Healthy Housing:
The Role of Environmental Health services

ENV1
Healthy Housing: The Role of Environmental Health Services
Within the last year the Audit Commission has published reports on the overall management of environmental health services and on the impact of the Food Safety Act 1990. (Refs. 1 and 2)

This report, on the activities of environmental health officers in the housing field, is based on case studies of seven local authorities, discussions with individuals and agencies representing both professionals and consumers, and a questionnaire survey of authorities in England and Wales. Completed questionnaires were received from over 300 authorities. The questionnaire was compiled in consultation with professional environmental health officers who formed an advisory group to the Commission's study team. Although there were some gaps in the data (authorities compile their statistics in different ways, and some were unable to provide all the information requested), the questionnaire returns represent a comprehensive data source on the activities of environmental health departments.

The Commission would like to thank the Institution of Environmental Health Officers (IEHO), the study advisory group, and all local authorities and others who have assisted with this study.

The issues covered are one element of the housing strategies of local authorities. Government policy is for housing authorities to give greater emphasis to meeting housing needs through the private sector. Wider issues such as this will be examined in a separate study of the strategic housing role of local authorities being undertaken by the Commission.
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Summary

Improvement of private sector housing is a key element in the housing policies of both central government and local authorities. Environmental health services have always been central to the implementation of these policies. The legislative framework has recently changed and it is timely to review the economy, efficiency and effectiveness of their housing work.

Despite years of action by local authorities, there are persistent problems of unfitness and disrepair in the private stock, particularly in houses in multiple occupation (HMOs). The exact size of the HMO problem is unknown, as many authorities do not have up-to-date records. But returns to an Audit Commission survey suggest as many as 180,000 HMOs (more than 50 per cent of the total) require attention. At the current rate of action it would take 15 to 20 years to bring about improvements in all of these, not allowing for others that will fall into bad condition in the meantime.

Local authorities themselves can make some impact on this problem, by ensuring that the money they currently spend is used as effectively as possible. In part, this is a question of setting priorities. Rather than simply reacting to requests for service, a housing authority should have a pro-active strategy which defines its priorities. Strategies should be based on information on the nature and scale of problems in the area and on the location of individual properties which need action. They should be backed by a work programme which defines clear objectives, sets targets at all levels of the service and provides for performance monitoring against targets.

Councils must also pay close attention to the efficiency of their operations. The principles of the Citizen's Charter are relevant. Councils should set target times for response to requests for service and efficient property inspection procedures, and reduce unnecessary visits and administration, while ensuring accuracy and consistency. Equally important is full use of statutory enforcement powers with prompt follow-up procedures. Tenants should be kept informed of actions and provided with advice and help to prevent loss of their homes. Staff resources should be better utilised by using technical officers to the full and by setting up specialist teams. Filtering out ineligible grant applicants at the earliest stage, and streamlining the administration of grants, will also ease pressure on resources.

Significant opportunities for improvement can be seen in many places. There are very wide variations in the productivity of resources. Some authorities issue over four times as many enforcement notices and give three times as many grants a year as others, for each officer engaged on these tasks. If all performed at the level of the most productive 25 per cent, there could be a very substantial improvement in the effectiveness of programmes to tackle bad condition private housing – increasing the numbers of both statutory enforcement actions and renovation grants by three-quarters at current resource levels (although it could still take as much as five years on average to tackle all of today’s known problems).
The amount of money devoted to the problem of poor housing conditions in the private sector is a matter for political decision at national and local level and is beyond the scope of this report. And, in some cases, enforcement action could lead to additional expenditure by landlords, with no direct financial impact on the public sector. But it has to be recognised that increased productivity would have other consequences. More action would also lead to higher local authority expenditure (even after the Government's 75 per cent contribution to the grants). More importantly, it could have a substantial effect on housing basic credit approvals. Central government's housing expenditure plans show a fall of nearly 30 per cent over the next three years. Were productivity to increase, authorities would, on current plans, have difficulty funding the capital consequences of their officers' actions.
Introduction

1. This report reviews the economy, efficiency and effectiveness of the housing work of environmental health services. Environmental health officers (EHOs) regulate a widening range of environmental and health hazards, but around a quarter of technical and professional time is still spent on housing work, mainly in the private rented sector and in owner occupied housing in poor condition. This work enhances both the residents' quality of life and the quality of the built environment. It also has a beneficial impact on public health (Ref. 3). There is now broad agreement on some of the links between poor housing conditions and ill health (Exhibit 1).

Exhibit 1

HEALTH RISKS AND HOUSING DEFECTS
There is now agreement on links between poor housing conditions and ill health

<table>
<thead>
<tr>
<th>Housing Defect</th>
<th>Health Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate heating facilities</td>
<td>Bronchitis, pneumonia, stroke, heart disease, hypothermia, accidents</td>
</tr>
<tr>
<td>Damp and mould growth</td>
<td>Respiratory and other diseases</td>
</tr>
<tr>
<td>Inadequate ventilation</td>
<td>Respiratory complaints, carbon monoxide poisoning</td>
</tr>
<tr>
<td>Lack of hygiene amenities</td>
<td>Infections</td>
</tr>
<tr>
<td>Inadequate kitchen facilities</td>
<td>Accidents, food poisoning</td>
</tr>
<tr>
<td>Disrepair</td>
<td>Accidents, fire, infections</td>
</tr>
<tr>
<td>Structural instability</td>
<td>Accidents</td>
</tr>
<tr>
<td>Inadequate lighting</td>
<td></td>
</tr>
<tr>
<td>Hazardous materials (e.g. asbestos)</td>
<td>Cancer</td>
</tr>
<tr>
<td>Overcrowding</td>
<td>Infections, stress</td>
</tr>
<tr>
<td>Inadequate means of escape</td>
<td>Injury or death from fire</td>
</tr>
</tbody>
</table>

*Source: Reference 3 and DoE Circular 6/90*

2. Despite more than 100 years of legislative action, housing defects are still common. English and Welsh House Condition Surveys (EHCS, WHCS) are carried out by the Department of the Environment (DoE) and Welsh Office every five years (Ref. 4). The most recent, carried out in 1986, revealed a persistently high level of bad conditions. (Fieldwork for the 1991 English survey will take place later this year but it will be some time before the results become available.) In England, nearly 2.9 million dwellings – 15 per cent of the total national housing stock – were judged to be in poor condition. There were over 900,000 statutorily unfit dwellings, 460,000
Exhibit 2

HOUSING IN POOR CONDITION
There were still nearly 2.9 million dwellings in poor condition in England in 1986

Source: EHCS 1986. (See Appendix 2 for definitions)

lacking one or more basic amenities and 2.4 million in poor repair\(^1\) – many are inadequate on several counts (Exhibit 2). (Definitions of these terms are set out in Appendix 2). The EHCS shows clearly that problems of poor condition housing are by no means confined to large metropolitan authorities. While 14 per cent of urban dwellings are judged to be in poor condition, the proportion rises to 22 per cent in rural areas.

3. The number of dwellings lacking basic amenities fell between 1971 and 1986, but serious disrepair and unfitness remain a problem (Exhibit 3). The number of dwellings lacking basic amenities reduces over time as older housing is replaced and other properties are improved. By contrast, additional properties are constantly falling into disrepair or becoming unfit. Although repair and improvement activity has remedied many defective houses this has been balanced by the rate of deterioration in the stock as a whole.

4. The 1986 survey found that the elderly, unemployed or ethnic minorities are disproportionately present in poor condition housing. The common factor is low income: 78 per cent of households lacking basic amenities had net incomes of less than £6000 a year in 1986. The same was true for 69 per cent of households in unfit housing and 55 per cent of those in houses in poor repair.

5. These figures all relate to the total housing stock. But there are substantial differences in the incidence and nature of problems between the owner occupied, private rented, local authority and housing association stock. While the private rented sector has the highest

\(^{1}\) Definitions of poor repair are not strictly comparable between the English and Welsh House Condition Surveys. The 1986 Welsh survey estimated there were 72,000 unfit dwellings, and 42,000 lacking basic amenities.
Exhibit 3

PROGRESS IN IMPROVING HOUSING STOCK (1971-1986)
The number of dwellings lacking basic amenities has fallen significantly; serious disrepair and unfitness remain a problem.

![Graph showing progress in improving housing stock](image)

Source: EHCS 1971 to 1986. (See Appendix 2 for definitions)

A proportion of properties in poor condition (42 per cent), the largest number is found in the owner occupied sector (Exhibit 4).

Exhibit 4

POOR CONDITION IN DIFFERENT TENURES
The private rented sector has the highest proportion of properties in poor condition, but the largest number is found in the owner occupied sector.

![Bar chart showing poor condition in different tenures](image)

Note: Width of bar indicates the total number of properties in each sector
Source: EHCS 1986

6. Most owner-occupiers carry out maintenance and repairs without assistance from the local authority. The DoE has estimated that less than 3 percent (£400m) out of the total annual expenditure of £14 billion on the private sector stock is grant aided. Problems can arise when the cost of the repairs is thought not to be justified by any increase in the value of the house or when the owner is unable to maintain the property to adequate standards because of lack of resources, age or disability. In the private rented sector, there are other problems. There has been
a general decline in the private rented sector as a whole. Rent controls may have inhibited the willingness of landlords to invest. Some landlords, particularly of short-life properties, may have no interest in bringing a property up to an acceptable minimum standard. Landlords lack an incentive to maintain their properties where the costs of maintenance or improvement are not reflected in higher rents or capital values.

7. Within the private rented sector there are particular problems with houses in multiple occupation (HMOs) of which there are one third of a million in England and Wales. Typically these are houses divided into bedsits or flatlets, hostels, and hotels used for low cost lodgings. (See Appendix 3 for definitions and further detail.) HMOs tend to be concentrated in a relatively small number of areas: three-quarters of all HMOs are found in only 10 per cent of authorities. They provide an important source of low cost housing, but are often in poor condition. It is generally accepted by the DoE, the Home Office and the IEHO among others that the risk of fire in HMOs is perhaps ten times greater than in singly occupied houses, yet a 1985 DoE survey found that four-fifths had defective means of escape from fire (Ref. 5). The same survey found that half required repair and improvement costing over £10,000 per dwelling at 1985 prices.

8. The range of environmental health powers to tackle poor condition housing includes:
— the closure and demolition of unfit properties where necessary;
— requiring owners of defective properties to carry out repairs and improvements;
— grants to owners and tenants for repairing and improving substandard properties.

9. Authorities have a number of options to improve a defective property (Exhibit 5). Additional powers are available in HMOs (Exhibit 6, overleaf). These powers cannot be used by councils against their own housing departments and are rarely used against owner occupiers. The powers are principally used in the private rented sector. The use of closure or demolition powers is not common. The clearance programmes of the 1970s have given way to improvement programmes and area improvement. Compulsory closure is usually only adopted when a landlord is unable or unwilling to bring a property up to standard. Even then a local authority will try to keep the property in use, perhaps by acquiring the property and selling it on to a housing association for improvement and reletting. (The legislation is described in more detail in Appendix 4.)

10. A new system of renovation grants was introduced from July 1990 under the Local Government and Housing Act 1989. The old system provided a wide range of different types of grant, with eligibility criteria based on the age and rateable value of the property and with an upper expense limit for works. Grants were not targeted either at the worst properties or at those people least able to afford the cost of repair and improvement. The new system targets both the worst condition properties (by concentrating mandatory grants on dwellings which fail a fitness standard), and individuals in need of assistance (by applying a means test).

11. Under the new system there are mandatory grants for owner-occupiers and for tenants who have repairing obligations, where the work is necessary to bring the property up to the fitness standard. The amount of grant is related to the applicant's resources. Additional discretionary grants can be made in certain circumstances, for example to finance minor works for people on means tested benefits. Landlords can also qualify for discretionary grants which become
Exhibit 5

ENFORCEMENT ACTION TO TACKLE POOR CONDITION HOUSING

Local authorities have a number of options to improve a defective property...
mandatory for works to comply with a statutory Housing Act notice served by the local authority. Finally, authorities provide disabled facilities grants which are mandatory for some necessary work, subject again to a means test.

12. The 1989 Act also introduced a new system of area improvement. Authorities can declare Renewal Areas where housing conditions are generally unsatisfactory, and would be most effectively dealt with by comprehensive renewal. Authorities have, as yet, little experience of the new system as few Renewal Areas have been declared. They are not discussed in this report, but will be considered in the Commission's forthcoming report on strategic housing issues.
13. This report examines the management of the housing work of environmental health services. It focuses on the management of enforcement action and renovation grants. There are four chapters:

- **chapter 1** discusses the impact of local environmental health services on bad housing;
- **chapter 2** argues the case for local strategies and declared objectives to overcome the problems, based upon knowledge about housing conditions;
- **chapter 3** provides good practice guidelines on local operational methods; and
- **chapter 4** summarises the report's recommendations.
1. Environmental Health Activity

14. For many years environmental health officers have exercised powers to improve private sector housing. But their work has had only limited impact on the problem of substandard HMOs, and on the condition of the owner occupied stock. Environmental health officers appear to be tackling only a small fraction of HMOs known to be in need of attention. And for both statutory enforcement actions and grants administration there is a wide range in the productivity of staff. Improving staff productivity is one of the key issues addressed in this paper.

15. Despite the considerable staff resources devoted, only a very small proportion of private sector properties in poor condition have been subject to environmental health enforcement powers. Returns to the Commission's survey indicate that there are over 180,000 HMOs identified by authorities as requiring attention\(^1\). (The actual number is likely to be considerably higher; other research has shown that many authorities underestimate the numbers of substandard HMOs.) Statutory notices were served on fewer than 10,000 HMOs in 1989-90, i.e. five per cent of those requiring attention. Furthermore, the DoE's HMO survey found that there appears to be no relationship between the level of repairs needed in HMOs, as measured by cost, and the likelihood of notices being served.

16. Evidence from local case studies and the survey indicates that performance on enforcement varies widely between authorities (Exhibit 7, overleaf). The least productive 25 per cent of authorities carried out only a fraction of the statutory enforcement actions on HMOs and other rented dwellings per officer per year, compared with those in the most productive 25 per cent, even when analysed by type of authority. Not all authorities monitor the outcome of their enforcement action. (Serving a notice, even if fully complied with, is only an input.) But evidence from the case studies showed similarly wide variation in the number of properties improved as a result of actions, from under 5 to over 30 per year per officer involved in the work.

17. The time taken for an enforcement action can vary significantly: serving a statutory notice, if requiring follow-up by court action, can be very time consuming. The statistics on performance must therefore be interpreted with care. But an interquartile range of over 4 to 1 in the number of statutory actions taken per officer per year must raise questions about performance in authorities at (or below) the lower end of the scale. More detailed analysis of the data collected from the case study authorities confirms the picture from the national questionnaire, with a range of 11 actions per officer in one authority up to 51 in another. Authorities at the lower end could not demonstrate any greater success in enforcing notices, to justify the extra time spent. If those

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\(^1\) All figures derived from the Commission's survey have been grossed up to allow for non-respondents. Responses were received from about three-quarters of all authorities, of all types – Appendix 1 provides a breakdown.
Exhibit 7

STATUTORY ENFORCEMENT ACTIONS (1989-90)
Performance on enforcement varies widely

Note: A quartile is the dividing point between the lowest (or highest) 25 per cent of authorities and the rest. The median is the midpoint.
Source: Audit Commission survey, 1991

authorities below the upper quartile all performed at this level, the total number of enforcement actions could increase by around 75 per cent with no change in staffing levels.

18. Performance is also patchy in EHO activity directed towards the owner-occupied stock. Although unfitness and disrepair are persistent in the private housing stock nationally, enforcement powers are used infrequently. Grants are more widely used, although concentrated in the owner-occupied sector. While in the past environmental health services dealt with large numbers of properties – in clearance areas – the numbers now dealt with on an individual basis are small and there are very wide differences in the performance of different authorities.

19. In 1989 a total of 118,000 improvement grants were made in England and Wales. The great majority were to owner-occupiers. Under the Local Government and Housing Act 1989, the new renovation grants should be targeted on those with the very lowest incomes living in unfit properties. Most of the new grant provisions came into effect on 1 July 1990, but implementation has been both slow and varied. The DoE is currently monitoring grant activity in a sample of 35 local authorities to assess how the system is working. Grossed up figures from these authorities suggest that there were over 140,000 enquiries about grants (excluding minor works grants) in 1990-91. By the end of March 1991, an estimated 10,000 grants had been approved, of which 90 per cent were mandatory. There had been 1400 enquiries about HMO grants but only 100 approvals (Table 1). At the time of the DoE survey many authorities had been slow to implement the new system and enquiries were delayed for considerable periods before a formal application was registered. The DoE is now reviewing the grants system in the light of the monitoring study.

20. The previous system of improvement grants was not working well in some authorities. Evidence from the Commission’s survey indicates wide variations in performance (Exhibit 8).
Grants made per officer per year varied by a factor of three between the lowest 25 per cent and the highest 25 per cent of authorities. Again the case study work confirms the national findings, with a range of 24 grants per officer up to 74 for all types of authority. If those authorities at the lower end of the scale had performed as well as the best 25 per cent the total number of grants processed nationally could be increased by 75 per cent with the same number of staff (although there are other capital expenditure constraints – this is discussed further in chapter 4). Some authorities argue that they need to provide more intensive support to applicants than others. The fieldwork findings indicate that authorities at the upper end of the scale should still be able to provide such a service.

Table 1
GRANT ENQUIRIES AND APPROVALS (1990-91)

<table>
<thead>
<tr>
<th>Grant type</th>
<th>Enquiries</th>
<th>Approvals</th>
<th>Mean time to approve (days)</th>
<th>Mean amount (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renovation (mandatory)</td>
<td>74,200</td>
<td>5,400</td>
<td>170</td>
<td>8,100</td>
</tr>
<tr>
<td>Renovation (discretionary)</td>
<td>33,200</td>
<td>400</td>
<td>110</td>
<td>6,300</td>
</tr>
<tr>
<td>Renovation (mandatory and discretionary)</td>
<td>12,500</td>
<td>300</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Disabled facilities (mandatory)</td>
<td>15,900</td>
<td>3,700</td>
<td>110</td>
<td>2,800</td>
</tr>
<tr>
<td>Disabled facilities (discretionary)</td>
<td>3,000</td>
<td>200</td>
<td>100</td>
<td>4,200</td>
</tr>
<tr>
<td>Disabled facilities (mandatory and discretionary)</td>
<td>1,000</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Common parts</td>
<td>300</td>
<td>0</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>HMO</td>
<td>1,400</td>
<td>100</td>
<td>140</td>
<td>4,700</td>
</tr>
</tbody>
</table>

TOTAL 141,500 10,100 145 5,900

Note: There were in addition 36,300 enquiries for minor works grants, of which about 45 per cent were approved.
na= not available

Source: DoE (grossed up from a survey of 35 local authorities, 1991)

Exhibit 8
ADMINISTRATION OF IMPROVEMENT GRANTS (1989-90)
There are wide variations in performance

Source: Audit Commission survey, 1991
21. The evidence suggests both a low level of activity and ineffective targeting of resources. Why should this be so? Several reasons for the low level of activity on HMOs have been advanced by experts in the field:

— the legal procedures are inherently complex;

— a low level of resources is devoted to this area of work;

— authorities do not wish to trigger grant applications from landlords which they will be obliged to accept and which may pre-empt capital resources;

— a concern that action will increase the problems of homelessness by taking properties out of use or by pricing poorer tenants out of the market.

22. It may be that some or all of these factors apply in some places. The legislation available to EHOs is certainly complex, but nearly all officers in the authorities studied believed they had sufficient legal powers. The streamlining of some procedures provided by the Local Government and Housing Act 1989 has improved the position (although some EHOs felt that it might be possible to streamline the appeal procedure further).

23. National and local politicians must decide how much effort to devote to this work. At the national level the government decides the total of capital investment in housing and within this the broad priorities to be given to different types of expenditure. At the local level, councils decide the priority to give to revenue and capital expenditure across their activities. The environmental health revenue budget must compete against other claims. Priorities must be set for capital expenditure bids from council housing and other activities.

24. HMOs generally provide accommodation at the bottom end of the housing market. If HMOs are taken out of use (or capacity reduced on grounds of overcrowding or inadequate fire escapes) the displaced tenants may not be able to find alternative accommodation. They may thereby become eligible for the council's homeless persons' accommodation. But councils must take a balanced judgement in the best interests of the tenants: the council has a responsibility to the tenants if the conditions in the HMO are likely to threaten health and safety.

* * *

25. But whatever weight is placed on the legal, financial and re-housing reasons for limited performance on enforcement and grants, the current study has revealed that officer productivity and the effectiveness of targeting existing expenditure should be capable of substantial improvement. The means of achieving the improvement – by more clearly defined strategies and objectives, and more focused operational methods – are examined in the next two chapters.
2. Strategies and Objectives

THE NEED FOR A STRATEGY

26. The Commission's report on the overall management of the environmental health function emphasised the need for strategic planning. Authorities must set priorities to cope with varied and conflicting calls on limited resources. Action plans for each activity must follow. In the case of housing, the Housing Act 1985 requires authorities to consider housing conditions in their area at least once a year.

27. Problems vary greatly between different areas and a strategy should be based on accurate information about local conditions: for example, whether problems are concentrated amongst low income owner-occupiers, or in HMOs. The strategy will also need to take account of the resources available or likely to be available and should spell out clear priorities.

28. The strategy should form part of the wider housing policies of the authority, because action taken on private sector housing, such as selective demolition, can affect demand for social housing provided by the local authority and housing associations. Action to improve conditions for tenants and owner-occupiers in their existing homes may reduce demand for social housing and may provide a better solution for the occupant. These links will be considered further in the Commission's forthcoming report on housing strategies.

29. Some authorities tend to be more reactive to complaints or to applications for grants. The proportion of staff time planned for programmed inspections varies widely. Four out of every ten authorities spend less than ten per cent of housing staff time on programmed inspection work. At the other end of the spectrum a quarter spend 40 per cent or more. While it is necessary to respond speedily and effectively to requests for assistance, such requests do not necessarily come from those living in the worst housing conditions. A purely reactive approach is not adequate. Authorities spending significantly less than 40 per cent of officer time on programmed inspection work should review their priorities.

THE NEED FOR LOCAL INFORMATION ON HOUSING CONDITIONS

30. Information on housing conditions is patchy. A quarter of the authorities responding to the survey did not provide estimates of the total number of HMOs in their area, and nearly half of those who did, did not provide an estimate of the proportion that were in need of attention. Lack of information on the location and nature of HMOs is an important factor limiting improvement action.

31. Some authorities depend on complaints received or on out of date records. By contrast, others have carried out local and neighbourhood house condition surveys. Most (71 per cent of survey authorities) maintain a record of properties, but these vary widely in coverage and currency.
Those authorities relying only on existing records are likely to underestimate the extent of problems and lack accurate knowledge of the location of the worst properties. One authority thought it had 110 HMOs in the area, based on records of complaints. A survey identified 4,400.

32. Two complementary data collection exercises are necessary (Exhibit 9):
   — a sample survey of private sector properties to establish the nature and overall scale of different house condition problems in the authority;
   — a detailed record of individual poor condition dwellings requiring attention.

Exhibit 9
INFORMATION ON LOCAL HOUSING CONDITIONS
Two complementary data collection exercises are necessary

<table>
<thead>
<tr>
<th>Purpose of data collection</th>
<th>Extent of problems</th>
<th>Data on occupants</th>
<th>Priority properties</th>
<th>Priority areas</th>
<th>Performance monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample survey</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Property records</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SAMPLE SURVEYS
33. To fulfil their new statutory duty to consider housing conditions at least once a year authorities will need to survey their districts on a regular sample basis. Some authorities already carry out such surveys. Their purpose is to identify the scale, nature and location of poor housing conditions in the private sector and to monitor the effectiveness of the authority's policies.

34. In addition to information on physical conditions, data will be needed on items such as tenure and the age and income of the householders, before appropriate actions can be identified. For example, poor condition dwellings occupied by low income private tenants will not require the same action as owner-occupied dwellings.

35. These surveys need not be large scale or expensive. Surveys at five-yearly intervals are sufficient for providing reasonably up to date information and for monitoring trends. They could use the methodology of the EHCS, supplementing it for particular local purposes. The size of the sample will depend on the detail of analysis required by the authority. The DoE will shortly be issuing guidance on conducting surveys, including advice on sampling.

36. It may not be necessary to include the whole of the local authority area in the sample. Estates less than ten years old and areas of owner-occupied stock known to be in good condition could be excluded, as could areas where any problems are likely to be confined to very few scattered properties. Surveys might also focus on particular areas or types of housing such as HMOs. The 1991 census will help to target the work.

37. The costs to the housing authority of property surveys can sometimes be reduced by collaboration with other bodies. One authority had plans for a sample survey of 1250 properties at a cost of £35,000 (£28 per property). Another council carried out a survey of 2000 properties
at a cost of only £20,000 (£10 per property) by co-operating with neighbouring authorities in a regional survey, thus saving on survey design and analysis costs. Two other councils co-operated with local educational and research institutes in carrying out their surveys and thereby gained access to low-cost research expertise, while reducing their own costs.

38. Surveys can be of external conditions only or of the whole property or a mix of the two e.g. an internal survey of every tenth house. On average, inspections for sample surveys should not take more than an hour for each property surveyed both internally and externally, although large HMOs take longer. There are differing views among authorities on the extent to which external conditions of properties accurately reflect internal conditions. The DoE should consider undertaking research on this relationship using data from past house condition surveys and the national census, or by designing further surveys with it in mind.

PROPERTY RECORDS

39. Authorities also need to store, retrieve and regularly update information on individual properties in poor condition and on action taken. It is particularly important to record HMOs and authorities can now charge a fee to landlords for registration. Property records should not be treated as a static pool of known problems. They will need continuous updating: some properties deteriorate into disrepair or unfitness, while others are renovated or demolished. One council claimed that it had reduced the number of unfit properties from 190 in 1985 to 66 by 1989, but both figures are almost certainly serious underestimates because the council was working on an outdated record of properties. There is a need for regular checks to ensure records are kept up to date.

40. The information can be acquired in a number of ways. The housing waiting list and homeless persons’ unit records may identify applicants who are living in bad conditions. HMOs can sometimes be identified from housing benefit records or the Community Charge register. Other sources include the electoral register, records of other departments including social services and planning, social security records (where access can be arranged), and advertisements for accommodation to let. Confidentiality restrictions and the Data Protection Act must of course be observed. The local knowledge of officers is also a useful source, especially where services are decentralised, but it will not provide a complete picture.

41. The most effective way of storing and retrieving information is by using a computerised property database. (Two out of every five authorities surveyed do so.) Computer systems can also be used to generate necessary correspondence and notices, to monitor progress on individual cases and to produce management reports. Commercial packages are available and it should not be necessary for authorities to design their own in-house systems unless there are very clear reasons, for example the need for compatibility with existing in-house systems. A common format for the property database with other departments is the goal so that the authority has the potential for a single database of all properties in its area. These systems can have secondary benefits such as the co-ordination of action by environmental health and the planning department on control of HMOs, and the speeding of search enquiries for conveyancing. But if the construction of an authority-wide database will cause long delays, development of a system specific to environment health may be justified.
DEFINING PRIORITIES

42. With accurate information about the nature, extent and location of the problems, authorities can then define their priorities. This will usually involve targeting the properties in worst condition. Relevant factors are property type, tenure, standard of fitness, the nature and cost of repairs, the effect of the conditions on the occupants and the ability of the occupants to secure improved conditions themselves.

43. There can be a case for targeting particular HMO action areas (Exhibit 10). But if priority areas are chosen, properly resourced plans must be drawn up. In one study authority an HMO priority area still left the majority of bad condition properties unimproved because adequate resources had not been devoted to it. The programme served merely to raise expectations which were not then met. Where there is a number of area programmes, it is important that resources are allocated on agreed measures of need which are as objective as possible and not on the individual advocacy skills of local area managers.

Exhibit 10
THE AREA APPROACH FOR TACKLING HMOs
There are both advantages and disadvantages in an area approach

<table>
<thead>
<tr>
<th>POSSIBLE ADVANTAGES</th>
<th>POSSIBLE DISADVANTAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gives priority to worst areas</td>
<td>Not all worst properties lie in the defined areas</td>
</tr>
<tr>
<td>Provides identifiable and achievable objectives</td>
<td>May conflict with other priorities</td>
</tr>
<tr>
<td>Improves staff morale</td>
<td>Neighbouring areas may demand similar service</td>
</tr>
<tr>
<td>Makes use of local services</td>
<td>Stimulates extra demand which may be difficult to meet</td>
</tr>
<tr>
<td>Improves efficiency, e.g. reduced officer travelling time</td>
<td>Requires additional resources, or redirection from other areas</td>
</tr>
</tbody>
</table>

44. It is as important to identify low priority activities as to identify high priorities. The DoE recommended in Circular 21/84 that authorities should establish a procedure whereby environmental health services could serve the equivalent of informal notices on their own housing departments. But there is a strong case for tackling such problems at source by ensuring that sufficient resources are devoted to efficiently managed repairs services for council housing rather than divert EH resources.

45. Similarly, the assessment by EHOs of the health and housing conditions of council housing waiting list applicants should be questioned. This can absorb significant staff resources for little return – in one authority 140 visits and assessments were made each year although at most only 30 applicants were rehoused as a result. Many assessments could be made initially by the applicants themselves or by waiting list staff, with medical advice where necessary.
46. Fewer than two thirds of surveyed authorities had policies for EH housing activities approved by members. Where strategic plans were examined in the case study authorities, some had not developed beyond generalities and did not have a significant impact on actual practice. There were frequent references to quality of service, customer care and dealing with the worst properties, but often these were not translated into specific objectives or targets. For example, one authority’s Housing Investment Programme referred to dealing with the worst properties, but in practice each local office, and even teams within offices, worked on their own ad hoc programmes. Even when clear targets were set these did not always accord with the authority’s stated strategy. In several authorities performance appeared to fluctuate widely (for example, with large changes in the number of notices served between different years) but these fluctuations were frequently not in line with any stated policy changes. In another authority, one set of priorities was set down by the chairman of the relevant committee, another set by the head office and a third set by the local office.

MONITORING PERFORMANCE

47. Objectives should be translated into quantified performance targets for the department, sections, area offices, teams and individuals in order to ensure consistency of application at all levels. Appendix 5 gives an example of a strategy and objectives statement. Box A translates these objectives into performance targets at the team level. Both quantify the activities in the programme and set timetables for their achievement. Environmental health services should give urgent attention to introducing such monitoring where it does not already exist and to using it for regular staff, section and departmental appraisal.

<table>
<thead>
<tr>
<th>Box A: HMO PERFORMANCE TARGETS (ILLUSTRATIVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period covered: 1/1/90 to 31/12/90</td>
</tr>
<tr>
<td>— Fully inspect all B&amp;B hotels used for homeless families twice in the year</td>
</tr>
<tr>
<td>— Complete full inspections of the hostel type HMOs known to exist in the borough</td>
</tr>
<tr>
<td>— Area B: complete full inspection of 150 HMOs in the area</td>
</tr>
<tr>
<td>— Area C: complete full inspections of 50 HMOs in the area between 1/8/90 and 31/12/90</td>
</tr>
<tr>
<td>— Area D: undertake external survey of the area between 1/9/90 and 31/10/90</td>
</tr>
<tr>
<td>— Review the existing list of 2100 HMOs by the year end</td>
</tr>
</tbody>
</table>

48. Monitoring of section, team and individual performance is very variable. In some councils there is very detailed performance monitoring or at least systems which would permit such monitoring. In others, individual officers are left to their own devices. Not all those with monitoring systems use them effectively. One authority had a very detailed system for recording staff time spent on different aspects of their work, but no use was made of the records. In some authorities monitoring concentrated on inadequate measures that were insufficiently related to
objectives. For example, it is more common for information to be kept on the number of notices served than on the number of properties improved as a result of environmental health action. If all authorities kept records of their activities and performance, the IEHO could repeat the Commission's survey periodically, both to fill gaps in the original information and to monitor progress over time.

* * *

49. This chapter has identified five key strategic questions which authorities need to answer, and the means of answering them (Box B). If the housing work of environmental health services is to be more effective it must be based on a strategic approach. But more is needed. The next chapter considers the detailed operational methods by which these goals can be achieved.

<table>
<thead>
<tr>
<th>Questions</th>
<th>Means of answering</th>
</tr>
</thead>
<tbody>
<tr>
<td>— What are local housing conditions and problems?</td>
<td>Local sample survey</td>
</tr>
<tr>
<td>— Where are priorities?</td>
<td>Private sector housing strategy (define priorities by type of property, occupants and areas)</td>
</tr>
<tr>
<td>— What are the objectives?</td>
<td>Quantified annual programmes</td>
</tr>
<tr>
<td>— Where are properties most in need of attention?</td>
<td>Property records</td>
</tr>
<tr>
<td>— What progress in meeting objectives?</td>
<td>Performance targets monitoring</td>
</tr>
</tbody>
</table>
3. Operational Methods

50. Efficiency and effectiveness can be enhanced in a number of practical ways. There is room for improvement in three areas: inspection procedures, enforcement action, and grant administration. But first, staff must have appropriate skills and training, and be organised effectively.

MAKING THE BEST USE OF STAFF
SKILLS AND TRAINING

51. Much EH housing work, particularly inspections, could be carried out by suitably trained and supervised technical staff. In many authorities this is not the practice, despite difficulties in recruiting EHOs and the higher cost of employing them. For example, in one authority 90 per cent of inspections were carried out by EHOs, despite a local shortage. By contrast, in other authorities much of the work was carried out by staff with the appropriate skills and training regardless of whether they were qualified EHOs.

52. Excessive specialisation can also lead to underuse of staff. In one council, one EHO was responsible solely for closing orders on properties. A closing order would typically take at most five days work, but his entire workload for a year consisted of 16 orders. The authority remedied this situation and doubled the number of properties improved, with only a 10 per cent increase in staff, by breaking down traditional demarcations and making full use of technical officers. In another authority, non-EHOs were recruited to posts with all the housing responsibilities traditionally covered by qualified EHOs. The authority was satisfied that they perform these tasks just as effectively.

53. There are many staff in local authorities and in housing and building agencies who could, with some additional training, carry out many of the housing functions of EHOs. Supplementary training should be available. The IEHO, local authority associations and the Local Government Management Board should discuss appropriate day-release courses. Posts concerned with housing work should be open to all those with relevant skills, not simply qualified EHOs.

54. Training is important but appears to be haphazard. Apart from knowledge of the regulations, training is necessary in the authority's policies on discretionary grants, in order to filter out ineligible applications at the earliest stage, and in financial counselling on the means of raising an applicant's assessed contribution.

USE OF SPECIALIST TEAMS

55. Just over half of the surveyed authorities had specialist private sector housing teams. Existence of specialist teams is not closely related to the size of private rented stock: authorities in the survey with a specialist housing team had an average stock of 11,800 private rented dwellings, while those without a specialist team had an average stock of 10,300. The average
number of staff working on housing in authorities with specialist teams was 6.0 while in those without it was 4.3.

56. The survey found substantial differences in performance. Those with specialist teams spent more time on programmed inspection work and a lower proportion on administration; they were more likely to keep property records, to monitor their work and to favour enforcement action rather than informal persuasion. Most importantly, they took action on nearly twice as many defective properties. While there may be local reasons for generalist rather than specialist working, all authorities with significant private sector housing problems should consider the benefits of specialisation.

57. Some authorities (a quarter of those surveyed) have also set up specialist HMO teams, often including staff from other departments (such as housing advice) and working in a series of defined neighbourhoods. Specialised teams can be set clear performance targets and can develop the necessary expertise. Officers who are best suited to the enforcement role can be seconded to the team and can be given support in a difficult job. Resources can be specifically allocated to pro-active rather than reactive work. Such teams usually produce more effective work. Those authorities with HMO teams had twice as many HMOs in their areas but inspected eight times as many: 60 per cent of notices served by HMO teams were complied with; in other areas this fell to under 50 per cent.

INSPECTION PROCEDURES
GAINING ACCESS

58. Many inspections result from complaints by private tenants. Three quarters of councils surveyed have target times for responding to initial requests for service. A reasonable target would be to respond within 24 hours to urgent complaints, but perhaps within five working days to other, less urgent requests. Enquirers should be informed of these response times when they first make a request. Standards like this could be an important element in a council's Citizen's Charter.

59. House inspections can be very time consuming and staff intensive. Visiting and inspection procedures vary widely in efficiency and effectiveness. Some study authorities complete the inspection of a property on one visit, while others take up to four or more because elements of the job are divided between different staff members. And in some areas a high proportion of visits are abortive because the inspecting officer cannot gain access to the premises. Authorities should consider serving a notice of entry to landlords in order to ensure access to the property. Where possible, appointments should be made with the occupants, and where one tenant in an HMO makes a complaint the other tenants should if possible be contacted prior to the visit to ensure access to the rest of the property.

60. Some authorities send two or three officers on a visit. Generally one officer should be sufficient to carry out the inspection and make initial notes and plans. (Exceptions would be where there might be danger to the officer or where a very large HMO is being inspected.) Exact scale drawings are rarely necessary; a sketch with appropriate measurements is usually sufficient. Delays are sometimes caused because EHOs arrange joint inspections with the fire authority. It should be sufficient to notify the fire authority of properties visited rather than arranging joint visits.
CONSISTENCY

61. Nearly two thirds of authorities surveyed make use of policy notes and procedural manuals to improve consistency. Standard inspection sheets will also improve consistency and make it easier for other officers to take over cases, since many of the circumstances encountered during house inspections fall into defined categories. Whether or not a standard inspection sheet is used, it is important to keep clear and accurate records of inspections. In one authority the only records were scribbled notes in the EHOs' notebooks. At a minimum, inspection notes need to be kept in a standard format. Even experienced EHOs may miss some defects, and senior officers should check on a small sample of inspections as a means of quality control.

62. However, consistency could be further enhanced through the preparation of a national standard which could be adapted to local circumstances. The DoE, local authority associations and the IEHO should agree a programme to produce such a standard. The production of standard reports could also be combined with a standard method of producing statistics on performance. This would greatly help local performance monitoring and would also enable reliable national statistics to be collated.

ENFORCEMENT ACTION

63. After inspection of a property, an appropriate form of action must be selected. Where the property is unfit, authorities are under a statutory obligation to consider the best course of action for the property. The DoE has issued detailed guidance on methods of evaluating the alternatives. Authorities should consider all realistic forms of action when confronted with a problem property rather than following a standard response. (For example, in some cases a compulsory purchase order followed by resale to a housing association may be more effective than enforcement action.) However, this does not mean carrying out full assessments of all conceivable options on every property in a mechanistic manner. Authorities are obliged to have regard to the guidance issued by the DoE on option appraisal but not to follow it slavishly.

64. In deciding the future of HMOs, close liaison is necessary with the planning department of the authority. Planning, housing and environmental health services should formulate consistent policies. Without co-ordination, problems could arise: housing policy might encourage HMOs because they offer a source of low cost homes which can help to relieve pressures on council housing and homelessness; environmental health services might seek to upgrade them to a higher standard, but thereby probably make them too expensive for many current occupants; and planning policy might be to discourage HMOs in particular areas.

THE USE OF NOTICES

65. The most appropriate course will often be enforcement action to bring the house up to standard using statutory notices served on the owner. Historically, environmental health services have often used informal non-statutory notices, at least as a first step. Such notices have no legal force and may consist simply of a letter to the owner. Data provided by surveyed authorities indicate (when grossed up to a national level), that 10,200 informal notices were served on HMOs in 1989-90 compared with 19,900 statutory formal notices.
66. Policy and practice vary on the use of informal as against formal notices. But, at a senior level, officers in all but one of the councils studied favoured the statutory approach because experience had shown that landlords ignore informal notices. They introduce an additional, unnecessary stage into the procedure. One authority estimated that 90 per cent of informal notices have to be followed with a statutory notice. Another found that as a result of switching to statutory notices, compliance had increased. The IEHO, in one of its professional practice notes (Ref. 6) has suggested that issuing informal notices or warning letters in certain circumstances may be considered negligent. Statutory notices should be served in all but exceptional circumstances.

67. Anecdotal evidence suggests that the potential entitlement of landlords to large mandatory grants under the new grant regime has acted as a disincentive to some authorities to take statutory enforcement action. The DoE should urgently review the extent of the problem and determine whether any changes are needed to this aspect of the grant regulations.

68. In some councils, enforcement procedures are unnecessarily lengthy because of the requirement to refer decisions on serving notices to senior officers, central offices and even the legal department. In others, individual officers had been given delegated responsibility to serve notices. This results in much speedier and more effective action. The argument that detailed checks are needed to avoid legal challenges to the council is not convincing. Officers should be sufficiently trained to serve proper notices and minor procedural errors are normally easily rectified. Difficult cases should not usually need to be referred higher than to the immediate line manager, or a qualified EHO with experience of court work.

FOLLOWING UP NOTICES

69. Follow-up procedures range from diary notes of individual officers, to computer systems which allow weekly management monitoring of progress on notices. All notices should be followed up and enforced, and managers should routinely monitor follow-up action taken by inspecting officers. This does not always happen. Where notices are not pursued, authorities are simply wasting their resources since landlords ignore them, particularly when it is known that they can do so with impunity. Authorities should make sure all notices are complied with – over a quarter of authorities achieve 100 per cent compliance.

70. Tenants should be kept informed of the action that is being taken and the expected timescales. Copying of legal notices to tenants is not adequate on its own. Advice should be given to tenants on protection from harassment and eviction and on the availability of benefits to help meet housing costs. Without this safeguard, action to improve the property can result in the occupants becoming homeless. Some authorities distribute advice leaflets on key problems. The production by DoE of a leaflet for HMO occupants along the lines of their other housing leaflets would be helpful. Authorities need to arrange wider training for inspecting officers and close liaison with local advisory services. It is also necessary to establish liaison and referral arrangements with housing benefit offices, tenancy relations officers, social services and social security offices.

71. One reason for delays in securing action on properties is that it is possible for landlords to exploit the appeal procedures to delay starting works. Appeals by landlords can be a lengthy
process involving the courts. Several authorities said that some landlords regularly lodge appeals, involving the authority in considerable expense in preparing the case, only for the landlord to withdraw the appeal shortly before it comes to court. If this practice is widespread there could be a case for a simpler, speedier and cheaper system in the County Court, introduced as part of the new system for housing action being considered by the Lord Chancellor’s department (Ref. 7).

WORKS IN DEFAULT

72. Where landlords fail to carry out the required works, or where they fail to adhere to the required timetable, arranging works in default is the most effective way of ensuring that the work is done. Authorities should proceed to this stage promptly and not delay because of possible prosecution of the landlord. Some authorities make much greater use of this power than others which are reluctant to do so because of concern over the cost and inconvenience of carrying out such works. But it should be possible to recover the full costs from landlords if authorities make use of their powers. Some authorities are failing to do so.

73. Authorities should charge defaulters the maximum reasonable amount for the administrative overheads of carrying out works in default and should include departmental overheads and the cost of central support services incurred in providing the service. Charges made to landlords for overheads on works in default varied in the authorities studied from 10 to 30 per cent of the cost of works. Authorities collecting the lower proportions are likely to be subsidising defaulting landlords. While each authority must make its own calculation, overheads significantly less than 30 per cent of the cost of works should be examined to ensure that all admissible items are included. Authorities should recover the costs of works in default (including any accrued interest) through a legal charge on the property or from future rent payments as allowed for under the legislation. For cases which come to court, the full legal costs should be sought: in one authority the council calculated their legal costs as £120 while solicitors for the defendants calculated theirs as £1500. The latter estimate is likely to be much closer to true costs.

RE-INSPECTIONS

74. Conditions can deteriorate after repairs and improvements have been carried out, particularly in high risk HMOs, but only 35 per cent of surveyed authorities had a planned programme of re-inspections. Others do not distinguish between different levels of risk and therefore waste resources inspecting properties where problems are unlikely to recur, while leaving others to deteriorate. All authorities should have a planned programme of re-inspections, prioritised according to the level of risk (Exhibit 11, overleaf). Inspection dates should be recorded in the property database. Each authority will need to decide on its own order of priorities and re-inspection periods according to the nature of local problems. Re-inspections are the final stage and should be built in to a timetable for action. Each authority should devise its own target times in the light of local circumstances.
Exhibit 11
SETTING RE-INSPECTION PERIODS BY RISK FACTORS
Re-inspections should be prioritised according to the level of risk

<table>
<thead>
<tr>
<th>RISK CATEGORY</th>
<th>RE-INSPECTION PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Hotel used for homeless people or premises with a management order</td>
<td>6 months</td>
</tr>
<tr>
<td>2. Other residential hotels, hostels, bedsits with shared facilities and 4+ storeys</td>
<td>1 year</td>
</tr>
<tr>
<td>3. Bedsits with shared facilities and 3 storeys</td>
<td>2 years</td>
</tr>
<tr>
<td>4. Other HMOs</td>
<td>3 years</td>
</tr>
</tbody>
</table>

ADMINISTRATION OF RENOVATION GRANTS

75. Preliminary evidence from the DoE’s monitoring of the new grants system suggests variations in performance similar to those of the previous system where the number of grants handled by officers, and therefore the council’s administrative costs, varied widely. The length of time taken to process grants varies from two or three weeks in one authority to over a year in another.

76. Authorities should aim to improve on the statutory time limit of 6 months by setting target time limits for the different stages. They should approve eligible grant applications within 15 weeks of positive enquiry (Exhibit 12). There should be no need for committee approval for individual grants. Evidence from the DoE survey of grants approved by authorities in 1990-91 shows that over 40 per cent of grant approvals (excluding Minor Works Assistance) are made within this time. Only 25 per cent take longer than six months. Target times exclude time taken by the applicants to complete their parts of the process, such as obtaining builders’ estimates.

Exhibit 12
RENOVATION GRANTS TIMETABLE
Authorities should aim to approve eligible grant applications within 15 weeks of positive enquiry

Source: Audit Commission
77. Experience of the previous grants system enables a number of good practice points to be identified. Staff should filter out ineligible applications at the earliest possible stage. Literature on types of work and levels of household income which qualify should encourage some degree of self assessment. An initial simplified means test and assessment of work can identify those cases which will clearly not qualify or will have to make a substantial contribution and may therefore not wish to proceed. (A DoE/Welsh Office explanatory booklet on the renovation grant system clearly sets out certain categories of work or property which are ineligible for grant, such as houses less than 10 years old, second homes or holiday cottages.) The full means test is complex, but it can be streamlined. Errors or omissions in applications are a frequent cause of delay. Clear information to applicants on what proof is required of income and savings, and help where necessary with completion of the means testing form, can save time. A pre-programmed handheld computer can be used for on the spot calculations. There may be disputes over the accuracy of some determinations but a clear internal appeals procedure should speed things up. Where it is necessary to consult the Rent Officer on a landlord's test of resources, a standard form should be agreed to ensure he or she has all the relevant information.

78. House inspections are a staff intensive activity. Unless there are special reasons for additional checks, an inspection prior to approval of the application and one on completion of works should normally be sufficient. Additional checks may become necessary where, for example, interim payments are requested, or the occupier is in need of extra support, where a builder unfamiliar with grant work is engaged or where special types of work require closer inspection. Grants are given subject to conditions over the future occupancy of properties: a breach of the conditions can entitle the authority to reclaim all or part of the grant. Authorities should ensure that procedures exist to check compliance.

79. Some authorities use standard specifications to control the quality of work and to ensure that contractors are estimating on the same basis. Some use standard priced schedules so that contractors and applicants are aware of the likely estimated expense on which the grant will be calculated.

80. Many authorities have helped grant recipients to organise building work through agency schemes whereby a support team acts on behalf of the tenant or owner to explain eligibility and the complex applications procedure and to secure speedy improvement. Housing associations, voluntary organisations and private companies also run such schemes. The Local Government and Housing Act 1989 clarifies the legal and financial basis of local authority involvement in these schemes. With the emphasis on targeting grants to those with the lowest incomes, demand for help from such schemes is likely to grow. The costs of such schemes can be recouped in part through a fee, which can be added to the grant. The DoE has published research on the effectiveness of different types of agency scheme and authorities are recommended to review their present and planned agency schemes in the light of the DoE reports (Ref. 8).

* * *

81. There are substantial differences in procedures and in operational efficiency of councils. Many environmental health services could, by adopting the practices of the best authorities, make significant gains in productivity. Above all, performance should be monitored against realistic
targets (Exhibit 13). While there may be local reasons for varying these targets (for example, a significant number of very large HMOs, or long travelling distances between properties) they are based on performance achieved by the best 25 per cent of authorities. If authorities adopt more modest targets, they should have clear reasons for doing so.

Exhibit 13
MINIMUM PERFORMANCE TARGETS
Performance should be monitored against realistic targets

<table>
<thead>
<tr>
<th>Response time to requests for service:</th>
<th>Same day</th>
</tr>
</thead>
<tbody>
<tr>
<td>– emergencies</td>
<td></td>
</tr>
<tr>
<td>– others</td>
<td></td>
</tr>
<tr>
<td>5 working days</td>
<td></td>
</tr>
<tr>
<td>Statutory enforcement notices per officer per year</td>
<td>55</td>
</tr>
<tr>
<td>Properties improved per officer per year</td>
<td>30</td>
</tr>
<tr>
<td>Time spent on programmed inspections</td>
<td>40%</td>
</tr>
<tr>
<td>Grants made per officer per year</td>
<td>95</td>
</tr>
<tr>
<td>Target time for renovation grants</td>
<td>15 weeks in total</td>
</tr>
</tbody>
</table>

Source: Audit Commission, based on best performing 25 per cent of authorities surveyed
Conclusions

82. This study has revealed a number of concerns:
— a lack of policies and strategies;
— inadequate information, both on the overall scale of the problem and on the location of individual problem properties;
— wide variation in the performance of staff.

83. To address these concerns the Commission has identified a series of recommended actions (Box C, overleaf). Those authorities which operate the most effective programme for improving private sector properties are those which have a strategy based on accurate information about local housing conditions, clear priorities translated into quantified work programmes, efficient working methods, and those which monitor their performance (Exhibit 14). If all authorities achieved these objectives they could make a substantially greater impact on the worst housing conditions, within existing staff resources.

*Exhibit 14*

**EFFECTIVE HOUSING WORK BY ENVIRONMENTAL HEALTH OFFICERS**

Effective housing work must be based on a number of key elements
84. Many authorities already operate at least some of these recommendations. Others will need progressively to adopt the good practice of their peers. Some of the recommendations are fundamental – a first priority must be to obtain information about the problems to be tackled, to devise priorities for meeting the demand, and to measure their own performance in addressing the priorities. Others can be implemented very easily as part of the day-to-day activities. Authorities should set themselves a timetable: all the recommendations should be capable of implementation over a twelve month period.

85. External factors may explain some of the variations in staff performance (some cases are more complex than others), but they will not explain the full extent. There is a fourfold difference between the number of enforcement actions per officer per year in the most productive 25 per cent of authorities compared to the lowest 25 per cent. Even when differences between class of authority are taken into account (metropolitan districts are approximately 35 per cent more productive) the total number of statutory enforcement actions could increase by 75 per cent with no change in staffing levels, if all achieved the productivity of the highest 25 per cent in their type of authority.

86. Similarly, under the old grants system, there was a threefold variation in the number of improvement grants processed per officer per year (but in this case it is the shire districts which are on average more productive – again by about 35 per cent). If all authorities achieved the productivity of the highest 25 per cent, then there would have been a 75 per cent rise in the number of grants processed.

* * *

87. If authorities increased their productivity in response to demand there would be consequences both for revenue and capital. The revenue consequences are largely offset by 75 per cent grants from central government. More significant are the capital consequences. In England, all grants count against the capital spending power of the local authority and have to be matched either by a Basic Credit Approval (BCA), Supplementary Credit Approval (SCA) or a usable capital receipt. Housing receipts and BCAs have fallen significantly. Capital spending power for all housing purposes is expected to fall nationally from £3 billion in 1990-91 to £2 billion in 1992-93. If local authorities expand their grant programme they will have to face some very hard choices within the context of their overall housing strategy (an issue which will be considered in the Commission's forthcoming housing report).

88. Councillors may be faced with uncomfortable choices between say, spending capital to bring empty council housing back into use to remove homeless people from bed and breakfast accommodation, and providing mandatory grants to landlords to minimise the fire risk of houses in multiple occupation frequently occupied by vulnerable tenants. Improved efficiency by EHOs is a necessary step to solving the problems. But alone, it is not sufficient. More capital resources also need to be made available.
<table>
<thead>
<tr>
<th>Box C: SUMMARY OF RECOMMENDATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) ACTIONS FOR LOCAL AUTHORITIES</td>
</tr>
</tbody>
</table>

### 1. Strategic Planning

- Authorities should draw up a strategy for the repair and improvement of private sector housing as part of their wider housing strategy. Those spending significantly less than 40 per cent of officer time on programmed inspections should review their strategies (Paras. 26-29).

### 2. Local information on housing conditions

- Authorities should conduct regular sample surveys of private sector house conditions (Paras. 33-38).
- Authorities should use their existing information to the full to identify individual properties in poor condition. These records should be updated regularly (Paras. 39-41).
- The most effective way of storing and retrieving property information is by using a computer database. Commercial computer packages are available and it should not be necessary for authorities to design their own in-house systems (Para. 41).
- If possible the opportunity should be taken to agree a common property database with other departments (Para. 41).

### 3. Delivery Priorities

- Authorities should set priorities which target particular properties and, where appropriate, areas for priority action (Paras. 42-43).
- Activities that can be tackled more efficiently in other ways, such as complaints of disrepair from council tenants and assessment of waiting list applicants, should be handled by the appropriate, properly trained, housing department staff (Paras. 44-45).

### 4. Monitoring Performance

- Authorities should translate their strategies into quantified performance targets (Para. 47).
- Environmental health services should introduce performance monitoring and use it for regular appraisals (Para. 48).

### 5. Making best use of staff

- The great majority of inspections could be carried out by suitably trained and supervised technical staff. Authorities should make the maximum use of technical staff and avoid rigid demarcation of tasks (Paras. 51-53).
• Councils with significant private rented stock in their areas should consider setting up specialist housing teams, and those who have problems with HMOs should consider setting up one or more specialist teams to deal with them (Paras. 55-57).

6. Inspection procedures

• Authorities should set target response times of 24 hours for urgent complaints and five working days for others. Enquirers should be informed of these response times (Para. 58).
• Where possible, appointments should be made prior to visiting a property for inspection (Para. 59).
• Authorities should consider serving a notice of entry on landlords in order to ensure access to the property (Para. 59).
• Generally only one officer should carry out the inspection and should complete the inspection in one visit (Para. 60).
• Authorities should consider notifying the fire authority of properties inspected rather than arranging joint visits for every HMO (Para. 60).
• Scale drawings are not necessary in most instances and a sketch of the property is sufficient at the initial stage (Para. 60).
• Senior officers should check on a small sample of inspections as a means of quality control (Para. 61).
• Authorities should consider the benefits of procedural manuals and standard inspection sheets (Para. 61).

7. Enforcement action

• Authorities should consider all forms of action on a defective property but it is not necessary to carry out an exhaustive option appraisal on every occasion (Para. 63).
• Authorities should ensure that there is close liaison between environmental health services and planning departments on HMOs and that their policies are consistent with each other (Para. 64).
• Where enforcement action is necessary, statutory rather than informal notices should be served (Paras. 65-66).
• Inspecting officers should have delegated powers to serve notices and to take follow up action (Para. 68).
• Where notices are not complied with, authorities should take prompt legal action or undertake works in default (Para. 69).
• Tenants should be kept informed of the action that is being taken and the expected timescales (Para. 70).

• Arrangements should be made to give advice to tenants on protection from harassment and eviction and on the availability of benefits to help meet housing costs (Para. 70).

• Where landlords fail to comply with notices, authorities should normally undertake works in default promptly regardless of any decision to prosecute the landlord (Para. 72).

• Charges made to landlords for works in default should cover the full costs, including all overheads. Where the overheads charged are significantly less than 30 per cent of the cost of works, authorities should examine their costings to ensure that all admissible items are included (Para. 73).

• Authorities should consider recovering the costs of works in default through a legal charge on the property or from future rent payments (Para. 73).

• Authorities should have a planned programme of re-inspections prioritised according to levels of risk (Para. 74).

• Each authority should establish target times for the different stages of enforcement action (Para. 74).

8. Administration of renovation grants

• Authorities should aim to approve eligible grant applications within 15 weeks of positive enquiry and provision by the applicant of all relevant information (Para. 76).

• Authorities should consider a range of measures to improve the efficiency of grants administration (Paras. 77-80):
  — setting priorities for discretionary grants;
  — producing leaflets for applicants to enable some self assessment;
  — carrying out an initial simplified means test possibly with the assistance of a hand held computer;
  — establishing an internal appeals system;
  — minimising referrals to Rent Officers on landlords tests of resources;
  — making an initial assessment of possible unfitness;
  — restricting detailed option appraisals to those cases where there is genuine doubt about the best course of action;
  — eliminating unnecessary visits to properties;
  — producing standard specifications for works;
  — ensuring staff are trained in the new skills required.
• Authorities should have procedures for checking on compliance with grant conditions (Para. 78).
• Authorities should review their present and planned agency schemes in the light of the findings of the DoE research (Para. 80).

### (b) NATIONAL RECOMMENDATIONS

<table>
<thead>
<tr>
<th>Recommendation</th>
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<tbody>
<tr>
<td>The DoE should consider undertaking research to assess the correlation between</td>
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<tr>
<td>external and internal housing conditions (Para. 38).</td>
</tr>
<tr>
<td>The DoE should review the impact of the new system of mandatory grants for</td>
</tr>
<tr>
<td>landlords on the service of notices by authorities (Para. 67).</td>
</tr>
<tr>
<td>The DoE should consider producing a leaflet for HMO occupants along the lines</td>
</tr>
<tr>
<td>of their other housing leaflets (Para. 70).</td>
</tr>
<tr>
<td>The DoE and Lord Chancellor's Department should consider the scope for a</td>
</tr>
<tr>
<td>simpler appeals procedure against enforcement notices based on the Small</td>
</tr>
<tr>
<td>Claims procedure in the County Court (Para. 71).</td>
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<tr>
<td>The IEHO, local authority associations and the LGMB should draw up proposals</td>
</tr>
<tr>
<td>for day release training course to qualify technical staff to undertake housing</td>
</tr>
<tr>
<td>inspection and enforcement work (Para. 53).</td>
</tr>
<tr>
<td>The IEHO should consider co-ordinating a repeat of the Audit Commission's</td>
</tr>
<tr>
<td>survey of departmental organisation and activities. This could be used to</td>
</tr>
<tr>
<td>monitor change over time and to fill gaps in the original information (Para. 48).</td>
</tr>
</tbody>
</table>

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References

7. Lord Chancellor's Department (1991) *Housing Cases in the County Courts - a consultation paper on implementing the proposals of the Civil Justice Review and related issues*
Appendix 1

RESEARCH FOR THE STUDY

Research for the study consisted of three main elements:


<table>
<thead>
<tr>
<th></th>
<th>No. of responding authorities</th>
<th>% response rate</th>
</tr>
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<tbody>
<tr>
<td>Londonboroughs</td>
<td>25</td>
<td>78</td>
</tr>
<tr>
<td>Metropolitan districts</td>
<td>27</td>
<td>75</td>
</tr>
<tr>
<td>Shire districts</td>
<td>253</td>
<td>76</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>76</td>
</tr>
</tbody>
</table>

(ii) Case studies carried out in seven local authorities during 1990, which comprised:

2 metropolitan districts
3 shire districts
1 inner London borough
1 outer London borough

(iii) Consultation with:

Local authority associations

Association of Metropolitan Authorities
Association of District Councils
London Boroughs Associations
Association of London Authorities

Professional associations

Institution of Environmental Health Officers
Society of Environmental Health Officers

Government departments

Department of the Environment
Welsh Office

Consumer Organisations

National Consumer Council
National Association of Citizens Advice Bureaux
Campaign for Bedsit Rights

Advisory Group

The Commission has been assisted throughout the study by an advisory group of local authority chief officers nominated by the local authority associations and the IEHO. The Commission would like to record its thanks for their co-operation and advice.
Appendix 2

DEFINITIONS OF POOR CONDITION PROPERTIES

IN POOR CONDITION: Properties which fall within one or more of the following categories:

UNFIT: a dwelling not reasonably suitable for occupation because of problems with one or more of the following: disrepair; stability; dampness prejudicial to the occupier's health; internal arrangement; lighting, heating and ventilation; water supply; facilities for the preparation and cooking of food; sanitary conveniences and the disposal of waste water.

LACKING BASIC AMENITIES: absence of one or more of the following: kitchen sink, bath or shower in a bathroom; wash hand basin; hot and cold water to each of these; indoor WC.

IN POOR REPAIR: requires urgent repairs to the fabric costing more than £1,000 (1986 prices). This definition of repair problems was introduced in the 1986 English House Condition Survey and replaced the ‘serious disrepair’ definition used previously. The two are not compatible.

IN SERIOUS DISREPAIR: requires more than £7,000 worth of work (1981 prices). This definition was used in the 1981 English House Condition Survey.

(Note: Definitions have changed for the two most recent English House Condition surveys, making comparisons over time difficult. The new fitness standard set out in the Local Government and Housing Act 1989 redefines 'unfitness' to include houses lacking basic amenities).
Appendix 3

TYPES AND NUMBER OF HMOs

1. HMOs are defined for the purposes of enforcement action in the Housing Act 1985 as houses occupied by persons who do not form a single household. In the absence of a more detailed legal definition, the IEHO has identified six categories of HMO:
   A. Houses occupied as flatlets, bedsitters and rooms which are fully self catering with some degree of self containment, e.g. own bedroom with lockable door.
   B. Houses occupied on a shared basis, normally by students, fully self catering, possibly not needing planning permission and not self contained.
   C. Houses described as 'houses let in lodgings' i.e. catering for lodgers on a small scale, not living as part of the main household.
   D. Houses generally referred to as hostels, guest houses, boarding houses and bed and breakfast establishments on a commercial basis, with the appropriate planning permission.
   E. Registered residential homes.
   F. Those buildings occupied as flats and tenements, including properties converted and erected to provide self contained flats or flatlets but where there are common parts such as stairways and refuse storage.

2. The DoE survey (Ref. 4) found considerable variation among authorities over which categories they would accept as HMOs. Nine out of ten accepted Category A above, seven out of ten accepted Categories B and C, half accepted Category D, but only around one in six accepted Category F.

3. The same survey identified nearly 300,000 HMOs in the responding authorities. Grossed up for non-responding authorities, the DoE survey estimated there were about a third of a million HMOs in England and Wales, broken down as follows:

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>Number (000)</th>
<th>percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>161</td>
<td>48</td>
</tr>
<tr>
<td>B</td>
<td>37</td>
<td>11</td>
</tr>
<tr>
<td>C</td>
<td>23</td>
<td>7</td>
</tr>
<tr>
<td>D</td>
<td>30</td>
<td>9</td>
</tr>
<tr>
<td>F</td>
<td>43</td>
<td>13</td>
</tr>
<tr>
<td>Not Known</td>
<td>40</td>
<td>12</td>
</tr>
<tr>
<td>TOTAL</td>
<td>334</td>
<td>100</td>
</tr>
</tbody>
</table>

(Note: IEHO category E not included in DoE 1985 survey).
Appendix 4

LOCAL AUTHORITY POWERS AND DUTIES
ENFORCEMENT POWERS

1. The main powers which local authorities can use to require a defective property to be repaired, improved or demolished are contained in the Housing Act 1985 and the Local Government and Housing Act 1989. Further powers in public health legislation have been consolidated in the Environmental Protection Act 1990, which emphasises the duty to take appropriate action to safeguard public health.

2. Action can be taken under Housing Act legislation to deal with unfit properties and those which are not unfit but are in need of repair. (See Appendix 2 for definition.)

3. If a property is unfit the authority must decide on the most satisfactory course of action having regard to a statutory Code of Guidance. They can serve a notice on the landlord specifying the necessary work and giving time limits for starting and finishing it. Alternatively, they can serve an order requiring closure, demolition, or include the property in a group repair scheme or clearance area. If the landlord does not comply with the notice, or if reasonable progress is not made on the work, the council may do works in default and can prosecute the landlord.

4. If the property is not unfit but is in need of repair, the council can serve a notice requiring the work to be started and completed within a specified time. If the owner does not comply or does not make reasonable progress with the work, the council can do the works in default and can prosecute the owner. The authority can also take compulsory action to reduce overcrowding.

5. There are additional powers to deal with HMOs. Councils can serve notices to ensure that there are adequate basic amenities, fire precautions, means of escape from fire and to reduce overcrowding. Councils are obliged to use the fire escape powers for very large HMOs.

6. If the landlord of an HMO is seriously failing to manage the property properly, the council can serve a notice ordering work to bring the house up to standard and, if necessary, prosecute the landlord and do the works in default.

7. If the tenants’ safety, welfare or health is in danger, the council can impose a control order, by which it takes over the management of the house.

8. There are additional powers under the Environmental Protection Act 1990. If the property is in such a state as to be a statutory nuisance, which usually means it could affect the health of the occupiers, the council must serve an abatement notice on the person responsible. This notice gives a time by which the repairs or improvements must be done. If the work is not done, the council can prosecute in a Magistrates Court, and can do works in default. On conviction the Court can impose a fine, order costs, and a daily penalty if the statutory nuisance is not abated.

9. If the need for repairs is urgent, the council can serve a notice stating that it will do the work itself giving at least nine days notice. The landlord can notify the council within seven days
that he or she will do the repairs, but the council can still step in if the repairs are not done within a reasonable time. There are special arrangements to clear blocked drains and toilets within 48 hours.

RENOVATION GRANTS

10. A completely new system of renovation grants was introduced from July 1990 under the Local Government and Housing Act 1989. The main features of the new system are:

— **Grants for owner occupiers and for tenants who have repairing obligations**: These are mandatory where the work is necessary to bring the property up to the fitness standard but the amount of grant is related to the applicant's resources. If their income is below the applicable amount then they are entitled to 100 per cent grant. As resources increase, the amount of grant is reduced. There are additional discretionary grants where the dwelling is above the fitness standard, including small grants for minor works for people on means tested benefits, mainly the elderly.

— **Grants for landlords** which are generally discretionary, but which are mandatory where they are for works to comply with a statutory notice served by the local authority. The amount of grant depends on a resources test based on rental returns.

— **Mandatory disabled facilities grants** with similar means testing provisions to renovation grants.

GROUP AND AREA ACTION

11. The Local Government and Housing Act 1989 also reforms the powers to undertake group and area improvements. Renewal Areas replace Housing Action and General Improvement Areas. The new areas will be larger, with more scope for selective clearance and redevelopment as well as renovation. Councils will retain a similar range of additional powers in these areas, including compulsory purchase.

12. The Act also sets out the framework for group repair schemes, under which councils can initiate external repair schemes for blocks or terraces of private housing.
AN EXAMPLE OF STRATEGY, OBJECTIVES AND PERFORMANCE TARGETS FOR TACKLING BAD CONDITION HMOs

1. STRATEGY
— To identify all HMOs in the authority and use all available statutory powers to bring them up to the adopted standards.

— To develop a re-inspection programme based on a 'risk factor' to enable HMOs to be maintained at a reasonable standard.

— To improve the awareness of tenants with respect to their legal rights, the council's powers regarding HMOs and the aims of the HMO team (including the development of a 'customer care' policy and a more corporate approach).

2. OBJECTIVES
The strategy can be broken down into a number of objectives that should be set by management:
— To identify and fully inspect all HMOs within the next five years.

— To identify all HMOs of at least three storeys with a floor area over 500 m² and inspect them within the next six months.

— To target the five identified action areas. Each area to be surveyed and the identified HMOs inspected within eight months. To roll on to the next area two months before completing the previous area.

— To identify all bed and breakfast hotels in the borough and bring them up to standard within the next two years.

— To identify and inspect all hostels within the next year.

— To maintain and improve liaison with Planning, Housing Benefits Section, Homeless Persons Unit, Social Services and the Fire Authority to develop a more coherent approach to HMOs. Regular meetings should be set up within the next six months.

— To prepare a range of publicity and information material on HMOs for tenants, owners and builders. Maintain and develop a 'customer care' policy and consider the appointment of a Tenancy Relations Officer, all within the next year.

— To set up a computerised system for the storage of HMO records and to aid the running of the re-inspection programme, within the next year.

— To carry out research to identify further HMO action areas, develop new initiatives and monitor any changes in the legislation.

— To review annually the progress towards achieving these objectives and to modify them as appropriate.