

Corporate Policy and Resources



24 March 2024

Title	<i>In year growth bid for 2025-26 for additional resourcing in Environmental Health</i>
Purpose of the report	To make a decision
Report Author	Heather Morgan, Group Head Place Protection and Prosperity Fidelma Bahoshy, Joint Senior Environmental Health Manager
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	
Corporate Priority	Community Addressing Housing Need Services
Recommendations	Committee is asked to: <ol style="list-style-type: none">1. Agree an in-year growth bid for 2025-26 of £133,000 pa to provide two additional full-time staff for the Environmental Health team to deal with Houses in Multiple Occupation (HMOs) and private rented sector work2. Agree that if offsetting savings cannot be found in the Revenue Budget, that it will be funded as part of 2025-26 outturn from revenue reserves
Reason for Recommendation	<p>The decision to put in place an Article 4 direction for HMO's covering the whole of the borough by end of March 2026 has resulted in an upsurge of licences/queries/complaints</p> <p>This is having a significant adverse impact on the whole team, their ability to deal with work in a timely way, and is meaning other areas of statutory work are having to be de-prioritised</p> <p>Two additional staff are needed to ensure service delivery can be maintained, and if offsetting savings/income cannot be found across the Council's Revenue Budget this will need to be paid for out of reserves as part of the outturn process for 2025-26.</p>

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none">• The decision by Planning Committee in January 2025 to bring in Article 4	<ul style="list-style-type: none">• The EH team has a duty under the Housing Act to deal with HMO applications in a

<p>directions for HMOs in three wards in August 2025 and the remaining 10 wards by end of March 2026 has seen an upsurge in applications for HMO licences</p> <ul style="list-style-type: none"> • There has been an increase in the number of complaints from residents about potential HMOs which have to be investigated • The team are already under pressure from increased workloads and the loss of several very experienced staff • The workload will be significantly increased in spring when the Renters' Reform Bill receives Royal Assent and parts 1 and 4 are implemented • There is great difficulty in appointing to all the vacant posts due to the scarcity of qualified staff in the marketplace 	<p>timely manner, and in line with the risk-based regime (implemented in April 2024)</p> <ul style="list-style-type: none"> • The EH team need to be able to respond to the increase in complaints and queries from residents effectively (and then take action if necessary) • The increase in HMO work is taking away the capacity of staff to deal with other urgent private sector housing issues such as damp and mould which we have a duty to investigate – and we must take enforcement action on category 1 hazards (so difficult risk-based decisions are being made). • The other statutory work of the team (e.g. noise and light pollution complaints) is having to be prioritised on a risk basis • There is an increase in service complaints as a result
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> • Recruit two additional full time Environmental Health Officers who will deal specifically with HMOs and the private rented sector • This will add resilience to the team and ensure the work can be dealt with by dedicated qualified staff • There is no spare revenue budget within the Environmental Health team to cover the additional cost, so the money to fund will either need to be found from offsetting savings/income across the overall Council Budget or from reserves as part of the Outturn process for 2025-26 	<ul style="list-style-type: none"> • Committee to agree the additional resources (2 full time staff) • Committee to agree that if offsetting savings cannot be found in the Revenue Budget, that it will be funded as part of 2025-26 outturn from revenue reserves

- 1.1 This report seeks to gain agreement for an in-year growth bid for 2025-26 to be put to Council for a decision. It would be a cost of a maximum of £133,000 pa (including on costs) for two additional staff within the Environmental Health (EH) team dedicated to dealing with Houses in Multiple Occupation (HMOs) and private rented sector work.

- 1.2 Regrettably, there was insufficient time to get this included and agreed as part of the main budget process as the escalation of work and impact on the team has only recently reached a critical point.

2. Key issues

- 2.1 The Corporate Plan 2024 - 2028 identifies 'Addressing Housing Need' as one of the Council's 5 key priorities. One of the Council's short-term actions was to implement a new risk-based system for dealing with HMO licences (which has happened). In addition, there was an action to work actively with landlords and private housing providers of HMOs and temporary B&B accommodation to tackle poor conditions and Anti-Social Behaviour (ASB).
- 2.2 We are doing so through reminding landlords of our standards, tightening licencing conditions and following through with serving Notices of Intention and taking formal enforcement action were necessary to improve the quality of private rented sector housing. However, the issues set out in the report are significantly hampering our ability to do so effectively.
- 2.3 On 8 January 2025, Planning Committee confirmed HMO Article 4 directions for Staines, Ashford North and Stanwell South, and Stanwell North (to take effect August 2025) and to put in place Article 4 directions for the remaining wards in the borough to take effect 12 months after the end of a consultation period which will start this month (so by end March 2026). This effectively means that will be an additional requirement for owners to put in a planning application for smaller HMOs which is not the case now.
- 2.4 The one-year lead in time is accelerating the speed at which landlords are putting in HMO licencing applications - so they do not have to obtain planning permission as well. This was flagged up as a consequential risk of applying a blanket HMO Article 4 Direction across the borough in the report to planning committee. There will also be more applications into the planning team once the Article 4 takes effect.
- 2.5 The table below is taken from that January Planning Committee report.

Ward	Number of licensed HMOs* (as of 30 Sept 2024)	Potential HMOs** (2023-2024)
Ashford Common	12	2
Ashford East	12	6
Ashford North & Stanwell South	35	14
Ashford Town	18	6
Halliford and Sunbury West	0	1
Laleham and Shepperton Green	5	1
Riverside and Laleham	5	6
Shepperton Town	1	1
Staines	19	1
Staines South	5	4
Stanwell North	17	22
Sunbury Common	17	4
Sunbury East	3	2
Grand Total	149	70
<p>*Note this includes licence renewals that are in the system being processed</p> <p>**This 'Potential HMOs' data has recently been extracted from the EH database for the years shown. The data relates to all service requests and enquiries which indicate the properties might be HMOs. From analysis of the data at this time it is not known if they are HMOs and if so whether need to be licensed.</p>		

- 2.6 There has been a significant increase in the number of queries coming into the Environmental Health team over the past year or so and this has accelerated further. This is due to the increase in new licences and potential HMO's being brought to the attention of the EH team either internally (via planning and building control) or externally (via councillors and the public)
- (a) October 2022/23 23 three potential HMO enquiries
 - (b) October 2023/24 70 potential HMO enquiries
 - (c) October 2022/23 33 HMO licence applications
 - (d) October 2023/24 77 HMO licence applications
- 2.7 As of 11 February 2025, there were 68 HMO applications waiting to be issued (new and renewals), 20 applications waiting to go on our system (new and renewals), 21 additional properties where Building Control had notified EH that they were being converted into 6 bed HMOs.
- 2.8 In addition to the actual licencing of HMOs, the team also need to investigate all queries or complaints and undertake compliance checks taking them way from other work. The team are also spending a significant amount of time explaining to the public that whilst they have concerns about HMOs the

legislative process in terms of *licencing* does not allow for public consultation or resident's objections to be considered. (However, this is the case when a *planning application* is put in).

- 2.9 The team must process HMO applications in line with the 'positively worded' legislation set down by government and our risk-based approach (i.e. 1 year licence where no track record of management through to 5-year licence for well-established and competent management). The target time to deal with applications is 12 weeks but currently the team are only meeting this with the highest priority cases (e.g. high risk where there are complaints from existing tenants, or the landlords have a poor history of compliance).
- 2.10 The increase in HMO work is taking away the capacity of staff to deal with other urgent private sector housing issues such as damp and mould which we have a duty to investigate (so difficult risk-based decisions are being made). The other statutory work of the team (e.g. noise and light pollution complaints) is having to be prioritised on a risk basis.
- 2.11 In the past year the EH team have lost four experienced staff (retirement, moving on, maternity leave). Two new officers have been recruited (who require training) but there is still a vacant post which has not been filled. As a backstop there is a casual 18 hours per week dealing with HMO applications and a temp contractor working 12 hours per week. As a result, the team are already down on resource.
- 2.12 Currently there is only one permanent officer undertaking regular housing enforcement visits including all HMO licence compliance checks and all private sector complaints visits (other officer must review and countersign work). Other members of the team pick up work on an as and when basis. This is not sustainable either for officers, or for service delivery.
- 2.13 There is a separate report on this agenda to inform the committee about the introduction of the Renters Reform Act and the significant impact that this will have on the Council in terms of our responsibilities and potential resourcing.

3. Options analysis and proposal

- 3.1 Option 1 – To agree to the in-year budget growth with reserves to be used if offsetting savings/income cannot be found within the overall Council budget during the year, to fund two additional full-time posts (recommended)
- 3.2 This will ensure that the Council is able to effectively deliver two key short terms actions set out in the Corporate Plan under Addressing Housing Need. The short-term actions were to implement a new risk-based system for dealing with HMO licences (which has happened) and to work actively with landlords and private housing providers of HMOs and temporary B&B accommodation to tackle poor conditions and ASB.
- 3.3 The additional staff will enable the team to deal effectively with the increase in HMO licencing work (both new licences and renewals), respond to complaints and queries from councillors and the public about possible HMOs after undertaking the necessary visits and checks, it will provide resilience if officers are off, and will ensure the timely and efficient review of cases before decisions are made. There will be a knock-on benefit for the rest of the work of the team as there will be more capacity to deal with other statutory nuisance work which is having to be dealt with on a risk basis.

- 3.4 Staff need to be fully qualified, which means they need a degree or an equivalent qualification in Environmental Health or a relevant subject area (e.g. diploma in housing). We would expect officers to have experience in dealing with and enforcement of private sector housing matters include the mandatory licensing of HMOs, HHSRS, housing enforcement, and related public health related matters. This, alongside the difficulty in securing staff due to a dearth of qualified professionals, dictates the cost associated with securing two staff.
- 3.5 However, this will mean that funding will need to be found from outside the EH budget as much of the additional work (e.g. queries, complaints, checking on possible HMOs) is not work that we are able to charge for. It is a cost that has to be borne by the Council. It is for the Committee to decide whether it is a sensible use of offsetting savings/income within the overall council budget for the year to fund these posts at a cost of £133,000 pa (or to use reserves if the budget cannot accommodate this growth). Whilst the sum of money is not significant, if approved, it will mean that any saving/income cannot be used for other purposes, or it will deplete the reserves which may limit options in the future.
- 3.6 Option 2 – To agree to the in-year budget growth with reserves to be used if offsetting savings/income cannot be found within the overall Council budget during the year, to fund one additional full time post (not recommended)
- 3.7 This puts a real risk the ability of the Council to effectively deliver two key short terms actions set out in the Corporate Plan under Addressing Housing Need.
- 3.8 Whilst one additional member of staff would provide some extras resources to respond to the challenges being faced, it would only partially mitigate the risk that the EH service fails to meet all its statutory requirements and deliver an acceptable level of service to landlords (HMO licences), tenants (provision of safe private sector housing) and the public. Risk based decisions would still have to be made around prioritising work between housing and other statutory nuisance work, and possibly also between HMO and the quality of the private rented sector.
- 3.9 Some resource would at least provide some additional resilience especially in term of the ability to improve the time taken to deal with HMOs and private sector housing, as well as signing off work. It would also mean that if offsetting income/savings cannot be found during the year, there would be an additional sum in reserves, if required, which could be used for other purposes.
- 3.10 Option 3 – Not to agree to the in-year budget growth with reserves to be used if offsetting savings/income cannot be found within the overall Council budget during the year, to fund any posts (not recommended)
- 3.11 There is no prospect that the Council will deliver two key short terms actions set out in the Corporate Plan under 'Addressing Housing Need'
- 3.12 Failing to secure the necessary additional resource will put the service at risk of failing to meet all its statutory requirements.
- 3.13 No additional resource would entirely fail to mitigate the current risks that exist in the EH service in terms of service delivery. There is a significant risk that moving forwards the EH service may fail to meet all its statutory requirements

and deliver an acceptable level of service to landlords (HMO licences), tenants (provision of safe private sector housing) and the public. Decisions on granting HMO licences would continue to take a long period time (with the exception of the high-risk ones) and may in fact extend.

- 3.14 There is a high probability that complaints would continue to increase, particularly from the public who are flagging up a lot of properties which might be an HMO, but which do not turn out to be one. If this housing work continues to take priority and more resources need to be put in, then other areas of work such as statutory noise nuisance, complaints about light pollution, bonfires etc would fall further behind increasing complaints in those areas from dissatisfied members of the public.

- 3.15 The only benefit would be that any savings/income at the end of the current year could be used for other purposes and that the reserves, if required, would not be depleted.

Option 4 - To agree to the in-year budget growth with reserves to be used if offsetting savings/income cannot be found within the overall Council budget during the year, to fund outsourcing of the work (not recommended)

- 3.16 As far as officers are aware, there are no other Councils that outsource this service. Not has a search revealed any companies that undertake this service for authorities (but plenty who do so on behalf of prospective HMO landlords).
- 3.17 There are consultancies that offer to deal with policy development and the legal side of taking enforcement action, but they do not deal with the whole range of work that the service needs to provide (and in any event we have in house legal advice). We also look to lever in free advice where possible (e.g. we are using the services of an organisation called 'Justice for Tenants' for policy work in relation to the new Renters Reform Bill for example).

4. Financial management comments

- 4.1 Whilst the Council charges for licences on a cost recovery basis, this cannot cover the work of the team investigating potential HMO's. The vast majority of the work in relation to the private rented sector is statutory and is a cost to the Council. There is no cost recovery for this unless we take formal enforcement action and attempt to recover costs later on down the line.
- 4.2 There is no other revenue budget within EH that can be redirected to pay for the necessary additional resource. (Whilst there is a salary underspend from vacancies this is more than offset by temporary agency and casual staff).
- 4.3 The salaries for both posts would be £68,0450 to £102,324 depending on experience. With on-costs, the total cost to Council would be £133,000 pa at the top end. Committee is asked to approve these posts, on the understanding that if offsetting savings cannot be found within the overall Council Budget, that at the year end the expenditure will be financed from reserves.
- 4.4 As this request is for 2025/26, there would need to be a growth bid submitted as part of the usual budget setting process for 206/27.

5. Risk management comments

- 5.1 Failing to secure the necessary additional resource will put the service at risk of failing to meet all its statutory requirements.

- 5.2 No additional resource would entirely fail to mitigate the current risks that exist in the EH service in terms of service delivery. There is a significant risk that moving forwards the EH service may fail to meet all its statutory requirements and deliver an acceptable level of service to landlords (HMO licences), tenants (provision of safe private sector housing) and the public. Decisions on granting HMO licences would continue to take a long period time (with the exception of the high-risk ones) and may in fact extend.
- 5.3 There is a high probability that complaints would continue to increase, particularly from the public who are flagging up a lot of properties which might be an HMO, but which do not turn out to be one. If this housing work continues to take priority and more resources need to be put in, then other areas of work such as statutory noise nuisance, complaints about light pollution, bonfires etc would fall further behind increasing complaints in those areas from dissatisfied members of the public.
- 5.4 The creation of additional posts to undertake the work is the only way in the immediate short term to mitigate the risk of the service potentially failing to deliver an acceptable level of statutory service.
- 5.5 The risk is currently being mitigated to a limited extent by de-prioritising other work within the EH team, which is not sustainable, and is putting additional pressure on staff.

6. Procurement comments

- 6.1 There are no procurement implications as this report relates to staff resourcing

7. Legal comments

- 7.1 There is a statutory duty under section 55 (5) of the Housing Act 2004 for the Council to keep the housing conditions in the borough under review and to deal with housing issues including HMOs and the quality of private rented sector accommodation.
- 7.2 The proposals in the Renters Reform Bill 2025 are likely to result in additional statutory duties for the Council.

8. Other considerations

- 8.1 The upcoming Renters Rights Bill will add further additional work to the team from April 2025 onwards on a phased basis. It will also impact on the workload of other areas of the Council such as Housing, Legal and Debt Recovery). This is the subject of another report on this agenda.
- 8.2 There is a duty of care on the Council to look after the 'health, safety and welfare at work of all their employees' (Health and Safety at Work Act 1974) and 'assess the nature and scale of risk to health, safety and welfare in the workplace and to put in place suitable and sufficient measures to control any risks that are identified by the assessments' (Management of Health and Safety Regulations 1999).
- 8.3 By failing to proactively address the significant pressures the service and staff are facing, the Council is failing to ensure the workplace does not adversely affect staff health and wellbeing.

9. Equality and Diversity

- 9.1 Equality and diversity will be applied in the recruitment process.

10. Sustainability/Climate Change Implications

10.1 There are no implications as this report relates to staffing.

11. Timetable for implementation

11.1 If the budget is approved, the posts will be advertised in early April 2025

12. Contact

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**Please submit any material questions to the Committee Chair and Officer
Contact by two days in advance of the meeting.**

Background papers: There are none.

Appendices: