



To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Liz Bisset, Director of Customer & Community Services
Relevant scrutiny committee: Community 25/6/2013 Services Scrutiny Committee
Wards affected: All Wards

HOUSES IN MULTIPLE OCCUPATION IN CAMBRIDGE

Not a Key Decision

1. Executive summary

1.1 This report follows a survey of Houses in Multiple Occupation (HMOs) in Cambridge, as requested through a Council motion in April 2012.

1.2 A project has been conducted, which as well as using existing information available to the Council, involved interviews and focus groups with residents of HMOs, and sought views from a sample of landlords and letting agents operating locally.

1.3 The project covered a range of issues, including where HMOs are located, how they contribute to the local housing market, the condition of the stock, the profile of residents, quality of management, and how HMOs can impact on the wider community.

1.4 The report makes recommendations on how the Council can improve its current approach, based on the findings of the project.

2. Recommendations

2.1 The Executive Councillor is recommended to approve the following approach to dealing with Houses in Multiple Occupation:

2.1.1 Continue to use available methods of supporting and regulating landlord and letting agent activity, increasing the focus on this

area of work following the recent appointment of a dedicated new member of staff.

- 2.1.2 Support the introduction of an improved criteria-based policy for the Cambridge Local Plan which recognises the importance of HMOs but minimises the impact on the wider community.
- 2.1.3 Make better, more targeted information available to tenants on their rights and responsibilities. Information on waste management and recycling, deposit protection, and controlling mould-growth are particular priorities. Ensure that this information is accessible to those for whom English is not their first language.
- 2.1.4 Improve information available to tenants on longer-term housing options, including shared ownership and other intermediate tenures.
- 2.1.5 Work with partners to explore options around procuring suitable shared accommodation in more affordable parts of the sub-region for single homeless people not in priority need.
- 2.1.6 Improve working links between different Council services working with residents and landlords –including enforcement, waste management, housing advice, landlord and tenant liaison, etc
- 2.1.7 Improve monitoring information available within the relevant service areas, to better understand the issues arising from HMOs and trends over time, so that services can respond effectively.
- 2.1.8 Improve engagement and communication with landlords and investigate whether this can be done jointly with other local authorities within the Cambridge sub-region.

3. Background

3.1 This report follows a Council motion in April 2012 which, following a debate about Houses in Multiple Occupation (HMOs), asked for ‘a comprehensive survey into city residents living in private rented accommodation, which looks at rents, agents fees, quality and safety, housing security and the location of housing’. The results were to be used to help the Council to implement housing and planning policy effectively and to inform the debate around the Local Plan Review.

3.2 A project team was set up and a brief was developed to:

3.2.1 Attempt to identify which homes in the City are being used as privately rented HMOs, and assess whether this information can be kept up to date

3.2.2 Identify how HMOs contribute to the housing market

3.2.3 Understand the profile of the HMO stock

3.2.4 Identify the sorts of issues arising from HMOs and how they are currently dealt with

3.2.5 Make recommendations as to how the Council can improve its approach.

3.3 The project was carried out between September 2012 and March 2013, and involved:

3.3.1 Using existing data and other information already available to the Council, both nationally and locally (numbers of HMOs, location, conditions, affordability, complaints received, etc)

3.3.2 A home-interview survey of 152 residents living in smaller privately rented HMOs carried out by mruk research.

3.3.3. A series of focus groups following on from the survey, again conducted by mruk research

3.3.4 A telephone survey of landlords and letting agents operating locally

3.3.5 Some additional questions added to a sub-regional survey of Letting Agents through the Cambridge sub-regional Strategic Housing Market Assessment (SHMA).

3.4 Findings

(see background papers and Appendix 1 to this report for more detail)

3.4.1 Current data, whilst giving a general picture, does not enable us to identify accurately how many HMOs there are or where they are located. This is complicated by the different national definitions of what constitutes an HMO. It is difficult to see how a completely accurate picture can be drawn without surveying residents in every property on a regular basis.

3.4.2 Demand for HMO accommodation in Cambridge remains strong, and HMOs form an important part of the local rental market, both for students and for other single people – particularly younger people in employment who are yet to settle down.

3.4.3 Rent levels appear to be increasing, but rooms in HMOs continue to be more affordable than self-contained accommodation.

3.4.4 Housing Benefit claimants are likely to find HMOs difficult to access – both because of low Local Housing Allowance (LHA) rates and because many landlords and agents are reluctant to accept people receiving benefits. Rehousing single homeless people in HMOs can be particularly difficult.

3.4.5 Turn-over of residents tends to be quite high. Many residents move from within Cambridgeshire (some likely to be from other HMOs), but around one in ten may come from overseas – either as students (including University and English Language students) or for work.

3.4.6 Residents identify a number of benefits to living in HMOs, including the central location of HMOs, benefits of sharing, ability to move on easily, and relative affordability. However, many residents have aspirations of moving on – particularly to buy their own home – but recognise that this may be unachievable. The main reason for this appears to be the costs involved – particularly if wanting to remain in a central location.

3.4.7 It is not clear what the overall levels of decency are in privately rented HMOs, as property survey data includes university and college-owned accommodation. Most prevalent repair issues tend to be around heating and plumbing, with damp and mould a common issue for many residents. Problems with doors and windows, faulty white goods and electrical faults are also reported. Overcrowding does not generally appear to be an issue.

3.4.8 Properties generally appear to be well-managed. Tenants seem to be more satisfied with how landlords have dealt with repairs than letting agents, but this may be partly explained by higher expectations of agents. However, it is recognised that there are a handful of landlords and agents who may not be managing or maintaining their properties effectively. Rent deposits failing to be protected is a particular concern. Residents from non-white ethnic backgrounds appear less likely to report repairs to their landlord.

3.4.9 Whilst membership of national regulatory bodies remains voluntary, the Council uses a range of methods locally to regulate and improve conditions and management. These include: mandatory licensing of larger HMOs, enforcement of regulations and through the Housing Health and

Safety Rating System (HHSRS); and a property accreditation scheme for private landlords.

3.4.10 There is insufficient evidence of issues arising from HMOs in the City to meet national requirements for introducing additional discretionary licensing. In addition, whilst it could potentially be made to be self-financing, it is costly to set up and has not been sufficiently tested nationally to give a full understanding of the likely cost-benefits of such a scheme.

3.4.11 Whilst waste management and recycling appear to be generally well controlled, some issues do arise which can impact on both HMO residents themselves and the wider community.

3.4.12 Anti-social behaviour can also be an issue, although only a small proportion of complaints received relate to the private rented sector, and the extent to which these involve HMOs in particular is unclear. There is a perception amongst HMO residents that, sometimes at least, this may be partly due to negative perceptions amongst the wider community about people living in HMOs.

3.4.13 Parking issues will sometimes arise, particularly in streets with limited parking or where the number of parking permits issued exceeds the number of residents in an area.

3.4.14 Development of new larger HMOs is currently controlled through new development criteria in the Council's Local Plan, and through enforcement of planning regulations where planning permission is required. There is insufficient evidence of issues arising from HMOs in Cambridge which would justify – under planning guidance requirements - the use of Article 4 Directions to remove permitted development rights for smaller HMOs.

3.4.15 The Council provides a range of information to landlords and tenants about their rights and responsibilities, but there are areas where this could be improved – particularly in relation to issues such as waste management and recycling, the right to have deposits protected, and controlling mould growth.

3.5 Next Steps

3.5.1 The findings from the project have been used to inform the draft Local Plan policy and supporting text relating to HMOs. (Public consultation on the draft is due to start in July 2013).

A more detailed action plan is being developed, appointing lead officers to tasks and agreeing timescales for completion. Progress will be monitored through the Housing Management Team.

4. Implications

(a) Financial Implications

There are no financial implications. Changes will be implemented using existing financial resources.

(b) Staffing Implications

There are no staffing implications. Changes will be implemented using existing staff resources.

(c) Equal Opportunities Implications

An Equality Impact Assessment is being carried out on the proposals for improvement.

(d) Environmental Implications

Climate change impact rating = Low

Working with landlords to improve the condition of their homes may in some cases lead to new, more energy efficient forms of heating being installed in some properties, although the direct impact of these recommendations cannot be accurately foreseen.

(e) Procurement

The services of mruk research were procured to carry out resident interviews and focus groups.

There are no further procurement implications.

(f) Consultation and communication

A home-interview survey was carried out with 152 occupants of smaller HMOs, focusing mainly on Romsey, Petersfield and Coleridge wards, but also covering other wards across the City. This was to understand the profile of residents of smaller HMOs and get their views on what it was like to live in HMOs and how services could be improved.

Four focus groups were held, again with occupants of smaller HMOs.

A telephone survey of 10 landlords and 10 letting agents was carried out, to understand their concerns and how the Council could improve its approach.

Some additional questions on the state of the housing market in relation to HMOs were added to a sub-regional survey of letting agents. This was carried out as part of the Cambridge sub-regional Strategic Housing Market Assessment (SHMA).

The results of the consultation, the final report and the recommendations will be published on the Council's website. A summary will be published in Cambridge Matters.

(g) **Community Safety**

One of the recommendations is to improve how Council services work together to tackle issues. This includes how reports of Anti-Social Behaviour are dealt with.

5. Background papers

These background papers were used in the preparation of this report:

Research into Houses in Multiple Occupation in Cambridge: Research Findings March 2013 (mruk research)

Landlord and Letting Agent Survey – Summary of Results

6. Appendices

Appendix 1: Houses in Multiple Occupation in Cambridge: Project Findings & Recommendations

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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