

Agenda Item No:	5	
Committee:	Overview & Scrutiny	
Date:	19th February 2018	
Report Title:	Private Rented Sector Housing Member Task & Finish Group Findings	

Cover sheet:

1 Purpose / Summary

To receive a summary of the work undertaken by the task /& finish group and consider the findings made and proposed next steps.

2 Key issues

- A member task & finish group chaired by Councillor Cornwell was formed in response to a Cabinet decision on 19th January 2017 (minute CAB59/16 refers) to defer the implementation of Selective Licensing so that the group could:
 - Review evidence as to what problems exist that need to be addressed
 - Agree a way forward to address each of the problems identified.
- The evidence gathered included:
 - Fenland District Council (Private Sector Housing, Environmental Health, Community Safety , Planning and Benefit Fraud)
 - Cambridge County Council (Public Health & Social Care)
 - Police
 - Cambridgeshire Fire & Rescue Service
 - Gangmasters and Labour Abuse Authority
 - Peterborough City Council
 - Landlords & Agents
 - Members
- From the evidence received the task group concluded there were problems and that more resources were needed to tackle issues in the sector. The task group therefore understood why the Council had originally considered a scheme to tackle issues within the private rented sector in Wisbech , such as Selective Licensing as a way to secure that additional resource required.
- The task group pin pointed the following 5 problems needed to be addressed:
 - Improved property register of Private Rented Properties – where are they?
 - Increase the resources available to check compliance against existing legislation – from a reactive service to a proactive service.
 - Improve the condition of private rented properties

- Improve the intelligence gathering for partners on issues that they would want to intervene utilising their own powers and processes
- Improve the Information, Advice and Guidance to help landlords become compliant and stay compliant.
- A Private Rented Sector Improvement Action Plan has been developed which details the proposed approach to each of the 5 problems identified. This is attached as Appendix 1.
- However, the task group were not in agreement that implementing a discretionary Selective Licensing scheme would be the most effective course of action at this time, as:
 - The task group learnt that new powers had become available during the review of evidence that had the potential to address some of the problems identified.
 - There are also other powers that the Council could use to raise income to support additional enforcement, but currently do not do so.
 - In order to support the emerging findings of the task & finish group, officers secured funding for additional staffing resource for 2 years through the Controlling Migration Fund. These officers can test the potential and impact of these new powers.
 - The task group could not find any evidence that there were any measures in the Selective Licensing Scheme which would resolve all the problems that had been highlighted. Further, some members of the task group were strongly of the opinion that a Selective Licensing scheme would make the situation worse.
- The task group wanted to give opportunity to landlords to support the Council in delivering an alternative approach to tackling the problems identified, before Selective Licencing powers should be considered further.
- The proposed approach will be consistent throughout the whole district, although the additional resource from the Controlling Migration Fund will be concentrating on Wisbech in accordance with the bid made.
- At the end of the 2 years Controlling Migration funding for the 2 Housing Enforcement posts, request that the Overview and Scrutiny panel undertake a review identifying the impact of the actions to address the 5 key issues. This includes finding answers to some key questions.

3 Recommendations

- That Overview & Scrutiny consider the findings of the task group and the proposed improvement action plan to refer to Cabinet to implement.
- Overview & Scrutiny review the impact of the work at the end of the Controlling Migration funding for 2 additional housing enforcement posts.

Wards Affected	All
Forward Plan Reference	
Portfolio Holder(s)	Councillor Mike Cornwell (Task & Finishing Group Chairman) (Councillor Will Sutton)

Report Originator(s)	Dan Horn - Head of Housing & Community Support
Contact Officer(s)	Sarah Gove - Housing & Communities Manager Dan Horn - As above Richard Cassidy - Corporate Director
Background Paper(s)	Cabinet January 19th 2017 Minute CAB59/16

4 Background / introduction

4.1 A member task & finish group chaired by Councillor Cornwell was formed in response to a Cabinet decision on 19th January 2017 (minute CAB59/16 refers) to defer the implementation of Selective Licensing so that the group could:

- Review evidence as to what problems exist that need to be addressed
- Agree a way forward to address each of the problems identified.

4.2 The group met 7 times. The group also held 2 consultation events with landlords and agents and secondly with Wisbech members. The evidence gathered included:

- Fenland District Council (Private Sector Housing, Environmental Health, Community Safety , Planning and Benefit Fraud)
- Cambridge County Council (Public Health & Social Care)
- Police
- Cambridgeshire Fire & Rescue Service
- Gangmasters and Labour Abuse Authority
- Peterborough City Council
- Landlords & Agents
- Members

5 Evidence Summary

5.1 Fenland District Council highlighted:

- Teams including Private Rented Sector Housing, Environmental Health, Planning, Community Safety, Benefit Fraud had problems caused by poorly managed private rented housing.
- Issues were defined from a housing perspective included fire risks, lack of smoke detection & fire separation, unsafe/faulty electrics, damp and mould, excess cold, overcrowding, unsafe means of escape, accumulations of waste.
- The service delivered by the Council was predominantly reactive and not proactive
- Short term funding for example migrant impact funding and rogue landlord funding has had an impact to be more proactive but this is not sustainable
- Landlord engagement had been problematic because:
 - Events are poorly attended by landlords – interests were around grant availability and not housing standards, management and support needs
 - Rogue landlords won't engage with the Council unless forced to do so.
 - In response to this the Council placed detailed information on the website around private sector housing and homelessness rights and responsibilities

5.2 The Cambridgeshire Constabulary highlighted:

- An Operation Pheasant Partnership was created because the Police saw the poorly managed Private Rented Sector as a vehicle for crime including:
 - Harassment and illegal evictions with the use of force on the tenants

- Clear evidence of rogue landlord activity including criminal activities taking place
- Evidence in Wisbech private rented properties of drugs, prostitution, gun smuggling, modern day slavery. This included intimidation, human trafficking, sham marriages and exploitation.
- Criminals are using Private Rented Sector in Wisbech as their base.

5.3 Cambridgeshire County Council, Public Health highlighted:

- Housing can and does directly impact on health including the spread of meningitis through overcrowding and issues affecting mental health. Wisbech Private Rented Sector has a lot of issues with regard to overcrowding
- Public Health data highlighted that levels of poor health are highest in Wisbech with housing being a contributory element along with issues including deprivation and poverty.
- The Joint Strategic Needs Assessment (a health needs assessment document) highlights high levels of shared housing within the Private Rented Sector and issues relating to subletting that impact on health
- Immunisations – Public Health evidence highlights children are more at risk of missing immunisations living in the Private Rented Sector as a result of high turnover leading to multiple moves for the children affected.
- Homelessness is an even worse health outcome than living in poor Private Rented Sector accommodation.

5.4 Cambridgeshire County Council, Social Care highlighted:

- Concerns with overcrowding and the impact this had on children and young peoples welfare.
- Substance misuse by other tenants in the property and the effect on vulnerable children that this has on them presently and in the future.
- Poor property conditions impacting on the ability for a child / young person to study.
- Landlord subletting rooms within a shared house and the risks that poses to children and young people living in the same property.
- Threats of eviction/illegal evictions if tenants complain about the condition and management of the private rented property.
- Drinking and ASB carried out by adults in HMO's witnessed by children and the effects this has on their emotional wellbeing.
- Parents and guardians are unaware of who might be moving in to the property with concerns regarding safeguarding.

5.5 Gangmasters & Labour Abuse Authority (GLAA) highlighted:

- Currently 1000's of licenced providers in the area but 1000's are unlicenced with little knowledge of their activity.
- GLAA is a national organisation and only has 80-85 staff. Essentially a fear of the unknown and an inability with the resources available to investigate without support of partners.
- GLAA are very supportive of Operation Pheasant as the partnership is a useful resource to share intelligence and support coordinated work
- 2 current operations on going in Fenland (at the time of meeting GLAA attended)

- There has been a recent influx of Romanians and Bulgarians who the GLAA have identified as being at greater risk to exploitation as most do not speak English
- With how many properties are managed there is the potential to traffic human beings from one street to another in Wisbech

5.6 Cambridgeshire Fire & Rescue Service highlighted:

- Fire service focus is with regard to Houses in Multiple Occupation (HMO) and not single household lets with regard to the Private Rented Sector.
- Research shows that fire risks are much greater in shared accommodation where occupants are unrelated.
- When fire crews attend HMO fires there is an increased risk of harm or death than from other fire types e.g. a single household property fire.
- In Wisbech there are often large numbers of people in properties, living in cramped living conditions with the occupants often found to be vulnerable both mentally and physically
- In Wisbech the fire crew regularly find insufficient fire detection equipment in HMO's
- In Wisbech there are multiple cases of no gas or electric certificates available for the property.
- Often there are concerns at visits relating to overloaded electric sockets with non UK adaptors.
- Fires in HMO often caused due to drying clothing on portable heaters with evidence that tenants are not using central heating due to poverty or the heating not working)

5.7 Landlords and Agents highlighted the following issues on Selective Licensing:

- Selective licensing would lead to landlords selling up and creating a shortage of available properties in the Private Rented Sector
- Landlords and Agents felt the link between ASB and criminality with the private Rented Sector is not proven
- Bad landlords will ignore the rules relating to Selective Licensing anyway
- The license charge is too much and will be passed on to tenants affecting their disposable income.
- The Selective Licensing scheme will push up rents.
- All landlords should run their businesses in an orderly way
- A reasonable proposal but must be properly policed by the Council

5.8 Landlords and Agents suggested the following solutions:

- Education of landlords and tenants is needed to be improved by the Council
- Offer landlords advice similar to a planning pre-application with a charge when requested.
- The Council need to utilise existing powers properly rather than implementing Selective Licensing
- A "Scores on the doors" approach similar to Food Safety requirements would be good
- An anonymous contact number to report housing disrepair/overcrowding is needed.
- Nominal charge for a first inspection £25-£30 would be better if a selective licensing scheme was implemented

- Need to reward good landlords with discounts rather than treating good and bad landlords the same.
- There is a need to look at Agents and how they are regulated
- Explore getting more resources through income generated by bad landlords who are prosecuted through the new Civil Penalties legislation. This allows the Council to receive fines through a civil prosecution that can be used to invest in resources to tackle problems.

5.9 Wisbech members highlighted:

- A lack of Private Rented accommodation availability in the town & Landlords not wanting to take housing benefit tenants due to concerns with the implementation of Universal Credit
- Increase in HMO in Wisbech due to speculative landlords from London buying up properties in Wisbech to rent.
- Some managing agents having no qualifications and training is needed to improve how they manage their property portfolio Planning committee members need HMO training to assist them with their decision making.
- We should not be supporting bad landlords and need to take action against them
- HMO market is competitive and therefore a tenant does not have to rent a poor quality HMO
- Housing standards need to be improved for everyone no matter what the tenure the property is
- We need more legislation nationally to tackle the problems.
- More action needed to be taken on overcrowding in Wisbech properties
- We should be using existing powers better rather than implementing Selective Licensing
- More funding is needed for FDC officers to do more enforcement against rogue landlords
- Landlords should pay for any regulation rather than the tax payer as they profit from it.
- Some issues are for social housing or privately owned homes rather than private rented
- Cannot identify where private rented homes are and therefore this makes it difficult to enforcement

5.10 Peterborough City Council explained the early impact from their Selective Licensing Scheme including:

- Existing selective licensing scheme was adopted in Peterborough in December 2016
- 6900 licence applications from landlords have been received to date
- The Council had undertaken 1700 triage inspections to determine whether any serious risks were immediately noticeable (557 properties out of the 1700 required immediate enforcement action)
- The Council had a higher rate of compliance since licensing introduced
- The Council had won 6 prosecutions to date
- The Council felt the speed of inspections to inspect the applications received was too slow

- There had been a significant cost to the council as a result of offering a £50 early bird licence

6 Way forward

6.1 The task group pin pointed the following 5 problems needed to be addressed:

- Improved property register of Private Rented Properties – where are they.
- Increase the resources checking compliance against existing legislation – from reactive to proactive
- Improve the condition of private rented properties
- Improve the intelligence gathering for partners on issues that they would want to intervene with their powers and processes
- Improve the Information, Advice and Guidance to help landlords become compliant and stay compliant.

6.2 An action plan is attached as Appendix 1 which details the proposed actions for the next 2 years. The following sections of the report summarises the approach.

6.3 A property register needs to be created that identifies where we have private rented properties. Action proposed:

- Capture information from Council Tax , Housing Benefit and Compliance teams into one register
- Undertake a campaign to landlords and agents to inform the council where their properties are with a campaign message stating if we believe you have not declared where you have the properties we will put Selective Licensing back on the table after a 2 year period. So it is in the interests of all landlords to work with the Council to declare their properties. We are also keen to capture information from responsible landlords as eyes and ears on where they believe the rogue landlords' properties are situated.
- Utilise a new power which now allows the Council to request all data in our district from the 3 tenancy deposit schemes. See web link https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/605056/Obtaining_and_using_Tenancy_Deposit_information.pdf (cut and paste into task bar).
- The Council will then compare the tenancy deposit data against the FDC property register and properties that are on the FDC register but not on the tenancy deposit scheme register will be targeted for an enforcement visit.

6.4 Enforcement resources need to be increased to create a more proactive response to the issues. Action proposed:

- Recruit 2 enforcement private sector housing officers utilising the Controlling Migration Fund
- Undertake street by street inspections utilising a triage approach to identify the higher risk properties (also utilising property register intelligence)
- Approve through Cabinet and Full Council a new Private Sector Housing Policy setting out the current and new powers that the Council can utilise more effectively with the additional resource identified. This would include:
 - Charging for an enforcement notice to be served
 - Charging the landlord and agent for FDC Officer advice in relation to a property that is going to become a private rented property or a health check on an existing property that is being modified

- Enforcing through new civil penalties with a fine that is received by the Council rather than a criminal prosecution through the Courts. The fines are set by a new FDC policy based on legislative guidance up to a maximum of £30,000. Funds received are pooled for a “fighting fund” to sustain the resources needed to tackle the problems proactively found. See web link https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/606653/Civil_Penalties_guidance.pdf (cut and paste into task bar)
- Recover Housing Benefit through the extended rent repayment orders legislation if a landlord is prosecuted through the Council serving various notices as set out in the guidance. See web link https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/606654/Rent_Repayment_Orders_guidance.pdf (cut and paste into task bar)
- Implementing the extended mandatory licensing of Houses in Multiple Occupation on the basis of full cost recovery as and when the secondary legislation is passed as set out in the “conclusion and next steps” section on page 20 in the web linked document https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/560777/HMO_Tech_Disc_RESPONSE_DOC.pdf (cut and paste into task bar). Essentially this proposes to extend mandatory licensing to all HMOs rather than just 3 storey HMOs. The last private Sector stock condition survey in Fenland (2009) indicated 93% of all HMOs in Fenland were in the town of Wisbech. The Government announced in December their intention to implement this "subject to parliamentary clearance".

6.5 The overall condition of the private rented housing stock need to be improved. Action proposed:

- Street by street property inspections through the 2 new enforcement officers
- Implementation of the new powers and new policy
- Continued work of Operation Pheasant
- Piggy back through front line staff messages from other key stakeholders to help with issues around health and well-being e.g. registering with a GP, referrals to alcohol and smoking cessation services.
- A member hotline to report constituent concerns relating to the private rented sector.

6.6 There should be improved intelligence gathering across partner agencies. Action proposed:

- Captured through the new controlling migration outreach post which works with residents living in the private rented sector and rough sleeping
- The street by street triage inspections
- The work from the intelligence gathered from the tenancy deposit information
- The work of Operation Pheasant.
- All sharing of data undertaken in accordance with the new general data protection regulations

6.7 There should be improved information, advice and guidance available to Landlords, Agents and Tenants. Action proposed:

- Marketing the health check offer from FDC Officers for a fee
- Utilising the Cambridgeshire & Peterborough Homeless Trailblazer Rent Solutions landlord service where landlords can ask for support if there is an issue that they believe is putting the tenant at risk of homelessness. Explore whether this service can

be funded through landlord contributions for the service when the funding ends in April 2019.

- Offer free venue to Landlord Associations who wish to market their support services to landlords and FDC to offer enabling support to encourage good attendance.
- Link the landlord engagement event in with the Homeless Trailblazer New Business role which is offering opportunities for private sector leasing and deposit incentives.
- Explore links with other Councils to offer further events and training as many landlords have properties outside the Fenland District as well.
- Review the FDC website

7 How the impact of the identified actions should be reviewed.

7.1 The task group felt that at the end of the 2 years Controlling Migration funding for the 2 Housing Enforcement posts, Overview and Scrutiny panel should undertake a review identifying the impact of the actions to address the 5 key issues.

7.2 The task group identified the following key lines of enquiry to help inform that review:

- Can we sustain additional resource through the Civil Penalties and other income streams received by the Council?
- Is that resource enough or do we need more?
- Has the perceived scale of the problem reduced from partner feedback along with feedback of FDC teams?
- Have landlords and agents supported the campaign to develop an accurate register of where the properties are by coming forward with information.
- What was the scale of the problem identified from landlords not utilising the national tenancy deposit schemes?
- Has the proposed extension to mandatory HMO licensing come into effect and what has been the impact of that?
- Are more landlords in Fenland signed up to available support from landlord support associations?

8 Effect on corporate objectives

8.1 The work supports many objectives in the Council's plan including:

- Communities - Support vulnerable members of our community - Deliver the Homelessness Strategy and statutory housing functions
- Communities - promote Health & Wellbeing for all - Implementation of FDC Health & Wellbeing Strategy
- Environment - Work with partners to keep people safe in their neighbourhoods by reducing crime and anti-social behaviour and promoting social cohesion - Work with our partner organisations to reduce crime, hate crime and anti-social behaviour in Fenland through the Community Safety Partnership action plan

Appendix 1

1	Collation of data from C/Tax, HB, Compliance teams into one register	Register created to focus proactive work	MPI – Register created	May 18	N/A	N/A	PSH team	ARP / EH team, PSH team	
2	Landlord and Agent self declaration campaign	Campaign delivered	MPI – campaign delivered	Ongoing 18/19	Ongoing	Ongoing	PSH team /	Comms team / Homelessness Trailblazer team, Landlords & Agents	
2a		Increase in known private rented properties	LPI – 200 new properties that FDC not aware were rented	April 2019	200	200	PSH team	Comms Team Landlords Agents	
3	Tenancy Deposit Information	Identify properties that have complied with deposit legislation and those which have not to target enforcement	MPI – Information collated and matched against FDC property register	August 18	N/A	N/A	PSH team		

Appendix 1

Increase resources to be proactive rather than reactive									
Action	Project	Measurable Outcomes	Reference: Supporting LPI's / MPIs	Deadline / Milestones	Target 18/19	Target 19/20	Lead	Resources / Partners	RAG
1	Recruit 2 enforcement officers through Controlling Migration Fund	2 Officers recruited	MPI – 2 Officers recruited	January 18 to commence work from March 18 for 2 years	N/A	N/A	Housing & Communities Manager	Controlling Migration Fund	
2	More enforcement	Number of streets visited	LPI – Number of streets visted	From March 18	180	180	PSH team	Op Pheasant	
2a		Number of properties triaged	LPI -	From March 18	700	700	PSH team	Op Pheasant	
2b		Number of individual enforcement actions	LPI –	From March 18	750	750	PSH team	Op Pheasant	
2d		Number of occupancy questionnaires completed	LPI	From March 18	700	700	PSH team	Op Pheasant	
2e		Number of emergency smoke detection units fitted	LPI	From March 18	250	250	PSH team	Op Pheasant	

Appendix 1

3	New Private Rented Sector Enforcement Policy	Implement Policy	MPI policy implemented	April 18	N/A	N/A	Housing & Communities Manager	O & S/ Cabinet / Full Council	
3a		Income collected for Enforcement Notices Served	LPI Income collected	Baseline year	Baseline Year	To Follow	PSH team	Revenues team	
3b			LPI income % collected as a % of invoices raised	Baseline year	Baseline Year	To Follow	PSH team	Revenues Team	
3c		Landlord property health check undertaken	LPI Number of properties given health check	Baseline year	Baseline Year	To follow	PSH team		
3d			LPI income accrued from healthcheck	Baseline year	Baseline Year	To Follow	PSH Team		
3e		Civil Penalties	Income received through Civil Penalties	Baseline Year	Baseline Year	To Follow	PSH team	Revenues / Land charges	
3f		Rent Repayment Orders	Income recovered through Rent Repayment Orders	Baseline Year	Baseline Year	To Follow	PSH team	ARP	

Appendix 1

4	Extended mandatory Licensing Scheme	To follow if Secondary Legislation is passed as per Government Consultation response	To Follow						

Improve the condition of the private rented properties									
Action	Project	Measurable Outcomes	Reference: Supporting LPI's / MPIs	Deadline / Milestones	Target 18/19	Target 19/20	Lead	Resources / Partners	RAG
	Street By Street property Inspections	See above							
	Implementation of new private rented sector policy	See above							
1	Operation Pheasant	Number of multi-agency cases per annum from intel captured above	LPI – 100 properties	April 19	100	100	PSH Team	Operation Pheasant partners	
2	Health and Well Being Support	Frontline staff giving Health and Well Being advice to tenants	MPI – Staff trained and materials given	From August 18	N/A	N/A	PSH team	Op Pheasant Environmental Health	

Appendix 1

2a			LPI - Number of residents where Health and well being advice given – Baseline Year	From August 18	Baseline Year	To Follow	PSH Team	Op Pheasant Environmental Health	
3	Member Hotline	Members have a priority response to private rented issues raised by their constituents	MPI – hotline set up	From May 18	N/A	N/A	PSH team	ICT	

Improved intelligence gathering with partner agencies

Action	Project	Measurable Outcomes	Reference: Supporting LPI's / MPIs	Deadline / Milestones	Target 18/19	Target 19/20	Lead	Resources / Partners	RAG
1	Migrant Outreach Post – Controlling Migration Fund	Number of individuals assisted out of inappropriate / overcrowded accommodation	LPI – 40 per annum	April 19	40	20 (project ends September 2019)	Housing & Communities Manager	CGL (delivery partner)	

Appendix 1

1a		Number of clients advised as part of Op Pheasant	LPI – 120 per annum	April 19	120	60 (project ends September 19)	Housing & Communities Manager	CGL (delivery partner)	
1b		Number of cases of illegal eviction / harassment – tackled and avoided	LPI - 20	April 19	20	10 (project ends September 19)	Housing & Communities Manager	CGL (delivery partner)	
	Street by Street property inspections	As above							
	Tenancy Deposit Information	As above							
	Operation Pheasant	As above							

Information, Advice and Guidance to Landlords, Agents and Tenants

Action	Project	Measurable Outcomes	Reference: Supporting LPI's / MPIs	Deadline / Milestones	Target 18/19	Target 19/20	Lead	Resources / Partners	RAG
	Marketing Campaign	On registering property / property health check	MPI – Campaign delivered	Ongoing	On going	On going	PSH Team	Comms Team Landlords and Agents	

Appendix 1

	Homelessness Trailblazer rent Solutions Service	Number of tenancies with successful mediation in Fenland area (n.b service is Cambs Peterborough wide)	LPI – Baseline Year assessed 17/18 to set targets for 18/19	From August 17	To Follow	Project ends April 19	Trailblazer team	Trailblazer fund	
		Market testing exercise to see if can be self-funding	MPI – test undertaken	April 19	Yes	To follow	Trailblazer steering group	Trailblazer fund	
	Landlord Support Groups	Number of events facilitated	MPI – 3 events per annum	From April 18	3	3	PSH team	Op Pheasant / Landlord Support Groups / Other FDC teams	
		Number of landlords working with FDC Housing Options team and Trailblazer new business development team preventing homelessness	LPI – Number of new properties that FDC can access for homeless prevention - Baseline Year	From April 18	Baseline Year		PSH team	New business development Trailblazer team	

Appendix 1
