

Renting – A Real Choice

Private rented sector improvement strategy, 2009 – 2012

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Contents

Executive Summary

1 Introduction

2 Our Aims

3 Delivering our Strategy

Annex A - Definition of house in multiple occupation

Annex B - Action plan for 2009-10

Executive Summary

Homes play a vitally important role in people's lives and provide more than a fundamental human need. Many people are unable to buy a home and are unable to access social housing.

This improvement strategy focuses on interventions that can be made in the private rented sector in Wrexham County Borough. The 2006 Wrexham Private Sector Stock Condition Survey informs us that the private rented sector contains the highest incidence of serious health and safety hazards and also carries the highest repair costs of all tenures in Wrexham.¹ Likely to be in greatest need of repair are houses in multiple occupation (HMOs).

The Stock Condition Survey found that over 88% of HMOs do not have provision for means of escape from fire.

Increased population densities associated with HMOs can place a strain on existing services such as refuse disposal and street cleansing, as well as car parking provision. Landlords and tenants have a key role to play in ensuring that HMOs and private rented properties contribute positively to the sustainability of local communities.

It has been proven that improvements in housing conditions lead to direct health benefits and so these interventions not only impact on the private rented sector but on the community as a whole.

Our vision for Wrexham County Borough is for a high quality and sustainable private rented sector that provides a real choice

Through consultation and developing an understanding of the housing issues within our County Borough we have identified and prioritised the following three aims:

¹ Wrexham County Borough Private Sector Stock Condition Survey 2006, Fordham Research

AIM 1 To improve the quality and sustainability of existing homes in the private rented sector, and provide a real choice for those choosing to live in the sector.

Objectives:

- 1 Improving our knowledge of the location and quality of HMOs and properties in the private rented sector
- 2 Improving standards in the private rented sector by removing all category 1 hazards and focusing on identified priority hazards
- 3 Improving the links between housing regulation and interventions and health impacts.

Outcomes:

- 1 Safer and warmer accommodation, improving the health and well-being of tenants
- 2 A more energy efficient private rented sector, contributing to reducing Wrexham's carbon emissions

AIM 2 To provide appropriate advice and support to landlords', managing agents and tenants' and to minimise the impact of high concentrations of privately rented homes on the community

Objectives:

- 1 Improving landlords' and tenants' awareness of their obligations and rights
- 2 Developing property standard guidelines for landlords' and tenants'
- 3 Improving landlords' and tenants' awareness of their responsibilities to the community

Outcomes:

- 1 Landlords who are aware of their statutory duties and provide better quality accommodation
- 2 Tenants who know their rights and are better able to make the right choice
- 3 Safer and warmer accommodation, improving the health and well-being of tenants
- 4 A more energy efficient private rented sector, contributing to reducing Wrexham's carbon emissions

- 5 Improved community cohesion in neighbourhoods with high concentrations of privately rented homes.

AIM 3 To meet our legislative obligations for licensing under the Housing Act 2004.

Objectives:

- 1 Ensuring that all HMOs that require a mandatory licence are identified and licensed
- 2 Consider the need for additional HMO licensing in the County Borough.

Outcomes:

- 1 Meet legislative obligations
- 2 Contribute to safer and warmer accommodation, improving the health and well-being of tenants
- 3 A more energy efficient private rented sector, contributing to reducing Wrexham's carbon emissions
- 4 HMOs effectively managed in their community

We will ensure that this strategy's action plan is reviewed annually.

1 Introduction

Welcome to Wrexham's first Private Rented Sector Housing Improvement Strategy 2009-2012. This document sets out our vision and priorities for improving the quality of accommodation within the private rented sector in the County Borough over the next 3 years.

The private rented sector is a valuable source of accommodation for people in Wrexham and the majority of privately rented properties are well managed and maintained. It caters for a range of needs: providing week-day accommodation for workers; flexibility for people unable to commit to living long term in an area; rooms near universities for students; houses for people who cannot afford or are not ready to own property, housing for those unable to access social housing and those who have made a choice to live in this sector of the market.

Wrexham needs a flourishing private rented sector to enhance choice and facilitate labour mobility. It is important that we remember that housing in the private rented sector is often the only option for people who are not permanently resident in the UK or are subject to immigration control, for example overseas students, medical staff and asylum seekers.

The Stock Condition Survey shows that although the majority of the occupants of HMOs are white, the proportion of Black and Minority Ethnic (BME) households living in HMOs is higher at 9.1% than the proportion living in the County Borough as a whole (2.4%). The Local Housing Strategy recognises the need to engage with the BME community to ensure that appropriate housing is available for all.

It is also important to ensure that the private rented sector contributes to the sustainability of local communities. Increased population densities associated with HMOs can place a strain on existing services such as refuse disposal and street cleansing, as well as car parking provision. Landlords and tenants have a key role to play in ensuring that HMOs and private rented properties contribute positively to the sustainability of local communities.

The Council is committed to improving the overall quality of the private rented sector and its management, and to stimulating increased investment in the sector. We will work in partnership with those landlords that share our commitment to this aim. For those who do not

share this aim we will use appropriate powers to force the worst landlords to improve their properties or management.

Our vision

A high quality and sustainable private rented sector that provides a real choice

This strategy is evidence-based and aims to achieve better outcomes for people living in the private rented sector. Through consultation and developing an understanding of the housing issues within our County Borough we have identified and prioritised the following aims:

AIM 1 To improve the quality and sustainability of existing homes in the private rented sector, and provide a real choice for those choosing to live in the sector.

AIM 2 To provide appropriate advice and support to landlords, managing agents and tenants and to minimise the impact of high concentrations of privately rented homes on the community.

AIM 3 To meet our legislative obligations for licensing under the Housing Act 2004.

Firstly we will set out the context for our strategy, by telling you about the things which have influenced its development. We will then focus on each of our aims and outline how we intend to achieve them. Our aims will only be achieved by engaging in a positive dialogue with landlords and tenants, working with partners and, where necessary, by using our enforcement powers.

We know that our strategy does not stand in isolation. Housing issues are complex and cut across many different service areas. We recognise the important links between our strategy and other overarching documents. We have described our main influences below.

National Housing Strategy for Wales

The National Housing Strategy sets four themes to be addressed: affordability,

homelessness, quality and supporting vulnerable groups.² These themes have been used to develop our Local Housing Strategy. The theme of 'quality' recognises the effect that poor housing can have on people's physical and mental well-being.

Our Local Housing Strategy

Our strategic housing partnership, the Wrexham Housing Alliance has been established since December 2005. It is responsible for the development and delivery of the County Borough's Local Housing Strategy 2007 – 2012 which has identified and prioritised the following five aims:

1	To improve the quality and sustainability of existing homes and neighbourhoods
2	To develop more, good quality affordable homes
3	To reduce homelessness and rough sleeping
4	To ensure that appropriate housing is available for all, particularly the vulnerable and those with special housing requirements
5	To provide effective housing advice and promote the full range of housing options available

Council Priorities 2009-12

This strategy aligns itself well with a number of related Council strategies and priorities. The Council, working closely with its partners, has developed an overarching Community Strategy that aims to improve quality of life by making Wrexham; a safe place; a healthy caring place; a place that cares for the environment; and an economically prosperous place.

Corporate Priorities for 2009-12 include:

1. Reducing carbon emissions and energy use; and
2. Affordable housing.

Health, Social Care and Well-being Strategy

² Better Homes for People in Wales, A National Housing Strategy for Wales, 2001, National Assembly for Wales

The Health, Social Care and Well-being Strategy - Caring for our Health 2008-2011, aims to create a healthier community and develop first class support services by: influencing lifestyle factors, enhancing the prevention role of local authorities and health care services. The links between housing and health will be discussed in more detail later.

Affordable Housing Delivery Statement 2007-12

Developing, encouraging and policing the private rented sector is a priority within our Affordable Housing Delivery Statement. A healthy private rented sector is vital in order to meet the various housing needs within the County Borough.

Equality Impact Assessment

To ensure that the strategy is fair and equal to all groups it has been equality impact assessed in accordance with Council procedures.

2 Our Aims

AIM 1

To improve the quality and sustainability of existing homes in the private rented sector, and provide a real choice for those choosing to live in the sector.

Quality is the main theme of the National Housing Strategy³. It clearly recognises the contribution that poor housing conditions can have on people's physical and mental well-being.

The number of people living in good housing has been recognised as being not just of benefit to the occupiers but also to the wider community and to society. An increase in good homes is linked to improving communities, reducing crime, improving employment opportunities and educational achievement.⁴ The World Health Organisation supports the view that people with poor health and negative wellbeing are more likely to live in poor housing. The links between public health and housing have been long established and have been evidenced in the Chartered Institute of Environmental Health (CIEH) 'Good Housing Leads to Good Health' toolkit.⁵

This section will focus on:

- The profile of Wrexham's existing private rented sector stock
- Improving standards in the private rented sector
- Our plans for future action

A Profile of the Private Rented Sector

The 2006 Wrexham County Borough Private Sector Stock Condition Survey identified the following⁶:

³ Better Homes for People in Wales, A National Housing Strategy for Wales, 2001, National Assembly for Wales

⁴ ODPM 2002

⁵ Good Housing Leads to Good Health, 2008, CIEH

⁶ Wrexham County Borough Private Sector Stock Condition Survey 2006, Fordham Research

Number of private rented properties

- Around 3,983 (around 7% of total stock)

Houses in Multiple Occupation (HMOs)

- Around 962 HMOs (24%)
- Most are pre 1919 two storey buildings, in private rented sector
- Around 77 HMOs may be licensable
- 88% do not have provision for escape from fire
- 44% have only battery operated smoke alarms
- Standards of management 'poor' in 9.5%

Total repair bill in private rented sector

- £24.3million

Housing, Health and Safety Rating System

- Pre 1919 dwellings show high level of category 1 hazards
- Main hazards identified were 'excess cold' and 'falls on the level'

Energy efficiency

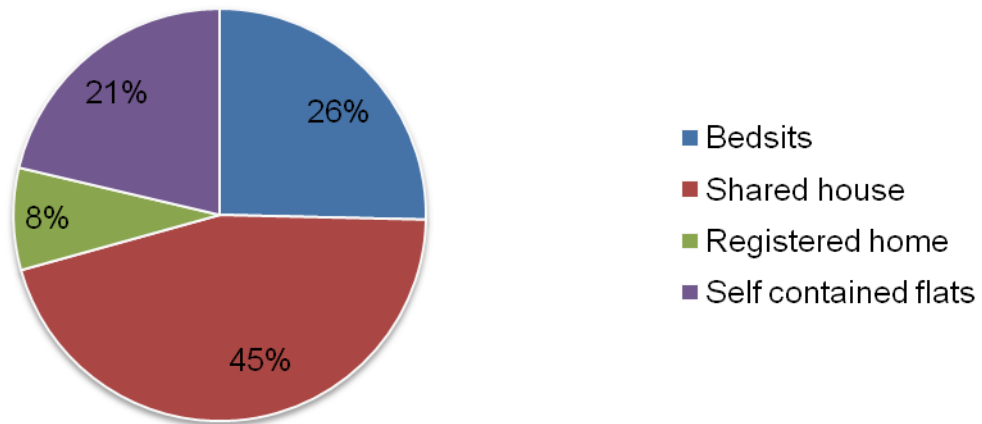
- Highest proportion of dwellings with poor levels of energy efficiency are in private rented sector

Houses in Multiple Occupation

Within the private rented sector, likely to be in greatest need of repair are houses in multiple occupation (HMOs). The Housing Act 2004 defines an HMO as an entire house, flat or converted building which is let to three or more tenants who form two or more households, who share facilities such as a kitchen, bathroom or toilet. (See Annex A for a detailed definition) HMOs are generally older properties which have been converted into individual units of accommodation.

Chart 1 below illustrates the different types of HMO in the County Borough. The majority are shared houses (45%).

Chart 1: Types of HMO
Source: Stock Condition Survey, 2006



HMOs are generally known to be concentrated in the wards containing two storey terraced properties close to the town centre (e.g. Grosvenor, Offa and Smithfield).

Link with Planning Department

The Housing Standards and Strategy Team will continue to notify the Planning Department of any dwelling houses that are being used as HMOs. The Planning Department have issued a local planning guidance note dealing with the conversion of dwellings to HMOs.⁷ Under planning legislation HMOs are not defined and therefore up to 6 people can live together on a communal basis without the need to apply for planning permission for a change of use from a dwelling house.

Locating HMOs and Private Rented Properties

At the time of writing the Housing Standards and Strategy Team have records for 1,146 private rented dwellings of which 582 are HMOs. This compares with the Stock Condition Survey (2006) estimates of 3,983 privately rented homes and 962 HMO's.

⁷ Wrexham County Borough Council, Local Planning Guidance Note No.5 (2004)

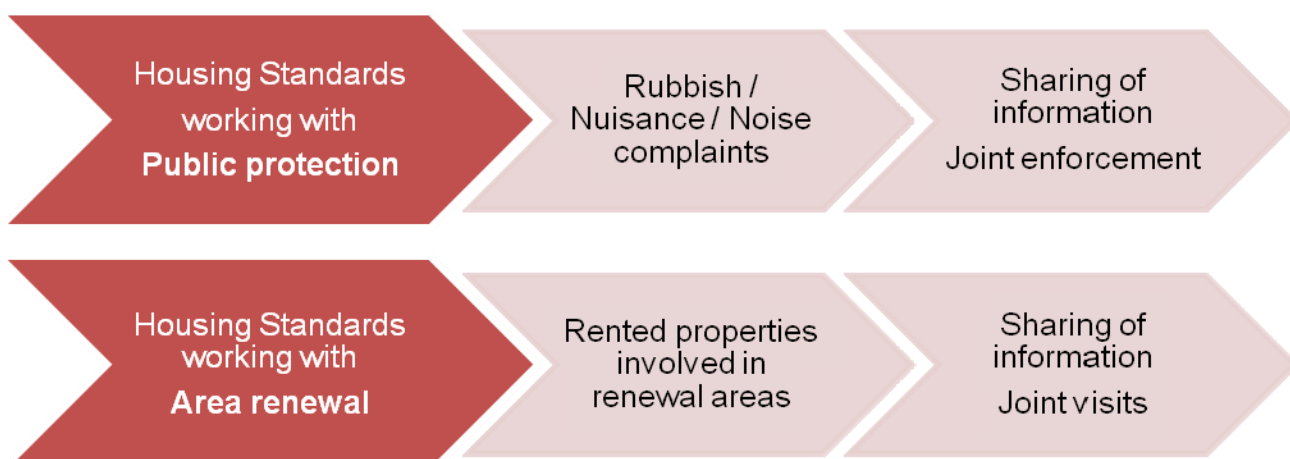
The tenure of residential property in the private sector can change from owner occupation to renting and the way in which the property is occupied can also change between single household to multiple households within the same building. There is no legal requirement on landlords to register or licence their private rented properties (with the exception of three storey HMOs with five or more occupants forming two or more households), therefore it is difficult to monitor these changes. We must therefore maximise the use of various sources of information to identify their location.

We will carry out further work to improve our knowledge of the location of private rented properties and HMOs. A variety of methods will be used including:

- private rented sector surveys;
- street surveys;
- investigating 'to let' adverts;
- liaising with local letting and managing agents
- checking property records;
- liaising with internal and external partners (e.g. Shelter, Citizens Advice Bureau, Glyndwr University)

Improved knowledge of the private rented sector will assist the team in making an assessment regarding the need for additional and selective licensing.

The diagram below shows some examples of areas where joint-working can be effective:



We will establish a Private Rented Sector Working Group involving relevant internal and external partners, to ensure that we:

- work closely in dealing with problems relating to the private rented sector;
- share information and expertise;
- seek coordinated interventions and action;
- allow partners holding relevant information to be consulted on a regular basis;
- develop procedures for co-ordination and liaison.

Regulation of the Private Rented Sector

The Housing Standards and Strategy Team are responsible for regulating private sector properties using the powers contained within the Housing Act 2004. Part 1 of the Housing Act 2004 (hereafter ‘the Act’), introduced the Housing, Health and Safety Rating System (HHSRS). The HHSRS has been developed to identify and evaluate the potential risks to health and safety from deficiencies identified in dwellings. The system was developed using statistical evidence to give an accurate basis for calculating the likelihood of a hazard causing harm.

Where a category 1 hazard (most serious) is found, action must be taken to eliminate or reduce the risks to an acceptable level. Where a category 2 hazard is found, action may be taken. This discretion allows local authorities’ to focus their efforts on the most serious health

and safety hazards. Under HHSRS there are 29 hazards identified but many of them are comparatively rare for example explosion or lead poisoning. The most common hazards are:

- Damp and mould growth
- Excess cold
- Crowding and space
- Entry by intruders
- Falling on level surfaces etc
- Falling on stairs etc
- Fire

The National Assembly for Wales has issued statutory guidance that details local authorities' enforcement duties and options under the Act.⁸ We will have full regard to this guidance and to the Housing Standards and Strategy Enforcement Policy when determining the most appropriate enforcement action to take. The enforcement options available, and the objective of each is summarised the diagram below:

⁸ National Assembly for Wales, Housing Conditions: Enforcement Guidance, 2006

Improvement Notices	<ul style="list-style-type: none"> • Requires remedial action to be carried out to remove a hazard
Prohibition Orders	<ul style="list-style-type: none"> • Prohibits the use of a premises (or part of) for any particular purpose
Hazard Awareness Notices	<ul style="list-style-type: none"> • Advises the person on whom served of the existence of a hazard on the premises
Emergency Remedial Action	<ul style="list-style-type: none"> • Allows the Council to take action to remove any imminent risk of serious harm
Emergency Prohibition Orders	<ul style="list-style-type: none"> • Prohibits, with immediate effect, the use of a premises (or part of) for any particular purpose
Demolition Orders	<ul style="list-style-type: none"> • Allows the Council to order the demolition of a dwelling
Clearance Areas	<ul style="list-style-type: none"> • Allows the Council to declare an area to be a clearance area if residential buildings are dangerous or harmful
Other legislation includes	<ul style="list-style-type: none"> • Environmental Protection Act 1990 • Building Act 1984

The House in Multiple Occupation (Wales) Regulations 2006 impose certain duties on managers and occupiers of all HMOs. For managers, the duties relate to basic management practices (e.g. providing contact details, supplying annual gas safety certificates, suitable refuse disposal facilities) and property maintenance issues (e.g. fire safety, providing adequate drainage, general maintenance). For occupiers, the requirements relate to not hindering the manager's duties, not damaging the property or its contents, disposing of refuse adequately and complying with fire safety instructions.⁹

We will promote greater awareness of the HMO Management Regulations amongst landlords and tenants alike with the aim to improve levels of compliance.

Programmed Inspections of HMOs

Due to the large number of general private rented properties and the resources available, a reactive response to complaints will continue to be a necessary method of dealing with

⁹ Management of Houses in Multiple Occupation (Wales) Regulations 2006

these. However, a prioritised inspection programme exists for all known HMOs. They are inspected at risk based intervals. The initial focus of work has concentrated upon implementing mandatory measures for the higher risk properties including HMOs of three storeys or more.

Areas which contain higher densities of HMO's are likely to result in a greater impact on the local community whether this is due to the management of refuse or the competition for parking for example. Over the next three years, wards identified as having high concentrations of HMOs will be targeted. Research will be carried out in those wards to identify where there are HMOs that have not previously been identified by the Housing Standards and Strategy Team. The objective of this targeted action will be:

- To identify all private rented dwellings and HMOs;
- To ensure that all HMOs that require a licence are identified and appropriate action taken;
- To ensure that property improvements are carried out, where necessary;
- To take appropriate enforcement action, where necessary;
- To raise awareness of the work of the Housing Standards and Strategy Team;
- To publicise housing standards requirements.

Priority Hazards

All property inspections must consider the 29 hazards covered by the HHSRS. However, evidence from the Stock Condition Survey identifies the key hazards that are most prevalent in the County Borough. The diagram below illustrates the priority hazards for 2009-12, and how they apply to private rented dwellings and HMOs:-

Priority Hazards

Private Rented Dwellings

HMOs

Excess Cold

Falls on the level

Fire

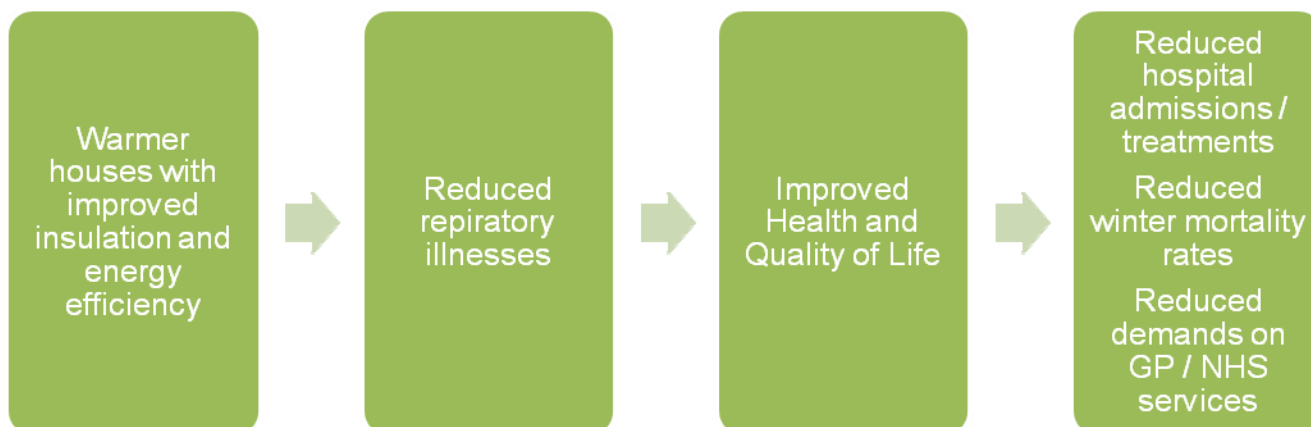
Overcrowding

Priority hazard - excess cold

Excess cold is one of the main reasons a dwelling in the private sector is likely to have a category 1 hazard according to the stock condition survey, which also found that the highest proportion of dwellings with poor levels of energy efficiency are in the private rented sector. Less energy efficient properties cost more to heat and negatively influence the health of occupants; cold and damp contribute lead to many excess deaths during the winter period. Improving the energy efficiency of properties will contribute to achieving Government goals on ending fuel poverty and tackling climate change, and will contribute to achieving the Council priority of reducing carbon emissions and energy use.

Over the next three years we will work to ensure that energy efficiency in the private rented sector is improved. For example, energy performance certificates (EPCs) are now required for certain rented properties and provide us with a new tool to improve conditions.

The flow chart below shows the health impact and outcomes that can be achieved by tackling excess cold.



Priority hazard – falls on the level

Falls are one of the main reasons a dwelling is likely to have a category 1 hazard according to the Stock Condition Survey. Addressing falls on the level will reduce emergency health interventions and promote independent living, e.g. for older or disabled people.

Priority hazard – fire

HMOs, due to the nature of their occupation, pose a higher fire risk than individual dwellings. This is due to the greater number of occupants, and in particular, where individual occupants do not know the whereabouts or actions of the other occupants. In 2007 the North Wales Fire and Rescue Service published a report into accidental dwelling fire deaths.¹⁰ The report found that in the last five years 48% of fire deaths occurred in dwellings not owned by the victim. As regards fire safety provisions, national guidance published by the Local Authorities Coordinators of Regulatory Service (LACORS) has introduced guidelines for all types of private rented accommodation.¹¹ We will work closely with the North Wales Fire and Rescue Service, under the principles and joint working arrangements established in the national protocol published in 2007.¹²

Priority hazard – overcrowding

¹⁰ North Wales Fire and Rescue, [Accidental Fire Deaths](#), 2007

¹¹ LACORS, [Fire Safety Guidance for Residential Accommodation](#), 2008

¹² LACORS [Joint fire safety protocol](#), 2007

Many HMOs display a lack of facilities for the number of occupants. All properties must have adequate facilities for the number of occupants. Legal standards exist for washing facilities and kitchens. Compliance with these standards will lead to better quality accommodation and facilities, leading to more respect for the property and possibly a reduction in antisocial behaviour.



Challenges

We recognise that we have the following challenges to address in order to improve the quality of privately rented properties and HMOs:

- Improved sharing of information and joint-working is required to identify all HMOs and properties in the private rented sector;
- Accurate, up to date information is needed about HMO conditions;
- Regulation of the private rented sector is necessary to improve standards, although a balanced approach must be taken to retain the interest of private landlords.

Objectives and outcomes

Our action plan will therefore focus upon the following objectives:

- 1 Improving our knowledge of the location and quality of HMOs and properties in the private rented sector
- 2 Improving standards in the private rented sector by removing all category 1 hazards and focusing on identified priority hazards
- 3 Improving the links between housing regulation and interventions and health impacts.

Our intended outcomes from achieving these three objectives are:

- 1 Safer and warmer accommodation, improving the health and well-being of tenants
- 2 A more energy efficient private rented sector, contributing to reducing Wrexham's carbon emissions

AIM 2

To provide advice and support to landlords, managing agents and tenants and to minimise the impact of high concentrations of privately rented homes on the community.

Surveys have found that many landlords and agents feel that they do not receive sufficient information to comply with regulations and good practice.¹³ Tenants are often unaware of the property standards they should expect and expectations are generally low.

This section will focus upon:

1. Providing effective housing advice
2. Our future work

Wrexham Landlords' Forum

Overregulation of the private rented sector can discourage landlords from entering or remaining in the market. As this is a valuable source of housing for Wrexham's residents, the Wrexham Housing Alliance through the Private Sector Landlords Forum is keen to ensure that the necessary advice and support is provided. The Private Sector Landlords Forum brings together officers and landlords and related organisations to discuss new legislation and develop new services. We will continue to develop the Landlords Forum whilst working towards increasing the role of landlords in its development. It is also hoped that through the Forum we can encourage the private rented sector to assist in meeting the housing needs within the County Borough.

Landlord and Tenant Charter

The charter will set out a set of mutually agreed standards of tenant and landlord behaviour and will be developed by the private rented sector working group in consultation with

¹³ English House Condition Survey 2001

landlord and tenant groups. The charter will be made available to landlords and tenants through the Council's website.

Guidance

Landlord and tenant information packs have been developed to provide information and advice about a variety of housing issues. The packs will be distributed through the Landlords Forum, online requests and during property inspections.

Information and contact details are also provided on the Council's website which aims to provide greater access to Council services. We will ensure the information provided is kept up to date.

Further guidance will be produced focusing on raising awareness of the legal requirements; minimum property standards and mandatory licensing requirements. New minimum property guidelines will be published and shared with landlords and managing agents, helping them in fulfilling their legal obligations and removing any category 1 hazards from their properties.¹⁴

Landlord Accreditation Wales

The Landlord Accreditation Wales Scheme has the participation of all local authorities in Wales. The scheme was launched in November 2008 with the aim to make landlords and letting agents more aware of their rights and responsibilities and more proactive in their approach to managing their businesses. As the number of accredited landlords and agents increases this will hopefully allow us to target our resources on those landlords whose properties do not reach minimum standards, and will not, without intervention.

Accreditation will give landlords and agents the following benefits:

- Tailored training;
- Preferential marketing;
- Better access to Local Authority Events and Publications;

¹⁴ Welsh Assembly Government, The Welsh House Quality Standard – Revised Guidance, 2008

- Supporting documentation;
- Wider support network;
- One application for accreditation covers all Wales;
- Improved profile for the landlords and their business.

All accredited landlords and agents will sign a code of conduct and any breach of this code will be investigated by the scheme administrator. Tenants and the general public will be able to search for accredited landlords and agents by visiting the scheme's website (www.welshlandlords.org.uk).

We will continue to support and promote the scheme to provide landlords and agents with information and professional development opportunities so that they can operate a successful business whilst providing their tenants with safe, well managed and high quality accommodation. We will seek the commitment of letting agents, significant educational, health and other organisations who procure or market accommodation in the private rented sector to ensure that they only associate with accredited landlords. Work is ongoing to develop further incentives to promote membership of the scheme.

Tackling Problems with HMOs and Private Rented Properties

High concentrations of HMOs and private rented properties can affect the quality of life of local residents. Increased population densities associated with HMOs can place a strain on existing services such as refuse disposal and street cleansing, as well as car parking provision. Joint working between the Public Protection Service and the Housing Standards and Strategy Team will allow issues relating to refuse and noise nuisance to be tackled more effectively. These problems are not exclusive to the private rented sector; however, due to the transient nature of occupation in HMOs, local residents often face difficulties in tackling any problems that arise. Greater awareness of services such as 'Contact Wrexham' is important. This service continues to develop and allows the public to speak to trained customer advisors about a range of services including refuse and noise nuisance.

We will continue to work with letting agents, significant educational and other organisations to identify and secure improvements in the management and maintenance of HMOs in order to address the needs of both tenants and local residents.

Challenges

We have identified the following challenges to be addressed in order to improve the quality, accessibility and choice of housing advice and information:

- There is a need to provide landlords and tenants with property standard guidelines for private rented properties and HMOs
- There is a need to promote the Landlord Accreditation Wales Scheme to increase participation

Objectives and outcomes

Our action plan will therefore focus on the following objectives

- 1 Improving landlords and tenants awareness of their obligations and rights
- 2 Developing property standard guidelines for landlords and tenants
- 3 Improving landlords and tenants awareness of their responsibilities to the community

Our intended outcomes from achieving these three objectives are:

- 1 Landlords who are aware of their statutory duties and provide better quality accommodation
- 2 Tenants who know their rights and are better able to make the right choices
- 3 Safer and warmer accommodation, improving the health and well-being of tenants
- 4 A more energy efficient private rented sector, contributing to reducing Wrexham's carbon emissions
- 5 Improved community cohesion in neighbourhoods with high concentrations of privately rented homes

AIM 3

Meet our legislative obligations for licensing under the Housing Act 2004

The Housing Act 2004 introduced various licensing provisions for local authorities to use to regulate and improve the private rented sector.

This chapter focuses upon:

- The types of licensing available
- Our future plans

Mandatory Licensing of HMOs

Under part 2 of the Housing Act 2004, local authorities have a duty to implement a mandatory licensing regime. A licence is required for HMOs of three or more storeys and with five or more occupants forming two or more households and sharing amenities. Landlords of HMOs that meet these criteria must by law apply for and acquire a licence to operate. Operating a licensable HMO without a licence is a criminal offence and can result in a fine of up to £20,000, the issue of rent repayment orders and interim and final management orders.

To date, 21 HMOs have been licensed in Wrexham. Investigations are ongoing to ensure that no unlicensed HMOs are operating in the County Borough. Guidance has been published by the Local Authorities Coordinators of Regulatory Services (LACORS) to enable local authorities to identify and tackle unlicensed HMOs in their Boroughs.¹⁵ We will use this guidance as a basis for a publicity campaign that will help to identify and deal with unlicensed HMOs in the County Borough. This campaign will also increase awareness of the licensing scheme amongst landlords, tenants and the general public. The long term objective will be for the public to be our 'eyes and ears' on the street, reporting any unlicensed HMOs operating in the County Borough.

¹⁵ LACORS, *Identifying and dealing with unlicensed HMOs – Good practice guidance for local housing authorities*, 2007

Additional Licensing of HMOs

Although the fire risks may be greater in three storey HMOs, the social problems which can occur in two storey HMOs can be equally important. Section 56 of the Housing Act 2004 allows local authorities to introduce additional HMO licensing areas. This means that other types and size of HMOs can also be required to be licensed. There is general approval in Wales for authorities to designate specific areas (or the whole County Borough) for additional licensing if all general conditions are met. These areas can only be designated where:-

- a significant proportion of HMOs are being managed sufficiently ineffectively as to give rise to problems to tenants or the surrounding neighbourhood, and where
- Other courses of action (of whatever nature) that might provide an effective method of dealing with any problems have been considered.

A study will be carried out to assess the need for additional licensing in the County Borough and an appropriate action plan will be developed to address any issue the study throws up.

Selective Licensing of Private Rented Dwellings

Although problems are more acute in HMOs, problems do exist in other residential accommodation. Section 80 of the Housing Act 2004 allows local authorities to designate an area (or the whole County Borough) as subject to selective licensing. This means all private rented properties in a designated area are required to be licensed.

To designate a selective licensing area there must be low housing demand or a significant and persistent problem with anti-social behaviour in that area. There is general approval in Wales for authorities to designate areas for selective licensing if all general conditions are met. The need for selective licensing will be kept under review. Should low housing demand and/or persistent problems with anti-social behaviour exist further studies will be carried out to determine the feasibility of implementing a scheme.

Challenges

We have identified the following challenges to be address in order to ensure the Council meets its legal obligations for licensing under the Housing Act 2004:

- There is a need to ensure that all HMOs that require a licence are identified and licensed
- There is a need to carry out research to determine if any further forms of licensing are appropriate and required

Objectives and outcomes

Our action plan will therefore focus upon the following objectives:

- 1 Ensuring that all HMOs that require a mandatory licence are identified and licensed
- 2 Carry out study to assess need for additional licensing in the County Borough.

Our intended outcomes from achieving these two objectives are:

- 1 Meet legislative obligations
- 2 Contribute to safer and warmer accommodation, improving the health and well-being of tenants
- 3 A more energy efficient private rented sector, contributing to reducing Wrexham's carbon emissions
- 4 HMOs effectively managed in their community

3 Delivering our strategy

We have set out our vision and aims for the private rented sector over the next 3 years and developed a number of strategic objectives to focus our joint efforts.

Monitoring our strategy

These objectives are taken forward and expanded upon in our action plans. The actions required to achieve each objective, during 2009-10, are contained in Annex B.¹⁶ Programmes for future work to achieve each of our aims are detailed in these plans together with target dates and intended outcomes. Monitoring our progress in completing these actions will ensure that we deliver upon our strategy.

We recognise however that both the local housing market and housing policy background is constantly changing and our strategy and action plans must be “living” documents. Recent developments such as the publication of the Rugg Review into the private rented sector and the forthcoming review of the National Housing Strategy for Wales will both contribute to the future review of this strategy.¹⁷ The action plan will be reviewed annually.

¹⁶ The actions required to achieve the strategy during 2010-11 and 2011-12, will be developed as part of the service’s business planning cycle, each year during January-March.

¹⁷ Review of Private Rented Sector Housing, Centre for Housing Policy, University of York, 2008.

Annex A – Definition of House in Multiple Occupation (HMO)

What is an HMO?

Sections 254-260 of the Housing Act 2004 sets out in detail what constitutes a HMO. In essence, an HMO is any building or part of a building that is one of the following:-

A shared house lived in by persons (Three or more) who belong to more than one family* and who share a kitchen, bathroom or toilet.

A house in **bedsits** lived in by persons who belong to more than one family* and who share a kitchen, bathroom or toilet.

An individual **flat** lived in by persons who belong to more than one family* and who share a kitchen, bathroom or toilet.

A building consisting of **self contained flats** which do not meet Building Regulations 1991 standards and more than one-third of flats are let on short term tenancies.

** Family – husband, wife, co-habitee, child, step-child, foster-child, grandchild, parent, step-parent, foster-parent, grandparent, brother, half-brother, sister, half-sister, aunt, uncle, niece, nephew, cousin.*

Exemptions from HMO definition:

Certain types of buildings will be exempt from the definition of HMO but will not be exempt from Part 1 (HHSRS) of the Act. These include those:

1. Buildings, or parts of buildings, occupied by no more than two households each of which comprise a single person (i.e. two person flat shares);
2. Buildings occupied by a resident landlord with up to 2 tenants;
3. Managed or owned by a public body (such as the police or the NHS) or an local authority or a Registered Social Landlord;
4. Where the residential accommodation is ancillary to the principal use of the building e.g. religious establishments, conference centres;

5. Student halls of residence, where the education establishment has signed up to an Approved Code of Practice;
6. Buildings regulated otherwise than under the Act, such as care homes, bail hostels and the description of which are specified in regulations;
7. Buildings entirely occupied by freeholders or long leaseholders.

Annex B – Action Plan 2009-2010

AIM 1 To improve the quality and sustainability of existing homes in the private rented sector, and provide a real choice for those choosing to live in the sector.

Objectives

- 1 Improving our knowledge of the location and quality of HMOs and properties in the private rented sector
- 2 Improving standards in the private rented sector by removing all category 1 hazards and focusing on identified priority hazards
- 3 Improving the links between housing regulation and interventions and health impacts.

Outcomes

- 1 Safer and warmer accommodation, improving the health and well-being of tenants
- 2 A more energy efficient private rented sector, contributing to reducing Wrexham's carbon emissions

Actions	Target Date	Milestone
Establish a Private Rented Sector Working Group involving all relevant internal and external partners	June 2009	First meeting held
Carry out a campaign informing landlords, managers and tenants of HMOs of their duties under the Management Regulations.	February 2010	Press campaign and newsletter
Carry out surveys to identify private rented accommodation for rent in the County Borough	Ongoing	
Programmed and reactive HHSRS inspections of HMOs to focus on the following priority hazards:-	Ongoing	200 inspections in 2009/10

- Excess cold
- Falls on the level
- Overcrowding
- Fire

Reactive inspections of single household private rented properties. Inspections to focus on the following priority hazards:-

- Excess cold
- Falls on the level

Ongoing

No target possible

AIM 2 To provide advice and support to landlords, managing agents and tenants and to minimise the impact of high concentrations of privately rented homes on the community.

Objectives:

- 1 Improving landlords and tenants awareness of their obligations and rights
- 2 Developing property standard guidelines for landlords and tenants
- 3 Improving landlords and tenants awareness of their responsibilities to the community

Outcomes:

- 1 Landlords who are aware of their statutory duties and provide better quality accommodation
- 2 Tenants who know their rights and are better able to make the right choice
- 3 Safer and warmer accommodation, improving the health and well-being of tenants
- 4 A more energy efficient private rented sector, contributing to reducing Wrexham's carbon emissions
- 5 Improved community cohesion in neighbourhoods with high concentrations of privately rented homes

Actions	Target Date	Milestone
Guidance will be produced relating to standards to be expected in all private rented properties. Standards will have regard to the Welsh Housing Quality Standard (WHQS) and the LACORS fire safety guidance. Guidance will be publicised throughout the County Borough.	May 2009	Publication of standards on Wrexham Council website
Establish closer links with all local letting and managing agents.	October	Arrange a meeting

	2009	involving local agents
Develop the landlord forum to increase event attendance.	Ongoing	Increased attendance
Seek the commitment of letting agents, significant educational and other organisations who procure or market accommodation in the private rented sector to ensure that they only associate with accredited landlords	Ongoing	Increased number of accredited agents operating in County Borough.
Promote the Landlord Accreditation Wales scheme in the County Borough of Wrexham by publicising the scheme on Council website and in the local media.	Ongoing	Increased number of accredited landlords operating in County Borough
Develop a landlord and tenant charter through the Private Rented Sector Working Group	October 2009	Charter published

AIM 3 Meet our legislative obligations for licensing under the Housing Act 2004

Objectives:

- 1 Ensuring that all HMOs that require a mandatory licence are identified and licensed
- 2 Carry out study to assess need for additional licensing in County Borough.

Outcomes:

- 1 Meet legislative obligations
- 2 Contribute to safer and warmer accommodation, improving the health and well-being of tenants
- 3 A more energy efficient private rented sector, contributing to reducing Wrexham's carbon emissions
- 4 HMOs effectively managed in their community

Actions	Target Date	Milestone
Carry out a study to establish need for additional licensing of HMOs and if appropriate, produce an action plan.	April 2009	Produce report for housing scrutiny committee
Organise and undertake a campaign to ensure that no licensable HMOs are operating in the County Borough without a licence.	August 2009	Completion of planned publicity.