs across the City require an Additional Licence. The Scheme was introduced to improve management and property standards and neighbourhoods and to identify and deal with rogue landlords</p> <p>The Council advised that it was too early to evaluate the Scheme</p> <p>HMO landlords were given 3 months to apply, 400 applications were received, 2 additional officers have been appointed and are funded through Licensing fees</p>	

20. Ashfield District Council has completed a consultation process for the introduction of a Selective Licensing Scheme, the drivers for their proposal are as follows:

- **Anti-social behaviour** - the evidence provided demonstrates that there is a link with ASB and the Private Rented Sector in the designated area with 53.5% of reported cases in Stanton Hill and 47.2% of reported cases in Sutton Central directly linked to Private Rented properties.
- **Crime** - the evidence provided demonstrates that in the proposed areas for designation 70% of all crime and 48.5% of the Anti-social behaviour incidents reported are linked to Private Rented addresses. One fifth of secondary fires in the areas are within Private Rented accommodation.

- **Disrepair** – the evidence provided demonstrates that the highest rates of non-decency are found in properties where the head of household is aged between 75 and 84 years, followed by those aged 16-24 years. This follows the usual trend of an association with the most vulnerable occupiers, who tend to be on the lowest incomes, at either end of the age range. There are elevated levels of Category 1 hazards, disrepair and fuel poverty in dwellings occupied by older heads of household. The results indicate issues of affordability and ability to maintain dwellings with older households, and issues relating to property condition in Privately Rented dwellings occupied by young households.
 - **Vacant Properties** - Selective Licensing presents an opportunity to work in conjunction with the other initiatives currently under way to address the problem of vacant property and ensure that as properties are returned in to use they are well managed and make a positive contribution to the neighbourhood.
21. A report was taken to Ashfield District Council Cabinet meeting on the 22nd September 2016, where the Cabinet resolved to:
- a) That Cabinet accepts that there is evidence and considerable public support for the Selective Licensing of Private Rented properties in identified areas within the District;
 - b) That Cabinet formally designates the areas of Stanton Hill and Sutton Central as Housing Act 2004 Part 3 Selective Licence areas;
 - c) That Cabinet note that following a decision to introduce a Selective Licensing Scheme, a public notification period of 3 months is required by statute ahead of implementation in order to communicate the decision to consultees and the public;
 - d) That Cabinet agrees and supports the financial implications of implementing a Selective Licensing Scheme (including the proposed fee of £350 for a licence for 5 years, with a discount of £100 to £250 for those landlords who meet the criteria set out in the Ashfield District Council Cabinet report);
 - e) That Council recognises the risks in relation to the unknown elements of delivery of the Scheme and commits to undertake a review to ensure the fees and resources deployed to the Scheme are appropriate, and to enable further recommendations to be made to Cabinet as necessary after 12 months.
22. In conclusion following consideration of the evidence gathered to date and the proposed Government expansion of the Mandatory Licensing of HMOs and having regard to the legislative requirements for making a proposal to introduce an Additional or Selective Licensing Scheme, that there is insufficient evidence to take this forward at this time.

Loughborough Students Union Proposal for Housing Accreditation

23. Discussions have been held with Loughborough Students Union (LSU) with a view to exploring opportunities around joint working on a 'Loughborough Accreditation Scheme', aimed at utilising the skills of students with appropriate

training to carry out Housing Health and Safety Rating System inspections of student houses, tackling poor standards and driving improvements in the Privately Rented student property market in partnership with the Council.

24. The aims of the proposal are to:
- improve the quality of housing provision offered to students in Loughborough;
 - minimise the negative impact to local residents of disengaged landlords;
 - give students an easy place to register complaints and help provide solutions;
 - offer a team of student inspectors training and employment opportunities;
 - push the development of Agents in the service that they provide;
 - ensure that no unaccredited landlords are able to advertise to students on campus;
 - prevent the need for highly expensive compulsory licencing to both Landlords and the Council to have to come into force.
25. A further development would be that houses could be given a 3 tier score, Gold, Silver and Bronze depending on the outcome of the inspection. The Bronze could cover the basic essentials as agreed with the Council and Silver and Gold could include things such as landlords responding to issues faster than the minimum time, and doing additional extras which are not a basic requirement, such as maintaining the garden and attending high profile events, or only get certain advertising which would hopefully help drive up the standards of accommodation.
26. The Scheme would take 6 months to set up to agree the logistics and a robust inspection criteria and management and would cost £17,500. The LSU have asked if the Council can provide the funding for the initial set up costs for the staff and the LSU will cover the set up costs of the management and facility costs.
27. In the longer term, the scheme will be self-financing, funded by the income raised from the landlords and lettings agents paying for the Accreditation. The aim would be to have 30% of student houses accredited through the scheme within the first year, which would cover the annual costs of:
- Two full time staff members to run the scheme;
 - Paid Student staff to deliver the inspections;
 - Additional costs to run the programme such as training, uniform, physical space, staff costs etc.
28. The Council already work in partnership with DASH to provide an Accreditation Scheme for responsible landlords. The Council holds a Service Level Agreement with DASH to engage with landlords through the DASH Landlord Accreditation Scheme. The Council pays £3,000 for this service (which covers the legal license fee (RIAMS), discounts on Local Authority staff training, Local Authority staff conferences and Local Authority newsletters and national consultations).

29. In Charnwood Borough Council there are currently 146 accredited landlords with 638 properties registered with the scheme. A further 22 landlords are working their way through the process to become accredited landlords with DASH.
30. Landlord Accreditation is an efficient way to raise housing standards, and Charnwood benefits from the scheme being a dual Accreditation Scheme with a strong training element as well as conducting property inspections.
31. A meeting was therefore held with DASH and the LSU to discuss how the two organisations could work together to extend or expand the existing Accreditation Scheme.
32. It was agreed to look at providing one Scheme which could amalgamate DASH and the LSU proposal. A Project Team has been set up to look at the options and to see how this can be taken forward. The Project Team will consist of:
 - Loughborough Student Union
 - Loughborough University Student Advice Centre
 - DASH
 - Charnwood Borough Council
 - Private Sector Landlords
33. The aim of the Project Team is to have reviewed the feasibility of the Loughborough Students Union Proposal to expand the existing DASH Accreditation Scheme for a Borough wide Accreditation Scheme by June 2017 and if the Scheme can be taken forward to identify a funding source.
34. A further Cabinet report will be presented once the feasibility of introducing a Borough wide Accreditation Scheme is established and a funding source has been identified.