

Appendix 2

Background Information.
Additional HMO Licensing

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1. Introduction

Under the Housing Act 2004, there are three forms of licensing relating to private sector housing available to local authorities.

- Mandatory Licensing of certain HMOs.

All local authorities are obliged to run a licensing scheme covering Houses in Multiple Occupation (HMOs) that have three or more storeys and are occupied by five or more people who are not living together as a single household.

- Additional Licensing – HMO

Local authorities can introduce a discretionary additional scheme for other types of HMOs not subject to mandatory licensing in part or whole of the area within its district.

- Selective Licensing

A discretionary selective licensing scheme covers all other private sector dwellings and can be introduced in part or whole of the borough.

All licensing schemes are intended to address the impact of poor quality housing, rogue landlords and anti-social tenants. In an area subject to licensing, all private landlords must obtain a licence and if they fail to do so, or fail to achieve acceptable management standards, the authority can take enforcement action. Schemes run for a maximum period of five years and a fee is payable for each license.

Statutory conditions and evidence

Additional HMO Licensing

Under Part II of the Housing Act 2004, local authorities can designate areas or the whole of the area within their district as subject to additional licensing in respect of some or all of the HMOs in its area that are not already subject to mandatory licensing.

Before making an additional HMO licensing designation for a particular type of HMO, or for a particular area, the local authority must:

- Consider that a significant proportion of the HMOs in the area are being managed sufficiently ineffectively as to give rise, or likely to give rise, to problems either for those occupying the HMOs or for members of the public.
- Consider whether there are any other courses of action available to them that might provide an effective method of dealing with the problem or problems in question.
- Consider that the making of the designation will significantly assist them to deal with the problem or problems.
- Ensure that the exercise of the power is consistent with their overall Housing Strategy.
- Adopt a coordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining licensing with other action taken by them or others.
- Take reasonable steps to consult persons who are likely to be affected by the designations and consider any representations made.

2. Haringey's Proposal

Our main driver for extending our additional licensing scheme is to improve housing conditions and the quality of life for residents living in HMO accommodation. By introducing Licensing we aim to also improve the way HMO accommodation is managed by its owners and or letting agents by making them more accountable and to tackle the environmental crime associated with poorly managed HMO property. Our aim is that over the 5-year period the licensing schemes will offer the following outcomes:

- Improved housing conditions
- A reduction in significant persistent problems caused by anti-social behaviour, in relation to environmental crimes such as fly tipping, poor waste management and Noise.
- Reduced levels of property related crime.
- An increase in good landlords and an elimination of rogue landlords.

Additional Licensing for Houses in multiple occupation (HMOs)

1. A borough wide additional licensing scheme to include **all** HMOs that are currently excluded from the mandatory licensing scheme.
2. For the purpose of this scheme, HMOs will include the category of HMO which is often referred to as a section 257 HMO.

Section 257 HMOs are where the building was converted into self-contained flats before the 1991 Building Regulations came into force on 1st June 1992 and have not been subsequently improved to at least the 1991 standards. It could also include conversions done without complying with then current Building Regulation (I.e. without Consent); in this case the 1991 deadline does not apply. The purpose of bringing this group of properties into the HMO category is to give local authorities extra powers to ensure good management and standards of safety. It is recognised that a significant proportion of conversions were constructed well before modern Building Regulations required proper fire safety measures, including smoke detection.

The inclusion of section 257 HMOs will result in every property which in the borough being regulated through a licensing regime.

3. Why the Council is considering a borough wide additional licensing scheme.

We know that there has been a dramatic increase in the number of private rented properties within Haringey. We estimate that we have approximately 35,500 private sector dwellings. Much of the sector provides decent accommodation and is reasonably well managed and plays an important key role in the provision of accommodation to meet homelessness. However, there are problems associated with parts of the sector arising from poor management and property conditions and related problems of anti-social behaviour. Poor property conditions are particularly prevalent within HMOs. We know that increasingly more and more smaller houses are being poorly converted into shared accommodation, these properties are problematic and currently fall outside of the Mandatory Licensing scheme.

The rise in the private rented sector within Haringey is mirrored nationally with the majority of all boroughs reporting an increase in private sector accommodation. The change in tenure is also accompanied by the change in the type of private sector landlords. The proportion of part time landlords – those who supplement their day job with rental income has reached its highest level. The National Landlords Association (NLA) estimate that part time landlords now make up more than 70% of the sector – the sector no longer consists of experienced landlords who are aware of and fully understand their obligations to their tenants.

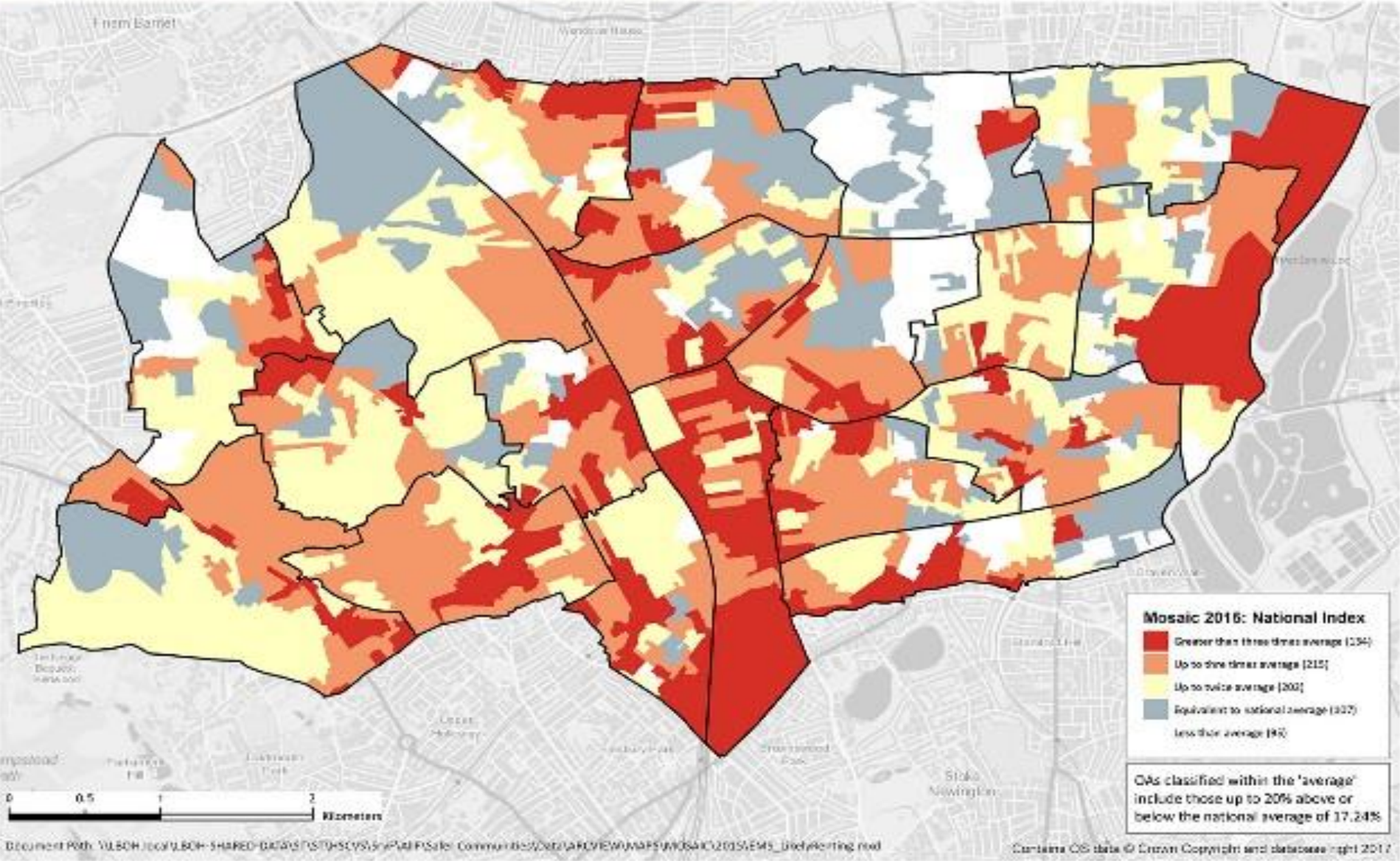
Failure to effectively manage private sector housing can adversely affect the health and safety of tenants and can have a wider impact on the local community. In addition to poor management, a number of landlords positively exploit their tenants and often the public purse through housing benefit, by renting substandard and dangerous accommodation.

The private sector traditionally offered an alternative to social housing or home ownership. For many the private sector was seen as a short term need while they waited for an offer of council owned accommodation or were in a financially stronger position to take their first steps onto the property ladder. The increase in house prices, reduction in social housing and reduced access to mortgage funding means that this is no longer the case. Increasingly, private sector accommodation now provides a longer term or “life” home for many residents.

The continued growth in the population of Haringey, the lack of alternative housing solutions for many, means that the private rented sector will continue to play a significant role in providing accommodation. Licensing imposes a set of standards/conditions, makes it easier for officers to gain access into a property and can allow the tenant to make a complaint without being identified.

The Map overleaf shows the estimated population of Haringey likely to be renting for all types of accommodation, this is taken from MOSIAC data which is done every 5 years so 2015 is the most up to date referencing.

Mosaic 2015: Estimated proportion of the population likely to be renting Source: Consumer View



Role of Licensing

A licensing scheme can also play a much needed role in supporting landlords. Resourcing support and guidance to landlords; low level mediation between tenants and landlords and adopting a risk based approach to compliance and enforcement are all necessary as part of a scheme that offers a carrot and stick approach.

The introduction of additional licensing will enable a significant change in the way that HMO accommodation, environmental crime, anti-social behaviour and poor management associated with the private sector is tackled. Through licensing we will know who is responsible for the management of properties that are rented out and who in the first instance is responsible for dealing with problems associated with the dwelling. It also introduces an added protection for private sector tenants. Licensing has the potential to make significant improvements to housing standards and the local environment.

Benefit to the Landlord

- Good landlords will be rewarded for their responsible letting practices by paying a reduced fee for the service and receiving a light touch inspection and compliance approach.
- Creation of a level trading environment for private sector landlords.
- Their reputation will be enhanced by holding a licence, while those bad landlords who have given private renting a poor status, will either be made to bring their properties up to the standard of the others or risk losing the right to let their properties.
- Landlords can promote their licensed status and find it easier to attract tenants who know that a licensed property is well managed and safe.
- Better management and tenancy agreements will enable the landlord to have better control over the property and will be supported in dealing with tenants who commit anti-social behaviour.
- Advice and guidance will be available on all aspects of private renting especially those landlords who are inexperienced from a dedicated discretionary licensing team of officers.

Benefits for private tenants

- Enhanced protection for vulnerable tenants living in HMO accommodation, by ensuring, for example, that the accommodation has adequate amenities, space standards and fire safety.
- Protection from possible retaliatory eviction as licensing enables the proactive checking of properties and management practices, rather than relying on the tenant to report poor conditions.
- The standards imposed will ensure that the landlord is not permitted to have more tenants than recommended for the size of the property and the facilities provided so tenants can be assured that they are not living in cramped overcrowded accommodation.
- Advice and guidance will be available to tenants so that they can understand their rights to a decent home.
- Added protection for tenants as a result of better landlord management practices and greater protection from unlawful eviction.

Benefits for the community

- There is no cost to the tax payer as the scheme is self-funding.
- Reduce the number of overcrowded properties that can lead to anti-social behaviour especially relating to noise and rubbish.
- The register of landlords / managing agents will be made public and can be accessed by neighbours who wish to report anti-social behaviour and by the Police when they are dealing with these individuals.

4. Alternative options considered.

Before introducing an additional Licensing and/or selective licensing we are obliged to consider whether or not there are other courses of action we can take to effectively deal with the problem. We have considered the following:

Mandatory HMO Licensing only

Through our mandatory HMO licensing scheme, we will continue to identify properties that require licensing – it will run alongside the proposed additional licensing and selective licensing schemes. However, mandatory HMO Licensing will only apply to those HMOs which are three or more storeys, occupied by five or more people forming two or more households. This type of HMO makes up only a small percentage of the overall HMO stock within the borough. It will not tackle the problems associated with other types of HMO accommodation, many of which are in poor condition.

Designate an area of the borough for Additional HMO Licensing.

We could designate an additional licensing scheme to deal with the smaller HMOs across the whole borough or within a certain area of the borough.

Do nothing and continue with existing legal powers.

Existing powers available to the council are largely reactive with officers responding to tenants' complaints. Many tenants are reluctant to complain through fear of retaliatory eviction. Although current enforcement activity has been successful in remedying problems in individual dwellings, it is not felt to have raised the standard of private sector dwellings generally. Responding to complaints often involves coordinated investigation and enforcement by numerous departments, using various pieces of legislation, before a final resolution is obtained.

Voluntary Accreditation

Although the voluntary accreditation scheme is helpful in driving up standards, it relies on the willingness of landlords to sign up to it. It is likely therefore that conscientious landlords will continue to support the scheme, but that rogue landlords will remain difficult to identify and will avoid joining the scheme, preferring instead to operate with the minimum regulation "under the radar"

We believe that the combination of a borough wide additional licensing scheme with a targeted selective licensing scheme will achieve the maximum benefit and best outcomes for the private tenants in the borough.

5. Links to other strategies

Extending our Additional Licensing scheme to cover the remaining HMOs in the borough will complement and work alongside the Council's other strategies and priorities. We do not see licensing as a panacea to remedy all that is wrong or needs fixing in the borough. Rather it is part of a wider ambitious set of plans that will, over time, improve the lives of our residents. All our strategies have clear inter-linked aims and all recognise that decent housing is the bedrock of people's lives and leads to improved community relations, less anti-social behaviour, increased job prospects and better health outcomes.

The Council's Housing Strategy

Haringey's Housing Strategy sets out the strategic direction for housing activity in the borough, including housing need, supply and approach to quality and management of existing and new stock. Our 2017 to 2022 Housing Strategy recognises that the housing landscape has changed significantly, and that radical change is necessary to meet the demand for quality housing.

Haringey's housing strategy has four key strategic objectives:

- Achieve a step change in the number of new homes being built.
- Improve support and help to prevent homelessness.
- Drive up quality of housing for all residents.
- Ensure that housing delivers wider community benefits.

To meet the need for more homes we will require developers to provide up to 40% on site affordable housing on schemes of ten units or more. To further encourage a thriving private rented sector, we will support *private rented housing development* through:

- Encouraging new sources of private investment to enable the development of new high quality purpose built private rented accommodation.
- Promote with developers of large schemes the inclusion of private rented accommodation as part of an overall mix of housing.
- Covenant new private rented development for an appropriate period to ensure it remains available long term.

Haringey's ambitious growth agenda is equally matched in its commitment to ensure that the borough's existing homes are maintained and managed to the highest standards.

The Council has most control over its own stock of 16000 rented properties and 4500 leasehold properties. As at 31st March 2017, 79.85% of the Council's stock met the Government's decent homes standard, and through the Council's Capital investment programme and reactive repair service, the stock will continue to be well maintained and improved.

In terms of our role with Housing Associations we will continue to achieve shared high standards for managing homes, based on common management standards such as housing management, repairs and customer care.

In terms of the private rented sector, our priority is to improve the quality and reliability of homes in this sector. To meet this priority, we have committed to continue encouraging

private rented sector landlords and lettings agents to sign up with the London Landlord Accreditation Scheme. We have also committed to use our statutory powers, including the various options for licensing schemes.

Haringey's Housing Strategy recognises that housing is interlinked with a number of other issues. Some of these are particularly relevant to the private rented sector and the effect well-maintained, good quality housing has on the borough as a whole. Our priorities include promoting independence, health and wellbeing, and providing stable, safe well-managed homes in decent environments. We have committed to improving health by tackling poor quality homes in the private sector and especially the private rented sector, where the highest levels of serious repairs and hazards occur.

How does licensing help?

The priorities for the private rented sector articulated in the Council's Housing Strategy go hand in hand with licensing. Interventions such as licensing can bring about an uplift in the quality of the sector through eliminating poor management practices and property conditions and reducing ASB that can adversely affect a neighbourhood. It offers private sector tenants added protection and supports a thriving, much needed, private rented sector through working with landlords to address concerns, raising awareness of good practice and driving out rogue landlords.

Empty properties

The Council takes a dual track approach of advice and assistance to help owners return their property into use, combined with tough enforcement interventions where the owner refuses to engage or is unwilling or unable to take action. The number of empty properties has reduced as a result of the above and the buoyancy of the housing market in Haringey.

How does licensing help?

Licensing will help us to identify empty properties more easily. Through enforcing housing conditions and educating landlords, we will improve the private sector offer in Haringey. A thriving private sector should lead to less properties becoming vacant for longer periods.

Physical, social and economic regeneration.

Haringey's wide ranging regeneration plans not only seek to improve the physical environment but aim to build community resilience and offer residents and businesses the personal, social and economic tools to overcome challenges. Plans include:

Tottenham Regeneration

Tottenham is the next chapter of London's regeneration story. It's one of the first of the Mayor's flagship housing zones and is already seeing the benefit of more than £1 billion of public and private investment to transform the area. Our aim is to deliver at least 10,000 new homes and 5,000 new jobs by 2025.

Underpinning the vision are the following 7 strategies for success:

- **World-class education and training** – to complement our outstanding rated schools we will attract new schools and new providers – including a major educational institution.
- **Improved access to jobs and business opportunities** – working to attract major investment and to deliver local business growth to provide new jobs in and for Tottenham.
- **A different kind of Housing Market** – an ambitious programme of estate renewal and a range of houses at a range of prices to ensure that people get access to a quality home.
- **A fully connected community with even better transport links** – Crossrail 2 and further rail improvements will see high frequency rail services connecting Tottenham with central and other parts of London.
- **A strong and healthy community** – Tottenham's community is its strength. We will build an even stronger community pride and provide better and more connected public, voluntary and youth services.
- **Great places** – through investment and bold planning measures we will create great town centres, public spaces and streets.
- **The right investment and high quality development** – we will work with the local community to ensure that any investment is of the highest quality and best design.

Through the Housing Zone, the Council will seek to place an emphasis on accelerated delivery and supporting an increased range of housing options in Tottenham. In support of this, the proposed delivery target for the Housing Zone is a 50:50 split between private and affordable provision. The private provision includes an emphasis on home ownership and on supporting an improved private rented sector.

Wood Green Regeneration

Wood Green is the borough's biggest town centre and although already a thriving shopping and eating place, we believe it has massive potential. Planned improvements to the Piccadilly Line will increase capacity by 2025 and further investment is also planned on the Great Northern Line which runs through nearby Alexandra Palace. We are also hopeful that Crossrail 2 will include Wood Green.

Our local plan highlighted Wood Green as a growth area; it will also be confirmed as a new opportunity area in the next London Plan. Our regeneration plans for the area include:

- Revitalizing and refreshing the town centre
- Bringing more restaurants, cafés and places to socialise whether in the day or the evening
- Creating more welcoming public spaces
- Making the most of Wood Green's location for our neighbours in Alexandra Palace and the rest of London
- Building 7,700 new homes that current and future residents can afford
- Redeveloping unused industrial sites and other utilities to create local and London-based businesses
- Creating 4,000 jobs
- Making Wood Green one of the best places to shop, eat and drink in London
- Making residents proud to live in Wood Green
- Economic Development and Growth - A plan for jobs, growth and prosperity.

Matching our ambition for physical regeneration is our ambition for economic growth and our approach is that any benefit brought about by our major regeneration programmes translate into great opportunities and prosperity for our residents. Haringey's Economic Development and Growth Strategy sets out a vision to carve out a unique role for the borough within London; securing our own economic future and contributing to the capital's too.

Our long-term aim for the borough

To ensure that, by 2030, we are a fully employed borough, by which we mean:

- 75% of Haringey's working age population is in work.
- Residents' full time earnings are in line with London averages for bottom quartile and median earners.
- The proportion of working age residents qualified to NVQ Levels 3 and 4 is increased from 65% (2013 figures) to 70%.

A more dynamic borough, by which we mean:

- The number of jobs in Haringey has increased by 20,000 from the 2011 London Plan baseline position.
- The profile of Haringey-based jobs changes so that retail and public sector employment are less dominant, and there is a better range of jobs, including a greater proportion of jobs in more highly skilled sectors, such as sustainable technology, digital design and skilled/craft manufacturing.
- The number of jobs per square metre of employment land has increased by 20%, reflecting a shift to more intensive and productive employment.

How does licensing help?

Licensing will complement our regeneration plans by ensuring that more people have access to decent accommodation. Failing standards identified through compliance checks will be addressed through guidance and enforcement of the housing conditions. Landlords will benefit from the Council's regeneration plans – the sector will continue to grow and thrive in a borough where people will choose to live. **Under licensing landlords will have to take the same responsibility for their properties as they would for any other business - landlords will have to either improve their practice or leave the market. Improved landlord practices should reduce the number of evictions and unplanned moves. Populations should be less transient and improvements for the borough should become more sustainable, benefiting the better landlords, tenants and Haringey as a whole. Licensing supports our regeneration aims.**

Homelessness and temporary accommodation

Within London, Haringey has the second highest number of households living in temporary accommodation because they are homeless. The main reason for homelessness in Haringey is loss of a private rented sector tenancy. Often because households experience financial difficulties that lead to rent arrears or because a landlord's wish to charge increased rents that are not affordable for the current tenant.

Our focus is on sustaining current housing where practical and preventing housing problems escalating to crisis point. This usually means sustaining licences or existing tenancies in the private rented sector. Where appropriate we work closely with each person or family in housing crisis to assist with benefits, gaining employment or financial management advice to prevent homelessness through rent arrears.

In addition, we build relationships with local landlords and offer a range of packages and incentives to enable households to move into or remain in the private rented sector.

Where homelessness cannot be prevented, we provide emergency temporary accommodation. Competition for affordable good quality private sector housing provides a significant challenge for Haringey. We maximise the supply of temporary accommodation and work closely with landlords and managing agents within Haringey to provide private sector leased accommodation and annexes (nightly-charged self-contained accommodation)

How does licensing help?

Licensing, by raising standards of management and property conditions will further help to increase the supply of good quality homes in the private rented sector. At the same time, it can address instances of poor management that may lead to households losing their homes and presenting as homeless. Licensing also helps the Council to build a relationship with local landlords and identify those who may be willing to work alongside the council's homelessness team to enable easier access to temporary accommodation.

More importantly, licensing offers additional protection for assured short-hold tenants. Licensing precludes a landlord from serving a notice under section 21 of the Housing Act 1988 (notice requiring possession) if the landlord has failed to licence the property.

Crime, Anti-Social Behaviour and fly tipping

Last year the Council brought together a number of enforcement activities under one management umbrella and increased front line resources in this area. Promoting partnership working, the unit now operates under an area based structure that geographically mirrors the three Metropolitan Police Cluster Areas. Three newly created Enforcement Manager posts play a pivotal role in coordinating services, using intelligent led data and information to tackle hot spot areas.

Fly-tipping remains a top priority for our residents. During the first three months of 2017 over 2,700 fly-tips were reported by residents in Haringey. These reports are up by 29% on the same period last year. Fly-tipping costs taxpayers in Haringey more than £3million a year.

Supporting our joined up enforcement model and to tackle the increasing problem of fly tipping and littering the Council has engaged the services of Kingdom Security Ltd. Kingdom provide a uniformed warden service offering a visible deterrent against littering and an enforcement function through the issuing of Fixed Penalty Notices (FPNs) A responsive service is deployed to tackle:

- Litter enforcement.
- Dog fouling.
- Timed collection enforcement.
- Fly tipping and trade waste enforcement.

The above are largely governed by the Community Safety Partnerships' annual Strategic Assessment findings and the delivery of MOPAC 2017 priorities.

Burglary, Property Crime and Anti-Social Behaviour are all high priorities for the Police in Haringey. Together with partners, they work to combat and reduce these issues, which are often more acutely observed in denser housing settings with higher turnover of residents.

Property marking schemes using invisible smartwater DNA solutions have proved very effective in reducing and detecting property crime and has led to successful prosecutions of those handling stolen goods in the Borough.

Prolific offenders are monitored and supported to tackle their re-offending while being intrusively supervised to prevent, deter and detect crime.

The Police, council and housing associations work closely together to tackle anti-social behaviour, sharing information and using the powers and lever of the various agencies to effect a change in behaviour and reduce the impact of crime and ASB.

How does licensing help?

We know through our evidence gathering that there is a significant and persistent problem with ASB directly linked to private sector properties. ASB in HMO property affect not only the other tenants within the dwelling but neighbouring properties also. HMO Licensing will support existing anti-social behaviour initiatives by requiring landlords to take action against their tenants, by ensuring that noise and unsocial behaviour is tackled and environmental ASB such as household waste is correctly disposed of and that front gardens are maintained and free from rubbish.

Licensing will give the Council additional powers to deal with housing related crime. The existence of a landlord register will make it easier for the both the Police and the Council to trace the owner of the property.

Article 4 Planning

In 2013 Haringey implemented an Article 4 direction to manage the growing trend of over concentrations of HMOs in the east of the borough and the resulting loss of single family dwelling houses. Prior to the Article 4, current planning legislation allowed a family dwelling to change to a small HMO without planning permission. Through the Article 4 the Council is able to better manage the impact of small HMOs and ensure that through the planning application process, they are meeting high standards.

How does licensing help?

Planning policy plays an important role in tackling poor housing design and the Article 4 direction has been helpful to halt the growing concentrations of HMO in the east of the borough. Licensing will ensure that property and tenancy management practices are improved. Our compliant checks and inspections will identify landlords who choose to operate unlawful HMO's in breach of planning and building control regulations.

Conclusion

From the aims within our Housing Strategy to Planning Policy and our regeneration plans we are striving to improve the quality of housing in the borough. Licensing will complement this aim.

Through our work with Housing Associations and through the management of our own housing stock we can promote good housing management and ensure that tenants have protected rights and enjoy a safe, warm and decent environment to live. We believe that licensing will go some way to ensuring that private tenants are afforded the same.

We will no longer tolerate fly-tipping and we will be proactive in reducing ASB and crime through working closely with our partners. Licensing conditions will enable us to set clear standards of behaviours for both landlords and tenants.

We want to see health in-equalities reduced and more people accessing decent accommodation when unfortunate enough to find themselves homeless. We know that some of the borough's most vulnerable tenants live in privately rented accommodation, we believe that licensing will add an additional layer of protection and go some way to improving their lives.