Houses in Multiple Occupation

Executive summary

This report outlines the proposals of an in-depth investigation by overview and scrutiny into issues surrounding houses in multiple occupation (HMOs). The Executive must respond to the report from overview and scrutiny and state what action it proposes to take in response to the recommendations put forward. The Executive may approve, amend, or reject the recommendations.

Overview and scrutiny considered a range of options to improve both housing standards and the social and environmental impact associated with HMOs. The option favoured is principally a combination of immediate measures using existing powers, the formation of a HMO stakeholders group or forum, and the implementation of an accreditation scheme for landlords and agents in the Borough.

Overview and scrutiny rejected additional licensing of HMOs, licensing of privately rented housing, and making an Article 4 direction (to control the creation of HMOs in a designated area). The overview and scrutiny report is attached as Appendix 1 to this report and details the rationale for the preferred strategic option of an accreditation scheme. Overview and scrutiny members do not expect a do-nothing option to succeed.

Recommendation to Executive

That the Executive approves the Customer and Community Scrutiny Committee’s recommendations in respect of the findings of the Houses in Multiple Occupation task and finish group as set out in section 7 of this report.

Reason for Recommendation:
To address concerns raised by stakeholders and improve the Council’s approach to HMOs.

1. Purpose of report

1.1 In September 2013, the Customer and Community Scrutiny Committee established a task and finish group to investigate concerns relating to houses in
multiple occupation. On 9 September 2014, this HMO task and finish group submitted its final report to the Customer and Community Scrutiny Committee, which commented formally and endorsed the recommendations.

1.2 The Executive must respond to overview and scrutiny reports indicating what action (if any) it proposes to take. This report asks the Executive to consider the report from overview and scrutiny and approve implementation of its recommendations.

2. Strategic priorities

2.1 Addressing issues associated with concentrations of HMOs fits the Council’s strategic framework. For example, HMOs are important to the economy of the Borough and its development, not least through affordable accommodation for students, low paid workers, and key workers such as police and nurses. In addition, proposals put forward assist a self-reliant and sustaining community, while supporting those vulnerable residents with limited housing options.

3. Background

3.1 HMOs provide a valuable source of accommodation to help meet the needs of Guildford’s population. The existing housing shortage and rising demand for accommodation, not least from educational establishments, looks set to create more need for HMOs in Guildford. However, some residents in localities with concentrations of HMO rentals, principally within Guildford town centre wards, do experience difficulties associated with HMOs. Additionally, while the general underlying standards prevailing in HMOs are above the legal minimum, measures to raise housing standards would benefit both longer-term residents and tenants.

4. The overview and scrutiny task and finish group’s evidence gathering

4.1 The task and finish group members sought views from a wide range of stakeholders. The group gathered assessments and concerns from tenants, householders, landlords, letting and managing agents, educational establishments, landlord organisations, officers, and the Lead Councillor for Housing and Social Welfare. Invariably this was accomplished through interviews. Where practical the group visited witnesses or invited them to attend one of their meetings. Site visits were also undertaken. All the witnesses were consulted on the final report prior to publication.

4.2 A survey questionnaire was used to gather views from tenants and householders. This survey was delivered by task group members to over 1000 properties, targeting roads in the town centre wards and closest to the University. A response rate of over twenty per cent was achieved. In addition, the review was publicised and the questionnaire made available online.

4.3 The task group’s efforts to co-opt a representative from the University of Surrey, identified as a key stakeholder, were unsuccessful.
4.4 The group conducted an in-depth investigation of two local authorities that introduced stronger strategies for the sector: Bournemouth Borough Council and Oxford City Council. The group received evidence from those with responsibility and experience of the measures in these localities.

5. **Findings**

5.1 Overview and scrutiny’s conclusions and recommendations are set out in Appendix 1 to this report and summarised below.

5.2 In the immediate term, overview and scrutiny argues for the establishment of a HMO stakeholder group, enforcement of existing health regulations, and use of associated powers to address the issues associated with HMOs, especially anti-social behaviours. In addition, overview and scrutiny identify further beneficial measures. These actions include waste management initiatives, parking and other environmental improvements, improved mapping of HMOs, and efforts to promote more community cohesion.

5.3 Considering long-term options, the task and finish group’s investigation identifies widespread support for the introduction of a person-based landlord accreditation scheme. There is some backing for regulation of the sector using additional licensing of smaller HMOs (in addition to the mandatory licensing of larger HMOs) or through selective licensing of privately rented housing within an area. Some stakeholders champion planning controls as the solution to issues associated with HMOs, specifically, Article 4 directions (to allow withdrawal of permitted development rights and require planning permission for the creation of further HMOs).

5.4 Appendix 15 to the task and finish group’s report is a summary evaluating the strategic options examined. Overview and scrutiny members do not expect a do-nothing option to succeed. Overview and scrutiny judges additional licensing of HMOs, licensing of privately rented housing, or making an Article 4 direction as inappropriate to Guildford’s current circumstances. The task and finish group argues that the most promising and effective approach now is the development of an accreditation scheme for landlords and agents in Guildford Borough. The task and finish group’s report does not call simply for the Council to introduce an accreditation scheme but identifies partnership engagement in its establishment as central to its likely success.

6. **Consideration of task and finish group’s findings by the Customer and Community Scrutiny Committee**

6.1 At the meeting of the Customer and Community Scrutiny Committee on 9 September 2014, the chair of the task and finish group, Councillor Caroline Reeves, presented the group’s findings and proposals. Councillor Reeves outlined the methods of investigation employed by the task group and its main findings and recommendations. She also updated the committee on recent meetings and ongoing communication with the University of Surrey Students’ Union, the police, and the Royal Surrey County Hospital NHS Foundation Trust.
6.2 The Lead Councillor for Housing and Social Welfare attended the overview and scrutiny meeting on 9 September 2014 and welcomed the investigation and its findings. She praised the task and finish group’s investigation and report, both indicating her willingness to take forward the recommendations proposed and suggesting the accreditation scheme for landlords and agents in the Borough be implemented as soon as practicable.

6.3 Questions from the Customer and Community Scrutiny Committee raised the following points and information:

- students at the University could be liable to disciplinary procedures for their behaviour in private rented accommodation;
- establishing a HMO stakeholders’ group or forum and working with the Council’s community wardens was potentially a more effective approach than appointing a community enforcement officer to deal with HMO issues; and
- the Committee agreed with the value in launching the accreditation scheme for landlords and agents at the date of greatest likeliest impact.

6.4 The Customer and Community Scrutiny Committee resolved to schedule an update to monitor implementation of its recommendations.

7. Summary of recommendations and other issues

7.1 As set out above, the Customer and Community Scrutiny Committee reviewed the findings of the HMO task and finish group and endorsed the following recommendations:

(1) That the Executive approves in principle, the implementation of an accreditation scheme for landlords and agents in the Borough, subject to further partnership work and consultation regarding the detailed operation of the scheme and its resource implications, with a view to it being operational by June 2015 or as soon as is practicable.

(2) That the Executive authorise the Head of Health and Community Care Services, in consultation with the Lead Councillor for Housing and Social Welfare, to take forward and implement the Landlord Accreditation Scheme as appropriate when the development process is complete.

(3) That the Executive authorise the Executive Head of Environment and the Executive Head of Housing and Health, in consultation with relevant Lead Councillors

   (i) to progress the immediate measures identified by the HMO task and finish group, described in section 4.12 above [sic], with a view to implementation within three months of approval by the Executive.

   (ii) to establish a HMO stakeholders’ group within two months of approval by the Executive.

7.2 Section 4.12 referred to in recommendation 3(i) is as follows:
“We identified a number of measures that could be explored further and actioned relatively quickly.

- Waste Minimisation initiatives – including the continued provision of banks for recyclable items (e.g. British Heart Foundation in 2014) in targeted areas, the issuing of information during October on waste and recycling arrangements with the emphasis on recycling and waste minimisation, and the recycling team working with relevant groups and organisations looking at the best ways to develop this approach.
- Parking and environmental improvements to Guildford Park, a locality where many integral garages have been converted into accommodation – the parking team, along with other relevant officers, partners, groups and organisations will work together to explore any opportunities to develop this further. The parking team will also continue to work with local residents and groups in ensuring the current parking controls and enforcement arrangements are effective and relevant to the local area.
- Promote community cohesion – the University of Surrey Students’ Union and some tenants indicated a willingness to progress community involvement.
- Facilitation of gardening services to landlords – for example, through local social enterprises.
- Seek increased support from Surrey University and the ACM for tackling complaints (incidentally, we noted that students at universities elsewhere are liable to disciplinary procedures if they bring the university into disrepute through their behaviour in private rented accommodation).
- Ensure improved monitoring of complaints and knowledge of the locations of HMOs by the Council, using all sources of data.
- Use of social media applications for tenancy advice and information.”

7.3 The Chairman of the task and finish group held a meeting with relevant Heads of Service and Lead Councillors on 27 August 2014 and their comments are incorporated into the final report attached at Appendix 1. In response to the specific comments in relation to parking arising from questionnaire responses, the Parking Manager provided overview and scrutiny with clarification. For completeness, this note is attached as Appendix 2 to this report.

8. Financial implications

8.1 The recommendations of the Customer and Community Scrutiny Committee direct officers to undertake further work to achieve the desired outcomes. Details of the accreditation scheme are to be developed with stakeholders and there may be financial implications from implementation as further work is undertaken. For example, measures to encourage take-up of the scheme may carry financial implications, although contributions toward such costs might reasonably be expected from successful partnership engagement.

8.2 Otherwise, existing budgets and officer resources are envisaged as able to accommodate the recommendations. For example, officers anticipate costs for enforcement, environmental improvement activities, and establishing the HMO stakeholders’ group can be met from existing budgets.
9. Legal implications

9.1 There are no legal implications arising directly from this report.

10. Human Resource implications

10.1 There are no human resource implications arising directly from this report.

11. Conclusion

11.1 The overview and scrutiny task and finish group considered a range of strategic options and identified a person-based accreditation scheme for landlords and agents in the Borough as the best way to bring improvements for both homeowners and tenants. In addition, and with reference to the time likely to develop and introduce an accreditation scheme, overview and scrutiny argues for existing measures to be utilised fully in areas affected and the formation of a HMO stakeholder group or forum.

11.2 Subject to the Executive’s approval of the recommendations, officers (in consultation with the Lead Councillor for Housing and Social Welfare) will progress the recommendations set out in section 7 above.

12. Background papers

Houses in Multiple Occupation: Overview and Scrutiny Task and Finish Group, Report to Customer and Community Scrutiny Committee meeting, 9 September 2014

13. Appendices

Appendix 1 – Final report of the Houses in Multiple Occupation Overview and Scrutiny Task and Finish Group

Appendix 2 – Clarification of parking enforcement from the Parking Manager