

TELFORD & WREKIN COUNCIL**CABINET - 15 FEBRUARY 2018****BETTER HOMES FOR ALL: TACKLING ROGUE LANDLORDS & IMPROVING PRIVATE RENTED HOUSING****REPORT OF ASSISTANT DIRECTOR: CUSTOMER & NEIGHBOURHOOD SERVICES & ASSISTANT DIRECTOR: COMMERCIAL SERVICES****LEAD CABINET MEMBER - COUNCILLOR LEE CARTER, CABINET MEMBER FINANCE, COMMERCIAL SERVICES & ECONOMIC DEVELOPMENT****1. SUMMARY OF MAIN PROPOSALS**

- 1.1 On 23rd March 2017 Cabinet gave its approval to consult on the proposal to designate selective licensing in four zones which met the criteria for this type of licensing scheme. They were: Hadley & Leegomery, Malinslee & Hollinswood, Brookside & Sutton Hill and Woodside.
- 1.2 A robust consultation programme on the proposed Selective Licensing scheme commenced on 12 June 2017 and ran for a period of ten weeks, ending on 21 August, 2017.
- 1.3 The proposals stimulated extensive discussion and active engagement from residents and landlords. We received a total of 907 responses to the survey. The largest groups represented amongst survey respondents were owner occupiers (35.4%), private tenants (27.9%) and private landlords (26.5%). 48.9% of respondents indicated that they were residents of one of the proposed zones and 19% said that they were landlords or letting agents owning or managing properties in the proposed zones.
- 1.4 Analysis of responses shows a divergence of opinion amongst different types of respondents. Private landlords, letting agents and tenants were more likely to disagree with the proposals than owner occupiers who were more likely to feel that the scheme should be implemented. A full report providing an in-depth analysis of the consultation process and the results from the engagement exercise is available on line as part of our Public Protection Web pages.
- 1.5 In summary the majority of respondents strongly agreed with many of the conditions that would have formed part of a selective license particularly those relating to health and safety, property, structure and services as well as conditions relating to waste, refuse, fly-tipping, pest control and anti-social behaviour. However, whilst there was general consensus amongst all the respondents that there were challenges within the zones identified and that the issues outlined in the selective licensing business case must be tackled, 66.8% of respondents did not agree that a selective licensing scheme would address the issues of low housing demand and anti-social behaviour and therefore stated they didn't feel the scheme should be introduced.
- 1.6 Some of the free text comments provided by survey respondents perhaps highlighted a number of reasons the proposal was not supported including a concern that people living in the zones would have their rent increased to cover the cost of the proposed licence fee by their landlord and a fear that the designation would lead to increased insurance costs and property devaluation. Some felt the scheme would not be effective in delivering the intended outcomes and placed too much responsibility on landlords for the actions of their tenants and many wanted to the council to explore making greater use of their enforcement powers to help tackle the problems highlighted in the business case and put forward alternative options for consideration.

1.7 In drawing an overall conclusion there is insufficient support from residents and landlords to introduce a selective licensing scheme in the zones proposed. However environmental enforcement data still shows that anti-social behaviour, fly tipping and housing disrepair are still prevalent in the proposed zones. Comments received during the consultation indicate that whilst selective licensing is not the preferred option there are issues in these areas that those taking part in the consultation felt had to be addressed.

1.8 Therefore the remainder of this report outlines the actions the council intends to adopt which will help to address some of the problems identified and in doing so we will monitor the impact over a two year period and if improvements are not seen then the Council and our partners may need to reconsider the option of a selective licensing scheme at some point in the future.

1.9 The actions now being pursued are as follows:-

- Implementation of enhanced license conditions for Houses of Multiple Occupation (HMO's) along with a new license fee. The detail is presented in **Appendix A - Section 1** along with a set of bespoke recommendations linked to this action.
- Major Pride in Our Community investment being provided over the next two years to tackle hot spots across our borough where environmental standards need improvement and our Environmental enforcement team will be out on site to tackle the minority of residents who blight our community by committing environmental crime such as fly tipping, littering and committing Anti-social behaviour.
- Deployment of powers and tools contained within our new Housing Enforcement Policy attached in **Appendix B** which we will be using to tackle rogue landlords.
- Bidding to secure external funding to increase the number of Environmental Health Officers and Trading Standards officers with specialisms in Housing related engagement and enforcement. Bids have been submitted with successful bidders being notified in mid-February. 2018.
- A new enhanced landlord accreditation scheme informed through consultation and outlined in detail with supporting recommendations in **Appendix C**

1.10 Due to the size of this report **Appendix A and C** have been drafted as mini standalone reports to make it easier for the reader to follow along with bespoke recommendations. All Appendices need to be considered as one package of measures for consideration and approval and not to be considered individually. Therefore the recommendations below cover all the recommendations listed including all those detailed in the Appendices.

2 RECOMMENDATIONS

- 2.1 Cabinet are recommended not to implement a selective licensing scheme in the zones proposed as a result of the findings of the public consultation summarised in this report today and to approve the following recommendations to help address the challenges that still remain.
- 2.2 Approve the revised standards and conditions for the licensing of Houses in Multiple Occupation as set out at **Appendix A – Section 1** of this report.
- 2.3 Approve the revised licence fee structure for the issue licences for Houses in Multiple Occupation which include a fixed fee of £723 per 5 year licence for HMO's with up to 5

bedrooms ; £745 for HMO's with 6-10 bedrooms and £783 for HMO's with 11+ bedrooms as outlined in **Appendix A** of this report.

- 2.4 Delegate authority to the Assistant Director for Customer & Neighbourhood Services in consultation with the Cabinet Member for Housing and Enforcement to approve any future minor amendments to the HMO Fees structure; and the Conditions for Houses in Multiple Occupancy required to be licenced
- 2.5 Approve an amendment to the Houses in Multiple Occupation licence application process to require applicants to acquire and submit an up to date self-check Disclosure and Barring Service Check by scot.gov.uk to allow an assessment of the applicant's 'fitness' to hold such a licence as outlined in **Appendix A Section 4.6**
- 2.6 Approve the adoption and implementation of the new Housing Enforcement Policy detailed in **Appendix B**
- 2.7 To endorse the Pride in Our Community Investment to provide additional capacity to raise the cleansing standards across the borough until the new Grounds & cleansing contract is re-let in April 2019 at which point a number of these enhanced standards will be maintained as part of the new contract
- 2.8 To acknowledge the external funding bid to provide financial support to increase capacity within Public Protection Team to tackle poor housing disrepair and rogue landlords and in the event of the bid being unsuccessful commit to investing £237,000 to achieve the same results through the use of the Councils Capacity Fund Budget.
- 2.9 Approve the development of a revised landlord accreditation scheme to include the elements set out in **Appendix C Section 4.2.3** of the report
- 2.10 Delegate authority to the Assistant Director: Commercial Services in consultation with the Lead Member for Housing and Enforcement to appoint the preferred partner(s) identified through the procurement exercise for an external accreditation partner(s)
- 2.11 Delegate authority to the Assistant Director: Commercial Services in consultation with the Lead Member for Housing and Enforcement to implement the revised landlord accreditation scheme, as set out in **Appendix C Section 4.2.6**.

3. SUMMARY IMPACT ASSESSMENT

Community Impact	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	Protect and support our vulnerable children and adults Ensure that neighbourhoods are safe, clean and well maintained. Improve the health and wellbeing of our communities and address health inequalities Regenerate those Neighbourhoods in need and work to ensure that local people have access to suitable housing.
	Will the proposals impact on specific groups of people?	
	Yes	Borough wide impact however more focussed towards Private sector landlords including HMO landlords and residents taking part in Anti-Social Behaviour.

Target Completion/ Delivery Date	HMO fees and new conditions will commence from March 2018, the use of our new enforcement powers has already commenced and the increase in capacity within the Public Protection Team will be realised by April 2018.	
Financial/ Value for Money Impact	Yes	<p>There is sufficient money within the Pride in Our Community programme to allocate a large percentage to improving the environment through improving cleansing standards, highway improvements, maintaining and enhancing green spaces, and tackling environmental crime.</p> <p>A bid for external funding has been made to provide additional resources in the Public Protection team to tackle the issues highlighted in this report. Should the bid not be successful approval is required for £237k to be earmarked from the Council's Capacity Fund for 3 additional posts in Public Protection. The additional funding would be time limited and would provide additional resources for a two year period pending a review. MLB 06.12.17</p>
Legal Issues	Yes	<p>The Council now has a wide range of powers to address the issues it is seeking to tackle. The Council has various powers available to it to deal with defective housing, environmental crime and anti-social behaviour, in particular recent powers implemented under the Housing and Planning Act 2016 to deal with the notion of "Rogue Landlords and Property Agents in England", introducing Banning Orders, a national database of Rogue Landlords and Property Agents, and rent repayment orders. The Act introduces Civil (Financial) Penalties for breach of a number of offences under the Housing Act 2004. Cabinet has already approved the use of these latest powers and set levels for the financial penalties.</p> <p>Cabinet have also recently acknowledged the investment in training of enforcement officers across the Council which will both improve the efficiency of enforcement and the range of powers individual officers will be capable of enforcing. The next step will be to carry out a review of powers delegated to officers to ensure they are adequately empowered to carry out the enforcement required in the areas identified in this report.</p> <p>The Legislative and Regulatory Reform Act 2006 requires the Council to have regard to the Central Government Regulators' Code when determining policies or principles that guide regulatory activities and to demonstrate openness and fairness in its approach to enforcement.</p> <p>The proposed enforcement policy will ensure that activities are fair and consistent and follow the principles of the Regulator's Code. More importantly it will also ensure that service users are fully aware of what to expect from 'Housing' enforcement officers such that they can be satisfied that they will be treated fairly and proportionately. PM/06.12.17</p>
Other Impacts, Risks & Opportunities	No	As outlined in the supporting Appendices

Impact on Specific Wards	Yes	Borough Wide
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4 BACKGROUND DETAIL

4.1 Central Government have consulted local authorities in both 2016 and 2017 on plans to extend mandatory HMO licensing and bring in banning orders and a rogue landlord database. These changes were expected to be implemented in the Autumn 2017 however we understand delays on making these changes have been caused due to the general election and ongoing Brexit negotiations. On the 12th October 2017 the Communities and Local Government Select community announced it was launching an inquiry into tackling rogue landlords. On 28th December last year we received an email from Government to confirm that the regulations for HMO's are to be formally amended and we are waiting for the detail of those changes however reports suggest the changes will include the removal of the criteria that requires a property to be 3 stories or above before needing to license. As an example a bungalow being used as HMO meeting the revised criteria will have to license as a HMO. The formal details were due to be published in April of this year however on 31st January 2018 a Government communication confirmed it has been delayed further until October 2018 with a suggested implementation period of 6 months however until the regulations are passed the implications and opportunities are not fully known.

4.2 Houses of Multiple Occupation – New license conditions & Fee Structure

4.2.1 The Housing Act 2004 introduced a major overhaul of the way in which the private rented sector was regulated. One of the most important changes was to allow local authorities to charge for licensing functions on HMOs that were three stories and above containing five, or more occupants, forming two or more households.

4.2.2 The current license conditions and fees for HMO's in Telford & Wrekin are no longer fit for purpose for the challenges we now face. Therefore in advance of any national changes to HMO licensing as outlined above we are recommending implementing an enhanced set of licensing conditions for mandatory HMO's all of which were consulted upon as part of the selective licensing proposals. The proposed new license conditions for HMO's reflect the outcome of that consultation and will give the council greater ability to tackle poorly managed HMO's in our borough. The details in **Appendix A** provide a full overview of the new conditions and the new licensing fee. The proposals, subject to cabinet approval, will be implemented from 1st March 2018 and will be implemented and enforced by Environmental Health Officers who form part of the Councils Public Protection Team.

4.3 Bid for External Funding

4.3.1 In November 2017 bids have been submitted to attract external funding to increase the capacity with the Councils Public Protection Team to discharge their powers to tackle many of the issues outlined in the business case for selective licensing. Firstly through good education, engagement and enforcement where necessary in relation to poorly behaving landlords and tenants. This additional resource will enable us to spend the time required in tracking down those rogue landlords that are very difficult to find and therefore unaccountable for their properties and tenants but who are causing a major impact of the local community where they are located.

4.3.2 The increase in capacity will also allow for closer joint partnership working with Police, landlords, agents and tenants and in doing so enable us to build an intelligence profile of landlords and agents operating poorly within our borough as well as giving us the capacity to address the

problems we identify. It will enable us to build external relationships by having the time to work with partnership agencies such as Shropshire Fire and Rescue, Insolvency Service, HMRC, West Midlands UK Border Agency, Gang masters Licensing, and West Mercia Police to share our knowledge and information and action plans.

- 4.3.3 Initial feedback on our bid has been favourable however we are unlikely to be notified of the outcome until late February 2018. If the bid is not successful then it is proposed that the Council provides this additional funding for a two year period totalling £237,000 through use of the Capacity funding budget to enable to Public Protection Team to fulfil the objectives as outlined above from April 2018.

4.4 New Housing Enforcement Policy

- 4.4.1 In order to provide transparency, proportionality and consistency a Housing Enforcement Policy, which also incorporates powers and civil penalty charges available under the Housing and Planning Act 2016, has been developed and available in **Appendix B**. This policy has been updated for use by the Public Protection Team including Environmental Health and Trading Standards Officers. The Policy outlines how the council intends to use our enforcement powers to tackle poor housing conditions and rogue landlords. Tools including the issuing of improvements notices, penalty charge notices and civil penalties are all included. The updated policy is presented for Cabinet approval.

4.5 Pride in Our Community Investment

- 4.5.1 It is clear that Environmental Standards in some hot spot areas and estates across our borough need improvement. There is evidence of increasing number of fly tipping, littering, dog fouling and other aspects of anti-social behaviour. Paragraph 4.6 outlines our revised approach to using our powers to undertake increased enforcement activity as part of a package of measures to help improve the situation. However in addition to this the Council has committed funding from the Pride in our Community budget to enhance the cleansing standards in those hot spots through increased frequencies of grounds and cleansing activity. This funding is provided until the new Grounds & Cleansing Contract is let in 2019 when it is anticipated that many of these new standards will be maintained as part of the new contract.
- 4.5.2 We will also be working in partnership with the relevant Town and Parish Councils to co-ordinate our efforts to improve environmental standards in these areas as well as working with our volunteer street champions and the community payback service to work alongside us to achieve these improved cleansing standards.

4.6 Enforcement of Anti- Social Behaviour & Environmental Crimes

- 4.6.1 One of the themes that arose from the comments made in response to the consultation was the use of the existing powers that the council had to tackle the anti-social behaviour, fly tipping and housing disrepair.
- 4.6.2 Since July 2017 officers in our Cohesion Community Safety and Environmental Enforcement Teams have a number of extended delegated powers that allows them to deal more effectively with ongoing issues of Environmental crime and Anti-social Behaviour (ASB), these now include the ability where necessary to make use of Fixed Penalty notices or proceed to prosecution for the following;
- Fly Tipping
 - Littering
 - Vehicle related nuisance to include the selling, repairing and abandonment of vehicles.
 - Dog fouling

- Commercial business waste offences

4.6.3 The creation of our new environmental enforcement dashboard highlights ASB hot spots across the borough and our new 'Integrated Community Management model' ensures a number of teams across the council, including Police Community Safety officers, are intelligence led. Using this intelligence led tasking officers from both organisations will be looking at prioritising a number of areas and properties to understand the issues, to engage, educate and where applicable enforce by using a number of tools and powers that we now have available. Since increasing our enforcement activity from June of this year council enforcement Officers have issued 67 Fixed Penalty Notices to date covering a range of offences including fly tipping, littering and abandoned vehicles.

4.6.4 The Council also remains committed to offering landlords who are part of our landlord accreditation scheme three permits per year to tip at the Council's Household Recycling Centres with a trailer or van which we hope will help landlords when their tenants leave a property without disposing of their rubbish or when furniture gets left.

4.7 Revised Landlord Accreditation Scheme

4.7.1 A revised landlord Accreditation scheme has been informed through the selective licensing consultation process in particular following engagement with the Wrekin Landlords forum. The report in Appendix C outlines the new scheme in detail and is a critical part of our package of measures.

4.7.2 However in summary the proposal is for the revised scheme to include four main elements:

- Code of Conduct - landlords would sign up to and comply with a revised code of conduct;
- Training and Development - new landlords joining the scheme would undertake an initial face to face training course and would have the option of continuing professional development (CPD) training;
- Advice - landlords would get access to a range of information and advice;
- Other benefits, including promotion of the scheme.

4.7.3 To ensure we promote and encourage take up of the scheme, we will appoint a fixed-term Landlord Liaison Officer to develop the scheme and to take forward other initiatives that will benefit landlords and tenants in the private rented sector. It is proposed that the revised accreditation scheme will be reviewed after 12 months to assess the uptake and outcomes of the scheme.

4.7.4 The availability of a landlord accreditation scheme should enable the Public Protection Team to focus their resources on addressing those landlords who are not accredited and who have come to our attention through tenant complaints, through referrals from other agencies or through concerns identified by council staff working in the community.

5.0 PREVIOUS MINUTES & BACKGROUND PAPERS

23rd March 2017 Cabinet Report and Business Case for the consideration of a selective licensing scheme

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