Meeting:	**Overview and Scrutiny Committee**	**Date:**	**23rd June 2014**
	Cabinet		**25th June 2014**
Subject:	**Housing conditions in the private rented sector**		
Report Of:	**Cabinet Member for Housing, Health and Leisure**		
Wards Affected:	**All**		
Key Decision:	**No**	**Budget/Policy Framework:**	**No**
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Appendices:	**None**		

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 To brief members on the current condition of the private rented housing sector and to propose future actions to achieve improvement.

2.0 Recommendations

2.1 **Overview and Scrutiny Committee** is asked, subject to any recommendations it wishes to make to Cabinet, to note the contents of the report.

2.2 **Cabinet** is asked to **RESOLVE** that the current condition of private sector housing is noted and that the direction towards a more proactive approach to inspection and intervention be supported.

3.0 Background and Key Issues

3.1 Nationally, there has been a significant increase in the use of the private rented sector (from 12% in 2005/6 to 17.4% in 2011/12) and this has mirrored the Gloucester experience where the private rented sector, as a proportion of all private dwellings in the city, has increased from 7.4% in 2005 to 17% in 2011. Over 50% of the private rented dwellings in Gloucester are in just three wards: Barton and Tredworth, Moreland and Westgate.

3.2 This increase in the use of private renting and the changes in the homelessness rules which enables councils to refer to the private sector for re-housing, prompted

the Government to appoint a select committee commissioned to reviewed the Private Rented Sector. As a consequence, a report was recently published and advised on the areas nationally which require action:-

- Improve housing standards
- Prevent illegal and retaliatory evictions
- Address poor practice amongst some letting agents
- Address the problem that short term tenancies are a dis-incentive especially for families
- Improve choice and affordability
- Improve the quality and quantity of data about numbers of landlords and private rented properties

3.3 As far as Gloucester is concerned, the data we use to find the evidence for conditions in the private rented sector in Gloucester are:-

- House condition surveys carried out in 2005 and 2011
- Numbers of service requests and actions relating to housing conditions
- Evidence from pro-active inspection regimes (e.g. HMO licence inspections)
- Numbers of accredited properties (Fit to Rent scheme)
- Bespoke projects such as Believe in Barton and enforcement operations

3.4 The House Condition Survey (HCS) carried out in 2011 estimated 1418 private rented dwellings (17.2 % of the private rented sector) had Category 1 hazards (mainly excess cold or danger from falling). However, from around 1000 action requests we receive in a year, we only identify approx 40 Category 1 hazards. This would indicate we are not focussing on the worst conditions and would suggest that tenants are not reporting hazards. The HCS also identified three wards with significantly more Category 1 hazards than anywhere else in the city. These are Barton & Tredworth, Moreland and Westgate.

3.5 The 2011 HCS also estimated 2407 (29%) private rented dwellings were in disrepair. This is an increase of 16.5% since the 2005 survey and would indicate a lack of management and maintenance by landlords which could lead to increasing numbers of Category 1 hazards in the future. However, with the team only receiving around 1000 complaints annually about housing conditions, there is clear under reporting. This may be because tenants:-

- Are unconcerned or have low expectations about the condition of their homes
- Are unable to recognise hazards
- Are worried about being evicted if they complain
- Are unaware of who to complain to and/or their right to complain

3.6 Therefore, the evidence would suggest that the poor condition of private rented properties in Gloucester goes unreported. With the concentration of rented properties in the three wards of Barton & Tredworth, Moreland and Westgate we can conclude that the majority of the issues relating to poor condition and management would be found in these wards,

3.7 The mandatory HMO licensing scheme requires HMO's that are three storeys or more and with 5 or more tenants to be licensed and Gloucester currently has 143 licensed HMO's. We estimate that there are around 500 HMO's in the city and, whilst the majority will not require licensing, they still have to comply with housing standards and we are regularly finding poor conditions in these types of HMO's. However, the HMO's that are managed under the mandatory scheme are usually found to be of a suitable standard on inspection which would suggest this regime is effective in maintaining conditions in these types of properties. We occasionally find HMO's that should be licensed but are not. In most cases these are dealt with by simple caution and the owners are also required to pay a significantly higher licence fee that the legislation permits us to impose.

3.8 As in paragraph 3.4 above, there is also a concern that the conditions in HMO's are under reported.

3.9 More than 20% of the service requests received annually by the Private Sector Housing Team relate to waste management issues, particularly in rented properties and in Barton & Tredworth. Problems of this type are indicative of overcrowding, lack of management and a lack of understanding and interest in the problems these issues create.

3.10 All of this evidence would suggest that we are focusing on the problems caused by poor and inadequate privately rented homes without tackling the underlying reasons for its causes.

3.11 If we are not able to increase the level of intervention to deal with the worst housing, the private rented stock will continue to deteriorate and the problems associated with poorly managed accommodation will increase. We would also expect to see increasing numbers of complaints relating to waste disposal and other anti-social activities.

3.12 Good landlords also become disillusioned if they perceive that poor landlords are not being effectively dealt with.

3.13 A variety of approaches have been used to proactively tackle the underlying problems in the private rented sector and these have included:-

- Joint visits with the Fire Officer to flats over shops in areas of Barton &Tredworth and Eastgate St, resulting in enforcement action for non-compliance with housing act standards and the prohibition of three flats above shops.
- Private Sector Housing Officers and Fire Officers jointly delivered training to landlords regarding fire safety in flats over shops.
- A 'Believe in Barton' campaign was recently undertaken to address the increasing levels of enviro-crime by encouraging residents to clean up the area and by identifying the properties where enforcement is the only means of tackling the problem (mainly in the private rented sector).
- A waste audit undertaken in an area of mixed commercial and residential premises in the Westgate Ward identified a number of commercial premises believed to be renting 'over the shop'.

- Ad hoc evening and weekend inspections of premises identified a number of poor quality and unlicensed HMO's.
- The use of the county wide 'Fit to Rent' accreditation scheme which enables us to better target the non-accredited properties.

3.14 It is important that a sustainable targeted and proactive approach is used to identify poorly managed and maintained properties in the private rented sector. This will enable continuous improvements to be made which will positively impact on a whole range of benefits to tenants and to the council by increasing the availability of good quality accommodation, improving the health of occupants, and improving the management of waste and reducing anti-social behaviour.

3.15 The Government Select Committee suggested options for tackling conditions in the private rented sector, one of which is to take a proactive neighbourhood approach. This method of operation has already been recognised by this council as a valid approach and underpinned a bid to Government for funding to deal with rogue landlords. Unfortunately, the Council was unsuccessful in obtaining funding from the small central Government budget available but the principle remains the same. However, with current work load, it can only be achieved by either re-focusing of the team's activities or by the provision of additional staff resource.

3.16 In Gloucester we have the evidence and data to be able to select the areas that would benefit from a neighbourhood approach and therefore a re-direction of the way the private sector housing team currently works from a primarily reactive response towards a proactive programme of intervention would significantly improve the condition of the privately rented accommodation in those areas.

4.0 Alternative Options Considered

4.1 To continue with a reactive based approach to service requests.
This is not considered to be the best way to improve conditions in the private rented sector for the following reasons:-

- It is not targeting the worst properties
- It only deals with the symptoms and not the causes of poor housing
- Conditions will continue to deteriorate and the numbers of service requests will rise.
- Income is lost because we are unable to identify licensable HMO's
- Tenants will increasingly be put into hazardous housing situations.
- Good landlords will be less inclined to operate in Gloucester.
- Limited impact on improving public health
- Not in line with ABCD principles
- Not likely to give rise to sustainable improvement

5.0 Reasons for Recommendation

5.1 In order to create capacity for a proactive neighbourhood approach, the Private Sector Team will have to work in a less reactive way when dealing with service requests and this will result in a need to re-prioritise the current work activities. For example, issues with rubbish that are not presenting a risk to public health will not

be given the existing priority. However, collecting residents' concerns about these issues will help us to better direct resources to the right areas for proactive housing inspections. For example, if we are receiving a number of complaints about incorrectly managed refuse at a property or in a street, we can focus attentions on the housing issues in those properties.

5.2 Consequently residents may find that their request for service, if deemed low priority, may not result in a level of intervention that meets their expectations. However, we would hope that the long term benefits of this approach will result in fewer complaints in the long term

6.0 Future Work and Conclusions

6.1 Consideration will be given to the best way to achieve the capacity for the team to be able to take on this project based work. This can be achieved in a number of ways which will all be explored as options for providing a long term sustainable approach to tackling housing conditions. There are a range of options we can use which are:-

- Designating an area for selective licensing and using the income to support a staff resource for continued proactive inspection projects.
- Prioritising workloads and targeting reactive work to the highest priority service requests to create capacity with the existing staff resource
- Working with legal services to ensure suitable resource is available for increased enforcement work
- Using existing HMO licence income to provide additional support for the team during the proactive programme period. Identifying unlicensed HMO's will increase income which can be re-cycled into staff resource.
- Exploring public health funding opportunities
- Using an Asset Based Community Development (ABCD) approach for dealing with neighbourhood issues by using the resources and skills within the communities as support. For example, good landlords in the target areas can provide advice and information to those landlords who do not understand the regulations around renting properties.
- Partnership working with other agencies such as the Fire Service, Immigration Authority and Trading Standards

6.2 The choice of option will depend on the types of issues found in the specific area being targeted. For example, we may find that conditions in one area may lend itself to selective licensing whereas another area may simply benefit from brief but intensive periods of intervention with partner agencies.

6.3 Conclusion

6.3.1 Gloucester has an under reported level of poor housing conditions and, without intervention, this could lead to worsening conditions with a potential outcome being increasing housing related health problems and increasing levels of waste and other anti-social issues. A sustained proactive approach to deal with hazardous conditions in the private rented sector is considered best practice. This can be

achieved in a number of ways but will require either extra staff resource and/or a re-prioritisation of the way the private sector housing team work at present

7.0 Financial Implications

7.1 Approximately £20K income is achieved annually from the mandatory HMO licensing scheme. This income can be used to support a proactive inspection regime provided it is used to tackle problems in HMO's.

(Financial Services have been consulted in the preparation this report.)

8.0 Legal Implications

8.1 All enforcement actions are governed by the Environmental Health enforcement policy and in accordance with statutory instruments. The Housing Act 2004 is the overarching statutory legislation that enables improvements in housing conditions. It also imposes a duty on local authorities to deal with all Category 1 hazards and licence all HMO's that fall within the mandatory licensing criteria.

(Legal Services have been consulted in the preparation this report.)

9.0 Risk & Opportunity Management Implications

9.1 A risk assessment has been carried out and identified the following as the highest risks:-

- Increasing number of tenants evicted. This will be mitigated by ensuring action continues regardless so that landlords do not gain from the eviction and close working with the homelessness team to provide support and, where necessary, alternative accommodation
- Customer dissatisfaction in a less reactive service. This will be mitigated by providing an explanation as to the long term benefits of this approach

9.2 However, the risks are outweighed by the opportunity to improve housing conditions which in turn will have a positive impact on the wider community.

10.0 People Impact Assessment (PIA):

10.1 An improvement in housing conditions will positively benefit the most vulnerable tenants as they are likely to live in the worst housing conditions.

10.2 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

11.0 Other Corporate Implications

Community Safety

11.1 Reducing the problems caused by poorly managed tenanted properties will increase community confidence in an area and reduce anti social behaviour incidences.

Sustainability

11.2 Improving the condition of properties will sustain a good and affordable supply of properties available for private renting

Staffing & Trade Union

11.3 There are no implications

Background Documents:

Gloucester House Condition Surveys 2005 and 2011

House of Commons Communities and Local Government Committee, The Private Rented Sector. *http://www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50.pdf*