

Private Sector Housing

Purpose of the paper: to provide sufficient information to enforcement budget scrutiny group members to make decisions and recommendations in relation to the enforcement project proposals for 2016/17

1. Summary:

- The Private Sector Housing (PSH) service aims to ensure minimum standards of health, safety and welfare in the private rented sector. It achieves this through advice, informal action and, where necessary, enforcement under a wide range of legislation. It operates a mandatory licensing scheme for houses in multiple occupation (HMOs), works with owners of long-term empty properties to bring them back into housing use, and administers a capital grants programme, subject to conditions. It also maintains cyclical inspections of temporary accommodation for homeless persons that is let at a nightly rate.
- There has been a substantial growth in the private rented sector over last decade, with one in three homes in the borough now privately rented.
- Maintaining acceptable housing conditions in the sector has a positive impact on public health and helps prevent homelessness.

2. Glossary:

- *PSH*: Private Sector Housing
- *Houses in Multiple Occupation (HMO)*: houses occupied by more than two unrelated individuals who share basic amenities: as defined in section 254 of the Housing Act 2004.
- *Mandatory licensing scheme*: All Local Authorities in England are required to operate a Mandatory Licensing Scheme for HMOs meeting the following criteria:
 - Houses of three or more storeys,
 - occupied by five or more unrelated individuals,
 - who share one or more basic amenity
- *Housing, Health and Safety Rating System (HHSRS)*: a method prescribed under the Housing Act 2004 for assessing housing conditions. It employs a risk assessment approach to enable risks from hazards to health and safety in dwellings to be assessed and scored. Higher scoring hazards (Category 1) carry a statutory duty for Local Authorities to take action against landlords to resolve them. A range of enforcement actions are prescribed in the Act and the Local Authority must assess which is the most appropriate to each individual case and apply it.
- *DFG/Disabled Facilities Grants*: Grants provided to disabled residents for adaptations to their homes enabling them to remain independent. The grants are mandatory and the Council must provide the service. They are funded through the Better Care Fund and the Housing Capital Programme.

3. Factual context:

For each service area (i.e. Building Control, Planning Enforcement, Trading Standards, Licensing, Environmental Health, Environmental Enforcement, Parking Enforcement, Parks, Markets, Hygiene Services, Street scene Enforcement, Shop Front Trading, Community Safety, including the Wardens Service, and **Private Sector Housing**):

(a) What activities fall within that service;

- Keep housing conditions in the Borough under review and identify action to be taken (section 3, Housing Act 2004)*
- Regulation and enforcement of housing conditions in the private rented sector and registered provider dwellings*
- Abatement of statutory nuisances in private sector housing*
- Enforcement of Public Health Act provisions in respect of Filthy and Verminous dwellings (all tenures) *
- Enforcement of provisions relating to inadequate/defective drainage in private sector housing*
- Mandatory Licensing of Houses in Multiple Occupation (HMOs) *
- Enforcement of Prevention of Damage by Pests Act 1949 in private sector housing*
- Enforcement of the Smoke Alarms and Carbon Monoxide Alarms Regulations 2015 (Private Rented Sector dwellings) *
- Annual planned cyclical inspections of nightly-rate temporary accommodation for homeless persons placements.
- Enforcement of the Housing (Management of Houses in Multiple Occupation) Regulations 2006
- Return of long term empty homes to residential use.
- Enforcement of provisions relating to stopped-up drainage in private sector housing.

(b) Why do we provide these activities (i.e. is it statutory, does it serve a greater public good through prevention, etc.)?

Services marked with an asterisk are statutory. The remainder feed into wider Council strategies such as the Housing Strategy, Homelessness Strategy, public health outcomes, etc.

(c) How is the service currently provided? (e.g. staff structures, partnership arrangements, in-house or third party contracts) and how has it been provided previously (i.e. what should we not forget and what can we best learn from past experience)?

In house permanent staff reporting to a Head of Service.

(d) What are the current levels of performance and the equalities impact of the service and how are these measured?

Performance during 2014/15

- Service requests dealt with (complaints of poor housing conditions) = 873
- Total HMOs licensed = 179
- Empty Properties returned to residential use = 38
- Enforcement notices served on landlords = 75

- London Landlord Accreditation Scheme; no. of accredited landlords = 574
- Landlord prosecutions taken = 1

Agreed performance measures 2015/16

PI Short Name (Description)	Frequency of reporting	2015/16 Target
Number of private sector dwellings improved by PSH intervention (i.e. significant hazards removed).	Quarterly	250
* Number of residents benefiting from improved health as a result of PSH intervention.	Quarterly	No target: demand-led.
* Notional cost saving to NHS from improved health as a result of PSH intervention.	Quarterly	No target: demand-led.
* Notional cost saving to wider society from improved health as a result of PSH intervention.	Quarterly	No target: demand-led.
Total number of Houses in Multiple Occupation licensed.	Quarterly	No target: demand-led.
Number of disabled private sector residents benefitting from major adaptations through completion of a Disabled Facilities Grant.	Quarterly	No target: demand led.
Number of vulnerable private sector households benefitting from minor adaptations through completion of a Minor Adaptions grant.	Quarterly	No target: demand led
Number of vulnerable households benefitting from completion of repairs, home security and warm homes grants.	Quarterly	No target: demand-led.
Number of long term empty homes returned to residential use.	Quarterly	10
* Percentage of full, complete disabled facilities grant applications approved within 90 days.	Quarterly	80%
* Average number of working days for approval of disabled facilities grants (from date of full, complete application).	Quarterly	No target: report only
* Percentage of service requests from private sector tenants receiving a first response within 10 working days.	Quarterly	80%

PI Short Name (Description)	Frequency of reporting	2015/16 Target
* Percentage of service requests from private sector tenants resolved or referred for enforcement action within 90 days.	Quarterly	80%
* Percentage of full, complete HMO licence applications determined (Notice of Proposal) within 28 days.	Quarterly	80%
* Percentage of HMO licence applications issued (Notice of Decision) within 21 days of Notice of Proposal.		80%

(e) a breakdown of what the service currently costs to provide + future projections (based on e.g. future demand etc)

PSH Enforcement expenditure = £901,740*¹

[*¹ Total expenditure for Private Sector Housing = £1,181,393. However, of the 20.7 FTE posts 15.8 FTEs have been identified as undertaking enforcement related work (the remaining 4.9 FTEs deliver grants, adaptations, and other housing-related work).]

For the reasons outlined in 3(f)(iii) below it is not possible to provide future cost projections at this time.

(f) a breakdown of where any income generated is coming from - and any restrictions on what can be done with it (e.g. parking)

- i. Fees from mandatory HMO licensing scheme: projected at £25,000 in 2015/16: statutorily ring fenced to HMO licensing work
- ii. Empty properties control account: salary of one FTE empty property officer at SC6-PO3; £36,186: contractually ring fenced for empty property work.
- iii. Owing to the high level of uncertainty around the regulatory framework for licensing in future years and the absence of reliable data on the housing stock profile and condition, it is not possible at this time to forecast potential licensing fee income (or associated costs) for future years or to provide a definitive assessment on the potential viability of additional or selective licensing schemes. Officers are currently procuring a housing predictive modelling exercise which will address this issue and give a profile of the Private Rented Sector in Hackney, including the number of HMOs in each licensing category. This will then be used to update the service plan for the Private Sector Housing service for 2016 onwards. Until this data is available it is not possible to predict potential fee income from further licensing schemes (or their viability) for private sector housing in Hackney for 2016/17 or subsequent years. See income generation template for more details.

(g) What savings have previously been implemented? How and why were they identified? How much did they save? Have we monitored how successful they've been?

- Savings of £243,801 were achieved for 2014/15 and 2015/16 in response to a corporate savings target, which was exceeded.
- In broad terms the service has seen year-on-year cuts and a reduction in posts for a considerable period of time despite the size of sector in which it operates expanding rapidly and demand increasing.

(h) What future potential savings have already been identified? How and why were they identified? How much did they save

- None – it has been proposed corporately that any future savings will be achieved through the Cross-Cutting Enforcement Review.
- Please also refer to paras 3(f)(iii) and 3(g) above.

(i) What other services are closely related to this service area?

- Private Sector Housing services feed into wider strategies and services such as homelessness prevention, public health outcomes, housing supply, planning etc. but there are no directly related services as such. PSH is a specialist function involving a detailed knowledge of housing and public health legislation and practice, administered by qualified Officers, and is increasingly being based on intelligence data and proactive interventions.

(j) Any other factual background or context that you think would be useful to help make a fully informed decision.

Please refer to the income generation template for further contextual information.

4. Proposal:

For each savings proposal:

- The reasons this is being proposed, including:
 - a. What savings this would achieved
 - b. How this has been calculated
 - c. What other benefits it might bring and why
- Drawbacks / implications e.g. knock on impacts on other services

N/A – please see para 3(h) above.

5. Other options:

Please set out any alternatives considered and rejected, with reasons.

No other alternatives are being considered at present in the context of the points made above and those made on the income generation template.

6. Conclusion:

- No separate savings are being proposed for PSH services for the reasons set out in para 3(h) above.

- Savings of £243,801 (19.8% of total revenue budget) has already been delivered for 2015/16 and subsequent years, in excess of the corporate savings target without affecting or having to make cuts to frontline services.
- PSH will be re-aligning its services in light of any legislative changes expected for 2016/17 and upon receipt of accurate stock profile data expected in March 2016.