

**Report for:** Housing & Regeneration Scrutiny Panel, 28 June 2022

**Title:** Private Sector Landlord Licensing Scheme Update.

**Report authorised by:** Eubert Malcolm, Assistant Director, Stronger and Safer Communities.

**Lead Officer:** Lynn Sellar, Private Sector Housing Team Manager.

**Ward(s) affected:** All

**Report for Key/  
Non-Key Decision:** For information

**1. Describe the issue under consideration**

- 1.1 The Housing & Regeneration Scrutiny Panel has asked for a briefing paper to update on the Private Sector Landlord Licensing Scheme. This paper provides some background and information on both the existing Licensing scheme for Houses in Multiple Occupation (HMO) and the proposed Selective Licensing scheme for non-HMO rented property

**2. Recommendations**

The Scrutiny Panel is asked to note this briefing paper.

**3. Reasons for decision**

Not applicable.

**4. Alternative options considered**

N/A

**5. Private Sector Landlord Licensing Scheme.**

Background

- 5.1 The Housing Act 2004 introduced licensing for the Private Rented Sector (PRS). Mandatory Licensing for Houses in Multiple Occupation (HMO) exists for all HMOs occupied by five or more tenants. The Act also gave powers to Councils to introduce discretionary licensing schemes within their local authority for:
- i. Additional Licensing for smaller Houses in Multiple Occupation and
  - ii. Selective Licensing for all privately rented property.
- 5.1 Property licensing is an additional enforcement tool that assists local authorities in the regularisation of the Private Rented Sector (PRS). Property licensing places the onus on landlords to identify themselves as the responsible owner and

provide the Council with details of all of the property that they own that requires licensing.

- 5.2 It is an offence for owners to be renting licensable premises without a licence. The sanctions for not licensing a property are severe and they also encompass a sanction that cannot be pursued by enforcement outside of a licensing scheme.
- 5.3 All Licences require the licence holder to ensure that the property meets the required standards before a licence can be granted.
- 5.4 Once a licence has been issued all licence holder details and information relating to the property licence are stored on a database and within a public register. Council officers as well as members of the public can view this register and will know who to contact if there any problems with a licensed property in the future.
- 5.5 Licences are issued in conjunction with a set of conditions which all landlords must meet and continue to adhere to for the lifetime of the licence (maximum 5 Years). Failure to comply with conditions or repeat offending can lead to prosecution or the revocation of the property licence.
- 5.6 Licensing powers enable local authorities to turn down a licence application submitted by a landlord who is deemed not to be a ‘fit and proper person’ because, for example, they have previously had an HMO licence taken away and/or been prosecuted and convicted for housing related offences or other criminal offences.

#### Haringey Property Licensing Schemes.

#### **Additional HMO Licensing**

- 5.7 Council cabinet approved the designation of a borough wide additional licensing scheme for Houses in Multiple Occupation in February 2019. This designation makes it a legal requirement for any person operating an HMO within Haringey to have a Licence for that premises. The scheme runs for a maximum period of 5 years.
- 5.8 Additional HMO licencing is now in its third year of operation. The scheme has been successful in achieving the outcomes we inspected despite the impact of covid in obtaining licence applications from landlords and letting agents within our borough. The success of the scheme in identifying unlicensed premises is the result of a large desk top excise undertaking during lockdown. Multi-agency working across council departments, with external partners and our residents has also identified un-licensed HMO property.
- 5.9 The Private Sector Housing Team work closely with Homelessness, Planning enforcement, Connected Communities and ASB & Enforcement Teams to create a holistic approach to dealing with HMO accommodation and tenants who may be affected by their living conditions or the impact of enforcement action.

- 5.10 We have created good partnership working with external agencies who offer support to tenants such as Cambridge House, 'Safer Renting Project', Citizens Advice and Haringey Law Centre.
- 5.11 Many of our landlords are good complaint landlords who offer a much-needed type of accommodation within our borough. Some landlords are non-compliant due to a lack of understanding and knowledge, and we are happy to offer advice and guidance to those landlords to help them become compliant. We can offer training for landlords through our training partners London Landlord Accreditation Scheme (LLAS). We aim in line with our enforcement policy to tackle those landlords who are deliberately flout the law, fail to comply, and exploit their position.

### **Selective Property Licensing**

- 5.12 On 8<sup>th</sup> March 2022 the council's cabinet approved the proposal to introduce selective property licensing within a designated area of the borough. On 14<sup>th</sup> April 2022 an application was made to Department for Levelling up Housing and Communities (DLUHC), whose authorisation is required before the scheme can become operative.
- 5.13 A decision from DLUHC can take a minimum of 12 weeks, following any approval a statutory notice period must be adhered to alongside a 12-week period which allows for judicial review. We are hoping to have a decision from the ministry by July 2022. Once the Judicial review period has ended and all being well, it is envisaged that the Selective Property licensing scheme would become operational within the borough by October 2022.
- 5.14 The selective property licensing scheme covers all privately rented property which is not an HMO. Any property rented to a single-family household or two unrelated sharers within the designated area will require a property licence see **Appendix 1** for a map of the proposed area. Selective licensing can only be introduced where there is extensive and robust evidence to support its need.
- 5.15 Selective property licensing is being introduced to tackle poor property conditions in wards that have elevated levels of deprivation. As part of the selective property licensing scheme, DLUHC require the Council to set clear objectives and outcomes in relation to improving property condition and alleviating deprivation within the private rented sector. These objectives can be viewed in **Appendix 2** of this paper.
- 5.16 Haringey is recorded in the English indices of deprivation as the 4<sup>th</sup> most deprived borough in London, and 49<sup>th</sup> most deprived in England. Tackling fuel poverty is one of the key objectives of the selective property licensing scheme. Just under 5% of Private Rented Sector (PRS) property in Haringey fails to have a legally compliant Energy Performance Certificate contributing to the high levels of fuel poverty.
- 5.17 The use of property licensing has been identified within the council's Affordable Warmth Strategy's objectives, as a tool to help reduce fuel poverty within the PRS. Educating, providing support and guidance and working with our landlords

as part of the selective licensing project we hope to increase the thermal efficiency of property.

- 5.18 We aim to achieve this through a range of measures, principally checking compliance with Energy Performance Certification (EPC) when landlords apply for their licence and taking action where these properties remain non-compliant. We want to use the project to encourage landlords to go beyond the minimum energy requirements for privately rented homes and will sign post landlords to any relevant funding. We will help landlords to identify additional measures that they can do within those properties to increase the energy efficiency and reduce fuel poverty for those living in this sector.

#### Update on existing Additional HMO Licensing Scheme.

- 5.19 The Additional HMO Licensing scheme has been in operation now since 28<sup>th</sup> May 2019. The table below provides an update on outcomes to date. Please note that due to covid restrictions during 2020-2021 officers were not able to proactively inspect licensed properties to check for compliance.

Total Number of Licence applications Received	3454
Total number of licence applications Issued	2815
Total number of compliance checks undertaken	1003
Total number of households living in improved conditions.	9
CPN issued for failing to licence	8

- 5.20 Compliance checks and enforcement are now a priority for the team. Compliance officers have now been recruited to facilitate in undertaking inspections on all property that has had a licence issued to date.
- 5.21 Any property found to not comply with licence conditions will receive formal action and licence holders will be given a time frame to complete works. Failure to comply within this time frame will lead to either prosecutions or the issuing of a Civil Penalty Notice (CPN) which holds a maximum fine of £30,000.

## **6. Contribution to strategic outcomes**

- 6.1 **Borough Plan 2019- 2023-** The proposal to introduce a selective licensing scheme supports the Council's key strategic aims, as outlined in the Borough Plan 2019-2023.
- **Housing Priority.** - It specifically supports the Housing Priority Outcome 3: to 'work together to drive up the quality of housing for everyone' Objective C 'improve the quality of private rented housing and the experience of those living it, including, by expanding landlord licensing and associated enforcement'.

- **People Priority.** -The broader benefits on the health of residents living in these homes supports outcome 7: 'all adults are able to live healthy and fulfilling lives, with dignity, staying active and connected in their communities'.

6.2 **Housing Strategy** - The Council's Draft Housing Strategy 2022-27 outlines the Council's aspirations for to have a safe, stable, and genuinely affordable home. The use of discretionary enforcement powers such as selective licensing is clearly defined as a tool the Council would like to make use of. The strategy includes a specific objective on how we aim to improve the quality of the Private Rented Sector through delivery against three sub-objectives:

6.3 The Affordable Energy Strategy 2022-2025 sets a 5-year plan to reduce fuel poverty in the borough. The strategy identifies risks, mitigation measures and priority actions to help the residents of our borough who are affected by fuel poverty.

6.4 **Haringey Climate Change Action Plan** – A route map for a net zero carbon Haringey sets out how together we will deliver homes that are healthy, comfortable and affordable places to heat and power.

## 7. **Use of Appendices**

Appendix 1 – Map of proposed selective licensing designation area.

Appendix 2 – Selective licensing objectives

## 8. **Background documents**

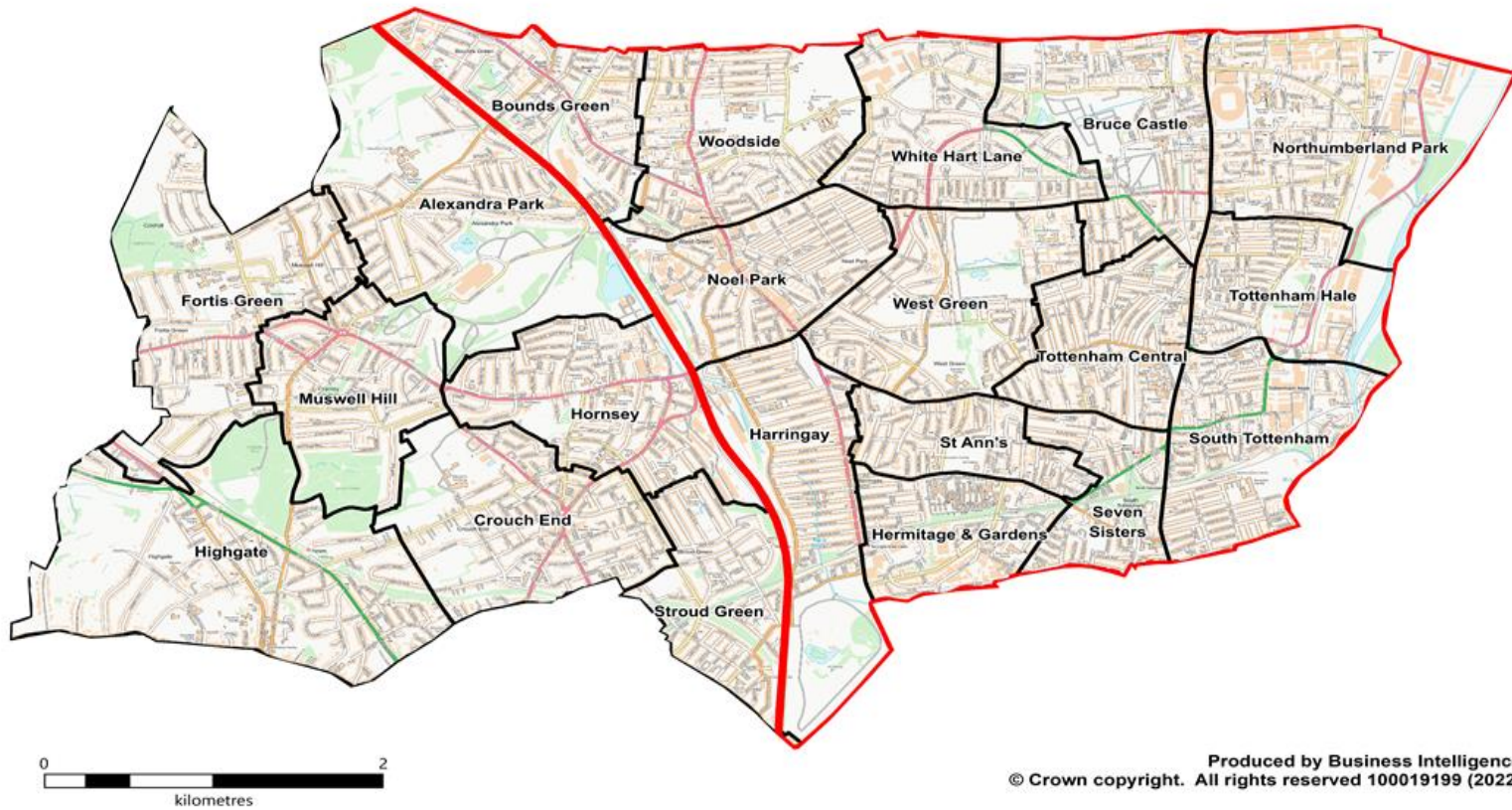
N/A

## 9. **Local Government (Access to Information) Act 1985**

N/A



Appendix 1 – Map of proposed Selective Licensing designation area.



## Appendix 2 – Selective Licensing Objectives

Objective	Measure	Outcome	KPI
<b>Improve Property Condition of all single family private rented accommodation.</b>	Number of properties receiving compliance checks	Properties will have improved conditions through our actions.	Ensure that at least 75% of licensable properties are licensed by the end of the scheme.
	Number of properties receiving compliance checks	Improve properties through a combination of informal and formal actions, inc. the service of notices in relation to other related legislation.	Undertake Due Diligence checks on all Licence applications received and prioritise those for inspection.
	Number of properties receiving compliance checks	Improve properties through a combination of informal and formal actions, inc. the service of notices in relation to other related legislation.	Inspect 50% of all applications received over lifetime of scheme.  (Inspections prioritised by risk)
	Number of properties receiving compliance checks	Improve properties through a combination of informal and formal actions, inc. the service of notices in relation to other related legislation.	25 % of remaining applications will receive targeted spot checks to checks compliance.
	Reduce the number of Cat 1 Housing hazards	Improve properties through a combination of informal and formal actions, inc. the service of notices in relation to other related legislation.	Reduce Cat 1 hazards by at least 25% against baseline predicted levels
	Reduce the number of Cat 1 Housing hazards	Improve properties through a combination of informal and formal actions, inc. the service of notices in relation to other related legislation.	Resolve identified Cat 1 hazards by at least 80%
	Resolution of Cat 2 housing hazards	Improve properties through a combination of informal and formal actions, inc. the service of notices in relation to other related legislation	Progress with resolution pathway of Cat 2 hazards identified via the inspections by at least 90% in designation.
	Increase compliance and awareness to reduce potential housing hazards and understanding responsibility	Improve properties through a combination of informal and formal actions.	Produce a newsletter quarterly to all landlords within Borough  Implement a Communications and Marketing plan in line with social/digital communication

<b>Improve the management standards of all single family private rented accommodation</b>	Improve compliance of property standards through licensing conditions	Provide a formal reactive response to complaints made by tenants where landlords have failed to comply with licensing conditions	<p>60% of complaints received will be responded to by a warning letter to Licence holder regarding their failure to comply with licence condition.</p> <p>40% of complaints received will be responded to through targeted compliance inspections to identify non-compliance with Licensing conditions.</p> <p>Provide a 'good practice guide' for management standards to all involved landlords</p>
<b>Assist private sector tenants living in areas of deprivation to access Council &amp; Voluntary services.</b>	Ensure that tenant engagement is a key part of the scheme.	Officers to signpost tenants of licensable premises who need additional support to Councils services, connected communities and the voluntary sector.	Number of housing related referrals to connected communities/council services
<b>Improve factors that make deprivation worse</b>	Reduce fuel poverty in Licensable premises.	Bring identified properties up from F and G to a minimum of E rating	Enhance energy efficiency in order to alleviate fuel poverty in at least 90% of properties up from F and G to a minimum of E rating.