

REVIEW OF THE INTRODUCTION OF AN ADDITIONAL LICENSING SCHEME FOR HOUSES IN MULTIPLE OCCUPATION IN AYLESBURY VALE

Purpose

- 1.1 To provide an update on the progress made following the introduction of a scheme of additional licensing for houses in multiple occupation across Aylesbury Vale in September 2014.

2 Recommendations

- | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none">2.1 That the levels of fees set for HMO licenses be reviewed to more accurately to reflect the time spent on a license application.2.2 The process of application for a new HMO license be reviewed to simplify the process for applicants. |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

3 Supporting information

- 3.1 Periodically the Council carries out a stock condition survey of private sector housing stock. The last Private Sector Housing Condition Survey was carried out in 2007 and at this time private sector housing stock in the Vale numbered 61,500 dwellings (the total number of dwellings in the Vale as of 31/03/2015 was 77,000)
- 3.2 Of these 16.8% (10,355 dwellings) did not meet satisfactory of 'decent' standards (Category 1 HHSRS hazards, failure to be in reasonable repair, failure to provide reasonable modern amenities, failure to provide effective insulation and/or efficient heating all are considered to be indicators of non-decent housing). Although this figure is well below the national average (37.5%) there remains a need to improve standards in this area.
- 3.3 HMO's make up the cheapest end of accommodation in the private rented sector. As a consequence of this they are often poorly maintained and inhabited by the most vulnerable individuals and families.
- 3.4 The HMO licensing regime provides improved standards in the sector for tenants. The greatest risk to those living in HMO accommodation is the risk of fire. The HMO licensing regime requires the installation of fire safety equipment and alarms in HMOs. There are other significant benefits for tenants and the wider public purse. For example remedying damp and mould issues in HMOs reduces the risk of ill-health for occupants which can result in sickness absence from work and school and higher levels of GP appointments. Through licensing of our HMO's we aim to ensure that our most vulnerable residents are protected.
- 3.5 A scheme of additional licensing of HMO's was introduced on 27 September 2014 which extended the principles of the mandatory licensing scheme already in operation within the district. The scheme covers all of the district and requires landlords of HMOs not covered by mandatory licensing provisions to apply for a licence for their property. This ensures that such properties meet current national and local standards for management and fire safety. Following the launch in September 2014, landlords were given an amnesty period that lasted until June 2015 during which they could license their HMO properties at a 30% discount on the standard fee.
- 3.6 Designation of a scheme of additional licensing is a discretionary power set out in Section 56 of the Housing Act 2004, which has been devolved from central government to local councils.

- 3.7 The objective of implementing additional licensing was to improve conditions in the HMO sector, to make such housing safe, comfortable and well managed for tenants and to improve management for the benefit of neighbouring occupiers.
- 3.8 We are currently into the second year of the five year scheme, after which it will be subject to a further review to determine whether the objectives have been met. If after 5 years the objectives of the scheme have been met then it could be ended. If not then we could choose to extend the scheme for a further period of time.
- 3.9 The number of HMO's in Aylesbury Vale is unknown but it was estimated at the time that the additional licensing scheme was proposed that there could be 600 properties that would be included in an additional licensing scheme.

4.0 Review

- 4.1 To date we have issued 40 additional HMO licenses (we have also issued 32 Mandatory HMO licenses, some of which were discovered as a result of launching additional licensing in Aylesbury Vale).
- 4.2 We have 42 applications currently pending, of these:
- 16 of the pending applications are actively being dealt with by officers. This means that officers are either in the process of inspecting and checking required works are completed, or chasing up documentation required in order to issue a license.
 - 5 of the pending applications have received proposed applications and are awaiting the prescribed consultation period prior to the full license being issued.
 - 1 applicant has requested a refund as they no longer believe that they run an HMO. This is currently awaiting verification.
 - 20 applications are awaiting allocation to an officer to be processed. All of these applications have been risk rated and prioritised so that the highest risk properties will be inspected first (the rating scheme allows for circumstances where an immediate visit may be necessary because of the risk to health of the tenants posed by the property).
- 4.3 In order to provide adequate officer resources to administer and enforce the additional HMO licensing scheme it has been necessary to provide training and experience to the Environmental Health team in housing legislation and on practical HMO inspections. The issuing of a HMO license is not just an administrative task. We try to work with the landlords to ensure that their HMO's meet the minimum requirements for a suitable and safe HMO prior to us issuing the license. This does mean that in some cases there can be a gap between an application being made and a license being issued, however this method ensures that potentially dangerous premises can be identified and dealt with more quickly, and we can prioritise our workload according to risk.
- 4.4 Prior to the introduction of the additional licensing scheme two officers were experienced with HMO licensing enforcement. Following a departmental restructure in April 2015 we were left with one officer with experience in HMO enforcement. Therefore an ongoing challenge since then has been to train officers up in this new area of expertise and ensure that there is resilience and capacity within the team.
- 4.5 We have made good progress with officer training, all officers in the team are now managing their own caseload of HMO applications and we have two officers who have sufficient expertise to support others on the more complicated cases and lead enforcement action.

- 4.6 The training of officers to become competent in undertaking HMO inspections has also benefitted other areas of Environmental Health work. Many of the skills that have been developed through the inspections and enforcement of HMOs also apply to our nuisance investigations and accident investigations. For example Technical Officers previously had limited experience in preparing and serving legal notices, whereas much of the HMO licensing process involves serving legal notices that are subject to challenge. It has also helped Technical Officers understand the process of carrying out an effective inspection at a premises. Within the current Environmental Health structure this is something that all of our technical staff are involved in (i.e. the inspection of permitted processes, private sector housing and workplaces following accident investigations).
- 4.7 To date we have identified 82 additional HMO's. From the work that we have done so far we think that the initial estimate of there being 600 HMO's within Aylesbury Vale is likely to be overstated. Based on our experiences since the scheme began, the number of HMO's in Aylesbury Vale is likely to be closer to 400. 14.8 In order to find unlicensed HMO's we have put various measures in place to help identify these properties. For example information on residential properties attached to food premises is now captured on our food hygiene inspection forms to help us identify HMO's and we have raised awareness with other teams within the Council which has resulted in referrals from Planning and Housing colleagues. Later this year Environmental Health & Licensing will move to a new systems provider which links to MyAccount and will provide greater sharing of information across the Council via a single customer record. This may help with the identification of HMOs through increased reporting functionality.
- 4.9 Now that officers are more experienced with inspecting HMO's and the procedure for issuing licences, there is less need for joint visits and checking of work which has helped to speed up the process and allow more time for identifying unlicensed HMO's.
- 4.10 In order to manage the applications coming in we have found it necessary to prioritise which HMO's we deal with first. We do this by rating each known HMO according to risk. For example using criteria such as number of rooms, complaints received and any existing fire safety measures in place. This enables us to inspect the properties with tenants most at risk first whilst smaller HMO's thought to already be compliant are prioritised lower down the list.
- 4.11 There have been some issues with landlords not applying for HMO licences until it is brought to their attention. Some landlords have also required a significant investment of officer time to help them reach the point of making an application. The scheme is at a stage of implementation where, in line with our enforcement policy, we are beginning to take formal enforcement action against landlords who have failed to respond to an informal approach. We currently have a case of an unlicensed HMO in Aylesbury going through court (the landlord has pleaded not guilty and the trial is scheduled for August). We feel that we have a strong case against the landlord and, in the event of a successful prosecution we hope to publicise the case to encourage other landlords to ensure that their properties are licensed.
- 4.12 Experience so far has also shown that most properties inspected do require some works to make them safe. Frequently this will involve enhancing the fire safety measures in a property. Whilst this was expected and part of the justification for implementing the additional licensing scheme, we believe that the time taken means the costs incurred by AVDC may on some cases exceed the income from the charges for the licence application.

5.0 Future Plans

- 5.1 Review of the costs incurred in processing applications needs to take place so that we ensure that the fees charged for an application accurately reflect the costs incurred by AVDC in processing the application and issuing the licence.
- 5.2 We will re-new our efforts at publicising the scheme. Prior to the launch of the scheme and through the amnesty period we had an influx of applications arising from advertising the scheme on council tax bills, at landlords forum and direct mailings to landlords and property managing agents. By repeating these and generating new ideas for publicity we can encourage further landlords and residents to make applications.
- 5.3 In November 2015 the Department for Communities and Local Government (DCLG) consulted Local Authorities on a proposal to extend the scope of mandatory licensing of HMO's and to streamline the process of making an application. The view of the DCLG is that Mandatory HMO's should include all properties with 5 or more residents from 2 or more households irrespective of how many storeys the property has. The intention is that this would bring most 'high risk' HMO's under a scheme of licensing without Local Authorities needing to adopt an additional licensing scheme. In our opinion this would not have a great impact on the scheme in Aylesbury Vale. In fact we would be ahead of many authorities as some of our affected properties would already have been inspected and licensed. Depending on the details of the scheme it could mean some additional administrative work to re-issue additional licenses as mandatory licenses. However we are currently awaiting the results of this consultation and to date nothing has been decided.

Contact Officer: Neil Green, Environmental Health Manager
01296 585160