

AGENDA ITEM 5**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL****CABINET****19TH APRIL 2016****OPPORTUNITIES TO IMPROVE HOUSING STOCK AND SUPPORT A FUNCTIONAL HOUSING MARKET IN TREFOREST****REPORT OF THE GROUP DIRECTOR COMMUNITY AND CHILDREN'S SERVICES, IN DISCUSSION WITH THE RELEVANT PORTFOLIO HOLDER, COUNCILLOR KEIRON MONTAGUE**

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1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide an overview of the current housing issues in Treforest and to detail the options available to the Council to intervene in the housing market in the ward to ensure that it is sustainable, meeting the needs of all residents, and that the condition of the housing stock is of a good standard overall.

2 RECOMENDATIONS

It is recommended that the Cabinet:

- 2.1 Approve the implementation of a voluntary Property Accreditation Scheme in Treforest in 2016/17.
- 2.2 Approve the appointment of an additional 2.85 FTE officers in the Housing Strategy and Standards Team for a period of two years from 2016/17 in order to increase capacity to undertake more focused and proactive housing enforcement activity in Treforest.
- 2.3 Agree for officers to investigate funding opportunities for a Group Repair scheme for The Broadway in order to improve the visual amenity of one of the main access roads into Pontypridd.

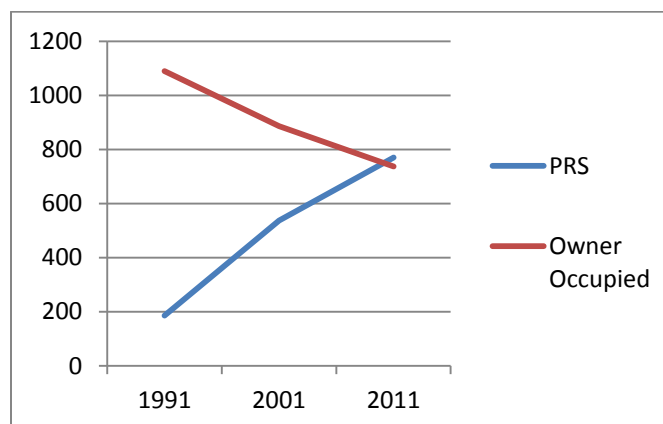
3. BACKGROUND

- 3.1 The University of South Wales in Treforest is a strategically important institution in Rhondda Cynon Taf, providing educational opportunities for our residents and

making a significant contribution to the economy. These benefits are felt across the County Borough and regionally. In recognition of the importance of the University the Council has strong and positive partnership with the University. The presence of the University in Treforest has however undoubtedly had an impact on the local community of Treforest as the housing market has responded to the demand for private rented accommodation.

- 3.2 The location of the University of South Wales' campus in the village has over the last 25 years transformed the housing market of Treforest from a traditional village with a high level of owner occupation, to a unique housing market where there is a higher than average number of private rented accommodation and a population which consists substantially of students who often leave the village during the summer months and return in the new academic year.
- 3.3 In 2002, the term 'studentification' was established and described the process by which specific areas become dominated by student accommodation and the associated social, cultural and physical effects of this. Transient occupation can lead to a lack of community integration and cohesion and less commitment to maintain the quality of the local environment. This can have the effect of re-enforcing the area as a 'student' community and making it less popular for families.
- 3.4 According to the Census 2011, there are 1,665 households in Treforest. It has one of the lowest proportions of home ownership in the County Borough, with 44% of households either owning their property outright or with a mortgage. This compares to a Rhondda Cynon Taf average of 71%. 25 years ago, 77% of households in Treforest owned their homes. This fundamental change in the tenure profile of Treforest is demonstrated in Table I

Table I – Treforest Tenure Profile



Sources: Census 1991, 2001, 2011.

- 3.5 Private rented accommodation is now the largest tenure in Treforest, with 46% of households residing within such properties. This is much higher than the borough average, which is 13%. It also has the highest concentration of Houses in Multiple Occupation (HMOs) due to the demand for shared student accommodation in the ward.
- 3.6 12% of households live in social rented accommodation and in terms of housing need, the most recent Local Housing Market Assessment identified Treforest as the 18th highest need ward in the borough for affordable housing.
- 3.7 As a ward, Treforest generates approximately 600 service requests per annum (including service requests in relation to licensing) for the Council's Public Health & Protection Service. The main types of service request are HMO advice, complaints about the standard of accommodation, rubbish in gardens and pests.
- 3.8 In 2012, an Environmental Services Scrutiny Working Group reviewed the Council's approach to engagement with and regulation of the private rented sector. It concluded that if the Council did not designate a new **Additional Licensing Scheme** in the borough at the end of the existing designation in 2014 it would be difficult to ensure that smaller HMOs and HMOs in converted buildings are brought up to standard and properly maintained at that standard. It would also be more difficult to tackle anti-social behaviour and the impact of poorly maintained shared housing in local communities.
- 3.9 An extended borough wide Additional Licensing Scheme for HMOs was approved by Cabinet and has been in operation since 1st April 2014. It will be in operation for 5 years.
- 3.10 All types of HMO are now included in the Scheme which means that any shared house with 3 or more tenants and buildings converted into HMOs now require a licence. The scheme does not cover any other type of private rented property such as those let to families or single people.
- 3.11 The main purpose of the legislation is to protect the safety of tenants living in HMOs and to ensure the properties are effectively managed by landlords. In RCT, further licensing conditions are also applied which aim to minimise the impact of shared housing on the character and amenity of the surrounding area by imposing social and environmental conditions that cover the external appearance and maintenance of properties and gardens and the prevention of anti-social behaviour by tenants.
- 3.12 The Housing Act 2004 allows local authorities to charge a fee for HMO licensing which must reflect the cost of administering the licensing process only. The average cost of a licence in RCT is £850. A £200 discount is available for

landlords who apply for a new licence before the expiration of their existing licence. This has encouraged effective compliance with the Scheme.

4. CURRENT HOUSING ACTIVITY IN TREFOREST

4.1 HMO Additional Licensing Scheme

- 4.1.1 There are 753 known HMOs in the Borough that are potentially subject to licensing (1st April 2015). Since April 2014, 375 additional HMO licences have been issued. At the time of writing this report 83% of licensable HMOs have been issued with a licence. The end of year target contained in the Council's WPI Plan is 60%.
- 4.1.2 There are 79 HMOs that are currently 'under review'. Work is being proactively undertaken by the team in relation to these properties to establish the nature of the property and to encourage the landlords compliance with the scheme where appropriate.
- 4.1.3 Since April 2014 304 HMOs were found to be non compliant in terms of required standards at the point of application. Under the new Policy, if landlords delay in undertaking work required in order for the licence to be issued, this period of time is deducted from the length of the licence that they are issued with e.g they are issued with less than a 5 year licence. There is the option for any hazards identified that relate to Part 1 of the Housing Act 2004 to issue the licence and serve enforcement notices for the hazards which would speed up the process of compliance, but this would not be possible for any 'environmental' improvements required as these are not covered by the Housing Act 2004. Refusing the licence on the basis on environmental improvements would also be likely to be challengeable at a Residential Property Tribunal.
- 4.1.4 It is recognised that effective enforcement of the Additional Licensing Scheme is critical to its success. The frequency of inspection is based on the size and occupancy of the HMO and associated risk rating. To this end, high risk, larger HMOs are inspected more frequently than smaller HMOs. This is an ongoing programme of work.
- 4.1.5 In order to proactively identify any issues with HMOs or privately rented properties that could negatively impact on the appearance of Treforest, regular street audits are undertaken. Every week an officer visits a different part of Treforest and identifies any issues of concern which are then followed up with the landlord or referred to other departments as required.

4.2 Empty Properties

- 4.2.1 Under the **Houses into Homes Scheme**, the Council is offering interest free loans to assist owners to bring empty properties back into use. Across RCT in

total, 62 loans have been provided since 2013/14 and of these, 7 units were in Treforest at a value of £175,000.

- 4.2.2. In addition to the Houses into Homes Scheme, under the Welsh Government's Vibrant and Viable Places Regeneration programme, the Council has received funding for a scheme called **Homestep Plus**. This scheme involves a housing association purchasing an empty property, undertaking some improvements works and then selling it to a person in need of affordable housing at 70% of its open market value. This scheme has enough funding to turn 24 empty properties into affordable housing and is being proactively targeted at Treforest. It will be operational throughout the remainder of 2015/16 and into 2016/17. United Welsh Housing Association is the Council's delivery partner for this scheme.

4.3 Removing hazards identified under the Housing Act 2004 (Housing Health and Safety Rating System).

- 4.3.1 Since April 2014, through effective housing enforcement, the Council has reduced 46 Category 1 hazards and 163 Category 2 hazards to an acceptable standard in Treforest. The types of hazards that have been identified and improved relate to issues such as damp and mould, fire and electrical safety and trip and fall hazards. In total 45 enforcement notices have been served.

4.4 Information Sharing

- 4.4.1 The Housing Strategy and Standards Team works with and provides information to colleagues in other departments, such as Street Care and organisations such as the University of South Wales and local lettings agents to ensure that landlords are aware of the standards expected in the management of HMOs. The team is also proactively raising awareness of the Rent Smart Wales Scheme and providing intelligence to Cardiff City Council who manage the Scheme. This is a national scheme which has been introduced under the Housing (Wales) Act 2014 and requires all landlords to be registered and where they have direct involvement in the management of a property, to be licensed to ensure they are fit and proper. From October 2016, the Housing Strategy and Standards Team will also be responsible for enforcing Rent Smart Wales locally and fining or prosecuting non compliant landlords.
- 4.4.2 Waste disposal in relation to HMOs has been an issue in Treforest and in particular at the end of each academic year. As such the Housing Strategy and Standards Team and the Street Care Services have devised new information sharing procedures and have produced a new leaflet for landlords and students regarding rubbish disposal, recycling and collection to encourage compliance with the Council's procedures and to reduce the effects of this kind of anti-social behaviour in Treforest.

4.5 Planning Controls

- 4.5.1 Planning authorities in Wales have been given new powers to manage the impact of HMOs in their local areas. From the 25 February 2016, a new use class has been introduced, called C4, for HMOs occupied by three to six residents. This means that anyone wanting to create a new HMO for between three and six unrelated individuals who share basic amenities such as a kitchen or bathroom now need to apply for planning permission.
- 4.5.2 Although this measure cannot be applied retrospectively, it should over time result in the gradual decline in the number of HMOs and protect the balance of tenure in streets in Treforest that have not yet become dominated by shared housing. Housing and Planning officers will work together to share information to ensure that all HMOs that require planning permission are identified.

5. OPPORTUNITIES FOR FUTURE HOUSING ACTIVITY IN TREFOREST

- 5.1 Notwithstanding the resource that is already being targeted at Treforest, due to its unique nature there are still housing issues that would benefit from increased revenue resources in order for those issues to be tackled more effectively and sustainably. These opportunities are outlined below.

5.2 Empty Properties

- 5.2.1 There are currently 87 known empty properties in Treforest which represents 4.81% of the housing stock; this includes a proportion that are in probate and others that are currently undergoing renovation. The Council has a range of tools available to tackle empty properties, including Homestep Plus which is being targeted in Treforest. However, there are some other approaches that could be utilised more effectively if additional staff resources were available.

5.2.2 *Enforced Sales*

This is a tool that can be used on empty properties where the Council has carried out works in default and the owner has failed to pay the Council for this work. The Council can sell the property through use of the Law of Property Act 1925 (acting similar to mortgagee in possession). The debt must exceed £1000. The benefits of this approach are that a change of ownership tends to result in renovation and reoccupation of the property, it is a cheaper option for the Council than Compulsory Purchase and as the property is never owned by the Council it is never its responsibility. Two of the properties that the Council has undertaken works in default on recently are in Treforest and these will now be considered for enforced sales, with the aim of bringing them back into use as owner occupied

properties. With additional resources, other suitable properties could also be proactively identified.

5.2.3 *Empty Dwelling Management Orders (EDMO)*

The Housing Act 2004 provides Councils with the power to apply to the Residential Property Tribunal (RPT) for authority to manage an empty property for a period of up to 7 years by obtaining an Empty Dwelling Management Order (EDMO). However, before applying to the RPT for an EDMO the Council must be able to demonstrate that the property has been empty for at least 6 months, that there is no reasonable prospect of it being re-occupied without the Council's intervention and that they have tried all reasonable methods to encourage reoccupation of property. The Council does not actually obtain ownership but takes over management responsibility of the property. As the Council does not have its own housing management function now, having transferred its housing stock, a third party, on behalf of the Council, would need to undertake the management role. All management costs, including repair costs, are recoverable from the rental income for the duration of the order.

EDMOs are about the achievement of better management of property and meeting an identified housing need. Therefore, a clear case must exist to demonstrate that the use of an EDMO is in the interest of the wider community. In addition, the cash flow forecast must be robust. If the property is in a bad state of repair the projected rental income may not cover the costs of renovation. The Council would therefore be liable to pay the shortfall. The majority of long-term, problem empty properties would not be suitable for EDMO action because the costs of renovation and adaptation could not be recovered within the 7 year period. In addition, as the property remains in the original ownership, it is only available for use for rent and not for sale and therefore this would not assist in rebalancing the housing market in Treforest to increase the level of owner occupation. However, as Treforest is an area of identified housing need in the borough, it would be possible to make a case for the use of an EDMO. The Council would also need to procure a Housing Association partner to undertake the management role.

5.3 **Promotion of Houses into Homes Loan Scheme/Home Improvement Loan**

- 5.3.1 The Council has £1,300,000 of repayable Welsh Government funding to deliver further Houses into Homes loans and Home Improvement loans for owner occupiers. In order to increase the take up of these loans in the Treforest area, additional staff resource would enable the loans to be proactively targeted in this area during 2016/17.

5.4 **Increase general housing enforcement activity**

- 5.4.1 With additional resource, the Council could increase the number of annual programmed inspections of HMOs and street 'blitzes' in Treforest in addition to the activity outlined in 5.2 and 5.3 above. This would increase the opportunity of proactively identifying any issues and resolving them at the earliest opportunity and also to identify unlicensed HMOs. Streetcare is currently operating an 'Environmental Champions' Scheme and if additional staff resource was made available in the Housing Strategy and Standards Team, this could be extended to include a focus on housing.

5.5 Establish a Property Accreditation Scheme in Treforest

- 5.5.1 A Property Accreditation scheme would involve landlords signing up on a voluntary basis to a Code of Standard to demonstrate that the properties they rent out are to such a standard that they are recognised as reputable landlords and agents, similar to the 'Scores on the Doors' scheme for Food Businesses. The aim of the Scheme is to drive out poor landlords as prospective tenants can use the rating of a property to make an informed choice about which properties are of a good standard and which are not. This Accreditation status would be subject to periodic renewal by the Council and landlords would be given an Accreditation Certificate to display in the property. A proportion of all properties would be routinely inspected to ensure that the standard is met. A website tool could also be developed to assist with the marketing of the Scheme and to allow prospective tenants to check on properties they are interested in. This scheme could be developed in partnership with the University.
- 5.5.2 In order to administer this scheme there would be a number of requirements on the Council for example marketing of the scheme, including the development of a brand and the production of promotional material along with the development of an application form; checking and approval of application forms including the creation of a register of accredited landlords, the provision of routine inspections to a proportion of the properties in the scheme on an annual basis; the provision of certificates to landlords accepted onto the scheme; induction and training events for landlords and provision of a Landlords Guide.
- 5.5.3 The Private Rented Sector Officer would be able to oversee the project, but additional resources in terms of Environmental Health Officer hours would be required to undertake the regular inspections and also to pay for the marketing and other associated costs.

6. CAPITAL SCHEMES

- 6.1 In addition to increased revenue to enable additional staff resource to target issues in Treforest, additional capital resources would also enable some proactive physical housing interventions to be implemented.

6.2 Group Repair Scheme on The Broadway

- 6.2.1 The purpose of a group repair scheme is to improve the exterior of a group of properties in order to improve the visual amenity of a street or main thoroughfare. A Group Repair scheme includes improvement works to the exterior fabric of a property including roof covering, chimney stack, rainwater gutter and down pipes, walls, doors and windows. Improvements to boundary walls and railings can also be included.
- 6.2.2 There are 65 properties on The Broadway in Treforest and it is felt that this part of Treforest would benefit significantly from some form of Group Repair Scheme being one of the most prominent access roads into Pontypridd Town. 17 of these properties are owner occupied whilst the remaining are thought to be rented. 7 properties are currently empty.
- 6.2.3 The improvement works to owner occupied properties would usually be fully funded in order to maximise take up, whilst landlords would usually be required to make a 50% contribution. Gross estimated costs of implementing such a scheme on The Broadway are in the region of £886,000 without taking into account any owner contributions. This is based on a cost of £15,000 per property for the 3 storey houses and £12,000 for two storey houses. Taking the potential landlord contributions into account could reduce the funding requirement to approximately £600,000.

7. EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 An Equality Impact Assessment (EqIA) screening form has been prepared for the purpose of this report. This exercise has shown that a full EqIA is not required. The screening form can be accessed by contacting the author of the report or the Cabinet Business officer.

8. FINANCIAL IMPLICATIONS

- 8.1 To deliver these recommendations, it is anticipated that the additional resource requirement would be in the region of £120k per annum. It would be recommended that to maximise the impact of this focused initiative it would best be delivered over a two year programme requiring in the region of £241k over the period. The estimated resource requirements to deliver the proposed recommendations are set out in the following table:

Rec.	Requirement – Revenue	Year	Total Cost
1	<u>Property Accreditation Scheme</u> 0.24 FTE Environmental Health Officer (inc on costs, training and equipment)	2016/17 2017/18	£21,000
	Funding for administration and marketing		£5, 000
2	<u>Increased housing activity across all interventions</u> 1.66 FTE Environmental Health Officer (inc on costs, training and equipment)	2016/17 2017/18	£150,000
	0.95 FTE Technical Officer (inc on costs, training and equipment)		£65,000
Total Revenue			£241,000
Rec.	Requirement – Capital	Year	Total Cost
3	<u>Group Repair Scheme</u> 37 properties @ £15,000 28 properties @ £12,000	2017/18	
Total Capital (including landlord contribution)			£600,000

8.2 The Revenue requirement can be funded from the reprioritisation of existing resources. The Capital requirement will be considered as part setting of the 2017/18 capital programme and officers will investigate all funding opportunities (both external and internal) to support investment in a Group Repair Scheme for the Broadway.

9. LINKS TO THE COUNCIL'S CORPORATE PLAN/OTHER CORPORATE PRIORITIES/SIP

9.1 These proposals support the delivery of the Council's Local Housing Delivery Plan and Single Integrated Plan priority that 'People in Rhondda Cynon Taf live in safe, appropriate housing in sustainable and vibrant communities'. Targeted intervention in Treforest is consistent with the area based approach proposed by the SIP. Treforest is also within the boundary of the current Vibrant & Viable Places regeneration programme funded by Welsh Government. The Council is committed to the regeneration of our town centres and improving our communities. These proposals will complement other initiatives in Pontypridd town centre.

10. CONCLUSION

10.1 There is a large range of housing activity currently being undertaken by the Council throughout the County Borough and in Treforest specifically. It is

however recognised that the particular nature of the housing market in this ward does mean that it would benefit from more targeted housing activity over and above that which is already being provided.

- 10.2 The targeted activity proposed by this report does require that additional resources will need to be identified by the Council. The proposed approach will however make a significant contribution to the Council's strategic priority of regenerating our town centres and improving our communities.

Other information:

Relevant Scrutiny Committee

Health and wellbeing Scrutiny committee

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

19TH APRIL 2016

CABINET

**REPORT OF GROUP DIRECTOR COMMUNITY AND CHILDREN'S SERVICES IN
DISCUSSIONS WITH THE RELEVANT PORTFOLIO HOLDER, COUNCILLOR
MONTAGUE**

**OPPORTUNITIES TO IMPROVE HOUSING STOCK AND SUPPORT A FUNCTIONAL
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Background Papers – None

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