

Cabinet

DOCUMENTS FOR THE MEMBERS ROOM

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MEMBERS ROOM DOCUMENTS ATTACHED TO THE
LISTED REPORTS

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MEMBERS ROOM DOCUMENTS

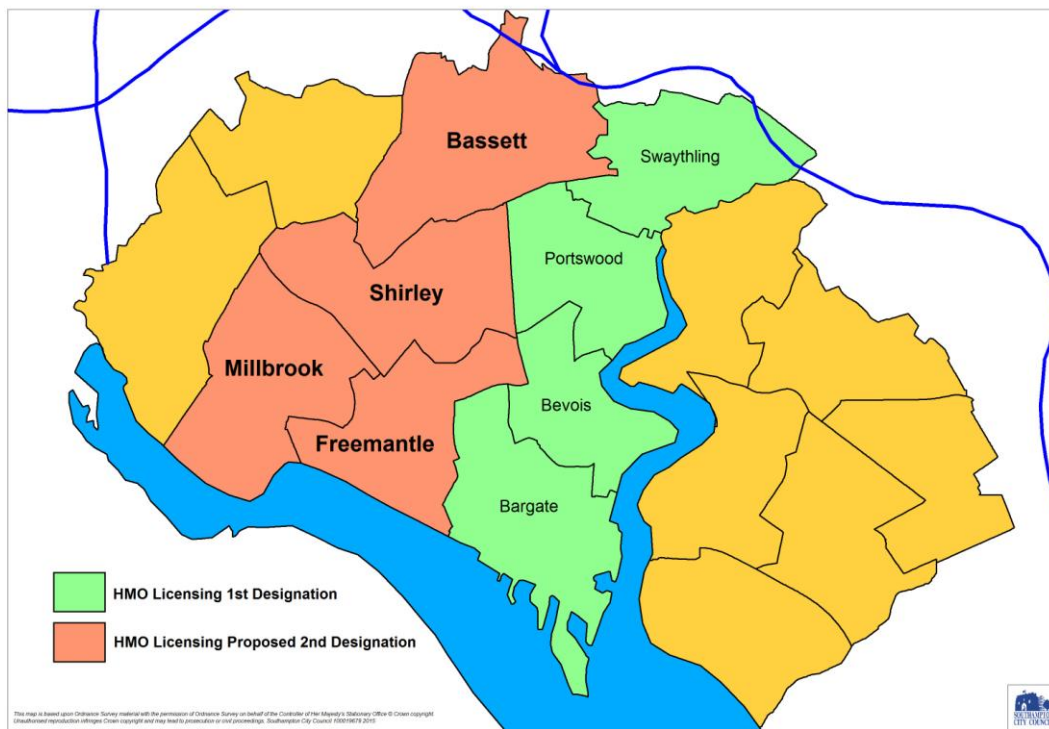
9 **HMO ADDITIONAL LICENSING DESIGNATION FOR SHIRLEY, FREEMANTLE, BASSETT AND MILLBROOK WARDS** □ (Pages 1 - 52)

Monday, 6 July 2015

HEAD OF LEGAL AND DEMOCRATIC SERVICES

Evidence to Support Additional HMO Licensing

Licensing of Houses in Multiple Occupation (HMO) in Southampton



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1. SUMMARY

Southampton is a vibrant, diverse and thriving city

The city has just over 100,000 homes of which just under a quarter are rented from private landlords. Within the private rented sector it is estimated that there are 7,000 Houses in Multiple Occupation (HMO). This means that one in ten homes in the city (not owned by the Council) is an HMO which is five times the national average.

The private rented sector is valued by the council, especially the importance of Houses in Multiple Occupation. The council also recognises the role of a healthy strong market for this housing. However, it remains concerned about the impact it has on the rest of the city.

The council receives a high number of complaints from tenants, local residents and other interested parties about the condition and management of HMOs. These complaints are generally about the condition of the properties, noise, rubbish around the property (fly tipping), bins not used appropriately, antisocial behaviour affecting local residents and, in a few cases, more serious offences involving violence, drugs and alcohol.

Whilst many properties are well managed, there are a worrying number of landlords who do not take their responsibilities seriously.

The council has undertaken a number of different activities to address these problems and whilst there has been some success, there remain significant issues. The council believes that introducing Additional Licensing in these four electoral wards will provide a key tool to addressing management and conditions in small Houses in Multiple Occupation.

The Housing Act 2004 sets out the specific requirements that the council must comply with before a designation can be made to introduce Additional Licensing in the city. These are in sections 56 and 57 of the Act.

The aim of this report is to comply with the legislative requirements of the Housing Act 2004 by presenting the evidence needed to support the proposed scheme. This includes information about the consultation exercise that was undertaken and the other evidence required to demonstrate need.

2. The Private Rented Sector in Southampton

Key features of Southampton's private sector stock¹

Southampton has an estimated 100,000 homes providing homes to just under 250,000 residents of which 53% are owner occupied, 24% are privately rented, 17% are local authority and 6% are housing association. The city has over twice the national average of privately rented accommodation (11% nationally) and below the average number of owner occupied homes (71% nationally). There are about 7,000 Houses in Multiple Occupation (HMOs) of all types, of which 465 of the largest have been licensed. There are an estimated 110 licensable HMOs that continue to operate without a licence; work continues to find these properties and once identified they will be dealt with proportionately and robustly. This includes consideration for prosecution.

The data shows that 38% (28,400) of all private homes do not meet the Decent Homes Standard, of which 8,500 are occupied by vulnerable people. 16,000 fail to meet the standard because of poor insulation and heating and 14,000 because of one or more serious housing hazards – the most common are excess cold, falls (especially in owner occupied homes) and fire (especially in privately rented homes). The total cost of dealing with this is estimated at £111M.

Older properties (pre-1919) and privately rented homes are generally in the worst condition. There are an estimated 3,900 adaptations needed for disabled people, at an estimated cost of £21M. The research suggested that the most effective use of council resources to improve private homes is to target energy efficiency and adaptations in all private homes and focus on those privately rented properties in the worst condition.

Although housing conditions are improving, the trend is that they continue to be worse than the national average – 38% (28,400) of Southampton's private homes fail to meet the Decent Homes Standard, compared to 33% nationally. 8,500 of these are occupied by vulnerable people. The situation is worst for older homes (built before 1919), privately rented homes and homes with a young (under 24) or old (over 85) head of household.

14,000 private homes have a serious housing hazard, with a quarter of homes built before 1919 and a quarter of privately rented homes having a hazard that is likely to result in harm that needs medical treatment. The cost of dealing with a serious hazard is estimated at £5,000, rising to an average of £19,000 for more comprehensive repairs. Poor housing costs the NHS at least £2.5 billion each year treating people with illnesses directly linked to cold, damp and dangerous homes.

In terms of energy efficiency, the average SAP rating is 51 (equivalent to energy rating band E on a scale of A to G). There is the potential to improve energy efficiency in 95% of private homes; there remain 7,000 homes with a dangerously low SAP rating of under 35 and an estimated 6,000² vulnerable households in fuel poverty. There are similar levels across owner occupied and privately rented homes however the numbers of households in

¹A large scale stock condition survey was carried out in the city in 2008. It is acknowledged that this data is now quite dated and has such been supplemented here by information from other sources such as the Census where it is available. Another survey is due to be completed in 2015/16.

² This figure has been calculated using the old definition of fuel poverty; this has now been replaced with a new way of assessing based on income lower than average and a higher than average cost of fuel (Marmott)

fuel poverty is forecast to rise with increasing energy costs and the effects of other fiscal and economic factors.

3 A STRATEGIC APPROACH

s.57 (2) before making a designation the authority must ensure that any exercise of the power is consistent with the authority's overall housing strategy.

The Housing Strategy

The Housing Strategy 2011-2015 'Homes for Growth' Strategy Context Paper has the strategic objective of maximising homes for the city so that the right mix of housing will support economic growth. The vision is for housing to work towards attracting more jobs for local people, securing more investment in the City and delivering high quality, low cost services that meet customer needs.

The strategy promotes home ownership and encourages community sustainability. There is a focus on improving existing homes and transforming neighbourhoods, particularly through the estate regeneration programme, energy efficiency, tackling fuel poverty and improving poor housing conditions in the private sector. The Southampton Homes Standard has been agreed with tenants and leaseholders to ensure all homes are: Safe, wind and weather tight, warm and will use as small an energy footprint as possible, have reasonably modern facilities inside the home and well maintained communal facilities. Southampton has a target to deliver 16,300 new homes over the period 2006-2026. The council recognises that housing is the foundation for a good quality life and that there is a continuing need to work with private landlords and landlord organisations to ensure that minimum standards of safety and management are maintained in a competitive rental market

The council recognises that there are significant national policy and legislative changes that will impact on the local housing market. Although a relatively prosperous city, there are areas of significant deprivation. The city has a higher percentage of residents claiming key 'out of work' benefits than the regional average (9.1% compared to 6.8% for the South East) and 'in-work poverty' is a growing issue - 20% of households are receiving housing or council tax benefit; well above the national average.

The national programme of welfare reforms has been underway since 2010. It has brought changes to a range of working age benefits including housing, health and disability, crisis support and tax credits. The changes have affected in-work and out-of-work claimants.

The Centre for Economic and Social Inclusion (CESI) has predicted the overall financial impact to Southampton for 2015/16 will be a loss of £53 million compared to the position had the reforms not been implemented - affecting 34,157 households with an average loss of £1,551 per year.

For housing, the Housing Benefit Size Criteria ('Bedroom Tax'/ 'Spare Room Subsidy) has affected social housing tenants (1612 households in the city were affected in 2014/15). Households within the private rented sector have also been affected by recent changes. Local Housing Allowance (LHA) rates now only cover the 30th percentile - which means

access to properties at the lowest end of any local rental market. This is pushing claimants into often poorer quality housing. In 2012, the age threshold for the shared accommodation rate of LHA was increased from 25 to 35. This means single claimants up to the age of 35 now have their LHA based on a room in a shared property rather than a self-contained one bedroom property - this creates demand for Houses in Multiple Occupation (HMO) type accommodation.

Fuel poverty is a significant issue in the city. During 2014/15, Southampton Local Welfare Provision accepted over 900 referrals for emergency utility top-ups (key meters) from local agencies. Funding for this has been reduced significantly and will cease at the end of March 2016.

There are two universities in Southampton. The council is committed to supporting the continued success of the city's universities and the opportunities that this brings for local people and employers as well as inward investment. The city provides a home for over 35,000 students attending the two universities. The University of Southampton offers places in halls of residence to full time undergraduates and overseas postgraduate students. Solent University has over 2,000 bed spaces in 6 halls of residence most of which is available for new undergraduates.

Both universities are reviewing their accommodation needs; both universities are expanding their own portfolios.

A city wide Article 4 Direction relating to HMOs was adopted in Southampton in March 2012 which removes permitted development rights meaning that planning permission is now required in order to change from family use to HMO use. This applies to HMOs created after March 2012 only.

Good quality homes in decent neighbourhoods enable people to live safe, healthy and happy lives. A recent review of the Fairness Commission set a recommendation to increase the availability of affordable and good quality housing by developing long and short term creative housing solutions. The Southampton City Council Strategy 2014-17 sets out the council's role as part of Southampton Connect in creating a city of growth and opportunity. The council has agreed seven priorities to support delivery of services:

1. Jobs for local people
2. Prevention and early intervention
3. Protecting vulnerable people
4. Good quality and affordable housing
5. Services for all
6. City pride
7. A sustainable council

Private Housing Renewal Strategy

The Private Sector Housing Renewal Strategy sets out the key aims, objectives and policy tools for improving privately owned homes in the city taking into account local needs and priorities. Southampton City Council has a commitment to safe, warm and accessible private homes in the city.

Housing quality is crucial to health and well-being, especially for vulnerable, very young and old people, who can be particularly susceptible to poor health associated with unsafe housing. Poor housing conditions can cause a range of physical and mental illnesses and children growing up in difficult housing conditions are more likely to suffer ill health and disability during childhood and early adulthood.

Tackling unsafe housing by removing hazards, in particular associated with excess cold, falls and fire, prevents injuries that require medical treatment and saves lives. Living in a home that is safe, warm and accessible helps residents of all ages to access employment, education, health services and leisure opportunities. The council also recognises that improving private housing also helps the local economy by supporting and creating jobs for example for building contractors and installers of insulation and renewable energy.

Houses in Multiple Occupation

The council has committed to working corporately to improve standards in multiply occupied accommodation where necessary and to tackle community concerns that can be related to properties let in this way. Working together involves Housing, Planning, Waste, Environmental Health and other services, as necessary.

The council operates the mandatory licensing scheme under the Housing Act 2004, this requires HMOs containing three or more storeys and occupied by five or more people to apply for a licence. This helps ensure that minimum safety and management standards are met in these properties. The strategy also sets out a commitment to focus resources on finding unlicensed houses in multiple occupation (HMOs) and to carry out the statutory checks required before issuing a licence. This work is completed within the context of and in accordance with the council's unpublished HMO licensing policy.

Health and Wellbeing Strategy

The Health and Wellbeing Strategy has been jointly prepared by the Council and the Southampton City Clinical Commissioning Group. The strategy provides an overarching framework for action across the City for the period 2013 -2016 to promote health and wellbeing in Southampton.

The strategy sets out the need for collective effort across a range of services and activities including those affecting the wider determinants of health such as housing, education, transport, environment and economic regeneration as well as clinical and care services, community interventions, the voluntary sector and the business sector.

It sets out the priority areas for action to improve health and wellbeing for local communities based on the needs identified in Southampton's Joint Strategic Needs Assessment (JSNA).

One of the local six priorities identified is to improve housing options and conditions for people in the city to support healthy lifestyles. The local evidence from the Joint Strategic Needs Assessment (JSNA) identifies the size, condition and management of the cities houses in multiple occupation as an issue to be addressed.

The current Southampton City health and well-being strategy makes the following recommendations in relation to housing:

1. Endeavour to help people to have access to good quality, energy efficient housing that is both affordable and meets their needs.
2. Provide a comprehensive homelessness service that supports people to make independent choices about their housing future
3. Work with the voluntary and supported housing sectors and the Homeless Healthcare Team to ensure that provision in the city meets the needs of the most challenging people to safeguard both their housing and health needs and reduce the impact on the general population
4. Having an additional Licensing scheme for all HMOs in the city to help ensure the conditions in the private rented sector are improved and poor or inadequate housing is brought up to acceptable standards
5. Develop local hubs for quality support and care in the city, for example dementia friendly facilities with support activities and interactions for people with dementia from the wider community
6. Raise awareness of falls and reduce or prevent trips, slips and falls within Council older people's accommodation.

The Health and Well-Being Strategy is scheduled for update in 2016.

There are a number of local strategies and plans that have an impact on health through the link with housing

Homelessness prevention strategy

Homelessness is the most acute form of housing need. The city has a homelessness prevention strategy (2013/18) backed by a range of agencies including the voluntary sector. The objectives are to: 1. Prevent homelessness, 2. Maximise the number of available homes in the city to all sectors of the community including homeless people, 3. Provide good quality accommodation with support for short periods only, in order to enable successful move on and maintenance of a settled home and 4. Improve positive outcomes for homeless people or people at risk of homelessness.

A Health and Overview Scrutiny Panel enquiry was completed in 2014, this looked at the impact of homelessness on the health of single people. The panel heard evidence from a wide range of witnesses and developed a series of recommendations. The two directly relating to HMOs were:

- Investigate opportunities to reduce barriers and provide incentives for Houses in Multiple Occupation (HMOs) to be used for homeless clients.
- Regulatory Services undertake an evidence based review of the effectiveness of the HMO licensing scheme to ensure that standards of quality are maintained for all private sector tenants in the City and to support the decision making process for whether to expand the scheme to other wards in the city. It should be recognised that those who have been homeless will be moving on into the lower cost / quality end of the market where risks to their health remain high.*

4. HOUSES IN MULTIPLE OCCUPATION – WHAT’S THE CURRENT SITUATION IN SOUTHAMPTON?

There are just over 100,000 dwellings in Southampton (Census 2011) and of these a little under 25% are rented from private landlords (Census 2011). This is broadly similar to the information gathered as part of the house condition survey completed in 2008 which gave the estimate at 24%. The national picture shows that the proportion of households living in the private rented sector has been rising in recent years, and this trend continued with 19% of households renting privately in 2013-14 (EHS 2013-14).

The private rented stock is spread across the city and details from the 2011 Census show the spread as in Figure 1.

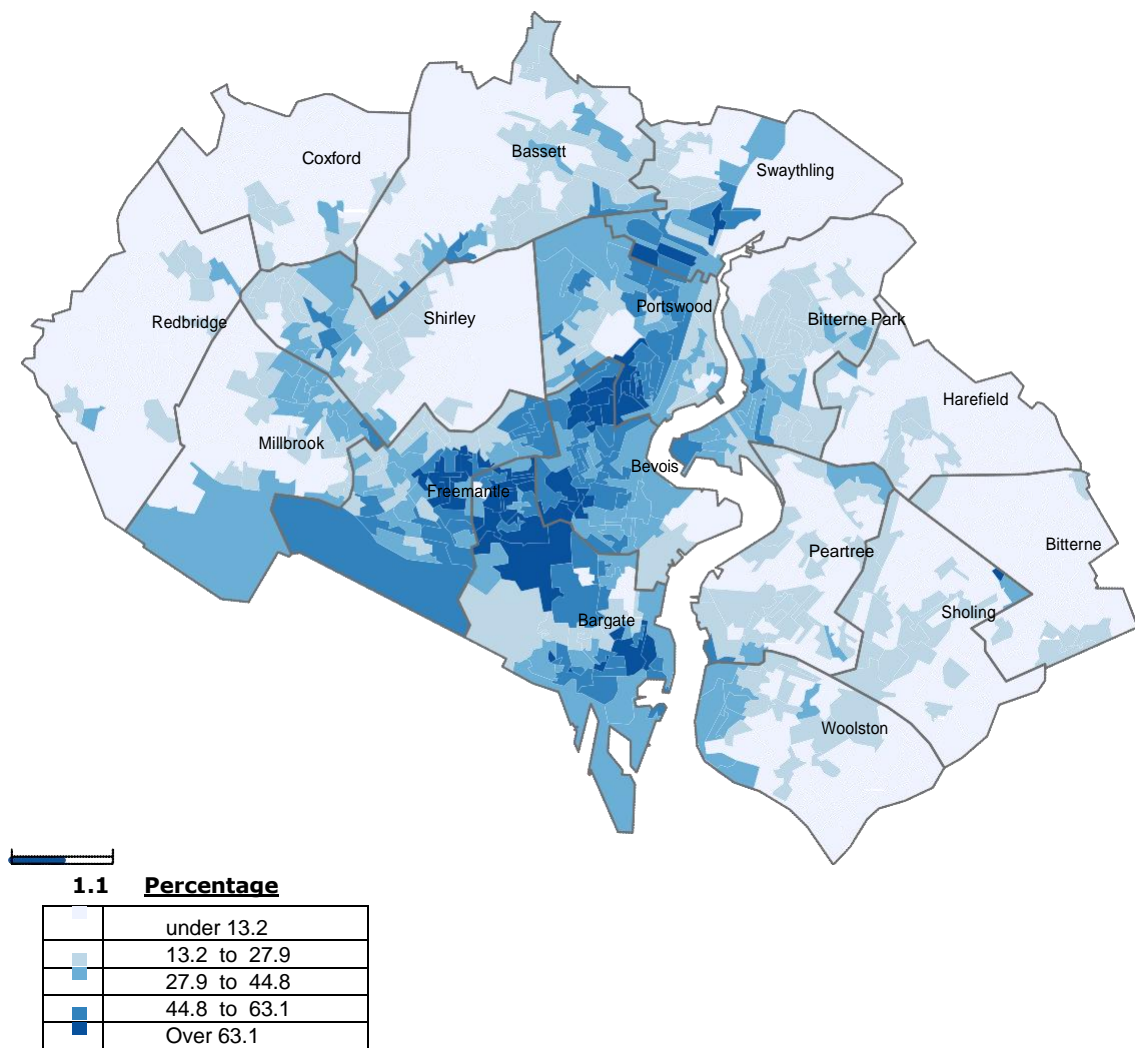


Figure 1: Tenure (Private rented: Private landlord or letting agency)

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 Singleton www.alex-singleton.com.

The proportion of privately rented homes is higher in Southampton than other comparable local authorities for example Portsmouth has 18%, Brighton and Hove 23% and Bournemouth 22%. All of which are on the south coast with universities.

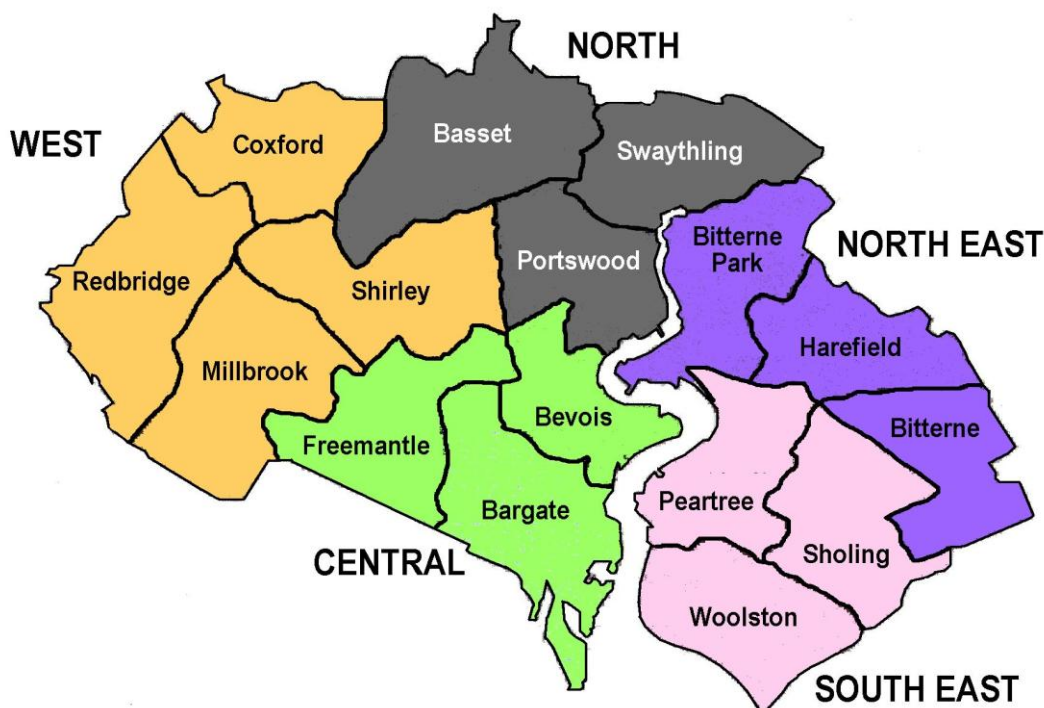
Houses in Multiple Occupation in Southampton

The number of Houses in Multiple Occupation within the private rented sector in the city is estimated to be 7,000 (SHCS 2008). These are not spread evenly across the City but there are areas of very high density and moderate density and low density as well as areas where there are not believed to be HMOs. Approximately 9.3% of dwellings in the private sector are HMOs (SHCS 2008), this can be compared to the national average of 2% of dwellings (EHCS). To put this into context it is higher than Portsmouth (5.9%) and Bournemouth (7.3%) but less than Brighton and Hove (20%).

For the purposes of the CPC Survey the following definition of an HMO was applied:

- An entire house or flat which is let to 3 or more tenants who form 2 or more households and who share a kitchen, bathroom or toilet.
- A house which has been converted entirely into bedsits or other non-self contained accommodation and which is let to 3 or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities.
- A converted house which contains one or more flats which are not wholly self contained (i.e. the flat does not contain within it a kitchen, bathroom or toilet) and which is occupied by 3 or more tenants who form two or more households.

Electoral ward grouping by areas identified in the Southampton House Condition Survey.



The city is divided into 16 wards and the estimated 7,000 HMOs are not distributed evenly across them but can be found in concentrations in a spine though the centre of the city and these are across the central, north and west areas. Bassett, Millbrook, Freemantle and Shirley wards are within these three areas.

Areas	Dwellings	Percent
North	1,800	25.7%
West	400	5.7%
Central	4,100	58.6%
North East	300	4.3%
South East	400	5.7%
Total	7,000	100%

Table of HMO distribution taken from Stock Condition Survey 2008

When considering this as a part of the overall housing stock, the numbers of HMOs across all areas show that almost one in four homes in the central area of the city are in multiple occupation, the second highest proportion is found in the North of Southampton at 13%. These are shown on the following table.

Areas	Dwellings	Percentage all properties in the City	Number of HMOs	Percentage of HMOs in area
North	13,500	17.9%	1,800	13.3%
West	17,200	22.8%	400	2.3%
Central	17,100	22.7%	4,100	23.97%
North East	13,100	17.4%	300	2.3%
South East	14,500	19.2%	400	2.75%
Total	75,400	100%	7,000	9.2%

Table showing Private Sector stock totals by sub-area

HMO type and occupancy

The vast majority of HMOs in the city are shared houses. Purpose built blocks of flats represent a little over 7% of HMOs and one in four are bedsits.

Estimated numbers from the stock condition survey are shown in the table below.

HMO Type	No of Dwellings	Percent	No of Buildings	Percent
Bed Sit	1,900	27.1%	1,900	28.8%
Converted Flat	600	8.6%	300	4.5%
Other	200	2.9%	100	1.5%
Purpose Built Flat	500	7.1%	500	7.6%
Shared House	3,800	54.3%	3,800	57.6%

	7,000	100.0%	6,600	100.0%
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Table of HMO types taken from Stock Condition Survey 2008

The actual usage of HMO properties in Southampton as recorded on the Environmental Health database are shown below. This data is incomplete but indicative of the spread across the different types of HMO. (Please note that complete data is available for the wards where additional licensing is already in force).

Ward	Shared Houses	Bedsits	Unclassified type of HMO	Flat Conversions	Other	Total
Bargate	584	12	286	22	6	910
Bitterne	2	0	4	1	0	7
Bitterne Park	30	6	19	22	2	79
Bassett	103	3	54	12	1	173
Bevois	809	31	337	88	4	1,269
Coxford	4	0	3	1	0	8
Freemantle	193	40	70	103	15	421
Harefield	3	0	3	2	1	9
Millbrook	34	6	18	19	0	77
Peartree	12	3	11	8	0	34
Portswood	510	12	292	34	2	850
Redbridge	8	1	5	1	1	16
Shirley	37	6	23	16	0	82
Sholing	3	1	2	2	0	8
Swaythling	365	5	166	15	3	545
Woolston	9	2	2	7	1	21
Total	2,706	128	1,295	353	36	4,509
%	60	2.8	28.7	7.8	0.8	

Data as of 30th September 2014

The house condition survey identified that the age profile of HMO residents shows a predominance of those in the age band 16 to 24 (48.6%) followed by the 25 to 34 age band (35.4%).

Vulnerable households are defined as those in receipt of the benefits listed below, certain of which are means tested:

- Income support
- Housing benefit
- Council tax benefit
- Income based job seekers allowance
- Attendance allowance
- Disabled living allowance
- Industrial injuries disablement benefit
- War disablement pension
- Pension credit

- Working tax credit (with a disability element) [total income < £15,460]
- Child tax credit [total income < £15,460]

At the time of the CPC Survey, 810 HMOs were occupied by residents in receipt of one of the benefits listed above. Of these an estimated 340 were assessed as non decent, which represents 42% of vulnerably occupied HMOs, compared with 44.4% of dwellings in the wider stock. It should be noted that these figures are affected by the high proportion of HMOs occupied by students, who are generally not vulnerable as they do not receive benefits. As a result, the overall proportion of HMOs with vulnerable households is relatively small.

The 2011 census data shows the spread of houses only occupied by full time students in the City (figure 2)

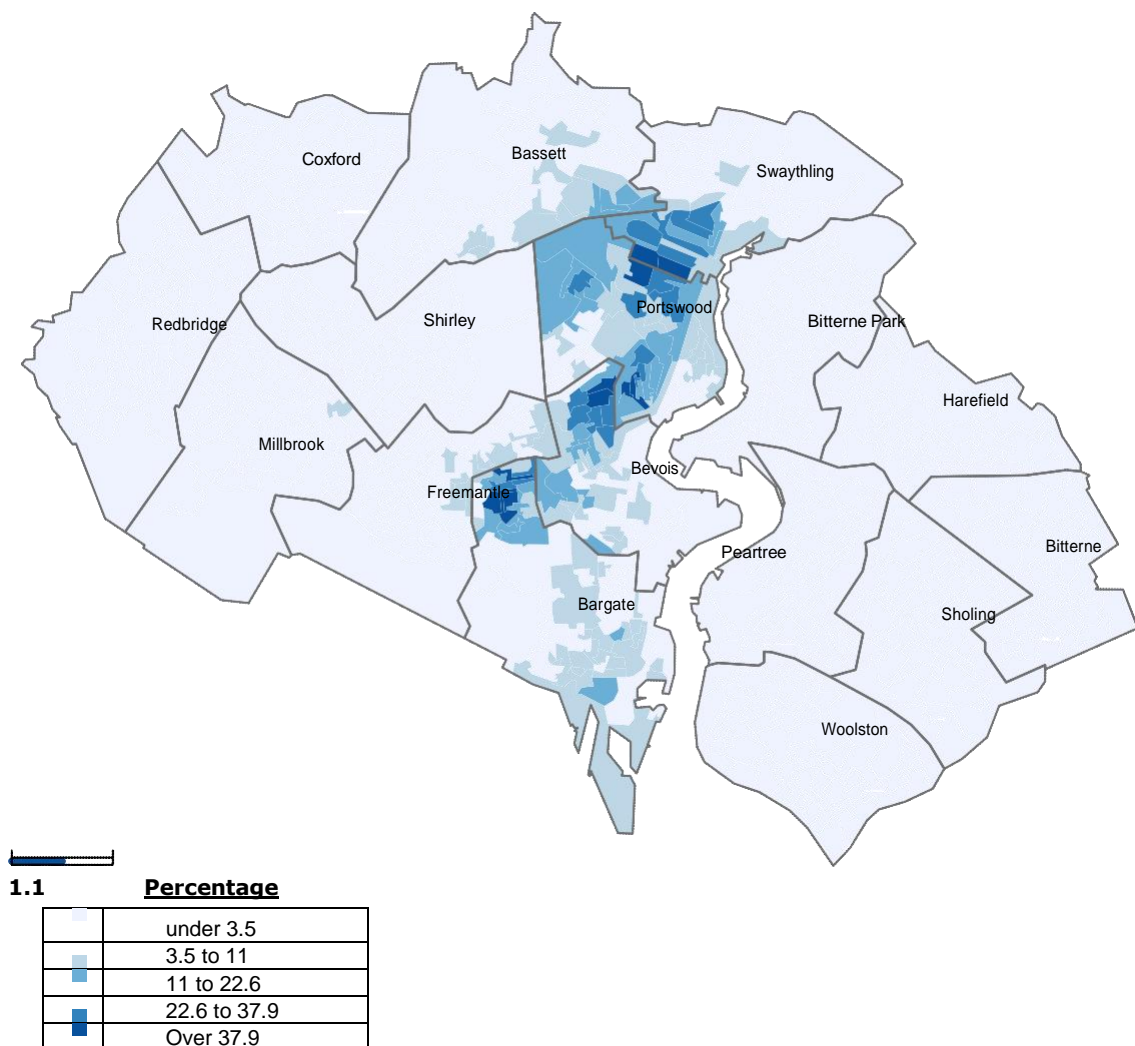


Figure 2: Household composition (Other household types: All full-time students)

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 Map created by Alex Singleton www.alex-singleton.com.

It indicates that the majority of HMO properties in the City are not occupied by full time students, particularly in areas outside Portswood, as the areas with high numbers of HMOs do not correspond completely with the areas occupied by full time students.

As part of the survey work carried out for the house condition survey a detailed breakdown of the members of each household surveyed was undertaken and this enabled the extent of any overcrowding to be assessed.

The following table looks at the levels of overcrowding in HMOs:

Area	Overcrowded	Not Overcrowded
North	20.1%	79.9%
West	34.9%	65.1%
Central	13.7%	86.3%
North East	6.5%	93.5%
South East	20.8%	79.2%
All HMOs	16.8%	83.2%
Southampton all private sector dwellings	4.2%	95.8%

The table indicates, however, that overall, the level of overcrowding in HMOs is substantially higher than in the private sector housing stock as a whole. The rate of overcrowding in HMOs means that just under 1,200 HMOs are overcrowded.

The Health Profile 2012 for Southampton from the Department of Health states that deprivation in the city is higher than the national average. The percentage of residents of Southampton living in deprivation is 25.5%, and the England average is 19.8%.

Property Conditions

Legislation and standards covering private rented properties includes the Housing Health and Safety Rating System in the Housing Act 2004 and the Decent Homes Standard. Houses in Multiple Occupation are also required to comply with local standards relating to space and amenity standards, and some types of Houses in Multiple Occupation are required to comply with the Regulatory Reform (Fire Safety) Order 2005. All HMOs are required to have appropriate fire safety precautions as part of a risk assessment under the Housing Health and Safety Rating System.

The Decent Homes Standard has been set by government and means that properties must be in a reasonable state of repair, have reasonably modern facilities and services, provide a

reasonable degree of thermal comfort and meet the minimum statutory standard (to be free of Category one hazards assessed by the Housing Health and Safety Rating System).

From the HMO data collected as part of the House Condition Survey, it is estimated that 2,940 HMOs (42.1%) fail to meet the Decent Home Standard (not decent), which compares to the overall stock proportion of 37.7%. The table below gives a breakdown of the reasons for non decency failure within HMOs and compares that against the overall stock position.

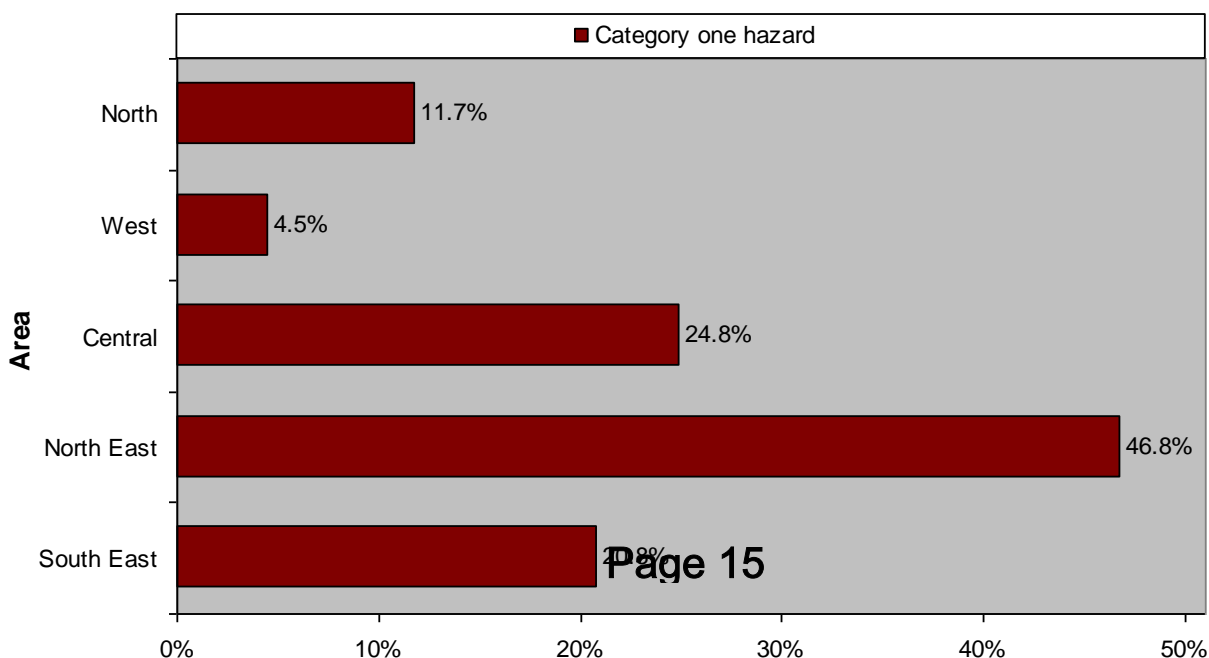
Reason	Dwellings	Percent (of non decent HMOs) ¹	Percent (of HMOs)	Percent (of stock)
Category one hazards	1,450	49.3%	20.8%	18.5%
In need of repair	1,060	36.0%	15.2%	11.2%
Lacking modern facilities	20	0.7%	0.2%	0.6%
Poor degree of thermal comfort	1,210	41.1%	17.4%	21.2%

Table of Reasons for failure of dwellings as a decent home taken from the Stock Condition Survey (HMO may fail for more than one reason, therefore, the total for failures can add up to more than 100%)

The Housing Act 2004 introduced a tool to assess defects in properties known as the Housing Health and Safety Rating System (HHSRS). This risk assessment system allows local authorities to quantify the likelihood of someone being at harm as a result of the defects in a particular property, and the severity of the harm that may be suffered. By doing so it uses a scoring system to sort the defect or defects into either category 1 (bands A-C) or category 2 hazards (bands D-J).

Generally, category one hazards and disrepair are higher in HMOs than the overall stock rates. The Survey concluded that the proportion of HMOs with a category one hazard is 20.8%, compared to 18.5% of dwellings found in the overall stock.

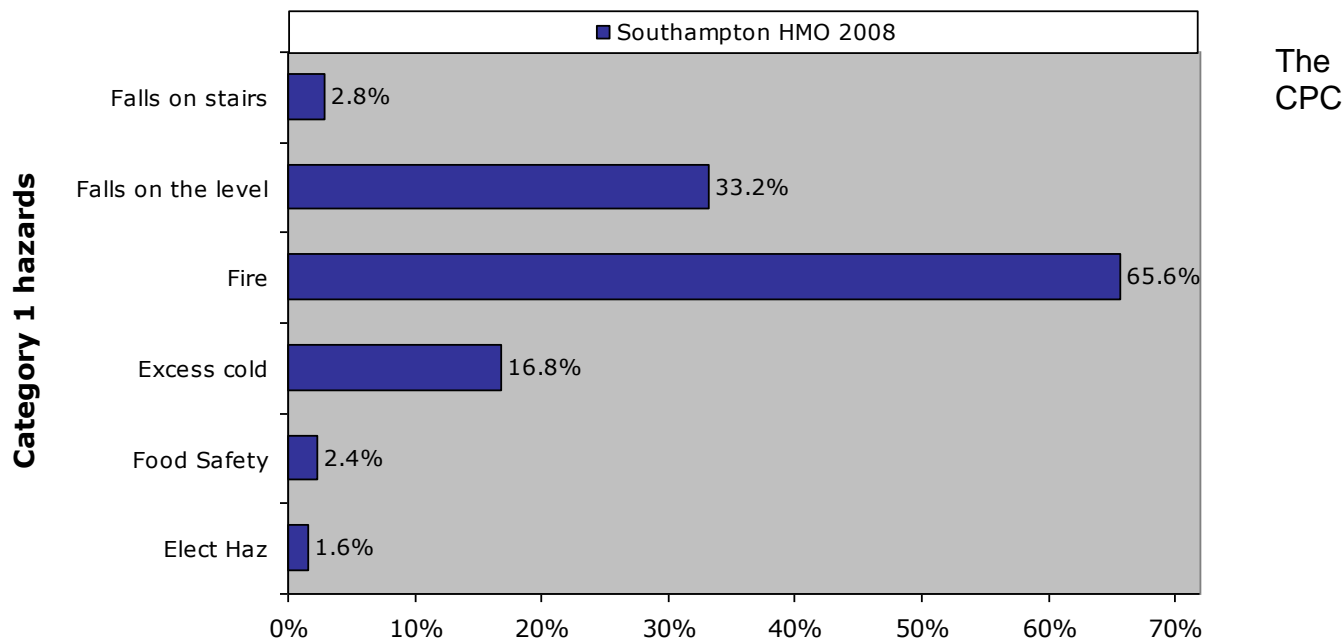
The Survey also considered the category one hazard failures by area. The highest rate of failure is found in the North East (46.8%) followed by the Central (24.8%). The lowest rate is found in the West (4.5%). The following table displays the breakdown of category one hazards in HMOs by area.



Rates of category one hazards by sub-area from the Stock Condition Survey 2008

The chart below displays the breakdown of the types of category 1 hazard in HMOs, taken from the 2008 CPC Survey. The Fire hazard is the most commonly occurring category 1 hazard in HMOs.

Table showing Category 1 hazard reason, as % of category 1 hazards



Survey estimates that the total level of basic remedial works to HMOs with a category one hazard is an average of £3,200 with the comprehensive repair cost being an average of £12,800 per dwelling. Comprehensive repair is the level of repair and improvement needed so that no new work is required to the dwelling, in the next 10 years.

There are an estimated 2,900 (41.5%) of HMOs that have a least one category two hazard (bands D and E only) compared to 38.2% in the wider stock.

Category two hazards (bands D and E) are most associated with pre 1919 (49%) and 1945 to 1964 (52%), converted flats (62.1%) and shared houses (43.1%).

In terms of assessing fuel poverty, the data in the report relates to the previous definition where households were considered to be in fuel poverty if they spend 10% or more of their income on fuel to adequately heat their home. The new definition identifies households who have higher costs to keep warm and also have a lower than average income. It is difficult to assess fuel poverty in HMOs as they are often more complex with communal areas and shared bills or included in the rent. However, there are an estimated 1,200 (17.1%) HMOs containing residents in fuel poverty compared to 8% in the wider stock. HMO tenants are therefore twice as likely to be fuel poor than other Southampton residents. By the very nature of fuel poverty, it is almost always associated with those residents on the lowest incomes. 1,000 (92%) of those in fuel poverty within HMOs were found where household incomes were below £10,000 per annum.

5. HMOs – Associated Problems in the City

Council and other services – what has been happening so far?

Southampton City Council understands that multiply occupied housing is a valuable housing option for residents and has been responsive in providing services that have tried to meet the identified needs of tenants and landlords. These services have changed over time as legislation and standards have changed, more recently as a result of other factors including budgetary pressures and political influences.

Environmental Health – Housing Complaints

The Environmental Health team receive and process complaints about disrepair and management of private rented properties. This service is available to all private tenants and includes both HMOs and non HMOs.

When complaints about private rented properties are received by Environmental Health they are assessed and prioritised through the Reactive Workload Prioritisation Scheme (RWPS). The RWPS consists of initial receipt and advice provided by Business Support Staff, and a number of simple requests are resolved at this first point of contact. The service requests are processed through a duty officer system; more details are gained through a telephone conversation about the problems and the property in general. A priority rating is assigned to the complaint.

The priority ratings are Emergency, High Priority, Other Priority, and Non Priority. In Emergency cases action will be taken to assist as soon as possible after the complaint has been received, this is generally where it is likely to be a serious risk of imminent harm to health. High priority cases are inspected within four weeks from the date of receipt of the complaint, although contact is made with the landlord to try and ensure the problems are rectified sooner.

The total number of requests for service are shown in the table below. This shows that approximately a third of all requests for service are from tenants living in HMOs, proportionally higher than the percentage of dwellings that are HMOs. Although the data for 2014 is for a 6 month period, the number of service requests is higher during the winter months and not proportionally spread through the year. Therefore no inference can be drawn from a lower number than in other years.

Year	Number of service requests (total)	Number of service requests in HMOs	% Service requests from HMOs
2009/10	602	n/a	n/a
2010/11	572	n/a	n/a
2011/12	555	n/a	n/a
2012/13	722	225	31
2013/14	660	222	34
2014 (01/04-30/09)	206	70	34

The number of service requests have been analysed to determine where in the city they relate to, most of the service requests are from the Central and North areas.

Ward	2009/10 (%)	2010/11 (%)	2011/12 (%)	2012/13 (%)	2013/14 (%)	2014 (01/04/14-30/09/14) (%)
Central						
Bargate	13	12	14	20	14	12
Bevois	18	17	15	19	20	27
Freemantle	11	12	11	11	11	11
North						
Bassett	3	4	2	4	3	5
Portswood	11	8	11	9	10	10
Swaythling	6	4	6	5	6	8
West						
Coxford	3	2	2	1	3	3
Millbrook	7	6	5	5	3	3
Redbridge	3	2	3	2	3	2
Shirley	5	7	6	5	5	4
North East						
Bitterne	1.5	3	3	2	1	0
Bitterne Park	4	5	6	4	4	4
Harefield	3	4	4	2	2	2
South East						
Peartree	5	6	3	4	6	3
Sholing	1.5	3	3	3	2	1
Woolston	5	5	6	5	6	3

Table: Proportion of service requests from HMO properties 2012-14

	Service requests from HMO	Service requests from non HMO	Total service requests received	%HMO
Bargate	156	105	261	59.7
Portswood	85	67	152	55.9
Swaythling	42	49	91	46.2
Bevois	143	181	324	44.1
Freemantle	43	130	173	24.9
Bassett	11	47	58	19.0
Millbrook	8	56	64	12.5
Shirley	9	68	77	11.7
Bitterne park	6	59	65	9.2
Woolston	6	72	78	7.7
Coxford	2	29	31	6.5
Peartree	2	70	72	2.8
Harefield	1	36	37	2.7
Sholing	1	38	39	2.6
Redbridge	1	41	42	2.4
Bitterne	0	24	24	0.0
Total	517	1,071	1,588	32.6

Enforcement action can be taken by Environmental Health staff under the Housing Act 2004. HMOs are often found to be in poor condition or not compliant with the HMO amenity and space standards. Of all the service requests received by Environmental Health relating to housing conditions, approximately one third are from tenants living in HMOs. This is not consistent across the wards in the City, in fact the percentage of service requests from HMOs is higher in the four wards included in the 2013 Additional Licensing area (Bargate, Portswood, Swaythling and Bevois) and the next four highest are Freemantle, Bassett, Shirley and Millbrook. The service operates under a published enforcement policy; this sets out that in most cases an informal approach to property owners should be used before service of a formal notice. In some cases this is not appropriate for example due to the seriousness of the issues being presented and the imminency of a risk to health and safety; in these circumstances remedial work is required through an enforcement notice. This has resulted in much fewer enforcement notices being served but a similar numbers of properties improved.

The table below shows a cross section of inspections carried out in the last three financial years, and displays how many were HMOs and how many were other private rented properties. Please note inspections connected with HMO licensing process were not included in this data. The data in the table shows that the percentage of inspections carried out in HMOs is significantly higher than the proportion of HMOs in the city.

	2009-10	2010-11	2011-12	2012-13	2013-14	2014
No. of HMOs visited	30	54	53	n/a	18	n/a
No. of non-HMOs visited	18	69	63	n/a	65	n/a
Total	48	123	116		83	
% of Total	62.5%	44%	46%		22%	

Table showing housing inspection stats for Environmental Health staff

Determining the risk of fire in an HMO property depends on a number of factors and as the LACORS Housing - Fire Safety guidance points out, each case must be considered on its merits. However it also points out some of the common contributing factors that would raise the level of risk in an HMO, such as a non-standard layout or occupants with drug or alcohol dependency.

The guidance shows that the level of risk in an HMO rises with the size and layout of the HMO, but also the type of tenancy the occupants have. For example a property with occupants on individual tenancy agreements would be considered to have a higher risk of fire than a similar sized property with a group of tenants on a single tenancy agreement.

The Housing Health and Safety Rating System states that an adult living in either a self contained flat or bedsit accommodation in a building of three storeys or more is roughly 10 times more likely to die in a fire than an adult living in a two storey house.

The report titled Fire Risk in HMOs carried out by the Department of the Environment, Transport and the Regions found that 1 in 62,510 people living in an HMO of any type died from a fire during the study period, compared to 1 person in 140,000 living in single occupancy dwellings. The different types of HMOs carry different levels of risk with bedsit type HMOs carrying the highest risk. This data is relatively old (1994-1995), but it provided part of the evidence base for HMO licensing within the Housing Act 2004.

HMO Licensing

Since 1 July 2013 all HMOs (except houses converted into self-contained flats as section 257 of the Housing Act 2004) in the wards of Bevois, Bargate, Portswood and Swaythling have been required to be licensed.

At the end of April 2015, 2520 applications for HMO licences had been received across the four wards (107 of these applications were incomplete at this date). There are an estimated 4,500 HMOs in this area.

Southampton City Council have allowed landlords to use an independent surveyor to carry out the inspection of their property for the HMO licensing Process and submit a property condition report with their application. Independent surveyors must meet certain criteria for Southampton City Council to accept property condition reports produced by them. The proposal is to continue with this option being available for landlords in the existing designation and in the proposed new designation, but with a number of key differences.

The processing of applications for the current additional HMO licensing scheme has resulted in specific conditions being applied to 57.2% of HMO licences issued overall. However, it must also be recognised that as approximately 58% of the HMOs we have received applications for to date had received a visit and had a report produced by an independent surveyor rather than a Council employed surveyor; and the actual condition of the property at the time of the visit is not known to the Council. It should be noted that an unknown number of properties had been improved to current standards before the HMO licence was issued, so the 57.2% figure is almost certainly lower than the actual amount.

Of the remaining properties that were visited by Council employed surveyors, 85% resulted in specific conditions being applied. This is a more accurate representation of the number of properties improved through the additional HMO licensing scheme.

The independent surveyors who were formerly approved by Southampton City Council have provided figures to suggest that 45% of the properties they visit have a category 1 hazard, with the majority of these being fire safety improvements.

The specific conditions applied to a licence are related to space standards, amenity provision or improvements to fire safety at the property. A random 10% sample of additional HMO licences issued with specific conditions showed that 91% of these have fire safety conditions, 39% amenity standards and 5% space standards.

Overall 45 category 1 hazards were identified through the HMO licensing process. However this does not include the number identified by independent surveyors and rectified prior to the application being submitted, nor does it include category 1 fire hazards.

Enforcement Information

The scheme needs to ensure that all HMOs in the designated area have been licensed. There are an estimated 4,500 HMOs and a little over half this number of applications have been received. There is therefore a need to find the unlicensed properties and ensure that an application is made by the landlord; also to consider prosecuting for them failing to licence their property. In order to do this potential HMOs have been identified from a variety of sources including:

- Housing enforcement records including previous complaints
- Council Tax
- Electoral roll (multiple surnames at a property)

- Door to door enquiries by the HMO wardens – 83 streets have been systematically surveyed based on the highest likelihood of finding HMOs.
- Data gathered from other sources, i.e. landlord associations, resident groups etc.

Ownership information is then obtained from Council Tax or Land Registry enquiries or enquiries of tenants or agents. At least two and in most cases three letters are sent requesting applications before a Notice of Entry is served and the property visited. If the property is found to be an HMO and not licenced by the time of the enforcement visit further enquiries are undertaken with a view to prosecuting the owner. At this stage an application is considered as mitigation and would not necessarily cause the prosecution to stop. At all stages, the quality of the information held is reviewed to try to avoid unreasonably imposing visits on tenants and landlords.

Since late September 2014 an Environmental Health Officer has been dedicated to the enforcement work. To date 186 final warning letters have been sent out resulting in some 120 complete applications. 24 properties were found not to be licensable.

Landlords with both large and small property portfolios have been encouraged to bring forward their applications. The extent of this leverage is difficult to estimate, but it is reasonable to assume that for every application submitted following a final warning letter another two applications are also generated.

In excess of 40 enforcement visits have taken place and three prosecution cases have been successfully pursued to a conclusion. Details of fines and costs awarded are given below:

Case	Date of Offence	Date of Hearing	Plea	Fine Imposed	Costs awarded	Victim surcharge
Case 1	14.11.2014	18.03.2015	Guilty	£600	£630	£60
Case 2 (2 defendants)	21.10.2014	1.05.2015 (after 2 adjournments)	Guilty Guilty	£1000 £1000	£390 £390	£100 £100
Case 3	27.11.2014	22.04.2015	Guilty	£2000	£569	£120

HMO Wardens

In areas where there are high densities of HMOs there are various issues that can be attributed to that type of housing. These include noise nuisance, littering, contaminated waste bins and the visual appearance of the area, particularly in relation to letting boards and dumped waste.

An HMO Warden has been in post since 1st April 2014 with an additional HMO Warden from November 2014. The role of the HMO Wardens are to improve street scene and reduce nuisance for neighbours by ensuring removal of surplus and extended stay letting boards and removal of waste in gardens and front yards.

To date the HMO Wardens have dealt with in excess of 300 properties where letting boards were left up for an extended period or there were multiple boards. They have also dealt with over 150 cases of excessive waste at properties that were referred from the Waste

Services team (which involved follow up with landlords and tenants to ensure the waste was disposed of correctly). Other issues dealt with have included rubbish on pavements, rubbish on properties, noise, bins on pavements and they referred almost 100 cases of waste issues on to the council's Actionline for clearance to be arranged.

To date, 42 notices under Section 225 of the Town and Country Planning Act 1990 have been issued by the HMO Wardens instructing landlords to remove letting boards that are displayed illegally. Of these 42, only 1 letting board has had to be forcibly removed by the HMO Wardens themselves.

The Wardens have developed partnership working with the Community Payback scheme, supervising those taking part to clear rubbish accumulations and bulky fly tipped waste on a regular basis from different parts of the area.

Housing Advice and Homelessness Service

The Housing Advice and Homelessness Services within Southampton City Council receive complaints from HMO tenants. These complaints include tenancy agreement disputes, conditions of properties, eviction notices, and criminal activity.

Environmental Health

The Environmental Health service of the council receive, investigate and respond to a high volume of service requests (complaints) each year from residents, tenants and neighbours. These are in relation to a wide range of issues including noise, drainage, bonfires./smoke, rubbish accumulations, overgrown gardens and pests.

These are responded to by locality based teams who take reasonable steps to investigate and then take the appropriate enforcement action if needed. For example the highest number of complaints is about noise and if an officer determines that a statutory nuisance exists, is likely to happen, or is likely to be repeated, then an Abatement Notice can be served under the Environmental Protection Act 1990. This would usually require that the noise or other nuisance stops immediately, or within a specific time.

Initially when a complaint is received then letters are sent out to the alleged offender informing them of the issues being raised and giving an opportunity for these to stop. Following this stage if further complaints are received then officers will attempt to witness the alleged nuisance and make a judgement. If a statutory nuisance is witnessed then noise abatement notices will be served and any further nuisances caused would be a breach of this notice and a prosecution may be brought.

Southampton City Council operates a service to deal with noise problems out of office hours. Officers are on duty over the weekend evenings to respond to complaints from members of the public who are experiencing noise nuisance. The primary aim is to address persistent noise problems rather than one-off situations like parties, so priority is given to callers who have already registered their complaint with us. However they can deal with one-off parties in some circumstances.

Notices can also be served under a range of different powers for example the Prevention of Damage by Pests Act 1949 and the Public Health Act 1936.

In 2013 over 4,400 service requests were received and a similar number in 2014, it has been possible to track a number of these against known HMO addresses, the HMO database is more comprehensive now due largely to the number of licensed properties in the central designation for additional HMO licensing. In both years approximately 10% of service requests were for HMOs this is very likely to be an underestimation of the actual number of complaints; it gives an indication of the impact on residents.

This translates to just under a fifth of notices being served by this service at or for HMOs (a number of notices may be served in a HMO as one is served per resident, however figures have been adjusted so it is only one notice per address).

Year	Number of notices served on HMO	Number of notices served non HMO	% of properties HMO
2012	24	123	19.5
2013	34	186	18.3
2014	11	63	17.4

The service will also consider taking a prosecution in cases where appropriate.

Trading Standards

The Trading Standards Team is also based in the Regulatory Services division of Southampton City Council. Trading Standards will receive complaints relating to letting or managing agents, and often these complaints will relate to HMO properties.

The Trading Standards team have several ways that they receive complaints but primarily it is via e-mail. E-mails come to them in 3 ways, via Citizens Advice consumer helpline who provide initial civil advice for Trading Standards Services, via the Trading Standards e-mail box and via personal e-mails. The Team do not necessarily take action on all of the referrals as some of them may be purely for information.

The complaints received by Trading Standards about letting or managing agents are primarily to do with rental disputes, tenancy agreements and deposits.

Waste Services

The Waste and recycling teams in Southampton City Council experience a number of issues relating to HMOs in their area of operation. The most common problems are as follows:

- Lack of ownership for managing waste and recycling due to multiple occupants resulting in:
 - Bins left on pavements
 - Low participation in recycling

- Contamination of recycling
 - Bins left out then get knocked over and result in litter problems
 - Contaminated bins are left, but are never dealt with by tenants and so become an ongoing problem. This results in additional crews being required to return and collect the bins and higher service costs.
 - End of term student clear out resulting in:
 - Bulky items and rubbish being dumped in gardens, on the highway, in alleyways and by recycling banks
 - Overflowing bins and side waste
 - Severe contamination of recycling
 - Bins not put out for collection
 - Scavengers also rip open the bags and create additional litter problems
- Communication barriers/issues due
 - Multiple occupants
 - High turnover of tenants e.g. students and therefore constant need for communication and education
 - Language and cultural barriers (due to high levels of migrant workers in HMOs)
 - A large number of different landlords who are not always easy to identify or communicate with (this has been assisted by the existing designation providing a more comprehensive database of landlord names and addresses).
 - Landlords do not always take responsibility for dealing with bulky waste and rubbish when tenants move out.

The waste and recycling team regularly visit areas where there are significant issues with any of those identified. They provide information and advice to occupiers about waste collection days and the recycling regime that operates in the city. These have been more frequent in areas of the city where there are known to be a higher concentration of HMOs especially those occupied by students. The service works closely with the universities and their service and volunteers to educate students about their waste; especially at peak times around the start and end of term when fly tipping is a major issue in largely student areas. The council also provides additional resources over this time period to ensure the areas are tidy and do not impact adversely on the neighbourhood. This is an additional cost to the service and a longer term sustainable solution needs to be identified in partnership with key stakeholders.

The service has been able to track issues that have occurred in properties around the city; this data has been mapped to enable areas of the city to be identified for intelligence led targeting, planning of educational events and if necessary enforcement work. The maps for each of the four wards identify higher levels of events around areas known to have higher concentrations of HMOs. These are not solely about HMOs as they cover all properties.

In the existing designation the resource has been available to work closely with tenants, managing agents, landlords and residents to reduce issues around waste. The impact of this work will show in time; changing behaviours is time intensive and has a lag time for residents and the community to see visible area improvements.

Partners

Universities

SASSH

The Southampton Accreditation Scheme for Student Housing (SASSH) run by both universities in conjunction with Southampton City Council provides a voluntary forum for landlords to advertise their properties for rent. To do so they must ensure that their properties meet a prescriptive standard which works on a star rating system, and the landlords rate their own properties against this standard.

University Housing Service

Southampton is home to two higher education institutions - Southampton University and Southampton Solent University. Consequently over 40,000 students are living and studying in the city.

Southampton University provides more than 5,000 bedrooms in halls of residence across the city, and Southampton Solent University provides more than 2,300. Consequently more than 30,000 students are thought to live in private accommodation.

The universities receive a number of different complaints to both the student housing departments and the students' unions. The common types of complaints received from HMO occupants include tenancy agreement disputes, disrepair issues, conduct of the landlord/agent, deposit disputes and pests.

Hampshire Constabulary

The council continues to work closely with the police both on an operational level but also with specific initiatives and campaigns. Regular meetings are held; Police Officers and PCSOs have shown support for the existing designation and the proposals for the new designation including attending open access events as part of the consultation process

Hampshire Police operate in beat areas and activities are recorded in each beat. Domestic Burglary, Criminal Damage, and Antisocial behaviour have been identified as issues in relation to poor management and property conditions. There are correlations with the recorded incidents with areas known to have higher concentrations of multiply occupied properties. Levels of reported domestic burglary are also higher in areas where there are larger numbers of HMOs. It has been difficult to identify issues with individual properties across the proposed area; at a ward level, analysis of the crime data from 2013/14 shows higher levels of neighbourhood ASB in Freemantle, Shirley and Millbrook than Bassett. Other issues such as street drinking, drugs and rowdy/inconsiderate behaviour, although not property specific show trends of being higher in areas where there are more HMOs. There are other factors that are important to consider when assessing this; the data provides an indication of the issues in each of the wards.

Hampshire Fire and Rescue Service

The council works very closely with the Fire Service on a day to day operational level; partnership working has enabled support for targeted work, campaigns and initiatives. Regular meetings are held and Fire Officers have shown support for the existing designation and the proposals for the new designation, including attending open access events as part of the consultation process.

Hampshire Fire and Rescue Service respond to fires and complaints about fire safety. They enforce the Regulatory Reform (Fire Safety) Order 2005 which also covers certain types of HMOs as well as commercial premises.

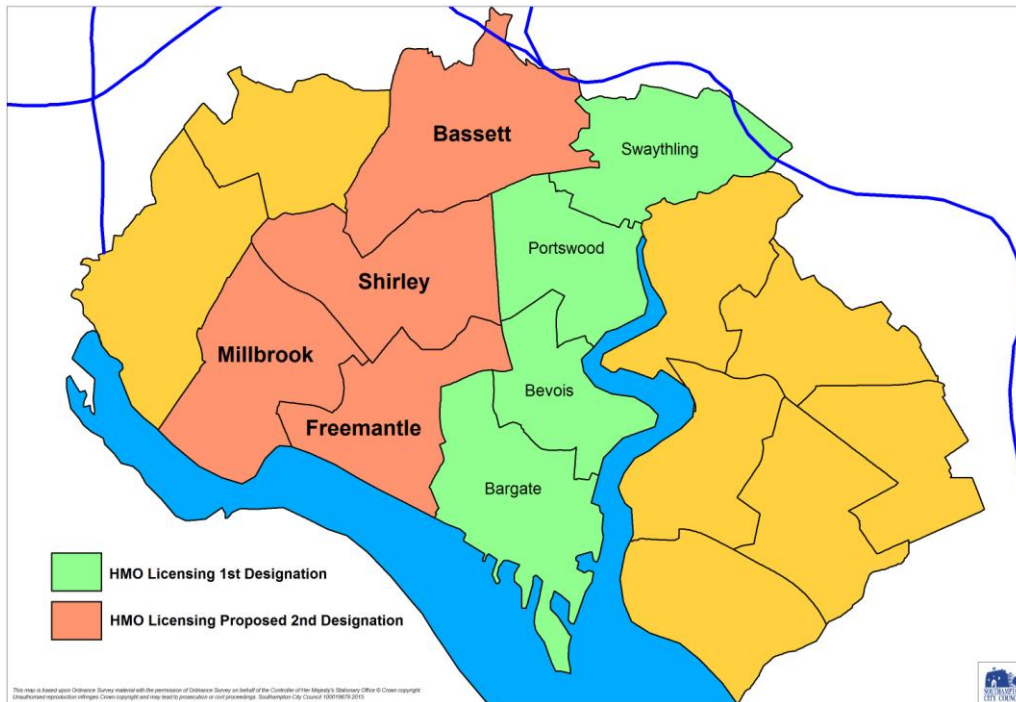
Fire safety is a significant concern in relation to HMOs. The fire hazard (HHSRS) is one of the most common issues requiring remedial action in HMOs both in terms of provision of the appropriate measures but also putting into place effective management arrangements to ensure it is maintained and able to perform effectively if needed. In the existing designation 91% of licenses issued with conditions had fire safety related ones applied and 45% of the properties on inspection had a category one hazard in relation to fire. In many properties this can be as straightforward as mains powered smoke detectors; the requirement is for fire safety risk assessments to be complete on a property by property basis and the appropriate measures identified and installed (using the guidance).

Overall, across the country there has been an increase in the number of households who have a working smoke alarm up to 88% in 2014 from 76% in 2002/03. Despite these improvements private renters are less likely to have a working smoke alarm than owner occupiers or tenants renting from a social provider.

6. The proposed area

There are an estimated 2,000 HMOs in Shirley, Freemantle, Bassett and Millbrook electoral wards. This together with the 4,000 in the existing designation for additional HMO licensing are where the majority of the HMOs in the city are located.

The proposed area is co-located with the existing designated area, to west and north-west; there are a few distinct main areas where the evidence shows there are higher concentrations of HMOs.



Freemantle has the highest number of homes that are rented privately; and HMOs and between 2012 and 2014 these were responsible for one in six of the service requests received about housing related issues. These are the next four highest per ward after the wards in the existing designation.

Ward	% of total homes that are rented privately
Freemantle	44.8
Bassett	23.1
Shirley	20.4
Millbrook	19.5

In terms of service requests, overall, over the same period one in three service requests for housing related assistance came from HMOs and the remainder from the wider private rented sector. When looking in more detail at the type of service requests it shows that tenants come forward to raise concerns about the conditions of a property and in many cases also issues around the management of properties. Analysis of a sample of 75 service requests showed that there were 121 breaches of the management regulations identified,

10 had a category one hazard for fire, 14 had a significant hazard for excess cold and a further 7 category one hazards were identified. Damp and mould issues are a common complaint and 31 cases were identified to be a category 2 hazard for this. A further 49 category 2 hazards were identified ranging from food safety to personal hygiene, sanitation and drainage. Just over half of the sample were from HMOs in the proposed area. The 42 properties had 72 management breaches and 48 category 1 and 2 hazards. Complaints in Freemantle and Shirley were mainly from bedsit style HMOs and converted flats; in Bassett from shared houses. Although a relatively small number, the data is consistent with information about the profile of HMOs across the 4 wards from the Southampton House Condition Survey. Only 5 properties were in Millbrook ward; the analysis showed that these generated almost 20% of the total number of management breaches and category 1 and 2 hazards.

7. OPTION APPRAISAL

The Council must consider whether there are other courses of action available to them (of whatever nature) that might provide an effective method of dealing with the problem or problems in question.

The Council must consider that making the designation will significantly assist them to achieve the objective.

The Council must consider that making the designation will significantly assist them to deal with the problem or problems.

The Housing Act 2004 (section 56(2)) requires that before making a designation to extend HMO Licensing for a particular type of HMO, or for a particular area, a local authority must consider whether there are any other courses of action available to them that might provide an effective method of dealing with the problem or problems in question.

A two stage appraisal of the options open to the Council was carried out in accordance with Government guidance. The first stage involved the development of key options available for tackling poor quality problematic HMOs in the City and consideration of the strengths and weaknesses of each.

The second stage involved the appraisal of the options against key objectives identified to help contribute towards the Council's vision for the city's private rented sector.

1. *Do nothing*

This option would involve the Council doing nothing to intervene in the small HMO sector this would leave the local housing market to be the driver for landlords carrying out improvements to their properties.

2. *Do the minimum (reactive inspection programme only)*

This option would mean that the Council intervention in the small HMO sector being limited to a basic complaint response service with action by other departments and agencies on a largely ad hoc basis. The option is reactive and relies on the housing market as a driver for landlord-initiated housing improvement across the board. All council services would continue to use their existing enforcement powers.

3. *Informal area action (Proactive inspection programme)*

This would be delivered through non-statutory Action Area, considering parts of the city where there were concentration of poorly managed or maintained properties. The driver for the housing improvement would come from a combination of council activity from different services focussing work in the area and landlord activity (including peer pressure).

4. *Voluntary Accreditation.*

Accreditation schemes have a set of standards (or code) relating to the management or physical condition of different HMOs and recognise properties/landlords who achieve/exceed the requirements. Southampton currently has an accreditation scheme for student housing (SASSH) operated by the universities. Any new scheme for other HMOs would run alongside.

5. *Targeted use of Interim Management Orders (IMOs) and Final Management Orders (FMOs).*

The Housing Act 2004 gives local authorities powers to use Management Orders for talking comprehensive and serious management failures.

6. *Article 4 Direction only.*

The council implemented an Article 4 Direction to require planning consent for any change of use from single dwelling house (C3) to a small HMO (C4) in March 2012. This option would rely on the use of this power to control the numbers of new HMOs and the market to drive property improvements.

7. *City Wide Additional Licensing Scheme.*

Licensing would be extended to all HMOs in the city (in all 16 wards) and would include all smaller multiply occupied properties not currently subjected to Mandatory HMO Licensing or the existing designation for additional HMO licensing.

8. *Area-based Additional licensing scheme.*

Licensing would be introduced in selected wards in the city where there is the highest concentration of HMOs and the evidence demonstrates that there is the greatest need.

Assessing the options

Each option was assessed against the objectives:

- Keep occupants safe by ensuring effective management of all HMOs
- Improve living conditions by ensuring that appropriate facilities are provided
- Improve housing standards and maintenance within HMOs, with a particular emphasis on security, fire safety and thermal comfort
- Ensure that landlords exercise appropriate management and supervision of their properties to help reduce any adverse impact of HMOs on the neighbourhood and local communities
- Build on and expand existing partnerships with landlords, managing agents, tenants, universities, community groups and others
- Encourage and support owners and managing agents of HMOs to work proactively with the Council in achieving clearly defined standards and effective management
- Facilitate stable and integrated communities through policy and the proactive targeting of risk based and proportionate interventions

- Reduce the number of complaints about HMOs received by the Council and its partners, such as universities and the fire service
- Have no adverse effect on homelessness in the city
- Ensure there is not an increase in the number of empty properties

Outcome of the Option Appraisal

OPTION ONE: DO NOTHING		
Option description	Strengths	Weaknesses
<p>There would be no involvement by the council in the small HMO sector. The market would have responsibility for improving standards.</p>	<ul style="list-style-type: none"> ▪ There are no additional resources needed. ▪ Meets the desires of landlords to have self regulation in this area of the market. ▪ The housing market would determine the quality and standards of accommodation. 	<ul style="list-style-type: none"> ▪ The council would not be able to satisfy statutory requirements and duties. ▪ Creates additional burden on resources from other council services and partner organisations i.e. waste collection, Police, Fire Service ▪ Does not address the concerns and meet the expectations of both tenants and local residents/communities ▪ The city has a larger than average number of HMOs in the city and this would not address the issues these may present.

OPTION TWO: REACTIVE INSPECTION PROGRAMME (MINIMAL)

Option description	Strengths	Weaknesses
<p>Council intervention would be limited to:</p> <ul style="list-style-type: none"> ▪ Responding to complaints about property conditions/management issues ▪ Informal and formal enforcement work to improve living conditions, management etc. ▪ Use of other wider powers i.e. Noise Abatement notices CPN for ASB, Fly tipping, Litter and waste management provisions 	<ul style="list-style-type: none"> ▪ Improves individual properties 	<ul style="list-style-type: none"> ▪ Resource intensive ▪ Relies on complaints being received about property conditions; some tenants are not able to do this for fear of retaliatory action from landlords ▪ Not proactive ▪ Although would be risk rated, no guarantee dealing with poorest properties first ▪ No additional resources for inspections or monitoring management of properties ▪ Does not tackle poor practises of rogue landlords ▪ Provides inconsistent service across the cit. ▪ Does not provide detailed information about HMO properties in the city.

OPTION THREE: PROACTIVE INSPECTION PROGRAMME

Option description	Strengths	Weaknesses
<p>The council maintains an inspection programme that targets certain property types or areas of the city.</p>	<ul style="list-style-type: none"> ▪ Improves individual properties ▪ Potential for partnership working with other agencies and organisations. ▪ Can be city wide or in smaller community areas or property types. ▪ Can be project managed ▪ May have element of self funding as able to seek to recover costs in association with work in default, enforced sale etc. 	<ul style="list-style-type: none"> ▪ Resource intensive. ▪ No additional resources for inspections or monitoring management of properties. ▪ Does not tackle poor practises of rogue landlords ▪ May provide inconsistent service across the city. ▪ Does not provide detailed information about HMO properties in the city.

OPTION FOUR: LANDLORD ACCREDITATION SCHEME

Option description	Strengths	Weaknesses
<p>The council continues with the existing SASSH accreditation scheme for student housing and consider extending to include other types of HMO.</p>	<ul style="list-style-type: none"> ▪ Improves the standard in properties where landlords engage with the scheme ▪ Good example of partnership working with other agencies i.e. SASSH. ▪ Can be used alongside other options for a more strategic approach 	<ul style="list-style-type: none"> ▪ Relies on voluntary engagement of landlords and agents ▪ Relies on self assessment of property conditions with varying results ▪ Does not tackle poor practises of rogue landlords ▪ Does not provide detailed information about HMO properties in the city ▪ Can be resource intensive as limited scope for charging.

OPTION FIVE: MANAGEMENT ORDERS

Option description	Strengths	Weaknesses
<p>Council uses the powers contained in the Housing Act 2004 part 4 to take over the management of the very worst HMOs in the city. The aim of which would be to improve them and eventually hand back control to the landlord</p>	<ul style="list-style-type: none">▪ Removes landlord responsibilities and passes them to an approved/responsible nominated agent▪ Can be used alongside other options for a more strategic approach	<ul style="list-style-type: none">▪ Resource intensive to set up and administer▪ Previous experience has shown limited suitable agents▪ Resolves issue in individual properties but does not secure long term improvement of properties, especially management▪ Does not tackle poor practises of rogue landlords▪ Provides inconsistent service across the city.▪ Does not provide detailed information about HMO properties in the city▪ Take on landlord responsibilities and need to keep for some time to resolve management issues and recover costs▪ Reactive not proactive.

OPTION SIX:USE OF ARTICLE 4 DIRECTION

Option description	Strengths	Weaknesses
Continue to control the number of new HMOs in the city in line with policy and guidance	<ul style="list-style-type: none">▪ Controls the number of new HMOs in an area▪ Already introduced in Southampton and being implemented in the city▪ Can be used alongside other options for a more strategic approach	<ul style="list-style-type: none">▪ Does not require the improvement of properties▪ Does not apply retrospectively▪ Much confusion among residents and property owners between these powers and EHH powers▪ Does not tackle poor practises of rogue landlords▪ Provides inconsistent service across the city▪ Does not provide detailed information about HMO properties in the city▪ Reactive.

OPTION SEVEN: CITY WIDE LICENSING

Option description	Strengths	Weaknesses
Licensing is extended to all or a selected type of small HMO across all wards in the city	<ul style="list-style-type: none">▪ Clearer scheme as applies to all eligible HMO properties regardless of location in the city▪ License conditions would be bespoke and therefore seek improvements in living conditions and management▪ Increased level of resources available for inspecting properties and monitoring license conditions▪ Reliable and up to date source of information about HMO sector▪ Costs borne by appropriate sector▪ Linked to property inspections▪ Links with the existing mandatory HMO licensing scheme provisions	<ul style="list-style-type: none">▪ Comprehensive and large programme that will require additional resources and staff▪ Landlords may relocate business to properties out of the city▪ Not a proportionate response to the issues identified as the majority of HMOs are in four electoral wards▪ High risk of legal challenge to the scheme being implemented.

OPTION EIGHT: SELECTED AREA BASED LICENSING

Option description	Strengths	Weaknesses
Licensing is extended to all or a selected type of small HMO in selected wards in the city	<ul style="list-style-type: none">▪ Can focus on areas where there are issue, need and risk based▪ Tailored solutions to housing problems identified and other issues in partnership with other services and agencies▪ Reliable and up to date source of information about HMO sector in the selected areas▪ Costs borne by appropriate sector▪ Linked to property inspections. License conditions would be bespoke and therefore seek improvements in living conditions and management▪ Increased level of resources available for inspecting properties and monitoring license conditions▪ Working with landlords in selected areas may encourage improvements in management and behaviour so benefitting tenants and improving properties in other parts of the city	<ul style="list-style-type: none">▪ More limited service for same type of accommodation outside of selected areas i.e. inequality of service provision▪ Landlords may relocate business to properties in non licensable areas▪ May lead to variable standards in quality and management across different parts of the city.

8. CONSULTATION

The local authority must consult persons likely to be affected by the designation.

The consultation was approved by Cabinet on November 18th 2014. The start of the consultation was delayed until January 27th 2015, it then lasted until 21st April 2015 inclusive.

The consultation was well-publicised using a range of methods to ensure engagement with as wider a range of people likely to be affected by the proposed scheme as possible. The main focal point for information was the dedicated pages on Southampton City Council website, this had details of the proposed scheme, a downloadable information guide and an online questionnaire (the questionnaire was also available as a PDF to download, complete and return). Paper hard copies of the information guide and questionnaire were also available.

Details of the consultation were sent to landlords, letting agents, residents groups and all community groups with an interest in the area as well as the rest of the city. Information was sent through the councils twitter feed as well as through the Stay Connected email bulletins. There were 20 tweets sent through the feed over the period and the council has 15,800 followers, on each occasion the information was retweeted. Stay Connected is a successful bulletin system for emails where subscribers can select to receive information on a range of different topics. Details of the proposed scheme were included on two new releases and on three suitable e-alerts, Your city: Your say (sent to 3,000 subscribers), Communities, News and Events (6,300 subscribers) and the Waste and recycling e-alert received by 6,000 subscribers. Information was also put onto the councils Facebook page on five occasions and this has 3,500 likes. Information was included on partner organisations website pages – Business South and Discover Southampton.

The council has a directory of local community groups and has encouraged them to register with the Stay Connected e-alert system. Analysis of the data and ward profile showed that there were a number of communities within the four wards for example Freemantle has the highest number of residents from Eastern European countries, the email went to local organisations and groups working with this community.

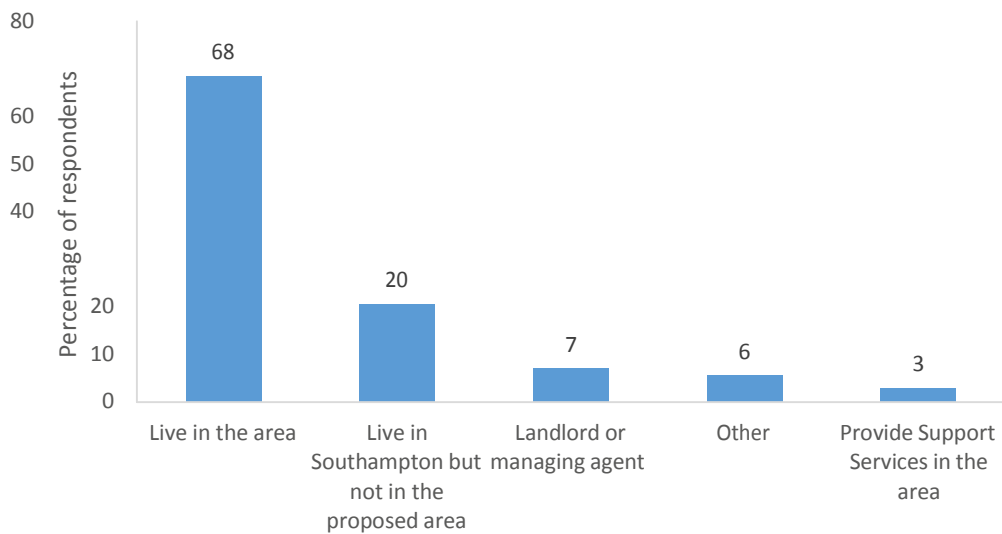
There were 503 responses to the online questionnaire. These were from a broad range of interested parties and many also gave detailed comments. In addition 21 written submissions were made.

Officers attended the local meetings of two landlord groups in the city, gave presentations about the proposals and held question and answer sessions. These were attended by approximately 100 people. In addition three drop in sessions were held in local venues (libraries) in the proposed area. Whilst there were only a handful of people who attended each session the one to one discussions gave a valuable insight into residents' concerns and issues with HMOs and the impact they have on their neighbourhoods as well as business concerns from owners and potential developers/landlords. A stakeholder event was held in the Civic Centre where key partners from Hampshire Fire and Rescue and Hampshire Constabulary were present to discuss issues and concerns from anyone interested in the proposed scheme, this attracted only a few people but they had not previously been engaged with any of the services present.

HMO Additional Licensing Consultation Questionnaire

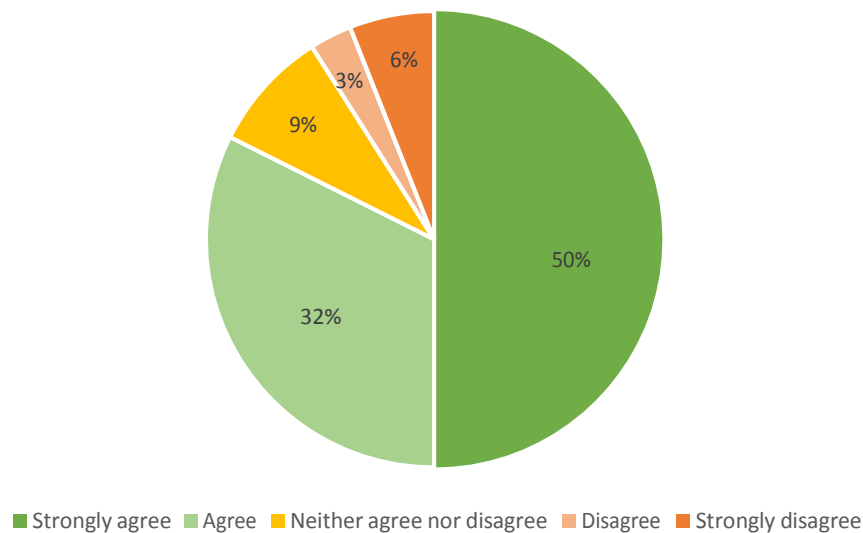
In total there were 503 responses to the questionnaire received as part of the consultation process. There were more responses from residents who live in the area affected by the proposed scheme (68%) and the majority were from Southampton residents (88%), a small number of landlords (7%) and others (9%) including those responding as providers of services in the area.

Question 1. What is your interest in the area?

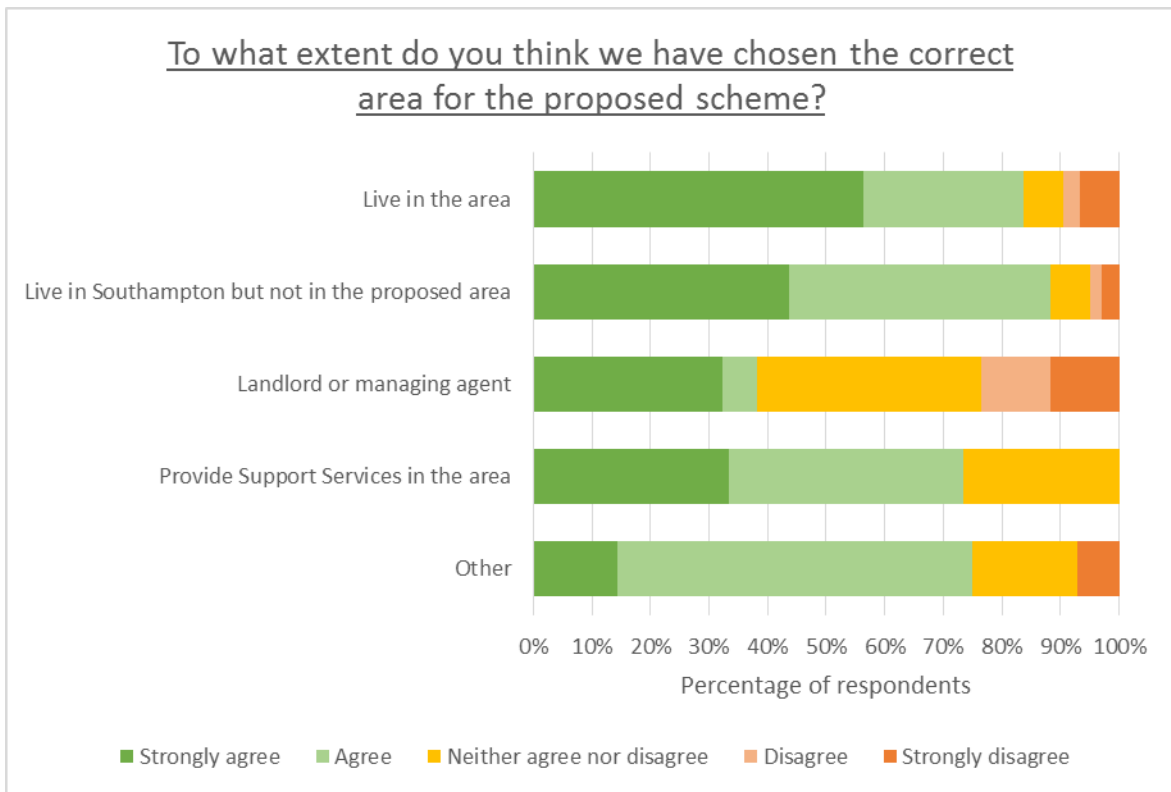


The second question looked to seek views on whether the respondents considered that the correct part of the city had been chosen to be considered for additional HMO licensing. The proposals for the first additional HMO Licensing designation which was consulted on in 2012/13 was for a city wide scheme. The consultation process resulted in this being introduced in our wards only. The data gathered as part of this process identified the proposed four wards as meeting the requirements for such a scheme and so it was important to seek views on this.

Question 2. To what extent do you think we have chosen the correct area for the proposed scheme?

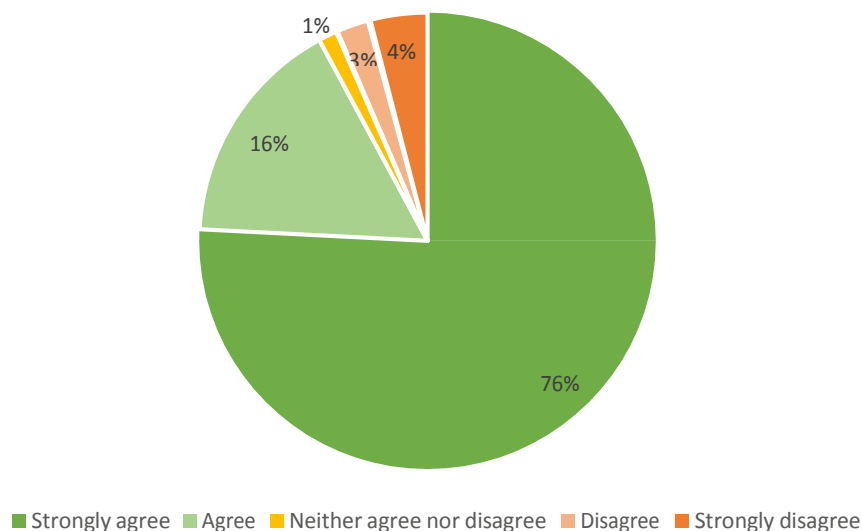


The majority were in agreement with 82% either strongly agreeing or agreeing. If the data is then further analysed it shows that almost 40% of the landlord response agreed and although this group had the most number who disagreed this was only just over 20%.

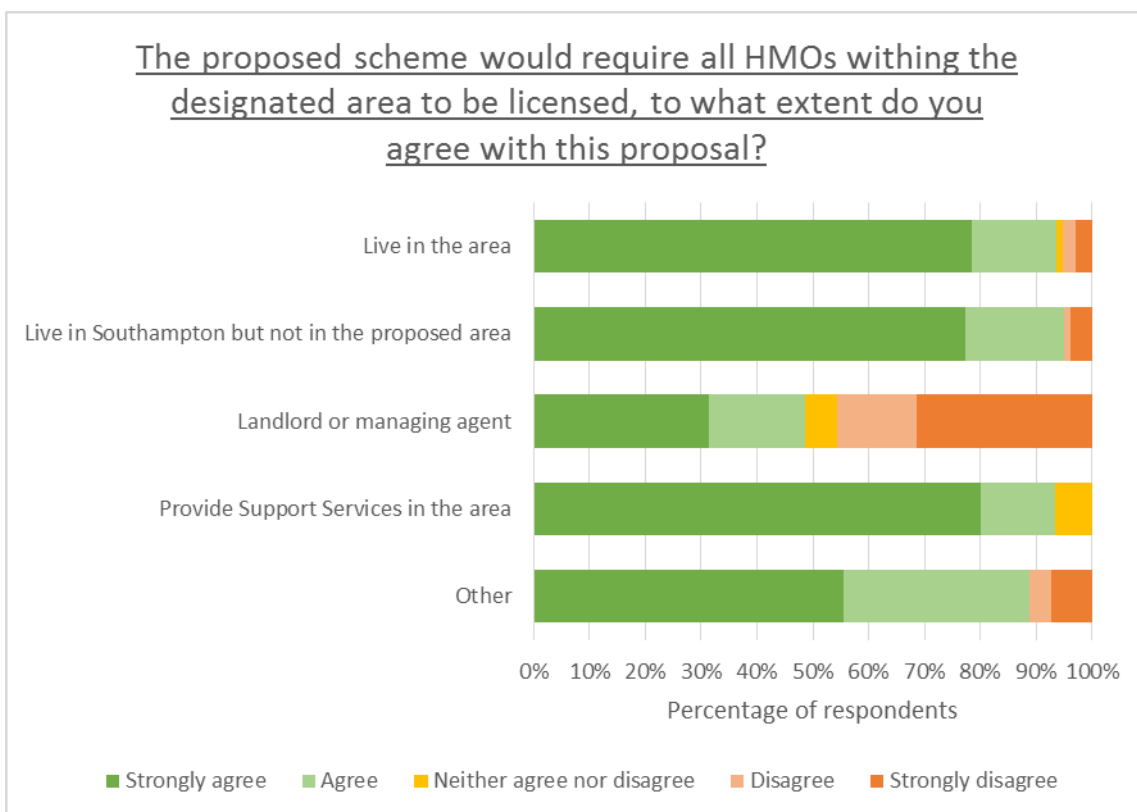


Question 3 looked at the extent there was agreement or disagreement to the proposal to include all HMOs in a scheme. The profile of HMO type and tenants is different in the four proposed wards than within the existing scheme. The initial consultation had a proposal to include a specific type of HMO which consisted of houses converted into self-contained flats as defined by s257 of the Housing Act 2004. Early on in the consultation process it became clear that including this type of HMO was not a viable option due to the complexity of issues with administering a scheme with them; the feedback from landlords and agents who specialised in this type of HMO assisted the decision to remove them from the proposals.

Question 3. The proposed scheme would require all HMOs within the designated area to be licensed, to what extent do you agree with this proposal?

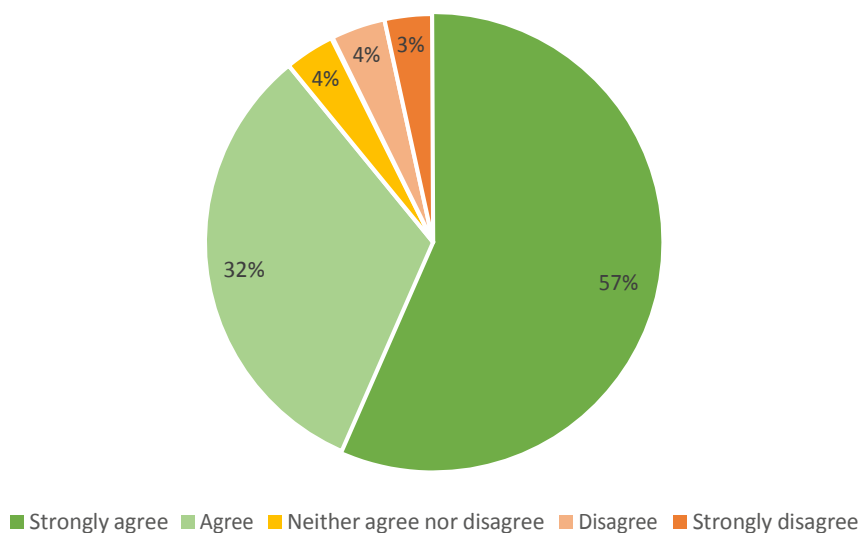


There is broad support from respondents for including all HMO types within the proposed designation with 92% either agreeing or strongly agreeing.

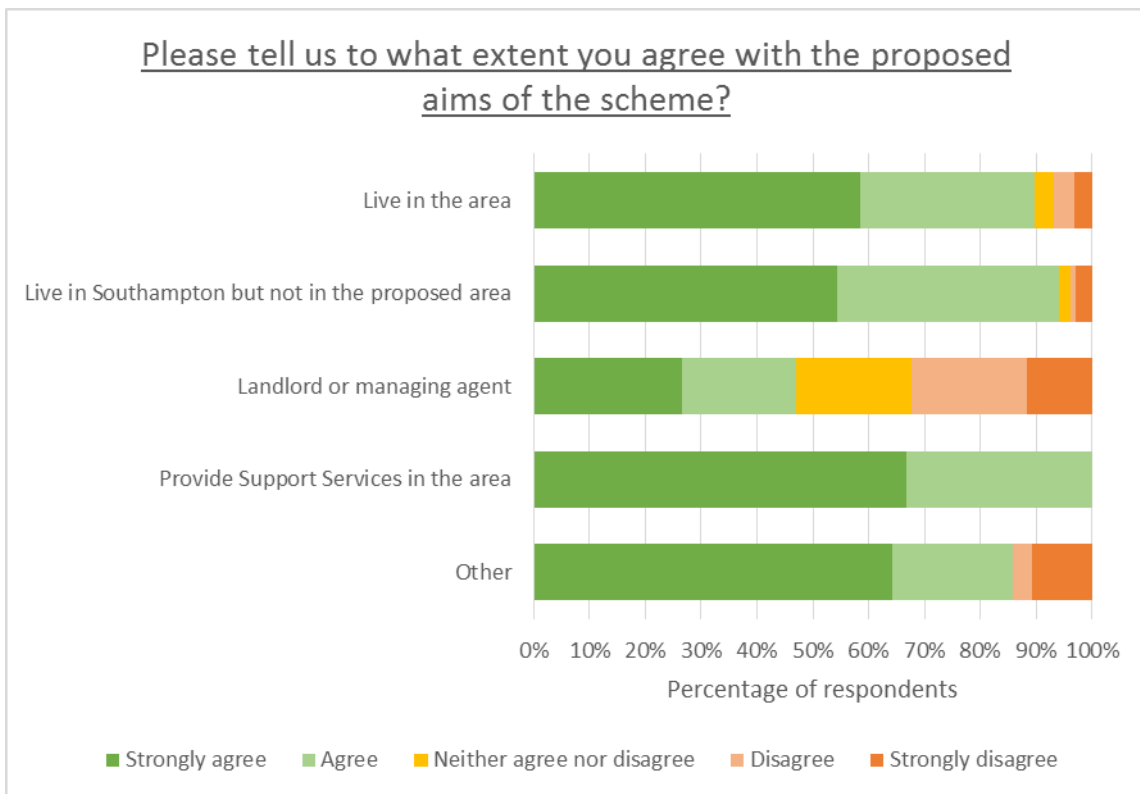


The proposal set out the aims and objectives for the proposed scheme. These are the same as the existing designation and allow a framework to be developed to measure how the service performs. It was important to understand if there was support for these or if alternatives needed to be developed.

Question 4. Please tell us to what extent you agree with the proposed aims of the scheme?

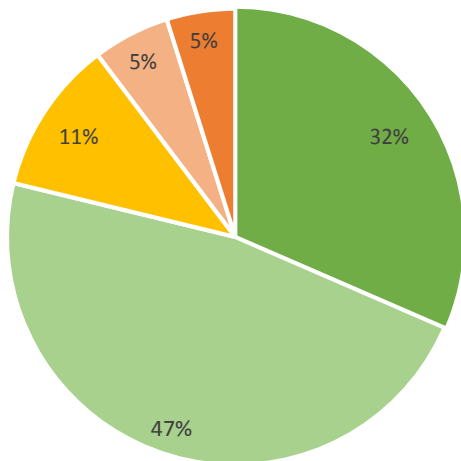


Almost 90% of respondents agreed or strongly agreed with the proposed aims and objectives. When looking at the profile of respondents it was the landlords and managing agents group that had the highest percentage of those who disagreed or strongly disagreed with a third but with almost half agreeing or strongly agreeing.



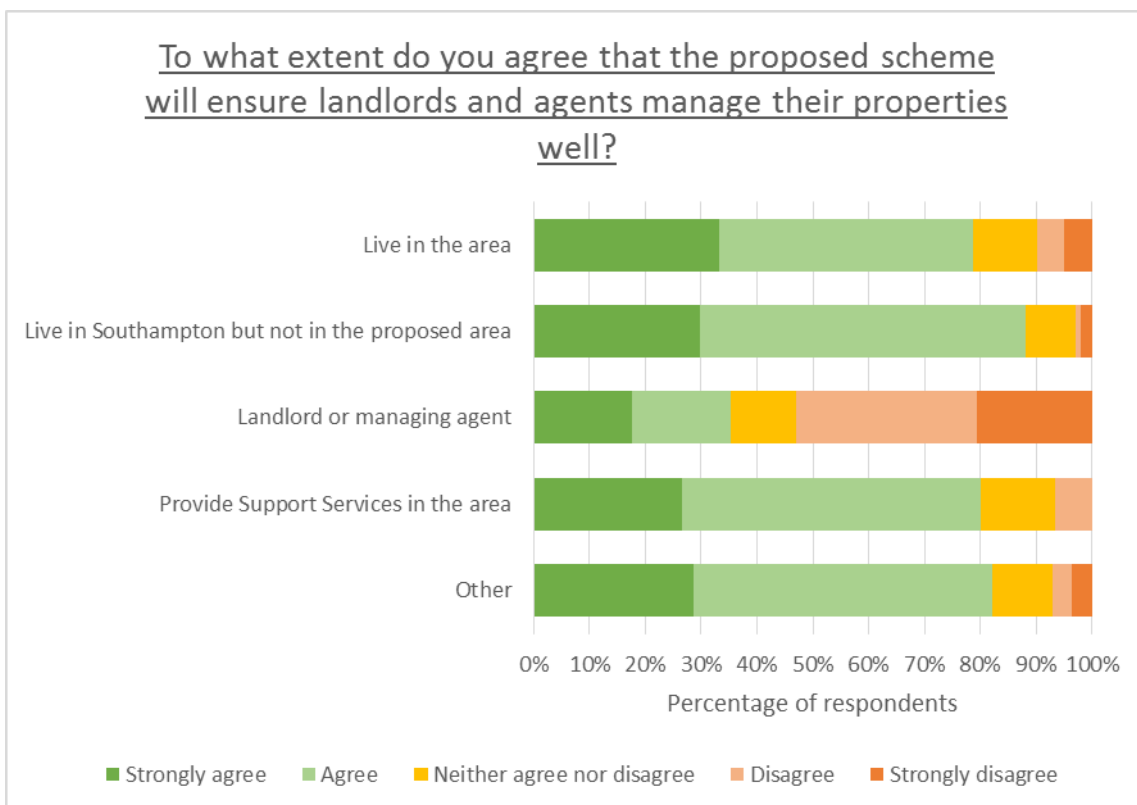
Question five was included to look at whether respondents considered that the proposed scheme would make a difference in ensuring landlords and managing agents managed their properties effectively. Well managed properties are a fundamental aim of the proposed scheme and this can be achieved.

Question 5. To what extent do you agree that the proposed scheme will ensure landlords and agents manage their properties well?



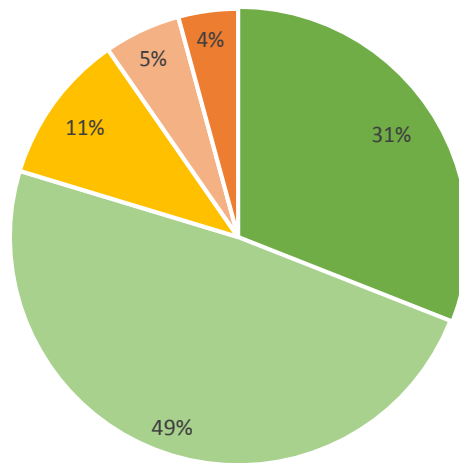
■ Strongly agree ■ Agree ■ Neither agree nor disagree ■ Disagree ■ Strongly disagree

The majority of responses either agreed or strongly agreed that the proposals for the scheme would achieve this outcome. It was the Landlord and Managing agents group who had the highest levels of disagreement with just over half of respondents.



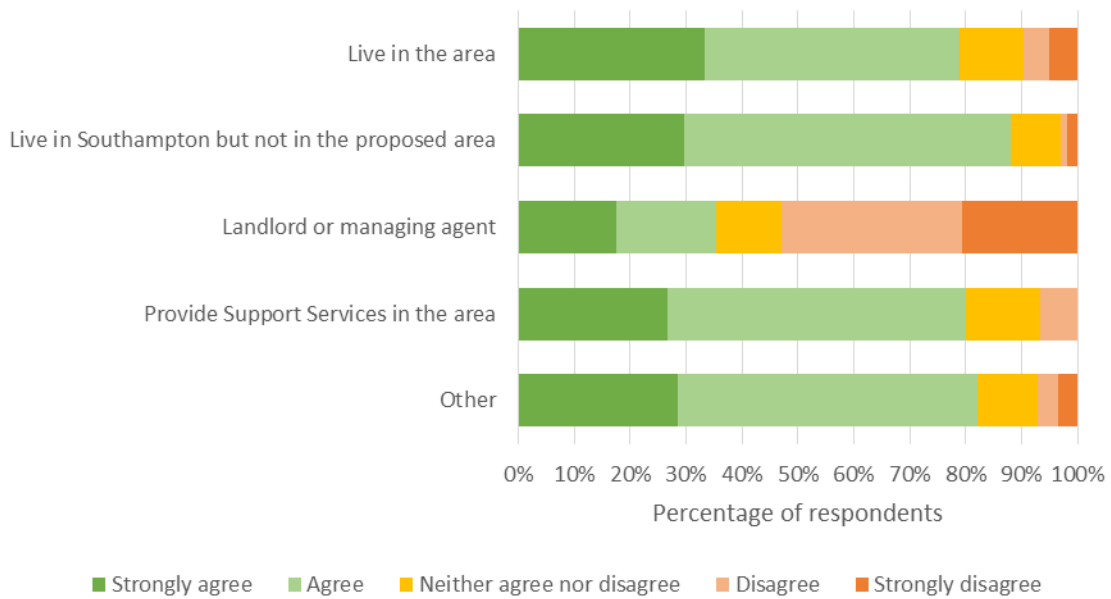
The last question sought views on the impact HMOs have within communities and the proposals of the scheme to improve their condition both in terms of safety and wellbeing of tenants but also to improve the overall areas.

Question 6. To what extent do you agree that the proposed scheme will improve the condition of HMOs in the area?



■ Strongly agree ■ Agree ■ Neither agree nor disagree ■ Disagree ■ Strongly disagree

To what extent do you agree that the proposed scheme will ensure landlords and agents manage their properties well?

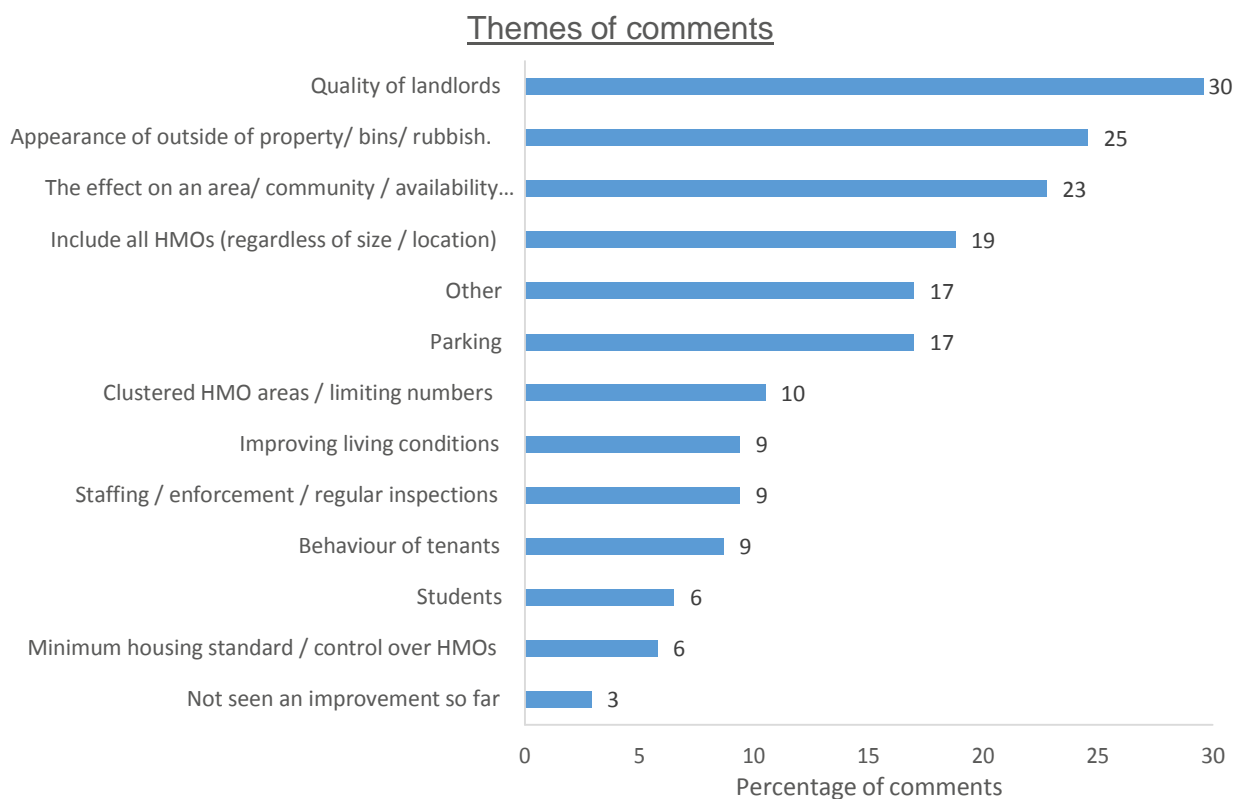


There was a good level of support from respondents agreeing or strongly disagreeing at 80% with an equal split with the remainder either disagreeing or not sure if it would make a difference. When considering the profile of respondents, the highest level of agreement came within the group who lived in Southampton but not in the proposed area. It is possible that these live in the existing area with a designation and are noticing a difference within their communities. Again landlords and managing agents represented the largest group who disagreed at a little over 50%.

Other comments

At the end of the questionnaire respondents were able to provide comments on the proposals. This represents a summary of the key themes and issues that were raised.

Question 7. Additional information or comments you would like to be considered as part of the consultation process.



Quality of landlords

“By the landlords/agents taking more interest in their property it will have a knock on effect in the areas, the feeling in the area will become better. It will show the tenants that they have interest in providing descent housing, which will hopefully mean that the tenants will start to keep the area better not seeing overflowing rubbish bins etc.”

“As usual in these situations, I feel the good landlords are paying the price for the bad landlords. I agree that there are some nuisance tenants that we need a way of policing, but believe there should be legislation to police that situation, not at the expense of the good landlords. Bad landlords should suffer high fines and as likely they are better off as they have not had the expense of good maintenance, that fine money could then be used to police the nuisance tenants.”

Appearance of outside of property/ bins/ rubbish.

“Drive down any street that has been given over to multi-occupancy accommodation and you`ll see a street overflowing with bins, litter everywhere and poorly maintained frontage.”

“Houses and properties are converted with no provision given as to the extra 6 or 7 bins to be stored so they end up on the pavements. A typical 3 bed house has 2 bins so 50 houses has 100 bins. Convert houses into HMO increases the bins to over 300 bins...”

The effect on an area / community / availability of family housing

“We were forced to sell our home of 28 years due to the properties on both sides becoming student lets”

“Affordable suburbs of the city are being swallowed up by buy to let landlords, who frequently turn small to medium sized family homes into HMOs...First time buyers struggle as it is without reasonably priced houses being snapped up in areas that should be ideal for any new homeowners to consider...”

Include all HMOs (regardless of size / location)

“All HMO properties throughout the whole Southampton area should be included in this programme”

“I am disappointed that the definition of HMO property should be restricted to 'three' or more storeys. In Portswood, there are many two storey properties that have at least five people (e.g. Students, tenants) in them, for example where the landlord uses three bedrooms, downstairs front and back rooms to rent.”

Parking

“When HMO's are licenced, can car parking please be taken into consideration, as where I live, the occupants of HMO's at present are tearing up the grass verges etc. with their cars/vans as there is not enough street parking.”

“...each street will have more issues with parking as HMO s increase the use of parking spaces due to HMOs having more occupiers and very often have up to 4 to 5 cars per HMO...”

Clustered HMO areas / limiting numbers

“It is important to continue to monitor the development and licensing of HMO's to ensure that neighbourhoods remain a mixture of occupancy types and not too concentrated with HMO's.”

“It is important to house our students, but allowing HMOs to take of streets/areas detracts from the benefits the students bring. A balance of different occupants in all our streets across the city should be the council's strategic goal.”

Improving living conditions

“It is essential that all HMO be licensed. This will ensure the occupants safety and conditions are protected and enforceable.”

“I think it is important to ensure all such properties are maintained to a good standard and that tenants are treated well”

Staffing / enforcement / regular inspections

“As a landlord that has already put several houses through the additional license scheme I feel that you should only address one area at a time, your staff cannot cope with such a wide area. We will still have properties that have not received their paperwork which is now a year after the initial inspection.”

“My only real concern is that there will not be enough monitoring of the scheme and that this will mean that the state of the private rental stock will, despite the initial improvements that come as the scheme is introduced, continue to degrade. Without proper enforcement of the standards then the policy is next to pointless.”

Behaviour of tenants

“The huge issue here is the noise made (not only inside properties, but also in the streets when for example, the residents walk at night into town in big groups, shouting, screaming, with anti-social behaviour like kicking wheelie bins etc., plus the litter created.”

“Tenants have a responsibility as well and should be required to treat the accommodation with respect.”

Students

“Allowing large houses in primarily residential areas to become student let HMOs makes misery for all who live in the road.”

“The continual growth in numbers of students living in rented accommodation makes it absolutely imperative that HMOs come under proper control to protect students, local residents and the districts themselves.”

Minimum housing standard / control over HMOs

“As a landlord who has just gone through HMO licensing, I can see that the scheme is designed to provide a certain minimum level of standard for HMOs, and as a result I am in favour of the scheme.”

“Having seen the state of some of the HMO's across the city & in this area, a compulsory registration scheme at least has the benefit of encouraging landlords to meet acceptable standards of health & safety & give residents, often from vulnerable groups, some protection.”

Not seen an improvement so far

“I live in the Portswood area and have not seen any improvement in the appearance or mess produced by HMO's since this scheme came into existence.”

“The HMO Licensing Scheme does nothing to improve the condition of housing in the city. It is a bureaucratic tax on landlords. It is unfair and unjust. Landlords have to pass the costs on to tenants, so it increases rents.”