



## **Appendix 5**

### Additional Licensing Consultation Report 2011

## **Introduction**

The proposed additional licensing scheme for houses in multiple occupation (HMO) will cover the entire Harringay ward, together with the neighbouring north side of Turnpike Lane between the corner of High Road and Hornsey Park Road in Noel Park ward plus the neighbouring east side of Green Lanes from Harringay Green Station to corner West Green Road and all of Salisbury Road in the St Ann's ward. The area comprises approximately 3402 buildings.

Licensing would apply to:

- buildings converted into flats where the conversion did not meet the 1991 Building Regulation standards (Section 257 HMOs - Housing Act 2004) and where all of the flats are in the same ownership and
- dwellings occupied by three or more occupants comprised of two or more households, irrespective of the number of storeys within the dwelling.

This scheme will include properties which are not currently liable for mandatory licensing.

## **Legal Requirements for Consultation**

Section 56 (4) of the Housing Act 2004 states that the Local Authority must take reasonable steps to consult persons who are likely to be affected by the designation, and consider any representations made in accordance with the consultation.

The Housing Act 2004: The Licensing of Houses in Multiple, Occupation and the Selective Licensing of Other Residential Accommodation (England) General Approval 2010 provides the local authority with a general approval to declare an additional licensing scheme within their area provided the authority consult with persons who are likely to be affected by the schemes for not less than 10 weeks.

## **Purpose of the Consultation**

The purpose of the consultation was to provide the opportunity for, and to examine the opinion of, those who might be affected by the proposals a survey of residents, local businesses and private landlords and letting agencies.

The objectives of the survey were as follows:

- To review general opinion on the proposals
- To gather opinion about the management of the privately rented sector premises within the area
- To gather obtain information on the perceptions of the area
- To gather information on the circumstances of tenants in the affected areas
- To gather information about the issues affecting landlords and businesses, including letting and managing agents, in the affected areas
- To seek opinions on the proposal to ensure good landlords and agents are not unduly penalised by any designation
- To gather information and views on the criteria for identifying good landlords
- To offer an opportunity for respondents to comment on the proposals and request a response from the Council

## **Consultation Process**

The public consultation opened on 3<sup>rd</sup> November 2010 and ran until 7<sup>th</sup> March 2011 and was publicised on the Council's web site.

Consultation took place with the following main stakeholder groups:

- Landlords and Agents.
- Tenants
- Local Residents
- Other Partners including departments within the authority; organisations such as the Police, Ward Councillors etc.
- Haringey Landlords' Forum
- Area Residents Forum

### **Landlords and Agents**

Consultation took place at the Haringey Landlords forum on 3<sup>rd</sup> November 2010 following a presentation on the proposed additional licensing scheme and the views of the approximately 45 landlords and agents present were obtained via electronic voting. The results of that consultation can be found in Appendix

Letters inviting recipients, and anyone else they believed would have an interest in providing their views, to take part in the consultation were sent to:

- the 253 mandatory HMO licences holders
- all known landlords and agents (110) with properties in the area
- letting and managing agents who had offices in the vicinity of the proposed area and landlords inviting their response.
- 84 of the larger letting and managing agents operating in the borough.

The London Landlord Accreditation Scheme e-mailed information and a link to the online consultation form to all 476 Haringey accredited landlords and agents.

We were keen to obtain as wide a response as possible and therefore an advert was placed in the February 2011 edition of the London Landlord newsletter which was circulated to over 15,000 accredited landlords and agents in the London and South East of England. See Appendix

E-mail requests were forwarded to 276 landlords and agents on the mailing list for the Haringey Landlords Forum inviting them to take part in the online consultation.

### **Residents**

Over 4,000 questionnaires were delivered to all the dwellings in the area by officers of the private sector team.

Public consultation took place at the Haringey and St Ann's Area Assembly meeting in February 2011 and at the St Ann's residents meeting where some attendees raised some of the issues they were experiencing in the Salisbury Road area from HMOs.

## Consultation Outcomes

The Council received 509 responses up to and including 7 March 2011. The majority of these were submitted by individuals and included 38 responses from landlords and agents and 471 from residents.

80% percent of residents believed that licensing of additional designations of HMOs from those already licensed under the Mandatory Scheme (3 or more storeys, occupied by 5 or more persons in 2 or more households) would help improve the neighbourhood.

### *Residents Question*

**To what extent do you agree that the scheme for licensing some types of private rented properties in the area would help improve the housing conditions?**

Counts Analysis % Respondents	
<b>Base</b>	<b>471 100.0%</b>
<b>Missing</b>	
<b>No reply</b>	8 1.7%
<b>To what extent do you agree that the scheme for licensing...</b>	
<b>Strongly Agree</b>	261 55.4%
<b>Agree</b>	115 24.4%
<b>Don't know/no opinion</b>	47 10.0%
<b>Disagree</b>	16 3.4%
<b>Strongly Disagree</b>	24 5.1%

A similar percentage of residents agreed that additional licensing would help improve housing conditions.

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The views of landlords and agents were much less supportive towards the scheme with half stating that licensing should not extend to self contained flats and 82% disagree that a licence should be required if 3 or more unrelated persons share a dwelling. On the number of occupants requiring licensing, the greatest level of support from landlords/agents (37%) was for 6 or more persons as the number of occupants that should be resident before licensing is required, which is above the mandatory licensing residency level.

At the Haringey Landlords Forum 73% of attendees believed that additional licensing would improve the area.

Both residents and landlords/agents overall supported the proposal to see good landlords distinguished from the poor landlord by reducing the licence period for poor landlords. The majority of landlords/agents supported all the options proposed to distinguish the good landlord/agent with the greatest support (84%) being for the evidence that the premises is well maintained and managed.

### ***Landlord/Agent Question***

**The scheme proposes that in deciding whether a landlord is "good" the following will be taken into consideration. Please let us know if you agree by ticking the appropriate box.**

Counts Analysis % Respondents	Total	Missing					
		No reply	Strongly Agree	Agree	Don't know/no opinion	Disagree	Strongly Disagree
Base	152	13 8.6%	35 23.0%	62 40.8%	7 4.6%	18 11.8%	17 11.2%
Being a Member of the London Landlord Accreditation Scheme	38	5 13.2%	8 21.1%	9 23.7%	2 5.3%	6 15.8%	8 21.1%
Evidence that the premises is well managed and maintained.	38	2 5.3%	13 34.2%	19 50.0%	- -	2 5.3%	2 5.3%
Evidence of compliance with the requirements of other council departments e.g. planning permission, legal notices,...	38	3 7.9%	7 18.4%	18 47.4%	1 2.6%	5 13.2%	4 10.5%
Landlords who come forward voluntarily and quickly for their properties to be licenced	38	3 7.9%	7 18.4%	16 42.1%	4 10.5%	5 13.2%	3 7.9%

The majority of respondents had an interest in the area even though the consultation was open to any resident, business, landlord or agent, irrespective of whether they were resident or had a business connection with the area. 79% of landlords and agents rented or managed property within the area and 93% of residents lived in the area. A significant percentage (67%) of the residents had lived in the area for over 5 years.

Although 12% of the resident respondents were private sector tenants, the private sector makes up around 33% of the population. We were pleased with this response rate as it has been difficult to get responses or engagement from private tenants in the past. Almost two thirds (61%) of all the residents were satisfied or very satisfied with the area.

The perception of the private rented tenants on the management and condition of their accommodation was:

- 26% of the respondents considered they had inadequate fire precautions,
- 24% considered the premises was inadequately secured.
- 8.2% considered they were overcrowded which is on par with the Survey of English Housing (2009) rate of 9.8% for the private rented sector in London.
- over a quarter of private tenants (28%) were dissatisfied or very dissatisfied with their landlords' speed of responding to complaints.

There was overwhelming support from both groups for the view that the landlords and agents should take steps to manage their properties with landlords/agents (91%) showing slightly higher levels of agreement than tenants (87%).

## **Consultation Responses**

The affect of the scheme on good landlords and the financial implication of the licence fee being passed onto the tenant was raised by several respondents, especially private tenants. One respondent noted that the proposed fee of £208 per unit of accommodation only works out at £1.33 per week for a 3 year licence and for a 5 year licence the weekly cost would be 79p.

The proposal is to issue longer licences, up to the maximum of 5 years, to good landlords, with shorter licences for those who fail to manage their premises satisfactorily or who by the actions raise concerns as to their fit and proper person's status. Any rent increase is unfortunate, but licence fee costs for the accommodation provided by good landlords will be slightly lower than for poor landlords as their weekly licence fee will be lower, giving them a slight market advantage.

We have reconsidered the extent of the designation for flatted accommodation due to a combination of the objection of licensing of self contained flats reaised by landlords and agents and the impact that licensing would have on leasehold owner occupiers within a mixed tenure conversion. It is now proposed that the HMO designation for s257 HMOs will only apply to self contained flats within buildings where all of the units of accommodation are in the same ownership. The designation will not extend to any conversion where separate long leases have been created.

The basic definition of a house in multiple occupation is any dwelling occupied by 3 or more persons in 2 or more households. Members of the same household are basically husband and wife, cohabiting partners or those related by marriage or family. There was limited support amongst landlords and agents for the designation to be extended in the area to dwellings occupied by 3 persons. However the area has a high level of both legal and illegal conversions into small units of accommodation and the concentration of several shares flats within the same building will create risks to the health and safety of occupiers and visitors and increase the likelihood of nuisance to neighbours. It is therefore considered that extending the designation to dwellings occupied by 3 or more persons is reasonable and prudent.

Many of the residential comments related to planning and conversion issues and it is proposed to establish a (virtual) team of officers from relevant departments including planning, council tax, building control, street environment etc. to oversee all applications and to review the operation of the scheme. This will help ensure a consistent and coordinated approach to enforcement of all council powers and duties within the area.