#### LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Housing and Homelessness Policy and Accountability Committee

Date: 25/07/2023

**Subject:** Property Standards in Private and Social Housing

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#### **SUMMARY**

The private rented sector in Hammersmith and Fulham is the sixth largest in London, and eighth largest in the country. The 2021 census found that out of approximately 90,000 dwellings in the Borough, more than a third of these were privately rented. For social housing, Hammersmith and Fulham own approximately 11,000 dwellings, which are rented out to residents.

Conditions vary for the private rented sector, from high rent, high specification properties to lower quality housing which may be in a hazardous condition, have an out-of-date kitchen or bathroom, or poor insulation or ventilation. These deficiencies can be dealt with by the Council using statutory enforcement powers and property licensing.

For social housing we have been assessed as compliant by both internal and external auditors and also ensure that all houses let are of a lettable standard. We are also undertaking a stock condition survey.

The report provides an overview of the national and local policies that guide the Council's operations as a social landlord, current performance in compliance with these policies, and plans to improve the conditions of our housing stock.

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#### RECOMMENDATIONS

1. For the Committee to note and comment on the report.

#### **DETAILED ANALYSIS**

#### PART 1 PRIVATE RENTED SECTOR (PRS)

1. Although there is no single stock condition survey of the PRS there are indicators. Such as the number of complaints received by the Council about hazardous housing conditions and disrepair in the PRS; local surveys of

tenant satisfaction carried out from time to time, and the English Housing Survey (EHS). In 2006, new enforcement powers were introduced to regulate the PRS rather than the Decent Homes Standard, which had been introduced in 2000 to set minimum standards for social housing. Although it does not apply in the same way to the PRS, estimates can be made about compliance using EHS data.

## **English Housing Survey**

- 2. For a dwelling to be considered 'decent' under the Decent Homes Standard, it must:
  - Meet the statutory minimum standard for housing (ie not contain a serious hazard under the Housing Health and Safety Rating System)
  - Provide a reasonable degree of thermal comfort
  - Be in a reasonable state of repair
  - Have reasonably modern facilities and services.
- 3. EHS data <sup>1</sup> about household and dwelling characteristics has been used to predict housing quality for each local authority in England, together with other national datasets such as Energy Performance Certificates (useful for the thermal comfort criteria) and Experian household level data.
- 4. The modelling estimates there to be a great deal of variation across local authorities from 9% of occupied dwellings failing the decent homes standard in some local authorities, to more than 30% of dwellings in others.
- 5. Hammersmith and Fulham is estimated to have 19.1% PRS dwellings failing the decent homes standard, compared to an average for London of 17.2% and an average for the rest of England of 25.2%. The differences from London averages are probably in part due to the predominant age and type of housing in the borough compared to other boroughs. High demand for rental property (and therefore rent levels) in London compared to the rest of England means that landlords are incentivised to make improvements. The gov.uk website states: "Across all tenures, higher proportions of non-decent occupied dwellings are more likely to be found in local authorities in the North and South West (of England), as well as some districts in the West Midlands."
- 6. Hammersmith and Fulham's privately rented figure of 19.1% compares to 14.7% for owner occupied dwellings and 14.5% of socially rented (estimates). The dwelling type with the largest proportion non-decent are flats (17.6%) compared to terraced or semi-detached houses (11.7%).

## **Licensing Schemes**

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<sup>&</sup>lt;sup>1</sup> English Housing Survey: local authority housing stock condition modelling, 2019 - GOV.UK (www.gov.uk)

- 7. In December 2021 Cabinet approved the implementation of new property licensing schemes from June 2022 for a further 5 years, as follows:
  - Additional licensing for houses and houses in multiple occupation (HMOs) which are outside the scope of mandatory HMO licensing
  - Selective licensing for rented dwellings in 24 specified streets (Appendix A)
- 8. There are currently 584 mandatory licensed <sup>2</sup> HMOs, and 3,580 Additional Licensed <sup>3</sup> HMOs
- 9. HMOs in the borough are generally of a good standard, but some common problems officers have found from inspections are:
  - Lack of fire doors or inadequate numbers of smoke alarms
  - Undersized kitchen for the number of occupiers
  - HMOs offering a bedroom which is too small
  - HMOs where the only reception room is used as a bedroom, so that there is no shared living space apart from a small kitchen
- 10. Minimum amenity standards expected and standard licence conditions are on the Council's website here <u>Property licensing for landlords and letting agents |</u> <u>LBHF</u>
- 11. The policy for inspecting HMOs is to inspect all Mandatory HMOs as soon as the licence is applied for, before the licence is issued. The target is to issue the Licence within 12 weeks of the application, with any necessary additional licence conditions included. There is a consultation period before the licence is issued.
- 12. Current performance is that 84% of licences are issued within the 12 week target (average 8.5 weeks, median 6.3 weeks). Some exceed the target timescale due to difficulties in arranging an inspection or because additional information has been requested from the applicant, or additional enquiries are being made, for example as to whether the proposed licence holder is a fit and proper person to hold a licence.
- 13. With Additional HMOs, under the discretionary scheme, the licence fee does not include a fee for inspection, but we have a duty to make sure there are no serious housing hazards in these HMOs, so we will be inspecting a sample of at least 10% (about 400) during the licence period. Occupiers of the remainder will be contacted by post to complete an online survey (or by phone) about the condition of the HMO. Any hazards reported will be followed up as a Service Request.

<sup>2</sup> Mandatory Licensing refers to the national scheme where an HMO with 5 or more occupiers must be licensed, <u>unless</u> it is a purpose built flat in a block

<sup>&</sup>lt;sup>3</sup> Additional HMO Licensing applies to HMOs which are not licensable under the Mandatory scheme, in other words an HMO with 3 or 4 occupiers or which <u>is</u> a purpose built Flat in Multiple Occupation in a block; Additional HMO Licensing also applies to houses poorly converted into self-contained flats where the conversion did not comply with Building Regulations

- 14.3,516 flats and houses have been licensed under the 2017-2022 Selective Licensing scheme and 767 under the 2022-2027 scheme making a total of 4,283 Selective Licenses issued.
- 15. The current Selective Licensing streets score highly using the following factors:
  - the number of private rented sector (PRS) properties on the street
  - the % of properties on the street which are PRS
  - the ratio of ASB reports per household in the street and
  - the % of the boroughs total ASB recorded on the street.
- 16. The 24 Selective Licensing street are 2% of the borough's streets but account for nearly 20% of the borough's anti-social behaviour (ASB) reports.
- 17. The policy with Selective Licensing streets is to concentrate resources on PRS addresses which have not been licensed, as experience shows that it is the unlicensed properties where housing hazards or poor management are likely to be found. To allow time for as many landlords as possible to obtain licences, work to identify unlicensed properties in Selective Licensing streets will start in earnest in 2024 to be completed by the end of 2025. There is no statutory requirement to inspect for housing hazards in properties licensed under a Selective Licensing scheme, other than the general duty to keep housing conditions in the area under review in order to decide if any action is necessary, but any report by a tenant or neighbour about a licensed address will be investigated as a service request.

#### **Enforcement Action**

18. Since 2014, the council has taken 20 successful prosecutions for housing offences <sup>4</sup>, with fines totalling £137,500. Costs awarded to the Council were £51,672.

- 19. A 2022 conviction levied fines of £80,000 and costs of £30,000 against a landlord and a management company but the result of an appeal is still awaited.
- 20.10 financial penalties have been imposed since 2020 totalling £56,775, nearly half of which has been received so far (£23,025). Applications for County Court Judgements are to be made to recover the unpaid penalties. A further 8 are in progress totalling £103,250. Unlike court fines, the Council receives the financial penalty and the funds can be used for further enforcement activity. However, there are representation and appeal processes, and unpaid penalties may require court orders to recover, so there are costs as well as income.

<sup>&</sup>lt;sup>4</sup> Typically managing an HMO without a licence, breach of HMO regulations, failing to supply documents or details of interested parties

21. There are no prosecutions currently awaiting court dates (the 2020/21 backlog having been caught up) but at least one case is being built which might result in a prosecution.

#### PART 2 SOCIAL HOUSING

- 29. Hammersmith and Fulham has approximately 11,000 residential properties (excluding those owned by leaseholders), which are leased to tenants throughout the borough.
- 30. This section outlines policy, lettable standards and compliance.

## **Relevant National Policy**

- 31. The 'Decent Homes Standard', which was introduced by the UK government in 2000 and sets out a technical baseline for public housing, including council housing and housing associations. In addition to the standard for social housing, there is a Regulator of Social Housing (previously the Homes and Communities Agency) and social housing tenants have access to a Housing Ombudsman to investigate complaints on their behalf.
- 32. In 2004, the Decent Homes Standard was further reinforced with the introduction of the Housing Health and Safety Rating System (HHSRS) under the Housing Act 2004. The HHSRS is a risk-based evaluation tool that helps local authorities identify and mitigate potential risks and hazards to health and safety stemming from any deficiencies in dwellings. Linked to the Social Housing Bill, the Department for Levelling Up, Housing and Communities (DLUHC) has announced a review of the Decent Homes Standard which will be applicable to the private rented sector and include stringent requirements on damp and mould.
- 33. The Decent Homes Standard will be incorporated within the Homes Standard which will form a suite of Consumer Standards. These standards will form the basis of proactive cyclical inspections of Social Housing Landlords by the Regulator of Social Housing from April 2024.

## **Council housing stock condition**

- 34. To better understand the condition of our housing stock, we have commissioned a Stock Condition Survey which will run to June 2024.
- 35. Concurrently, the Housing service has also introduced a Home Visit programme replacing the existing tenancy audits. These deliver a broader assessment of a residents' needs and the property they live in. They cover all the areas in the tenancy audit and include additional questions covering damp and mould, under occupation and employment. Gathering the additional information at the home visit will help the council to better understand the needs of our residents and plan services for the future, whilst also understanding the quality of its stock.

## Compliance

- 36. In response to the Building Safety Act of 2022, LBHF, as the landlord of 49 high-rise residential buildings (over 18 metres or 7 storeys or more), has taken on specific responsibilities. These include registering all high-rise buildings with the Building Safety Regulator (BSR) portal by September 2023 and providing key fire and structural safety information. From October, the BSR will require us to provide Safety Case Reports for each building to enable certification.
- 37. In addition to meeting the regulations, our Big 6 Compliance Areas (Gas, Asbestos, Fire, Electric, Water Hygiene, and Lifts) has assurances from both internal and external auditors. Pennington, an external auditor, recently recognised and commended our adherence to best practices in compliance.

## **Housing Associations**

38. There are 43 Housing Associations within the borough and 12 of these manage more than 100 properties. Registered providers of social housing should have a procedure in place to deal with serious hazards and disrepair and a complaints procedure for their tenants to use if they are not satisfied with the service they have received and can contact the Housing Ombudsman.

# **List of Appendices**

Appendix A: Streets in where Selective Licensing applies

Appendix B: Local policy for lettable standard for council homes

# Appendix A

## Streets in Hammersmith and Fulham where Selective Licensing applies

**Greyhound Road** Woodstock Grove

Shepherd's Bush Road Lime Grove

Dalling Road Bloemfontein Road

King Street Wood Lane

Talgarth Road Uxbridge Road

Baron's Court Road Crookham Road Sinclair Road

Blythe Road New King's Road

Askew Road Wandsworth Bridge Road

Dawes Road

Coningham Road Fulham Road

Richmond Way North End Road

Goldhawk Road Scrubs Lane

#### Appendix B

## Local policy for lettable standard for Council homes

General standards: All properties are expected to be structurally sound, free from dampness, mould, wet and dry rot, timber decay or infestation. Gutters and downpipes should be intact and free from leaks, and roofs should be in a watertight condition. All light fittings, sockets and switches should be safe and working properly. Details on how to find the utility meters, fuse box and water stop cock should be provided. Floors and stairs should be in sound condition with no loose floorboards, and balustrades and handrails should be secure. Plasterwork should be in satisfactory condition.

Aids and Adaptations: We aim to equip properties with necessary aids and adaptations for households that require them. In situations where this isn't possible, these aids and adaptations will not be altered or removed without the necessary permissions, and any changes will be at the resident's expense.

Interior Decor: The interior decor, including paintwork, wallpaper, and wall surfaces, should be in an acceptable condition. If the existing decoration is not up to the Decent Homes Standard, a decoration voucher may be provided to help improve the home's aesthetics.

Kitchen: All kitchen fixtures, including cupboards, doors, and countertops, should be clean and fully functional. An adequate number of sockets should be provided, and an extractor fan should be installed where possible. Essential appliances such as a fridge/freezer, washing machine, and cooker should be accommodated.

Bathroom: All bathroom fixtures should be operational and free from leaks or blockages. The toilet, sink, and bath should be clean, and a new toilet seat should be fitted. An extractor fan should be fitted where possible.

Cleanliness: The property should be cleaned and free from the previous occupants' belongings. All surfaces, including floors, kitchen units, countertops, bathroom fixtures, and fittings should be cleaned.

Doors and Windows: External door locks to the property should be changed and new keys to doors and windows (at least two sets) should be provided. All doors and windows should open and close with ease, and all ironmongery, such as hinges, catches, locks, handles, should be in working order.

Flooring: All vinyl flooring in the kitchen, bathrooms and WC should be intact and free of trip hazards. Please note that we do not provide floor covering to other rooms.

Heating: The property should have a source of space heating. This may be in the form of an individual heating system, communal heating or night storage heaters. All heating systems should be controllable by the resident.

Asbestos: To comply with current regulations, we will check the property for asbestos and ensure that it is either removed or left in a safe condition, in accordance with our asbestos policy and procedures.

Garden and External Areas: Repairs to fences, gates, paths, patios, paving, sheds and so forth, should only be carried out where they are causing, or are likely to cause, a hazard. Sheds that are a hazard should be removed, but not replaced. Gardens should be cleared of rubbish and overgrown shrubbery.