



CABINET REPORT

Report Title	Private Sector Housing Enforcement Policy and Fees & Charges Policy
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	10 February 2016
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	Yes
Directorate:	Chief Executive's
Accountable Cabinet Member:	Councillor Stephen Hibbert
Ward(s)	All

1. Purpose

- 1.1 The purpose of this report is to seek Cabinet's approval of a new Enforcement Policy, and a new Fees and Charges Policy, for Private Sector Housing.
- 1.2 These two policies will help the Council to improve standards in private sector housing, bring empty properties back into use, ensure that all Houses in Multiple Occupation that require a licence are licensed on time, and make sure that all private rented accommodation is safe, well managed and properly maintained.

2. Recommendations

- 2.1 That Cabinet approves the Private Sector Housing Enforcement Policy (attached to this report as Appendix A) and the Private Sector Housing Fees & Charges Policy (attached to this report as Appendix B) with effect from 15 February 2016.

3. Issues and Choices

3.1 Report Background

- 3.1.1 In Northampton, the private rented sector has doubled in size during the past ten years and now amounts to almost 16,000 (18%) of the homes in the borough. For the first time in decades, there are now more people living in Northampton's private rented sector than are living in social rented housing.
- 3.1.2 As well as having a growing university population, the town is attracting more people through the creation of extra jobs by the Northampton Alive projects and Enterprise Zone. Together with the difficulty that many people are experiencing in buying a home of their own, this is leading to more people wanting to rent accommodation in the town.
- 3.1.3 Although the private rented sector plays a vital role in helping to meet the demand for housing in Northampton, the Council is committed to improving housing standards, encouraging good practice and tackling criminal, rogue and irresponsible landlords.
- 3.1.4 In November 2014, the Council introduced an Additional HMO Licensing Scheme and Article 4 Directive to help regulate and manage the growing number of Houses in Multiple Occupation (HMOs) in parts of the town.
- 3.1.5 Later this year, the Council is planning to establish a not-for-profit social lettings agency – which will let and manage private rented accommodation, on behalf of owners, in return for a management fee – and consult with landlords, residents and other stakeholders on the merits of introducing a star rating system that will help prospective tenants make an informed choice when they are looking for housing.
- 3.1.6 The social lettings agency will offer an immediate solution to those landlords and property owners who are unwilling or unable to manage the property themselves. It will also make it a lot easier for the Council to meet its statutory obligations in relation to the management of any properties that are the subject of a Management Order.

3.2 Issues

- 3.2.1 Although Northampton has some excellent landlords and letting agents, the Council now needs to deal more robustly with the owners and managers of unlicensed HMOs, criminal and rogue landlords and the owners of problematic empty homes.
- 3.2.2 Even though the Additional HMO Licensing Scheme and Article 4 Directive have been in place for more than 15 months, it is estimated that 800 - 1,000 of the licensable HMOs in the designated area are operating without a licence or planning permission.
- 3.2.3 Officers from the Housing & Wellbeing Service are also becoming increasingly concerned about the unsafe, substandard and badly managed private rented accommodation that they are uncovering in the course of their work, and the growing number of incidents involving the harassment and illegal eviction of tenants.
- 3.2.4 Although the Council's Regeneration Team has been very successful in facilitating the conversion of surplus or redundant office space / commercial premises into affordable housing, almost 200 of Northampton's privately owned homes have been empty for at least two years and, of these, many are problematic and blighting neighbourhoods.

3.2.5 During discussions with residents and stakeholders – including the landlords and letting agents that attend Northampton’s regular Landlord Forum – it has become increasingly evident that there is strong and widespread support for the idea of the Council adopting a fresh approach to private sector housing in the borough.

3.2.6 This fresh approach – which is reflected in the Private Sector Housing Enforcement Policy (Appendix A) and the Fees & Charges Policy (Appendix B) – seeks to encourage a change in the behaviour of owners, landlords and letting agents by rewarding good behaviour, making offenders pay for enforcement and ensuring that criminal, rogue and irresponsible landlords do not profit from their non-compliance.

Private Sector Housing Enforcement Policy

3.2.7 The Enforcement Policy is designed to provide an overview of the broad principles and processes with which the Council will seek to comply when taking action to ensure that all private sector housing in the borough is healthy, well managed and safe.

3.2.8 Its purpose is to ensure that:

- Tenants of private landlords and registered social landlords live in homes that are free of unacceptable hazards and risks to their health and safety;
- All Houses in Multiple Occupation are safe and well managed and all relevant Management Regulations are adhered to;
- All licensable Houses in Multiple Occupation are licensed and all licensing conditions are met;
- Private housing is not left empty for an unreasonable amount of time and/or becomes an eyesore and nuisance to neighbouring properties;
- Privately owned property and land does not present a statutory nuisance to other land owners, and does not directly or indirectly present an unacceptable risk to public health, safety or the environment; and
- The Council meets its statutory obligations in relation to private housing.

3.2.9 Although the Enforcement Policy confirms that decisions on the appropriate course of action will be made on a case-by-case basis, it explains what action the Council can take and describes the reasons why it may take that action. It also confirms that the Private Sector Housing Team’s enforcement activity will be targeted, proportionate, consistent, transparent, fair and objective.

Private Sector Housing Fees & Charges Policy

3.2.10 The law allows Councils to charge for the licensing of Houses in Multiple Occupation and the cost of the enforcement action it takes in relation to private sector housing.

3.2.11 In order to support and complement Northampton’s Private Sector Housing Enforcement Policy, the Fees & Charges Policy is designed to encourage good and responsible behaviour and ensure that, where possible, the cost of enforcement is borne by the offender, rather than by the taxpayer and responsible landlords.

3.2.12 To this end, the Council will offer a reduction in the HMO licence fee where a completed application (for a new licence or the renewal of a licence) is made on time. It will also shorten the term of an HMO licence where the licence application is submitted very late and/or the Council has reason to believe that its Officers will need to spend a lot of time monitoring and enforcing standards in that HMO.

3.2.13 Northampton's new Fees & Charges Policy is based on the following principles:

- The Council will enforce the law efficiently and effectively without imposing unnecessary burdens on responsible owners, landlords and occupiers;
- All fees and charges will be calculated on the basis of what it costs the Council to license HMOs, take enforcement action, carry out works in default and provide advice and written reports;
- All licensable HMOs will be subject to the same fees and charges arrangements, irrespective of whether they are affected by the Mandatory HMO Licensing regime or the Additional HMO Licensing regime;
- Owners and landlords who fail to license their HMOs on time will be required to pay more for their HMO licence and, when they are eventually issued with an HMO licence, the Council is likely to issue them with a shorter licence that lasts less than the standard term;
- Owners and landlords (including the owners of long-term and problematic empty properties) who are served with formal Notice(s) by the Council will be required to bear the full cost of enforcement in line with this Policy;
- Where it is necessary for the Council to carry out works in default, the Council will seek to recover all of its costs (including the cost of the works) from the owner or landlord at the earliest opportunity; and
- The Council will ensure that its fees are as low as possible by improving efficiency and making effective use of information technology.

3.3 Choices (Options)

3.3.1 Cabinet can choose to approve the Private Sector Housing Enforcement Policy and the Private Sector Housing Fees & Charges Policy.

3.3.2 Cabinet can choose to approve only the Enforcement Policy.

3.3.3 Cabinet can choose to approve only the Fees & Charges Policy.

3.3.4 Cabinet can choose to do nothing.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The Private Sector Housing Enforcement Policy and the Private Sector Housing Fees & Charges Policy are in line with Council policy and reflect its corporate priorities.
- 4.1.2 As the new, approved Fees & Charges (attached to this report as Appendix B) will come into effect on 15 February 2016, a note to this effect has been included in the Fees & Charges Schedule of the 2016/17 budget setting reports that are due to be presented to Cabinet on 24 February 2016 and Full Council on 29 February 2016. This approach and the 2016/17 Fees and Charges will be ratified by Full Council.
- 4.1.3 It is proposed that, from February 2017 onwards, there will be an annual review of the fees and charges for Private Sector Housing, to ensure that they reflect the true cost of the work involved. Any changes will come into effect in the following financial year.

4.2 Resources and Risk

- 4.2.1 Although there is a risk that the new Fees & Charges Policy will reduce the income that the Council receives from HMO licensing – by extending the licence term for Additional HMOs from 3 years to 5 years and by offering an ‘Early Bird’ discount to people who license (or renew their licence) on time, this is likely to be offset by the extra income that the Council receives in respect of late applications.
- 4.2.2 In order to ensure that it is able to process an increased number of HMO licence applications, the Private Sector Housing Team is proposing to purchase an online HMO licensing system that will save a substantial amount of Officer time and prevent any build-up of outstanding licence applications. The cost of the new online licensing system will be met from existing budgets.

4.3 Legal

- 4.3.1 The Private Sector Housing Enforcement Policy and Fees & Charges Policy will provide a useful framework within which the Private Sector Housing Team will operate.
- 4.3.2 The Council is permitted to charge for the licensing of Houses in Multiple Occupation and the cost of the enforcement action it takes in relation to private sector housing. The proposed fees and charges – as set out in the Fees & Charges Policy – reflect what it costs to carry out the work, so can be justified if challenged.

4.4 Equality

- 4.4.1 The Private Sector Housing Enforcement Policy and Fees & Charges Policy will help improve housing conditions and the life chances of people with protected characteristics, including homeless people, people with disabilities and families with children. They will therefore have a positive impact on Equality and Diversity.
- 4.4.2 The new policies are part of the Borough Council’s commitment to improving communities and our town as a place to live. Community Impact Assessments have been completed and, when implementing the policies, the Council will have due regard to its Public Sector Duty and will continue to work to tackle discrimination and inequality and contribute to the development of a fairer society.

4.5 Consultees (Internal and External)

4.5.1 In December 2015, the Council hosted 4 focus groups to obtain the views of a wide range of stakeholders, including Council Officers, the National Landlords Association, Northampton Student Landlords Network, the Association of Residential Letting Agents, private landlords, letting agents, Trading Standards and the East Midlands landlord accreditation scheme.

4.5.2 Everyone who attended the focus groups was very positive about the Council's new approach to enforcement and fees and charges, and were especially keen on the idea of making offenders pay and reducing the financial burden on responsible businesses.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 As well as contributing to the delivery of a number of the borough's key strategies and policies (including the Housing Strategy, Homelessness Strategy and Empty Property Strategy), the new Private Sector Housing Enforcement Policy and Fees & Charges Policy will help meet three of the priorities in the Corporate Plan:

- **Priority 4 – Making Every £ Go Further:** The new policies will increase the amount of fee income generated by the licensing of HMOs and ensure that the cost of enforcement action is borne by the offender rather than the taxpayer.
- **Priority 5 – Better Homes for the Future:** The new policies will increase the supply of good quality, well managed private rented housing by raising standards and bringing empty homes back into use.
- **Priority 7 – Promoting Health and Wellbeing:** The new policies will support the Council's efforts to improve housing standards in the private sector and, by providing healthier, safer homes, will have a positive impact on people's lives.

Appendices

Appendix A – Private Sector Housing Enforcement Policy

Appendix B – Private Sector Housing Fees & Charges Policy

Background Papers

Community Impact Assessment – Private Sector Housing Enforcement Policy

Community Impact Assessment – Private Sector Housing Fees & Charges Policy

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