

Report for: Housing and Scrutiny Panel – 2nd October 2017

Item number: 10

Title: Property Licensing - Update

Report authorised by: Stephen McDonnell – Interim Director Commercial and Operations.

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Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** N/A

1. Describe the issue under consideration

- 1.1. The purpose of this report is to inform Members of the Housing and Regeneration Scrutiny Panel of progress made to date in respect of extending the current Additional Licensing scheme and introducing a Selective Licensing scheme for single dwelling houses.

2. Cabinet Member Introduction

N/A

3. Recommendations

- 3.1. Members of the Housing and Regeneration Scrutiny Panel are recommended to:
- i. Note the report; and
 - ii. receive a presentation at the meeting of 2nd October 2017.

4. Reasons for decision

- 4.1. To update Members on progress made to date.

5. Alternative options considered

N/A

6. Background information

6.1. Background

6.1.2. Under the Housing Act 2004, there are three forms of licensing relating to private sector housing available to local authorities. Mandatory and additional licensing regulate houses in multiple occupation (HMOs) and selective licensing relates to all other eligible private sector dwellings.

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

6.2. The Process

6.2.1. In order to bring forward either an additional or selective licensing scheme the local authority must satisfy the legislative criteria. This is particularly important when presenting a case for selective licensing as the authority must prove that there is either:

- A significant and persistent problem caused by anti-social behaviour. (***you must show a direct link with private sector housing***)
- Low demand housing
- Some or all of the private sector landlords are failing to take appropriate action to combat the problem

6.2.2. In April 2015 the conditions were extended to include **one or more** of the following:

- Poor property conditions (*need to show that the current powers available are not sufficient*)
- High levels of migration (*Guidance suggests an increase of 15% within 12 months*)
- High levels of deprivation
- High levels of crime.
- Area must have a high proportion of private sector dwellings – *nationally the private rented sector makes up 19%*

6.2.3. Any licensing scheme must be linked to a wider strategic plan to improve the area and the housing options within the borough.

- 6.2.4. Any proposal for a scheme covering more than 20% of the geographic area or affecting more than 20% of private rented properties is subject to approval by the Secretary of State.
- 6.2.5. The process for introducing additional licensing is less onerous and consent from the Secretary of State is not required – an authority can, having met certain conditions, introduce a borough wide additional scheme for the majority of HMOs.
- 6.2.6. Both schemes need to be supported by a robust evidence base and a full public consultation exercise is required before a scheme can be introduced.
- 6.3. Progress to date
- 6.3.1. In order to establish whether Haringey meets the statutory conditions, various data sets (from within the Council and the Metropolitan Police) were brought together and analysed.
- 6.3.2. From the work we have carried out to date, officers estimate that Haringey has approximately 35,500 private sector dwellings - a noticeable increase since the 2011 Census of 32,000. Officers also believe that up to 50% of the private sector in Haringey is made up of HMO type properties.
- 6.3.3. Many HMOs operate under the radar and consist of some of the poorest housing conditions in the borough. Traditionally HMOs present a higher level of risk to the occupants, due to the size, layout of the building and more intensive use of electrical and cooking appliances; increasing the risk of fire. Our current licensing scheme has uncovered poorly managed buildings, absent landlords and appalling housing conditions. They are often occupied by some of our most deprived and vulnerable residents. A borough wide additional licensing scheme would increase our powers and go some way to improving the lives of the residents.
- 6.3.4. Presenting a case to support the introduction of a Selective Licensing Scheme is more complex. A Selective Licensing scheme would cover single family dwellings; these type of dwellings usually present a lower risk than HMOs and are less problematic.
- 6.3.5. Officers recently met with colleagues from the Department for Communities and Local Government (DCLG) to discuss our initial proposals for licensing and to seek further guidance on how best to present an evidence base. DCLG reiterated their guidance above and further confirmed:
- Where possible, analysis of evidence to support a **selective licensing** scheme should be by road/street level, rather than ward based level – their preference is to see a scheme that addresses problems in *selective* areas, for example, one or two roads in multiple wards.

- That the local authority should identify the problems it is trying to address and how the introduction of a selective licensing scheme will deliver the desired outcomes.

6.3.6. Work is ongoing to refine the data and meet the requirements of DCLG. From our analysis to date, our findings suggest that there are pockets of problematic single family private sector dwellings in the borough. It is likely therefore that officers will recommend a Selective Licensing scheme that falls within the 20% threshold.

6.3.7. By way of further update, Members of the Panel will receive a presentation at the meeting of 2nd October 2017

7. Contribution to strategic outcomes

7.1. Extending our Additional Licensing scheme to cover the remaining HMOs in the Borough and introducing Selective licensing to part of the borough will compliment and work alongside the Council's other strategies and priorities. Licensing will support the following Corporate Plan objectives:

- Priority 3 - A clean and safe borough where people are proud to live.
- Priority 4 - Sustainable Housing, Growth and Employment.
- Priority 5 - Create homes and communities where people choose to live and are able to thrive

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

N/A

Legal

N/A

Equality

N/A

9. Use of Appendices

N/A

10. Local Government (Access to Information) Act 1985

The Housing Act 2004
DCLG Guidance on Selective Licensing