

Private Sector Housing Strategy

2021 - 2026



milton keynes council



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Foreword

It has long been established that good quality housing is important to individual health and wellbeing and is also an essential component of a safe and vibrant community. The quality of the homes we live in can have a significant impact on every aspect of our lives and poor housing conditions, overcrowding and affordability will all have an adverse effect on public health and wellbeing and can exacerbate health inequalities.

This strategy sets out the key priorities to review housing conditions, improve standards and tackle rogue landlords and outlines the approach the service will take to overcome these challenges. The strategy also supports the wider strategic housing role as set out in the Housing Strategy 2020 – 2025. It reflects and helps to deliver the Council's ambitions for housing in the Council Plan and further supports the broader strategic aims of Milton Keynes Joint Health and Wellbeing Strategy 2018 – 2028, which recognises the impact housing quality has on a people's physical and mental health and principally seeks to improve the health and wellbeing of residents.

Executive Summary

This strategy sets out the strategic direction for Private Sector Housing within Milton Keynes. Its purpose is to set the context as to how we intend to meet the challenges and opportunities confronting the service and to set out the key priorities for action and delivery. Whilst housing conditions in the private sector are generally good and above the national average a significant number of properties remain with serious hazards. Our priorities will focus on raising standards in the private sector paying particular attention to ensuring fire safety in Houses of Multiple Occupation (HMO) and removing or reducing serious hazards across other tenures. We will work with private landlords to encourage and support them to improve standards and increase the supply of affordable accommodation, taking robust action against landlords who fail to remedy hazards, licence HMOs or comply with property management regulations. We will consider using the various means of enforcement and penalties available under housing legislation to tackle rogue landlords.

The service in partnership with stakeholders and partners will help older and vulnerable people to remain in their homes by enabling access to funding for homeowners to carry out essential repairs and maintenance. As housing supply continues to be a challenge with numerous empty homes, a priority will be to maximise existing housing stock by focused interventions to return empty homes to use as detailed in the recently adopted Empty Homes Strategy.

The strategy also discusses Milton Keynes future plans to open a university which will bring new housing challenges. The service will need to work closely with partners to ensure the city is able to support the housing needs of the new student population. The strategy will deliver on these key priorities by further developing a one council approach to partnership working.

Introduction

The Private Sector Housing strategy identifies the key challenges facing Milton Keynes and sets out the Council's priorities for tackling them. Our vision is:

“Working together with landlords, residents and partners to provide good quality, affordable, safe and hazard free homes in thriving communities for everyone”

The strategic priorities for private sector housing are:

1. Raising standards in the private sector
2. Encourage, support and regulate private landlords
3. Helping older and vulnerable people remain in their own homes
4. Maximise use of the existing private sector housing stock



The national housing picture

The Strategy '[Laying the Foundations: A Housing Strategy for England](#) 2011 sets out the intended direction for housing. The Government sees the provision of a healthy, well-managed private rented sector as essential to meeting housing need and demand with a focus on raising standards within the sector looking at measures to deal with rogue landlords and encouraging local authorities to make full use of the robust powers they already have to tackle dangerous and poorly maintained homes. According to [English Housing Survey 2018-19](#) of the estimated 23.4 million households in England, 15.0 million or 64% were owner occupied. The private sector accounted for 4.6 million or 19% of households, and the social sector at 4.0 million or 17% remained the smallest. Nationally, house conditions and energy efficiency in privately owned homes has improved year on year however it has stalled in recent years. The report noted the private rented sector had the highest proportion of non-decent homes at 25% in comparison to homeowners (17%) and social housing (12%). While the private rented sector had the highest proportion of homes with a category 1 hazard, there was a notable decrease in the proportion of stock with such hazards. This is likely to be the result of newer homes entering the private rented stock, the installation of energy efficiency measures and improvements in standards due to local enforcement

The local housing context

The fast growth of Milton Keynes as a new town led to a significant number of housing developments being built very quickly to meet the rapidly increasing population in the 1970s and 1980s. Some of these developments had structural or environmental issues that are now becoming more apparent as the properties age. Investment is required in both the private and social housing sectors to ensure residents of the town live in safe decent quality housing. The focus of the private housing sector over the last decade has been on raising and improving standards and providing advice and information to both tenants and landlords to facilitate this improvement.

Milton Keynes has a rapidly growing population and an associated increase in demand for housing. Affordability is becoming a major issue as the cost of buying a home in Milton Keynes has increased 69% since 2010, compared to a 46% increase in England. This has led to 8% increase in the number of families living in the private rented sector. HMOs are an important part of the Borough's housing stock and many people rely on them to meet their housing needs. However, there can be potential problems associated with HMOs including increased parking, anti-social behaviour and rubbish. The number of HMOs is likely to rise with general housing demand proportionately and could be affected by the building of the proposed university in Central Milton Keynes.

A further issue related to private sector housing is empty homes. There are currently an estimated 600 empty private sector homes in Milton Keynes. Of these, 120 have been empty for two years or more. Properties left empty for this length of time can attract anti-social behavior, are often a blight in the neighborhood, and represent a waste of potential housing. Management of empty homes is detailed in the recently adopted Empty Homes Strategy 2019-2024.

The legislation for regulating housing in the private sector

The Housing Act 2004 is the principle legislation under which Private Sector Housing is given the majority of its powers and duties. The Act governs housing standards and the enforcement of the standards through the Housing Health and Safety Rating System (HHSRS). It also provides for the licensing of HMOs and ensures for the proper management of substandard dwellings and empty properties.

Local authorities' statutory duties include:

- Assess and keep housing conditions under review;
- Take enforcement action to address the most serious health and safety hazards; and
- Licence Houses in Multiple Occupation which fall under the mandatory licensing regime

They also have discretionary powers to:

- Provide financial and other assistance to improve housing conditions;
- Deal with empty homes and;
- Deal with poor management in HMOs.

In addition, the Housing and Planning Act 2016 introduced a range of measures to tackle rogue landlords, including civil penalties of up to £30,000 for specific offences as an alternative to prosecution and the extension of rent repayment orders to cover illegal eviction, breach of a banning order and other certain offences. Further measures include the power to apply for a banning order for the most serious offences to prevent landlords from letting or managing property in the UK and a national Rogue Landlord Database for individuals or property agents against whom a banning order has been made or who have received two or more civil penalties.

The legislation for regulating housing in the private sector applies across all tenures including registered providers. Landlords are responsible for maintaining properties and when they fail to do so appropriate action will be taken. Owner occupiers are responsible for the maintenance and safety of their own homes and will be encouraged and supported to ensure their homes are safe and free of serious hazards. Enforcement against owner occupiers is unlikely but may be used where there are significant risks to the health and safety of the occupier, visitors or the wider public.

This strategy should be read in conjunction with the [private sector housing enforcement protocol](#), which sets out our approach to enforcement and the range of statutory and discretionary powers available to manage non-compliance and tackle rogue landlords.

Our priorities and why they are important

Priority 1: Raising standards in the private sector

The Government has stated that they will “continue to take an ambitious approach to reforming the Private Rented Sector as part of wider efforts to fix the housing sector to ensure that everyone, whether they rent or own their home, has an affordable, safe and good-quality place to live”.

The private rented sector has doubled in size over the last decade with continued barriers to home ownership and limited social rented homes, the sector looks set to remain an important source of housing for the foreseeable future. Rented accommodation meets a diverse range of needs, it provides a flexible option for those who do not want to buy or can't afford to buy or are saving up for a deposit. It offers a range of shared accommodation for smaller households, which is increasingly used by a growing number of families. HMOs form a vital part of the private rented sector, often providing cheaper accommodation for people whose housing options are limited. The government acknowledges that some of the most vulnerable in society occupy HMOs and that regulation of the sector is necessary, but they also think it important that regulation is proportionate and targeted.

In many cases, the sector provides high quality housing opportunities but there are still challenges, particularly in relation to property conditions. Whilst average conditions are good and above the national average, there are a substantial minority in the private rented sector that have serious hazards that need to be addressed.

The HHSRS as set out in the Housing Act 2004 is the principle means of assessing housing conditions across all tenures. The HHSRS lists 29 hazards that are risk rated as either a category 1 (serious) or a category 2 (less serious) hazards. The Authority has a duty to deal with category 1 hazards, and a discretionary power to deal with category 2 hazards. For more information view the official [HHSRS guidance](#).

The data presented in chart 1, shows in Milton Keynes since 2017, the hazard of fire is the most frequent category 1 hazard identified, which is largely attributed to the demand for HMOs. Excess cold and associated issues of damp and mould were the second most frequent category 1 hazard. Although showing signs of some improvement it does highlight that energy efficiency is still an issue effecting the private rented sector. The hazard of crowding and space is common reflecting the findings in the 2017 [MK Strategic Housing Needs Assessment 2016-2031](#), that 9.6% of households in Milton Keynes are overcrowded. The proportion of overcrowded households over the last ten years has increased at a similar rate to England (8.7%). Electrical safety hazards are still regularly identified underpinning the government's decision to introduce The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020, placing new duties on the council to undertake remedial action should a landlord breach their obligations.

Category 1 Hazards Identified

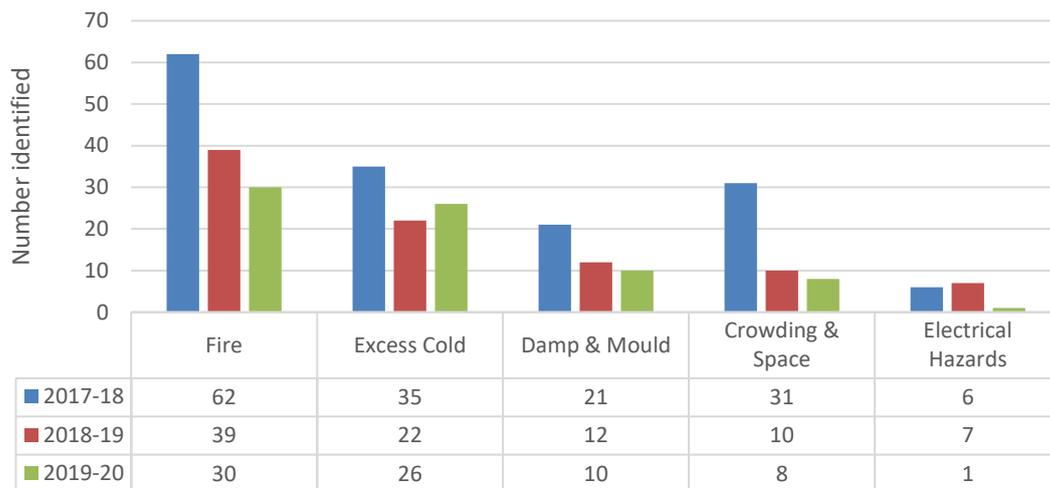


Chart 1

Raising Standards in the Private sector – We will do this by:

- Continuing to prioritise fire safety in HMOs to ensure the safety of the occupants. This includes all HMOs whether subject to mandatory licensing or not.
- Proactively and effectively tackle poor housing conditions across all tenures. Prioritising excess cold and issues of damp, mould and condensation. Ensuring homes are safe, warm and more energy efficient.
- Taking prompt and appropriate enforcement action when required, following our enforcement protocol, to remove or reduce serious hazards and tackle rogue landlords.
- Increasing public awareness of the range of services available by keeping council communications channels such as the website regularly updated and looking to use other social media platforms and Council partners to inform the public.
- Working with internal and external partners and stakeholders, including parish and ward councillors, to ensure that information and advice in respect of landlord and tenant law is freely available to residents.
- Continuing to develop good working relationships with landlords through various media's including Landlord forums and associations.

Priority 2: Encourage, support and regulate private sector housing

The Council supports and regulates the private rented sector with a view to improving standards and increasing the supply of affordable, safe and warm homes. We facilitate regular landlord forums to share ideas about how we can work together to improve services for tenants and inform landlords of

legislative requirements and changes. Where possible partnering with the National Residential Landlords Associations and other agencies to deliver forums.

The Council supports private landlords and provides advice on acceptable standards for different types of housing including single family accommodation and HMOs. The Council also gives advice on the statutory overcrowding provisions in the Housing Act 1985 and the hazard of crowding and space, which is defined by the HHSRS under the Housing Act 2004.

HMOs form a significant part of the private sector housing stock and provide relatively low-cost housing which is in high demand both nationally and locally. Successive governments have acknowledged that HMOs often house the most vulnerable in society and by definition those that occupy HMOs are the least socially and financially mobile. As of 1st October 2018, all HMOs that have 5 or more occupants are now licensable regardless of the size of the property. In Milton Keynes, there are currently 401 licenced HMOs and approximately 378 HMOs that do not require a licence. When appropriate the Council will carry out a graduated approach to enforcement ensuring that action taken is proportionate. HMO's in Milton Keynes are also subject to planning requirements under Article 4 Directions, this is explained further in Annex A.

Prosecution has been the traditional method of enforcement against rogue landlords, but the process is often lengthy, and the level of fines imposed is variable. Over the past decade the Council has carried out over 40 prosecutions for different offences including failing to apply for an HMO licence and failing to apply proper standards of management. Fines imposed have ranged from £250 to £16,000.

Civil Penalties were introduced by the Housing and Planning Act 2016 and came into force in 2017. They give the Local Authority power to issue a civil penalty of up to £30,000 for certain Housing Act offences. The burden of proof remains the same as for a criminal prosecution, but the Local Authority is able to retain the penalty for use to improve housing conditions, in contrast to a criminal fine which goes to central funds. Where landlords have received two or more civil penalties the Local Authority can apply for a landlord's details to be entered on to the Rogue Landlord Database.

Encourage support and regulate private sector housing – We will do this by:

- Ensuring the landlords forum meets the needs of the landlords by providing a wide range of advice and education from a variety of departments, agencies and local services.
- Continuing to work with landlords to promote good housing management and encourage tenancy sustainment. Supporting landlords who provide temporary and permanent accommodation to the council including giving advice on overcrowding and acceptable amenity standards.
- Developing proactive initiatives, including partnering with other services and agencies to identify new HMOs that require a licence and undertake enforcement action where a landlord fails to make an application.

- Taking robust action against landlords who fail to comply with legislative requirements including breach of licence conditions and HMO management regulations.
- Using where legislation permits and where it is proportionate to do so, civil penalties as the default option. Using money recovered to further develop and improve enforcement activities and housing standards.
- Ensuring landlords details are entered on to the Rogue Landlord Database when they have been issued with a banning order or two civil penalties have been imposed.

Priority 3: Helping older & vulnerable people remain in their own homes

A large proportion of elderly and more vulnerable homeowners are living in poor conditions as they do not have significant savings or are unable to access funding to carry out repairs and maintenance on their homes. The council is a member of a consortium with 16 other local authorities which secured a £7.31m grant from the South East Regional Housing Board for the purpose of funding the Flexible Home Improvement Loan scheme. The loans are to help homeowners over the age of 60 to fund essential repairs and maintenance as well as improvements and upgrades to make their homes safer, warmer, more energy efficient, healthier and more comfortable. The loans are flexible in terms of repayment allowing owners the option to repay as much or little as they want in monthly instalments, occasional payments or no payments at all. The loan and any outstanding interest must be repaid when the home is sold. The loans can also be used to fund adaptations or a minimum loan of £1000 can be used to top up a Disabled Facility Grant.

We will continue to work closely with partners and stakeholders including the Tenancy Protection Service and Shelter to help protect tenants from unfair and/or illegal evictions. Tenants in the private sector may have concerns of being evicted at short notice or continue to live in poor accommodation for fear of eviction if they raise concerns in respect of property condition. Evidence suggests that tenancies ended by section 21 evictions are primary causes of homelessness. In April 2019, the government announced plans to abolish section 21 evictions or 'no-fault' evictions. Landlords will still be able to end tenancies where they have a legitimate reason, but they will no longer be able to unexpectedly evict families with only 8 weeks' notice. Where correct processes have been followed, the tenant will be protected from retaliatory eviction for a period of six months where the Council has served an improvement notice in respect of property condition.

Helping older & vulnerable people remain in their own homes - We will do this by:

- Continuing to promote and operate the Flexible Home Improvement Loan scheme for homeowners over the age of 60 to fund essential repairs or maintenance to make homes safer and warmer.
- Working with our partners to ensure appropriate advice and support is given to protect tenants from illegal eviction.

Priority 4: Maximise use of the existing Private Sector housing stock

Milton Keynes was built to meet the aspirations of people to live in a good home at a price they can afford to rent or buy. This aspiration becomes more challenging with so many empty homes.

In Milton Keynes over 2000 homes have been empty for six months or more, of these 600 have been vacant for over two years and 123 of these properties are currently charged a premium of 100% on top of the full council tax charge.

Empty homes are often brought back into use without Council intervention but unfortunately, this is not always the case. The Empty Homes strategy is a five year strategy that sets out the work that needs to be carried out to try and prevent homes becoming long term empty and identifies a range of intervention tools that can be used to encourage and ultimately force owners to bring empty properties back into use.

[The Empty Homes Strategy 2019-24](#) is a key component of this strategy and part of the Council's wider Housing Strategy and every empty home brought back into use will contribute towards increasing housing supply.

Maximise use of the existing Private Sector housing stock - We will do this by:

- Working as one council to bring long term empty properties back into use through a mixture of encouragement, advice, empty homes loan assistance and enforcement measures.
- In particular, developing and fostering closer working relationships with Council Tax and Planning to coordinate quicker action to bring empty homes back into use.
- Continuing to promote the use of empty home loans, which are a flexible 5-year bridging loan to assist owners to carry out refurbishment works necessary to return an empty home to use.
- Exploring the use of Empty Dwelling Management Orders to return longer term problematic empty properties to use that could then be used by the Council as temporary accommodation.

Future challenges

Working in partnership with the Council, MK:U as part of Cranfield University, is proposing to build a new university in the city centre. This is an exciting opportunity for the city with the first intake of students potentially starting in 2023. This will present challenges for the Council with a new student population to house we must continue to ensure a good supply of affordable and safe accommodation.

Student accommodation has a role to play in both attracting new students and supporting student wellbeing. The student accommodation survey (Frank Knight UCAS, 2018/19) evidences over 70,000 new and current students illuminating their views on accommodation. Across the UK, approximately

30% of full-time first year students live in private purpose built student accommodation (PBSA). A further 40% live in halls or accommodation provided by the university and the remaining 30% live either in the private rented sector or at home.

The plans are to open the university in three phases over a 15/20 year period. The first phase set over a 5-year period will see students increase to approximately 5000. In phase one, the university is proposing to build 1000 units of accommodation on site to house, as a minimum, all first year students who require accommodation in the city. It is expected that some students will commute or already live locally, and it is proposed that lectures will be timed to allow off-peak commuting by public transport. At the completion of phases two and three, there will be approximately 15,000 students and 3000 units of accommodation on site to house first year students. Second and third year students its proposed will be housed within the city in private blocks developed primarily as student accommodation for the university; it is anticipated that the student housing development market will respond to local demand. It is envisioned that the majority of students will be housed by either the university or private student accommodation minimising impact on the private rented sector especially in the first phase. However, students may still choose to rent accommodation privately. It is also worth remembering that the build-up of student numbers will be gradual over each phase of the university's growth and that many students will be studying over two-years rather than the traditional three, meaning a smaller burden on accommodation requirements.

Accommodation rented by students in the private sector is usually bedsit type accommodation in HMOs. Although it's anticipated that demand will be low, it's still imperative the supply of HMOs meets demand and ensures student wellbeing. In Milton Keynes HMOs are predominantly located in the inner-city neighbourhoods near to where the new university is intended to be located. MKC Planning considers the inner-city areas to have reached HMO saturated levels so it's unlikely that any new HMOs will get planning consent. This could pose a significant challenge as students who do want to rent privately will not want to be on the periphery of the city and would want to be located nearer to the university.

Delivery

The Strategy sets out the key priorities and plans for successful private sector housing management across the city over the next five years. These are achievable through the collective commitment of the Council and its key partners and stakeholders who are involved in regulating the sector. An essential component in managing the private sector and future demand for suitable and affordable housing is by strengthening partnership working, our focus will be:

- Develop a closer working relationship with Planning. Supporting Plan:MK and the formulation of policies or procedures to ensure a sustainable supply of good quality low cost housing suitable to meet demand and consider the future student population.

- Develop proactive initiatives, working in partnership with other services, agencies and stakeholders, to identify rogue landlords and unlicensed HMOs; using where the legislation permits and where it is proportionate to do so, civil penalties and the Rogue Landlord Database.
- Train and develop existing officers to ensure the necessary skills and experience are retained.

It is important that progress is monitored to ensure the priorities in the strategy remain relevant and any barriers to delivery are challenged.

We will therefore:

- Develop a delivery plan in partnership with relevant stakeholders to set out in more detail, the actions we will take to achieve our strategic priorities.
- Monitor and review progress annually so that it is responsive to emerging needs, policy and legislative changes.

Annexes

Annex A

HMO Licensing

The Housing Act 2004 (The Act) sets out the mandatory licensing regime which includes all HMOs with 5 or more tenants. The Act is designed to ensure HMOs are safe and not overcrowded. The Local Authority has a duty to issue a HMO licence if the property meets the mandatory requirements. It is a criminal offence to operate an HMO without a licence or to be in breach of licence conditions. If an offence is committed the Local Authority can either prosecute and the magistrates court can impose an unlimited fine upon conviction and landlords will received a criminal record or a civil penalty up to £30,000 with a right of appeal against the penalty to the first-tier tribunal (Property Chamber) can be issued.

Planning and HMOs

The Town and Country Planning Use Classes Order 1987 (as amended) sets out a system of use classes for the use of different types of land. There are currently three use classes in respect of residential accommodation:-

USE CLASS C3 – is a residential property occupied by a single household or a family dwelling.

USE CLASS C4 – is a residential property occupied as HMO, with no more than 6 unrelated people sharing at least one basic amenity.

USE CLASS SUI GENERIS – means “in a class of its own” and lists some miscellaneous land uses including large HMOs occupied by more than 6 unrelated people.

Planning permission is needed to change the use of land from one use class to another use class. In certain circumstances, some changes are deemed to be “permitted development” and planning permission is not required. For example, changing from C3 to C4, permitted development rights apply and planning permission would not be needed. Alternatively, change from C3 to SUI GENERIS, permitted development rights do not apply and planning permission is required.

Article 4 Directions

The Town and Country Planning Act allows for a Local Authority to introduce an Article 4 Direction, which effectively removes permitted development rights. Milton Keynes Council has introduced two Article 4 Directions in respect of HMOs, which means planning permission must be applied for to change C3 to C4 use. Unless the use change was prior to the introduction of the Article 4 directions, which they would need to substantiate.

In addition, Planning have produced a Supplementary Planning Document (SPD) which informs landlords, the public, planning officers and the planning committee of the policy and circumstances where planning permission for “new” HMO planning applications will be granted or refused. The SPD takes a number of issues into account including the density of HMOs in a specific area, and parking provision.

If planning permission is refused, a landlord has a right of appeal to the planning inspectorate which is independent of the Local Authority. If the appeal is refused and HMO use continues, the planning enforcement team can issue an enforcement notice, which also provides a right of appeal. Once all appeal opportunities have been exhausted and any compliance period has expired, then an offence is committed if the use continues in breach of the enforcement notice.

Private Sector Housing

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