



## Scrutiny Review: Landlord Licensing in the Private Rented Sector (PRS)

### A Scrutiny Review by the Housing, Planning & Development Scrutiny Panel 2023/24

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## **1. Chair's Foreword**

Private rented sector accommodation is thought to account for about 40% of all housing in Haringey. Many of those living in this type of accommodation face issues with the affordability, security, and quality of their housing. While the solutions to many of these problems lie at the level of national legislation, local authorities have some powers to make improvements through landlord licensing schemes. Haringey has a borough-wide additional HMO licensing scheme for all properties of 3 or more non-related people, plus a selective licensing scheme covering all non-HMO privately rented property in the east of the borough.

The impact of the housing crisis in relation to private renters is an area of concern for Haringey residents, and so the Panel decided to look at this issue through the lens of the council's licensing schemes. The Panel wanted to examine how the schemes were functioning, whether the regulations could be creating any unintended consequences locally, and how they might be tweaked or strengthened in order to better achieve the council's commendable aims - to improve conditions for renters, to support responsible landlords to fulfil their duties, and to penalise rogue landlords that are not willing to keep properties to a decent liveable standard.

The review was initiated by my predecessor as Chair of the Housing, Planning and Development Scrutiny Panel, Cllr White, and I pay tribute to him and the members of the Panel as it stood at that time for their work. I took over as Chair, with a slightly different Panel membership, in May 2023, and we have received further evidence and seen the review through to its completion. The Panel has received evidence from Haringey Officers and Cabinet Members at both the beginning and end of the evidence-gathering process, plus evidence from charities, tenant advocacy organisations, the NRLA, and other local authorities operating landlord licensing schemes. The Panel is very grateful to everyone who has given their time to engage with this review.

The Panel considers that Haringey's private sector housing team is a well-run service and undertakes a lot of work in supporting landlords and tenants in the private rented sector. The recommendations in this review reflect a general desire to expand the team and broaden the scope of the council's involvement in private sector housing, to include providing more support and advocacy for tenants. The Panel would also like to see more staffing resources put into private sector licensing, so that we can increase licensing income, and undertake more compliance and enforcement checks in recognition of the priority that we would like to see given to improving property conditions for residents. The Panel believe that licensing schemes are a powerful tool that can make a real difference in improving standards, and so would also like to see more properties covered by schemes, by introducing a selective scheme for non-HMOs in appropriate parts of the west of the borough.

It is hoped that the recommendations in this review can complement and help expand the important work that the council is already doing to support private renters in Haringey.

**Cllr Alexandra Worrell, Chair Housing, Planning and Regeneration Panel**

## 2. Recommendations

Expanding the scheme into the west of the borough

1. The Panel would like to see the selective licensing scheme expanded into parts of the west of the borough. Problems with poor quality private rented accommodation exist in the west of the borough, particularly in wards such as Stroud Green and Hornsey. It is recommended that the Cabinet Member examine how to create a second scheme for parts of the west of the borough and commit to building an evidence case in support of this.

Tenant Advocacy

2. That the Council enter into a formal relationship with an advocacy organisation, such as Justice for Tenants for example, and proactively refer tenants who live in unlicensed properties to them. The advocacy organisation can assist tenants in pursuing Rent Repayment Orders (RRO). A Council officer should be assigned to lead on each RRO case and support the tenant, for example by providing evidence and witness statements, where appropriate. This is seen as a stick to ensure that landlords have their properties licensed. Ultimately, loss of income may be the only incentive that will push some landlords to adhere to the licensing regime.
3. That Cabinet give consideration as to how the Council can provide tenants with more information about their rights. It is recommended that the Council adopts a private renters' charter and a dedicated web page, that sets out what the legal responsibilities for a landlord are, what rights a tenant has, and what support they can expect from the Council. It is envisaged that supporting tenants to know their rights will help to improve standards. This should go out to public consultation and may include:
  - a. The council's commitment to non-cooperation with border agencies
  - b. Supporting the Mayor of London's call for rent controls
  - c. Making clear that inspections and fines will be used against non-compliant landlords
  - d. Promoting the Rent Repayment Order process
  - e. Supporting renters' reform, including an end to no fault evictions and automatic evictions for those in rent arrears
4. Officers should establish regular meetings bringing together relevant services from across the Council, along with some of the key VCOs and tenant advocacy organisations in Haringey; in order to gather intelligence, receive specific case referrals and to hear from the experience of tenants in Haringey. The Council already has a Landlord Forum. It is envisaged that this will go some way to balance this with the views of tenants.

## Fees and Enforcement

5. That Cabinet undertake a review to ensure that our licensing fees are in-line with our statistical neighbours and that these rise every year in line with inflation. The Panel would like to see an increased compliance and inspection regime and believes that maximising the revenue generated from fee income is a way to facilitate this. The Panel would also like to see an additional focus on fines and enforcement through existing HHSRS legislation. Consideration should be given to targets for issuing CPNs.
6. That Cabinet explore the viability of using licensing fee income to employ tenancy relations officers, who are specifically tasked with supporting tenants experiencing poor living conditions or living in unlicensed properties. If this is deemed not possible under the current framework, the Council should lobby the Government in order to advocate for more flexibility in the use of license fee income in this regard.
7. The Panel would like to see an increase in the size of the licensing team in order that more inspection and compliance visits can be undertaken. It is envisaged that maximising fee income and generating additional revenue from enforcement activity will allow the Council to put in place additional staff, who in turn will support more proactive enforcement. In light of the shortage of trained EHOs, the Panel supports the team's work to employ more compliance officers who can then be trained up. The Panel would like to see increased fee income being used to support the training and employment of more compliance officers.
8. The Panel recommends that the Council undertakes a level of random spot checks for compliance with the licensing conditions. It is understood that the Council does not have the capacity to inspect every property or wait to issue licences until checks have been carried out. However, officers could carry out a limited number of random spot-checks both on properties that have applied for a licence, and properties that have already been issued with a licence and enforce accordingly. This would increase the risk of enforcement for unscrupulous landlords and would help ensure landlords are meeting their licensing obligations.
9. That the Council set up an anonymous reporting function on its website for suspected unlicensed HMOs or landlords failing to fulfil their license obligations. It is suggested that examples of recent enforcement cases against non-compliant landlords should also be incorporated into this section of the website.

## Intelligence Gathering

10. That assurances are given that the Private Sector Housing Team will examine how it can maximise its intelligence sharing with other teams within the Council, to ensure that our intelligence gathering capacity is as joined up as it possibly can be. The Panel would like to see the establishment of a standing intelligence sharing group, involving different teams across the Council, around private sector housing. We received evidence that Landlords sometimes benefit from

different services not talking to each other which enables them to flout the licensing regime.

## Communications

11. That consideration is given as to how best the service can communicate its activities to Councillors. Councillors should be an important resource in terms of eyes and ears on the ground and an important source of information about where HMOs are located, possible licensing breaches and issues on the ground.
12. The Panel also recommends that regular communications activity is taken by the Council in order to promote the work of the Private Rented Sector Housing Team to residents and the public. This comms activity should include:
  - Publicising the public register of properties that are licensed
  - Publicising the anonymous reporting function
  - Publicising examples of successful enforcement against landlords, in order to act as a deterrent

### **3. Background to the Review, Terms of Reference & Membership**

- 3.1 As part of the work planning process for Scrutiny for 2022/23 & 2023/24, we undertook an online scrutiny survey and an in-person Scrutiny Café event at the Selby Centre in September 2022. The purpose of the Scrutiny Café was to engage with local community and resident groups, in order to seek their views about which areas Scrutiny should focus its attention upon for the next two years. As part of the feedback relevant to the Housing, Planning and Development Panel, one of the areas where most concern was raised was around private rented sector housing, particularly in terms of an out-of-control housing market and a general lack of affordable properties. A number of young people advised the panel that the cost of rent was just too high for them and that this was a real barrier to their ability to thrive.
- 3.2 At the Housing, Planning & Development Scrutiny Panel meeting on 28<sup>th</sup> June 2022 the Panel received an update on Private Sector Landlord Licensing, which provided some background and information on both the existing licensing scheme for Houses in Multiple Occupation (HMO) and the then-proposed Selective Licensing scheme for non-HMO rented properties. Following this, it was agreed that the Panel would undertake a piece of scrutiny work to look into the Council's approach to licensing in the private rented sector and to understand how effective this was.
- 3.3 The Overview & Scrutiny Committee agreed the terms of reference for the Scrutiny Review on 28<sup>th</sup> November 2022. Evidence gathering for the Review took place between February and September 2023. Our starting point was to speak to Officers and the Cabinet Member to get a better understanding of how landlord licensing works in Haringey. We then spoke to a range of external witnesses including; various tenancy advocacy groups (both those located within Haringey and those operating on a more London-wide basis), other London boroughs, a representative of the National Residential Landlord Association and Acorn who are a community union that have a strong focus on housing.
- 3.4 A full list of all those who provided evidence is attached as Appendix A.
- 3.5 At the beginning of the review we had a number of initial lines of questioning that we wanted to explore. These developed as the review progressed. However, they are instructive in terms of what we set out to ascertain at the beginning of the review:
- We wanted to be sure that the scheme wasn't having a negative effect on tenants, including increased risk of eviction and, for instance, complications with immigration status.
  - What is the scope of the regulatory regime – what powers does the council have?
  - What kind of effect has private rented sector accommodation licensing had? Are more people being evicted, for example?

- How do we ensure compliance with the selective licensing scheme?  
What is the enforcement mechanism?
- What ability do tenants have to hold landlords to account?
- Can we push the government to do more?

#### Terms of Reference

3.6 To review the impact of the implementation of the Council's landlord licensing scheme on the private rented sector. The review will be looking at both the additional licensing scheme, introduced in 2019, as well as the selective licensing scheme introduced in 2022. The Panel wanted to understand the impact of the licensing schemes on the quality of accommodation available, as well as the overall supply of housing in the borough. The Panel also wanted to understand what other support the Council could provide to those living in the Private Rented Sector and what other local authorities are doing around this.

3.7 The Membership of the Panel was as follows:

##### 2022-2023

Councillors Matt White, Dawn Barnes, Mark Blake. Holly Harrison-Mullane, Tammy Hymas, Khaled Moyeed and Charles Adje.

##### 2023-2024

Councillors Alexandra Worrell, Dawn Barnes, Mark Blake. Holly Harrison-Mullane, Tammy Hymas, Khaled Moyeed and John Bevan.



#### **4. Background Information on Private Sector Landlord Licensing Schemes**

- 4.1. 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.
- 4.2 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. It is an offence for owners to be renting licensable premises without a licence
- 4.3 All licences require the licence holder to ensure that the property meets the required standards before a licence can be granted. 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. Members of the public can view this register and, for example, a tenant could use it to find out whether a licence has been issued for the property that they are living in.
- 4.4 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 of 5 years). Failure to comply with conditions or repeat offending can lead to prosecution or the revocation of the property licence.
- 4.5 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.

#### **Additional HMO Licensing**

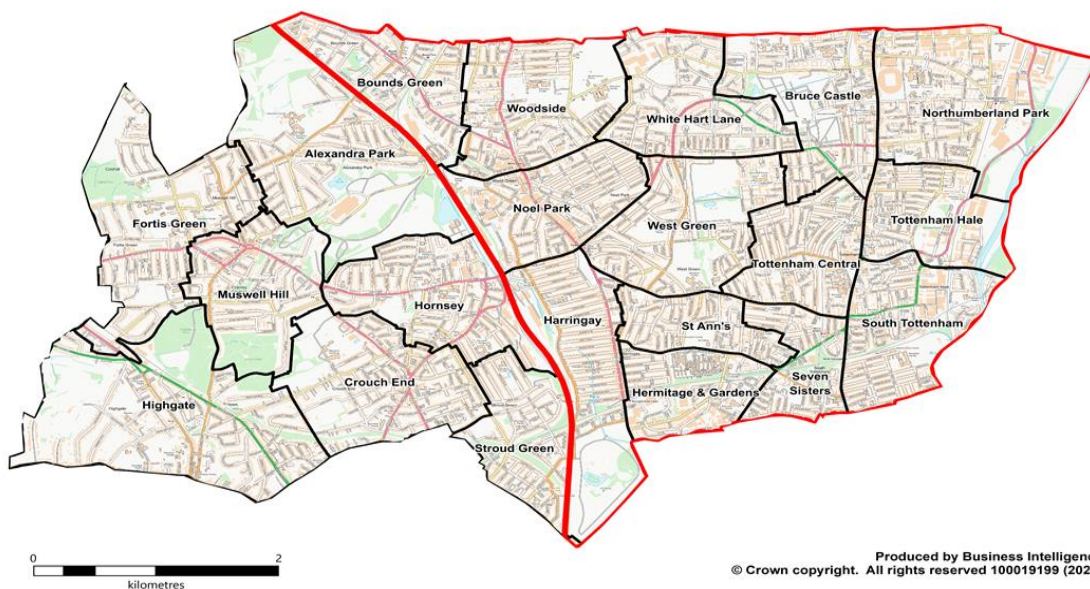
- 4.6 Cabinet approved the designation of a borough wide additional licensing scheme for Houses in Multiple Occupation in February 2019. This designation makes it a legal requirement for any person operating an HMO within Haringey to have a Licence for that premises. The scheme runs for a maximum period of 5 years and will be due for renewal in 2024. The additional HMO scheme applies to the whole borough, for households of three or more persons who are not related. This increases the number of properties that fall within the licensing regime, as it affects all properties of three or more persons, rather than properties of five or more, as designated under the mandatory HMO licensing scheme.

- 4.7 In support of the Additional HMO licencing scheme, a large desktop exercise was undertaken by officers from the PRS Housing team during lockdown, to identify unlicensed properties. This was supported through multi-agency working across council departments, with external partners and residents, to further identify unlicensed HMO properties. The Private Sector Housing Team work closely with Homelessness, Planning Enforcement, Connected Communities and ASB & Enforcement Teams to deal with HMO accommodation and to provide support to tenants who may be affected by poor living conditions or the impact of enforcement action.
- 4.8 The cost of a HMO licence in Haringey (including for the Additional scheme) is £1210. This is taken in two parts. Part A is £550 and Part B is £660.

### Selective Property Licensing

- 4.9 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. Haringey's Selective Licensing Scheme came into force on 17<sup>th</sup> November 2022 and the scheme will run for five years.
- 4.10 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 un-related sharers within the designated area will require a property licence. Selective licensing can only be introduced where there is extensive and robust evidence to support its need.

**Map 1 - showing the areas covered by the selective licensing scheme (see area in red).**



4.11 Selective licensing is a discretionary licensing tool aimed to assist a local authority to regulate the private letting of houses, where there are concerns of anti-social behaviour, low housing demand, poor property conditions, high crime, high levels of deprivation or high migration. Haringey's scheme was 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 conditions and alleviating deprivation within the private rented sector. These are set out in Appendix 2 of this report.

4.12 Selective Licensing is something that local authorities can use alongside their normal enforcement powers in order to target specific issues that are affecting the local authority and its community. Selective licensing allows the local authority to regulate landlords to manage this sector more effectively. There are several factors through which selective licensing helps to achieve this:

- It focuses resources on areas of concern whilst simultaneously generating revenue to contribute to the costs involved.
- It provides clearly defined offences (licensed/unlicensed) which simplifies enforcement - and where a landlord is intentionally operating without a licence it is highly likely the inspection process will uncover further offences.
- There is no 24-hour notice requirement for access before an inspection for licensing purposes. This is particularly important where criminal or rogue landlords are present.
- The proactive inspection approach frequently brings other problems to light.
- Licensing provides a clear driver for effective engagement between landlords and local authorities and drives up landlord awareness of their responsibilities.
- The pre-designation process focuses local authority minds on the development of clear, transparent, and robust enforcement practices.
- Selective licensing encourages the development of effective intelligence-gathering mechanisms to support compliance by identifying unlicensed properties and then targeting those problematic properties.
- Promotion of joint working within the authority and other agencies - fire and rescue service, police, border control/immigration, social services, HMRC etc.

4.13 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 objectives of the selective property licensing scheme. Just under 5% of Private Rented Sector property in Haringey fails to have a legally compliant Energy Performance Certificate (EPC), contributing to high levels of fuel poverty. Through educating, providing support and guidance and working with landlords, it was hoped that the introduction of a selective licensing scheme will improve the thermal efficiency of properties in the borough.

4.14 This is achieved through a range of measures, principally checking compliance with Energy Performance Certifications when landlords apply for their licence and taking action where these properties remain non-compliant. The Council seeks to encourage landlords to go beyond the minimum energy requirements for privately rented homes (above grade 'E') and it signposts landlords to relevant funding. The Council also helps landlords to identify additional

measures that they can do within those properties to increase the energy efficiency and reduce fuel poverty for private sector tenants.

## Fee Structure for Selective Licensing

4.15 The fees for selective licensing are set out below. These fees cover the whole five-year term of the licence and can only be used to cover the costs of administrating and managing the scheme. They are split into Parts A & B. Part A is taken upon application and covers the cost of processing and the administration to determine the application. The application fee is non-refundable, regardless of whether the application is successful. Part B is taken once the Council has determined to grant a licence and will cover the administration, management, and enforcement of the licensing functions for the scheme. This was determined as part of a high-profile legal case involving Westminster Council.<sup>1</sup>

Table 1 - Fee Structure for selective licensing

Fee Type	Part A (application fee)	Part B	Total Fee
Full Selective Licensing Fee	£350.00	£250.00	£600.00
Early Application Fee	£350.00		£350.00

Table 2 - Discounts to the fee structure

Discount Type	Discount (£)	Deducted from Part A/B	Total fee
Accredited Licence holder	£50.00	Part B Payment	£550.00
Compliant EPC	£50.00	Part B Payment	£550.00
Accredited licence holder + compliant EPC	£100.00	Part B Payment	£500.00

\*NB – no discounts are offered to those already receiving a discounted early application fee

<sup>1</sup> <https://www.bevanbrittan.com/insights/articles/2013/licensingfees/>

## Evidence Gathering

### **5. Expanding Selective Licensing into parts of the west of the borough**

- 5.1 The Panel is supportive of the Council's work to introduce selective licensing in the borough. Haringey has seen a significant increase in the size of its private rented sector. The Panel received evidence that modelling suggests that the PRS accounted for 44k properties, which is around 40% of the overall housing tenure in the borough. The PRS plays a crucial role in providing housing in Haringey, particularly given a lack of social housing and the pressure that exists on Temporary Accommodation in the borough. Haringey needs good PRS landlords and it also needs to ensure that residents are not living in dangerous or substandard accommodation. A robust licensing regime is seen as the best way to achieve this.

#### Making a designation

- 5.2 A local authority may only make a designation if the area to be considered has a high proportion of property in the Private Rented Sector. In England this is 19% of the total housing stock (the national average for PRS accommodation across England). In addition to the above, for selective licensing to be considered, one or more of the following six statutory grounds must be met:
- i. Is an area of low housing demand (or is likely to become such an area).
  - ii. Is experiencing a significant and persistent problem caused by anti-social behaviour and that some or all private landlords letting premises in the area are failing to take appropriate action to combat that problem.
  - iii. Is experiencing poor property conditions in the privately rented sector.
  - iv. Is experiencing or has recently experienced an influx of migration and the migrants occupy a significant number of properties in the privately rented sector.
  - v. Is suffering high levels of deprivation affecting those in the privately rented sector.
  - vi. Is suffering high levels of crime affecting those in the privately rented sector.
- 5.3 The Housing Act 2004 also requires the local authority to demonstrate the following outcomes as part of its process of delivering a selective licensing initiative:
- 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 PRS as regards combining licensing with other action taken by them or others.
  - Consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of achieving the objectives that the designation would be intended to achieve.
  - Consider that the making of the designation when combined with other measures taken by the authority alone or with other persons will

significantly assist them to resolve the problem identified (whether or not they take any other course of action as well).

- Take reasonable steps to consult persons who are likely to be affected by the designations and consider any representations made.

5.4 Where the proposed designation covers either 20% of the total geographic area of the authority or 20% of the total privately rented stock (based on census figures), the designation requires approval by the Department for Levelling Up, Housing and Communities (DLUHC). Selective Licensing applications to the DLUHC require local authorities to first demonstrate the evidence for their concerns as well as look at alternative approaches and consult widely.

#### Selective Licensing in the west of the borough

5.5 As part of the process for building an evidence base to support the application for a selective licensing scheme, Haringey commissioned MEL Research to carry out data driven research to identify and quantify the distribution of PRS properties in the borough. The research was used to identify wards within the borough that experienced the most serious problems directly linked to private rented properties. In the March 2022 Cabinet report, it was identified that the Council's initial preference was to introduce a borough wide selective licensing scheme, in order to ensure that improvements were made in housing standards across all PRS properties in the borough.

5.6 Following the evidence gathering process, 14 wards were identified that met the criteria for selective licensing in that:

- They contained a high proportion of privately rented homes compared to the national average (19%).
- Housing conditions within those wards were poor and the scheme through property inspections would allow the Council to improve this.
- The areas were experiencing a significant and persistent problem caused by anti-social behaviour, which private sector landlords were failing to address.
- The areas within the designation had the added factor of experiencing significant deprivation amongst its population.

5.7 The Council went out to consultation with a proposal to introduce selective licensing to private rented properties within 14 of the 19 wards, comprised of two separate designations. The first designation was for the 12 wards in the east of the borough and the second designation was for Stroud Green and Hornsey wards. Following the consultation process, a decision was made to remove the designation of Hornsey and Stroud Green wards from the selective licensing proposal, due to feedback from consultees that there was a lack of evidence that these two wards met the relevant levels of deprivation to be included in the scheme. The Panel notes that anti-social behaviour was also omitted as relevant criteria in the designation, following the consultation process, due to a lack of evidence for its persistence across all of the wards.

- 5.8 The supporting evidence pack to the March 2022 Cabinet [report](#) identified that the remaining five wards in the borough met three of the four criteria but were deemed to be above average on the indices of multiple deprivation ranking. The report also stated that resources were being targeted at the areas of most need and that these wards would be kept under review and that this would be reconsidered if the evidence suggested they would qualify in future.
- 5.9 Given that Hornsey and Stroud Green were initially included in proposals because they met the criteria set out in paragraph 5.6, the Panel believes that more should be done to demonstrate the need for selective licensing in these two wards. Both of these wards have large numbers of people renting in the private sector and Panel members are concerned about poor property conditions in these locations. Stroud Green in particular, also has long-standing issues around waste and fly tipping arising from high levels of PRS housing. Other areas within the west of the borough should also be considered and part of a further designation.
- 5.10 The Panel would like to see work undertaken to build the evidence base for a further designation of selective licensing in the west of the borough. The Panel received evidence that an additional selective licensing scheme in the west of the borough would require a re-evaluation of the evidence. It is understood that not all of the wards may meet the relevant criteria. However, it is hoped that a further tranche of evidence gathering would allow the Council to demonstrate the evidence required in order to include as many of the remaining wards as possible in a second scheme. Furthermore, it is anticipated that, by undertaking a separate delegation for parts of the west of the borough, the criteria used could be tailored to that location (based on either individual wards or groups of wards). If the evidence base cannot be found to support an application based on deprivation, then the proposal should focus its evidence base on property condition, or one of the other six statutory grounds.

**Recommendation 1**

The Panel would like to see the selective licensing scheme expanded into parts of the west of the borough. Problems with poor quality private rented accommodation exist in the west of the borough, particularly in wards such as Stroud Green and Hornsey. It is recommended that the Cabinet Member examine how to create a second scheme for parts of the west of the borough and commit to building an evidence case in support of this.

## **6. Does licensing and additional regulation lead to fewer houses and higher rents?**

- 6.1 The Panel received evidence from the National Residential Landlord Association (NRLA) that local authority objectives around improving property standards, through licensing schemes, were not really being met. It was suggested that there had been no objective analysis of additional or selective licensing undertaken that showed it was improving property standards. Instead, the NRLA felt that additional resources put into intelligence-led enforcement would be a much better way of addressing the problem and to drive up standards in the sector. The NRLA advised that they do not believe that most local authorities with these schemes have the resources to carry out the inspections and enforcement activity. The NRLA commented that their research suggested that 50% of enforcement activity in England was carried out by 20 local authorities. In addition, it was felt that licensing schemes hugely inconvenience good landlords, who already act responsibly but have to do a lot of work to get all the paperwork in place. Meanwhile, bad landlords won't apply, so local authorities are left to try and chase after bad landlords, who have no interest in complying with a licensing regime.
- 6.2 The NRLA gave evidence that they would prefer local authorities not to go down the licensing route. Instead, they would prefer the national landlord portal that is proposed under the Private Renters' Bill whereby landlords upload gas safety certificates and electric safety certificates. This could also be coupled with some light touch registration scheme for landlords. The NRLA believe that this would mean that the sector can move away from discretionary schemes, which in their view, were never intended to cover whole boroughs, just small areas.
- 6.3 The NRLA commented that there has been a lot of additional regulation in the sector and that the private rented sector was either not growing, or more likely shrinking, as a result. The biggest issue was seen as the change in regulations meaning that landlords are now taxed on turnover rather than profit. They claimed that this is what has caused landlords to sell up, as being a landlord was no longer financially viable. They commented that the net consequence of this was that there is a shortage of housing in the private rented sector and that this is pushing up rent prices. The NLRA acknowledged that a large part of the problem was successive governments' failure to build enough housing, but also believe that without tax changes in 2017, there would be 1.2m more properties available in the system.
- 6.4 The Panel have a degree of scepticism that landlords selling up automatically reduces the amount of available housing in an area, as these houses are still there, they are just owned by someone else. The NRLA responded to this point by setting out that many of the properties in questions aren't suitable for first-time buyers and when landlords sell up it's not automatic that it frees up those properties for other renters. The explanation was that it is a very competitive market and those people who get help from parents or family members to buy will get properties lower down the chain rather than the average renter.



- 6.5 In response to claims that the PRS sector is slowing down or even decreasing due to licensing and wider regulatory changes, the Panel notes that the percentage of PRS in Haringey has increased steadily in recent years from 31.5% in 2011 to 40.2% in 2020. Furthermore, the Panel received evidence from Safer Renting that their analysis showed that in Waltham Forest, the private rented sector had been growing consistently in recent years with 39% of the stock in the borough estimated to be privately rented in 2019. Similarly, Newham has the longest standing PRS licencing regime in the UK, which was first introduced in 2013. In 2001 less than 20% of the housing stock was privately rented. In 2021 the proportion was 54%, being almost triple the proportion nationally and close to double the proportion for London as a whole (28%).
- 6.6 In their evidence to us, Renters Rights London advised that there was no evidence that they knew of that introducing licensing schemes increases rents. In fact they argued that, in their assessment, rents remained more stable in areas with a selective licensing scheme than those without.
- 6.7 Haringey's Selective licence fee is £600, reduced to £500 if there is a compliant EPC and they are an accredited licence holder. The early bird discount reduced the fee to £350. Even at the maximum fee of £600, it is notable that this amount is very small in comparison to the income that could be expected from market-rate levels of rent in the borough over a five-year period (the licence equates to around £10 a month). It does not seem likely that these costs would lead to landlords selling up. Although, it is understood that landlords will look at these additional fees as part of a wider increase in costs/reduction in profits, from things like the recent tax changes. More likely to be a relevant factor is rising interest rates and borrowing costs. We received evidence from officers that there was no reliable data set to show whether landlords were leaving the sector due to licensing, however it was thought to be unlikely given the cost involved with applying for a licence. However, there were other associated costs that may be more of a relevant factor, such as the need for electrical inspection certificates and gas safety certificates etcetera. In addition, officers advised that they had no evidence to suggest that the licensing fees were being passed on to tenants.
- 6.8 Where a far higher level of costs could emerge, is as a result of having to meet the basic standards in a non-compliant property in order to achieve compliance. Considering that these standards relate to a basic level of safety and property standards i.e., category 1 or category 2 defects under the Housing Health and Safety Rating System (HHRHS), licensing should be seen as a positive, particularly given that 26.9% of the PRS stock in Haringey is in poor condition. It is speculated that the real cost to landlords from licensing are about bringing their properties up to a minimum standard. The Panel believes strongly that Landlords should not be renting out properties which are unsafe or in poor condition. The property should be seen, first and foremost, as someone's home rather than as a way to generate a passive income.
- 6.9 The first controlled impact evaluation of a PRS landlord licensing scheme (selective licensing) was carried out by the London School of Hygiene and Tropical Medicine, in conjunction with LB Hackney and was published in 2022.

The study looked at the impacts of selective licensing in Greater London between 2011 and 2019. The study found that implementation of these schemes in Greater London was followed by area-level improvements in mental health indicators, reduced anti-social behaviour and increased population turnover.<sup>2</sup> Although the study calls for further research to be carried out, it provides an initial evidence base that licensing in the private rented sector can have important wider impacts, including impacts on health and social outcomes linked to health.

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<sup>2</sup> <https://bmjopen.bmj.com/content/12/5/e057711>

## 7. Tenant Advocacy

- 7.1 The Panel received evidence that many tenants may be unaware of the presence of a licensing regime or that there was a requirement that the property they rent should have a licence. A number of the tenant advocacy organisations we spoke to were unaware of some of the aspects of Haringey's licensing regime, so it is difficult to imagine that the majority of tenants are aware of it in any practical detail. Similarly, many tenants will not understand their rights as tenants and the obligations that a landlord has towards them.
- 7.2 The Panel received evidence that the Housing Needs Team at Haringey commissioned Safer Renting to undertake some work on their behalf. This was done through a specific pot of money available in response to Covid and the aim was to intervene and support people to remain in their home, following a dispute with the Landlord for example. Although it was a limited pot of money, the Panel heard evidence that Safer Renting achieved some positive results. There were 34 referrals by the Council, around 20% of these were people seeking advice, six cases resulted in an intervention that prevented homelessness and there were three out of court settlements for the tenants, totalling £4600. Safer Renting highlighted that the main challenges they faced were the weakness of the law in this area and the fact that some people did not want to engage due to fear of eviction or other concerns such as an unsettled immigration status.
- 7.2 One particular aspect that the Panel believes tenants should be aware of is that under the legislation, if a landlord fails to license a property, then that tenant may be able to reclaim some, or all of, the rent (up to a maximum of 12 months) through a Rent Repayment Order (RRO)<sup>3</sup>. Currently, Haringey will refer tenants to third party advocacy organisations who can support them in making an RRO. Officers advised that a third-party organisation specialising in this area would be more effective in pursuing an RRO, as officers were not experts in housing law. Similarly, Environmental Health Officers are not trained in tenancy relations and their focus is on safety concerns and property condition. The Panel acknowledge that in some cases an external organisation will be better placed to collate the relevant documentary evidence, rather than the Council who may be perceived as an enforcement agency by landlords and other bodies.
- 7.3 As part of the review, the Panel were keen to explore if the Council could be more proactive in this area and whether it could pursue RROs on behalf of Haringey tenants. We received evidence from officers in the Private Rented Sector Housing team that it was not possible to pay for tenant advocacy services out of the license fee because this is not what is meant to be covered by the fee. The income generated through the licence had to be used solely for the administration of the licence. Therefore, the Council saw its role as signposting tenants to advocacy organisations who could assist them in processing the claim.
- 7.4 Renter's Rights London set out that these organisations will typically take around 20-30% of the award and will only progress the case if it is worth their

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<sup>3</sup> Section 95, Housing Act 2004

while financially. The other main concern for a tenant pursuing such a course of action is that they will, in all likelihood, be evicted by the landlord and then have to find somewhere else to live. This will be enough of a disincentive to put some people off, particularly if they have no realistic chance of finding alternative accommodation in a very expensive property rental market.

- 7.5 The Panel were pleased to hear that officers were considering developing a formal partnership agreement with a specific tenant advocacy organisation or organisations. This would have the advantage of formalising and regularising a relationship with an organisation and that the Council would, for example, receive feedback on how cases went and what the outcome was. The Panel is supportive of this course of action and believes it would provide a more tenant-focused role for the Council in supporting its residents to have a decent place to live. It would also allow the Council to be more proactive in communicating to tenants what their rights were in this area, and to ensure that landlords licensed their properties. It is proposed that there is a potentially useful comms. piece here too, to advise landlords that if you don't get your property licensed you could lose 12 months' rent.
- 7.6 The Panel would like the service to examine whether a Council officer can be assigned to lead on each RRO case referral, and to support the tenant by providing evidence and witness statements where appropriate. This is seen as a stick to ensure that landlords have their properties licensed. Ultimately, loss of income may be the only incentive that will push some landlords to adhere to the licensing regime. It is understood that it may not be possible to pay for this through the licensing fee. However, this should be explored in more detail and if it is not possible, then alternative methods of funding be examined.
- 7.7 The Panel received evidence that Newham has a tenancy liaison officer that supports tenants and will provide advice on making an RRO. They also have a guidance note that they can provide tenants with to support them with taking a civil case up against their landlords. The Panel were advised that DLUHC have offered funding in the past for local authorities to improve standards in private rented sector accommodation and that part of this specifically involved pursuing RROs<sup>4</sup>. Newham also suggested that there was some training available to Councils in this area, in relation to developing third party arrangements. Newham have entered into a formal partnership agreement with Justice for Tenants. Newham's website sets out the legislative framework and process for making a tribunal claim and also directs them to get support through a dedicated email address. The Panel would like to see something similar to this replicated in Haringey.

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<sup>4</sup> <https://www.gov.uk/government/news/housing-minister-confirms-funding-for-councils-to-crack-down-on-rogue-landlords>

### ***Recommendation 2***

That the Council enter into a formal relationship with an advocacy organisation, such as Justice for Tenants for example, and proactively refer tenants who live in unlicensed properties to them. The advocacy organisation can assist tenants in pursuing Rent Repayment Orders (RRO). A Council officer should be assigned to lead on each RRO case and support the tenant, for example by providing evidence and witness statements, where appropriate. This is seen as a stick to ensure that landlords have their properties licensed. Ultimately, loss of income may be the only incentive that will push some landlords to adhere to the licensing regime.

## Private Renters Charter

- 7.8 The Panel recognises that the Council has dedicated web pages on its website that provide advice to landlords and tenants of private rented sector properties, but believes this could be strengthened. The Panel would like to see Haringey adopt a private renters charter, which sets out what the legal responsibilities for a landlord are, what rights a tenant has, and what support residents can expect from the Council in this regard. This charter would bring all of the relevant information into one document and would, it is envisaged, provide a level of ownership by the Council on how it will provide support to residents and strive to improve conditions within the private rented sector. It is acknowledged that whilst the Council can't control rent prices, we can try to make renting in Haringey better for local people, especially as 40% of homes in the borough are rented in the private sector.
- 7.9 Some examples of other boroughs where this has been done are Tower Hamlets, Southwark and Islington. Southwark have introduced a 'gold standard' in their charter, whereby, if landlords meet a gold standard, they get a reduction in the licencing fee. Although novel, the Panel feels that we should not be rewarding landlords for providing safe and suitable accommodation to tenants. This should be seen as a bare minimum in terms of expectations for landlords. Haringey also already offers reductions in the licensing fee for being an accredited licence holder and having a qualifying EPC. It is also notable that licensing conditions already exist through the different licensing schemes and that these should be seen as the primary method for ensuring compliance (rather than financial incentives).
- 7.10 The Panel received evidence that the average landlord in Haringey has 1.4 properties and that many had inherited a property, rather than being large-scale commercial landlords. Offering financial incentives would be unduly beneficial to large scale commercial landlords and the Council should continue its focus on working with and providing advice to smaller landlords. It is felt that providing an information pack to both landlords and tenants, as Newham do, should be

part of our offer and that this would be part of our responsibilities set out in the charter.

- 7.11 The Panel received evidence from Renters' Rights that some local authorities had undertaken joint licensing inspections with other agencies, particularly immigration enforcement. These were done in order to access funding under the Controlling Migration Fund. We received evidence that licensing inspections were far less likely to be engaged with if people feared having their immigration status checked. Generation Rent gave evidence that they had seen a number of cases where this has happened across London, and they found that both landlords and tenants were less willing to engage if the Council is seen as working in conjunction with other enforcement agencies. The Panel believes strongly that this isn't something that should be part of our inspection regime and welcomes assurances received from officers and the Cabinet Member that this has not happened in Haringey and that there is no desire to see it happen in future.
- 7.12 The Panel believes that having a private renters charter would allow the Council to expressly set out that it would adopt a robust inspection and enforcement regime and that inspections and fines would be used as a deterrent against landlords who don't provide safe and decent accommodation. Similarly, it will also provide a space for the Council to set out any future aim to expand the licensing regime where possible, including into the west of the borough.

## Renters Reform

- 7.13 Acorn gave evidence to the Panel and they told us that they were part of the renters' reform coalition, made up of about 20 organisations such as Shelter and the Nationwide foundation, who are lobbying for provisions within the Renters Reform Bill that is currently going through parliament. The Panel feel that the Council should consider being part of this coalition and should also be lobbying local parliamentarians to ensure that the bill becomes law and that some of the key elements are not watered down.
- 7.14 The most significant part of the bill is the proposal to ban so called Section 21, no fault evictions. The Panel have received extensive evidence that this would be a game changing development and would provide a level of security to tenants that up to now they have not had. Currently landlords can evict tenants with two months' notice under this regulation and in a number of cases this is being done to increase rents in a spiralling market. Banning this will, it is hoped, introduce a measure of stability to the market and protect the most vulnerable from being evicted without any good reason. Another key element of the Renters Reform Bill is a property portal and national register for landlords. The Panel welcome a national register for landlords and hopes that this will help improve standards and reduce the number of rogue landlords. Some consideration will need to be given as how this register will interact with property licensing in future and whether landlords will simply lobby the government to row back on property licensing, claiming that the licensing regime is effectively redundant. One of the organisations we spoke to suggested that local

authorities will need to have a robust evidence base with which to defend their schemes.

- 7.15 As well as offering political support for things like the Renters Reform Bill, the Panel believes that the administration should also be supporting rent controls. This is also something that is advocated by the Renters' Reform Coalition. The most efficacious way of doing this is through supporting the Mayor of London's call for the introduction of rent controls. The administration should use its political leverage to push for granting the Mayor more powers in relation to rent control, in the event of a future Labour government in Westminster. The Panel notes that the Scottish government introduced a temporary 3% cap on rent increases in September 2022.

***Recommendation 3***

That Cabinet give consideration as to how the Council can provide tenants with more information about their rights. It is recommended that the Council adopts a private renters charter and a dedicated web page, that sets out what the legal responsibilities for a landlord are, what rights a tenant has, and what support they can expect from the council. It is envisaged that supporting tenants to know their rights will help to improve standards. This should go out to public consultation and may include

- a. The council's commitment to non-cooperation with border agencies
- b. Supporting the Mayor of London's call for rent controls
- c. Making clear that inspections and fines will be used against non-compliant landlords
- d. Promoting the rent repayment order process
- e. Supporting renters' reform, including an end to no fault evictions and automatic evictions for those in rent arrears

- 7.16 The Panel heard evidence about the importance of data sharing and working across different Council departments. In fact, it was suggested to us that a section of landlords rely on the fact that different Council services don't talk to each other in order to get around complying with regulations. Newham advised us that they have an integrated database, which allows their officers to look up a particular address and that all of the relevant information, from across different council departments, is contained there, including Council Tax, ASB, Land Registry details, and details of any previous complaints. Having all of this information in one place and available to officers across different services makes data collection and data retrieval quicker and easier, and is repositied in one place.
- 7.17 We put this point to officers and the Cabinet Member and we were advised that Haringey shares intelligence through the use of the Meta Street database. This links the reporting and inspection regime up to the application process. We received evidence that Meta Street would also shortly be used as the complaints database as well. This would include complaints received by

residents and tenants. Complaints will then automatically align with other part of the process. As an example, we were advised that the database would flag up planning permission issues or outstanding council tax debt. This would then be relayed to the relevant teams to let them know that the PRS housing team had found an issue. Cross referencing was already carried out, but automating this at the back end of the process will, it is envisaged, improve data collection and intelligence gathering further.

- 7.18 The Panel welcomes the fact that the team has a cross departmental intelligence gathering approach and that it is seeking to automatically align the application, reporting, data gathering, inspection and complaints process. It is hoped that this will allow officers to access high quality up-to-date and agile data across the Council. Officers advised that they were confident Haringey was one of the leading authorities when it came to use of the Meta Street intelligence gathering database. The more intelligence gathering capability we, as an authority, have, the more effective our inspection and enforcement regime will be. It is hoped that, as the intelligence gathering picture develops, this will help us to respond to cases of disrepair and poor housing conditions in a co-ordinated and timely manner. The Panel would like to see a process whereby issues flagged up by the database were automatically shared with colleagues in other departments and that complaints from external stakeholders such as VCOs and tenancy advocacy organisations are also fed into the intelligence gathering process.
- 7.19 One area where we think that data sharing and intelligence gathering could be improved is through establishing regular intelligence gathering meetings for key internal and external partners around the sphere of Private Rented Sector Housing in the borough. It is envisaged that this would include key services from across the Council. These would presumably include, but are not limited to, PRS Housing Team, Housing Needs, ASB, Waste, Estate Management, Council Tax, Children's, Adult Social Care. It is understood that organising these meetings would have an implication on officers' workload in an already very busy team. The Panel feels that holding these meetings on a quarterly or bi-annual basis is reasonable in that context. However, the frequency could be kept under review and increased if it was felt appropriate.
- 7.20 The Panel believes that it is also important that local VCO and tenancy management groups be involved in this intelligence gathering work, most of whom will have direct knowledge of current serious cases of disrepair and have a direct contact with residents who are living in these properties. This would allow the organisation to increase the amount of intelligence it received from tenants, and to hear about how the Council could improve. The Council already has a landlord forum and the Panel feels that similar impetus should be given to seeking the views of tenants and tenancy advocacy organisations in the borough. Of the organisations we spoke to, Acorn were particularly interested in working with the Council and would welcome meeting with officers and having a direct process for referring serious cases of disrepair.
- 7.21 Newham hold external bi-monthly meetings with a range of organisations, such as London Renters Union, Shelter and Magpie in order to gather intelligence, and this dialogue also helps shape their tenants' information pack. Similarly,



Camden advised the Panel that they have a PRS partnership, with regular meetings with partners to share information, campaigns and intelligence on the private rented sector in Camden. The attendees include Citizens Advice, Mary Ward Centre, Legal, Student Accommodation, Camden Federation of Private Tenants, Safer Renting, and Help the Aged.

***Recommendation 4***

Officers should establish semi-regular meetings bringing together relevant services from across the Council, along with some of the key VCOs and tenancy advocacy organisations in Haringey; in order to gather intelligence, receive specific case referrals and to hear from the experience of tenants in Haringey. The Council already has a Landlord Forum. It is envisaged that this will go some way to balance this with the views of tenants.

## 8. Licensing Fees and Enforcement

### Licensing Fees

- 8.1 The Panel received evidence from officers in the PRS Housing team that the licensing fees had been benchmarked against other boroughs and had recently been increased as a result. We welcome the assurances that we were given that the intention was that the level of fees would increase at least in line with inflation going forwards. The Panel were also advised that the Council had to be able to demonstrate that any increase in fees was reasonable and could be evidenced. With inflation rates being unstable, but having increased significantly since September 2022, the Panel is keen that the level of licensing fee income received by the Council is maximised, and at the very least that they rise in line with inflation.
- 8.2 Haringey's licensing fees are lower than some of our neighbours, with Enfield, Newham, and Waltham Forest charging more for a selective licence (whilst Hackney and Islington charge less). Camden's additional licensing fee is higher than Haringey's and we received evidence that the reason a higher charge was introduced was to cover the costs of a strong inspection and compliance regime. The Panel received evidence that local authorities can receive all of the licence fee income in one go if the applicant agrees (rather than it being split between Part A & Part B). Newham have a box that applicants can tick that gives them permission to collect it all in one payment, at the beginning of the application process. Camden issues one-year licences for licence renewals where, upon re-inspection, the applicant has failed to address the hazards identified as part of the inspection regime for the original application. In these instances, the full licence fee is applicable for that one year, rather than five. This creates a significant financial incentive for the landlord to resolve the issue. The Panel believes that the Council should seek to maximise the amount of fee income it can generate, in order to build up the size of the PRS housing team and to ultimately allow it to carry out more inspections and enforcement work.
- 8.3 The Panel would also like to see the administration explore whether licensing income could be used to fund tenancy relations officers who are specifically tasked with supporting tenants experiencing poor living conditions or living in unlicensed properties. These officers could also be used to gather evidence in support of tenants to seeking Rent Repayment Orders. We received evidence from Newham that in their experience, a key driver for tackling persistent offenders is having a tenancy relations officer who specifically deals with private rented sector accommodation, as they gather a lot of intelligence and are adept at negotiating a good settlement with landlords.
- 8.4 In addition to maximising income from licence fees, the Panel would also like to see more enforcement work carried out and more revenue generated from fines to non-compliant landlords. Unlike Rent Repayment Orders, where the tenant receives their rent back, the fees generated through Civil Penalty Notices (CPNs) go to the Council. The maximum fine is £30k per offence. The Panel recognises that in order to generate more enforcement income, the Council would need to undertake more compliance inspections and identify more compliance breaches. This will require additional staffing resources. The Panel

received evidence that the use of licence fee income to fund additional staff, who carry out compliance and enforcement inspections, and generate further revenue, is permitted as part of the licensing regulations. Similarly, licence fee income can be used for training new staff and for staff to undertake inspections for unlicensed properties. We also received evidence that CPN income is not ringfenced in the same way as application fees and that consequently, there is more leeway in how this is spent. Camden gave evidence that they had received more than £2m in CPN income since their additional scheme was put in place in 2018.

***Recommendation 5***

That Cabinet undertake a review to ensure that our licensing fees are in-line with our statistical neighbours and that these rise every year in line with inflation. The Panel would like to see an increased compliance and inspection regime and believes that maximising the revenue generated from fee income is one element of this. The Panel would also like to see an additional focus on fines and enforcement through existing HHSRS legislation, as well as fines for breaches of licensing conditions. Consideration should be given to targets for issuing CPNs.

***Recommendation 6***

That Cabinet explore the viability of using licensing fees to employ tenancy relations officers, who are specifically tasked with supporting tenants experiencing poor living conditions or living in unlicensed properties. If this is deemed not possible under the current framework, the Council should lobby the Government in order to advocate for more flexibility in the use of license fee income in this regard.

**Increased Enforcement**

- 8.5 The Panel received evidence from officers in the PRS Housing Team that increasing the revenue generated through landlord licensing could theoretically be used to undertake more compliance inspections and enforcement action. However, officers advised that the revenue generated could only be used for the administration of the scheme. The Council was not able to make a surplus and so it would have to ensure that it was able to recruit the additional staff to justify the fee increases, or risk having to reduce the cost of the application fee in subsequent years. The Panel was also cautioned that income generated from licence fees would naturally tailor off through the five-year scheme, as more landlords obtained a licence. The Head of Regulatory Services advised that he met regularly with finance colleagues to understand income levels and expenditure for the scheme and to ensure that the income the team received could be spent.
- 8.6 The Panel are cognisant that recruiting additional Environmental Health

Officers (EHOs), who are trained to carry out HHSRS inspections, is not straight forward, as there is a limited number of qualified EHOs and virtually every other borough is also looking to recruit them. The Panel is supportive of the fact that the PRS Housing Team are looking to recruit more compliance staff and train them up to undertake inspections and also welcomes the recruitment of two student EHOs through the University of Middlesex's Environmental Health BSc programme.

- 8.7 In comparison to some of the other boroughs that we spoke to as part of this review, Haringey's PRS team is quite small; with 6 EHOs, 5 compliance officers and 2 student EHOs. In comparison, Newham gave evidence that their team was comprised of between 65 and 68 staff, depending on vacancies. 25 of these managed the application process and did intelligence gathering. There was a team of 11 EHOs. Enforcement against category 1 offences was undertaken by trained EHOs and lower category breaches were dealt with through the compliance team. As a result, Newham were able to undertake around 800 inspections per month. The officers had smart devices that could upload inspections and photographs, which automatically generated letters and notices. This also gave Newham the capacity to redirect staff to undertake 7000 damp and mold inspections in 2021/22.
- 8.8 The Panel is not necessarily suggesting that Haringey needs a team this size, and it is recognised that even if we were able to, it would take a number of years to achieve. However, the Panel feels it is instructive in demonstrating that having a larger PRS team can be done and that it can be done in a way that is self-financing and complies with the regulations. The Panel suggests that there is a kind of domino effect, in terms of increasing staffing resources, which generates more inspections, which means more proactive enforcement work can be undertaken, and more revenue generated as a result. Additional revenue generated from the licensing scheme should be used to train up additional staff in the first instance, which will ultimately lead to the Council being able to carry out more inspections and enforcement action. In the evidence that was given to the Panel, the NRLA suggested that most councils did not have sufficient resources available for their compliance and inspection work to make licensing effective. The Panel recognises that the Council has a large number of competing priorities and that it would take a certain degree of political will to bring this about.

### ***Recommendation 7***

The Panel would like to see an increase in the size of the licensing team in order that more inspection and compliance visits can be undertaken. It is envisaged that maximising fee income and generating additional revenue from enforcement activity will allow the Council to put in place additional staff, who in turn will support more proactive enforcement. In light of the shortage of trained EHOs, the Panel supports the team's work to employ more compliance officers who can then be trained up. The Panel would like to see increased fee income being used to support the training and employment of more compliance officers.

- 8.9 The Panel is sympathetic to the fact that the team have to operate within the context of finite staffing resources. Applications have to be processed, inspections carried out and recorded and enforcement action taken against non-compliant landlords. Clearly there is a balance to be struck, focusing disproportionately on inspections would impact the ability of the team to process applications. The Panel was advised that under the Additional Licensing Scheme, all properties need to be inspected over the five-year term of the scheme. Officers were working to a scheduled programme of inspections in order to meet this requirement. Selective licensing is managed differently, there is no requirement to carry out inspections under this scheme. Officers advised that they did not have the capacity to carry out a formal inspection of every property. Instead, Haringey uses an intelligence-led approach and assesses the risk of a particular property using the information received as part the application process. The Panel recognises that inspecting every property is not possible without a significant increase in staffing resources and that a degree of prioritising inspections based on risk may be inevitable.
- 8.10 The Panel would like to see a number of random spot-checks being carried out on properties. It is suggested that this should be carried out both on those properties that have been issued a licence and those who have applied and their licence application is being processed. The Panel believes that this will create a greater enforcement risk for landlords and encourage them to maintain their properties up to the required standard. Currently, inspections are based on intelligence and the information provided to the Council by the landlord as part of the application process. Spot checks would provide some additional assurances that the information supplied by landlords is accurate. The Panel received evidence from a number of different organisations who were concerned about the number of rogue landlords in the sector. Acorn and Renters Rights London both gave evidence that they had encountered a number of cases where the landlord had far more people living the property than they had advised the Council of. Random spot checks would be able to identify some of these properties and provide a greater risk of enforcement action being taken.

- 8.11 The Panel would also like to see the Council set up an anonymous reporting function on its website for suspected unlicensed HMOs, or suspected instances of landlords failing to comply with regulations of their licensing conditions. The Panel would also like to see the Council publicise examples of where it had taken action against landlords who do not comply with the regulatory regime. The Council operates a 'wall of shame' for environmental crime and serious cases of fly tipping. The Panel would like to see the anonymous reporting function being combined with a dedicated webpage showing similar cases of successful enforcement action being taken against rogue landlords. These should be located on the same part of the website. We were advised by Renters Rights that a key to tackling some of the more severe cases of disrepair in private sector housing was the need for a dedicated reporting mechanism and a culture where officers followed up on these complaints and routinely undertook inspection visits.
- 8.12 The Panel received evidence that there were extremely prescriptive grounds for refusing a licence, which were largely around unspent criminal convictions. The Panel understands that the Council is limited by the legislation in this regard. Officers advised the Panel that they were not aware of anyone having their licence application refused in Haringey under the 'fit and proper person' test. The licence was issued to a licence holder, rather than the owner, which would often be a management agent. Even if a licence holder had relevant unspent criminal convictions and they were refused a licence, the property owner could simply reapply using a different licence holder. The Panel believes that this fundamentally undermines the effectiveness of having a 'fit and proper person' test and that the legislation should be strengthened.

***Recommendation 8***

The Panel recommends that the Council increase the level of random spot checks for compliance with the licensing conditions. It is understood that the Council does not have the capacity to inspect every property or wait to issue licences until checks have been carried out. However, officers could carry out a limited number of random spot-checks both on properties that have applied for a licence, and properties that have already been issued with a licence and enforce accordingly. This would increase the risk of enforcement for unscrupulous landlords and would help ensure landlords are meeting their licensing obligations.

***Recommendation 9***

That the Council set up an anonymous reporting function on its website for suspected unlicensed HMOs or landlords failing to fulfil their license obligations. It is suggested that examples of recent enforcement cases against non-complaint landlords should also be incorporated into this section of the website.



## 9. Intelligence Gathering

- 9.1 The Panel has already set out its view on the importance of data sharing and need to work across different services and directorates in order to ensure that there is a Council-wide approach to tackling poor quality and hazardous housing conditions in the borough. Having integrated databases and sources of information that are accessible across different teams is crucial to our intelligence gathering capacity and our ability to direct resources effectively. In paragraph 7.19 of the report, the Panel has set out that it would like to see semi-regular intelligence meetings established, which involve relevant services across the Council and also include local tenancy advocacy organisations and other relevant VCOs in the borough. This is to give the Council a broader intelligence gathering scope and provide a forum in which to collect and share intelligence with key services and other external groups, that interact directly with tenants and those living in poor quality private rented accommodation.
- 9.2 In addition to establishing data sharing meetings with external partners, the Panel believes that this should be supplemented by the Council setting up a standing intelligence sharing group, involving different teams across the Council who interact with private rented sector housing. It is hoped that this will formalise the Council taking a more integrated approach to tackling poor quality and hazardous housing conditions in the borough. Its role would be to ensure that there are processes in place to co-ordinate data sharing and intelligence gathering across the council. The group would provide an opportunity for different service leads to meet, as well as providing an organisational forum for sharing intelligence on properties which may be in breach of regulations and to learn lessons from elsewhere.

### ***Recommendation 10***

That the Council examine how it can maximise its intelligence sharing across the Council, to ensure that our intelligence gathering capacity is as joined up as it possibly can be. The Panel would like to see the establishment of a standing intelligence sharing group, involving different teams across the Council, around private sector housing. We received evidence that landlords basically rely on different services not talking to each other in order to flout the licensing regime.



## 10. Communications activity

- 10.1 The Panel recognises the amount of work that is carried out by the Private Sector Housing Team in providing information, advice and guidance, processing applications, carrying out checks on those applications, inspection visits, undertaking enforcement action and working with other Council departments to ensure that PRS housing in the borough is managed and regulated effectively. The team has issued around 9000 licences to date and undertaken 17k compliance checks. However, during the course of the evidence that we received, it was made clear to the Panel that landlord licensing and the details of our HMO and selective licensing scheme are, for the most part, not that well known. Everyone understands that the Council collects refuse or fixes potholes, but its role in licensing private rented sector accommodation will be news to most people. Even some of the contributors to this review, who were residents in Haringey, were unaware that, for example, a selective licensing scheme had been introduced in the east of the borough.
- 10.2 The Panel believes strongly that one of the best ways to improve the quality of PRS housing in the borough is to support and empower residents to be able to know what their rights are, what the responsibilities their landlord has towards them, and where they can report problems. This also links in with having a robust intelligence gathering and sharing capacity to be able to collect and share information on serious cases of disrepair and to use this information to formulate a compliance regime that creates a genuine risk for non-compliant landlords. Having an anonymous reporting function is part of this, so that tenants can report unsafe housing to us and do so in a way that does not risk them facing retaliatory eviction.
- 10.3 The Council should be seeking to ensure that it communicates to its residents all of the work that is being done in this area to increase public awareness of property licensing. By increasing awareness, it is expected that more people will report unsafe housing to the Council and this will in turn generate greater compliance. A key aspect of this should be around communicating to residents how to check that their property is licensed and where to report suspected unlicensed premises to. This facility is already in place but it is suggested that there should be some dedicated communications messaging put out by the Council to promote it, on a semi-regular basis. Some thought should also be given on how to target communications to tenants living in private sector accommodation. The Panel would also like the Council's communications activity to build up a deterrent to non-compliant or even criminal landlords. The Council should be seeking to demonstrate to landlords that non-compliance will be found, investigated and that serious breaches will result in significant fines.
- 10.4 The Panel also believes that ward councillors should be seen as a valuable source of intelligence about locations of unlicensed HMOs, poor housing conditions, anti-social behaviour, and overflowing refuse bins and other indicators of overcrowding and unlicensed HMOs. Ward Councillors know their areas and this should be tapped into by all the different services who play a role in private sector housing. The Panel believes that the organisation should give

some consideration to how it communicates and engages with councillors around private sector housing, keeps them updated about developments, and how their local knowledge and experience can be utilised in this area. It is suggested that they could be included in a future intelligence sharing group, if Cabinet agrees to this recommendation.

***Recommendation 11***

The Panel also recommends that regular communications activity is taken by the Council in order to promote the work of the Private Rented Sector Licensing Team to residents and the public. This comms activity should include:

- Publicising the public register of properties that are licensed.
- Publicising the anonymous reporting function
- Publicising examples of successful enforcement against landlords, in order to act as a deterrent.

***Recommendation 12***

That consideration is given as to how best the Council can communicate its activities around Private Sector Licensing to Councillors. Councillors should be an important resource in terms of eyes and ears on the ground and an important source of information about where HMOs are located, possible licensing breaches and issues on the ground.

## Appendix 1

### A list of contributors who gave evidence to the Scrutiny Review

<b>Contributor</b>	<b>Organisation</b>	<b>Date</b>
Lynn Sellar	Private Sector Housing Team Manager, Haringey Council	8 <sup>th</sup> February 2023
Gavin Douglas	Head of Regulatory Services, Haringey Council	8 <sup>th</sup> February 2023
Denise Gandy	Assistant Director of Housing Demand, Haringey Council	8 <sup>th</sup> February 2023
Cllr Dana Carlin	Former Cabinet Member for Housing Services, Private Renters & Planning, Haringey Council	8 <sup>th</sup> February 2023
Portia Msimang	Project Coordinator, Renters Rights London	7 <sup>th</sup> March 2023
Conor O'Shea	Policy & Public Affairs Manager, Generation Rent	13 <sup>th</sup> March 2013
Roz Spencer	Head of Service, Safer Renting	22 <sup>nd</sup> March 2013
Darren Whilsher	Private Sector Housing Service Manager, Camden Council	17 <sup>th</sup> April 2023
Richard Blanco	London Representative, National Residential Landlords Association & Haringey Landlord	24 <sup>th</sup> April 2023
Sarah	Branch Secretary, Acorn Haringey	26 <sup>th</sup> April 2023
Liz	Committee Member, Acorn Haringey	26 <sup>th</sup> April 2023
Cllr Sarah Williams	Cabinet Member for Housing Services, Private Renters & Planning, Haringey Council	31 August 2023
Helen Masterton	Head of Private Sector Housing, Newham Council	13 <sup>th</sup> September 2023
Cllr Carleene Lee-Phakoe	Cabinet Member for Housing Needs, Homelessness and Private Rented Sector Housing.	13 <sup>th</sup> September 2023

## 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

<p><b>Improve the management standards of all single family private rented accommodation</b></p>	<p>Improve compliance of property standards through licensing conditions</p>	<p>Provide a formal reactive response to complaints made by tenants where landlords have failed to comply with licensing conditions</p>	<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>
<p><b>Assist private sector tenants living in areas of deprivation to access Council &amp; Voluntary services.</b></p>	<p>Ensure that tenant engagement is a key part of the scheme.</p>	<p>Officers to signpost tenants of licensable premises who need additional support to Councils services, connected communities and the voluntary sector.</p>	<p>Number of housing related referrals to connected communities/council services</p>
<p><b>Improve factors that make deprivation worse</b></p>	<p>Reduce fuel poverty in Licensable premises.</p>	<p>Bring identified properties up from F and G to a minimum of E rating</p>	<p>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.</p>