

Appendix 6

Draft Proposal to designate an area as subject to additional licensing

Draft Proposal for Consultation

This Document is published by London Borough of Havering

www.havering.gov.uk

December 2016

Document Control	
Title of activity:	Private Sector Landlord Licensing
Lead officer:	Wendy Laybourn, Senior Private Sector Housing Strategy Officer Regulatory Services/Communities & Resources
Date completed:	December 2016
Version Number	V8
Saved in:	W:\data01\HDCS\PKKEYES\Public Protection\Licensing\2016 Amended Draft Consultation Proposal to Designate an Additional Licensing Area v8 final.docx
Scheduled date for review:	Spring 2017- following completion of full public consultation

Contents

Document Control	1
Sources of Guidance and Reference.....	4
Foreword.....	5
1.0 Introduction and context.....	6
2.1 Penalties.....	9
3.0 The Proposal.....	11
5.0 How does additional licensing fit in with other strategies and activities of the Council and its partners?.....	15
5.2 Homelessness Prevention.....	16
5.3 Alternative courses of action considered.....	17
5.4 Landlord Accreditation.....	17
5.5 Engagement with landlords.....	18
5.6 Community Safety Partnership.....	18
5.8 Enforcement of HMO Management Regulations.....	19
5.9 Dealing with statutory nuisance and noise.....	20
7.0 What are the potential risks of an additional licensing designation and how have these been considered, prevented or managed?.....	22
8.0 Review of the designation.....	24
10.0 How do I make comments on this proposal?.....	28
Appendix 1:.....	29
Maps showing approximate locations of known HMOs in Havering.....	29
Appendix 2:.....	33
Supporting data relating to incidents of crime and anti-social behaviour.....	33
Appendix 3:.....	44
Evidence of borough-wide problematic and poorly-managed HMOs.....	44
Appendix 4:.....	48
Proposed licence fee and charges.....	48
Appendix 5:.....	53
Additional Licensing Conditions.....	53

Abbreviations

ASB	Anti-social behaviour
BRE	Building Research Establishment
ELHP	East London Housing Partnership
HMOs	Houses in Multiple Occupation
HSCR	Housing Stock Condition Report
LSOA	Lower Super Output Area
LSOAs	Lower layer Super Output Area
PRS	Private Rented Sector
RSL	Registered Social Landlord
TIMs	Tenure Intelligence Model

Sources of Guidance and Reference

This document has been researched and drafted with due reference to the following sources of guidance and good practice, in addition to those sources referenced within the body of the document:

1. Great Britain. Department for Communities and Local Government. (2016). The Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of other residential accommodation (England) General Approval 2015. London. Department for Communities for Local Government

Examples of good practice by local authorities with an additional licensing scheme have been reviewed and lessons have been learned from those authorities who have had their additional licensing designations subjected to judicial review proceedings.

DRAFT

Foreword

This Council believes that the implementation of a combination of additional and selective licensing will, alongside other existing and proposed activities, improve conditions in the PRS and reduce the negative impact that poorly-managed rented houses in the PRS have on the local community.

The low supply and high demand for housing means that the market alone will not drive up standards in the PRS. For many of the Borough's most vulnerable residents there are limited options to meet their housing needs and they are therefore more willing to pay for substandard and sometimes dangerous accommodation.

This report outlines the local authority's analysis of several datasets and current research and demonstrates how the evidence obtained by the local authority meets the legal criteria to implement an additional licensing scheme as part of a co-ordinated approach to tackling the problems identified. It also details and explains the consequences of the proposed additional licensing scheme, so that consultees have an opportunity to consider and provide an informed response to the proposal.

DRAFT

1.0 Introduction and context

The population of Havering is projected to increase by 10% by 2020, an increase of 24,000 people. This is expected to place significant pressure on the housing market in the Borough, particularly because of the demand for affordable housing in the PRS.

The number of people owning their own home in Havering, rather than renting social or Council housing, is higher than the average for London or England. In 2011, 10,464 properties in Havering were owned by the local authority, 3,355 by Registered Social Landlords, 71,698 were owner-occupied and 9,601 were privately-rented. The latest figures suggest that, in 2016, there are approximately 100,000 dwellings in total, of which 17,037 are now privately-rented.

Pensioner households comprise the biggest proportion of households in Havering, making up nearly 30% of all households, 15.6% of which are lone-pensioner households.

Havering is considered to be a safer place to live than other areas in London and, according to the national average, other boroughs nationally. Although, there are differences within wards as to the level of criminal offences for many types of crime, all parts of the Borough are affected to some degree. Benefit-dependent young families and single people in social housing are likely to be the most worried about becoming a victim of crime.

Further, many single-person, benefit-dependent households are transient and this can lead to a high turnover of residents. The constant movement of single people within the PRS means that it is difficult to create and sustain any feeling of community. This is likely to contribute to the high levels of crime and anti-social behaviour (ASB) in the borough.

In order to gain a more accurate picture about the levels of private rented housing and the distribution of HMOs in the borough, the London Borough of Havering has been working with colleagues at the London Borough of Newham to develop a new Tenure Intelligence Model (TIMs) for Havering. This has been developed using information from a number of sources that the Council already holds in its Data Warehouse. The model analyses the information held, indicates properties that are privately rented and predicts addresses that may be multi-occupied.

This analysis has shown that privately rented housing now comprises around 17% of the total housing stock in the borough (17,037 households), compared with 11% in 2011; and in two wards - Romford Town and Brooklands - comprises 26.5% and 27.5% of the total housing stock respectively.

This growth has been due largely to the activities of 'buy to let' investors, who have replaced owner-occupiers in many of our streets and neighbourhoods.

The data indicates that there are between 800 and 1,200 HMOs in the borough, of which approximately 300 are known to the Council by address.

Certain parts of the borough, such as Heaton and Gooshays wards, have a disproportionately high percentage of HMOs in relation to their total private rented stock, and associated anti-social behaviour (ASB) and crime levels are significantly higher in areas where there is a high concentration of HMOs.

Conversely there are poorly managed HMOs located in all wards of Havering. Over the last three years inspections of 100 two storey HMOs were carried out. A breakdown of the ward locations of those properties is tabulated below

Brooklands	17	Gooshays	9	Hylands	3	Romford Town	12
Cranham	1	Havering Park	3	Mawneys	4	South Hornchurch	8
Elm Park	3	Heaton	16	Pettits	3	Squirrels Heath	2
Emerson Park	3	Harold Wood	8	Rainham & Wennington	6	Upminster	3

DRAFT

2.0 What is an additional licensing scheme?

The Housing Act 2004 provides for three different schemes for the licensing of privately-rented housing:

1. **Mandatory licensing;**
2. **Additional licensing**
3. **Selective licensing**

Mandatory licensing - requires local authorities to licence all HMOs of three or more storeys, occupied by five or more people living in two or more single households.

Selective licensing - relates to the licensing of other privately-rented homes that are not HMOs, such as privately rented houses that are occupied by a single family.

Additional licensing – in summary, Part 2 of the Housing Act 2004 gives local authorities power to licence HMOs that are not covered by mandatory licensing, if the local authority considers that a significant proportion of the HMOs in the area are being managed sufficiently ineffectively as to give rise to one or more particular problems either for those occupying the HMOs or for members of the public.

The 2004 Act permits a local housing authority to designate either part or all of its area as subject to additional licensing. If an authority makes a designation, the effect is to require landlords of HMOs described in the designation, located in the area to which the designation applies, to apply for and obtain a licence. Licences incorporate conditions regulating, for example, the management of the property.

Exemptions would include:

- properties already licensed as an HMO under mandatory licensing;
- properties let by a local authority or RSL;
- properties already subject to a management order or empty dwelling management order;
- properties subject to a temporary exemption notice;
- holiday lets; and
- tenancies under a long lease and business tenancies.

Havering Council is proposing to introduce an additional licensing scheme as part of a co-ordinated approach to tackle significant and persistent anti-social behaviour in the borough's private sector.

When an application is received, the Council will consider if the applicant is the most appropriate person ('fit and proper') to be the licence holder.

Landlords who own more than one HMO in the designated area would need to apply for a licence for each individual HMO.

A house divided into multiple units that are not self-contained (i.e. bedsits with shared cooking or bathroom facilities) would require one licence covering the whole property.

A house divided into multiple self-contained dwellings, by contrast, all under the same ownership, would require a licence for each dwelling under the selective, rather than additional, licensing scheme.

The licence would be valid for up to 5 years and would contain a series of conditions set out at **Appendix 5**. Before a licence is granted, all properties will be inspected to ensure they provide suitable and safe accommodation. During the course of the licence period, further inspections would be undertaken in a proportion of licensed properties. Checks would include ensuring compliance with The Management of Houses in Multiple Occupation (England) Regulations 2006 and, where appropriate, properties would be assessed using the Housing Health and Safety Rating System (HHSRS) under Part 1 of the 2004 Act; and any works necessary to mitigate hazards would be required in accordance with the Council's Enforcement Policy.

2.1 Penalties

It is a criminal offence to let out a HMO in the designation area without applying for a licence.

Failure to apply for or obtain a licence could lead to prosecution and an unlimited fine. In addition, the Council or the tenants of the property could apply to the First Tier Tribunal for a Rent Repayment Order, requiring the landlord or agent to repay any rent paid.

It is also important to note that once an additional licensing designation has been made, no notice under section 21 of the Housing Act 1988 (notice requiring possession) may be served in relation to a short-hold tenancy of the whole or part of an unlicensed property, whilst it remains unlicensed.

In addition, landlords and managing agents who have a previous poor management record or have failed in the past to comply with the Council's requirements to maintain and manage their properties may not be able to hold a licence or, for example, will be given a shorter-term licence and subjected to more frequent checks.

If the person who applies for a licence owns or manages a property, which has previously been the subject of a formal notice, leading to works in default or prosecution by a local authority under the provisions of Part 1 of the Housing Act 2004 (for example, an improvement notice, prohibition order, hazard awareness notice, emergency remedial action, emergency prohibition order, demolition order and clearance area powers), then the proposed licence holder may be an unsuitable candidate (not 'fit and proper') and may not be granted a licence.

Furthermore, if the person who applies for the licence has previously had a licence revoked or refused by any local authority, or owns a property that is subject to an interim or final management order, they may not be considered fit and proper to hold a licence.

In cases where the person applying for the licence is not considered fit and proper then, if the property is to continue being rented, an alternative person will have to apply to be the licence holder, such as a suitable managing agent. If a suitable licence holder cannot be found then the Council may have to take over management of the property by, for example, making an interim management order under Part 4 of the 2004 Act.

The Private Sector Housing Team would carry out a programme of pro-active inspections and would be expected to take a zero-tolerance approach where un-licensed properties or breaches of licence conditions are found. It is anticipated that 100% compliance with the licensing scheme would eventually be achieved.

Where the breach of a licence condition is identified, the licence holder may be prosecuted and sentenced to a fine of up to £20,000 per breach.

If the licence holder allows the HMO in question to become occupied by more than the number of persons permitted by the licence, he or she may also be prosecuted and sentenced to an unlimited fine.

The penalties for non-compliant landlords are, therefore, intentionally high. The aim of the scheme is to improve the management of PRS accommodation and thereby reduce and eliminate anti-social behaviour in the private rented sector.

3.0 The Proposal

The London Borough of Havering is considering two additional licensing options, as follows:

1. To implement a borough-wide additional licensing scheme whereby all landlords/managing agents of the HMOs described below will be required to apply for and obtain a licence.
2. To implement a ward specific additional licensing scheme whereby landlords/managing agents of all HMOs described below that are located within the wards of Gooshays, Heaton, Brooklands and Romford Town will be required to apply for and obtain a licence.

The designation would apply to all HMOs, as defined by sections 77 and 254 to 259 of the 2004 Act, which are located in the borough and are:

- occupied by 3 or more persons,
- in one or more households,
- one or more storeys.

Landlords who own more than one HMO within a designated area would need to apply for a separate licence for each HMO.

The licence would be valid for up to 5 years and would contain a series of conditions that the licence holder would be required to comply with, as detailed in **Appendix 5**.

The designation would be used as a tool to improve the management of HMOs and tackle anti-social behaviour in the private rented sector.

Detailed evidence to support both the proposed designation options can be found in **Appendices 2 and 3**.

It is anticipated that the Council will be asked to decide whether to introduce an additional licensing scheme in Summer 2017. If it decides to do so, it is anticipated that the scheme would become operative three months from the date of approval. If implemented, the designation will run for a period of 5 years, subject to periodic review. If the Council wishes to extend the licensing period beyond 5 years it would need to make a new designation upon expiry of the initial designation.

The Council is planning ahead in terms of staff, resourcing and administrative systems so that, if the designation is made, it will be appropriately managed, resourced and enforced. A number of additional dedicated licensing staff will be employed to process licence applications and administer the scheme over the full 5 year period, and these resources will to be proportionately aligned and managed in accordance with the demands of the scheme. In order to ensure maximum flexibility it is envisaged that staffing will be largely met through fixed term temporary contracts throughout the duration of the designation. The purchase of a purpose made licensing software system is also being considered by the Council which should streamline the administrative process and enable licences to be issued more quickly.

It is expected that compliant landlords would apply for a licence shortly after the designation. However it will be necessary to introduce a comprehensive and robust enforcement programme to capture unlicensed properties and landlords who breach licence conditions. The Council is planning to significantly expand its current team of housing enforcement officers to enable a proactive and co-ordinated approach to enforcement to be achieved. Enforcement activity will initially focus on unlicensed HMOs during the first year of the scheme's operation, followed by a programme of both random and intelligence-led inspections of licensed premises thereafter to ensure compliance with licence conditions. The Council intends to follow examples of activities carried out in neighbouring boroughs of Barking & Dagenham and in Newham as the basis for its planned PRS licensing enforcement activities.

DRAFT

4.0 Why do we need an additional licencing scheme?

Havering has experienced a dramatic rise in the number of HMOs in the borough in recent years. This has led to an increase in the number of complaints made by the occupiers of neighbouring homes about the anti-social behaviour of HMO residents; and a significant number of campaigns and petitions, organised by borough residents, challenging the development of HMOs and the management practices of HMO landlords.

Further, the current mandatory HMO licensing scheme only requires buildings of 3 or more storeys, occupied by 5 or more occupants in 2 or more individual households to be licensed. Unlike most London authorities, Havering does not have a large number of properties that fall within this description and as a result we have only issued 53 mandatory licences. Moreover, many HMO landlords have been able to avoid regulation under the 2004 Act by converting modest-sized, two-storey family homes into bedsit type HMOs, falling outside of the mandatory licensing regime. The Council has evidence of a number of portfolio landlords who have based their business models on the conversion of such premises. The number of two-storey HMOs that are brought to the attention of the Council's Environmental Health Service each year significantly exceeds the number of licenced 3 storey HMOs.

The sharp increase in the development of new HMOs in recent years has resulted in a significant number of substandard conversions, which provide poor-quality and sometimes dangerous accommodation. This trend has been fuelled by the high demand for affordable housing accommodation in the borough.

The Council recently gave formal planning directions (Article 4 Directions) removing the conversion of single household accommodation into small HMOs from the scheme of permitted development, and making them, instead, the subject of planning permission. This enables the Council's planning department to control the development of new HMOs. The directions do not apply retrospectively, however, to existing HMOs. Of 182 reports received since 2015 by Havering's Planning department relating to alleged HMOs being formed, 83 were found to be existing HMOs converted prior to 13th July 2016, 53 were occupied as single family accommodation and were therefore not HMOs, 19 were large HMOs with 7 or more occupants and 17 houses had been converted to form self contained units.

We also know that there are a number of landlords who do not simply fail to manage their HMOs properly, but positively exploit their tenants and often the public purse, through housing benefit, by renting sub-standard, overcrowded and dangerous accommodation to vulnerable tenants. The Government is determined that good landlords who work hard for their tenants and comply with the law should cease to face unfair competition from rogue landlords, who ignore the law and their obligations.

With the above in mind, there is a need to ensure the effective management of HMOs in the borough, to help reduce levels of anti-social behaviour in the borough and complaints about it, to prevent rogue landlord activity, to maintain good standards of management in the PRS and to create a thriving, affordable PRS for future years.

The reasons the Council wants to introduce an additional licensing scheme on a borough-wide basis are therefore:

- to address the significant problems of antisocial behaviour associated with the private rented sector and, in particular, with HMOs, by making landlords more accountable for the management of their properties and the behaviour of their tenants;
- to create a level playing field among all HMO landlords by targeting bad landlords and supporting good ones; Compliant landlords will no longer have to compete against unprofessional landlords who fail to maintain their properties to the required standard or fail to manage their tenancies properly and are therefore able to cut the costs of running their HMOs. Licensing will remove this unfair advantage by driving out non-compliant landlords or forcing them to comply. In addition it is proposed that licensed landlords will be able to access a package of guidance that the Council intends to provide by way of a landlord manual which will provide general advice in relation to disrepair matters, managing problem tenants and ASB and eviction procedure;
- to address the inequality that exists currently with the mandatory HMO licensing regime and remove the loopholes that currently enable landlords to avoid licensing altogether. A number of landlords currently only convert properties with less than three storeys into HMOs or limit the number of tenants in a 3 storey HMO to no more than 4 (even if this means one or more rooms remain vacant). A requirement for all HMOs to be licensed would remove this inequality and maximise the use of existing HMOs.
- to improve standards within HMOs, particularly in relation to management practices and overcrowding; and
- to support the delivery of the Council's strategic priorities, particularly its objective to create safe and sustainable communities.

The Council has carried out a risk assessment to fully consider the implications of the proposed additional licensing scheme; and an action plan has been devised to mitigate or remove the potential negative impacts that may result from the implementation of the scheme.. An initial screening Equalities Impact Assessment (EIA) has been compiled which is appended at the end of this document however a full and final EIA will be carried out once the consultation exercise has been completed as the Council will then be better informed of the likely impacts.

5.0 How does additional licensing fit in with other strategies and activities of the Council and its partners?

Before designating an area as subject to additional licensing the authority must identify how an additional licensing designation will improve the area and how the designation will work alongside existing policies or measures that are already being taken.

The data collected by the local authority (Appendix 5) provides strong evidence to support the implementation of additional licensing, but the Council must also ensure that any proposed scheme is consistent with its overall housing strategy; and that it complements existing projects and activities undertaken by the local authority and its partners to tackle homelessness, empty properties and anti-social behaviour affecting the PRS.

The Council must also show that it has considered whether there are any other courses of action available to them that might provide an effective method of achieving the objectives that the designation is intended to achieve, and how making the designation will significantly assist the local authority in achieving its objectives.

Additionally, and with the above in mind, the Council expects additional licensing to complement and assist with the attainment of its corporate objectives.

The Council has a Mission Statement which can be summarised in three words: “**Clean, Safe, Proud**”. These words represent the Council’s vision for the future:

- Havering will be **clean** and we will care for the environment.
- People will be **safe**, in their homes and in the community.
- Our residents will be **proud** to live in Havering.

The Council’s goals and objectives are set out in the **Corporate Plan 2015-16**, its overall strategy which describes how the Council will achieve its vision. It breaks down the vision into the three main objectives:

- **Supporting the community-** by spending money on things that matter most; to you - like clean, safe streets and protecting people in need
- **Using our influence** - to bring more jobs, homes, schools and transport to Havering. We will use our planning powers to balance the growth of business centres, with the protection of ‘green Havering’ and its quieter communities. And we will encourage people to do the right things – keep Havering tidy, be good neighbours and lead healthier lives.
- **Lead by example-** by running a low-cost Council that respects you, by using your money wisely

5.1 Housing Strategy

The Council's Housing Strategy for 2013-2016 identified the following priorities for the PRS.

Our key priorities are to:

- improve our understanding of the local private rented sector ;
- continue to improve access to the private rented sector to tackle increasing housing demand;
- improve private rental property standards and management practices;
- examine the potential of developing new, private rented accommodation;
- help older and vulnerable people to remain safe and independent in their own homes;
- identify and target poor conditions and inadequate energy efficiency in the private housing sector; and
- bring empty homes in the private sector back into use.

The proposed additional licensing designation will support this strategy in a number of ways. Property licensing will facilitate greater interaction with private sector landlords and lead to an improved understanding of the current PRS market. Licence conditions and increased support packages will ensure properties are effectively managed and prevent long term problems associated with antisocial behaviour caused by private sector tenants.

The licensing inspection will also ensure that poor property conditions and inadequate energy efficiency are identified and acted upon, which will serve to improve living standards for tenants.

Empty homes that are detrimental to the surrounding areas or attract anti-social behaviour or generally are a cause of concerns to residents will not be affected specifically by additional licensing, however the process of gaining a better understanding and knowledge of Havering's private rented sector will assist the Council to identify the locations of empty dwellings in the Borough so that targeted action can be taken to return them back to use and maximise opportunities to meet housing need.

5.2 Homelessness Prevention

Under Section 57 of the Housing Act 2004 a co-ordinated approach with homelessness prevention is also required.

In this regard, the formal designation of an additional licensing scheme would provide additional protection for assured short-hold tenants in unlicensed HMOs. It would, for example, preclude a landlord from serving a notice under section 21 of the Housing Act 1988 (notice requiring possession) so long as the HMO remains

unlicensed; and would help to mitigate the risk of unlawful eviction by improving the management practices of PRS landlords.

It is recognised that the designation of an additional licensing scheme might result in a small number of HMOs being taken out of the rental market by reluctant landlords, leading to a potential increase in homeless households.

In the discharge of its homelessness functions, however, in particular its homelessness prevention duty, the Council provides those threatened with homelessness with housing options and advice. It also operates a private sector leasing scheme by which the number of units available for rent is increased. Accordingly, if households find themselves displaced or threatened with homelessness because of the licensing designation, the local authority will help them to explore the accommodation options available to them with a view to securing alternative and affordable accommodation.

5.3 Alternative courses of action considered

Under section 57 of the Housing Act 2004, the Council must consider whether there are any other courses of action available (of whatever nature) that might provide an effective method of achieving the objectives that the designation is intended to achieve; and must consider that making the designation will significantly assist it to achieve the objectives of the scheme.

The Council and its partners have attempted to resolve the problems associated with poorly managed HMOs and antisocial behaviour using a number of methods but none have provided an effective solution to the problems experienced. The courses of action already considered are set out below.

5.4 Landlord Accreditation

Landlord accreditation is considered to be an effective tool in improving the management of privately rented dwellings. The Council has previously encouraged voluntary accreditation among its landlords but the uptake has been poor, with only the most co-operative and professional landlords choosing to undertake accreditation training. Consequently, Havering has just 205 landlords registered with the London Landlord Accreditation Scheme, fewer than most other London boroughs; and it is likely that those accredited are not in fact the landlords most in need of regulation. The Council previously encouraged landlords to undertake accreditation training as well as meeting property accreditation standards as a condition of accepting properties onto their private sector leasing scheme, but since this has ceased to be a requirement under the Council's leasing scheme, very few landlords in Havering have undertaken this training. While it is possible that some landlords are accredited with other organisations, or are members of recognised landlord associations, there is no available data to suggest that they are.

It is intended, therefore, that the introduction of an additional licensing scheme will greatly improve the uptake of accreditation. Indeed, one of the conditions of licences granted under the proposed licensing scheme would require all licence holders to

undertake relevant accreditation training and/or become members of a recognised landlord association within six months of a licence being granted.

5.5 Engagement with landlords

To maximise the benefits of implementing a licensing scheme, the Council intends to facilitate regular landlord forums, to provide opportunity for pro-active engagement with landlords in the borough. In addition, the Council aims to ensure that appropriate support will be available to assist landlords to deal with problem tenants and anti-social behaviour by providing practical support and information to both landlords and tenants via the Housing service's tenancy sustainment team or where appropriate through the Community Safety Partnership. The Council does not, however, consider that these forums or support will be sufficient to tackle the problems it has identified as, like landlord accreditation, they are likely to appeal only, or predominantly, to those willing to engage with the Council voluntarily.

5.6 Community Safety Partnership

The Council aims to tackle problems concerning HMOs in the borough with support from key partner agencies such as the police, planning, building control, environmental services and housing. The Council refers to this as the Community Safety Partnership.

It has a range of powers and tools to deal with ASB or nuisance caused by PRS tenants or their visitors; and, in partnership with others, it uses the powers in the ASB Crime and Police Act 2014 and other legislation to address these problems, including but not limited to:

- Community Protection Notices
- Closure Notices/Orders
- Civil Injunctions
- Criminal Behaviour Orders
- Public Spaces Protection Orders

The Council also manages the monthly MARAC (Multi-Agency Risk Assessment Conference) and ASB Panels, both of which can address issues concerning the occupants of HMOs, as well as other accommodation. The panels allow for a multi-agency, problem-solving approach to the cases reviewed.

Effective though these powers and Panels can be, the Council does not consider them suitable or effective to address the problems associated with HMOs that its research has identified. Few, if any, are aimed at- or capable of regulating the management and occupation of HMOs; and others, for example civil injunctions, are more suitable for addressing the problem behaviour of individuals.

5.7 Action under Part 1 of the Housing Act 2004

The Council's Environmental Health Department is able to take formal action under Part 1 of the Housing Act 2004 if it identifies Category 1 or 2 hazards in HMO

accommodation, as assessed under the Housing Health and Safety Rating System (HHSRS). These hazards might comprise, for example, disrepair that poses a serious risk to the health and safety of HMO occupants.

The action the Council can take includes, for example, serving improvement notices, hazard awareness notices and prohibition orders; and may enable the Council to take emergency remedial action.

Whilst these actions can be effective in securing property improvements, however, the Council usually only becomes aware of a hazard if an occupant complains. It is not uncommon, however that vulnerable tenants living in the worst housing will not complain for fear of retaliatory eviction by their landlord.

With the above in mind, the Council's ability to address the condition and management of HMOs is therefore limited.

The introduction of additional licensing will enable the Council to carry out routine inspections of all properties within the licensing designation, ensuring that poor or unsafe housing conditions are identified and remedied more effectively, thereby raising the standard of accommodation in the PRS.

Licensing will also ensure that the Council is made aware of the person responsible for managing the property, thereby reducing the time taken to track down the liable party. Presently, this can be problematic and costly in terms of both time and resources, especially in the case of absent landlords.

The Council anticipates a sharp increase in enforcement activity if licensing is introduced and intends, therefore, to increase the number of Enforcement Officers available to deal with these matters.

5.8 Enforcement of HMO Management Regulations

The Management of Houses in Multiple Occupation (England) Regulations 2006, made under section 234 of Housing Act 2004, impose a duty on the manager of a HMO to comply with the requirements of the Regulations, including, for example, maintaining the common parts, fixtures and fittings of a HMO.

The Council has power to take action against HMO managers, who fail to comply with these Regulations and has, through its Environmental Health Service, been proactive in carrying out compliance inspections over the last few years.

The Council's research and data indicate, however, that there are a significant number of HMOs in the borough of which the Council yet has no, or no adequate, knowledge; and the Council has not therefore had the opportunity to inspect them, or to ensure that the quality of accommodation they offer is satisfactory.

The requirement for all HMOs to be licensed under an additional licensing scheme will address this issue by making it unlawful for landlords to operate a HMO without applying for a licence and thus placing an onus on all landlords of HMOs to declare their properties or risk facing serious penalties. This will ensure that the Council is

informed about the location of all HMOs in the borough, enabling it more effectively to undertake compliance inspections and improve the standard of accommodation in the PRS.

5.9 Dealing with statutory nuisance and noise

The Council's Environmental Health Service currently investigates complaints of statutory nuisance under the Environmental Protection Act 1990.

Nuisance complaints often relate to noisy or anti-social neighbours. Whilst the Council has powers under the 1990 Act to prosecute offenders or, in some cases, to encourage parties to participate in mediation to resolve ongoing issues, its powers are less suited to addressing the problems associated with HMOs that the Council has identified.

Additional licensing will, by making licences subject to conditions, compel HMO landlords to take greater responsibility for the management of their properties and the behaviour of their tenants. It is more likely, therefore, to be an effective means of addressing the complaints associated with the existence and increase of HMOs in the borough.

DRAFT

6.0 What are the benefits of an additional licencing scheme?

The London borough of Newham have been operating borough wide additional and selective licensing schemes for the last 4 years and are now consulting on their proposals to continue their designations for a further five year period. Newham Council say they have seen many benefits from running the existing licensing scheme. It has allowed them to find and prosecute criminal landlords who exploit tenants and undermine responsible landlords by bringing the profession into disrepute; they have also seen a reduction in anti-social behaviour and an improvement in housing conditions.

This Council anticipates that, by introducing greater regulatory control of HMOs in the PRS, additional licensing will deliver similar benefits for Havering:

- A reduction in anti-social behaviour and crime in the borough, making Havering a safer and more desirable place to live.
- An improvement in the physical condition, management and overall quality of bedsit-type accommodation in the borough, with hazards identified upon inspection.
- The deterrence of and reduction in rogue landlord activity through greater proactive enforcement activity.
- The promotion and development of good quality HMO accommodation, helping to meet the local demand for housing.
- Enhanced protection for vulnerable tenants living in HMO accommodation, by ensuring, for example, that the accommodation has adequate amenities.
- Economic benefits for tenants, as a result of better landlord management practices and landlord/tenant relationships.
- A reduction in environmental costs, by helping the Council to tackle inappropriate or unlawful waste disposal in the PRS.
- An improved connection with- and knowledge of local PRS landlords, helping the Council to better understand the PRS and its key operators.
- Encouragement of absentee or unprofessional landlords to use agents to manage their properties.
- Support for landlords in managing their properties and dealing with anti-social tenants more effectively.
- The better educated tenants, concerning both their own behaviour and the standards they may expect of HMO accommodation.
- An increase in landlord accreditation and training, thereby promoting better landlord and management practices.
- Encouragement to landlords not to let to tenants with poor references.
- A better reputation for private landlords in the borough.

7.0 What are the potential risks of an additional licensing designation and how have these been considered, prevented or managed?

- **There is a risk that making a designation could have a negative impact on the proposed areas.** Both good and bad landlords could leave the area due to the licence fee and a perceived increase in obligations. Whilst some residents, particularly homeowners, may view this as a welcome prospect the Council is mindful that removal of existing HMO units from the private rental market could lead to increased homelessness. The Council will therefore seek to actively engage with local landlords during the consultation period in order that any concerns they may have can be addressed in order to persuade good landlords to remain in Havering's PRS market.
- **There could be an increase in abandoned and vacant properties** as landlords take them out of use. This has been considered and will be controlled through the Council's Empty Homes Strategy.
- **There could be an increase in homelessness applications** as persons are displaced by reluctant landlords converting HMOs back into single-household accommodation. This has been considered and will be mitigated by the proposal to implement a selective licensing scheme alongside additional licensing in areas where there are high numbers of HMOs, to deter such action. Any subsequent homeless applications will be managed through the work of the Council and its homelessness prevention function. The Council will also use its powers under the Protection of Eviction Act 1977 to intervene and will seek to prosecute landlords who are found to have unlawfully evicted tenants.
- **Speculative landlords could move their business elsewhere** to an area without the perceived burdens of an additional licensing designation. This cannot be controlled, but the PRS market in Havering is buoyant and reluctant landlords are likely to be replaced by landlords who recognise the benefits of the additional licensing scheme and are willing to comply with it.
- **There could be resistance from some landlords** who view a designation as additional control by the Council over their business. This can be managed by ensuring that landlords are made fully aware of the likely benefits of additional licensing, including a more settled community, increased property prices etc. In addition, the package of measures, which the scheme will offer in terms of landlord training, support and other services, to assist landlords with managing their properties, will increase the value of the scheme to local landlords. The cost of a licence, spread over the life of the licence, is not unreasonable in light of the benefits of the designation and the services, which will be provided.
- **There is a risk to neighbouring boroughs** that displaced landlords and problem tenants will move to other areas. This risk is mitigated, however, by the fact that all our neighbouring London boroughs are already operating

similar landlord licensing schemes; and neighbouring authorities will be consulted about these proposals.

- **Rents may increase** as a result of landlords passing on the cost of obtaining a licence to their tenants. The Council will discourage this by keeping licence fees as low as possible and by offering a package of additional discounts to landlords who apply for a licence early.

A pre-consultation, initial screening, equalities impact assessment has been completed on the basis of perceived impacts. A full public consultation is being undertaken, which will inform the final equalities impact assessment before any designation is made. Copies of supporting documentation will be made available through the Council's web site.

The Council has adopted examples of best practice by other local authorities. Comparisons have been made with the licensing designations currently operated in the London boroughs of Newham and Barking & Dagenham and a proportionate level of staffing is proposed for Havering on order to ensure that Havering is adequately prepared to deal with the expected influx of applications during the early months. Various software options are still being considered. The proposed scale of licence application fees and other charges are comparable with those charged by other London boroughs and licence conditions implemented in other authorities have been replicated for consistency.

As part of the consultation process, landlords are encouraged to be involved in the detailed planning of the scheme.

8.0 Review of the designation

Whilst the designation is intended to last for five years, section 60 of the 2004 Act requires the Council to review the operation of the designation from time to time.

If following a review, it is considered appropriate to do so, the designation may be revoked. This could occur if the findings of a review of the operation of the designation before the end of the five years found that the objectives of reducing ASB and improving the management of HMOs in the area had been achieved.

Alternatively, if the designation is not in fact tackling the issues identified by the Council, the Council may consider that the designation should be revoked and take alternative measures to address the issues.

PRS licensing, such as additional licensing, is however a long-term remedy and is unlikely to yield instant results. Accordingly, if, in the initial phases of the designation, there has been little improvement in the PRS, this will not necessarily mean that the designation has failed in its objectives.

9.0 How is the consultation being undertaken?

Section 56(3) of the 2004 Act states that, when considering making a designation for additional licensing, the local authority must:

- (a) take reasonable steps to consult persons who are likely to be affected by the designation; and
- (b) consider any representations made in accordance with the consultation and not withdrawn.

The minimum consultation period required for the designation to fall within the *Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of other residential accommodation (England) General Approval 2015* is ten weeks.

This is the period that Havering has adopted for consultation about its proposed additional licensing scheme.

The Council will use the following means of consulting with persons likely to be affected by the proposed designation:

- Havering Council website, including an online landlord questionnaire: <https://www.3.havering.gov.uk/pages/services/consultations.aspx>
- Havering Council Facebook page;
- Havering Council's Twitter feed;
- Notice given to London Property Licensing for publication on its website.
- Direct mail-out to landlords and managing/letting agents in the borough and surrounding areas;
- Visits to managing/letting agents;
- Mail drop to residents and businesses or services in the borough and surrounding areas, who are likely to be affected by the designation;
- Direct mail and email to local community groups;
- Press releases to local media/press, including the local newspaper of neighbouring local authorities;
- Public Notice placed in national newspaper;
- Posters in streets, libraries, businesses and other public areas, both in the borough and in neighbouring boroughs;
- Article in Living Magazine, the Council's free magazine delivered to every home in the borough;
- Drop in sessions at various venues in the borough (venues to be confirmed).

Groups to be consulted include:

- Landlords associations, including:
 - National Landlords Association
 - Residential Landlords Association
 - National HMO Network

- Residents associations
- Local managing agents and the Association of Residential Managing Agents
- Local estate agents and the National Association of Estate Agents
- Local businesses, service providers and residents
- Neighbouring local authorities

The Council will send all known landlords and letting agents a letter or email explaining the proposal and how it may affect them. The letter will include links to the Council's website where this full consultation document is available, and will invite landlords to complete the landlord questionnaire.

The Council will contact the National Landlords Association (NLA), Residential Landlords Association (RLA), National HMO Network, Association of Residential Letting Agents (ARLA) and National Association of Estate Agents directly by letter and where applicable, email. The Council also intends to offer a presentation for their members about the licensing proposals.

The Council will arrange a number of drop-in sessions for residents and landlords at regular intervals throughout the consultation period and at various venues throughout the borough, at different times of the day. Full details of where and when these sessions are to take place will be stated on the Council's website and via other promotional material. The drop-in sessions will be informal, so landlords or other members of the public can call in at any time. The sessions will be held so that landlords can find out more about the licensing proposal, ask any questions and provide any comments/feedback. Council staff will be on hand to answer any questions.

Occupiers, businesses and service providers in Romford and Harold Hill and in the immediately surrounding areas

Mail drop: all properties in Gooshays, Heaton, Romford Town and Brooklands wards - where there is a high concentration of HMOs - and in the immediately surrounding areas will receive an overview letter, information leaflet, a copy of the tenants' questionnaire and pre-paid return envelope by mail-drop.

The leaflet and letter will explain the licensing scheme and its potential implications. The letter will encourage residents to visit the Council's website to obtain further information; and to complete the relevant questionnaire, either in the enclosed hard copy or online. The letter will also advise those interested to contact the Council for details of the drop-in sessions detailed above.

All other residents in Havering

The Council will issue press releases to local media to promote awareness of the consultation. It will also position posters around the borough advertising the consultation.

The posters will be placed in public libraries and other public spaces; and the Council will also ask some local venues (e.g. cafes and pubs) to display them.

Information will be available on the Council's website, so that those with internet access will be able to find out more about the proposal as well as completing an online survey. Direct mail outs are also proposed to be sent with Council tax bills to every resident and business as a final reminder to ensure everyone is made aware of the consultation.

DRAFT

10.0 How do I make comments on this proposal?

For general enquiries about this consultation please contact:

Phone: (01708) 434114

Email: landlordlicensing@havering.gov.uk

To complete an online resident or landlord questionnaire, or to download or print the questionnaire, visit:

<https://www.3.havering.gov.uk/pages/services/consultations.aspx>

The questionnaire invites general comments about the proposed licensing scheme.

All questionnaires and comments should be returned to:

Private Sector Housing
PRS Licensing Consultation
London Borough of Havering
Town Hall, Main Road
Romford, RM1 3SL

Appendix 1:
**Maps showing approximate locations
of known HMOs in Havering**

DRAFT

Figure 1: Approximate locations of known HMOs in Havering

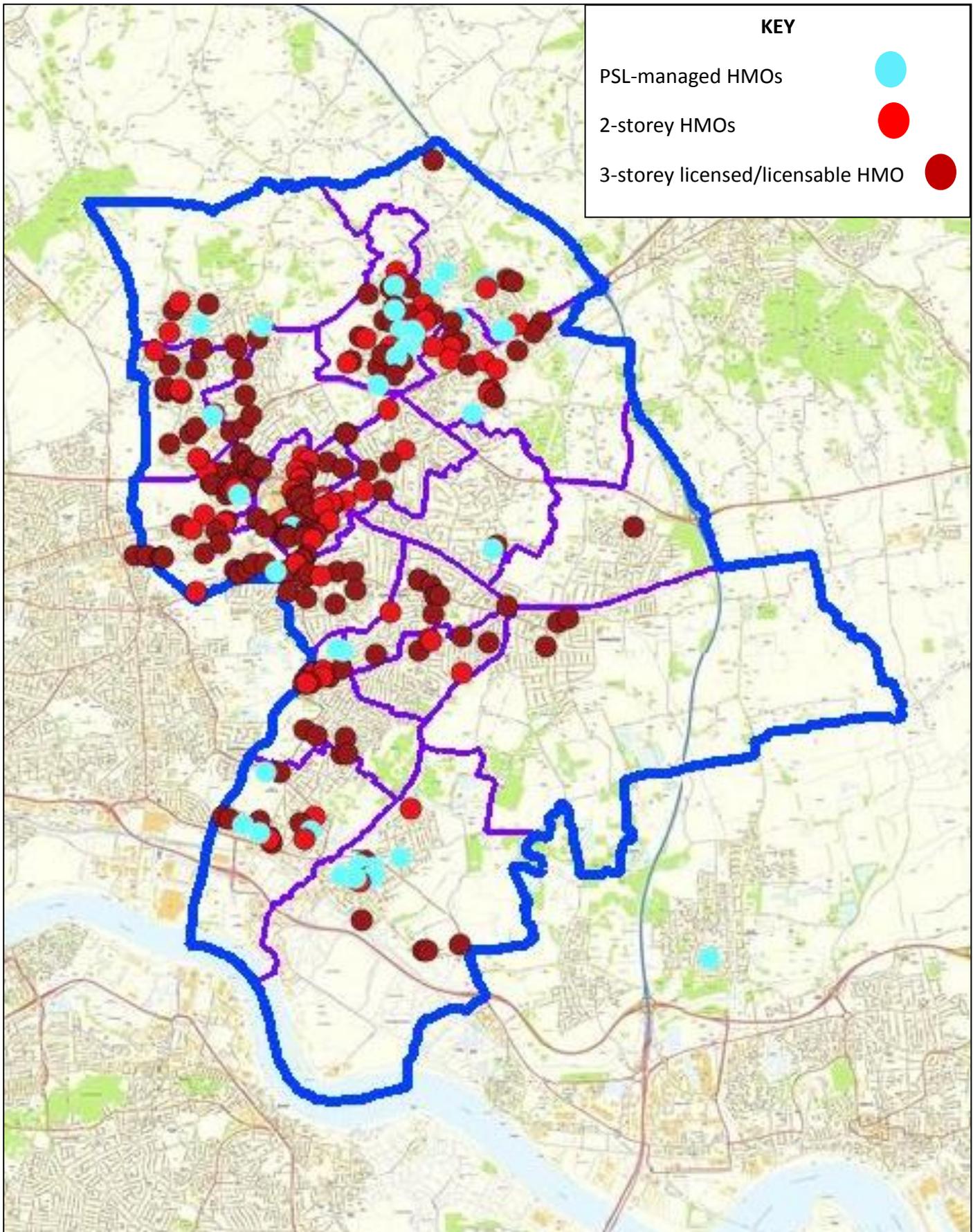


Figure 2: Approximate numbers of known HMOs by area

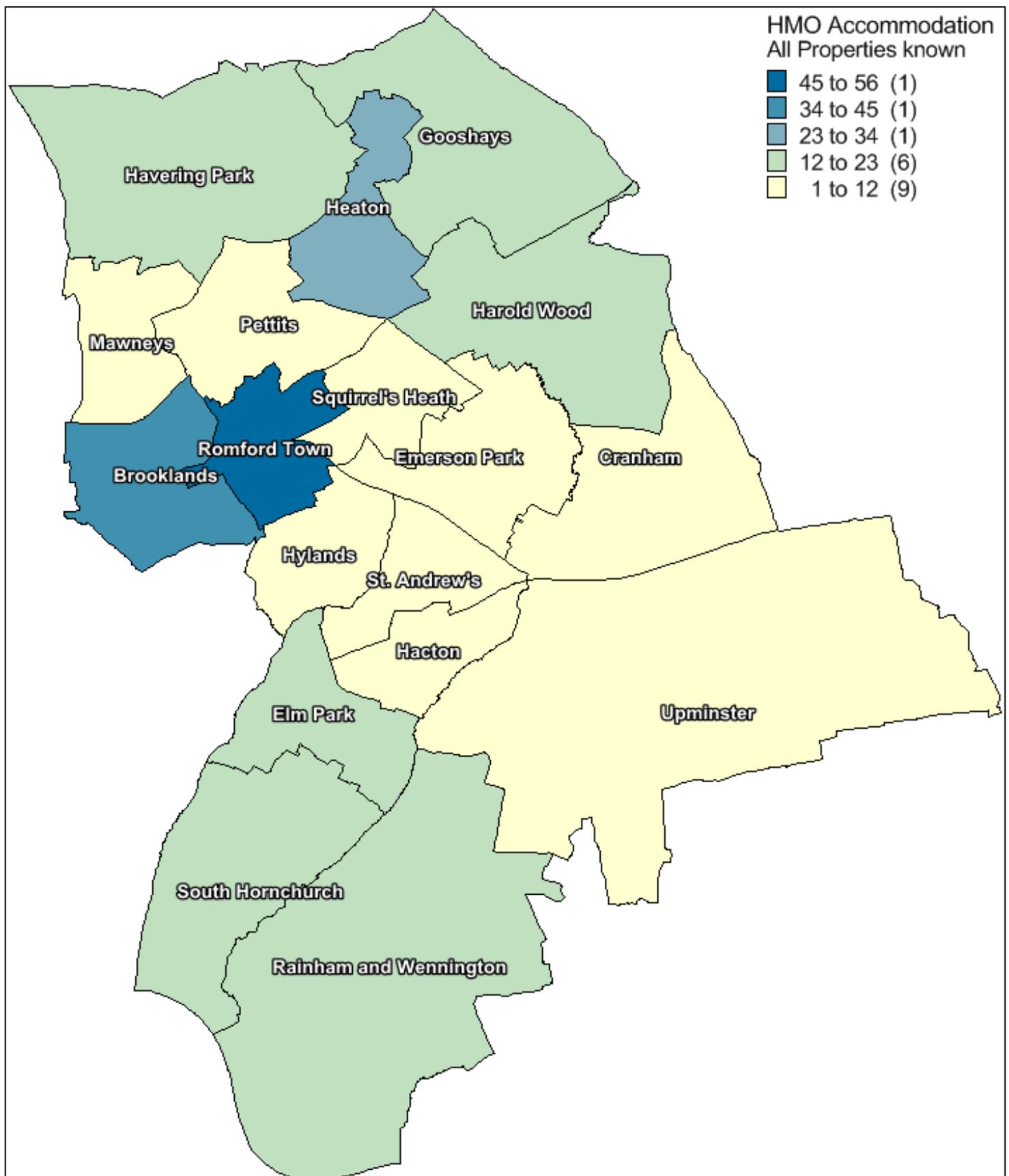
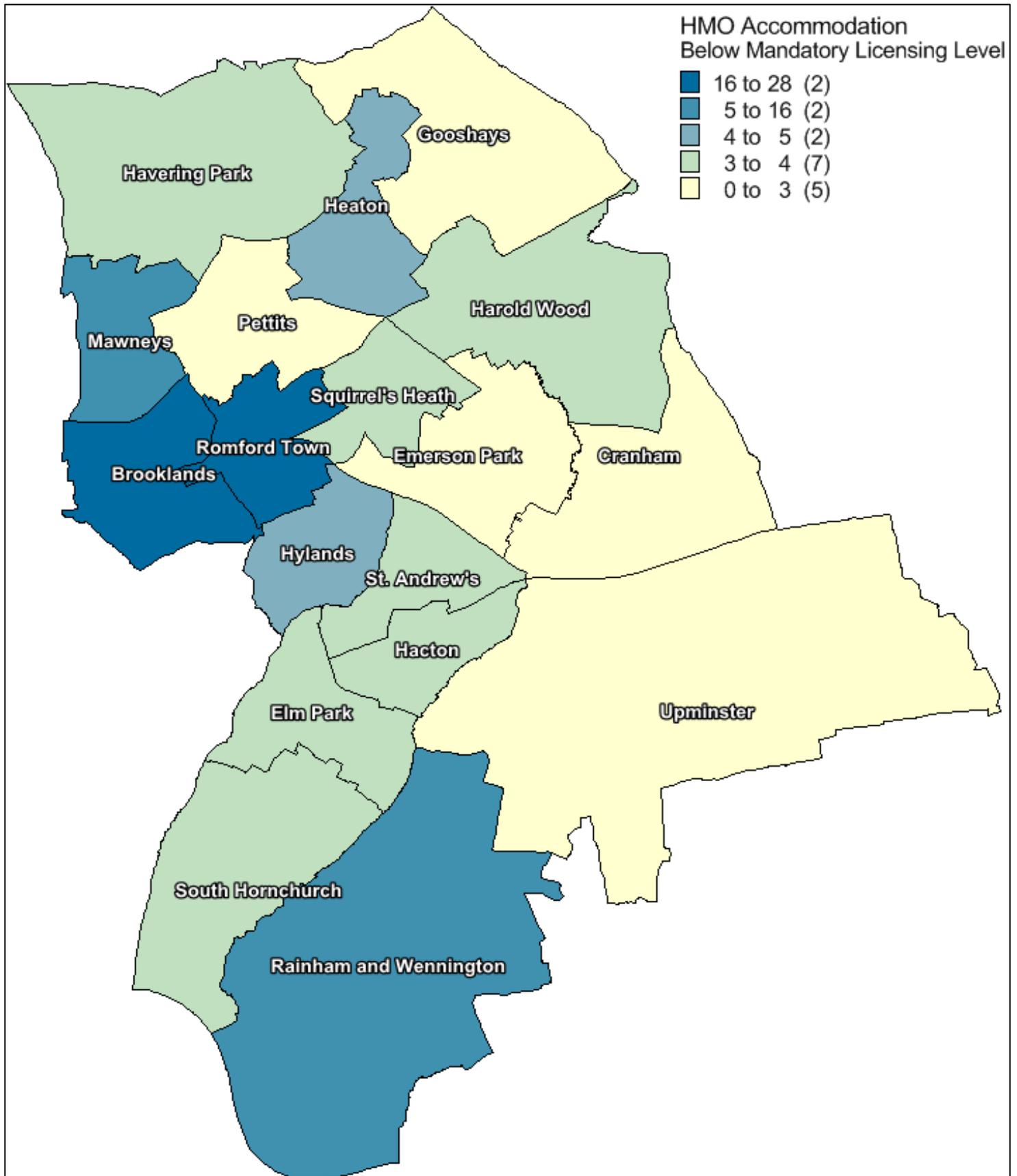


Figure 3: Proportion of HMOs not subject to mandatory licensing



Appendix 2:
**Supporting data relating to incidents of
crime and anti-social behaviour**

DRAFT

Overview of data relating to known HMOs

The following analysis is based on available data concerning addresses identified as HMOs in the London Borough of Havering.

HMO locations

The Council has obtained information about the location of HMOs in the borough from:

- its Housing Benefit system (where credit is paid to individuals in shared accommodation or HMOs known on the Public HMO Register),
- the Public HMO Register,
- Liberty Housing properties,
- its database of addresses suspected of being HMOs, and
- data from council tax records for shared accommodation and bedsits.

These sources yield the following information:

- The Public HMO Register lists addresses confirmed and registered as HMOs.
- The Housing Benefits system lists properties in respect of which Housing Benefit is paid and which are identified as HMOs or shared accommodation, but not on the Public HMO Register.
- The council tax records list properties recorded on the council tax register as being HMOs, bedsits or shared accommodation.
 - HM1 HMOs are bedsits known to be HMOs, but which fall outside the mandatory licensing regime.
 - HM2 HMOs are HMOs, as defined by section 257 of the 2004 Act, which fall outside the mandatory licensing regime.
 - HM3 HMOs are shared houses, which are known to be HMOs but fall outside the mandatory licensing regime.
- Liberty Housing lists properties, which are HMOs.
- The Council's planning department maintains a database of addresses, currently under investigation, which are suspected, but not confirmed, of being HMOs.

Some addresses appear on multiple lists. These are not 'double-counted' in the table below. Those on official lists (HM1, 2, 3, Liberty Housing and Public HMO Register) have been removed from the Benefits, Council Tax and Suspect, unconfirmed lists.

A total of 265 addresses have been considered as part of this data exercise.

Table 1: Distribution and type/category of HMO by ward

Row Labels	Benefits	Council Tax	HM1 HMO - Bedsits	HM2 HMO - Section 257	HM3 HMO - Shared House	HMO Public Register	Liberty Housing	Suspected	Grand Total	Below Mandatory Licensing Level	Confirmed or Suspected HMO
Brooklands	4	11	9	2	5	1		4	36	16	19
Cranham		1			1				2	1	1
Elm Park	1	3	1		2	7		2	16	3	6
Emerson Park		1			1		1		3	1	2
Gooshays	6	4					1	9	17	0	20
Hacton	1	1	3						5	3	2
Harold Wood	1	2			3	4	1	6	13	3	10
Havering Park	2	5	1		2	3	2	1	15	3	10
Heaton	5	8	2		2	1	4	12	32	4	29
Hylands			3		1				4	4	0
Mawneys	1	2	4		1			3	11	5	6
Pettits	1	3	1				1	1	7	1	6
Rainham and Wenningt	3	2	1	1	3	1	3	2	16	5	10
Romford Town	4	12	20	4	4	10	1	1	56	28	18
South Hornchurch	6	7	2		1			1	17	3	14
Squirrel's Heath		2	2		1	4			9	3	2
St. Andrew's		1	3				1		5	3	2
Upminster		1							1	0	1
Grand Total	35	66	52	7	27	31	15	32	265	86	148

Additional Licensing

Almost a third of the properties identified – i.e. HM1, HM2 and HM3 HMOs – fall outside of the 2004 Act's mandatory licensing regime. Whilst these properties are spread throughout most wards in the borough, they are concentrated in Romford Town (28) and Brooklands (16) in particular, where the majority are HM1 (Bedsits).

Licensable HMOs are more prevalent in Heaton (29), Gooshays (20), Brooklands (19) and Romford Town (18).

The Harold Hill area (Heaton, Gooshays and Harold Wood wards) contains 39% of HMOs known either to the Public HMO Register, Liberty Housing or Housing Benefit records; and the highest proportion of suspected HMOs currently being investigated by planning are also in Harold Hill.

Harold Hill, which is a key area of concern, has approximately 13,000 properties, with 429 sales being made in the previous 12 months (according to RightMove) and 46 rentals advertised, including house-shares and room renting (according to RightMove).

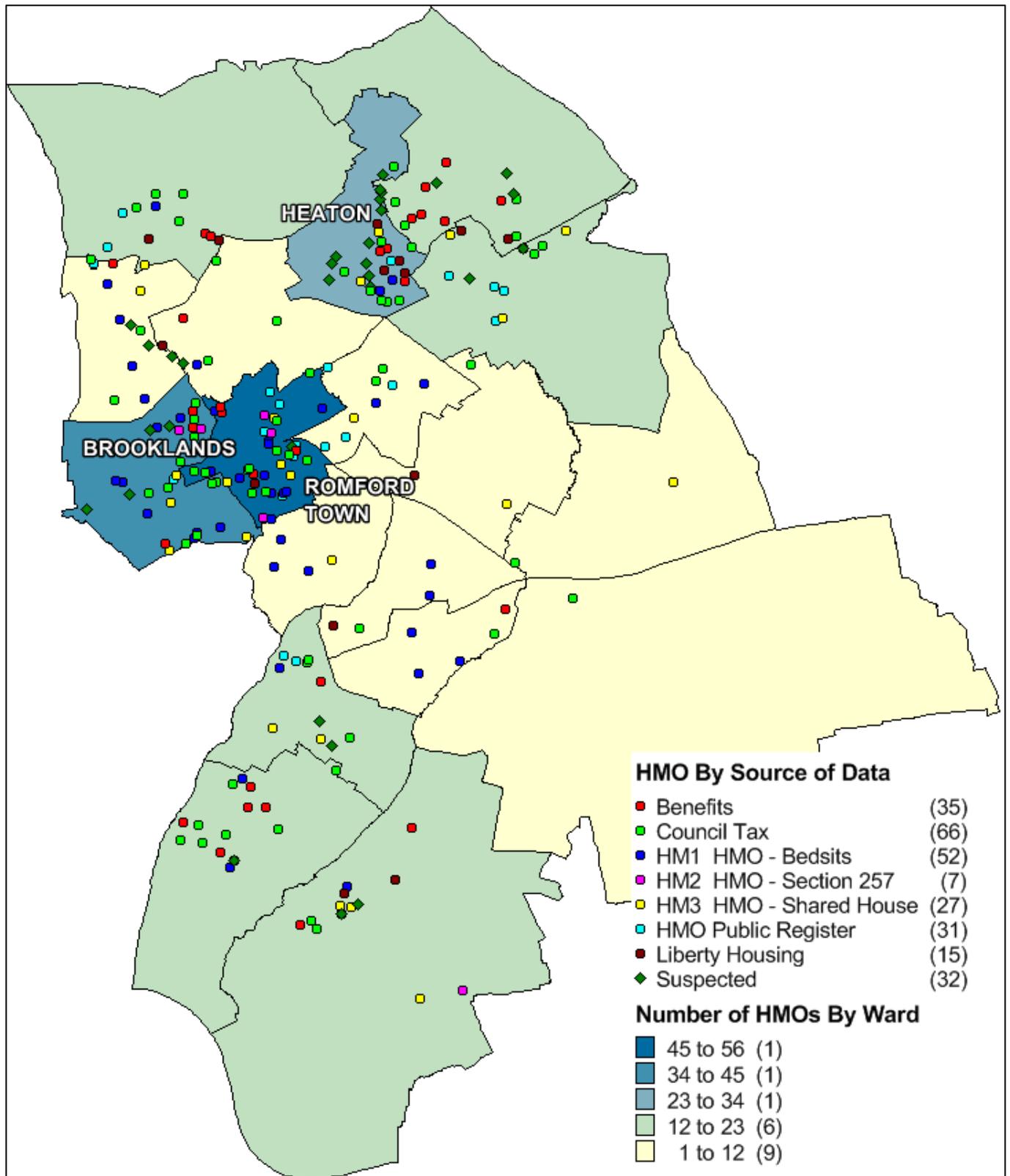
Whilst the planning investigations into unlawful HMO conversions may be an emerging issue, it should be stressed that the significant majority of properties in Harold Hill are unaffected by these developments

The map below shows the distribution of the aforementioned categories of HMO, with clear clusters of properties notable in Brooklands, Romford Town and Heaton wards.

The thematic shading denotes the total number of HMOs per ward, ranging from 45-56 (darkest shaded regions) to 1-12 (lightest shaded regions).

Please refer to the table above for number breakdown. Although high concentrations of HMOs are located in the areas of Central Romford and Harold Hill, they are otherwise spread fairly evenly across the whole of the borough. The Council is keen to ensure that any HMO licensing designation that it introduces will cover the whole of Havering and not just the locations where numbers are more prevalent as this would create inequalities and confusion among landlords.

Figure 4: HMO data for Havering



Crime and ASB at HMOs

The Council has cross-referenced the HMO addresses it has identified with data about noise nuisance (collated by the Council), 999 calls to the police and reported and recorded crimes (from the Metropolitan Police).

Due to the different methods of recording address data, the Council has retrieved this information manually by searching for each address in each database.

The data retrieved covers the 2014-15 financial year (April 2014 to March 2015).

Table 2 overleaf shows the total number of records for noise complaints, police calls for service and police calls for domestic violence, as well as the total crime and crime-related incident records, for which the venue was a HMO.

While the total number of identified HMOs accounts for less than 0.3% of all properties in the borough (265 of approximately 100,000), proportionately HMOs were over-represented in all cross-referenced areas, especially domestic violence and noise complaints, in the former case accounting for 1.27% of the borough total.

A further analysis of the number of properties affected reveals that fewer than 1 in 5 HMOs housed tenants that were responsible for or affected by, noise complaints, police calls for service and domestic violence calls; and fewer than 1 in 4 HMOs were linked to reported incidents of crimes.

It should be noted that this analysis is based only on what is known to the recording agencies. The Council acknowledges that incidents of crime, noise and anti-social behaviour can go unreported.

A small number of addresses were identified as being significant contributors to police calls for service, with two HMO addresses generating more than 10 calls each. This may be indicative of a larger problem associated with occupants who reside in this type of short term accommodation and further supports the Council's desire to ensure that all its HMOs are covered by the licensing proposal.

The following table shows the correlation between reports of ASB and nuisance reported to the Environmental Health Department which can be linked to the private rented sector and where the perpetrator resides in a HMO.

London Borough of Havering – recorded ASB incidents by year and tenure type

ASB incidents

year	no of complaints in PRS	of which HMOs
2016	174	132
2015	391	289
2014	391	302
2013	305	223
2012	290	227
2011	277	213
2010	215	181

DRAFT

Table 2: Total number of records for noise complaints, police calls for service, police calls for domestic violence and total crime and crime-related incident records for HMO venues.

Category	No. Addresses	Total Number of Noise Complaints	Total Number of Police Calls (exc. Domestic Violence)	Total Number of Police Calls - Domestic Violence	Total Number of Crimes Recorded
		2014-15	2014-15	2014-15	2014-15
HMO Public Register	31	2	11	10	13
Benefits List	35	-	17	25	14
Council Tax List	66	-	14	5	9
HM1 HMO Bedsits	52	-	22	23	21
HM2 HMO Section 257	7	-	1	7	10
HM3 HMO Shared House	27	1	2	4	23
Liberty Housing	15		5	2	9
Suspected	32	4	5		3
Total HMOs	265	7	77	76	102
Borough Total (nearest hundred/thousand)	100,000 (addresses)	700 (complaints)	94,000 (calls)	6,500 (calls)	15,000 (crimes)
HMOs as per cent of borough total	0.3%	1.0%	0.08%	1.27%	0.6%

Table 3: Number of properties affected (%)

Category	No. Addresses	Noise Complaints 2014-15 <i>Number of properties affected (%)</i>	Police Calls (exc. Domestic Violence) 2014-15 <i>Number of properties affected (%)</i>	Police Domestic Violence Calls 2014-15 <i>Number of properties affected (%)</i>	Crimes Recorded 2014-15 <i>Number of properties affected (%)</i>
HMO Public Register	31	2 (6%)	4 (13%)	6 (19%)	9 (29%)
Benefits List	35	-	4 (11%)	6 (17%)	8 (23%)
Council Tax List	66	-	9 (14%)	5 (8%)	8 (12%)
HM1 HMO Bedsits	52	-	8 (15%)	9 (17%)	9 (17%)
HM2 HMO Section 257	7	-	1 (14%)	1 (14%)	3 (43%)
HM3 HMO Shared House	27	1 (4%)	2 (7%)	3 (11%)	11 (41%)
Liberty Housing	15		3 (20%)	2 (13%)	7 (47%)
Suspected	32	4 (13%)	2 (6%)		2 (6%)
Total	194	7 (4%)	24 (12%)	27 (13%)	49 (24%)

Of all HMOs identified, 15% had made calls to the police about domestic incidents or domestic abuse. There was a higher incidence of such calls from properties whose residents were in receipt of Housing Benefit (38% of these properties reported domestic abuse to the police) and where the HMO was either on the Public HMO Register (19%) or classed as a bedsit (17%).

Of all crimes and crime-related incidents recorded at HMOs, 45% related to domestic disputes or domestic abuse (46 of 102 offences reported and recorded). This correlates with domestic violence calls.

Rates of burglary per 100 households were one and a half times higher at HMOs than the borough average, though this amounted to just 6 offences.

Other types of crime were generally reported at a lower than average rate for Havering.

The data for two addresses was omitted from the above tables, due to an excessively high numbers of calls for the properties concerned.

Data from the council tax database was provided, with information on 159 addresses of the 265 identified (where council tax is paid and the occupant is listed).

Approximately 85% of those residing in HMOs were British born. HMO residents were also more likely to be male, predominantly under 30 (where data was available), with just 33% of occupiers being female.

The list of names was cross-referenced with crime records, on which a named suspect had been identified. 27 HMO occupants had been suspected of at least one crime in the previous 12-months, in which time, cumulatively, they had been suspected of 45 offences. The largest proportion of these offences was for violence or domestic violence (17 persons), followed by theft and serious acquisitive crimes (4 persons), drugs offences (4 persons) and criminal damage (3 persons).

These 27 occupants represented 1.1% of all persons accused of crime in the previous 12-months in Havering.

HMO occupants suspected of crimes were not concentrated in any single area of Havering. A breakdown by area revealed that Romford (RM1, RM7) and Rainham (RM13) had the highest number of suspects, with 8 people each. They were followed by Hornchurch (RM11, RM12) with 5, Harold Hill (RM3) with 4, and Collier Row (RM5) with 2.

Whilst these numbers are relatively low, it is notable that, in the 12 month period considered, **an HMO occupant was seven times more likely to be accused of a crime than a non-HMO occupant.** The 27 HMO occupants suspected of offences reported to police in that 12 month period represented 16.8% of all HMO occupants. Borough-wide, the average is 2.4%.

This demonstrates that **a higher concentration of those with an offending history are found in HMO accommodation**, when compared with non-HMO accommodation.

This may be explained by the fact that access to other housing is more limited for offenders; and because of affordability. The trend is troubling nonetheless; and six addresses identified by the Council accommodated more than one person with previous criminal involvement.

HMO correlation with burglary hotspots

Whilst the crime, ASB and noise data considered in this report related to victims occupying HMOs, it is notable that many of the non-DV offences committed by those residing in HMOs, with an offending history, were committed at non-HMO dwellings.

There is a strong correlation between the location of HMOs in the borough and areas where the incidence of burglary is disproportionately high.

40% of all reported household burglary in the previous 12-months took place in 25 areas in the borough. These areas make up just 7% of the borough's geographical area and contain 20% of the borough's housing stock. Within these locations are

74% of our known HMOs (198 dwellings). Intelligence reports have identified two HMOs used by persons identified as prolific burglars.

It is noteworthy that, according to numerous burglary studies,⁽¹⁾ **rates of burglary are higher in areas of private renting and areas with multiple HMOs.** This is because the transient nature of the population in these locations, with many residents staying for a short term only, enables offenders to operate with greater anonymity than they might in more established communities.

(1) Studies cited include the following:

Higgins, A. and Jarman, R. (2015) Safe as Houses? Crime and changing tenure patterns, The Police Foundation

Jacobson, J. (2003) The Reducing Burglary Initiative: planning for partnership, Home Office, London

Bottoms and Wiles 1988 – This refers to “Crime and Housing Policy: A Framework for Crime Prevention Analysis”

Enson and Stone 1999 – This refers to “Campus crime: A victimisation study”, Journal of Criminal Justice

Bernasco and Luykx 2003 – This refers to “How do residential burglars select targets”

Tilley et al 2004 - This refers to the “Handbook of Crime Prevention and Community Safety”, an edited book

Significant concentrations of HMOs in small geographical areas may, therefore, lead to elevated levels of crimes such as household burglary and vehicle crime.

Appendix 3:
**Evidence of borough-wide problematic
and poorly-managed HMOs**

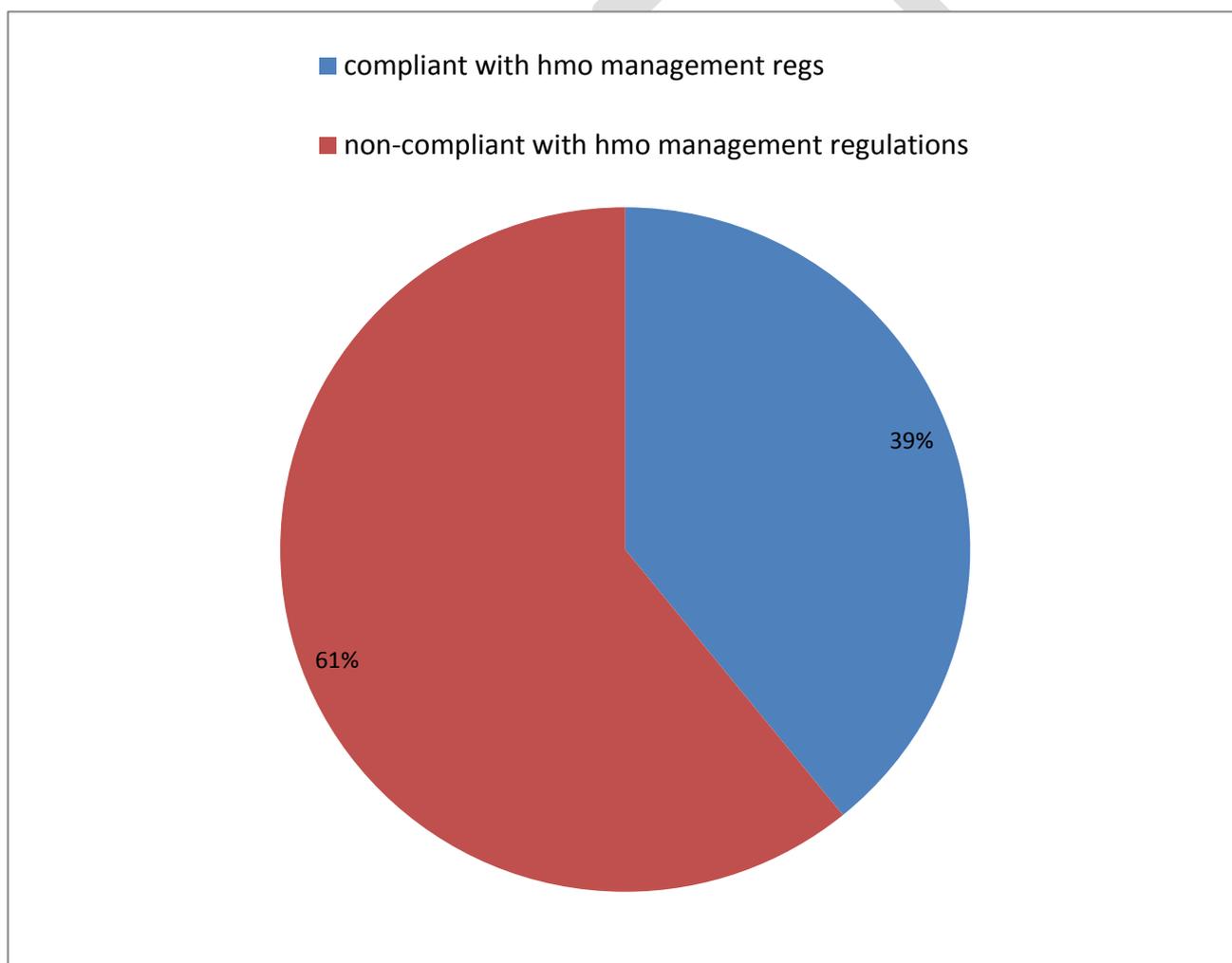
DRAFT

Over the last five years, the Council has operated a proactive inspection programme for 2-storey and non-licensable HMOs. The programme's objectives were, among others: to provide the Council with greater knowledge about the quality of accommodation afforded by smaller HMOs in the borough; to help landlords improve the accommodation, its management and fire safety; and to encourage compliance with the HMO Management Regulations.

The programme revealed unsatisfactory management practices in a significant number of cases. It identified that a large number of 2-storey HMOs contravened one or more of the HMO Management Regulations' requirements, or fell short of the minimum standards set by the adopted East London Standards for HMOs, or both.

The charts and tables below illustrate the programme's findings.

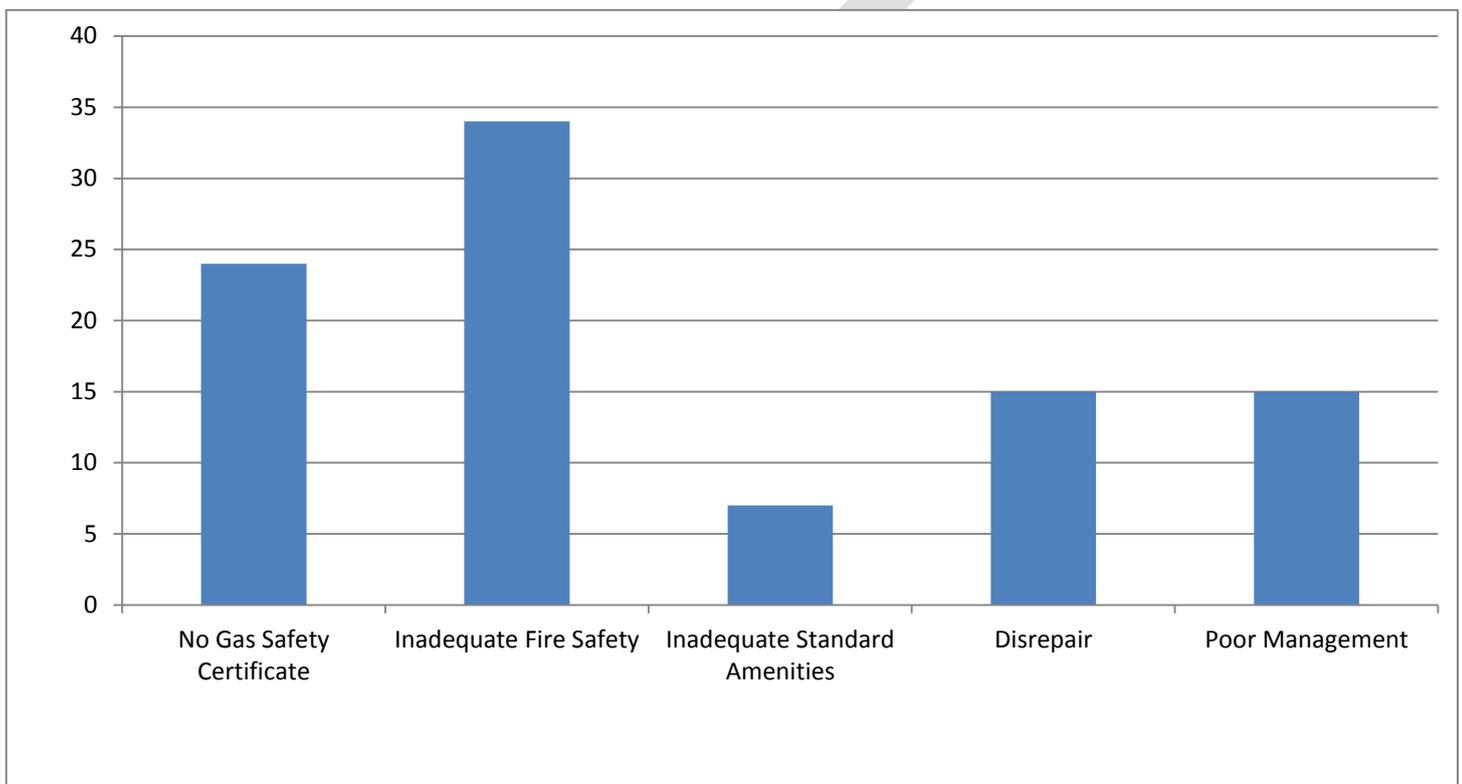
Graph 1: Results of pro-active risk assessment inspections at 2-storey HMOs in Havering, 2013 - 2016



During these inspections a number of specific issues were assessed, including:

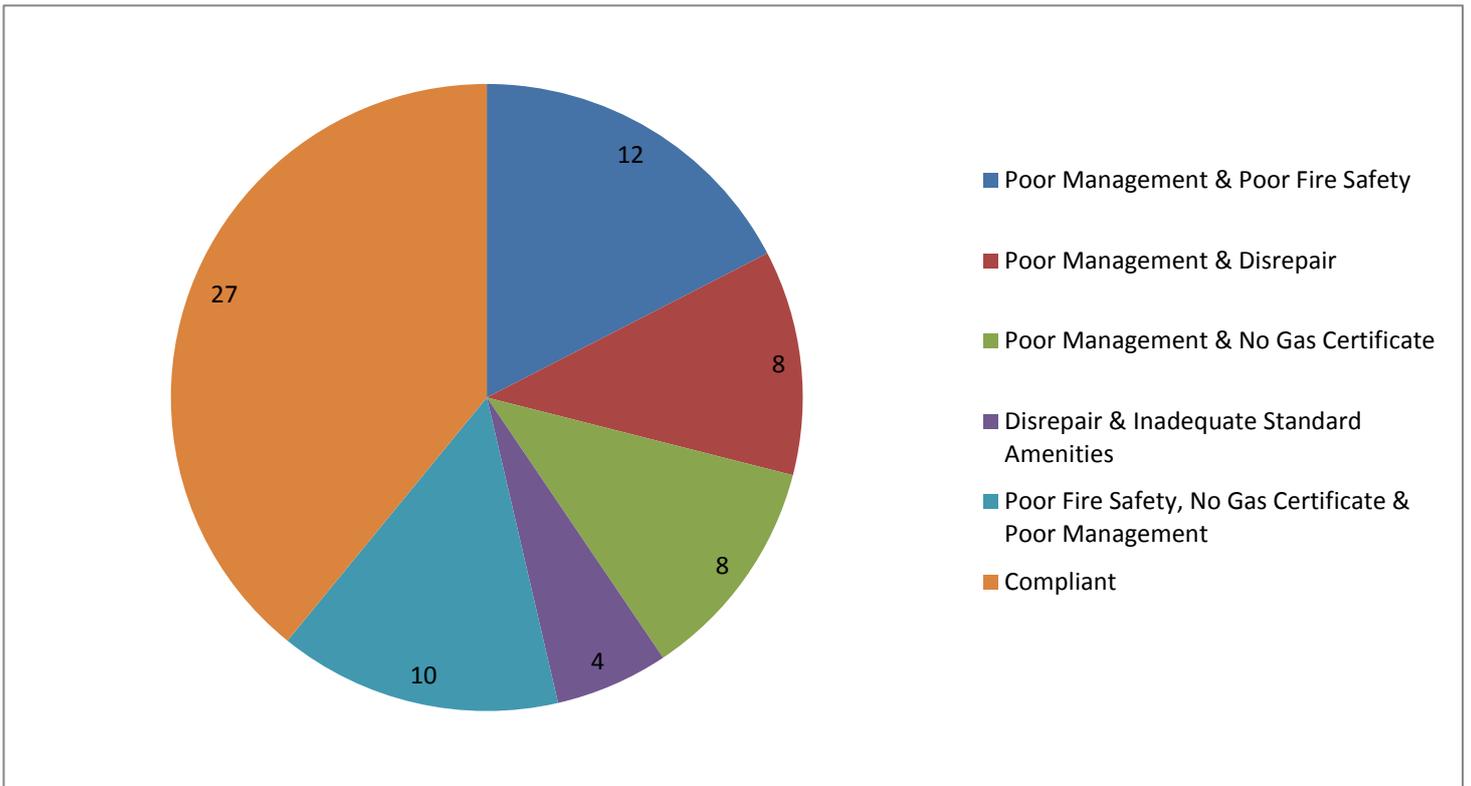
- Fire safety (fire alarms, means of escape, protection of escape routes)
- Number of standard amenities (W/C, basin, bath/shower kitchen sink and cooking facilities)
- Gas and electrical safety
- Disrepair
- Poor management

Graph 2: Deficiencies found at 2-Storey HMOs inspected during this Period

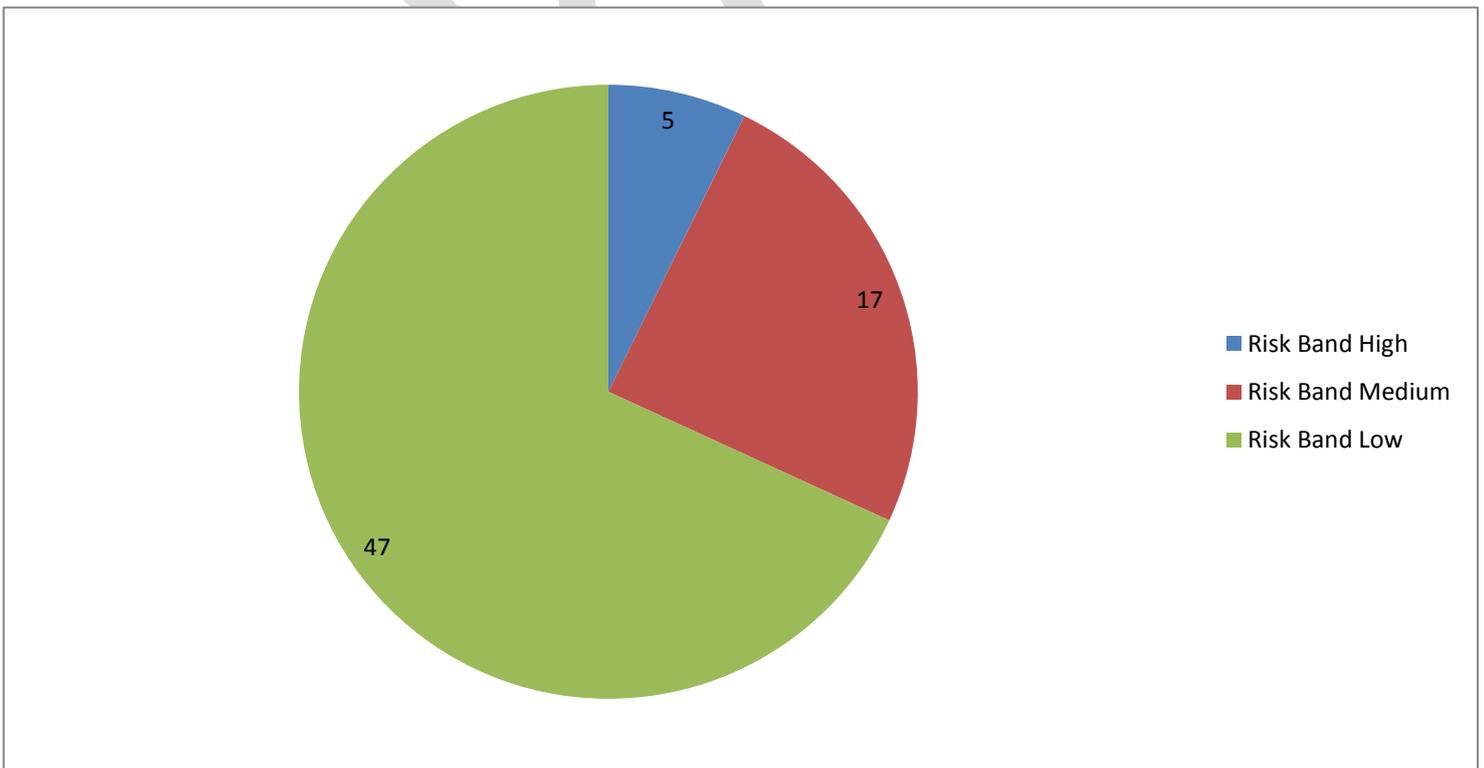


A number of HMOs were deficient in more than one of the above categories. These are shown overleaf in Graph 3 as the actual number of cases from the dwellings inspected.

Graph 3: HMOs deficient in more than one category



Graph 4: Assessed risk bands of 2-storey HMOs inspected, 2013 – 2016



Appendix 4:
Proposed licence fee and charges

DRAFT

In setting the licence fees, the Council may, by statute, take into account (a) the costs it incurs in carrying out its functions under Part 2 to the 2004 Act (Licensing of HMOs) and (b) the costs it incurs in carrying out its functions under Chapter 1 of Part 4 to the 2004 Act (Interim and final management orders), so far as they are not recoverable under or by virtue of any provision of that Chapter. In particular, the cost of applying for a licence must be reasonable and proportionate.

At present, the licence fee has been set to cover the administration and associated costs of the licence application. However the Council continues to work on the licence fee model and will be considering an alternative fee structure inclusive of costs under section 63 (7) and Section 87 (7) of the Housing Act 2004 prior to the start of the formal consultation.

The Council intends to review the fees annually and adjust them to reflect any changes in costs.

If a landlord wishes to submit a paper application, or requires additional help with the application process, the Council will charge a supplementary fee**. General advice is provided, however, at no extra cost.

All licences will be valid for a period of five years unless the proposed licence holder is a person of concern***.

The proposed fee structure is as follows;

Table 4: Fees

Fee Type	Fee Amount
Additional (HMO) Licence Fee (Online Application)	£800
Additional (HMO) Licence Fee (Paper Application)	£900
Selective Licence Fee (Online Application)	£500
Selective Licence Fee (Paper Application)	£600
Additional Charge for Assisted Applications**	£100 per Application

Table 5: Available Discounts

Discounts		
1	Early Bird Discount 25%	For applications made prior to the implementation date
2	Discount 10%	For accredited landlords or members of recognised landlord associations
3	Discount 10%	For multiple applications or where an Applicant has had "fit and proper person" check in the last 6 months

- * If a landlord is making multiple applications and is an accredited landlord, he/she/it may apply for both discounts 2 and 3.
- ** The Council will not charge a fee for assisted applications if the need for assistance is the consequence of a characteristic protected by the Equality Act 2010, such as disability, and in all the circumstances charging the fee would be disproportionate.
- *** A person of concern is a person, who: (a) is being or has been investigated for fraud relating, directly or indirectly, to his/her/its position as a landlord, manager or controller of let premises, or other involvement in letting premises, or (b) is or has been subject to enforcement action or prosecution relating to contraventions of the Housing Acts and/or regulations made under them.

Table 6: Other Fees and Charges Applicable

Licence Variation	Licence Variation Fee
Change of address details of any existing licence holder, manager, owner, mortgagor, freeholder, leaseholder etc.	No Fee
Change of mortgagor, owner, freeholder, and leaseholder (unless they are also the licence holder or manager)	No Fee
Reduction in the number of maximum occupiers and/or households for licensing purposes	No Fee
Variation of licence instigated by the Council	No Fee
Change of licence holder (Full fee applicable)	£500.00 (selective) or £800.00 (additional)
Change of manager (unless they are also the licence holder)	No Fee
Increase in the maximum number of occupiers and/or households resulting in a change from a selective licence to additional licence. This sum accounts for the difference in fee.	£300.00

Table 7: Actions and Applicable Charges

Action	Applicable Fee
Revocation of licence	No fee
Application for licence following revocation of licence (full applicable fee)	£500 or £800.00
Application refused by the Council	Application fee (no refund)
Application withdrawn by the applicant	Application fee (no refund)
Application made in error – out of Borough	No fee, and a refund will be made

DRAFT

Table 8 – Operational Costs of Licensing Schemes

										Further Discounts Available	
										Discount Rate	Discount Rate
										25%	10%
London Borough of Havering HMO Additional and Selective Licences over 5 Years	% of Clients Expected to be charged	Fee	Estimated Client Numbers who will pay the full Fee	Estimated Income Receivable	Estimated Client Numbers Receiving Early Bird Discount	Estimated Income Receivable from Clients who receive an Early Bird fee Discount Percentage Receivable	Estimated Number of Clients who are Members of a Landlord Association	(See Note 1) Estimated Further Discount Receivable from Clients who are Members of a Landlord Association	Total		
Income											
HMO Additional Licence		£800	350	£280,000	650	£390,000	100	-£8,000	£662,000		
Selective Licence		£500	1,225	£612,500	2,275	£853,125	250	-£12,500	£1,453,125		
Subtotal			1,575	£892,500		£1,243,125		-£20,500	£2,115,125		
Additional Charges											
Additional supplement for paper applications	5%	£100	79	£7,875					£7,875		
Charge for assisted applications	5%	£100	79	£7,875					£7,875		
Subtotal			158	£15,750					£15,750		
Total Estimated Income Over 5 years									£2,130,875		
Expenditure											
Operational Costs											
Staff Cost				£1,326,800							
Overhead Costs				£593,580							
				£1,920,380							
Start up cost											
IT system				£57,500							
Publicity				£21,736							
				£79,236							
Setup costs											
Staff Cost				£121,259							
Materials/Printing forms etc				£10,000							
				£131,259							
Total Estimated Expenditure Over 5years									£2,130,875		

Note 1

Clients who receive a further 10% discount for being a member of a Landlord Association will already have been included within the numbers of full or early bird discount fee payers



Appendix 5:
Additional Licensing Conditions

DRAFT

This Appendix contains the conditions that would form part of an additional HMO property licence.

Some of the conditions are mandatory; and the Housing Act 2004 requires the Council to insert them.

The 2004 Act also gives the Council discretion to insert further conditions, for example to control occupancy, to help reduce anti-social behaviour, to safeguard the health and safety of occupants and to ensure good management practices.

FAILURE TO COMPLY WITH LICENCE CONDITIONS IS A CRIMINAL OFFENCE

Permitted Occupation

- 1) The licence holder must not allow a new resident to occupy the house or any part of it if, by doing so, the number of persons or households occupying the house would:
 - a) exceed the maximum number of persons permitted to occupy the house, as detailed in the schedule of permitted occupation below;
 - b) exceed the maximum number of households permitted to occupy the house, as detailed in the schedule of permitted occupation below;
 - c) exceed the maximum number of persons for any letting, as detailed in the schedule of permitted occupation below.

A new resident means a person, who was not an occupier of the house and/or the specific room at the date on which the licence was issued.

Occupancy and Maximum Permitted Person per Letting

- 2) This condition will detail the maximum number of persons or households allowed in a dwelling; and/or the maximum number of persons allowed in each room.

Notification of Changes

- 3) The licence holder must inform the Council of the following directly, in writing or by email, within 28 days of the change occurring:
 - a) any change in the ownership or management of the property;
 - b) any change in the address, email or telephone number of the licence holder and/or agent;
- 4) The address given by the licence holder on the application form will be used as the address for service of any letter, notice or other document on the licence holder; and any such letter, notice or other document shall be validly served if served at that address. It is the licence holder's responsibility to ensure that any such letter, notice or other document is collected.
- 5) The licence holder must, at least 28 days before starting any work, inform the

Council directly, in writing or by email, of any change to the construction, layout or amenity provision of the house that would affect the licence or licence conditions.

Tenancy Management

- 6) The licence holder must: (a) supply the occupiers of the property with a written statement of the terms on which they occupy it and details of the arrangements made to deal with repair issues and emergency issues; and (b) provide the Council with a copy of the said terms within 28 days of any request to inspect them.
- 7) The licence holder must ensure that: (a) only he/she or the agent listed on this licence creates new tenancies or licences to occupy the property whilst this licence is in force; and (b) provides the Council with a copy of the terms of any new tenancies and licences within 28 days of any request to inspect them.
- 8) The licence holder must not cause or permit any person, who has previously applied for a property licence in respect of the premises and has either:
 - (a) been found not to be a fit and proper person, or
 - (b) been made subject to a banning order under the Housing and Planning Act 2016,to control or manage the premises, or to carry out or arrange any repair, improvement or other building works at the property.
- 9) The licence holder must: (a) obtain references from any person who wishes to occupy the property before entering into any tenancy, licence or other agreement enabling them to do so; and (b) not enter into any such agreement if the person is unable to provide suitable references.
- 10) The licence holder must: (a) retain copies of all references for the duration of this licence and (b) provide the Council with a copy of any such reference or references within 28 days of any request to inspect it or them.
- 11) The licence holder must: (a) protect any deposit taken under an assured short-hold tenancy by placing it in a statutory tenancy deposit scheme; (b) give the tenant the information prescribed under the Housing Act 2004 about the scheme used at the time the deposit is taken; and (c) provide the Council with the said information within 28 days of any request to inspect it.
- 12) The licence holder must (a) provide the Council, within 7 days of any demand to inspect them, with written details of the arrangements made, or to be made, to (i) prevent or reduce anti-social behaviour by persons occupying or visiting the property and (ii) ensure the effective management of the property; and must (b) ensure that the said arrangements include the following:
 - a) provision of an emergency, 24hr contact number (including out-of-hours response arrangements);

- b) formal arrangements for the disposal of rubbish and bulky waste; and
 - c) written records of inspections undertaken in respect of management and repair issues at the property.
- 13) The licence holder must ensure that an inspection of the property takes place at least every three (3) months to identify any problems relating to the condition and management of the property, or the behaviour of its occupants. The records of such inspections shall be kept for the duration of this licence. As a minimum requirement the records must identify: who carried out the inspection; the date and time of the inspection; and any issues found and action(s) taken. The licence holder must provide the Council with a copy of these records within 28 days of any request to inspect them. The Council may increase the frequency of the inspections required under this condition upon written notice to the licence holder.
- 14) The licence holder must: (a) not ignore or fail to take action to address any anti-social behaviour (ASB) on the part of the property's occupiers, or visitors to the property; and must (b) comply with the requirements of paragraphs (a) to (h) below.
- a) If the licence holder receives a complaint from any person or organisation (including the London Borough of Havering) regarding antisocial behaviour involving the occupiers of- or visitors to the property, the licence holder must contact the relevant occupier within 14 days of receiving the complaint. The licence holder must inform the occupier in writing about the allegations of anti-social behaviour and the consequences of it continuing.
 - b) If the licence holder is informed by the Council, police or other organisation that any occupier or occupiers have entered in to a Community Resolution, or an Acceptable Behaviour Contract, or that court proceedings for a civil injunction have been issued against the occupier or occupiers, or that the occupier or occupiers have been prosecuted in the criminal courts for acts associated with ASB, the licence holder must visit the property within 7 days of being so informed.
 - c) During the visit the licence holder must provide the occupier or occupiers with a warning letter explaining (amongst any other matters): why their behaviour is not acceptable; that they are responsible for the conduct of their visitors; the impact on any victims or the local community; and the consequences of the behaviour continuing.
 - d) The licence holder must keep any letters, emails, legal notices or other documents relating to anti-social behaviour that are sent or received by the licence holder, or the agent on behalf of the licence holder, for a period of 5 years.
 - e) Where the licence holder has reasonable grounds to suspect that the anti-social behaviour involves criminal activity, the licence holder must ensure that the appropriate authorities are informed.
 - f) The licence holder must co-operate with the police and local authority

in any efforts they make to resolve problems of ASB at or in the property, or by the occupants of or visitors to the property. For example, the licence holder (or a person or agent instructed by them) should attend any case conferences or multi-agency meetings at which the problems are considered; and provide the police or local authority with information when requested.

- g) The licence holder must provide the Council with a copy of any correspondence, letters and records referred to in conditions 14(a) to (f) within 28 days of any request to inspect them.

Conditions 15-19 will not apply to all licences.

- 15) The licence holder must, within 6 months of the date on which this licence is issued, if he or she has not already done so in the 5 years immediately before the licence is issued, attend training (to be specified in this condition) and become an Accredited Landlord.
- 16) If the licence holder is required by a condition of the licence to attend training and accreditation with the London Landlord Accreditation Scheme (LLAS) or an equivalent, professionally-recognised organisation listed in condition 17, the licence holder must do this by:
- a) booking and completing the LLAS one-day training course or equivalent, professionally-recognised training course; and
 - b) agreeing to comply with the UK Landlord Accreditation Partnership's Code of Conduct, or the equivalent, professionally-recognised code

To book the course and for more information about the requirements in conditions 16b and c above, visit www.londonlandlords.org.uk or call 020 7974 6975.

- 17) The other equivalent, professionally-recognised qualifications may be acquired by, as the case requires:
- attending and passing the NLA Foundation Course run by the National Landlords Association (www.landlords.org.uk);
 - becoming an Accredited RLAAS Landlord through the RLA Accreditation Scheme run by the Residential Landlords Association (www.rla.org.uk);
 - becoming a member of the Association of Residential Letting Agents (ARLA) (www.arla.co.uk);
 - completing the Foundation Letting Course (England) run by the National Approved Letting Scheme (NALS) (www.nalscheme.co.uk/);
 - attending and passing the Accreditation Day Seminar of the Midland Accreditation Scheme (MLAS) (www.mlas.org.uk/).
- 18) The licence holder must remain an accredited Landlord with LLAS or registered with the equivalent, professionally-recognised scheme for the duration of this licence.

- 19) The licence holder must: (a) keep the accreditation certificate or documents issued by LLAS or the equivalent, professionally-recognised scheme for the duration of the licence; and must (b) provide the Council with a copy within 28 days of any request to inspect them.

Property Management

- 20) The licence holder must, if informed (in writing, by email or other form or communication) about disrepair or a pest infestation in the property: (a) take such action as is necessary to remedy the disrepair and/or infestation;(b) respond to the complaint in writing within 14 days of receiving it; and (c) provide the Council with a copy of any complaint and related correspondence and records within 28 days of any request to inspect them.
- 21) The licence holder must ensure that works of repair, improvement or treatment at the property are carried out by a competent person or persons, employed directly by the licence holder or an agent or employee of the licence holder. The licence holder must provide the Council with a copy of the receipts and/or invoices for any such works within 28 days of any request to inspect them.
- 22) If gas is supplied to the property, the licence holder must take all reasonable, practicable steps to ensure that all gas installations and appliances in and serving the property are in a safe condition. The licence holder must have a current, valid gas safety certificate issued by a Gas Safe registered engineer. Alternatively, if the boiler was installed less than 12 months previously, the licence holder must have a Gas Safe Installation Certificate. The licence holder must provide the Council with a copy of any such certificate or certificates within 28 days of any request to inspect them.
- 23) The licence holder must take all reasonable, practicable steps to ensure that all electrical appliances in the property are in a safe condition. The licence holder must provide the Council with an electrical appliance test report in respect of all electrical appliances supplied by the landlord within 28 days of any request to inspect it.
- 24) The licence holder must take all reasonable, practicable steps to ensure that electrical installations in the property are in a safe condition. The licence holder must provide the Council with an unexpired 'satisfactory' electrical installation condition report (EICR) for the property within 28 days of any request to inspect it.
- 25) The licence holder must ensure the EICR is supplied by a competent person, who is appropriately qualified to issue this report. If the person issuing the EICR is not properly registered with the Electrical Contractors Association (ECA), National Inspection Council for Electrical Installation Contracting (NICEIC), ELECSA, NAPIT or Registered Competent Person Scheme (www.electricalcompetentperson.co.uk), the licence holder must also provide written evidence that the electrician has the necessary qualification/s, skills

and experience to issue the condition report. The licence holder must provide the Council with any such evidence within 28 days of any request for it. (PLEASE NOTE: the Council will not contact the electrician on your behalf)

- 26) The Licence Holder must give new occupants, in writing and within 7 days of the start of their occupation, the following information on waste and recycling:
- the days on which the property's refuse and recycling bins are collected;
 - details about what occupants can and cannot recycle;
 - how occupants can dispose of bulky waste; and
 - general guidance about waste, from the Council's website.

The licence holder must keep a copy of the information provided to the occupants must for a period of 5 years beginning with the commencement of their occupation and must provide the Council with a copy of the same within 28 days of any request to inspect it.

- 27) The licence holder must make adequate arrangements for occupants of the property to dispose hygienically of refuse and recycling, without causing a nuisance to local residents or others. The licence holder must ensure that there are suitable receptacles in and at the property for the storage of household refuse and recycling between collections, so that bags or loose refuse and recycling are not stored outside the property.
- 28) The licence holder must carry out regular checks to- and ensure that the common parts, gardens and yards at the property are kept free from waste, which could provide harbourage for pests and/or may be a nuisance and/or may be detrimental to the local amenities (other than waste stored in suitable receptacles for the storage of household refuse and recycling).
- 29) The licence holder must not discard old furniture, bedding, rubbish or refuse from the property on the public highway or pavement immediately outside the property or on private land, other than for the purpose of presenting it for an arranged collection. The Licence holder should also ensure that occupiers of the property are made aware of and observe any refuse or bulky waste collection arrangements that exist
- 30) The licence holder must ensure that any type of rubbish that the Council does not routinely collect, such as hazardous waste, is collected and/or disposed of in a safe and hygienic manner.
- 31) If he or she becomes aware that the visitor of an occupant or occupants is dumping or leaving old furniture, bedding, rubbish or other refuse from the property on the public highway or private land, the licence holder must, in writing and within 14 days of becoming so aware, warn the occupant about the conduct of the visitor and require the occupant to remove the items immediately. The licence holder must provide the Council with copies of any such correspondence within 28 days of any request to inspect it.
- 32) The licence holder must carry out regular checks to- and ensure that the

property is kept free from pest infestation. If the licence holder becomes aware of a pest infestation or other pest problem at the property, he or she must, within 7 days of becoming so aware, take such steps as are necessary to ensure that a programme of treatment is undertaken to eradicate the infestation or problem. The licence holder must keep records of any such programme and provide the Council with a copy of the same within 28 days of any request to inspect it.

- 33) The licence holder must ensure that a smoke alarm is installed on each storey of the property on which there is a room used wholly or partly as living accommodation. For this purpose, bathrooms and lavatories are treated as living accommodation.
- 34) The licence holder must ensure that each smoke alarm installed in any room, hallway, landing, bathroom or lavatory in the property is kept in proper working order.
- 35) The licence holder must provide the Council, within 28 days of any request to inspect the same, with a declaration by him as to the condition and positioning of any such smoke alarms.
- 36) The licence holder must ensure that each smoke alarm installed in any other location in the house is kept in proper working order.
- 37) The licence holder must ensure that a carbon monoxide alarm is installed in any room in the property which is used wholly or partly as living accommodation and contains a solid-fuel-burning combustion appliance. For this purpose, 'room' includes halls and landings; and kitchens, bathrooms and lavatories are treated as living accommodation.
- 38) The licence holder must ensure that each carbon monoxide alarm installed in any room in the property is kept in proper working order.
- 39) The licence holder must provide the Council, within 28 days of any request to inspect the same, with a declaration by him as to the condition and positioning of any such carbon monoxide alarms.
- 40) The licence holder must ensure that any firefighting equipment and fire alarm equipment is maintained in good working order. The licence holder must provide the Council, within 28 days of any request to inspect the same, with a copy of all periodical inspection reports and test certificates for any automatic fire alarm system, emergency lighting and firefighting equipment in the property.
- 41) The licence holder must ensure that furniture made available in the property is in a safe condition. All upholstered furniture and covers and the fillings of cushions and pillows must comply with current fire safety legislation. The licence holder must provide the Council with a declaration as to the safety of such furniture within 28 days of any request for the same.

Documents to be displayed

- 42) The licence holder must display a copy of the licence to which these conditions apply in the common parts of the property. Further, the licence holder must provide all occupiers with a copy of the licence before they commence occupation.
- 43) The licence holder must display a notice in the common parts of the property with the name, address and emergency contact number of the licence holder or managing agent. Further, the licence holder must provide all occupiers with a copy of the same information before they commence occupation.
- 44) The licence holder must display a copy of the current gas safety certificate in the common parts of the property. Further, the licence holder must provide all occupiers with a copy of the said certificate before they commence occupation.

Financial Management

- 45) No person other than the licence holder or the agent named on the licence may collect and receive rental monies from the occupants of the property. The licence holder and/or agent may pass on the rental monies to any third parties as required.
- 46) Where rents are collected or received from occupants, the licence holder must ensure that the payment is recorded and that the occupants receive a receipt for the payment. The licence holder must keep a copy of all such records and receipts and must provide the Council with a copy of the same within 28 days of any request to inspect them.
- 47) The licence holder must, within 28 days of any request to inspect the same, provide the Council with written details of the arrangements made to pay and settle the annual council tax liability in respect of the property.
- 48) Management of the council tax account for the property shall be the liability of the licence holder.

General Conditions

- 49) The licence holder must ensure that suitable arrangements are in place to enable the Council to access the property at any reasonable time of the day, upon reasonable notice, and must not obstruct Council officers in the performance of their statutory duties, including surveying the property to ensure compliance with licence conditions and relevant legislation.
- 50) The licence holder must provide the Council, within 28 days of any request for the same, with such particulars as may be specified in the notice concerning the occupation of the house, including without limitation:

- a) the names and numbers of individuals and households in the property, and the rooms they occupy; and
 - b) the number of individuals in each household.
- 51) The licence holder must ensure that, while any works of alteration or construction are in progress, suitable arrangements are made to safeguard the health and safety of all persons occupying or visiting the property.
- 52) The licence holder must ensure that, upon completion of any works, the property is left in a clean and tidy condition, free from debris.

Limitations of Licence

- 53) **LICENCE TRANSFER** This licence is not transferable and may NOT be transferred to another person, organisation or property.
- 54) **REGISTERED COMPANIES** If the licence holder is a registered company and is dissolved while the licence is in force, the licence ceases to be in force on the date of dissolution.
- 55) **PLANNING PERMISSIONS** This licence does NOT grant any planning approvals, consents or permissions under the Town and Country Planning Act 1990 or any related planning legislation, retrospectively or otherwise.

You must ensure that, if necessary, the correct planning permissions are given to use the property as a House in Multiple Occupation (HMO). Failure to do so may be a breach of planning control.

This licence does not offer any protection against or excuse for enforcement action taken by the Planning Department. If you are unclear about the matters outlined above, you should seek professional planning advice.

- 56) **BUILDING CONTROL** This licence does NOT grant any Building Regulations approvals, certification, consent or permissions, retrospectively or otherwise. This licence does not offer any protection against or excuse for enforcement action taken by the Building Control Department
- 57) **PROPERTY CONDITION** This licence is NOT proof that the property is safe and free from hazards and defects. The licence does not prevent legal action being taken against the licence holder, or anyone else with an interest in the property, in the criminal and/or civil courts if any hazards or nuisances are found, or any other problems discovered in relation to the condition of the property.

It is not the responsibility of the London Borough of Havering Property Licensing Team to ensure the property is compliant with the above limitations.

- 58) **PROSECUTION/ CONTRAVENTIONS CONSEQUENCES** Please note that any prosecution or enforcement action, or legal action taken against the

licence holder or anyone associated with licence holder, or the management of the property, may affect the licence holder's status as a 'fit and proper' person to hold a licence. The Council can revoke or vary the licence at any time, giving proper statutory notice.

- 60) **CONSUMER RIGHTS & UNFAIR PRACTICES** The licence holder must ensure that any tenancy agreement he or she uses is free from unfair terms and complies with all legal requirements under consumer law, including the Consumer Rights Act 2015. Licence holders should carefully read the Competition and Markets Authority (CMA) 'Unfair Contract Terms Guidance' (CMA37) and follow this guidance when conducting their business, drawing up tenancies, contracts, or serving notices on tenants and/or agents.

It is also recommended that licence holders refer to the 'Guidance on Unfair Terms in Tenancy Agreements' (OFT356) which, though not up to date in terms of legal developments since publication in 2005, remains a useful guide to type of tenancy terms that are potentially 'unfair'.

The licence holder must act in good faith at all times and must not take any action, or omit to do anything, which might be considered a 'misleading action' or a 'misleading omission', as defined by the Consumer Protection from Unfair Trading Regulations 2008. The licence holder must provide prospective tenants with information about the same, including the details of this licence.

Licence holders must ensure that all goods supplied as part of a letting of furnished, residential accommodation are safe, including gas and electrical installations and appliances.

Further advice on all the above requirements can be found here;

<https://www.gov.uk/government/publications/unfair-contract-terms-cma37>
<https://www.gov.uk/government/publications/unfair-terms-in-tenancy-agreements--2>.
<https://www.businesscompanion.info/en/quick-guides/good-practice/consumer-protection-from-unfair-trading>
<https://www.businesscompanion.info/en/quick-guides/product-safety/goods-in-rented-accommodation>

PENALTY FOR BREACH OF LICENCE CONDITIONS

**Failure to comply with any of the above licence conditions may result in enforcement action, as described above, and/or prosecution.
The fine for a breach of licence condition is UNLIMITED for each offence.**