

# Licensing of Houses in Multiple Occupation (HMO) in Southampton – Evidence for Additional Licensing



## **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 between 6,000-7,000 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, remains concerned about the impact it has on the rest of the city.

The council receives a number of complaints each year from tenants, local residents and other interested parties about the condition and management of HMOs. Since the introduction of Additional HMO licensing in Southampton in 2013, these numbers have dropped significantly. These complaints are generally about the condition of the properties inside the HMO, noise, rubbish around the property (fly tipping), bins not used appropriately, anti-social behaviour affecting local residents and, in a few cases, more serious offences involving violence, drugs and alcohol.

Through the current HMO licensing regimes the management of HMOs has improved and whilst many properties are now considered compliant and well managed, there are still a significant number of landlords who have failed to comply with license requirements and are not taking their responsibilities seriously.

The council believes a further 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.

## **2. REPORT AIMS**

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.

*An Authority may only designate its district, or areas within its district as subject to additional licensing, if satisfied of the matters set out in s.56(2) Housing Act 2004 & take consideration of matters set out in s.57. This provides that:*

*“(2) The Authority must consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public.”*

*Further considerations under s.57*

*(2)The authority must ensure that any exercise of the power is consistent with the authority’s overall housing strategy.*

*(3)The authority must also seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector, both—*

*(a) as regards combining licensing under this Part with other courses of action available to them, and*

*(b) as regards combining such licensing with measures taken by other persons.*

*(4)The authority must not make a particular designation under section 56 unless—*

*(a)they have considered whether there are any 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, and*

*(b)they consider that making the designation will significantly assist them to deal with the problem or problems (whether or not they take any other course of action as well).*

*(5)In this Act “anti-social behaviour” means conduct on the part of occupiers of, or visitors to, residential premises—*

*(a)which causes or is likely to cause a nuisance or annoyance to persons residing, visiting or otherwise engaged in lawful activities in the vicinity of such premises, or*

*(b)which involves or is likely to involve the use of such premises for illegal purposes.*

In determining whether there are sufficient grounds to designate the four wards of Bevois, Bargate, Portswood & Swaythling to a further additional scheme, the Council must consider the above. In considering this the council has focused on the evidence obtained from the following;

1. Data from Additional Licensing in these four wards from July 2013-present.
2. Data obtained from license conditions monitoring in these four wards and across the other additional & mandatory schemes

### 3. Complaint data relating to HMOs received by Southampton City Council

#### **3. HOUSES IN MULTIPLE OCCUPATION IN SOUTHAMPTON**

Southampton has a population of just under 250,000 residents living in 100,000 homes. But with 25% of Southampton city residents living in privately rented accommodation, the city is above the national average (17%). There are about 6000-7,000 Houses in Multiple Occupation (HMOs) of all types, of which through a combination of Mandatory & Additional licensing has seen approximately 4800 licensed over the last five years. This includes 570 of the largest being licensed under the current Mandatory licensing regime, approximately 3600 being licensed under the first additional scheme (2013-2018) and just over 600 licensed through the second Additional designation (2015-2020). There are an unknown number of HMOs operating without a license across the city and work continues to find these properties and once identified they are dealt with proportionately and robustly. This includes consideration for prosecution.

A House in Multiple Occupation (HMO) is a property which is occupied by three or more people forming two or more households, where facilities such as kitchens and bathrooms are normally shared. It may include bedsits, shared houses and some self-contained flats.

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 is currently operating two Additional HMO licensing scheme across eight wards of the city. In these eight wards, Bevois, Bargate, Portswood, Swaythling, Shirley, Freemantle, Millbrook & Basset all HMOs, properties containing three or more persons from two or more households are required to be licensed. All licensed properties must comply with the requirements of the scheme ensuring that they have sufficient amenities and are safe and secure. In addition there is also the mandatory HMO 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 number of Houses in Multiple Occupation within the private rented sector in the city is estimated to be 6000-7,000 (SHCS 2008). Therefore approximately 9.3% of dwellings in the private sector are HMOs, 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%).

In Southampton approximately 4200 HMOS have been licensed under the two additional schemes and 600 licensed under the current requirements of the mandatory licensing provisions of the Housing Act 2004. The remainder across the city are not currently mandatory licensable.

The Mandatory regime is however being widened from 1<sup>st</sup> October 2018. After this date all HMOs with five or more residents, regardless of the number of storeys, will become licensable. This will apply across the city. Therefore a percentage of properties licensed under the additional schemes will become mandatory licensable. In addition properties not previously licensable across all parts of the city will come into scope.

Estimates, based on current licensing figures suggest that between 47-53% of the HMOs licensed under the additional schemes will become Mandatory licensable HMOs. This would still leave

between approximately 1700-2200 HMOs that would not fall into the Mandatory scheme in the four wards of Bevois, Bargate, Portswood and Swaythling. This includes all of the large private student accommodation blocks.

Southampton has seen a rise in large private purpose built student accommodation over the past few years. And they now provide housing to several thousand students. Through Additional licensing of HMOs the Council has been able to ensure safety and amenity standards within these accommodation blocks.

These blocks will fall outside of the new Mandatory regime, as it excludes most purpose built blocks. Therefore without additional licensing in these four wards there are still a significant number of HMOs that would fall outside of the licensing scope. The Council would have to explore alternative methods to ensure that these properties are safe and healthy in order to meet our Housing Strategy priorities.

The law requires landlords of large HMOs to obtain a licence from the council. This applies to properties that have three or more storeys (floors) and five or more occupiers. The council has been running a scheme for these properties since 2006 and believes it has been successful in improving conditions. The scheme has also allowed the council to have an improved dialogue with the people in control of these properties. To date, around 600 HMOs have been licensed.

Councils are able to consider expanding the licensing of HMOs to include smaller properties. This is called Additional Licensing and can be on an area basis, city wide and, or, restricted to a particular type of HMO. The council is required by law to consider this very carefully and to look at all of the options.

#### 4. THE CURRENT ADDITIONAL LICENSING SCHEME

Additional licensing scheme covering Bargate, Bevois, Portswood & Swaythling that has been in operation since July 1<sup>st</sup> 2013 has seen 3626 licenses issued.

These are proportioned as follows

Ward	Additional Licenses
Bargate	1012
Bevois	1186
Portswood	866
Swaythling	562

##### 4.1. Bargate ward



Bargate is home to the city centre and to the south of the ward is on the waterfront. Bargate has a lot of terraced housing and flats. It is the home of the retail sector in Southampton with many city centre shops and leisure activities.

The population of Bargate is approximately 18,700 according to the last census in 2011; there was an increase of 58.6% between 2001 and 2011. The largest age group are the 20-24 year olds, 29.8% mostly made up of students. The population of Bargate is nearly 8% of the total population of city and the density is 50.7 people per hectare, compared with Southampton at 47.5.

Following on from the 2011 census there was an estimated **2000 HMOs** in this ward. Through Additional & Mandatory licensing just over 1100 HMOs have been identified. This suggests that estimates were too high, or that there has been a marked reduction in this type of accommodation in this area or that there are still a significant number of HMOs that haven't been identified.

Bargate is part of the central area of the city.

Information	Central	North
Total number of private homes in area	17,100	13,500
% of cities private homes in the area	22.7%	17.9%
Total number of HMOs in area	4,100	1,800
% of private home in area that are HMOs	23.97%	13.3%
Est. % of category one hazards in HMOs in area	24.8%	11.7%

## 4.2 Bevois ward



Bevois is in the centre of the city and in terms of housing type has large amounts of terraced housing and flats. It is home to one of the cities hospitals (Royal South Hants) as well as light industrial units. The ward is home to the largest number of black and ethnic communities, businesses and faith organisations in Southampton

The **population** of Bevois is 16,844, an increase of 24% since 2001. The largest age group is the 20-24 year olds at just over 25% (mostly made up of those in higher education). The population is 5.7% of the total population of Southampton and has the highest population **density** in Southampton at 77.6 people per hectare compared with 47.5 for Southampton.

There were an estimated **1500 HMOs** in this ward following the 2011 census and through HMO licensing approximately 1300 have been identified. This suggest that estimates were fairly accurate but there still maybe unlicensed HMOs within the ward.

Bevois is part of the **central** area of the city.

Information	Central	North
Total number of private homes in area	17,100	13,500
% of cities private homes in the area	22.7%	17.9%
Total number of HMOs in area	4,100	1,800
% of private home in area that are HMOs	23.97%	13.3%
Est. % of category one hazards in HMOs in area	24.8%	11.7%

### 4.3 Portswood ward



Portswood ward is in the north of the city and the area has a mixture of accommodation including large detached houses with gardens, flats, and terraced housing also student halls of residence. To the north of the ward is the residential area of Highfield and this is also where the main campus of the University of Southampton is located. The east of the area is densely populated, St Deny's has railway station and is the gateway to the east of the city across the Cobden Bridge over to Bitterne

The **population** of Portswood is 14,831; the biggest age group is 20 to 24 (27%) of the ward population due to the large student population. It is 6.3% of the population of Southampton and the **population density** of Portswood is 56.3 people per hectare, the second highest ward in Southampton after Bevois.

Through additional & Mandatory HMO licensing the Council has licensed over 1000 HMOs in Portswood, the 2011 census estimated **1500 HMOs** across Portswood and Swaythling wards. Swaythling has seen approximately 600 HMOs become licensed so this was a slight under-estimation but quite accurate.

Portswood is part of the **north** area of the city.

Information	Central	North
Total number of private homes in area	17,100	13,500
% of cities private homes in the area	22.7%	17.9%
Total number of HMOs in area	4,100	1,800
% of private home in area that are HMOs	23.97%	13.3%
Est. % of category one hazards in HMOs in area	24.8%	11.7%



#### 4.4 Swaythling ward



Swaythling is at the north of the city and is one of two key gateways into the city. It is close to Southampton airport and has good road and rail links

The **population** of Swaythling is 13,664 and the largest age group is aged 15 to 24 forming 35% of the ward. Swaythling makes up nearly 6% of the population of Southampton and population **density** of 45.7 people per hectare, is very similar to Southampton (47.5).

As stated above Southampton City Council has licensed approximately 600 HMOs in this ward, 562 through the additional scheme.

Swaythling is part of the north area of the city.

Information	Central	North
Total number of private homes in area	17,100	13,500
% of cities private homes in the area	22.7%	17.9%
Total number of HMOs in area	4,100	1,800
% of private home in area that are HMOs	23.97%	13.3%
Est. % of category one hazards in HMOs in area	24.8%	11.7%

#### 4.5 What action has already been taken?

The council already works to improve the standards of privately rented homes in the city. There have been a number of initiatives, services and projects that have been aimed at tackling these issues and improving conditions in HMOs. The most successful of which has been the additional scheme covering these smaller HMOs. The council works in partnership with other organisations to do this, including Hampshire Fire and Rescue, the city's universities, the Police and with local community and residents groups.

This work has included:

- Responding to service requests and complaints about poor conditions and management.
- Inspecting properties in response to complaints received about poor living condition and using its legal powers where needed and appropriate to secure improvements.

- Prosecuting landlords who fail to complete the work required by a formal notice
- Supporting an accreditation scheme for student accommodation (known as SASSH)
- Coordinating multi-agency, targeted enforcement events, which include cleaning up neighbourhoods
- Introducing a requirement for planning permission to change a family home to an HMO (known as an Article 4 Direction)
- Introducing an additional HMO Licensing scheme in the central four wards of the city.
- Targeted enforcement for owners of properties who don't apply for a licence
- Providing an 'out of hours' service to deal with noise nuisance
- Focussing on anti-social behaviour (ASB)

#### **4.6 Are the current initiatives working?**

The council and its partners are working together to reduce the impact that HMOs have in Southampton, through the licensing regime we have seen a reduction in 75% from complaints from tenants about the conditions of HMO properties and a reduction in 50% of complaints about HMOs, such as noise nuisance, waste and anti-social behaviour.

In some parts of the city there is still evidence to show that standards in this type of private rented accommodation are too low. Much of the work that the council undertakes is to deal with issues after they have happened. Intervention and working with landlords to proactively improve properties to the required standards before a stage is reached where somebody has to complain is the proposed way forward.

The majority of landlords are generally co-operative in helping the council and Police to deal with tenants that cause noise and anti-social behaviour, but problems can take longer to resolve, particularly in cases of absent landlords. HMO licensing has helped maintain our records on landlords making them more accountable for their properties.

Some tenants and residents are reluctant to complain to the council for fear of the possible consequences or upsetting their landlord. These tenants continue to live in unsatisfactory or sometimes unsafe conditions and we know this can have a very poor effect on their health, safety and wellbeing. Unless these properties are brought to the council's attention, often the necessary improvements will not happen.

The introduction of the requirement for planning permission to convert houses into HMOs does not improve the conditions in existing HMOs. However, it prevents a further increase of HMOs in certain areas where there is already a high concentration.

The council is proposing to introduce this further scheme to ensure that standards are maintained and that all HMOs in this area adhere to the same standards for safety and amenities. This would:

- Enable the council to maintain and gain new information about the location of all the HMOs in these wards and contact details for the landlords and managers of these properties
- Enable the council to identify landlords whose management arrangements are inadequate or unsatisfactory and ensure improvements are made
- Provide a co-ordinated approach for all the organisations working together to improve standards and safety in these homes
- Continue to promote a more co-ordinated approach to tackling noise and general anti-social behaviour and enable more effective and timely action to be taken against landlords who do not take reasonable steps to reduce it

- Improve the quality of housing to benefit both tenants and the wider community, both in terms of the living conditions in the property and the impact of poor housing on the local area
- Allow the council to use all the powers available to tackle rogue landlords and to ensure that their properties meet the same standards as responsible landlords

#### **4.7 How successful has HMO Licensing been so far?**

The current additional licensing scheme for these four wards has seen 3626 licenses issued. All properties are inspected as part of the scheme to check that they meet the required standards and where conditions are unsatisfactory, works are required to bring them up to standards. These works are listed as specific conditions on the license and must be completed to meet the standards. Of the 3626 licenses issued, approximately 58% were issued with specific conditions. Not all specific conditions would be major safety issues, in some cases this involved only minor adaptations e.g. provision of a fire blanket.

The HMO licensing team has worked hard to ensure all licensed HMOs are fully compliant. Our current evidence suggests that just over 62% of these properties have fully complied with their specific conditions. This demonstrates that there is still work to do to raise standards and improve HMO management and without a further additional scheme this will be much harder to achieve.

Enforcement of specific conditions has not resulted in any prosecutions so far but where issues of non-compliance are identified appropriate action is taken and will be taken to ensure properties are safe and compliant.

Since the additional scheme was introduced in 2013 there have been 15 successful prosecutions of landlords by the Council for failure to licence their HMOs. This demonstrates that the Council has been robust in its enforcement and will continue to take action against landlords that fail to comply with the requirements of the licensing scheme.

Complaints about noise nuisance, waste and anti-social behaviour from HMOs has reduced by 50% since 2013. Complaints are more easily dealt with through the licensing regime. The provision of the HMO wardens through the scheme has been instrumental in dealing with these types of issues and often they are able to resolve them before official complaints are received due to the proactive nature of the role. The wardens provide a visible presence in the areas and are work closely and collaboratively with other council services and agencies to ensure issues get resolved promptly, particularly in relation to rubbish & waste complaints. Feedback from residents has been incredibly positive about the activities of the HMO wardens.

#### **5. THE PROPOSED ADDITIONAL SCHEME**

Through the Councils work on additional licensing over the last five years approximately 4000 Houses in Multiple Occupation (HMOs) have been identified in the selected area of Bevois, Bargate, Portswood and Swaythling wards. These four wards have the highest concentrations of HMOs in the city.

Approximately 50% of these HMOs, the larger ones with five or more occupiers, will be subject to Mandatory Licensing from 1<sup>st</sup> October 2018. That still leaves approximately 1600-2000 smaller HMOs and HMO units within the purpose built student accommodation blocks outside of the licensing regime.

The council believes therefore that there is sufficient evidence to propose that a further designation is made to require that all smaller HMOs in the four wards of Bevois, Bargate, Portswood & Swaythling are licensed.

### **5.1 The licence and fee**

- The landlord or manager of each HMO would be required to apply to the council for a licence to operate that property.
- It would be an offence to operate an unlicensed HMO.
- In most circumstances, a licence would last for five years.
- A licence fee would be paid for each HMO
- The fee covers the cost of administering the scheme. Which includes verification, processing the applications, inspections, monitoring and enforcement.
- Other charges would be levied to cover additional costs where extra work is incurred in administering applications.
- Landlords would be offered a choice of paying for a survey from either the Council or an independent approved surveyor.
- An assessment will be made of the licence holder to determine that they are a ‘fit and proper’ person to hold a licence

The scheme would be self-financing from the licence fees paid by the property owners and therefore no additional cost to the taxpayer.

The proposed fee schedule is in the table below (also see appendix 2):

<b>HMO licence</b>	<b>Fee</b>
Southampton City Council HMO all-inclusive rate for compliant and timely applications	£560
Landlord independent HMO surveyor compliant rate for compliant and timely applications	£250
Southampton City Council HMO all-inclusive rate for applications received after the three month deadline	£960

The council would set out licence conditions for each property, requiring it to be maintained in a safe and satisfactory condition, with enough facilities for the tenants and not be overcrowded. The licence will also require the manager to be a ‘fit and proper person’ and take all reasonable steps to properly manage the HMO, including steps to deal with noise, anti-social behaviour, litter, waste and lettings signs.

### **5.2 License conditions & aims of the scheme**

A licence will only be granted for the full term of the scheme if the following conditions are all met:

- The house is suitable for occupation by a maximum number of four persons (If five or more this would be covered by Mandatory HMO licensing)
- The proposed licence holder is a ‘fit and proper person’, for example is someone who has not previously had a HMO licence taken away or been prosecuted under the Housing Acts etc. or has committed an offence involving fraud, violence or drugs ( in exceptional circumstances the Council may grant a shorter period for the HMO licence e.g. for minor breaches of legislation)

- The proposed management arrangements are satisfactory including ways of tackling anti-social behaviour

Landlords are able to appeal to the independent Residential Property Tribunal against decisions by the council to refuse a licence, to attach conditions to a licence, or to revoke or vary a licence.

*The aims of the scheme:*

- Keep occupants safe by ensuring the 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 e.g. waste and anti-social behaviour issues.
- 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 to achieve 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

### **5.3 What are the benefits for landlords?**

The council recognises that many landlords in the city provide good quality and well managed rented accommodation for our residents. These homes will be more attractive to tenants and in a competitive market potentially offer an advantageous rental income. There are fewer complaints from tenants living in these properties and from their neighbours.

The council would continue its current approach with landlords, which is considered reasonable and proportionate. The aim being that it results in landlords providing effective management and good quality accommodation, therefore enabling Council resources to be targeted towards identifying unlicensed properties and those landlords who fail to effectively manage their property and fail to comply with their licence conditions.

The council does not want to deter investment in this type of accommodation. The Council will take enforcement action against landlords who fail to license their properties and will have staff dedicated to finding unlicensed properties; The HMO wardens will be active in the areas with high numbers of licensed HMOs to make sure that licence conditions are met and conditions monitoring will be routinely undertaken by the licensing team.

Many properties are well managed and have landlords who take responsibility for keeping them in a reasonable condition, taking appropriate action if their tenants do not behave in an acceptable way.

## **6. ENSURING EFFECTIVE MANAGEMENT OF HMOS -CONDITIONS MONITORING OF HMO LICENSES**

*'The Local Authority must consider that a significant proportion of the HMOs of that description are being managed sufficiently ineffectively as to give rise, or to be likely to give rise to one or more particular problems either for those occupying the HMOs or for members of the public.'*

The Additional scheme covering Bevois, Bargate, Portswood & Swaythling has resulted in approximately 3626 licenses being issued. With every property being inspected as a requirement of the license this has enabled the Council to raise the standard of HMO accommodation in these wards. Each property must comply with the general license conditions and any specific conditions relating to that property. In addition issues outside of the license conditions can be identified and referred to other teams for action.

### **6.1 Monitoring license conditions**

In order to measure compliance with license conditions and demonstrate effective management the HMO licensing team carried out an audit of outstanding specific conditions on all the issued licenses.

Of the 3626 licenses issued between July 2013 and June 2018, 2120 were issued with specific conditions attached. This amounts to 58% of the licenses. These conditions related to matters such as fire safety standards, amenity standards and space (room sizes) standards. Where conditions are not met the risk to the tenants safety is increased and the likelihood of complaints greater. This therefore provides the most effective tool in demonstrating good management of HMOs. With over 50% of the HMOs being under the required standard it demonstrates that most properties required an improvement in their condition so as to reduce the likelihood of problems for the tenants or the local environment.

The HMO licensing team has undertaken a programme of checking all the properties with outstanding specific conditions and our current data indicates that 62% of all licensed HMOs in the four wards of Bevois, Bargate, Portswood & Swaythling have been signed off as fully compliant. This indicates that 38% are still outstanding and are potentially being managed ineffectively and posing a risk to the tenants.

The number of non-compliant properties is fairly proportionate across the four wards. With Bargate (642) & Bevois (645) having the highest and Swaythling (331) the lowest. But this is still 58% of the total. Bargate ward had the highest percentage of non-compliant properties at 63%.

After analysis of a sample of 100 licenses with specific conditions, 63% percent related to a specific fire safety standard. This indicates that it is likely that between 56-70% of all specific license conditions related to fire safety standards. Breakdown of the 100 sample was as follows;

#### **Fire Safety Standards:**

- Requirement to upgrade fire alarm system (installation of SD's in common parts & bedrooms & HD's in kitchens or both): 63
- Requirement to replace locks with type of lock openable without a key: 51
- Requirement to provide fire blanket: 46
- Requirement to upgrade doors i.e. provide solid close-fitting doors: 42  
(Bedrooms, lounge etc.)
- Requirement to upgrade under stairs boarding to provide adequate fire protection: 25
- Requirement to upgrade doors to FD30s: 17
- Requirement to remove smoke sealant brushes from tops of bedroom doors: 16

- Requirement the doors close tightly to their respective frames:	15
- Requirement to replace glass panels (either above doors or integrated within):	14
- Requirement to provided protected escape route (i.e. Compromised escape route): (Escape route leading through high-risk area)	10
- Requirement to upgrade electricity meter/unit cupboard:	6
- Requirement to supply & fit new solid doors:	3
- Requirement to keep escape route clear of obstruction:	2
- Requirement to provide electrical safety certificate:	1
- Requirement to enclose under stairs area:	1
- Requirement to replace back-up batteries in SD:	1
- Requirement for log book of Grade A fire alarm system:	1

#### Amenity Standards:

- Requirement for mechanical ventilation in kitchen, bathroom or both:	19
- Inadequate areas for the refrigeration, food storage, preparation & cooking provided for number of tenants:	17
- Requirement for provision of additional electrical sockets:	14
- Requirement for provision of additional wash hand basin in wc:	12

#### Space Standards:

- Prohibition of bedroom for use as sleeping accommodation etc.:	7
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With the majority of non-compliance relating to fire standards and in light of recent tragedies resulting in poor and or lack of fire safety provisions this is a real area of concern. Properties with inadequate fire provisions need to be effectively targeted and brought up to standard and this can be achieved much more effectively through licensing. Although Mandatory licensing is being widened to encompass a large proportion of the HMO stock in the city our data indicates that between 1600-2000 smaller HMOs including all the purpose built private student blocks will fall outside of this regime. Through additional licensing of the smaller HMOs and those contained within purpose built blocks (Purpose built blocks of flats with three or more flats will not be included in the new Mandatory scheme) the Council can effectively manage and reduce the risks in this sector. Without the scheme there is a significant risk that standards will not be maintained unless other initiatives that can effectively deal with this large number of HMOs can be identified and implemented. The Council is therefore satisfied that there are still a significant number of HMOs in these four wards that are being insufficiently managed.

## **7. DEALING WITH COMPLAINTS ABOUT HMOS & THE CO-ORDINATED APPROACH**

The HMO licensing team is part of a coordinated Council & multi agency approach to deal with housing issues, including homelessness, empty properties and anti-social behaviour

Southampton City Council introduced the additional HMO Licensing scheme to cover these four wards (Bevois, Bargate, Portswood and Swaythling) in July 2013 and has licensed approximately

3500 properties in this area. By working in partnership with landlords and local letting agencies the scheme has worked very well, by improving management and conditions in HMOs and reduce the impact on the community. Our evidence suggests that the HMO licensing regime has had a significant impact on complaints about HMOs. There has been a 85% reduction in complaints about housing conditions reported by tenants. Complaints about noise nuisance and waste issues have also fallen by over 50%. This demonstrates the effectiveness of the scheme in improving HMO management and dealing with complaints.

**7.1 HMO wardens**

Through the HMO licensing regime the Council has appointed two HMO Wardens. The wardens were appointed in April 2014, and are a visible uniformed presence regularly patrolling the four wards.

Issues dealt with include:

- Overgrown hedges/branches encroaching over the pavement - Landlord or Managing Agent is contacted and given 7 days to deal with the issue.
- Drug Litter is cleared and reported to Community Safety.
- Investigating complaints of bulky items, such as furniture, or white goods, either on or outside HMO properties. The Landlord or Managing Agent is contacted to arrange clearance. Where we have no witnesses and cannot establish where the items, left on Council land, have come from then the HMO Warden clears them weekly using Community Payback offenders. Over the last twelve months, reviewing the period,1 August 2016 to 18 May 2018 the following reports of bulky items were received:

Bevois	18
Portswood	149
Bargate	34
Swaythling	6

Since the introduction of fortnightly collections some HMO properties have struggled to cope with the need to recycle their waste correctly and we have received 26 complaints about contaminated bins and excessive side waste in Portswood and another 24 from the Bargate ward all relating to properties in the Polygon. The Refuse enforcement officers visit the day after collection and take action against tenants who have contaminated their recycling bin, the HMO Warden also requests additional bins where a shortfall has been identified.

Abandoned vehicles and unhitched caravans & trailers are reported to Parking Services, and untaxed vehicles are reported to the DVLA. Noise complaints received by Environmental health are passed onto the Landlord or Managing Agent so they can contact their tenants about their behaviour. Over the period,1 August 2016 to 18 May 2018 the following reports of excessive noise were received:

Portswood	1
Bargate includes Polygon	31

Since the licensing scheme was introduced in 2013, our evidence indicates that noise complaints about HMOs have declined from over 200 a year to 147 last year and only 6 have been received by the HMO Warden, to date, in 2018.



The HMO Warden visits properties to establish if that are being used as HMOs . On average about twenty door knocks are undertaken per week .The majority of these are when the Council believes the property to be a HMO and the Landlord has failed to respond to three letters requesting they license the property. The other visits are as a result of information from the public or other officers.

Joint patrols are regularly undertaken with the PCSO for the Polygon. These focus on properties with fences or side gates that need repairing/replacing. The PACT (Police and Community together) meetings with local residents are also attended.

The HMO Warden liaises closely with a number of Resident Associations. The Outer Avenue Residents Association (OARA) conduct monthly litter picks of their area and regularly report issues to the HMO warden. The Warden also works closely with the Inner Avenue residents Association to resolve any HMO related issues.

Abandoned Shopping trollies are also recorded and reported to Trolleywise for collection.

## **7.2 Complaints about Housing Conditions in the private sector**

Since the introduction of the additional scheme in 2013 there has been a considerable drop in the number of complaints received from HMO tenants about their housing conditions.

In 2013 there were 152 complaints from HMO tenants which represented 38% of the housing related complaints. In 2016/17 this had dropped to just 39 complaints (22%) and in 2017/16 only 17 complaints. This demonstrates an 85% reduction over the five years. (See Fig 7.2.1).

	<b>HMO</b>	<b>Non HMO</b>	<b>Grand Total</b>
12/13	152	238	390
13/14	133	221	354
14/15	115	191	306
15/16	93	230	323
16/17	39	136	175
17/18	17	29	46
<b>Grand Total</b>	<b>549</b>	<b>1045</b>	<b>1594</b>

**Fig 7.2.1 Private sector housing complaints**

This table (Fig 7.2.1) show complaints about the conditions of HMOs and how they have declined year on year since the introduction of the scheme in July 2013.

## **8. 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.*

Southampton City Council published its Housing strategy 2016-2025, in 2015. The housing strategy is an overarching strategy setting out the council's priorities to meet local housing needs and aspirations thereby contributing to the overall long-term aim to improve the quality of life for all citizens in Southampton. These priorities are translated into a series of targets and actions.

The strategy states that the Council will work with landlords to improve standards in the private rented sector and provide regulation of these properties. Providing good quality housing in the city is a priority of the strategy and the HMO licensing scheme is listed as a measure being used to help achieve all of these. The scheme will ensure that all applicable HMOs within the City are licensed to ensure the health and safety of the residents by providing good quality, safe and healthy accommodation.

## **9. 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.

Prior to the introduction of the Additional scheme in 2013 the options were discussed by a multi-disciplinary panel of Council officers, who have formed the HMO Licensing Board with contributions from the following services:

- Environmental Health Housing
- Finance
- Housing Needs and Homelessness
- Planning
- Legal services

The panel considered the strengths and weaknesses of each option and these were recorded in tabular form.

The HMO licensing board has again reviewed these options in 2018 and is satisfied that a further additional licensing scheme in the selected four wards is still the preferred option to deal with the problems of poorly managed HMOs within the city.

### **9.1 The options considered**

The board considered eight possible options for tackling substandard and ‘problem’ smaller HMOs in the City these were identified and are set out below:

**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 tackling 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.

**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.

## **9.2 Assessing the options**

Each option was discussed against the key objectives by the members of the HMO Licensing Board. The objectives of extending HMO licensing would be to:

- 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

### 9.3 Outcome of the Option Appraisal

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

<b>OPTION TWO: REACTIVE INSPECTION PROGRAMME (MINIMAL)</b>		
<b>Option description</b>	<b>Strengths</b>	<b>Weaknesses</b>
Council intervention would be limited to:	<ul style="list-style-type: none"> <li>▪ Improves individual properties.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Resource intensive.</li> <li>▪ Relies on complaints being received about property conditions;</li> </ul>

<ul style="list-style-type: none"> <li>▪ Responding to complaints about property conditions/management issues.</li> <li>▪ Informal and formal enforcement work to improve living conditions, management etc.</li> <li>▪ Use of other wider powers i.e. Noise Abatement notices ASB Orders, Fly tipping, Litter and waste management provisions.</li> </ul>		<p>some tenants are not able to do this for fear of retaliatory action from landlords.</p> <ul style="list-style-type: none"> <li>▪ Not proactive.</li> <li>▪ Although would be risk rated, no guarantee dealing with poorest properties first.</li> <li>▪ No additional resources for inspections or monitoring management of properties</li> <li>▪ Does not tackle poor practises of rogue landlords</li> <li>▪ Provides inconsistent service across the city.</li> <li>▪ Does not provide detailed information about HMO properties in the city.</li> </ul>
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<b>OPTION THREE: PROACTIVE INSPECTION PROGRAMME</b>		
<b>Option description</b>	<b>Strengths</b>	<b>Weaknesses</b>
<p>The council maintains an inspection programme that targets certain property types or areas of the city.</p>	<ul style="list-style-type: none"> <li>▪ Improves individual properties</li> <li>▪ Potential for partnership working with other agencies and organisations.</li> <li>▪ Can be city wide or in smaller community areas or property types.</li> <li>▪ Can be project managed</li> <li>▪ May have element of self-funding as able to seek to recover costs in association with work in default, enforced sale etc.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Resource intensive.</li> <li>▪ No additional resources for inspections or monitoring management of properties.</li> <li>▪ Does not tackle poor practises of rogue landlords</li> <li>▪ May provide inconsistent service across the city.</li> <li>▪ Does not provide detailed information about HMO properties in the city.</li> </ul>

**OPTION FOUR: LANDLORD ACCREDITATION SCHEME**

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

**OPTION FIVE: MANAGEMENT ORDERS**

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

<b>OPTION SIX:USE OF ARTICLE 4 DIRECTION</b>		
<b>Option description</b>	<b>Strengths</b>	<b>Weaknesses</b>
Continue to control the number of new HMOs in the city in line with policy and guidance.	<ul style="list-style-type: none"> <li>▪ Controls the number of new HMOs in an area.</li> <li>▪ Already introduced in Southampton and being implemented in the city.</li> <li>▪ Can be used alongside other options for a more strategic approach.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Does not require the improvement of properties.</li> <li>▪ Does not apply retrospectively</li> <li>▪ Much confusion among residents and property owners between these powers and EHH powers</li> <li>▪ Does not tackle poor practises of rogue landlords</li> <li>▪ Provides inconsistent service across the city.</li> <li>▪ Does not provide detailed information about HMO properties in the city.</li> <li>▪ Reactive.</li> </ul>

<b>OPTION SEVEN: CITY WIDE LICENSING</b>		
<b>Option description</b>	<b>Strengths</b>	<b>Weaknesses</b>
Licensing is extended to all or a selected type of small HMO across all wards in the city.	<ul style="list-style-type: none"> <li>▪ Clearer scheme as applies to all eligible HMO properties regardless of location in the city.</li> <li>▪ License conditions would be bespoke and therefore seek improvements in living conditions and management.</li> <li>▪ Increased level of resources available for inspecting properties and monitoring license conditions.</li> <li>▪ Reliable and up to date source of information about HMO sector</li> <li>▪ Costs borne by appropriate sector.</li> <li>▪ Linked to property inspections</li> <li>▪ Links with the existing mandatory HMO licensing scheme provisions.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Comprehensive and large programme that will require additional resources and staff</li> <li>▪ Insufficient evidence to demonstrate that there are significant numbers of poorly managed HMOs within these areas</li> </ul>

<b>OPTION EIGHT: SELECTED AREA BASED LICENSING</b>		
<b>Option description</b>	<b>Strengths</b>	<b>Weaknesses</b>
Licensing is extended to all or a selected type of small HMO in selected wards in the city	<ul style="list-style-type: none"> <li>▪ Can focus on areas where there are issue, need and risk based.</li> <li>▪ Tailored solutions to housing problems identified and other issues in partnership with other services and agencies.</li> <li>▪ Reliable and up to date source of information about HMO sector in the selected areas.</li> <li>▪ Costs borne by appropriate sector.</li> <li>▪ Linked to property inspections. License conditions would be bespoke and therefore seek improvements in living conditions and management.</li> <li>▪ Increased level of resources available for inspecting properties and monitoring license conditions.</li> <li>▪ 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.</li> </ul>	<ul style="list-style-type: none"> <li>▪ More limited service for same type of accommodation outside of selected areas i.e. inequality of service provision.</li> <li>▪ Landlords may relocate business to properties in non-licensable areas.</li> <li>▪ May lead to variable standards in quality and management across different parts of the city.</li> <li>▪ Potential to be confusing for tenants and residents</li> <li>▪ Concern that Article 4 Direction restriction on development of HMOs in certain parts of the city may lead to their development in other parts that may not be covered by licensing.</li> </ul>

Option eight has therefore been determined as the most appropriate option to deal with issues arising from smaller HMOs.



## **10. CONSULTATION**

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

The Council carried out a public consultation over a twelve week period starting on 27<sup>TH</sup> February 2018 running through to 22<sup>nd</sup> May 2018. The consultation questionnaire was made available online through the Council's Consultation Portal, paper copies were made available on request.

The HMO pages on the Council's website were updated to give more information about the proposed scheme and included links to an online questionnaire as well as the consultation guide, the questionnaire, original Cabinet report as PDF documents to download.

The Communications Team sent out regular Tweets through the Council's Twitter feed (@SouthamptonCC) alerting followers to the consultation process.

There were 452 completed questionnaires returned and a number of more detailed responses. The detail about these and the outcomes together with the Council's response is in Appendix 3.

In summary the majority of respondents (71%) were in favour of the overall scheme proposals and 75% believed that the correct area had been selected to form the proposed scheme. There was strong support (85%) that all HMOs in this area should be included. The majority of responses (87%) either agreed or strongly agreed that the proposals for the scheme would improve the internal housing conditions within the HMOs and the external conditions (85%). There was firm agreement that the scheme would ensure the health & safety of the tenants (89%) and 85% agreed or strongly agreed that the scheme would reduce anti-social behaviour in the area. Overall 76% of respondents felt that the scheme would have a positive impact on their community.

From the detailed comments, there were 21 respondents who felt that the proposed scheme would impact negatively on affordable housing, with licensing costs being passed onto tenants and rents being raised. But there were also 18 comments that felt the scheme would have a positive impact as it would raise housing standards.