

Thurrock - An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future

## Housing Overview and Scrutiny Committee

The meeting will be held at **7.00 pm** on **20 June 2023**

**Committee Room 2, Civic Offices, New Road, Grays, Essex RM17 6SL**

### Membership:

Councillors James Halden (Chair), Sue Shinnick (Vice-Chair), Steve Liddiard, Joycelyn Redsell, Neil Speight and Luke Spillman

Sue Hodgson, Housing Tenant Representative

### Substitutes:

Councillors Qaisar Abbas, Alex Anderson, John Cecil, Aaron Green, Maureen Pearce and Lynn Worrall

### Agenda

Open to Public and Press

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<b>1 Apologies for Absence</b>	
<b>2 Minutes</b>	<b>5 - 16</b>
To approve as a correct record the minutes of the Housing Overview and Scrutiny Committee meeting held on 7 March 2023.	
<b>3 Urgent Items</b>	
To receive additional items that the Chair is of the opinion should be considered as a matter of urgency, in accordance with Section 100B (4) (b) of the Local Government Act 1972. To agree any relevant briefing notes submitted to the Committee.	
<b>4 Declaration of Interests</b>	
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#### Exclusion of the Public and Press

Members are asked to consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part I of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, Members are asked to decide whether, in all the circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

<b>11</b>	<b>Hostel Management</b>	<b>65 - 74</b>
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Agenda published on: **12 June 2023**

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# DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

Breaching those parts identified as a pecuniary interest is potentially a criminal offence

## Helpful Reminders for Members

- *Is your register of interests up to date?*
- *In particular have you declared to the Monitoring Officer all disclosable pecuniary interests?*
- *Have you checked the register to ensure that they have been recorded correctly?*

## When should you declare an interest *at a meeting*?

- **What matters are being discussed at the meeting?** (including Council, Cabinet, Committees, Subs, Joint Committees and Joint Subs); or
- If you are a Cabinet Member making decisions other than in Cabinet **what matter is before you for single member decision?**



Does the business to be transacted at the meeting

- relate to; or
- likely to affect

any of your registered interests and in particular any of your Disclosable Pecuniary Interests?

Disclosable Pecuniary Interests shall include your interests or those of:

- your spouse or civil partner's
- a person you are living with as husband/ wife
- a person you are living with as if you were civil partners

where you are aware that this other person has the interest.

A detailed description of a disclosable pecuniary interest is included in the Members Code of Conduct at Chapter 7 of the Constitution. **Please seek advice from the Monitoring Officer about disclosable pecuniary interests.**

**What is a Non-Pecuniary interest?** – this is an interest which is not pecuniary (as defined) but is nonetheless so significant that a member of the public with knowledge of the relevant facts, would reasonably regard to be so significant that it would materially impact upon your judgement of the public interest.

### Pecuniary

If the interest is not already in the register you must (unless the interest has been agreed by the Monitoring Officer to be sensitive) disclose the existence and nature of the interest to the meeting

If the Interest is not entered in the register and is not the subject of a pending notification you must within 28 days notify the Monitoring Officer of the interest for inclusion in the register

**Unless you have received dispensation upon previous application from the Monitoring Officer, you must:**

- **Not participate or participate further in any discussion of the matter at a meeting;**
- **Not participate in any vote or further vote taken at the meeting; and**
- **leave the room while the item is being considered/voted upon**

**If you are a Cabinet Member you may make arrangements for the matter to be dealt with by a third person but take no further steps**

### Non-pecuniary

Declare the nature and extent of your interest including enough detail to allow a member of the public to understand its nature



**You may participate and vote in the usual way but you should seek advice on Predetermination and Bias from the Monitoring Officer.**

## Our Vision and Priorities for Thurrock

An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future.

1. **People** – a borough where people of all ages are proud to work and play, live and stay
  - High quality, consistent and accessible public services which are right first time
  - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing
  - Communities are empowered to make choices and be safer and stronger together
  
2. **Place** – a heritage-rich borough which is ambitious for its future
  - Roads, houses and public spaces that connect people and places
  - Clean environments that everyone has reason to take pride in
  - Fewer public buildings with better services
  
3. **Prosperity** – a borough which enables everyone to achieve their aspirations
  - Attractive opportunities for businesses and investors to enhance the local economy
  - Vocational and academic education, skills and job opportunities for all
  - Commercial, entrepreneurial and connected public services

## Minutes of the Meeting of the Housing Overview and Scrutiny Committee held on 7 March 2023 at 7.00 pm

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**Present:** Councillors Allen Mayes (Chair), Steve Liddiard, Shane Hebb, Joycelyn Redsell and Lynn Worrall

**Apologies:** Councillor Colin Churchman (Vice-Chair) and Carol Purser (Housing Tenant Representative)

**In attendance:** Dulal Ahmed, Housing Enforcement Manager  
Peter Doherty, Strategic Lead - Housing Operations  
Ryan Farmer, Housing Strategy and Quality Manager  
Ewelina Sorbjan, Interim Director Housing  
Julian Wain, Strategic Place Advisor  
Jenny Shade, Senior Democratic Services Officer

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Before the start of the Meeting, all present were advised that the meeting was being recorded, with the audio recording to be made available on the Council's website.

### **29. Minutes**

The minutes of the Housing Overview and Scrutiny Committee held on the 10 January 2023 were approved as a correct record.

### **30. Urgent Items**

There were no items of urgent business.

### **31. Declaration of Interests**

Councillor Redsell made a non-pecuniary interest in relation to item 7 as she lived in the Blackshots area.

### **32. Cabinet Member Report - Housing**

Councillor Spillman presented his portfolio report, which can be found from the following link:

[\(Public Pack\)Agenda Document for Housing Overview and Scrutiny Committee, 07/03/2023 19:00 \(thurrock.gov.uk\)](#)

Councillor Spillman paid tribute to the housing team officers and it had been an absolute pleasure in working with them and stated the achievements made within his report were the achievements of officers as a lot of the work had been undertaken at every level and that needed to be taken into account.

Councillor Spillman touched on the following items within his report:

- First priority was homelessness with the homeless service in the council being first class, with results being achieved.
- Most frustrating had been housing development with some plans no longer viable due to increasing interest rates. With Blackshots being the most exciting regeneration project the council had been seen for some time.
- Referred to Housing Regulations and big changes that would need to be made next year that will need to be responded to. Other regulations issues regarding damp and mould and safety checks, and with league tables being published.
- Damp and Mould. Thurrock council was more forward in the process when compared to other councils, undertaken a deep dive and being proactive. To identify those properties not aware of and act upon.
- Repairs were above adequate, contract with Mears was performing well and had a close relationship with them.
- Transformation and joined up working with estate officers and frontline officers working closely with colleagues and making each visit count.
- The budget was tough, and savings would need to be made with no damage to services.
- The portfolio was now in a much better place, the housing department was in a good place considering the environment, being portfolio holder had been a good experience and appreciated the interaction and feedback.

Councillor Mayes thanked Councillor Spillman for the brief overview of his portfolio and referred to damp and mould, he had concerns as this was a long-term project and within the council's current financial situation that every effort must be made to ensure residents were not living in awful conditions. He questioned whether any claims from residents had been made against the council for damp and mould who were not getting the services that should be delivered. Councillor Spillman did not know the number, but he was aware that claims had and will be made against the council which would be dealt with by the legal team. To ensure that control measures were in place to make sure the department acted immediately and suitably. Councillor Mayes requested that number be provided to committee members outside the meeting. Councillor Spillman stated it was education and communication between the council and tenants to prevent damp and mould in properties.

Councillor Worrall stated those residents trapped in unsuitable flats was not good enough and questioned what the portfolio holder's message would be to those residents who were unable to move as building work had stopped. Councillor Spillman stated building plans had been scaled back due to borrowing costs and some projects were no longer on the table. Councillor Spillman empathised with residents as the environment was very difficult at the moment to build, would engage with private sector to see where buildings could be started, and this had been a great frustration.

Councillor Liddiard questioned whether physical checks were carried out on estate repairs that had claimed to be undertaken to which Councillor Spillman stated as a follow up, 10% to 15% of repairs would get checked for quality but would like more follow up checks to be undertaken.



Councillor Redsell referred to caretaking in estate services and stated this service was not great as work was not being undertaken. She referred to the traveller's site in Blackshots and questioned whether any officer had actually visited there to see the terrible state that it was in. Did not agree that the percentage of repairs was on target with Blackshots residents complaining about damp and mould being told to get on with it. Councillor Spillman stated caretaking standards varied in certain wards, and reports need to continue to be made to enable services to be levelled out. He would be happy to attend site visits with members if required and would be happy to visit the traveller site. It was vital that officers communicated the correct information with residents on damp and mould.

Councillor Hebb noted the attitude adjustment within the housing team over with the work undertaken by the previous and existing portfolio holder and this had demonstrated that officers did care. He stated there was an independency element missing in the current process in regard to whether damp and mould in properties was a council, structural or a resident issue. Members agreed this was a good idea, with Councillor Spillman stating there was only so much guidance and support a council could give. Ewelina Sorbjan stated there was a task and finish group to develop and work for the benefits of residents and to offer wider protection for the council.

Councillor Worrall referred to the number of HMO unlicensed properties and stated the target had to be reduced, this had to be a priority as the council was losing money.

Councillor Hebb referred to caretaking services and grounds maintenance and whether the concept of using a local area coordinators approach could work, working in tandem with the Tenants and Residents Panels.

Councillor Hebb also referred to housing stock being available for people with changes in life circumstances, this should also include financial circumstances, and possibly an element missing from the strategy would be that when residents financially can, they move out into the private homeownership model which would then unlock properties. Councillor Spillman stated he was personally against this as he valued mixed council estates with different people and would cause a danger of no welfare in areas. Although there was a debate to be had with reasonable arguments both ways.

Councillor Mayes thanked Councillor Spillman for the update which had been a good opportunity for members to ask questions, he could see there was a lot of passion and the housing team had achieved some good results but also recognised that work needed to continue, and those not so good results needed to be resolved.

Councillor Spillman summed up by thanking members for their comments and would be happy to meet with members outside the committee to go through the priorities. It had been a pleasure working with officers who lived, breathed,

and had great talents which had made his job easier, and this needed to be retained.

### **33. Blackshots Estate - Demolition and Redevelopment**

Julian Wain presented the report that requested the committee to consider and comment on further approvals required relating to the redevelopment of the Blackshots estate. The report proposed a site area for redevelopment and advised that Cabinet authority be sought for the vacation of the blocks and the making of appropriate payments to displaced residents.

Councillor Redsell stated the project should be further on than it was now as this meant another year for residents in those blocks, she was not happy with the plans as greenbelt did not need to be taken to deliver this project, there were other options that needed to be looked at and possibly used. Any plans to build six or more high flats she would be against as the same problems would occur in 20 or 30-years' time, people deserved a decent place to live. Councillor Redsell acknowledged there was still a long way to go and hoped the consultation sought the views of residents and that information being provided to residents from officers was correct. Julian Wain thanked Councillor Redsell for her continued support and stated the consultations would look to minimise that and provide the most efficient scheme possible. An exhaustive list of sites had already been explored but if there were any other sites these could be looked into and stated there was a balance between height and land tag. Ewelina Sorbjan agreed the message had to be correct and there should be no reason for officers not to know what was happening.

Councillor Worrall thanked officers for the very detailed report and stated she was pleased there was finally some progress being made on this. That families did not deserve to be stuck in high-rises which were just not fit for purpose and questioned whether those families could choose where they go and have priority. She was concerned that one of the options was to demolish and leave the land and could therefore lose the revenue from the housing, rents and council tax. Councillor Worrall questioned whether leaseholders were happy that the blocks were coming down and whether the amount of money being offered by the council was satisfactory to prevent any disruption of demolition. Julian Wain stated approval had been sought from commissioners for disturbance payments, leaseholder negotiations and the development of the business case. One of the things that would be asked of the contractor was how the project could be phased and the best chances of undertaking a one-phase decant. This was subject to procurement, subject to a scheme that was financially viable and why the study was so important to get something designed that would work. The sample of leaseholders was small and one of the real importance of the consultation.

Councillor Liddiard questioned whether residents realised there would be an increase in rent to which Julian Wain stated this would be based on affordable rent and, as yet the council had not set a firm policy decision. Councillor Liddiard referred to a potential scenario of one leaseholder left in the block

that could cause issues and whether leaseholders had been offered another leasehold property in another block. Julian Wain stated policy was a straightforward buy-out and offered a sum equivalent to the market value of their property and not offered an automatic return to somewhere else. Councillor Liddiard was reassured that the blocks would be kept water and wind tight until the blocks were empty and this would all form part of the negotiations with residents. Councillor Liddiard questioned whether they would be offered another flat in the private sector to which Julian Wain stated his initial reaction would be probably yes. Ryan Farmer stated some analysis had been undertaken on property purchasing of those leasehold properties and similar properties in that area were comparable, benchmarking had been undertaken and work had been undertaken with legal colleagues and at this point in time it was a reasonable offer.

Councillor Hebb suggested whether it would be worthy of the committee undertaking a visit to help sponsor this work and support the work that was being undertaken. Councillor Hebb stated the council had no evidence of the ability to deliver major projects and had failed to communicate with the public on milestones of projects and had concerns there were no project plans that explained those key milestones on how the project was expected to be delivered. Councillor Hebb suggested a new recommendation "Committee requests regular public reports on project milestones (including slippage factors) and requests officers to confirm to committee what members-led mechanisms will be used to review the adherence to the plan". To which all members agreed. Councillor Spillman stated the council had various experiences of delivering housing projects and hoped that was some reassurance for members.

Councillor Hebb questioned whether those milestones should be a Corporate KPI and how they be recorded, measured, and monitored. He also referred to risks, those acute risks that were here and now and risks that had been identified for the residents that lived there. He questioned whether control measures were in place to reduce the risk of satisfactory whilst the work was being undertaken. Members agreed that discussions need to be undertaken with residents, referred to the expert advice as mentioned in the report and questioned how confident officers were with the diligence that had been undertaken and who were the advisors. Julian Wain stated there was an officer steering group which had started to examine the milestones, risks, issues, and mitigations and agreed this should go through a governance procedure and be reported on a regular basis. In terms of pressure on housing stock this was an issue and would remain so until the properties had been built. In regard to communicating with residents, housing officers would be visiting residents to undertake housing needs assessments discussing what people need, where they want to go and to go through the process.

Councillor Redsell stated there was other land in the borough that belonged to the council that was not being utilised, which could be used for this project and those other options should be used. Julian Wain stated the design team could take a look into this and in line with Thurrock modelling it would not be

appropriate to bring in private sector as this would be a housing revenue account scheme for which the council would pay.

Councillor Liddiard referred to the greenbelt land and questioned whether the council would have to pay building rate to the revenue account or whether this was housing land to which Julian Wain stated this was playing fields, general fund land.

Councillor Mayes thanked members for their comments this evening on this item and stressed residents were desperate to move as quickly as possible and fully supported the report to ensure those residents were moved out of those blocks of flats and into housing that was fit for purpose.

## **RESOLVED**

**Housing Overview and Scrutiny Committee commented on:**

- 1. The proposed site area for developing proposals for the future of the Blackshots estate.**
- 2. Commencement of decanting residents from these properties and the treatment of these residents in line with the Council's allocations policy.**
- 3. Payment of home loss and disturbance payments as appropriate.**
- 4. Approval to commence negotiation with leaseholders for the repurchase of properties with approval to complete purchase delegated to the Corporate Director Adults Housing and Health and Chief Financial Officer in consultation with the Director of Place and the Portfolio Holders for Finance, Housing and Growth.**
- 5. Subject to further Cabinet approval the use of Compulsory Purchase Powers under s226 Town and Country Planning Act 1990 should this become necessary.**
- 6. In view of the decant and leasehold repurchase decisions, no dwellings within these three blocks shall be re-let.**
- 7. Service of a demolition notice under Section 138B and Schedule 5A of the Housing Act 1985 which will confirm the Council's intention to demolish the buildings and suspend the obligation on the Council to complete right to buy applications on the three tower blocks in question.**
- 8. Approval to negotiate and settle any statutory compensation claims made by residents as a result of the service of the Initial Demolition Notice delegated as at Paragraph 1.4.**

- 9. Approval to establish a budget of £2.7m to meet the costs of purchase of leasehold interests.**
- 10. Agreed to receive a report in December 2023 to consider the full Business Case for redevelopment of the site and determine the most appropriate financial option at that time.**
- 11. Committee requested regular public reports on project milestones (including slippage factors) and requests officers to confirm to committee what members-led mechanisms will be used to review the adherence to the plan.**

*Julian Wait left the committee room at 8.44pm.*

### **34. Estate and Tenancy Management - Roles and Responsibilities**

Peter Doherty presented the report and explained how the estate and management services were currently delivered and highlighted the future ambition for the roles and responsibilities relating to estate and tenancy management.

Councillor Redsell stated she did not agree to the new role as there were already estate officers who needed to be made more accountable. That council tenants should take more responsibility of where they lived and their outside space. Councillor Redsell praised the work of some estate managers but stated there was still a big learning curve to make this better and to work alongside the cleaner and greener teams to make the area look better. Peter Doherty stated that action plans had now been introduced in a number of areas and were working quite well but the biggest issue was around the lack of a digital platform. This would enable the council more transparency in reporting, collecting data and to be able to utilise that information. Focus going forward would be on neighbourhood officers and digitalisation which would drive forward improvements and to make council tenants take more responsibility for where they live.

Councillor Worrall strongly agreed that some of the estates were a disgrace, not across the board but everywhere should be nice place to live. That in cases, herself having to report rubbish as caretakers and housing officers had just ignored it, that estate managers need to take responsibility and show that they were doing their job, and this should be better. Councillor Worrall questioned why we were still using paper-based reporting and stated that somebody should be checking that estate managers dashboards to ensure they were not being manipulated.

Councillor Liddiard welcomed the report and strategy, suggested that meetings were undertaken with estate managers to prioritise what needed to be undertaken and asked when this was implemented that it be tested in Tilbury first.

Councillor Hebb agreed this was a sensible and practicable approach, referred to the “Report-It” function on the website and questioned why smart phones to report issues were not being used by officers and to look to other authorities, such as London, where these schemes were running successfully. Ryan Farmer stated there were different technical solutions being used and steps were taken to expand services and hopefully by the summer there would be something positive to share. For clarity, Councillor Hebb supported the report and urged officers to engage with the IT and Transformation on the customer services strategy, particularly on customer self-service.

Councillor Mayes proposed a new recommendation to state that technology should be used to enable reports to be provided to ward councillors to enable them to understand what was taking place in their ward.

Councillor Liddiard stated the report referred to efficiencies and questioned whether this was going to save money or cost the council more to which Peter Doherty stated savings would not be the key driver it was about providing better services.

Councillor Redsell reminded the committee that not all residents used technology and were not digitally minded.

## **RESOLVED**

- 1. The Housing Overview and Scrutiny Committee noted, commented and challenged the contents of this report which highlights the challenges in providing effective estate and tenancy management services and the ambition for addressing these through a person centred (tenancy management) and locality/place based (estates management) approach.**
- 2. The Housing Overview and Scrutiny Committee requested that technology be used to enable reports to be provided, particularly for ward members.**

## **35. Homes for Ukraine Response Programme**

*At 9.15pm, the Chair moved standing orders to extend the meeting by a further 15 minutes.*

Dulal Ahmed presented the report that reflected the activities of the service during the year. The challenges faced by the Council during 2022 were well publicised and this report should be read in that context. Future service activity would need to reflect the intervention the Council found itself in. Particularly difficult decisions would need to be made on levels of service and methods of service delivery during 2023 and beyond.

Councillor Hebb thanked all those involved, the help provided in this humanitarian crisis and that ultimately the objective would be to help people return back to Ukraine and raised a couple of points:

Whether the 10% dropout withdrawal was due to there not being a full appreciation of what the role of the host was and asked for some clarification on the root cause of this. Referred to page 34 of the agenda, “wrap around services” and questioned what pastoral help and support was being provided to accommodation their lives here as best as possible. Requested further details around the wellbeing and suitability assessment between the host and sponsor and referred to the guidance provided through the job centre about building a life and career but ultimately people would want to go back to their families. Dulal Ahmed provided the following responses, in that the 10% of sponsors that had withdrawn from the scheme were properties that were not suitable as well as circumstances of sponsors changing. In regard to support, sponsors and guests were provided with a welcome sponsors pack, guest handbook and a template of house rules. This provided clarity on the role of the sponsor, expectations, and rules around what the guests would hope for and help in terms of resolving any problems with relationship breakdowns. There had been a lot of lessons learnt through the process in terms of resettlement support. In regard to the housing options, updates were available on the web site, regularly producing newsletters for sponsors which covered a range of issues to support the sponsors and their guests, regular conversations took place with the job centre around employment options. In terms of property and safeguarding checks these were undertaken monthly with sponsors and guests, working closely with the adult and children’s services teams.

Councillor Redsell raised a concern that people may get lost in the system to which Dulal Ahmed stated Thurrock would still have a duty to that Ukrainian guest if they were to move to another part of the borough or had problems with housing options they would be referred back to Thurrock for support, which was part of the funding. Councillor Redsell questioned whether the six-monthly checks was sufficient as a lot could happen in that time to which Dulal Ahmed stated monthly checks were undertaken, six monthly checks was the government’s guidance on what was expected of local authorities as part of the scheme.

Councillor Worrall thanked officers for the report and thanked them for the amazing job undertaken. She referred to the welcome payments, sponsor payments and questioned where the shortfall money was sitting and what would this be allocated to. Dulal Ahmed stated the money received from Government would be subject to increase with new arrivals and would be carrying out a reconciliation exercise on where people had left to go back to their own country and therefore the money would reduce. Further guidance was expected on what the reconciliation process would mean in terms of what the council would do with that money. That money also funded staff costs, publication, events and the money would last for three years and would need to spread over that time and be ringfenced for that purpose.

Councillor Worrall referred to those families that may become homeless and questioned whether this funding would come out of the ringfenced money and not the general HRA. Dulal Ahmed stated in terms of those families that had

been provided assistance the funding under this scheme had been used but going forward the Government had announced additional funding to help local authorities so that it would not become a short or long-term burden on local authorities.

Councillor Mayes questioned whether this ringfenced funding could be used for anything else apart from this scheme to which Dual Ahmed stated no.

Councillor Hebb proposed a new recommendation for welcome packs to be sent to all committee members, to which all members agreed.

## **RESOLVED**

- 1. The Committee commented on the progress of the Private Housing Service response to the Homes for Ukraine scheme in Thurrock.**
- 2. The Committee noted the council can deliver its Ukrainian response programme within central government funding.**
- 3. The Committee notes homeless Ukrainian guests may be housed out of borough given local housing pressures if homeless presentations steadily rise.**
- 4. The Committee requested that welcome packs be sent out to all committee members.**

### **36. Management of Houses in Multiple Occupation (HMO) - Verbal Update**

Members were referring to the tabled briefing note and were provided with an update on the Houses of Multiple Occupation (HMOs) controlled under mandatory and additional licensing within Thurrock. Members were provided with an update on unlicensed HMOs, how the process and validation practices worked.

Due to timings of the meeting, all members agreed this item should come back to committee as there were more questions to ask and required more time for these to be presented. This item would be added to the 2023/24 work programme.

The briefing note can also be viewed from the following link:

[\(Public Pack\)Item 9 - Briefing Note - Houses of Multiple Occupation Agenda Supplement for Housing Overview and Scrutiny Committee, 07/03/2023 19:00 \(thurrock.gov.uk\)](#)

### **37. Work Programme**

Members discussed the work programme and agreed the following items be added to the 2023/24 work programme:



- Housing Development
- CO1
- Houses of Multiple Occupation
- Repairs Performance

The Chair thanked members and officers for their contribution to this committee over the past year.

**The meeting finished at 9.47 pm**

Approved as a true and correct record

**CHAIR**

**DATE**

**Any queries regarding these Minutes, please contact  
Democratic Services at [Direct.Democracy@thurrock.gov.uk](mailto:Direct.Democracy@thurrock.gov.uk)**

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<b>Housing Overview and Scrutiny Committee Terms of Reference</b>	
<b>Appointed by:</b> The Council under section 21, Local Government Act 2000	<b>Number of Elected Members:</b> Six, of whom none may be Cabinet Members
<b>Chair and Vice-Chair appointed by:</b> The Council	<b>Political Proportionality:</b> The elected Members shall be appointed in accordance with Political Proportionality
<b>Quorum:</b> Three elected Members	<b>Co-opted Members to be appointed by Council:</b> One, non-voting, Housing Tenant Representative
<p><b>Functions determined by Council:</b></p> <ol style="list-style-type: none"> <li>1. The formulation of policies and strategies to govern the Council's housing activities.</li> <li>2. Housing needs issues, including allocations, and tenancy reform</li> <li>3. Service issues, including the repairs service, local budgets, customer profiling and personalised services (particularly for older residents)</li> <li>4. Development, including Housing Revenue Account financing, new build and regeneration of the estates</li> <li>5. The Council's functions in relation to the fitness and improvement of private sector housing, including, the registrations of landlords, standards within the sector and its use as temporary accommodation</li> <li>6. The Housing Revenue Account budget</li> <li>7. Homelessness and travellers</li> <li>8. The provision, planning and performance of all housing functions</li> </ol>	
<p><b>Functions determined by Statute:</b></p> <p>All the powers of an Overview and Scrutiny Committee as set out in section 21 of the Local Government Act 2000, Local Government and Public Involvement in Health Act 2007 and Social Care Act 2001.</p>	

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<b>20 June 2023</b>		<b>ITEM: 6</b>
<b>Housing Overview &amp; Scrutiny Committee</b>		
<b>Houses of Multiple Occupation (HMO) Report</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non key	
<b>Report of:</b> Dulal Ahmed, Housing Enforcement Manager		
<b>Accountable Assistant Director:</b> Ewelina Sorbjan, Assistant Director of Housing		
<b>Accountable Director:</b> Ian Wake, Director of Public Health, Adults, Housing and Health		
<b>This report is</b> Public		

## Executive Summary

This report has been drafted to reflect the activities of the service during the year. The challenges facing the Council during 2022 are well publicised and this report should be read in that context. Future service activity will need to reflect the intervention the Council finds itself in. Particularly difficult decisions will need to be made on levels of service and methods of service delivery during 2023 and beyond.

This report provides an update on the council's performance on ensuring that Houses of Multiple Occupation [HMO] are licensed in accordance with Mandatory Licensing scheme as stipulated under Part 2 of the Housing Act 2004.

The council also operates an Additional Licensing scheme for small HMO's, covering 11 out of its 20 wards that came into force on 1 June 2019 and runs until 31 May 2024.

To date, the council has licensed 225 HMO dwellings from April 2019 to March 2023.

HMO landlords must pay a fee to the council to rent out their property under licensing. The council has collected a total of £263,138 in licence fees from 2019 to 2023. This has contributed towards the council's employment of licensing officers to perform this duty.

It is important to note that some HMO dwellings in the borough, do not require a licence and some buildings are excluded from HMO licensing, therefore not subject to Mandatory and Additional licensing or have to pay a council fee, to rent out their HMO property.

Planning permission is not required to change the use of a family house into an HMO up to 6 persons but is required for large HMOs with 7 or more unrelated persons sharing.

The Private Housing Team investigate all cases where HMOs are suspected of operating without HMO licence.

Thurrock's population growth has increased the need for HMO accommodation for one person households. Over 38,708 of residents are aged 18-34.

The Private Housing Team are gathering evidence to extend the council's Additional Licensing scheme beyond May 2024. This will cover the whole borough for another 5 years, with the purpose to continue improving housing standards within the Private Rented Sector [PRS].

## **1. Recommendation(s)**

**1.1 That the Committee notes and comments on the report.**

**1.2 That the Committee notes the local household need for 1-bedroom properties in the borough has increased in line with Thurrock's population growth.**

**1.3 That the Committee notes the Private Housing will produce a new business case to extend its Additional Licensing Scheme for another 5 years covering the whole of the borough.**

## **2. Local Housing Context**

2.1 The borough's population size has increased by 11.6% from around 157,000 in 2011 to 176,000 in 2021.<sup>1</sup>

2.2 The PRS in Thurrock is important and plays a short- and long-term role in meeting the housing needs of the borough. Its size has significantly grown from 9,200 in 2011 to 16,346 dwellings in 2022. <sup>2</sup> This has helped to meet local housing need.

2.3 It is estimated that the number of people aged between 20 to 34 years old has increased by almost three thousand as per the ONS census 2021 compared to 2011.

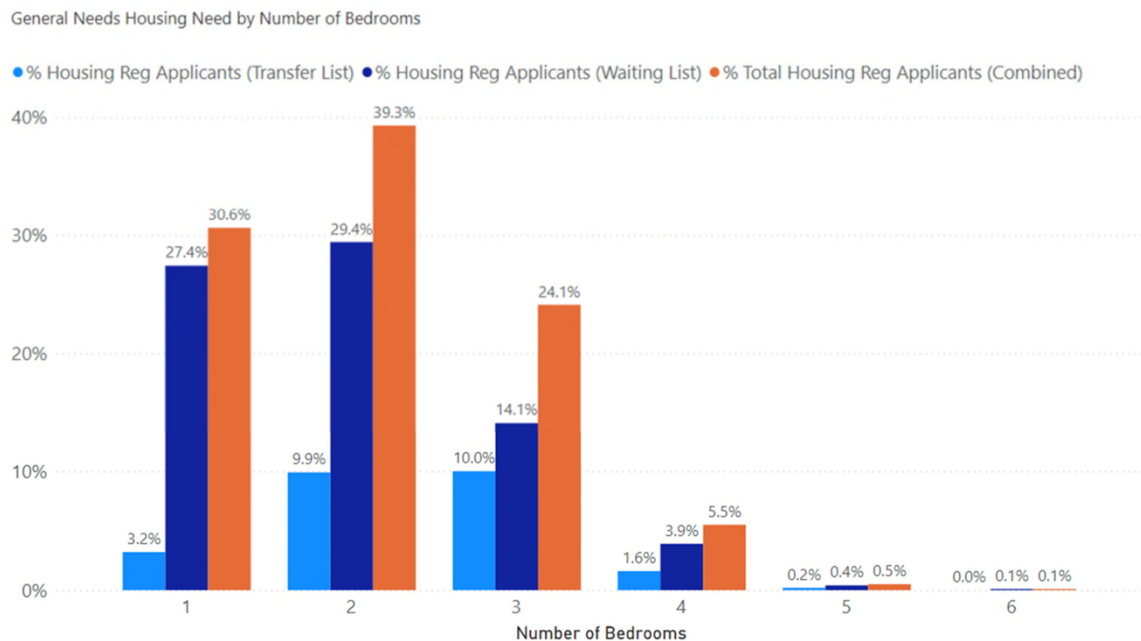
2.4 HMOs provide accommodation to single adult residents to meet their housing needs, especially those under 35 years of age, eligible for Universal Credit/Housing Benefit room-in-a-shared-house rate only.

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<sup>1</sup> Source ONS Census 2021

<sup>2</sup> Source Thurrock Private Housing Stock Condition Survey 2021

2.5 This chart presents a snap of general housing need by property size on the council housing register. It includes applicants that have placed a least one bid in the past two years or have had their application registered in the past two years.



2.6 Based on the council’s housing register data, the greatest demand is for two-bedroom properties, followed by one-bedroom properties. <sup>3i</sup>

### 3. Houses of Multiple Occupation

3.1 The definition of a House in Multiple Occupation as a Mandatory HMO changed in October 2018 to a property which is:

- Occupied by 5 tenants, forming 2 or more households
- Sharing toilet, bathroom or kitchen facilities with other tenants regardless of the number of storeys

3.2 A small House in Multiple Occupation [ HMO] is a property which is:

- Occupied by 3 or 4 people, forming 2 or more households
- Sharing toilet, bathroom or kitchen facilities with other tenants

3.3 The small HMO definition at 3.2 describes properties requiring a licence under the council’s Additional Licensing scheme.

3.4 A household is either a single person or members of the same family who live together. A family includes people who are:

<sup>3i</sup>Source Housing Strategy 2022-2027

- Married or living together – including people in same sex relationships
- Relatives or half relatives for example grandparents, aunts, uncles, siblings
- Stepparents and stepchildren

3.5 All HMOs must comply with the Essex Amenities Housing Standards. This is attached in Appendix 1. The council has adopted minimum standards for amenities and space permitted in an HMO suitable for the number of occupants.

#### **4. Planning**

4.1 Planning permission is not required for all HMOs. The Town and Country Planning (Use Classes) Order 1987 (as amended) puts uses of land and buildings into various categories known as ‘Use Classes’.

4.2 Use Class ‘C’ relates to residential uses. Of relevance to this report are following subsections:

##### **C3 Dwelling Houses**

This class is formed of three parts

C3(a) covers use by a single person or a family ( a couple whether married or not a person related to one another with members of the family of one of the couple to be treated as members of the family of the other) , an employer and certain domestic (such as an au pair, nanny, nurse, governess, servant, chauffeur, gardener, secretary and personal assistant) a carer and the person receiving the care and a foster parent and foster child.

C3(b) N/A

C3(c) allows groups for groups (up to six) living together as a single household. This allows for those groupings that do not fall within the C4 HMO definition, but which fell within the previous C3 use class, to be provided for i.e a small religious community may fall into this section as could a homeowner who is living with a lodger

C4 Houses in multiple occupation – Small shared housed occupied by between three and six unrelated individuals as their only or main residence, who share basic amenities such as kitchen or bathroom

Other relevant uses classes



## **Sui Generis Uses**

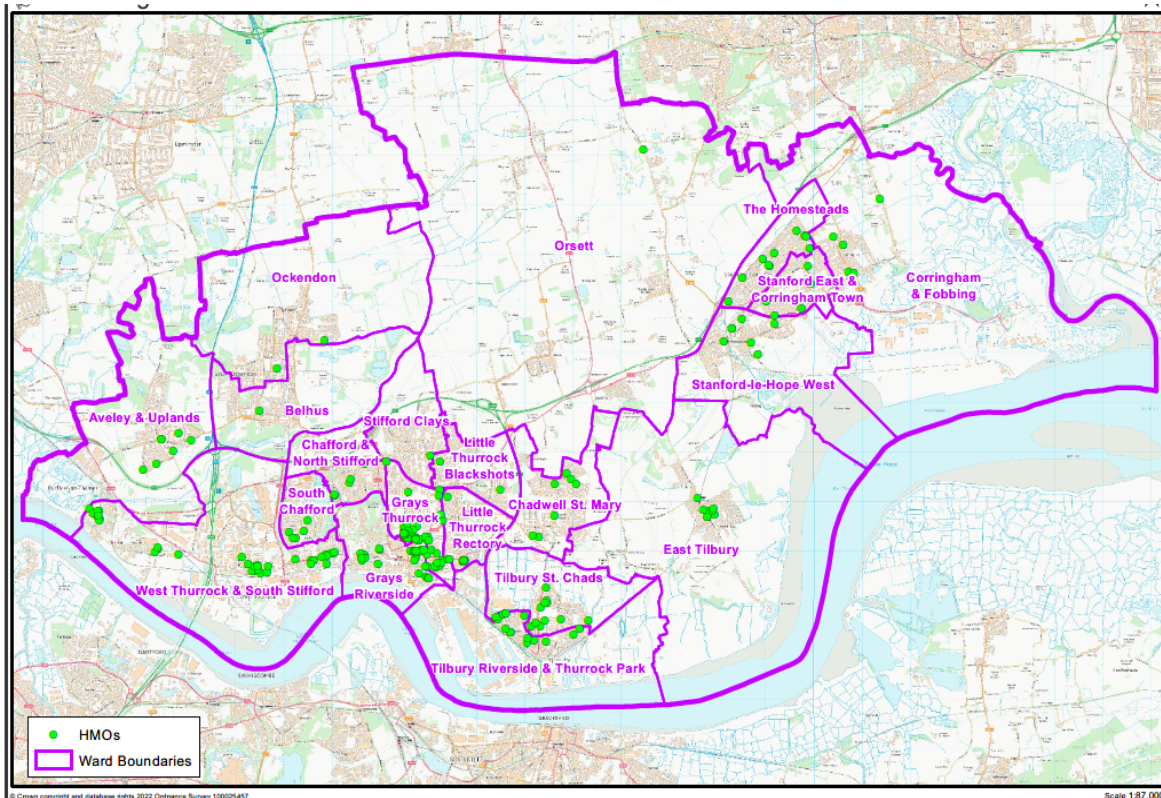
HMO of more than 6 people fall outside the C uses, and are in the sui generis use class as “Larger HMOs”.

Planning permission is not required for movement between the C uses identified above. Planning permission will be required for all HMOs with more than 6 residents, which are classified in planning terms as “Larger HMOs’ Some Local Authorities have Article 4 Directions in place which remove permitted development rights for changes HMOs, of any size. Thurrock does not have any Article 4 Directions in place.

The government has issued guidance on when and how to make an Article 4 Direction. It says that local authorities should consider making Article 4 Direction only in those exceptional circumstances where the direction is necessary to protect local amenities or the wellbeing of the area.

### **5. HMO Licensing**

- 5.1 The council has a duty to ensure that HMOs are licensed in accordance with Mandatory Licensing and its Additional Licensing scheme.
- 5.2 It has 225 properties on the council’s public register of licensed HMOs under section 232 of the Housing Act 2004. Out of those 225 properties, 168 properties are located within the additional licensing areas and 57 are licensed within areas exempted from the HMO Additional Licensing scheme.
- 5.3 The following map shows a breakdown of HMOs controlled under Mandatory and Additional Licensing.



5.4 The highest concentration of licensed HMOs in the borough are found within the following wards where Mandatory and Additional Licensing are implemented:

- Grays Thurrock
- South Stifford
- Tilbury St Chads

5.5 There is no high number nor concentration of HMOs on one street that could be identified within the licensed data set available. The distribution of HMOs is generally clustered in areas of older properties and low-quality affordable housing except for the student accommodation in the following wards Stanford Le Hope West, Stanford East & Corringham Town, The Homesteads, and Corringham & Fobbing.

5.6 The owner has the responsibility for submitting a valid application for an HMO licence with their licensing fee to the council. At 7.2 it shows the HMO fees collected from 2019 to 2023.

5.7 HMO properties are only issued with a licence following a full inspection and the proposed licensed holder is assessed suitable to manage the house, following a 'fit and proper' test.

5.8 The Private Housing Team looks at the following checks if the person has before a licence is granted:

- Any unspent convictions involving fraud, or other dishonesty or violence or drug offences
- Any offences listed in the Schedule 3 to the Sexual Offences Act 2003
- Any unlawful discrimination on the grounds of sex, colour, race, ethnic or disability in connection with carrying out of any business.
- Contravened any provision of housing or landlord and tenant law
- Or to anything else which is relevant

5.9 Some buildings are exempt from HMO Licensing under Schedule 14 of the Housing Act 2004 where the person managing or having control is

- A local authority
- A registered Social Landlord
- The Police
- Fire and Rescue Authority
- National Health Service
- Specified education establishments eg student halls
- Religious buildings
- Exempt supported housing accommodation providing commissioned care and support – currently under government review

5.10 The Government recently published draft guidance to exempt accommodation provided by the Home Office for asylum seekers from HMO licensing requirements. The Private Housing are awaiting further guidance of when this date comes into force.

## **6. Additional Licensing**

6.1 Cabinet approval was obtained before the council's Additional Licensing came into force on 1 June 2019. This discretionary scheme lasts for 5 years and comes to an end on May 31, 2024. The scheme covers the following areas in Thurrock:

- Grays Riverside, Grays Thurrock, Little Thurrock Blackshots, Stifford Clay, Aveley and Uplands, Belhus, Ockendon, West Thurrock and South Stifford , Chadwell St Mary, Tilbury Riverside and Thurrock Park, Tilbury St Chads

6.2 Small HMOs that meet this definition at 3.2 but are located outside the aforementioned areas are not required to have a licence from the council to operate. This includes the following wards

- Corringham & Fobbing, Stanford East & Corringham Town, The Homesteads, Stanford Le Hope West, East Tilbury, Orsett, Little Thurrock

## Chafford & North Stifford, South Chafford

- 6.3 The Private Housing Team will produce a business case in 2024 to extend HMO Additional Licensing to cover whole of the borough.
- 6.4 Licensing has proved valuable in driving up housing standards in the HMO rental market. It helps both tenants and landlords manage rented properties to a higher safety standard under their Management Regulation duties. See point 8.5.

### 7. Licensing Fees

- 7.1 HMO landlords must pay a licensing fee to the council to rent out their property. The HMO licence fee is regulated under Section 63[3] of the Housing Act 2004. Fees are reviewed annually, and they cover the cost incurred in carrying out the licensing function.
- 7.2 The following table provides a breakdown of licensing fees collected from 2019 to 2023. This money from fees must be ring fenced to cover the cost of providing the HMO Licensing Service, including all overheads and oncosts.<sup>4</sup>

#### Licensing Fees

Year	2019/20	2020/21	2021/22	2022/23	Total
Licensing Fee £	122,597	80,559	31,443	28,539	263,138

- 7.3 From 2021 to 2023. the Private Housing Team have experienced the following organisational challenges to licence HMOs:
- Staffing levels were reduced from 4 to 3 Licensing Officers in 2021/22 to make an efficiency saving.
  - The challenges facing the council during 2022 have impacted on 2 out of 3 Licensing officers leaving the council in 2023. The Private Housing Team anticipate filling those vacant positions in August 2023.

### 8. Licensing Performance

- 8.1 The Private Housing Team prioritise physical property inspections to check for landlord compliance to maintain and improve HMO stock conditions in the PRS.
- 8.2 The following performance table demonstrates the Private Housing Team utilising their full powers under the Housing Act 2004, to protect tenants from repair deficiencies identified in dwellings from 2019 to 2023.

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<sup>4</sup> Source Open for business – LGA Guidance on locally set licence fees

- 8.3 The key headlines are:
- 8.4 21 Improvement notices were served where the Council determined that this should be served in respect of a Category 1 hazard. This requires work to be carried out that will either remove the hazard entirely or reduce it so that it ceases to be a Category 1 hazard. The most severe hazards are known as Category 1 hazards. If a hazard is less serious, this is known as a Category 2 hazard. See Appendix 2 for the 29 Housing Hazards and health effects
- 8.5 66 Management Regulation Notices were served where the Council determined that the landlord has failed to follow the safety measures required for managing an HMO. This includes fire safety, maintain the water supply and drainage, maintain gas and electricity, maintain common parts and living accommodation and provide waste disposal facilities.
- 8.6 The Council has prosecuted 8 landlords and imposed 35 civil penalty notices.

### **Performance outputs**

<b>Enforcement Measure</b>	<b>2019/20 No.</b>	<b>2020/21 No.</b>	<b>2021/22 No.</b>	<b>2022/23 No.</b>	<b>Total</b>
Improvement Notice	17	1	0	3	<b>21</b>
Suspended Improvement Notice	1	0	0	0	<b>1</b>
Prohibition Order	2	2	0	0	<b>4</b>
Emergency Prohibition Order	0	0	0	0	<b>0</b>
Suspended Prohibition Order	1	2	0	1	<b>4</b>
Emergency Remedial Action	1	0	0	0	<b>1</b>
Environmental Protection Act S80	5	0	1	1	<b>7</b>
Hazard awareness Notice	14	0	0	0	<b>14</b>
Management Regulations 2006 Advisory Notice	24	7	13	22	<b>66</b>
Building Act 1984/Public Health Act 1936 Drainage	1	0	1	1	<b>3</b>
Public Health Act 1936 Notice	3	0	0	0	<b>3</b>
Works In Default	3	0	0	1	<b>4</b>
Prosecutions	4	0	0	4	<b>8</b>
Civil Penalty Notice	7	8	10	10	<b>35</b>
Rent Repayment Order	1	0	0	0	<b>1</b>
Banning Order	0	0	0	0	<b>0</b>

## **9. Civil Penalties**

- 9.1 The council will try to educate and work with landlords to secure their compliance. However, the Private Housing Team has imposed civil penalties for a range of offences under the Housing Act 2004 as an alternative to prosecution against HMO landlords. This has totalled £337,045 for failure to

comply with statutory obligations, since HMO Additional Licensing came into force.

9.2 The following table shows a breakdown of this income for the offences set out below

- Failing to comply with an Improvement Notice
- Failing to comply with an Overcrowding Notice
- Owning or managing an unlicensed HMO
- Breach of HMO licence conditions
- Breach of HMO management regulations

### **Civil Penalties**

<b>Year</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>Civil Penalty £</b>	63,070	82,702	103,540	88,735	337,045
<b>No.</b>	7	8	10	10	35

9.3 It is important to note that if a landlord believes their penalty notice has been unfairly imposed or that the penalty is unreasonably high, they can appeal the council's decision.

9.4 Overall, our Licensing schemes and civil penalties has totalled an income of £600,183, since April 2019 to March 2023. This income has reduced the General Fund pressure to fully support the Private Housing Team.

## **10. Unlicensed HMOs**

10.1 Since 2019, the Private Housing Team have identified 970 alleged HMOs to investigate.

10.2 The following table provides an outcome of those suspected HMOs.

<b>Outputs</b>	<b>No</b>
Alleged HMOs	970
Filtering data with a second and third data match	525
Physical Property Inspections carried out	198
No of homes required a licence	48
No of homes did not require a licence outside of an additional licensing area	20
No of homes found to be a single let	130

10.3 The number of suspected HMOs will increase and decrease during the year. This is based on investigative research datasets including, complaints, tenancy deposit schemes, council tax, electoral, and housing waiting list records. It is important to note that intelligence gathering plays an important function of identifying, prioritising and preparing property lists to detect HMOs requiring a licence This is an ongoing process throughout the year to validate

this information. The current number of HMOs suspected without a licence is 327.

- 10.4 Each Licensing Officer is allocated a number of unlicensed HMOs to investigate. This usually involves undertaking background checks regarding ownership, property visits and gathering of evidence such as tenancy agreements, witness statements and photographs. This can be resource intensive depending on the property but generally each Officer undertakes approximately 40 investigations per year.

## **Reasons for Recommendation**

- 10.5 The PRS has grown significantly alongside the borough's population growth. The population is expected to reach 192,535 in 2032<sup>5</sup> The borough needs 1-bedroom properties to meet local demand levels. HMOs are an important part of housing supply, and the trend is likely to continue as the population increases.
- 10.6 Housing enforcement records demonstrate that PRS continues to have poorly managed HMOs impacting on tenant safety and the wider neighbourhood. Better managed and maintained HMOs improve the health and wellbeing of tenants and have a positive impact on their local community.
- 10.7 The council has systems in place to administer licensing to improve housing conditions through HMO licence conditions setting minimum housing standards in the PRS.
- 10.8 This licensing function is self-funded from HMO licencing and civil penalty fees.
- 10.9 Licensing assists the Government's levelling up agenda, in terms of its ambition to half the number of non-decent homes across all tenures by 2030.<sup>6</sup>

## **11. Consultation (including Overview and Scrutiny, if applicable)**

- 11.1 NA

## **12. Impact on corporate policies, priorities, performance and community impact**

- 12.1 Thurrock's Housing Strategy 2022-27 is committed to protecting resident safety from harm to their physical and mental health. HMO licensing will improve the safety and security of Thurrock residents by addressing property conditions required to support residents to feel safe.

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<sup>5</sup> Source ONS Subnational population projections 2012

<sup>6</sup> Source [A fairer private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/a-fairer-private-rented-sector)

## **13. Implications**

### **13.1 Financial**

Implications verified by: **Mike Jones**  
**Strategic Lead – Corporate Finance**

Section 63[3] of the Housing Act 2004 provides that license applications may be accompanied by a fee to be determined by the local housing authority [LHA]. In setting its fee LHA may take into account all costs its incurred in carrying out its licensing function which we have done for licence applications up to a 5 year period.

All income generated through the licensing scheme is ring fenced to administer the scheme and improve the HMO offer in the borough.

### **13.2 Legal**

Implications verified by: **Adam Rulewski**  
**Deputy Principal Barrister, Housing, Litigation and Prosecutions**

The committee is recommended to note the report only, as such there are no legal implications in respect of the recommendation.

S3 of the Housing Act 2004 places a duty on a local housing authority to keep the housing conditions in their area under review with a view to identifying any action that may need to be taken under the provisions mentioned in s3(2). The licensing of HMOs is one of those provisions.

### **13.3 Diversity and Equality**

Implications verified by: **Rebecca Lee**  
**Team Manager, Community Development and Equalities**

A community and Equality Impact Assessment was carried out prior to the implementation of Additional Licensing in 2019.

Licensing allows the Council to remedy poor conditions in the private rented sector that can have an adverse effect on health and can exacerbate medical conditions. The Council can take the appropriate action required under Mandatory and Additional Licensing



13.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, or Impact on Looked After Children

None

13.5 This contributes towards the council's Community safety partnership duty to reduce crime, and anti-social behaviour in the borough as licensing increases collaboration to tackle rogue landlords.

The definition of a rogue landlord is a landlord who knowingly flouts their obligations by renting out unsafe and substandard accommodation to tenant, many of whom may be vulnerable.

14. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- [Thurrock population change, Census 2021 – ONS](#)
- [Thurrock Council - Housing Strategy, 2022-2027](#)
- [Thurrock Council - Joint Strategic Needs Assessment: demographics and population change](#)
- [A fairer private rented sector - GOV.UK \(www.gov.uk\)](#)
- [Open for business: LGA guidance on locally set licence fees | Local Government Association](#)

15. **Appendices to the report**

- Appendix 1- Essex Amenities Standards for Houses in Multiple Occupation.
- Appendix 2 - Housing Hazards and Health Effects

**Report Author:**

Dulal Ahmed

Housing Enforcement Manager

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# Thurrock Council

## Essex amenity standards for Houses in Multiple Occupation

A guide to the minimum standards for amenities and space permitted in a house in multiple occupation.

### Introduction

Houses in Multiple Occupation (HMOs) play an important role in local housing markets across Essex. Increasingly HMOs are becoming more diverse as housing pressures and costs rise and a wider range of residents seek some form of shared accommodation. Essex councils want to ensure that this growing sector has clear guidance on how to develop suitable accommodation with some flexible options based on an understanding of the housing stock and the need for good quality HMOs across the county.

For the purposes of this guide to amenity standards, we have distinguished HMOs according to whether they are:

Page 3	<b>HMO with shared facilities</b> kitchen, dining, living room	<b>HMO with shared kitchen facilities</b> but without shared living space	<b>HMO without shared facilities</b> traditional bedsits or studio flats including kitchen facilities

### Status of this document

Enforcement of amenity standards in HMOs is undertaken using the Housing Health and Safety Rating System (HHSRS) created by the introduction of the Housing Act 2004. In addition, most HMOs occupied by 5 or more people will require a licence under the Housing Act 2004 and in considering an application for such a licence the authority must be satisfied that the property is reasonably suitable for occupation by the number proposing to live there.

Some standards are prescribed in the Licensing and Management of Houses in Multiple Occupation (Miscellaneous Provisions) (England) Regulations 2006(SI2006/373). The authority also has power to specify other standards and this document outlines those standards which should be interpreted as guidance to landlords as to what the local authority is likely to consider reasonable taking account of property type and layout. It should also be noted that a local authority may consider, in certain justified circumstances that a higher standard than specified in this guidance is required and landlords are advised to discuss their specific property with council officers prior to carrying out alterations.

This document has been put together by the Essex Local Authorities as a guide on the standards expected in HMOs within Essex taking account of the aforementioned Regulation and also includes recommendations for good practice. The standards have been widely consulted upon and adopted by each participating Local Authority, giving the standards significant weight behind their application to support enforcement in such properties.

Full compliance with the standards contained in this document means that formal enforcement action against a HMO landlord for amenity-related issues should not be necessary. Conversely, failure to comply with them places a landlord at heightened risk of enforcement action.

This document will be subject to review at least every 3 years or earlier if considered necessary as a result of any relevant legislation or changes in government guidance or policy.

### **The structure of this document identifies:**

- **legal requirements that are set out in bold type** – these are requirements contained within national legislation; non-compliance with the requirement is an offence for which a landlord may face formal enforcement action, potentially including prosecution or a civil penalty of up to £30,000
- *requirements* that are set out in black standard type – these are the *minimum* requirements generally expected, whilst also considering the individual property itself; non-compliance with such a requirement may not constitute an offence in its own right, but a local authority is likely to require it as a condition of the licence which can then be enforced as such
- recommendations that are set out in underlined type – these are recommendations agreed upon by the Essex local authorities and are good practice suggestions designed to help minimise issues for tenants in the property and help create good quality HMO accommodation

### **Links to other design and management considerations**

At the back of this document Table 5 provides information and links to a range of design and management considerations which need to be considered to ensure that extra legal requirements and the additional responsibilities of running HMO accommodation can be fully demonstrated. Where landlords and managers are not clear about what is required then they should make enquiries with the relevant council.

**Table 1: Minimum room size requirements**

Room size requirements are given in square metres (sqm). For clarity, a room size of 12sqm is equivalent to a room measuring 4m by 3m and also a room measuring 6m by 2m.

Room use	Number of occupants	HMO with shared facilities (kitchen, dining, living room)	HMO with shared kitchen facilities (no shared living room)	HMO without shared facilities (bedsits or studios)
Bedroom or letting	1	<b>6.51sqm</b>	8.5sqm	<b>11sqm</b>
	2	<b>10.22sqm</b>	12sqm	<b>15sqm</b>
Shared kitchen	Up to 5	7sqm	7sqm	
	6	8.5sqm	8.5sqm	
	7	10sqm	10sqm	
	8 -10	14sqm, or 2 rooms each 7sqm	14sqm, or 2 rooms each 7sqm	
Shared living / dining room	up to 5	11sqm	*5sqm	
	6	12sqm	*6.5sqm	
	7	13sqm	*8sqm	
	8	14sqm	*10sqm, or 2 rooms each 5sqm	
	9	15sqm	*10sqm, or 2 rooms each 5sqm	
	10	16.5sqm	*10sqm, or 2 rooms each 5sqm	

**Notes:**

- From 1 October 2018, national legislation requires that in all HMOs requiring a licence the minimum permitted floor area for any room used for sleeping is as follows:

<b>10.22sqm</b>	<b>2 people over 10 years-old</b>
<b>6.51sqm</b>	<b>1 person over 10 years-old</b>

<b>4.64sqm</b>	<b>1 person under 10 years-old</b>
<b>Less than 4.64sqm</b>	<b>Must not be used as sleeping accommodation</b>

- Bedrooms, living rooms and dining rooms are all classed as habitable rooms and require adequate natural lighting (suitable window) and ventilation (normally by means of an openable window). Dimensions are based on useable room sizes with standard room heights (2.2-2.3 metres) and will not take into account any floor area where the floor to ceiling height is less than 1.5 metres
- These room sizes do not include space for bathroom/shower room or WC. Where en suite facilities are provided then this must be in addition to the space indicated above
- \*In HMOs without a shared living room additional shared dining space is required close to a shared kitchen that is more than 1 floor distant from any letting room it serves

**Table 2: Minimum requirements for kitchen facilities**

Occupants	Kitchen area (sqm)	Work surface (m) (600mm standard depth)	Power sockets above worktop	Hob rings	Ovens	Grills	Sinks/ drainers with hot and cold water	Dry food storage cupboard	Fresh and Frozen food storage	Fire Blanket
<b>All shared kitchens</b>										
Up to and including 5	7	2	3 double	4	1	1	1	1x 500mm base unit or 1x 1000 wall unit per occupant	1 good-size refrigerator shelf per occupant, 1 good-size freezer shelf per	1 suitably located fire blanket in accordance with the current BS EN or
6	8.5	2.4	4 double	4	2+	2+	2#			
7	10	2.8	4 double	6	2+	2+	2#			
8	14 (7 x 2)	4	5 double	8	2	2	2			
9	14 (7 x 2)	4	5 double	8	2	2	2			

10	14 (7 x 2)	4	5 double	8	2	2	2		occupant	equivalent standard at the time of application or renewal
<b>Kitchens in individual lettings (bedsits and studios)</b>										
1 or 2	4.5	1	2 double	2	1	1	1	1x 500mm base unit or 1x 1000 wall unit per occupant	1 good size refrigerator shelf per occupant 1 good size freezer shelf per occupant	1 suitably located fire blanket in accordance with BS 6575

Notes:

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- To provide some flexibility where 6 or 7 occupants share a kitchen:
  - a safely located combination microwave / oven / grill is acceptable in place of an additional oven and grill (+)
  - a dishwasher is acceptable in place of an additional sink / drainer (#)
- To clarify, where the requirement is for a space minimum of 14sqm this can be achieved by providing 2 rooms each of 7sqm
- See Table 4 below for general guidance relating to all HMOs including requirements for mechanical extract ventilation, waste disposal, hygiene and storage

**Table 3: Minimum requirements for bathrooms, shower rooms and toilet facilities**

Occupants sharing	Bathrooms comprising 1 bath / shower unit and may contain a toilet	Toilet (WC) and wash hand basin (WHB)	Separate or combined	Ventilation, suitable and adequate	Adequate size and layout: Minimum floor area for safe use of bathroom
Less than 5	1	1	Can be in the same room as the bath or in a separate room	Mechanical ventilation is required in all bathrooms and toilet compartments which lack natural ventilation via an openable window. It will also be required, in addition to any natural ventilation, where necessary, to mitigate problems of damp and mould. <u>It is always recommended that where possible, in addition to any natural ventilation, mechanical ventilation is provided in all bathrooms and toilet compartments.</u>	Bath only..... 2.3sqm Bath and WHB..... 2.5sqm Bath, WC and WHB..... 2.8sqm Shower only..... 1.7sqm Shower and WHB..... 2.0sqm Shower, WC and WHB..... 2.2sqm WC and WHB..... 1.2sqm
5	1	1	Where 1 bathroom is provided, a toilet and wash hand basin must be provided separate from the bathroom		
Page 8 38	2*	2	Where 2 bathrooms are provided, 2 toilets must be provided but one or both can be within the bathrooms		
9 - 10	2*	2	One of the toilets must be in a separate room from both bathrooms and have a wash-hand basin		
En suite for 1 or 2	1	1			Comments as above

**Notes:**

- All bathrooms and toilets must be suitably located in relation to the living accommodation** – where facilities are shared they must be accessible from a common area; a bathroom must be no more than one floor distant in relation to the bedroom, the toilet must be within one floor of living and bedrooms, and all wash basins, baths and showers must be provided with hot and cold running water.



2. See Table 4 below for general guidance relating to all HMOs

Table 4: Guidance relating to all HMOs

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 39</p> <p><b>Insulation and heating</b></p>	<p><b>Each unit of living accommodation in an HMO must be equipped with adequate means of space heating.</b></p> <ol style="list-style-type: none"> <li>1. Heating shall be provided in every habitable room, the common parts and bathroom capable of maintaining following internal temperatures when the external temperature is -1°C: <ul style="list-style-type: none"> <li>• living room, dining room and rooms used for sleeping 21°C</li> <li>• bathroom 22°C</li> <li>• elsewhere 18°C</li> </ul> </li> <li>2. The heating provision must be capable of being safely used at any time and be suitably guarded. It must be suitable, affordable to operate, appropriate to the design, layout and construction of the dwelling and be controllable by the occupants.</li> <li>3. In the case of gas central heating, radiators must be fitted with thermostatic valves and a programmable timer clock fitted.</li> <li>4. An electrical heating system will be acceptable in the form of a combined storage heater / panel heater that can be run on both "off peak and standard day rate" electricity tariffs, together with a fixed electric fan heater, located in the bathroom, powered from a fused spur. It must be capable of providing instantaneous energy efficient heating and controllability, on the optimum electricity tariff available.</li> <li>5. All appliances shall be maintained by a competent person. Gas appliances shall be inspected annually by a Gas-Safe Registered Engineer and certificated in accordance with the Gas Safety (Installation &amp; Use) Regulations 1994 and all applicable British Standards. Work to electrical appliances must be undertaken by an electrician able to certify the work under the one of the following schemes: BRE Certification Limited British Standards Institution (BSI) ELECSA Limited NAPIT Registration Limited NICEIC Group Ltd.</li> <li>6. The use of portable paraffin or oil fired heaters and liquefied petroleum gas heaters (LPG) (bottled gas heaters) are prohibited under any circumstances, whether provided by the landlord or the tenant.</li> </ol> <p>All reasonable steps should be taken to <b>insulate HMO accommodation</b> to improve energy efficiency and reduce condensation risk. Particular attention should be paid to basement and attic rooms and conversions must comply with Building Regulations.</p>
<p><b>Power supply and electrical sockets</b></p>	<p>HMOs must be designed with <b>adequate electrical power output</b> for their expected loading. Conversion of buildings to large HMOs will require an increased electrical supply, over and above a standard domestic supply.</p>

	<p><b>Electrical sockets</b> must be adequate in number and suitably located to minimise the need for use of adaptors and trailing leads which introduce additional hazards. The following is expected as a minimum:</p>		
	<p><b>Bedrooms in shared houses (separate kitchen facilities and living room)</b></p>	<p><b>Bedsit (separate kitchen facilities)</b></p>	<p><b>Bedsit or studio flat (containing kitchen facilities)</b></p>
	<p>2 double sockets</p>	<p>3 double sockets</p>	<p>5 double sockets</p>
	<p>Adequate electrical sockets must be provided to serve all electrical appliances provided by the landlord. In <b>shared kitchens</b> a minimum of 3 double sockets must be suitably located above work surfaces. In <b>shared living rooms</b>, a minimum of 3 double sockets must be provided.</p>		
<p><b>Lighting and ventilation</b></p> <p>Page 40</p>	<p>All habitable rooms must be provided with <b>natural lighting</b> with a glazed area of window equivalent to 1/10 of the floor area of the room. Bedsit rooms that do not have access to shared communal living space are expected to have an external view, not just a skylight view.</p> <p><b>Artificial lighting</b> must be sufficient to adequately illuminate the room for its intended uses.</p> <p>All habitable rooms must be provided with <b>adequate ventilation</b>, normally by means of an openable area of window equivalent to 1/20 of the floor area of the room. Ventilation of a room through reliance on opening an external door is not permitted.</p> <p>All habitable rooms, kitchens, bathrooms, and toilet compartments shall have a minimum floor to ceiling height of 2130mm. In the case of rooms with sloping ceilings, there shall be a minimum height of 2130mm over half of the floor area of the room. Floor area measurements shall be taken on a plane 1500mm above the floor. Any floor area where the ceiling height is less than 1500mm high shall be disregarded.</p> <p>Mechanical ventilation in kitchens, bathrooms and toilet compartments must operate on suitable systems to remove moist air and minimise noise disturbance. Mechanical ventilation must comply with the Building Regulations that are current at the time of application. Any installation shall be fitted with an overrun device usually connected to the lighting circuit of the room unless the fan is humidity controlled, where this may not be possible.</p> <p>All rooms must have controllable trickle vents and/or windows that can be securely locked in the night-latch position to provide background ventilation without losing too much heat.</p> <p><b><u>Recommendation / good practice</u></b></p> <p><b><u>Positive pressure whole house ventilation systems are becoming increasingly popular with HMO landlords as a way of managing indoor air quality and reducing the risk of condensation and mould growth. All such systems must be installed and serviced in accordance with manufacturers recommendations and have room by room control.</u></b></p> <p><b><u>HMOs located where air pollution levels are likely to be particularly high should be designed with air intakes that minimise</u></b></p>		

	<u>pollution ingress into the building, having regard to the design principles contained in Appendix D of Building Regulation Approved Document F.</u>
<b>Hygiene in kitchens and bathrooms</b>	<p><u>Floor and wall coverings, kitchen and sanitary fittings must be washable and impervious and be capable of being easily cleaned.</u></p> <p><b><u>Recommendation / good practice</u></b></p> <p><u>Floor and wall coverings around baths and showers in particular should be designed to minimise the risk of leaks. Correctly installed specialist flooring and wall-boards can help to reduce this risk. Regular maintenance checks will ensure that facilities are being used correctly and help to identify damage to seals, screens, doors and other fittings.</u></p>
<b>Clothes washing and drying</b>	<p><b><u>Recommendation / good practice</u></b></p> <p><u>Adequate facilities should be provided for washing and drying clothes, including a <b>washing machine</b> for up to 6 occupants. <b>Drying facilities</b> must be designed for year-round use to minimise condensation and mould growth, particularly in bedrooms. In practice this means that unless a whole-house, positive pressure ventilation system is installed then either an externally vented or condensing-type tumble drier or a suitably heated and ventilated drying room should be provided in addition to any external drying facilities.</u></p>
<b>Food storage</b> Page 41	<p>In addition to the sink base unit and hygienic storage for cooking utensils, cutlery and crockery, a <b>food storage cupboard</b> minimum (500mm wide base unit or 1000mm wide wall unit) must be provided per occupant. In HMOs let under separate tenancies, cupboards and a small fridge may be located in bedrooms (if no more than one floor distant from the nearest kitchen) but this must not unreasonably compromise the overall bedroom floor area.</p> <p>Adequate space for the storage of <b>fresh and frozen food</b> must be provided for each occupant. This means space equivalent to one good sized shelf / compartment in a shared refrigerator and a good sized shelf/compartment in a shared freezer.</p> <p><b><u>Recommendation / good practice</u></b></p> <p><u>In HMOs let under separate tenancies secure storage of dry, fresh and frozen food is desirable, either in lockable cupboards, fridge and freezer compartments or suitably stored in bedrooms (if no more than one floor distant from the nearest kitchen).</u></p>
<b>Waste disposal</b>	<p>Adequate and hygienic waste disposal arrangements must be in place within the HMO. In practice this means the provision of suitable bins / receptacles and on-site waste management arrangements having regard to:</p> <ul style="list-style-type: none"> <li>• the number of occupants</li> <li>• the type and size of HMO accommodation</li> </ul>

- the waste collection and recycling arrangements available either through the local council domestic collection service or a commercial waste contract

**From 1 October 2018 all HMOs requiring a licence must comply with the local authority storage and waste disposal scheme (if one exists)**

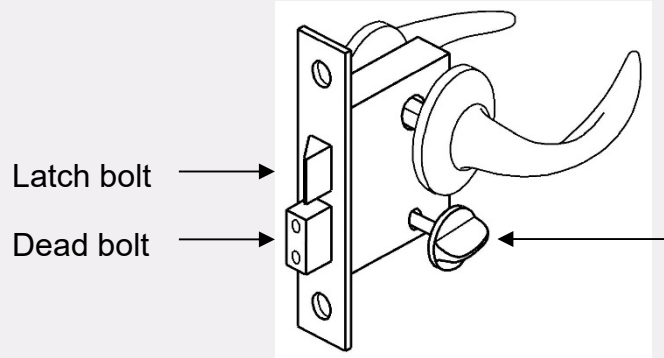
The adequacy of waste disposal arrangements will also be subject to compliance checks under [the HMO management regulations](#).

**Security**

HMO design must adequately control security risks without compromising fire safety. **External doors** must be openable from inside without the use of a key and securely lockable from the outside with either:

- a key
- a security code
- a door entry system

In all circumstances other than HMOs which are occupied by a stable, cohesive group of sharers (that is, a genuine shared house), individual letting rooms must be securely designed. This means **doors to individual lettings** must be fitted with a combined lock and latch, where the lock is operated from the inside of the bedroom by a thumb-turn or lever, rather than a key – or example, a euro cylinder type lockset:



Note. The 'thumb-turn' operated lock should be sited on the room side of the door to facilitate escape without the use of a key.

This provides adequate security and ease of escape, and avoids occupants locking themselves out of their rooms.

**Key operated window locks** are required to all accessible windows (ground floor, basement and adjacent to external structures such as fire escapes and flat rooves). Where the window is an escape window that is an integral part of the means of escape from fire then a suitable alternative security feature will be required.

Please also see section above regarding food storage and security.

**Table 5: Other design and management considerations**

<p><b>HMO licensing</b></p>	<p>Certain HMOs must be licensed and it is the responsibility of HMO owners and managers to check requirements in the areas in which they operate HMOs. Failure to licence a licensable HMO is an offence which may result in:</p> <ul style="list-style-type: none"> <li>• prosecution or a civil penalty of up to £30,000</li> <li>• rent repayment orders for rent paid when the HMO was required to be licensed</li> <li>• naming on a national rogue landlord list</li> </ul>
<p><b>Planning permission</b></p>	<p>Planning permission is required where 7 or more (non-family) residents will share facilities. Also required where a larger building will be divided to create 2 or more smaller units of self-contained accommodation.</p> <p>In some council areas, additional controls on the conversion of smaller HMOs (known as Article 4 Direction Orders) have been introduced. In those areas, planning permission will be required in order to create an HMO with less than 7 residents. Check with your <a href="#">local planning department</a> to find out whether there are any planning restrictions which could impact on your business plans.</p>
<p><b>Building Regulations</b></p>	<p>Approval under the Building Regulations is likely to be required for a range of HMO conversion works including:</p> <ul style="list-style-type: none"> <li>• installation of additional kitchen or bathroom facilities that require waste connections</li> <li>• changes in layout including adding or removing walls and or doors and windows</li> </ul> <p>Compliance with Building Regulations can be achieved through <a href="#">local authority building control</a> or alternative providers.</p>
<p><b>Council tax</b></p>	<p>HMOs occupied entirely by full time students will be exempt from council tax, subject to submission of the documentation required by the local council tax department.</p> <p>The landlord should clarify the position of liability for paying council tax in relation to each individual property with the local council.</p> <p>Council tax fraud is an offence that deprives funding for local services.</p>
<p><b>Fire safety</b></p>	<p><a href="#">National guidance</a> was published in 2008 to address fire safety requirements in certain types of housing including HMOs. It includes examples of how to develop risk-appropriate designs having regard to the size and type of HMO proposed. Further guidance is likely to be available through your local council’s private sector housing / housing standards team or its website.</p> <p>A <b>fire safety risk assessment</b> is required in all HMOs and shared buildings, except those occupied by a cohesive group of sharers under a single tenancy. The responsible person (normally the HMO owner) must undertake a fire safety risk assessment to identify fire safety risks and controls throughout communal areas of the building. Management</p>

	<p>arrangements must be put in place to ensure that risks are adequately controlled.</p> <p>There is further guidance on <a href="#">fire safety risk assessment in sleeping accommodation</a> and via Essex County Fire and Rescue Service.</p>
<b>HMO management regulations</b>	<p><a href="#">The Management of Houses in Multiple Occupation (England) Regulations 2006</a> apply to all houses which are occupied by 3 or more unrelated people where one or more basic amenities (toilets, bathrooms, kitchens) are shared. HMO owners and managers must ensure that their accommodation is adequately managed in accordance with these requirements which reflect the additional risks and responsibilities associated with managing this type of accommodation.</p> <p><a href="#">The Licensing and Management of Houses in Multiple Occupation (Additional Provisions)(England) Regulations 2007</a> apply to houses converted into self-contained flats, as defined by s257, Housing Act 2004 (known as section 257 HMOs). It is a criminal offence to breach HMO management regulations.</p>
<b>Parking and / or cycle storage</b>	<p>Where required, planning permission is likely to be dependent on the provision of either adequate vehicle parking and / or secure cycle storage for the number of occupants.</p> <p><a href="#">Regardless of planning requirements, we recommend that you plan these facilities wherever possible to help occupants to address their transport needs, to reduce the potential for conflict with neighbours, and to help avoid management problems such as cycles blocking fire escape routes.</a></p>
<b>Private Rented Sector Code of Practice</b>	<p>The <a href="#">Private Rented Sector Code of Practice</a> has been produced by the lettings industry to cover the entire private rented sector. It is a useful central source of information and covers many issues relevant to HMOs. The code makes it clear to all members that a professional approach to letting is required and that ignorance and inexperience are no excuse for poor practice.</p>

## Appendix 2 Housing Health and Safety Rating: 29 Hazards

No	Hazard	Health Effects
1	<b>Damp and mould growth</b> Health threats due to dust mites, mould or fungal including mental and social wellbeing health threats associated with damp, humid and mouldy conditions	Allergies, asthma, effects of toxins from mould and fungal infections
2	<b>Excess cold</b> Threats to health from cold indoor temperatures. A healthy indoor temperature is 18°C to 21°C	Respiratory conditions: flu, pneumonia and bronchitis Cardiovascular conditions: heart attacks and strokes
3	<b>Excess heat</b> Threats due to high indoor temperatures	Dehydration, trauma, stroke, cardiovascular and respiratory
4	<b>Asbestos and MMF</b> Exposure to asbestos fibres and Manufactured Mineral Fibres (MMF)	Asbestos: Damage to lungs MMF: Damage to skin, eyes and lungs
5	<b>Biocides</b> Threats to health from chemicals used to treat timber and mould growth	Risk from breathing in, skin contact and swallowing of the chemical
6	<b>Carbon Monoxide and fuel combustion products</b> Excess levels of carbon monoxide, nitrogen dioxide, sulphur dioxide and smoke	Dizziness, nausea, headaches, disorientation, unconsciousness and breathing problems
7	<b>Lead</b> Threats to health from lead ingestion from paint, water pipes, soil and fumes from leaded petrol	Lead poisoning causing nervous disorders, mental health and blood production issues
8	<b>Radiation</b> Health threats from radon gas and its daughters, primarily airborne but also radon dissolved in water	Lung cancer caused by exposure, which increases amount and length of exposure
9	<b>Uncombusted fuel gas</b> Threat from fuel gas escaping into the atmosphere within a property	Suffocation
10	<b>Volatile organic compounds</b> Threat to health from a diverse group of organic chemicals including formaldehyde that are gaseous at room temperature and can be found in a wide variety of materials in the home	Allergies, irritation to the eyes, nose and skin, headaches, nausea, dizziness and drowsiness

11	<b>Crowding and space</b> Hazards associated with lack of space for living, sleeping and normal household or family life	Psychological distress and mental disorders, increased risk of hygiene issues, accidents and personal space and privacy compromised
12	<b>Entry by intruders</b> Problems keeping a property secure against unauthorised entry and maintaining defensible space	Fear of burglary occurring, stress and anguish caused by burglary and injuries caused by the intruder
13	<b>Lighting</b> Threats to physical and mental health associated with inadequate natural or artificial light, including the psychological effects associated with the view from the property through glazing	Depression and psychological effects due to lack of natural light. Eye strain from glare and inadequate light
14	<b>Noise</b> Threats to physical and mental health due to exposure to noise within the property or within its curtilage	Psychological and physiological changes resulting from lack of sleep, poor concentration, headaches and anxiety
15	<b>Domestic hygiene, pests and refuse</b> Health hazards due to poor design, layout and construction making it hard to keep clean and hygienic, attracting pests and inadequate and unhygienic provision for storing household waste	Stomach and intestinal disease, infection, asthma, allergies, disease from rats and physical hazards
16	<b>Food safety</b> Threats of infection from poor provision and facilities to store, prepare and cook food	Stomach and intestinal disease, diarrhoea, vomiting, stomach upset and dehydration
17	<b>Personal hygiene, sanitation and drainage</b> Threats of infections and threat to mental health associated with personal hygiene, including personal and clothes washing facilities, sanitation and drainage	Stomach and intestinal disease, skin infections and depression
18	<b>Water supply</b> Threats to health from contamination by bacteria, parasites, viruses and chemical pollutants due to the quality of water supply for drinking household use such as cooking, washing and sanitation	Dehydration, fatigue, headaches, dry skin, bladder infections and legionnaires disease
19	<b>Falls associated with baths</b> Falls associated with a bath, shower or similar facility	Physical injuries: cuts, lacerations, swellings and bruising.



20	<p><b>Falls on the level surfaces</b> Falls on any level surface such as floor, yards and paths, including falls associated with trip steps, thresholds or ramps where the change in level is less than 300mm</p>	Physical injuries: bruising, fractures, head, brain and spinal injuries
21	<p><b>Falls associated with stairs and steps</b> Falls associated with stairs and ramps where the change in level is greater than 300mm. It includes internal stairs or ramps within a property, external steps or ramps associated with the property, access to the property and to shared facilities or means of escape from fire and falls over stairs, ramp or step guarding</p>	Physical injuries: bruising, fractures, head, brain and spinal injuries
22	<p><b>Falls between levels</b> Falls from one level to another, inside or outside a dwelling where the difference is more than 300mm. Including falls from balconies, landings or out of windows</p>	Physical injuries
23	<p><b>Electrical hazards</b> Hazards from electric shock and electricity burns</p>	Electric shock and burns
24	<p><b>Fire</b> Threats to health from exposure to uncontrolled fire and associated smoke. It includes injuries from clothing catching fire, a common injuring when trying to put a fire out.</p>	Burns, being overcome by smoke or death
25	<p><b>Flames, hot surfaces and materials</b> Burns or injuries caused by contact with a hot flame or fire, hot objects and non-water based liquids. Scalds caused by contact with hot liquids and vapours.</p>	Burns, scalds, permanent scarring and death.
26	<p><b>Collision and entrapment</b> Risks of physical injuries from trapping body parts in architectural features such as trapping fingers in doors and windows and colliding with objects such as windows, doors and low ceilings</p>	Physical injuries such as cuts and bruising to the body
27	<p><b>Explosions</b> Threats from the blast of an explosion, from debris generated by the blast and from partial or total collapse of a building as a result of the explosion</p>	Physical injuries, crushing, bruising, puncture, fractures, head, brain and spinal injuries.
28	<p><b>Ergonomics</b> Threats of physical strain associated with</p>	Strain and sprain injuries

	functional space and other features at the dwelling	
29	<b>Structural collapse and falling elements</b> The threat of the dwelling collapsing or part of the fabric being displaced or falling due to inadequate fixing or disrepair or as a result of adverse weather conditions	Physical Injuries

Source [HousingHealthSafety.qxd \(publishing.service.gov.uk\)](#)

<b>20 June 2023</b>		<b>ITEM: 7</b>
<b>Housing Overview &amp; Scrutiny Committee</b>		
<b>Procurement of Repairs and Planned Maintenance Housing Contracts</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Yes	
<b>Report of:</b> Mohammed Saheed Ullah Councillor Barry Johnson, Cabinet Member for Housing		
<b>Accountable Assistant Director:</b> Ewelina Sorbjan, Assistant Director of Housing		
<b>Accountable Director:</b> Ian Wake, Corporate Director of Adults, Housing and Health		
<b>This report is Public</b>		

## Executive Summary

As part of the Council's responsibility as a landlord, the Council has a duty to undertake repairs and maintenance works to its HRA housing stock. This report sets out the proposals for the procurement of two contracts that deliver repairs and maintenance works for the Council's Housing Stock. The contracts are due to expire in 2024 and 2025 and cannot be extended beyond these dates.

- The Domestic Gas Servicing Contract will expire on 29th March 2024.
- The Repairs and Maintenance Contract is due to expire 28<sup>th</sup> Feb 2025.

This report is for Housing Overview and Scrutiny Committee to note and comment on procurement of these works. Finances for the delivery of these works have been allocated within the HRA 30 business plan. These recommendations fit within the objectives of the Thurrock Improvement and Recovery Plan 2022 for the Council to be a more streamlined and financially sustainable council.

By law, councils must have a balanced budget. If a council cannot find a way to finance its budget, it must issue a 'Section 114' notice. On 19 December 2022, the Council issued the 'Section 114' notice. This puts strict limits on what the Council can spend. The Section 114 notice was necessary as the Council was unable to balance its budgets for the financial years of 2022/23 and 2023/24.

In September 2022, Directions issued to the Council by the Government required us. To put in place an Improvement and Recovery Plan to the satisfaction of Commissioners. The plan has 5 main themes:

- financial sustainability
- governance and scrutiny
- strategic direction
- place leadership and growth
- leadership and culture

## **Commissioner Commentary**

None

### **1. Recommendation(s)**

- 1.1 Housing Overview and Scrutiny Committee to note and comment on the recommendation set out in this report to procure a domestic and commercial gas servicing, breakdown, repair and installation contractor for a period of three years with the option to extend for a further two years in any period combination subject to performance and funding.**
- 1.2 Housing Overview and Scrutiny Committee to note and comment on the recommendation set out in this report to procure a Repairs and Maintenance contractor for a period of ten years with a break clause after 5 years and an option to extend the contract for a further five years after the initial ten-year period subject to performance and funding.**

### **2. Introduction and Background**

#### **Gas Services Contract**

- 2.1** The current domestic gas contract was procured and awarded in 2019 to Aaron Services following a restricted tender process in accordance with Public Contracts Regulations 2015 (PCR 2015). The contract was extended as permitted under the contract terms in 2022 for a period of two years. No further extensions to the current contract are permissible. The contract is based on a price per property for the annual servicing and repair to all gas appliances in council housing stock.
- 2.2** The current contract is £1.2m per year comprising of servicing and repairs, installation of new boiler and central heating systems and out of scope repairs. The price per property contract covers general operating components of the boiler, however, more extensive repairs fall outside of the price per property scope and are classified as exclusions which are assessed and approved on a case-by-case basis by the housing contract management team. Commercial gas servicing and repair services are currently split into two elements, and includes Council buildings across the borough, including the Civic Offices and Thameside Complex. The commercial element of the contract is much smaller than the domestic servicing (at an annual value of £30k per annum) and is effectively delivered as part of a “one stop shop” for gas services.

- 2.3 It is recommended that the existing contract arrangements for delivering both the commercial and domestic services with a single supplier continues as this offers maximum cost efficiencies and service standards to the Council. The service scope for this procurement will enable the Council to meet its landlord obligations and comply for all current regulations for gas servicing and repair as well as include for the maintenance for the newly installed heating systems such as ground source heating into the council stock.
- 2.4 It is proposed that either a competitive exercise under an external framework agreement or an advertised competitive tender process in (accordance with PCR 2015) is followed for securing a new supplier for this programme of work. This approach will ensure the widest choice to the Council in terms of pricing and service standards and ensure the procurement principles of transparency, integrity, openness, non-discriminatory and fairness are applied. For the proposed procurement the contract value will be £1.3 - £1.5 million per year.

### **Communal & External Decorations**

- 2.5 The Communal and External Decoration contract was procured and awarded in 2019 to Mitie Property Services UK Ltd. The initial contract period was two years and was extended for a further two years in 2022 as permitted under the contractual terms. The contract will expire 31<sup>st</sup> March 2024. The Communal and external decoration programme ensures the common internal parts and external fabric of any council housing block is well maintained and in good decorative order.
- 2.6 The recommendation of this report is to include the communal and external decoration works as part of the newly tendered Repairs and Maintenance Contract from March 2025. This approach will bring cost efficiencies and economies of scale to the Council. It will also provide wider social value opportunities as the contractor can invest in more apprenticeships across a broader range of trades and skills as well as source local suppliers in the delivery of the decorations programme.
- 2.7 A programme of decorations works will continue to be delivered for the intervening period between March 2024 to March 2025. Further details are provided in para 2.10.

### **Repairs & Planned Maintenance**

- 2.8 The Council is in year nine of a 10-year outsourced contract for the repairs and maintenance service of the council housing stock. The contract is based on a price per property (PPP) model with any repairs falling outside of the PPP scope funded by a repairs exclusions budget and delivered by the same contractor. The core services of the contracts are routine repairs, works to standard void properties, refurbishment of garages and the management of the contact centre.

- 2.9 Mears have held the contract for the delivery of the repairs service since 2015 and the contract was extended in 2020 for a further 5 years and will expire in February 2025. The current contracted service has consistently performed well for the Council as evidenced by annual headline KPI's. Social Value contributions to the local economy have been significant by way of supply chain opportunities, apprenticeships and skills training for the local community.
- 2.10 In addition to the core scope of services to be delivered within the repairs and maintenance contract, it is recommended that the communal and external decorations service is included in the core repairs service scope from March 2025. The current contract for the delivery of the decorations service will expire in March 2024. In the intervening period between April 2024 to March 2025 when the new repairs contract will become operational any emergency or urgent decorations works will be commissioned via the existing repairs services which is permissible under the current repairs contract.
- 2.11 Furthermore, it is also the intention of the housing department to review several its other workstreams and contracts related to asset compliance to seek financial and delivery efficiencies where possible. This exercise will be undertaken as part of the specification development for the new repairs and maintenance contract. Alongside the potential contract efficiencies that have been identified, this approach is also recommended to ensure that moving forward the Council's continues to maintain good assets related compliance performance and improves our residents experience in the delivery of these works.
- 2.12 The inclusion of the decoration services and other applicable related contracts within the newly procured repairs contract will realise greater cost efficiencies and social value deliverables for the Council whilst also reducing the number of contracts that the Council manages and delivers. This approach ensures the Council meets the objectives within the Improvement and Recovery plan for a more streamlined and financially sustainable council.
- 2.13 The recommendation of this report is to procure a repairs and maintenance contractor via a competitive exercise under an external framework agreement, or an advertised competitive tender process in accordance with PCR 2015. Both processes ensure the procurement principles of transparency, integrity, openness, non-discriminatory and fairness are applied.
- 2.14 The proposed term of contact will be for ten years with a five-year break clause and an option to extend for a further five years at the end of the ten-year term. This route will ensure the Council is able to secure a contractor that offers the best possible price and quality options for this service as well enable the council to secure comprehensive social value opportunities and outcomes.
- 2.15 This recommendation for an initial ten year contract term will attract potential suppliers to bid, price and invest on the basis of a 10yr initial term. Bidders

may also take the view that it is more likely that the contract will survive for a term of at least 10yrs than if the term is based on multiple extension options (e.g. 5+5+5): so again may be more attracted by the opportunity and invest more in their offer price to the Council and offer more innovative solutions in its approach managing repairs (for example, investment in digital platforms for reporting and tracking repairs).

2.16 Other benefits of a longer contract term can be summarised as:

- Ability to negotiate a greater discount on the annual indexation uplift which is currently at 95% of RPIX. A longer contract term would enable a greater discount say 85% of RPIX
- Greater commercial leverage for the Council in negotiating terms and rates
- More likely to attract greater competition from a wider range of suppliers

### 3. Issues, Options and Analysis of Options

#### 3.1 Gas Servicing Contract Options

Gas Servicing Contract		
Option	Benefits	Disadvantage
Extend Existing Contract – this option is not recommended.		The council has already utilised the extension provisions within the contract and therefore has no additional provision to extend, this option is therefore discounted.
Do nothing – this option is not recommended.		This option would not deliver the Council's legal duties as a landlord nor deliver the objectives of the Councils Asset Management strategy therefore this option is discounted.
Spot purchasing / Procure works on a job by job basis – this option is not recommended.		Given the volume of works required this option will not deliver any cost efficiencies or consistent service standards. Spot purchasing will pose significant procurement challenges. This is not deemed a viable option and discounted.
Direct delivery in-sourced service approach - this option is not recommended.		The time to set up a direct delivery service will pose a significant risk of service disruption and subsequent failure to meet landlord duties. The costs of setting up an in-house service along with all ancillary support logistics will be very significant

		and these costs are not currently budgeted for.
Outsourced procurement via recognised specialist framework for this service or an advertised competitive tender process – this option is recommended.	This option will enable the council to pursue quality and cost opportunities as well as social value objectives.	Market vagaries. Contractor capacity.
<p><u>Indicative timescales for the recommended procurement option(s);</u></p> <p>Framework route:  Issue ITQ: Aug 2023  Contract Award: Dec 2023 (4 months mobilisation)  Contractor start on site: 1st April 2024</p> <p>Competitive tender route:  Publish ITT: July 2023  Contract Award: Dec 2023 (4 months mobilisation)  Contractor start on site: 1st April 2024</p>		

### 3.2 Repairs and Maintenance Options

Repairs and Maintenance		
Option	Benefits	Disadvantage
Extend Existing Contract - this option is not recommended.		The council has already utilised the extension provisions within the contract and therefore had no additional provision to extend, this option is therefore discounted.
Do nothing – this option is not recommended.		This option would not deliver the Council’s legal duties as a landlord nor deliver the objectives of the Councils Asset Management strategy therefore this option is discounted.
Spot purchasing / Procure works on a job by job basis – this option is not recommended.		Given the volume of works required this option will not deliver any cost efficiencies or consistent service standards. Spot purchasing will pose significant procurement challenges. This is not deemed a viable option and discounted.



Direct delivery an in-sourced service approach - this option is not recommended.		The time to set up a direct delivery service will pose a significant risk of service disruption and subsequent failure to meet landlord duties. The costs of setting up an in-house service along with all ancillary support logistics will be very significant and these costs are not currently budgeted for.
Outsourced procurement via recognised specialist framework for this service or an advertised competitive tender process  This option is recommended.	This option will enable the council to pursue quality and cost opportunities as well as social value objectives.	Market vagaries. Contractor capacity.
<p><u>Indicative timescales for the recommended procurement option(s):</u></p> <p>Framework route:  Issue ITQ: May 2024  Contract Award: Sept 2024 (6 months mobilisation)  Contractor start on site: 1st March 2025</p> <p>Competitive tender route:  Publish ITT: April 2024  Contract Award: Sept 2024 (6 months mobilisation)  Contractor start on site: 1st March 2025</p>		

#### 4. Reasons for Recommendation

- 4.1 The Council has a legal duty as a landlord to ensure its tenants are provided with safe homes that are compliant with housing regulations and deliver on its housing asset management objectives. As such it is imperative that the services contained within this report are delivered in a timely, reliable, and cost-effective manner.

The recommended options for the delivery of the three services outlined in this report are considered by officers to be the most cost effective and risk averse options for the Council. These recommendations align with Thurrock's Improvement and Recovery Plan 2022 strategic themes to be a more streamlined and financially sustainable organisation; to design services in greater collaboration with residents and stakeholders and to incorporate digital innovation in service delivery.

- 4.2 For the delivery of the Repairs and Maintenance service the Council commissioned a Housing Partnering Advisor (Lumensol Ltd) to advise on the

range of options available to the Council in relation to the future delivery model for the Repairs and Maintenance contract, and in respect of the scope and specification of the services to be procured.

- 4.3 Lumensol Ltd advised on a range of typical contract delivery models and highlighted the benefits and disadvantages of these models. The delivery models extend from a fully outsourced contract, an example of which is the current contractual arrangement, to an insourced model (Direct Labour Organisation (DLO)). It also includes a range of what may be determined hybrid models (such as a Joint Venture).
- 4.4 The conclusion and recommendation from the advice from Lumensol Ltd is that an outsourced contract model with a single contract partner is the model best able to address Thurrock's strategic objectives and in the context of wider market and housing sector considerations. It is recommended that the Council should continue to outsource the service in part due to the significant financial investment (in the context of the scale of the stock) which would be required in setting up any form of insource or hybrid model.

## **5. Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 Options within this report have been discussed with Portfolio holder for Housing. Wider housing and corporate estate colleagues have been briefed on the impending contract procurements to ensure a one council approach.
- 5.2 Engagement sessions on procurement approaches have been held with the Tenants Excellence Panel with further engagement session planned. Residents have been consulted via an online and paper survey to solicit views on future repairs service innovation. Feedback from these surveys will inform the new scope of repairs service to include innovative delivery approaches.

## **6. Impact on corporate policies, priorities, performance and community impact**

- 6.1 The recommendations of this report align with Thurrock's Improvement and Recovery Plan 2022 to be a more streamlined and financially sustainable organisation.
- 6.2 The recommendations within this report will align with the strategic them of the IRP to be a focussed, cost-effective, sustainable and co-designed approach to service provision which is delivered in partnership with residents and other key partners, with collaboration across multi-disciplinary teams.
- 6.3 The recommendations of this report will enable the Council to explore and implement digital innovation in delivery of the repairs service in line with the strategic theme of the IRP.

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Mike Jones**  
**Strategic Lead – Corporate Finance**

Within the HRA budget for 2023/24, there is a budget of £1.290m for the provision of the services detailed within the report pertaining to the gas contracts, and £0.634m in relation to external decorating. This is sufficient to cover the estimated costs of the contract.

Expenditure on the contracts were £1.132m for the gas contract and £0.391m for external decorating 2021/22. For 2022/23, the expenditure was £1.235m and £0.494m respectively.

Once the procurement exercise is completed, the cost of the new contract will form part for of the 2024/25 HRA budget setting process.

With the planning of the budget, and the HRA business plan, there is an inflationary element allowed for to reflect additional costs.

The submitted tenders will be evaluated against this budget to give an informed view of the contract cost.

Any major works in the replacement of heating system form part for the HRA capital programme, and as separate to the revenue maintenance works detailed within this report.

### **7.2 Legal**

Implications verified by: **Kevin Molloy**  
**Principal Solicitor**

Following issue by the Council of a s114 notice the Council must ensure that its resources are not used for non-essential spending. I am satisfied that the contracts at issue here are all essential and the provision of them a statutory duty. In procuring the services outlined the Council must observe the obligations upon it outlined in national legislation and in its internal procurement rules. I am satisfied that the proposed procurement routes listed should fulfil these requirements, but officers are recommended to keep Legal Services fully informed as they progress through the procurements to ensure compliance.

### 7.3 Diversity and Equality

Implications verified by: **Rebecca Lee**  
**Team Manager, Community Development and Equalities**

While there are no specific equality and diversity implications arising from the recommendations of this report it imperative for the council to ensure residents continue to receive a repairs and maintenance service and there is a risk to residents if this service is not in place in time when the existing contract expires.

Should the new repairs and maintenance contracted service not be in place in time there will be a deterioration of living standards for residents as well as the deterioration of properties. It will also mean the Council will not meet its landlord obligations under the Fitness for Human Habitation Act with implications for all protected groups with some, potentially, more disadvantaged than others because of age and disability.

If the term of the contract is increased in line with the recommendations outlined in this report, council officers will work with the provider to explore opportunities to extend its existing social value offer to support a wider range of projects to benefit the social, economic and environmental wellbeing of local residents.

### 7.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, or Impact on Looked After Children

None

### 8. **Background papers used in preparing the report**

None

### 9. **Appendices to the report**

None

### **Report Author:**

Mohammed Saheed Ullah  
Repairs & Planned Maintenance Manager  
Adults, Housing & Health



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**Housing Overview & Scrutiny Committee  
Work Programme  
2023/2024**

Dates of Meetings: 20 June 2023, 28 September 2023, 21 November 2023, 9 January 2024, 5 March 2024

<b>Topic</b>	<b>Lead Officer</b>	<b>Requested by Officer/Member</b>
<b>20 June 2023</b>		
Procurement of Repairs and Planned Maintenance Housing Contracts	Saheed Ullah	Officers
Houses of Multiple Occupation – Update report	Dulal Ahmed	Members
Hostel Management	Ben Tovey	Officers
Terms of Reference	Democratic Services	Officers
Work Programme	Democratic Services	Standing Item
<b>28 September 2023</b>		
Teviot	Keith Andrews	Officers
Housing Development – including CO1 update		Members
Damp and mould – focus and challenge		
Housing Strategies – year one update	Ryan Farmer	Officers
Work Programme	Democratic Services	Standing Item

**21 November 2023**

Blackshots – ok to stay		
Right to Buy Receipts Refreshed		Members
Update/Introduction to Regulation Rules of Social Housing		Members
Work Programme	Democratic Services	Standing Item

**9 January 2024**

HRA – Relationship with wider authority		Members
Homelessness Update (Mental Health/Social Care)	Invite Kim Kames, Healthwatch	Members
Value for Money		Members
Work Programme	Democratic Services	Standing Item

**5 March 2024**

Portfolio Holder Report		
Work Programme	Democratic Services	Standing Item

Briefing Notes

Garages – Ewelina Sorbjan – to be confirmed when ready  
 Headstart Housing – Ewelina Sorbjan

Clerk: Jenny Shade  
 Last Updated: June 2023



<b>20 June 2023</b>	<b>ITEM: 10</b>
<b>Housing Overview &amp; Scrutiny Committee</b>	
<b>Hostel Management</b>	
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Yes
<b>Report of:</b> Cllr Barry Johnson - Cabinet Member for Housing	
<b>Accountable Assistant Director:</b> Ewelina Sorbjan - Assistant Director Housing	
<b>Accountable Director:</b> Ian Wake - Corporate Director Adults, Housing & Health	
<b>The introductory executive summary is Public</b>	

## Executive Summary

Housing Solutions Homeless Hostels at Charles Street and Clarence Road, the Housing 1<sup>st</sup> Programme, Street Homelessness outreach service and Floating Support Workers are currently externally commissioned services delivered by Sanctuary Housing.

Charles Street consists of 29 rooms, five of which are dedicated to Children’s services within a self-contained block (‘Blosom House’). There are 18 rooms at Clarence Road, nine utilised by Housing and nine by Children’s Services and three additional temporary accommodation units held by Housing Solutions. Housing 1<sup>st</sup> utilises five Thurrock Council properties at any time with support attached to the individual. There are Floating Support Workers delivering tenancy sustainment services. The outreach work is funded by DLUC and works closely with existing Thurrock provision with further opportunity to collaborate.

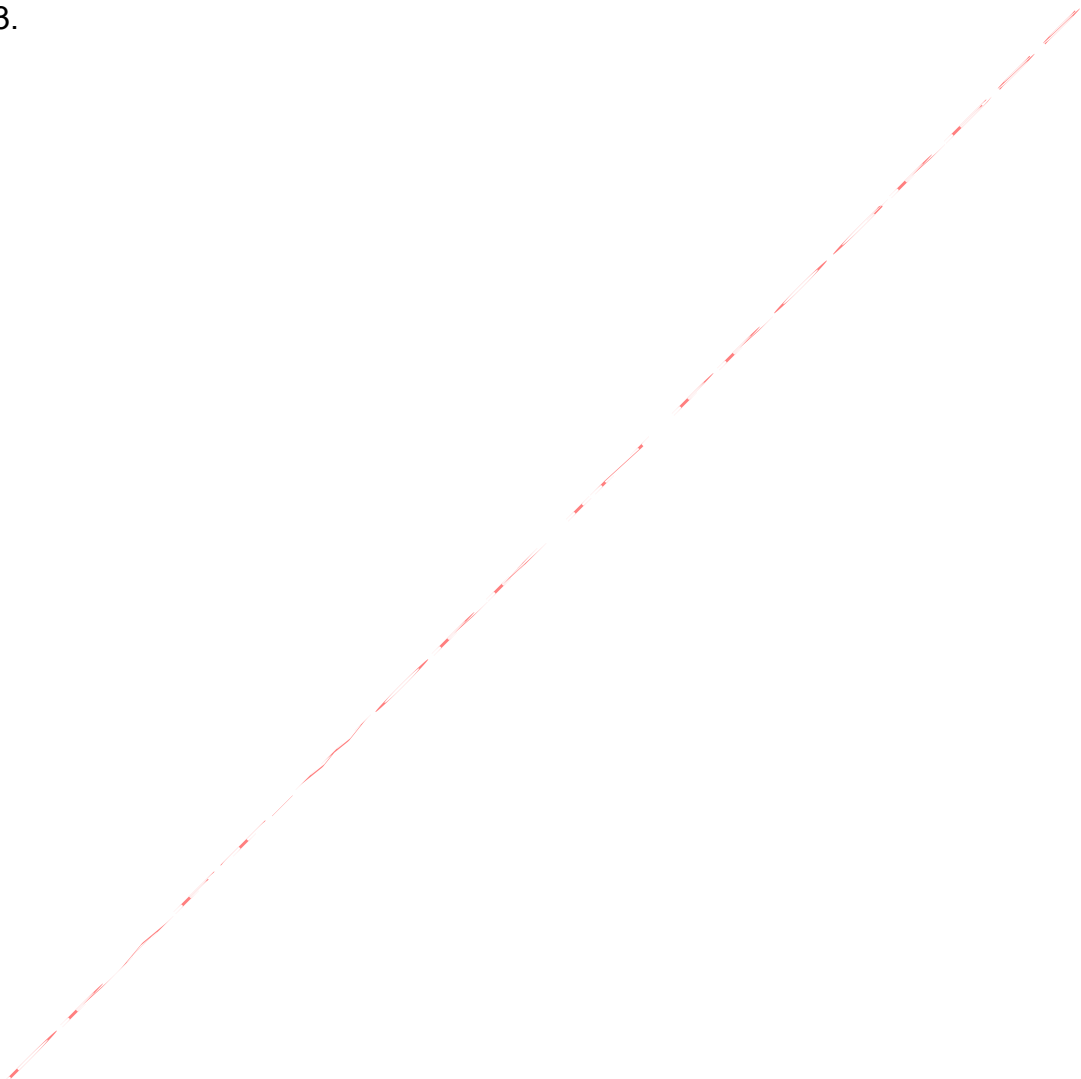
Bringing the contract in house would allow these services to be combined with existing provision, providing more joined up services and a potential cost saving.

Council already runs one hostel directly, Brooke House, which is designated for single woman, with or without children and is cost neutral to run.

This report examines the benefits and risks of bringing the service in house as the current contract comes to an end in September 2023 with a possible 1 year extension. Bringing the contract in house would allow these services to be combined with existing provision and provide more joined up services and economies of scale. An example of this would be substance misuse, which has long been an issue in the Charles Street area and which several council teams are involved. It would allow greater discretion on how the rooms were utilised day to day. Currently we have nomination rights but according to strict criteria, and the hostel can currently veto

nominations. While there is clearly operational risk to delivering large complex services, there is also a great deal of opportunity allowing services to be modelled according to Thurrock's long term strategic plans to support the Better Care Together Thurrock and integration. Bringing the contract on house represents a potential cost saving despite recent inflation. Hostel services present operational risk which requires preparation and mitigation, this is particularly true in relation to new Ofsted regulations which would require significant preparation.

For these reasons we are recommending an extension to the end of the financial year which allows Housing services to fully prepare for direct delivery from April 2023.



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