



Notice of Non-key Executive Decision

Subject Heading:	Private Rented Sector Landlord Licensing
Cabinet Member:	Councillor Roger Ramsey, in consultation with Councillor Damian White
SLT Lead:	Steve Moore, Director of Neighbourhoods
Report author and contact details:	Louise Watkinson, Public Protection Manager louise.watkinson@havering.gov.uk Tel: 01708 432711
Policy context:	The proposal supports the Council's Vision to ensuring decent, safe and high standard housing.
Financial summary:	If approved, the Council will incur costs of undertaking a full public consultation. The total cost of the consultation is anticipated to be between £5,000-£10,000 excluding staff time. This figure includes monies already spent on informal consultation and will be met from existing budgets
Relevant OSC:	Overview & Scrutiny Board
Is this decision exempt from being called-in?	No

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This report summarises the considerations resulting from an informal consultation on proposals to implement Additional HMO and selective licensing designations. It also sets out the further background work which has been undertaken on the evidence base for the additional licensing designation and seeks approval to formally consult on proposals for two options for ward specific Additional HMO Licensing designations. This is set out in further detail in Appendix B **Proposal paper to designate an Additional Licensing Area**

AUTHORITY UNDER WHICH DECISION IS MADE

At its meeting of 18th January 2017 Cabinet agreed that, on completion of the informal consultation and consideration of its feedback, the decision whether to progress either, or both, of the proposed landlord licensing schemes (designations) to formal consultation including agreement to any necessary changes prior to formal consultation, be delegated to the Leader of the Council in consultation with the Lead Member for Housing.

STATEMENT OF THE REASONS FOR THE DECISION

The Council seeks to implement a ward specific Additional HMO licensing designation requiring all private sector landlords who rent out houses in multiple occupation (HMO's) within a designated area, to apply for a licence.

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

- (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 *Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of other residential accommodation (England) General Approval 2015* confirms where a local authority seeks to designate an area under section 56 (3) (a) of The Housing Act 2004 the minimum consultation period is ten weeks Therefore an Executive Decision is

necessary to authorise officers to carry out a formal consultation for a period of ten weeks in respect of this proposal.

OTHER OPTIONS CONSIDERED AND REJECTED

The options to formally consult on a Selective licensing designation and in addition a borough wide Additional licensing designation have been carefully considered but rejected on the grounds that:

- (i) selective licensing is generally a major concern to both landlords and letting agents and is highly likely to be challenged;
- (ii) at this stage the available evidence does not justify the making of a selective licensing designation within the borough and
- (iii) at this stage the available evidence does not justify the making of a borough-wide additional licensing designation and
- (iv) the decision to abandon the above licensing options at this stage will enable meaningful consultation to be carried out on the basis of a viable designation.

PRE-DECISION CONSULTATION

A period of informal consultation with stakeholders and the public was carried out during January-February this year in relation to the Council's proposals to introduce Additional and Selective landlord licensing schemes. A summary of responses received are attached ~~as~~ ~~Appendix D~~.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Steve Moore

Designation: Director of Neighbourhoods

Signature: 

Date: 12-5-17

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The legislative background to this matter was provided in detail to members in the cabinet report dated 18th January 2017. The Housing Act 2004 sets out specific criteria to be satisfied in order for an Additional HMO Licensing designation to be made. Having reviewed the evidence now available it is advised that it is insufficient to justify the making of a selective licensing designation and in addition a borough wide option for a additional HMO licensing designation and for those reasons it is advised that these are not pursued further.

In respect of a selective licensing designation the information available to date suggests that this option can be considered at a later stage. If a HMO licensing designation is in place a local authority may from time to time review the operation of any designation made by them which may include the power to extend the duration and geographical area. However in both of these instances there must be compliance with the statutory requirements and a fresh formal consultation will be required.

The details of the process are set out in the body of the report. Following consultation the feedback will be considered and a final decision will need to be taken as to whether to introduce a ward specific additional HMO licensing designation.

FINANCIAL IMPLICATIONS AND RISKS

The financial implications relate to the cost of undertaking this formal public consultation. The costs are set out in the report, and will all be met by using in-house staff and the costs of printing, room hire, advertisements etc, will be met from existing revenue budgets. The attached proposed public consultation, which includes financial details relating to the prospective licensing scheme for which Cabinet consent may be later sought, have been subject to thorough review by the Council's Finance Service.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no staffing implications arising from this decision. The formal consultation will be entirely managed and run by council staff.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

A full Equalities Impact Assessment (EIA) report IA is attached. The EIA will be reviewed and if necessary revised, following the conclusion of the consultation and reconsider any equalities issues raised during the public consultation.

BACKGROUND PAPERS

NONE

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

~~Proposal NOT agreed because~~

Details of decision maker

Signed



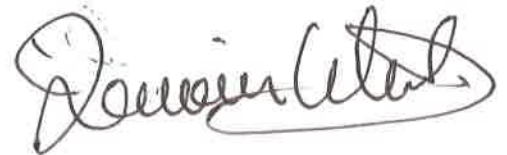
Name: Roger Ramsey

DAMIEN WHITE

Cabinet Portfolio held: Leader of The Council

LEAD MEMBER FOR HOUSING

Date: 12 MAY 2017



Lodging this notice

The signed decision notice must be delivered to the proper officer, Andrew Beesley, Committee Administration & Interim Member Support Manager in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 15th May, 2017.

Signed



Briefing note to Leader and Cllr Damian White, Lead Member for Housing HMO/PRS Licensing schemes recommended next steps - March 2017

1. Summary and background

On 18 January 2017 Cabinet agreed steps for the business case for proposed introduction of five year selective and additional licensing schemes within Havering's private rented sector.

Cabinet also approved commencement of informal consultation, and thereafter the formal consultation arrangements required before the proposed adoption of both schemes.

Undertaking an initial informal consultation was seen as the best way of seeking to mitigate risk, enabling engagement and providing opportunity to seek to confirm those issues of principal interest to parties who may wish to make representations at formal consultation stage whether in support or, particularly, against the proposed schemes including their evidence bases. Informal consultation was carried out for 4 weeks during January/ February 2017. The feedback is summarised in this report.

Cabinet agreed that, on completion of the informal consultation and consideration of its feedback, the decision whether to progress either, or both, of the proposed schemes to formal consultation and the final content of the business case justifications for the proposed additional/selective licensing schemes, including agreement to any necessary changes prior to formal consultation, be delegated to the Leader of the Council in consultation with the Lead Member for Housing. Cabinet also noted that, subject to the above, the informal consultation may result in either, or both, of the proposed schemes not proceeding at this stage.

This report summarises the considerations resulting from the informal consultation and the further background work which has been done on the evidence bases for the schemes. It recommends that *formal* consultation be carried out on the Additional Licensing scheme only but incorporating the following main changes to the content of the business case that was informally consulted on:

- That for the purposes of formal consultation and based on legal advice, an alternative two-part charging model be proposed in which an applicant for a license would pay a "Part A" fee for processing of their application and that if their application succeeds then a second "Part B" fee be charged to cover monitoring, compliance and those enforcement costs related to the provisions of the Housing Act. The informal consultation proposed that only the costs of processing and enforcing of license applications be covered by a single fee.
- The evidence base for the proposed *additional* licensing scheme has been developed with further mapping of existing and predicted HMOs. This better demonstrates their prevalence throughout most parts of the borough and clustering patterns thereby more robustly demonstrating the business case for a wider ward specific scheme. One further option for a narrower ward-specific scheme will also be consulted on; which includes only the four key wards (Brooklands, Gooshays, Heaton & Romford Town) The preferred option is for

the wider ward-specific scheme which will include all wards except Upminster, Cranham, Hylands, Hacton, Emerson Park and Saint Andrews

Counsel advice has suggested that a borough-wide scheme is not justified on the basis of available evidence and to include this option in the consultation document would be confusing and increase the likelihood of challenge. Given that the six wards excluded from the wider ward-specific option not only contain very few HMO's, but do not present any significant reported problems it is proposed that a borough-wide licensing option will not be consulted on at this time.

- The evidence base for the proposed selective licensing scheme has not been further developed and it is not recommended that the Council seeks to implement a selective licensing scheme at this time due to feedback during the informal consultation, the lack of convincing evidence, and likelihood of legal challenge.

2. Informal consultation

The four week informal consultation between 23 January and 17 February 2017 consisted of :

- 3 geographically separate drop in sessions for landlords (Harold Hill, Romford and Rainham)
- Consultation letters sent to 7294 landlords, managing and letting agents
- Consultation letters sent to 5 organisations representing landlords
- Media coverage and LBH web site
- Posters displayed in all of the boroughs public libraries
- 61 responses overall were received comprising 41 completed feedback questionnaires and 20 direct emails/letters.

Appendix 1 explains the representations and points raised. The main recurring issues are summarised below:

- From the drop-in sessions conducted there was significant support for the proposal to implement an additional (HMO) licensing scheme, but less positive support for a selective licensing scheme. Most of the landlords who attended did so to air their views and concern in relation to the Selective rather than the Additional licensing proposal. From the 41 feedback forms completed, just over half (53%) of the respondents were in favour of landlord licencing of some kind, 19% disagreed and the rest were either unsure or did not respond to this question. Of these, 44% felt that only HMOs should be licenced, 24% thought licensing should cover apply to all PRS properties and just 6% agreed that licensing generally should be applied on a borough-wide basis.

- The proposed fee for a selective licence of around £500 raised much concern with landlords who generally felt that even with a 25% early bird discount this charge was too high and, for some landlords, unaffordable. There were very few comments received about the proposal of a £800 charge for an additional licence. Although some landlords indicated that fees would be passed onto tenants as rent increases, a number of portfolio landlords suggested that enabling them to pay for multiple licence fees by instalments would assist them.
- Several landlords commented that they felt this was a bad time to implement further regulation on the PRS and suggested that introducing a landlord licensing scheme in Havering could be the last straw needed to force good landlords to leave the local market which may result in fewer PRS homes being available for Havering's residents and subsequent increased homelessness.
- A couple of letting agents suggested that properties let via reputable (e.g. ARLA registered) letting agents should be exempt from licensing or subject to self-regulation as they felt these agents were already fully compliant with legislation.
- Many landlords expressed a view that there is already more than enough regulation and legislation to bring bad landlords to account but that the Council is not using those powers effectively. Most did not agree licensing would help and felt the Council should direct its resources at enforcing existing legislation instead. Concern was also raised as to how the Council would enforce a licensing scheme and there is a general tendency to believe rogue landlords will continue to operate unlawfully.
- One landlord organisation suggested that focusing on a much smaller geographical area which incorporates both additional and selective licensing schemes would be far more effective at addressing the problems that exist and would enable more targeted enforcement. This option should be considered.
- Landlords who have licensed properties in other boroughs pointed out that they paid their licence fees but saw very little or no benefits. Some were disappointed that their properties were not inspected and another was disappointed that there were no ongoing checks or inspections carried out.
- Rogue tenants were a concern to several landlords who felt that the Council should provide more help to them to deal with unsociable tenants and other issues.

- Finally, as expected, many landlords stated that they felt licensing was an unfair financial penalty on already compliant landlords, with most doubting that licencing would drive out rogue landlords.

The main considerations to draw from this and which inform changes to the business cases are:

- It is unlikely that there will be significant opposition to additional (HMO) licensing as a significant number of landlords said that HMO's are more problematic than other PRS properties and view licensing as necessary. Furthermore residents seem to be very supportive of this proposal.
- Selective licensing is generally a major concern to both landlords and letting agents and is highly likely to be challenged, if implemented the Council will therefore need to be confident that the evidence and reasoning behind the selection of area for any selective scheme is capable of withstanding challenge.
- Efforts should be made to ensure fees are affordable and have as limited impact on compliant landlords as possible. Maximising early bird discounts would assist in achieving this, together with further discounts for accredited landlords and those who are members of recognised landlord organisations
- The proposals should give a clear indication as to the Council's intentions regarding the planned resources for enforcement of the scheme and how it intends to deal with non-compliant landlords. The intention to charge a part B fee will demonstrate how some of the resources required for enforcement activity will be funded from fee income. Details of how the scheme will benefit landlords and what support they will be given to deal with problematic tenants needs to be stated.
- The Council should explore the options of working more closely with registered letting agents and landlord associations. It is intended that regular landlord forums will be facilitated in order to form the framework for further discussion.

It will therefore be imperative that these issues are addressed to ensure fairness of the scheme and to minimise the impact on good landlords.

3. Engagement with LB Newham

The following is not specifically covered within the proposed revised business cases because it is work in progress. However it would underpin development and operation of any implemented licensing scheme in LBH.

Rather than LBH aim to operate its own applications processing, monitoring and enforcement of licensing of HMOs, staff recommend procuring these services from LB Newham. This reflects the potential economies of scale, LB Newham's advanced operational and tactical experience on licensing matters, their logistical and ICT

capacity and the benefits of joint working enabled through the One Source shared back office arrangement which includes shared financial and legal resources.

Liaison with LB Newham is progressing on the following basis:

- LBN are preparing for their borough-wide licensing scheme to be implemented for a second five year period from January 2018 with refinement of their software, application and fee handling processes;
- initial staff feedback from LBN confirms a strong interest in partnering on PS licensing functions with LBH and political support is expected;
- LBN understand that the licensing functions would be badged under LBH rather than seen as an adjunct to LBNs own applications and enforcement activities;
- LBN would bring expertise and experience to project planning for the agreed service provision, development of systems and processes including application and fee processing;
- potential contractual arrangements are being explored together with arrangements for making enforcement decisions and issuing licences. It is likely that this will be a *Key Decision* requiring agreement by Cabinet;
- this implementation work can occur in parallel with LBH's formal consultation on its proposed licensing scheme and account can be taken of consultation feedback as the final service level agreement between LBN and LBH is developed and agreed;
- LBN currently charge a single fee within their licensing scheme whereas, as explained in the costs/ fees section below, the proposal is that LBH should consult formally on a two part fee structure. However this difference in approach is not considered to be critical by either authority;
- LBN model for processing licensing application is that they do not inspect every property before issuing a license whereas this is LBHs stated intention on account of the smaller number of HMOs, feedback from landlords during the informal consultation and the management of risk from a corporate perspective.
- There would be a need for an element of enforcement staff retained within LBH's Private Sector housing team to directly follow up on Housing Act Part 1 functions identified during license inspections as this is not part of the licence function.

4. Costs and proposed fees model

The business cases subject of informal consultation set out a combined, single fee model designed to provide cost neutral recovery of application processing and

administration costs. However, it was caveated that the Council continued to work on the licence fee model and would be considering an alternative fee structure inclusive of costs under section 63 (7) of the Housing Act 2004.

Licences may be issued for up to a five year period and the business cases showed overall income and expenditure for that time period. The proposal was to charge a fee of £800 for an Additional licence. It was expected that there would be a high compliance rate of applications in view of the discount of 25% for early applications. In addition, those who provide evidence of being members of a landlord association would receive a further 10% discount.

Further legal advice recommending the following has informed the proposed revised business cases:

- That the Council could pursue an alternative two-part fee model which seeks to cost recover not only processing and administration but also monitoring, compliance and enforcement costs related to the provisions of the Housing Acts. This would comprise a Part A fee for processing the license application and then if that application succeeds the charging of a further Part B fee to reflect the costs of scheme compliance. A two-part fee model was specifically recommended by counsel, anticipating a 60% chance of defending this model if challenged.
- **Appendix 2** shows the alternative fees model for each of the two Additional Licencing proposals. This would generate a Part A fee of either £675 or £950 and a Part B fee of £225 or-£230 i.e. a successful landlord would pay either £900.00 or £1,180.00 in total for their licence excluding any discounts There is a significant variance in the proposed cost of a licence depending upon which option is chosen. This is due to certain fixed costs that will be incurred regardless of the size of the overall scheme. Therefore the greater number of properties affected by the designation reduces the unit price of a licence.

The 18 January 2017 Cabinet report had noted that any unforeseen changes in legislation that may impact on the costs modelling would be addressed through close monitoring and consideration at the time including the potential of available budget including contingency.

- Through the Part B fee the above approach would enable LBH to recover monitoring and compliance (i.e. enforcement) costs within its operation of the licensing scheme. Previously, in order to take action against breaches, cases had to be prosecuted through the Courts. This has resource implications because the extent and timing of legal cost recovery cannot be guaranteed. The legal process of dealing with the courts can also be protracted. The Housing and Planning Act 2016 introduced a new provision for Councils to instead serve Fixed Penalty Notices (FPNs) with effect from 6 April 2017. Councils are now able to levy financial penalties as an alternative to prosecution with a fine up to £30,000 dependent on the nature of the breach

and mitigating factors. This offers a potential channel through which authorities could take more immediate and direct enforcement action against transgressors. Draft secretary of state guidance suggest the council would have an FPN income source to fund it's functions under The Housing Act 2004 which includes enforcement activities rather than to, seek to pursue legal costs in retrospect. The FPN's under the Housing and Planning Act 2016 are now in force however when the guidance has been fully considered and the position is firmly known this can be taken into account in finalising the Council's final fee model post formal consultation.

5 Recommended next steps

Drawing together the above, the Leader, in consultation with the Lead Member for Housing are asked to agree:

- a) the content of the appended revised business case; and
- b) that the attached formal document be put forward for formal consultation for a period of 10 weeks.

Appendix 1- Summary of feedback from Informal Consultation

Summary of feedback from informal consultation drop-in sessions

Questions asked	Feedback forms completed = 41	Answered: YES			Answered: NO			Unsure
		Landlord	Private tenant	other	Landlord	Private tenant	other	
Q1	Did you find the drop in session helpful?	32	3	2	3	1		
Q2	Do you agree that landlords should be licenced?	17	4	1	8			9
Q3	If yes, do you think that only HMO's should be licenced?	16	1	1	7	3		4
Q4	If you agree that other private rented homes should be licensed, do you think the Council is considering the right areas (Romford & Harold Hill)?	7	2	1	12	2		15
		Whole borough			Only Harold Hill		Unsure	
Q5	If no, which areas do you think are most in need of further landlord regulation?	5 1 (HMOs only)		1		1		2
Q6	Please provide any further comments regarding the Council's landlord licensing proposals	See individual comments on following pages						

To summarise, a total of 41 feedback forms were completed following attendance at one of our three drop in sessions, although total attendance is estimated to have been around double that number.

From the responses received, 90% found the drop in sessions helpful. 53% agreed that landlords should be licensed in some form, 19% disagreed and 22% were unsure. 44% thought only HMOs should be licensed and 24% thought licensing should not only include HMO's. 14% thought that licensing should apply to all PRS properties borough wide. 24% agreed that Harold Hill and Romford were the correct areas for a selective licensing scheme, 34% disagreed and 36% were unsure.

In addition to the direct questions asked, other comments/concerns received included the following recurring themes:

1. Good landlords should not have to pay anything, especially if they rent via a reputable letting agent. ARLA agents should be exempt.
2. Too much regulation and burden on landlords will force them to leave the PRS market and result in increased homelessness and demand for Social housing. Changes to taxation rules etc. mean there is little profit for landlords in the PRS market.
3. Seen as a money making exercise. The proposed fees are too high. A lower early bird fee would be more acceptable, as would payment by instalments for portfolio landlords.
4. Licensing won't stop bad landlords. The Council should take action as the need arises but without licensing
5. The Council should help landlords to deal with bad/problem tenants

Specific comments added to feedback forms included the following:

Early bird fee should be closer to £150
Areas and roads affected need to be very clear.
Landlords must be informed of their responsibilities and not rely on letting agents
I believe agents should be involved to help you manage and assess the licensing, therefore to have more meetings regarding this
Borough wide licensing needed. We rent our property through Liberty and are happy with their service
It would be irresponsible of the Council if they were to publish the residential addresses of small landlords. The name/address of the agent should be sufficient
Bad landlords wont pay for licensing
Cost (£500) is too high. Many landlords are now thinking of selling
Bad time to even think about it as landlords have new tax rules to think about (further loss)
You will have an even higher demand on Council housing
Why not make all landlords go via an ARLA agent or similar and then if they don't make them pay for a licence
I think a responsible person should be living in the HMO (rent free) to manage it and have control and reduce problems
Although I agree with licensing landlords I am not sure why they need to pay £500
The idea of landlord licensing is good however the article 4 proposals are likely to drive even the good landlords out of the borough. not too many people will be willing to buy property to convert into HMO's, not knowing if they will get planning permission
We believe a selective payment plan would be more beneficial as multi-property landlords will potentially want to sell rather than keep renting
No more regulation- will put off most landlords due to increased burden
Due to MIR interest relief & wear and tear gone plus other legislation like right to rent and other punitive legislation PRS will lose many landlords. Shortage of properties for rent will cause more homelessness and crime plus health problems. In short the Council will be the loser as it will have to pay for more B&B and deal with more social problems. Please reconsider. Use your powers to nab bad ones but not punish the good.
As a landlord I feel that my properties are completed to a high standard, therefore if a licence is put into place. I should not have to pay for it. Inspections with steps for improvements/licenses should be issued, but costs shouldn't be passed onto landlords
All rented properties need landlord regulation to safeguard tenants and avoid tax evasion by landlords and their agents
Havering seems to be seeking licensing as some boroughs have and not because of the level of issues or size of its rented property stock. Havering has nowhere near volume of properties or % in let market. I also feel issues that should be addressed in Planning is being shifted to licensing and enforcement. Licensing in itself is not an overall solution to rogue landlords or poorly managed properties. If we are going down route of licensing then emulate the rates charged i.e. £500 is steep. I paid £150-180 for both my other licences. Option is a low rate as an incentive for early bird and higher rate for licence applications after deadline. Landlords have several costs including mortgage, repairs, insurances, taxes etc.
Not necessary
Landlords should not have to pay anything
Its just a way of getting money out of responsible landlords. Rogue landlords should be dealt with as the need arises. The same applies to rogue tenants but we are never told about them.

It should be considered that landlords that have been "trained accredited" should not be included unless they have HMO's

Please take into consideration of what you can do to support the landlords from the following tenants:
 1. Alcohol dependent/alcoholics; 2. Long term mental health issues; 3. Deliberate damage to the property;
 4. Deliberate overcrowding in the property by the tenants

I don't think this will stop bad landlords. They just wont register and will be hard to find

A current landlord with a number of properties in boroughs which have licence schemes. Not once I have received or seen any benefit from the licence scheme- appears to be a local council money making scheme. Please be considerate to decent landlords rather than applying a full approach and licensing all at an extortionate £500.

Your representation was very helpful

Other representations received by email during the consultation have been grouped together in common themes and detailed below:

Theme	Actual comment
There are better ways to improve the PRS using existing tools. More enforcement is needed outside of licensing	How do Havering intend to enforce a licensing scheme?
	Licensing is not being used alongside regeneration or improvement in the relevant areas. Insufficient resources are being employed to improve areas.
	The council already has the necessary tools to tackle poor housing management and conditions in the PRS and it should direct its resources at effective enforcement activity
	The Council is premature in bringing forward proposals to licence. The new Housing & Planning bill will give LA's substantial new powers to tackle breaches of the legislation and drive out criminal operators from the sector. The council should wait until the impact of these new powers can be assessed before pressing on with more regulation in the form of selective and additional licensing.
	There is a danger that the issues the scheme seeks to address will simply be moved elsewhere if area based licensing is introduced as difficult or vulnerable tenants will simply be moved on
	Have we considered alternatives to licensing, such as self-regulation of compliant landlords via a co-regulation scheme?.
	Worrying trends are emerging in the case of discretionary licensing. Licensing entails a huge bureaucracy and much time, effort and expense is taken up in setting up and administering these schemes, rather than spending it on the ground and flushing out criminal landlords
	If the Council is already aware of these rogue landlords then why don't they address them?

	<p>I have managed a number of properties over the last 20 years in the borough of Newham where similar licence schemes have operated for the last few years. My view is that local authorities already have sufficient powers to prosecute rogue landlords and improve the standard of residential lettings.</p>
	<p>There is already sufficient legislative framework (housing Acts, Landlord & Tenant Act, rent deposit scheme, common law, gas safety etc) to set out the responsibilities of landlords. The Council should perhaps do more to enforce the existing law: it should not be wasting its time in dabbling in schemes like this.</p>
<p>Fees are too high and will result in rent charges increasing/ licensing is just a money making scheme for Councils</p>	<p>Increasingly, discretionary licensing I being used to fund cash strapped housing enforcement services. The recent Westminster court appeal (Hemming) has brought such funding into question</p>
	<p>Licence fees may be passed onto tenants in the form of rent increases, which may cause hardship for some tenants, particularly those on benefits who are affected by frozen housing allowances</p>
	<p>The cost of registration for landlords is high. Despite common perception, renting property out is not very profitable; even less so if this scheme is adopted. I can see that the main outcome of this scheme would be to drive up costs, some of which will be passed on as rent</p>
	<p>The level of fees which are ultimately passed on to tenants are a major worry to landlords</p>
	<p>This fee will only be passed on to tenants by way of rent rises, and those who cannot afford to pay more will be knocking on the Council's door for help.</p>
	<p>In developing a schedule of fees, we would encourage the council to offer a discounted fee if the licence holder or designated manager is accredited through an approved scheme. We think the discount should be linked to the accreditation of landlords and letting agents regardless of whether it is the licence holder or the designated manager who is accredited. The discount should be offered to members of all accreditationschemes that have been approved by the GLA under the London Rental Standard. Secondly it is important to offer an early bird discounted fee to reward compliant landlords and agents and to aid the smooth implementation of the scheme.</p>
	<p>After completing a very long form and paying an extortionate fee we hear nothing more from the local councils. For the fee that we pay I would have expected inspections and regular contact which leads me to believe that the licensing is just about raising revenue and not about anti-social behaviour.</p>
	<p>My wife and I own a single property in Romford which we</p>

	<p>let through an agent. I have no problem of the idea of a landlord licence- we currently pay for a licence in Scotland which is £150 for a 3 year licence, which we absorb ourselves, but if the charges you propose are implemented I believe it will force rents up further and make the burden on those who are in no position to buy their own home even more difficult. I suggest you adopt a more reasonable charge which landlords will be able to absorb without passing them on to the tenants</p>
<p>Licensing does not work/bad landlords will avoid licensing</p>	<p>So called "rogue" landlords will not abide by the new rules and will continue to overcrowd their properties and charge extortionate rents</p> <p>Antisocial behaviour cannot be associated with the private sector, this happens within privately owned houses and Council rented too.</p> <p>selective licensing is not the answer to ASB and social issues in the PRS</p> <p>There is little use of "fit and proper person" powers to exclude bad landlords</p> <p>We believe a significant number of landlords are still operating under the radar without being licensed</p> <p>Little has been done to improve property management. Opportunities to require training have been ignored. As always it has become an obsession with regard to physical standards with very little detailed conditions being laid down. No action is taken against criminal landlords</p> <p>Bad landlords ignore their responsibilities and will not join the select licensing scheme. You will argue that it is a legal requirement to join select licensing, however it is my experience that local government is either reluctant or unable to prosecute these bad landlords</p>
<p>Good landlords will be penalised by the scheme</p>	<p>As always it is the compliant landlords who are affected by the schemes</p> <p>I acknowledge the fact that there are some landlords in the private sector that do poorly manage properties but I think it is extremely unfair to brand all landlords with the introduction of a licensing scheme</p> <p>Licensing schemes create yet another layer of legislation to landlords and agents in an industry that has already seen increasing legislation over recent years. Property licensing penalises law abiding landlords whilst those who choose not to comply with other legislation are unlikely to comply with licensing.</p> <p>I note that Havering Council recognises that the majority of landlords in the borough operate in a professional manner. It is therefore unfair that all the landlords are being punished with a hefty licensing fee for the actions of a very small number of landlords.</p> <p>If there are "rogue" private landlords currently operating</p>

	<p>in Havering, why doesn't the Council pursue them? It seems that decent law abiding landlords will be forced to pay approximately £500 per property for a landlords licence because other landlords are not looking after their properties properly</p>
	<p>I am a professional landlord with properties in several London boroughs, and Counties that already have Selective licensing. Licensing has been of no benefit to me, nor have I seen it make any difference in any of the areas it is implemented. Responsible landlords already take care of their properties and make an effort to improve the local environment as it is to their own long term benefit. These people become part of the select licensing scheme. My experience of select licensing is a waste of time and money, and another burden on responsible landlords</p>
	<p>We are not all wicked landlords and I suspect that it will be those who wish to support the scheme that will end up paying the most whilst those who avoid registration and let houses under the radar will just continue to abuse the tenants and take rental money without being found or checked.</p>
	<p>I view your proposal as simply revenue raising. It is appreciated that you are trying to rid the borough of rogue landlords, however this one-size-fits-all is a thinly guised 'attack' on landlords that provide an honest and transparent service.</p>
<p>Licensing Schemes are not being used properly or as intended</p>	<p>Discretionary licensing is not being used for its intended purpose of a short period of intensive care; rather it is being used by the back door to regulate the PRS</p>
	<p>Schemes are not laying down clear objectives to enable decisions to be made whether or not these have been achieved. Proper monitoring is not being put into place to see if schemes are successful or not.</p>
	<p>Despite high fee levels local authorities still lack the will and resources to properly implement licensing</p>
	<p>The rationale for considering the scheme seems flimsy. I can't see what problem it is that the proposed scheme aims to solve. The only stated aim of the proposed scheme is to reduce the levels of ASB associated with PRS properties by improving the standard of management. What (realistically) could I do about it in any case (other than serve notice on "bad" tenants? I can understand that there are other perceived benefits of a registration scheme. These are mentioned here and there in your document, but , other than driving up housing standards, these are not the conditions nor criteria for bringing in a scheme that the Council is allowed to consider, nor the one stated as rationale for the Havering scheme. To this end the document is</p>

	<p>mischievous to conflate other issues with the one stated aim for the Havering scheme of reducing ASB. If there is another set of motivations for introducing the scheme these should be set out formally in the document so that it can be examined and challenged properly in the public domain.</p>
<p>Alternative Suggestions</p>	<p>The council should use cross departmental and multi-agency working and effective use of existing housing legislation to support tenants and landlords in maintaining tenancies, housing condition and management standards</p>
	<p>RLA are interested in speaking to the Council about a partnership scheme and negotiating how we could work together</p>
	<p>If your proposal is indeed invested in 'weeding out' poor landlords and in improving the standard of the current housing stock, then I would strongly urge you temper your rollout of this proposal. By this I mean that you should target only those landlords and only those houses that are substandard, illegal, non-compliant, unresponsive etc. For a start you could survey and/or visit the tenants to gauge their 'enjoyment level' of the property. This would aid in targeting only those that are substandard. It would also send a message to decent landlords like myself that you have honest intent, and that this was not just another local tax.</p>
	<p>NALS encourage Havering Council to consider adopting a co-regulation partnership arrangement in order to achieve more balanced and effective regulation of the private rented sector and would be very happy to meet with Havering Council to explore options for developing a co-regulation model that helps to deliver better regulation of the PRS</p>
<p>Other concerns or comments</p>	<p>Where areas are designated for selective licensing this highlights that they can be "sink" areas. This could well mean it would be harder to obtain a mortgage to buy a property in these areas.</p>
	<p>We feel, at this juncture, that the most sensible scheme to implement would be HMO licensing and not the licensing scheme for non HMO houses</p>
	<p>I would very much like to see all HMO's licenced. It would be far better not to have them at all as they are destroying Harold Hill and bring nothing but trouble</p>
	<p>I wish for all HMO's to be licensed and checked. HMOs need to be regulated to check they are safe for the residents and immediate neighbours and should not be used to house "undesirables". There are many more concerns with HMO's that need to be considered, ASB, parking, noise etc. Real people have to live next door to these properties</p>

I like many other local residents have witnessed first hand the consequences of living a few doors away from a badly managed HMO. It has totally destroyed the road where I live and most of the residents live in fear on a daily basis due to the appalling conduct of some of the residents in these properties

Haig Housing Trust is the largest charitable provider of family unsupported homes to the veteran community. We own and manage 1400 homes across the UK, including six 3 bedroom homes in Collier Row. These homes were built as part of the Royal Artillery Memorial in 1950. Haig is a Housing Association but chose to de-register from the Tenants Services Authority in August 2011. We are no longer a registered provider and therefore may be affected by a selective licensing scheme. Our rents are kept low, based on target rents and are usually significantly below the prevalent local housing allowance. We are aware of Havering's intention to enact a selective licensing scheme for very useful and sensible reasons. However the unintended consequence for charities such as Haig is that there will be a fee associated with licensing and as a consequence we would need to rise the rents of veterans to cover the resultant additional operating costs of our charity. Haig Housing is not a rogue or absent landlord, we offer excellent homes with excellent highly responsive maintenance and tenant care and are members of LLAS and UKLAP. I am sure it is not the intention of this initiative to cause this consequence and therefore ask you to consider exempt our Veteran's Charities from such a requirement.

We do not believe any licensing schemes are required in Upminster, Hornchurch or Cranham. We would add that in our experience there are very few, if any, HMO's in these areas. We do understand there are problems of ASB in Harold Hill and Romford where we believe there are a greater number of HMO's. It is understandable that the Council might wish to introduce selective licensing in those areas but we would express the hope that the Council will limit this to areas where there have been historic and ongoing problems in relation to ASB, bad tenants and irresponsible landlords.

Introducing another cost to landlords in Havering will deter some private landlords from investing in the area. With the recent changes in tax allowances introduced by Government, imposing an additional cost to landlords will mean that some of those that already have property in Havering will have no option but to sell up. This will further reduce the stock of available rental accommodation in the borough.

	<p>My concern is that the monies which the council may impose on all landlords may be disproportionate and not ring fenced for landlord investigations and prosecution of unscrupulous landlords, but be syphoned off to pay for other council finances. What guarantee can you give it will be used for the purpose for which it is levied?</p>
	<p>Will there be a warning system or direct prosecution, with a system of monetary fines which will be proportionate to cover the prosecution costs or a usual "smack on the wrist" which leaves the Council to bear the financial cost which it then passes onto the registered landlords by means of increasing our annual registration fee to cover the losses?</p>
	<p>I entirely agree that there are some unscrupulous letting agents and landlords who need regulating and proper prosecution and I support some form of registration for "good landlords" to protect us as much as the tenants</p>
	<p>What protection will this register offer us the registered landlord? Will it provide us with a list of bad tenants when our letting agents carry out reference checks?</p>
	<p>We a landlords have spent a considerable amount of time and money on our rented properties to bring them up to current day standards and find these proposals completely unfair and unnecessary. Surely there must be an alternative way?</p>
	<p>On the subject of being poorly managed perhaps it would be a good idea if the council house management was looked at in a bit more depth!</p>
	<p>Concerned about fees and other legislation stacking up to make being a landlord or a letting agent not financially viable. This could result in rental increases</p>
	<p>I do not object to licensing as it cuts out amateur landlords so is a good thing</p>
	<p>Concern that licensing wont address issues that exist. Much of the ASB in Romford is caused by non residents (drug dealers etc.) who travel into Havering from other areas</p>
	<p>Money raised through licensing should be spent on greater enforcement to catch bad landlords and make an example of them by publicising prosecutions etc. to act as a deterrent and prevent others from doing the same.</p>
	<p>I have no comment to make regarding HMOs. However I would strongly oppose the introduction of Selective Licensing to landlords like myself who rent privately rented accommodation. To give you some background, I provide accommodation to a very good tenant and her small family. We have enjoyed a good relationship since she took up tenure in the house in December 2009. She came to me via a high-street</p>

	<p>agent, and so she enjoys a solid AST with a all the necessary checks done on myself, her and the house. This continues to today, with all legislative requirements being observed, as well as changes done to the house that improves her comfort. Indeed, since December 2009 my tenant has enjoyed no rent increases. This is a saving that has been 'passed on' to her and ultimately to those that have a relationship with her rent. I am very proud of this arrangement. However be under no illusion that should this proposal become statute, this will have a profound effect on the property in either rent increase, sale or both. This is not a threat. It is just a statement of fact. Why? Because as already mentioned, the rent has remained static for many years. But given the incumbent cost and hassle of having to comply to local laws, this will add a new and unwanted dimension to what has for many years been an positive relationship. Consequence always has its tax.</p>
	<p>The proposal makes minimal reference to letting agents and their important role in the effective management of the PRS. The Council should explore the benefits of encouraging landlords to use regulated letting agents such as NALS licenced firms.</p> <p>With government proposals for mandatory HMO licensing to be expanded to cover all HMOs with 5 or more people, the business case for additional licensing needs to be much more focused on HMOs with only 3 or 4 occupants.</p> <p>We would encourage the council to consider options for a smaller more targeted additional licensing scheme and to be more specific about exactly what the issues are and how they will be addressed. By targeting the Council's limited resources in a small area, it will have scope to achieve more effective outcomes. The evidence to justify a borough wide additional licensing scheme for all HMOs appears particularly weak.</p> <p>The Council's approach to S.257 HMOs needs to be made clear. An approach similar to that adopted by L.B of Ealing is encouraged whereby additional licencing is restricted to S.257 HMOs where the whole building or individual flats within it are in single ownership or considered to be effectively under the same control.</p> <p>We think it is important for the Council to set out exactly how they intend to tackle the perceived ASB issues, what practical help the Council will offer in tackling 'difficult tenants' and how success will be measured. Simply issuing a property licence is unlikely to have a meaningful impact.</p> <p>Based on the evidence that has been published, we do</p>

not think the case has been proved for the introduction of a borough wide additional licensing scheme for all HMOs. We have less concern about the implementation of selective licensing in the Harold Hill and Romford areas, provided the evidence supports a significant and persistent problem of antisocial behaviour associated with PRS homes in those areas. If there is evidence to justify additional licensing, we think the scheme boundary should mirror the selective licensing scheme boundary to facilitate a programme of more targeted activity in those areas of greatest concern.

In general terms we do not think it is necessary or appropriate to replicate existing statutory requirements as licence conditions. At this stage we have not commented on the proposed licence conditions in detail.

Appendix 2 – Operational Costs and Proposed Fee Charges

LONDON BOROUGH OF HAVERING HMO LICENSING OPTIONS		HMO Additional Licensing		Enforcement		Total		HMO Additional Licensing FTEs p.a. (for 5 years)		Enforcement FTEs p.a. (for 5 years)		Total FTEs p.a. (for 5 years)	
Option	Description	Estimated Case numbers	Part A Licence Fee	Part B Licence Fee	Both Charge Fees	Part A Licence processing	Part B Enforcement	Part A Licence processing	Part B Enforcement	Both	Part A Licence processing	Part B Enforcement	Both
1	All Wards except Cranham, Upminster, Emerson Park, Hacton, Hylands & Saint Andrews	820	675	225	900	1.06	0.2	1.06	0.2	1.26	1.06	0.2	1.26
2	Four wards only (Brooklands, Gooshays, Heaton & Romford Town)	400	950	230	1180	0.52	0.1	0.52	0.1	0.62	0.52	0.1	0.62
Approximate Rounded Fee Values used													

Proposed Discounts		
1	Early Bird Discount 25%* Part A fee element only	For applications made following scheme designation but prior to the implementation date
2	Discount 10%* Part B fee element only	For accredited landlords or members of recognised landlord associations
3	Discount 5% of Part A fee element of only* (excludes first application)	For multiple applications made concurrently by the same proposed licence holder

* If a landlord is making multiple applications and is an accredited landlord, he/she/it may apply for both discounts 2 and 3.

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 Part A fee applicable) see table 4 above
Change of manager (unless they are also the licence holder)	No Fee
Additional Charge for Assisted Applications**	£100 per Application
Action	Applicable Fee
Revocation of licence	No fee
Application for licence following revocation of licence	(full applicable fee) see table 4 above
Application refused by the Council	Part A application fee (no refund)
Application withdrawn by the applicant	Part A application fee (no refund)
Application made in error – e.g. out of Borough	No fee, and a refund will be made

** 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

WIDER WARD OPTION

Further Discounts Available

Total Estimated Number HMO Licences Required:

820

Discount
Rate
25%

Discount
Rate
10%

London Borough of Havering HMO Additional Licence 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 DiscountPer centage Discount Receivable	Estimated Number of Clients who are Members of a Landlord Association	Estimated Further Discount Receivable from Clients who are Members of a Landlord Association	Total
---	---	-----	--	-----------------------------------	---	--	---	--	-------

Income

HMO Additional Licence Part A	£675	600	£405,000	220	£111,375	50	-£3,375	£513,000
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Additional Charges

Additional supplement for paper applicator	1%	£100	6	£600				£600
Charge for assisted applications	1%	£100	6	£600				£600
Subtotal			12	£1,200				£1,200

Total Estimated Income Over 5 Years								£514,200
--	--	--	--	--	--	--	--	-----------------

Expenditure

Operational Costs

Staff Cost				£234,527	5.3			
Overhead Costs				£105,160				
				£339,686				

Start up cost

IT system				£40,000				
Publicity				£25,000				
				£65,000				

Setup costs

Staff Cost				£95,771				
Materials/Printing forms/Formal Consultation etc				£15,000				
				£110,771				

Total Estimated Expenditure Over 5 years				£515,457				£515,457
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Enforcement Part B Licence

Fee Part B	Estimated Enforcement Numbers	Estimated Income Receivable
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Income

HMO Additional Licence Part B	£225	310	£69,795	1.0	£69,795
-------------------------------	------	-----	---------	-----	---------

Expenditure

Estimated
Expenditure

Operational Costs

Staff Enforcement Cost			£70,068		
			£70,068		

Estimated Expenditure Over 5 years			£70,068		£70,068
---	--	--	----------------	--	----------------

Note 1 - HMO Additional Licence Part A Fee rounded to the nearest whole number or £5

Note 2 - HMO Additional Licence Part B Fee rounded to the nearest whole number or £5

NARROWER WARD OPTION

Further Discounts Available

Total Estimated Number HMO Licences Required:

400

Discount Rate
25%

Discount Rate
10%

London Borough of Havering HMO Additional Licence 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	Estimated Number of Clients who are Members of a Landlord Association	Estimated Further Discount Receivable from Clients who are Members of a Landlord Association	Total
---	-------------------------------------	-----	--	-----------------------------	--	--	---	--	-------

Income									
HMO Additional Licence Part A	Note 1	£950	250	£237,500	150	£106,875	40	-£3,800	£340,575

Additional Charges

Additional supplement for paper application	1%	£100	2.5	£250					£250
Charge for assisted applications	1%	£100	2.5	£250					£250
Subtotal			5	£500					£500

Total Estimated Income Over 5 Years									£341,075
--	--	--	--	--	--	--	--	--	-----------------

Expenditure					Staff FTE				
<u>Operational Costs</u>									
Staff Cost				£114,403	2.6				
Overhead Costs				£51,297					
				£165,701					

Start up cost

IT system				£40,000					
Publicity				£25,000					
				£65,000					

Setup costs

Staff Cost				£95,771					
Materials/Printing forms/Formal Consultation etc				£15,000					
				£110,771					

Total Estimated Expenditure Over 5 years				£341,471					£341,471
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Enforcement Part B Licence

Fee Part B	Estimated Enforcement Numbers	Estimated Income Receivable
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Income					Staff FTE				
HMO Additional Licence Part B	Note 2	£230	152	£34,914	0.5				£34,914

Expenditure				Estimated Expenditure					
<u>Operational Costs</u>									
Staff Enforcement Cost				£35,034					
				£35,034					

Estimated Expenditure Over 5 years				£35,034					£35,034
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Note 1 - HMO Additional Licence Part A Fee rounded to the nearest who number
 Note 2 - HMO Additional Licence Part B Fee rounded to the nearest who number

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
May 2017

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:	May 2017
Version Number	V9.5
Scheduled date for review:	July 2017- following public consultation

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Abbreviations

ASB	Anti-social behaviour
EA	Equalities Assessment
ELHP	East London Housing Partnership
HHSRS	Housing Health and Safety Rating System
HMOs	Houses in Multiple Occupation
LACORS	Local Authorities Coordinators of Regulatory Services
MARAC	Multi-Agency Risk Assessment Conference
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 regard 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.

Foreword

The negative impact of poorly managed HMOs spreads further than the property itself and residents tell us about the anti-social behaviour and other problems they sometimes experience from living near a HMO which the landlord does not manage effectively. This Council believes that the implementation of additional licensing will, alongside other existing and proposed activities, improve management practices in HMO's and reduce the negative impact that poorly-managed shared accommodation in the private rented sector can sometimes have on the local community.

The low supply and high demand for housing means that the market alone will not drive up rental standards, particularly due to the high demand for single person accommodation. 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 current issues associated with HMOs and presents evidence obtained by the analysis of data, together with current research to demonstrate how the legal criteria to implement an additional licensing scheme in the borough is met. Licensing would be implemented as part of a co-ordinated approach to tackling the problems identified. The report 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.

1.0 Introduction and context

Havering is the third largest London Borough, covering some 43 square miles. It is located on the north east boundary of Greater London. To the north and east the Borough is bordered by the Essex countryside, to the south by a three mile River Thames frontage, and to the west by neighbouring boroughs of Redbridge and Barking & Dagenham. Havering is a relatively affluent local authority but there are pockets of deprivation to the north (Gooshays and Heaton Wards) and south (South Hornchurch) of the borough.

The population of Havering increased by 5.79% between 2001 and 2011. Since 2007, the population of Havering has been growing at a faster rate than the England average, and this rapid growth is expected to continue in the future, with the population expected to rise by 8.3% between 2011 and 2020, an increase of around 19,500 people. The estimated population of the London Borough of Havering is currently 249,085. This increasing population is expected to place significant pressure on the local housing market, particularly because of the demand for affordable housing in the private rented sector. The rate of statutory homelessness (eligible people not in priority need) in Havering in 2015/16 was 1.4 per 1,000 households, This is higher than in both London (1.2 per 1,000) and England (0.9 per 1,000).

The number of people owning their own home in Havering, rather than renting social or council housing, is around 70%, which is higher than the average for London or England. Pensioner households comprise the biggest proportion of households in Havering, making up nearly 30% of all households. 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 were approximately 100,000 dwellings in total, of which 17,037 are privately-rented. This equates to a 77% rise in the number of private rented sector homes in Havering in just 5 years.

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 experienced in some parts of 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 Tenure Intelligence Model 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.

The TIMs 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 – this level rises to 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 also predicts that there may currently be up to 1,200 HMOs in Havering which represents 7% of the borough's total private rented sector. This is significantly higher than the 300 HMOs already known to the council. 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 levels of anti-social behaviour and crime are significantly higher in areas where there is a high concentration of HMOs.

A map of the borough showing the locations of all known and predicted HMOs is shown in **Appendix 1**

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 – allows for the licensing of HMOs that are not already covered by mandatory licensing.

In summary, Part 2 of the Housing Act 2004 enables local authorities to implement additional licensing if it 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.

This legislation permits a local 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 and located in the area to which the designation applies, to apply for and obtain a licence.

The Housing Act 2004 requires that every licence must include certain mandatory management conditions. Local authorities also have the power to include other discretionary conditions which are considered appropriate for tackling the issues they identify as negatively affecting the private rented sector in the borough. Havering propose to use discretionary conditions to control:

- overcrowded accommodation;
- substandard living accommodation;
- anti-social behaviour; and
- inadequate standards of property management.

Where appropriate, licence conditions will allow the council to intervene early and work with landlords to help and support them to meet their responsibilities. Where landlords undermine the local community by failing to meet minimum standards, the council can use its enforcement powers and work with partner agencies to address the negative impact of the breaches.

Exemptions to licensing are proposed to 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.

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

Landlords that 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.

The licence would normally be valid for a period of 5 years, although shorter term licences may be issued in certain cases where the council considers this to be appropriate, such as where previous poor property management practices have been evidenced by the proposed licence holder.

The licence would also contain a series of conditions and these proposed licence conditions are set out at **Appendix 5**.

It is the council's intention to inspect every HMO before granting a licence in order to ensure the property provides suitable and safe accommodation. During the course of the licence period, further compliance inspections will also 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 non-compliances 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 a designated area without applying for a licence and the penalties for non-compliant landlords are intentionally high.

Failure to apply for or obtain a licence could lead to prosecution and an unlimited fine or, as an alternative to prosecution, the issue of a fixed penalty notice that will carry a fine of up to £30,000. 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 an amount equivalent to up to twelve months of any rent received in respect of a property.

It is also important to note that once an additional licensing designation has been made, a landlord may not serve tenants with notice under section 21 of the Housing Act 1988 (notice requiring possession) in relation to a short-hold tenancy, unless the property is licensed. This would serve to prevent landlords from evicting tenants as a means of avoiding licensing.

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 may be given a shorter-term licence and subjected to more frequent checks. The fee for such a licence would be charged at the full price.

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 be refused 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 and the property is to continue to be 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 itself by, for example, making an interim management order under Part 4 of the 2004 Act.

Once licenses have been granted a programme of pro-active and intelligence-led compliance inspections would be undertaken by enforcement staff during the licence period in order to detect any breaches of licence conditions. The potentially high penalties that can be imposed will act as an incentive for landlords to comply with the requirements of the scheme. Therefore the council expects that a 90% compliance rate with the licensing scheme could be achieved within the five year life of the designation.

3.0 The Proposal

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 and other problems associated with the borough's private rented sector.

The council has gathered evidence of poor property management and/or anti-social behaviour linked with the private rented sector, and in particular, to HMOs. On the basis of this evidence, two additional licensing options are being consulted upon for potential adoption, as follows:

Option 1 (wider scheme)	Option 2 (narrower scheme)
Wards	Wards
Brooklands, Mawneys Elm Park, Pettits Gooshays, Rainham & Wennington Harold Wood, Romford Town Havering Park, South Hornchurch, Heaton, Squirrels Heath	Brooklands Gooshays Heaton Romford Town

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

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

Certain converted flats that fall within the description of section 257 HMOs will also require an additional licence, where all such flats within the building are owned by the same person. A section 257 HMO will include a building or part of a building which has been converted into, and consists of, self-contained flats and building work undertaken in connection with the conversion did not comply with the appropriate building standards and still does not comply with them.

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 each of 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 autumn 2017. If it decides to do so, the scheme would not become operative for a minimum of three months from the date of approval. If implemented, the designation will run for a period of 5 years and will be 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. An additional licensing staffing and software resource will be required to process licence applications and administer the scheme over the full 5 year period, and these resources will be aligned and managed in accordance with the demands of the scheme. The cost of the staff and systems required to receive and process licence applications will be funded entirely through the 'Part A' element of the proposed licence fees.

It is expected that compliant landlords would apply for a licence shortly after the designation. However it will be necessary to introduce an enforcement programme to identify unlicensed properties and landlords that breach licence requirements. The cost of the staff and systems required to undertake enforcement will be funded entirely through the 'Part B' element of the proposed licence fees.

Following the initial consultation the council proposes to implement the following licence fee model.

HMO Additional Licensing				
<i>All licences will be valid for a period of five years unless the proposed licence holder is a person of concern***.</i>				
Options	Description	Part A Fee (licence processing)	Part B Fee (enforcement)	Total
Option 1	Wider option (12 wards)	£675	£225	£900
Option 2	Narrower option (4 wards only)	£950	£230	£1180
<i>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.</i>				

The proposed licence fee that the council intends to introduce will therefore consist of a two-part fee model, whereby the Part A fee element will be payable upon making a licence application. This part will cover the direct cost of administration and processing of the application. A further Part B fee element will also be payable before the council will issue the licence. This part of the fee will be used towards the cost of monitoring and enforcing the licensing scheme.

Full details of the proposed fees and charges are set out in **Appendix 4**.

It should be noted however that due to various fixed costs in setting up and implementing a licensing scheme, the suggested licence fee chargeable will be significantly higher should the licensing scheme only be implemented in four wards. It is intended that enforcement activity will initially focus on unlicensed HMOs, followed by a programme of random, programmed and intelligence-led inspections of licensed premises thereafter to assess compliance with licence requirements.

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 resulting in a significant increase in the number of recorded HMO premises. There has also been an increase in the number of complaints made by occupiers of neighbouring homes about the anti-social behaviour of HMO residents.

Campaigns and petitions by borough residents were also organised, which challenged the development of HMOs and the management practices of HMO landlords. In March 2015 the Romford Recorder published an article in relation to such campaigns which cited that a petition with 500 online signatories and an estimated 700 on paper had been submitted to the council, which demonstrated the level of public concern over the rise of HMOs in Havering.

In response to rising public concern, In July 2016 the council implemented 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 to help control this problem. This enables the council's planning department to control the development of new HMOs. However, the directions do not apply retrospectively to existing HMOs.

The sharp increase in the development of new HMOs in recent years, possibly in response to housing benefit reforms introduced in 2012, which saw housing benefit caps extended from age 25 to 35 years and subsequent higher demand for single room accommodation, has also seen many substandard and DIY conversions of property into bedsit-type HMOs. These properties provide poor-quality and sometimes dangerous accommodation, but the high demand for lower cost private rented accommodation can often mean that vulnerable individuals who have few housing options are willing to accept such accommodation.

During 2015-2016 Havering's Planning Department received 182 new reports relating to alleged HMOs being formed. Upon further investigation 83 of these 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.

The current mandatory HMO licensing scheme only requires buildings of 3 or more storeys and 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 54 mandatory HMO licences.

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 that fall 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. During the last three years over 500 complaints and reports were received by the service in relation to unlicensed HMOs.

Over recent years the environmental health service undertook a programme of proactive HMO inspections which enabled the council to collect information about the type and quality of non-licensed HMOs that operate in Havering.

Additionally a sample of around 100 two storey HMOs was undertaken. The results were quite astonishing and illustrated that poorly managed HMOs exist in almost all wards of Havering. Of the properties inspected, only 37% were found to be fully compliant with legislative requirements relating to property condition and management arrangements. Less than 50% of the HMOs inspected were found to have adequate fire safety provisions and almost one-third were poorly managed. A full breakdown of these findings is set out in **Appendix 3**.

The Government recognises that there are a significant number of smaller HMOs in operation across the country that are contained within buildings of less than three storeys and in response to this fact it is proposed that the current mandatory HMO licensing scheme will be extended to include HMOs of one or two storeys. Information released to date, however, suggests that the scheme will only be extended to those HMOs containing five or more occupiers, as is currently the case for HMOs of 3 or more storeys requiring a mandatory licence. This would mean that a significant proportion of HMOs will remain outside the scope of even the extended mandatory HMO licensing scheme.

From the sample of non-licensable HMOs inspected, around one-third were found to be occupied by less than 5 people. If the same statistic is applied across all of Havering's HMOs this could equate to up to 400 HMOs based on predicted numbers. Given that the sample of HMOs visited has shown that poor management and substandard living conditions are not restricted to larger HMOs, the council considers that the introduction of an additional licensing scheme to run alongside mandatory licensing is necessary as it will ensure consistency among all of the borough's HMOs.

HMOs are generally more difficult to manage than other privately rented homes and can cause a number of problems to local communities and residents. Such problems may include anti-social behaviour, sometimes including noise, disturbance, criminal behaviour, drug use, waste issues, overcrowding, and unlawful renting. Being at the lowest end of the private rented sector, this type of accommodation disproportionately accommodates the most vulnerable in society.

We know that there are 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.

Although local authorities have existing powers under Housing Act 2004 to deal with poor property conditions and poor management practices, it can be both difficult and time consuming to establish who is responsible for the management of some HMOs. Furthermore many poorly managed HMOs are not brought to the council's attention as tenants are often too afraid, through fear of retaliatory eviction, to report issues. Whilst a more proactive approach to seeking out these properties could enable the council to identify and take action against non-compliant HMO landlords, the council simply does not have the resources to commit to undertake a comprehensive HMO inspection programme and proactive enforcement work. This leaves the council exposed to displacement as criminal landlords move out of areas already subject to licensing into areas with reduced enforcement capability.

The introduction of an additional licensing scheme will not only mean that the council will know who is responsible for the management of properties rented out as HMOs, and so can quickly contact them about problems associated with their properties, but it will also enable inspections of all HMOs to be undertaken as part of the licence application process without tenants having to make complaints. The resources needed to carry this out would be funded from licence fee income and therefore enable poorly managed and unsafe HMOs to be identified and appropriate action taken.

Licensing is therefore seen as essential in order to enable the resourcing required to maintain minimum standards. By charging landlords a fee the council will be able to commit significant additional resources to improving the living conditions of many vulnerable tenants. Alongside other existing and planned initiatives it will also enable the delivery of improvements for our local communities.

The reasons the council proposes to introduce an additional licensing scheme are therefore to:

- address the significant problems of anti-social behaviour associated with the privately rented HMOs, by making landlords more accountable for the management of their properties and the behaviour of their tenants;
- improve the standards of HMO accommodation and prevent overcrowding;
- implement an inspection programme to identify premises where action is needed;

- address the inequality that exists currently with the mandatory HMO licensing regime by removing the loopholes that 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; and
- improve the management practices within HMOs by ensuring only fit and proper landlords or managers are granted licenses and through promoting landlord accreditation

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 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 Assessment has been compiled which is appended at the end of this document however a full and final EA 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 the strategies 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 3) provides 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 associated with 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 is necessary in order to enable the local authority in achieving its objectives.

Additionally, the council expects additional licensing to complement and assist with the attainment of its corporate objectives.

The council also has a new vision - "*Havering – Making a Greater London*" which embraces the best of what Havering has to offer, and how the borough can play an active role in the success of the whole of London. Our vision is focused around four cross-cutting priorities:

1. Communities
2. Places
3. Opportunities
4. Connections

As part of its "Places" priority the council pledges to work to achieve a clean, safe environment for all and continue to invest in our housing stock, ensuring decent, safe and high standard properties.

Further regulation of the private rented sector will go some way to support these priorities by addressing many of the problems that currently exist in terms of poor quality housing accommodation and ineffective management of property and tenants within the private rented sector that can interfere with the lives of residents and blight our neighbourhoods.

The Housing and Planning Act 2016 recently introduced a power for local authorities in England to impose a civil penalty of up to £30,000, as an alternative to prosecution on landlords and/or letting agents. The Housing and Planning Act 2016 also contains provisions which will enable local authorities to apply for a banning order to prevent a landlord or property agent from being involved in the letting and/or management of property and for their inclusion in a database of rogue landlords and property agents. These new provisions will enable local authorities to keep a track of, and focus their enforcement activity against, those landlords and property agents on the database. Although not yet in force, these provisions are expected to be introduced during the lifetime of the proposed additional licensing designation. This proposal is essentially a naming and shaming scheme so may not prove to be an effective means in itself of dealing with the problems with which the council is concerned.

5.1 Housing Strategy

The council's Housing Strategy for 2014-2017 identified the key priorities for the private rented sector 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 these priorities 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 anti-social 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.

The council does not currently have a specific empty homes strategy and properties that are detrimental to the surrounding areas or attract anti-social behaviour or generally are a cause of concerns to residents may 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 to help them to explore the options available to them with a view to securing alternative and affordable accommodation. The housing service also operates a Private Sector Leasing Scheme which increases the number of units of accommodation available for direct rent. However, the council recognises that homelessness is an increasing issue, particularly in the light of the authority's new homeless prevention and relief duties under the Homeless Reduction Act 2017. This future demand can only be met through greater reliance on the private rented sector therefore the council intends to explore the options of working more closely with private landlords to increase the supply of good quality accommodation, in particular single person or shared accommodation units. Additional licensing will support this function, firstly by improving the quality and management of existing PRS accommodation, and secondly by identifying landlords who may be willing to work alongside the council's homelessness team and enable easier access to PRS housing.

5.3 Anti-social behaviour policy

Housing Services has published its Anti-social Behaviour Policy, which gives a clear policy statement as to its approach to ASB. This policy follows a preventative model that seeks to identify and address potential risks at the earliest possible stage. Housing Services also work in close collaboration with Havering Community Safety Partnership to deal with incidents.

The policy applies to all properties managed by Havering's Housing Department, tenant management organisations, leaseholders and properties leased via the Private Housing Solutions Team.

The approach to ASB is based on four principles:

1. **prevention** - by deterring ASB through identifying cause and using information collected to target hotspots; and by encouraging victims to report incidents and come forward as witnesses;

2. **enforcement** - to support perpetrators in the first instance to modify their behaviour; and where necessary, to use legal powers available and to work closely with partners to tackle ASB and prevent it from occurring;
3. **rehabilitation**- to work closely with partners to modify the behaviour of perpetrators; and
4. **professional and transparent** handling of all reports of ASB.

The council seeks to encourage private landlords to take a similar approach to ASB, which can be required as a licence condition for properties falling within a licensing designation. The Anti-social Behaviour, Crime & Policing Act 2014 introduced a new mandatory ground for possession, where the Court is satisfied that one of the applicable clauses applies. Private landlords will also be encouraged to use this ground for eviction in the case of tenants who blatantly and persistently breach this policy.

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 anti-social behaviour using a number of methods but none have been capable of providing an effective widespread solution to the problems experienced. The courses of action already considered are set out below.

5.4 Landlord Accreditation

Landlord accreditation is generally 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 voluntary 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 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 of the council's private sector leasing scheme, few landlords in Havering have attained accredited landlord status. While it is possible that some landlords are accredited with other organisations, or are members of other recognised landlord associations, there is no available data to suggest that this is the case.

It is intended, therefore, that the introduction of an additional licensing scheme will greatly increase the number of accredited landlords. Indeed, one of the proposed licence conditions of an additional licensing scheme would be to require all licence holders to undertake relevant accreditation training and/or become members of a recognised landlord association within six months of a property 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 which will 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 Anti-social Behaviour 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; and
- Public Spaces Protection Orders.

The council also manages the monthly 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. 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 or Prohibition Orders; and may enable the council to take emergency remedial action in some cases.

Whilst these actions can be effective in securing property improvements, the council usually only becomes aware of a hazard if an occupant complains. It is not uncommon 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 currently 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 require that every tenant has a valid tenancy agreement and will ensure the council is made aware of the person responsible for managing the property, thereby reducing the time taken to track down the liable party when problems arise. 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 resources 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 a number of compliance inspections in recent years. This activity resulted in 29 warning letters being issued to HMO landlords last year, with the effect that the majority of these properties were subsequently improved. Although successful, the council's research and data indicate 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. In addition to ensuring that the council is informed about the location of all HMOs in the borough, the additional staff resources that will be provided to support the licensing scheme will enable an effective programme of compliance inspections to be undertaken which will serve to improve the standard of HMO 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.

Conclusion

Whilst there are a number of existing alternative legislative provisions that can enable the council to formally deal with problems associated with unsatisfactory conditions and poor management of HMOs and anti-social behaviour of some HMO tenants, in practice these provisions only allow the council to intervene once a problem has become significant.

They also often fail to address the underlying causes such as unsuitable landlords and property managers who take little or no responsibility for the conduct of their tenants or the management of their properties. This may result in recurring problems which can have significant detrimental effects on neighbourhoods and cause conflict and hostility between residents and can quickly lead to the deterioration of areas.

The council believes that the requirement for all HMO landlords to be licensed will not only encourage more landlords to operate lawfully, but will also prevent many issues from arising in the first instance by ensuring that licence holders are fit and proper individuals and tenants are vetted and more closely monitored. This can prevent incidents of anti-social behaviour from occurring in the first place and will protect our residents from the unpleasant consequences that can result from living close to a poorly managed HMO. The council therefore believes that the requirement for all HMO landlords to be licensed will significantly assist it to deal with these and similar problems.

Licensing is viewed as a preventative measure rather than just a cure, as it will enable the council to target resources and intervene at an early stage by identifying and dealing with unlicensed premises and non-compliant landlords. Licensed landlords will also be encouraged to follow a similar approach to the council's ASB Policy in tackling tenant ASB, which will have a positive impact on reducing anti-social behaviour and nuisance related to HMOs.

6.0 What are the benefits of additional licencing?

The London Borough of Newham have been operating borough wide additional and selective licensing schemes for the last 4 years and have recently consulted 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, including:

- reduction in anti-social behaviour and crime in the borough, making Havering a safer and more desirable place to live, which will support the delivery of the council's strategic priorities, particularly its objectives to create safe and sustainable communities;
- improvement in the physical condition, management and overall quality of bedsit-type accommodation in the borough, with hazards identified upon inspection;
- deterrence of and reduction in rogue landlord activity through greater proactive enforcement activity and identification of landlords that fail to meet minimum standards;
- promotion and development of good quality HMO units, helping to meet the local demand for single person accommodation;
- enhanced protection for vulnerable tenants living in HMO accommodation, by ensuring, for example, that the accommodation has adequate amenities;
- creation of a level playing field among HMO landlords;
- help to landlords so they are able to manage their properties and tenants more effectively;
- economic benefits for tenants as a result of better landlord management practices and greater protection from unlawful eviction;
- economic benefits for landlords. Compliant landlords would no longer have to compete against unprofessional landlords who fail to maintain their properties to the required standard;
- reduction in environmental costs, by helping the council to tackle inappropriate or unlawful waste disposal associated with the private rented sector;

- opportunity for the council to identify landlords who are not paying the appropriate Council Tax for their properties;
- improved connection with- and knowledge of local PRS landlords, helping the council to better understand the PRS and its key operators;
- requirement for absentee or unprofessional landlords to use professional managing agents to manage their properties;
- promotion of landlord accreditation and training, thereby encouraging more professional management practices and a better reputation for private landlords in the borough;
- support for landlords in managing their properties and dealing with anti-social tenants more effectively;
- better educated tenants, concerning both their own behaviour and the standards they may expect of HMO accommodation;
- encouragement to landlords not to let to tenants with poor references.

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.
- **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 activity of the council's Empty Property Team, although the high demand for housing and buoyant house prices in Havering is likely to minimise this risk.
- **There could be an increase in homelessness applications** as persons are displaced by reluctant landlords converting HMOs back into single-household accommodation. Any displaced tenants will be provided with housing advice which 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. The proposal to implement a selective licensing scheme alongside additional licensing in areas where there are high numbers of HMOs may also mitigate this risk.
- **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. Compliant landlords have nothing to fear from property licensing and the council will make every effort to ensure that landlords are made fully aware of the likely benefits of additional licensing, including a more settled community, increased property values etc. In addition, the package of measures, which the scheme will offer in terms of landlord training, support and other services, to assist landlords to better manage their properties and their tenants, will increase the value of the scheme to local landlords. The cost of a licence, spread over the life of the licence, is not considered to be unreasonable in light of the potential 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 by the fact that all our neighbouring London boroughs are already operating similar landlord licensing schemes; and other neighbouring authorities in Essex 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. Some landlords have indicated that they may seek to increase rents to cover the costs of licensing. 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. However, this is a matter that will be outside the council's control and is in reality likely to be dictated by the market rather than the stated intentions of specific landlords.

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 website.

Comparisons have been made with the licensing designations currently operated in the London Boroughs of Newham and Barking & Dagenham and comparable resourcing is proposed for Havering in order to ensure adequate resource prepared to deal with the expected influx of applications during the early months. 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 largely 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:

- (c) take reasonable steps to consult persons who are likely to be affected by the designation; and
- (d) 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;
- Havering Council Facebook page;
- Havering Council's Twitter feed;
- Notice given to London Property Licensing for publication on its website;
- Direct mail-out to known 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 or email to local community groups and landlord organisations;
- Press releases to local media/press, including the local newspapers 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.

Groups to be consulted include:

- landlord associations, including:

- National Landlords Association;
 - Residential Landlords Association; and
 - National HMO Network.
- residents' associations;
 - local managing agents;
 - Association of Residential Letting Agents;
 - local estate agents;
 - National Association of Estate Agents;
 - local businesses, service providers and residents; and
 - 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, Residential Landlords Association, National HMO Network, Association of Residential Letting Agents 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.

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, which will be placed in public libraries and other public spaces.

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.

10.0 How do I make comments on this proposal?

For general enquiries about this consultation please contact:

Phone: (01708) 434116

Email: landlordlicensing@haverling.gov.uk

To complete an online resident or landlord questionnaire, or to download or print the questionnaire, visit: www.haverling.gov.uk/consultations

The questionnaire invites general comments about the proposed licensing scheme.

All questionnaires and comments should be returned to:

landlordlicensing@haverling.gov.uk

or

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

Appendix 1:
Maps showing approximate locations
of HMOs in Havering

Figure 1: Approximate locations of known and predicted HMOs in Havering

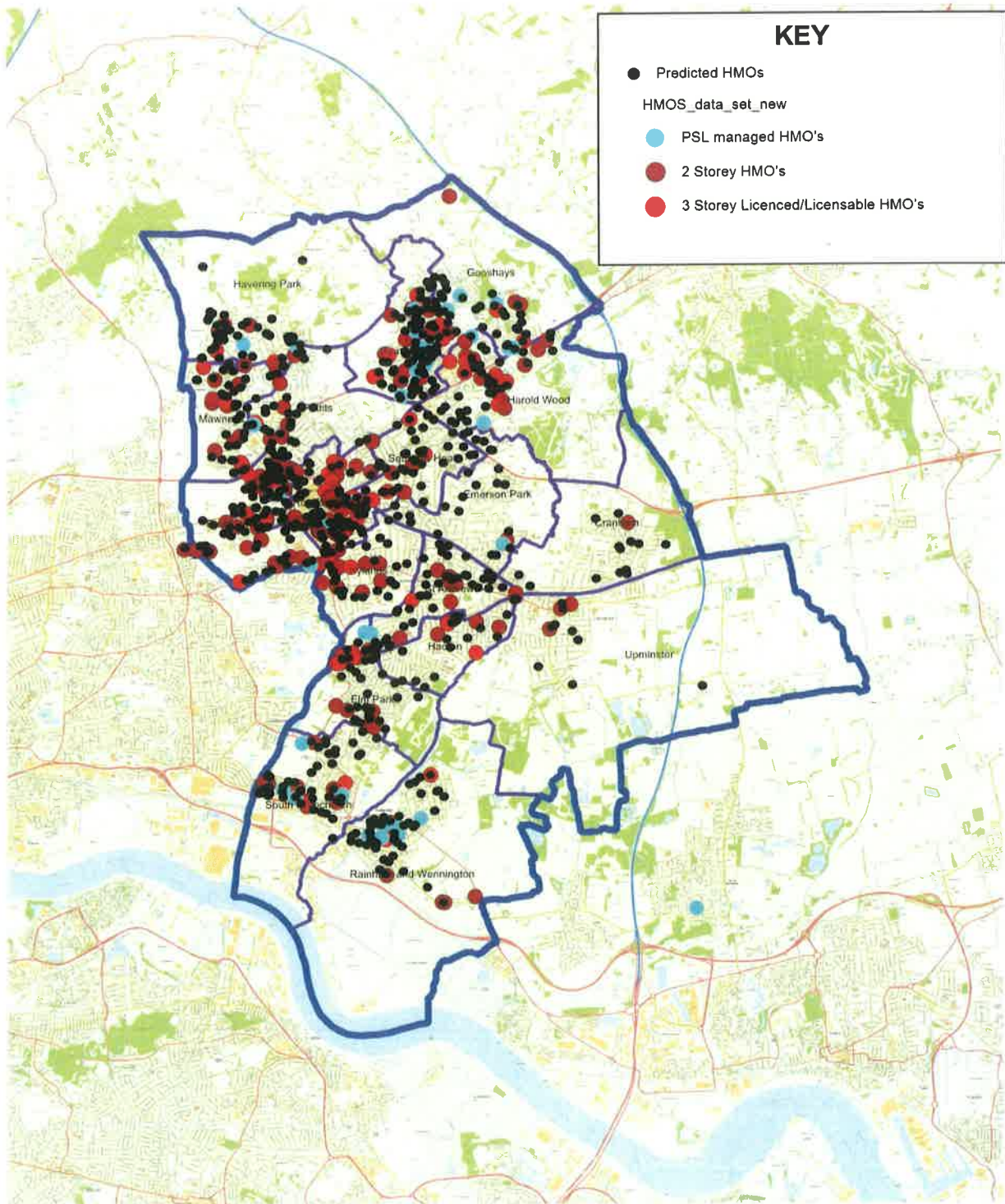
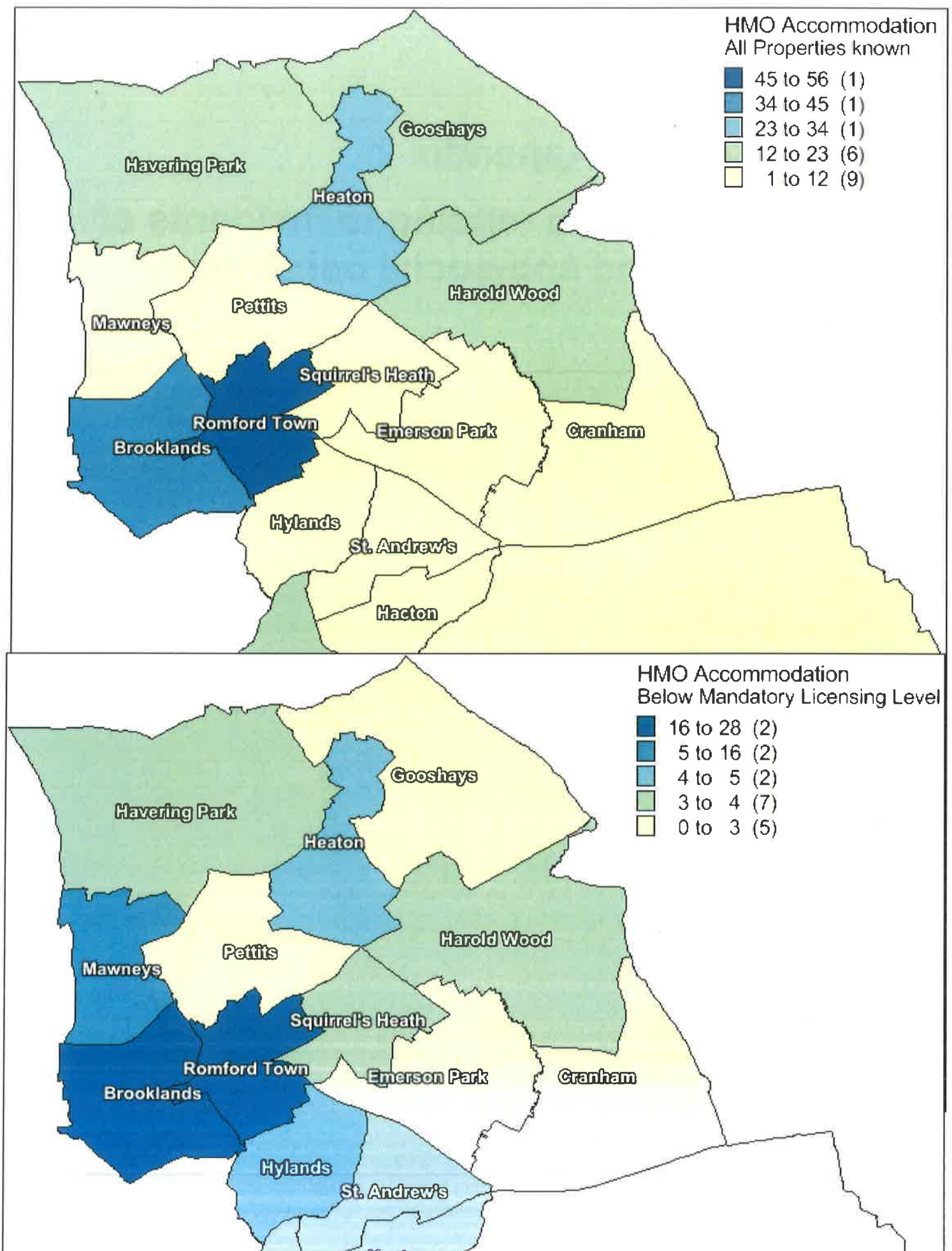


Figure 2: Approximate numbers of known HMOs by area



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

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;
- Housing Benefits 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;
- council tax 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; and
 - 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

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).

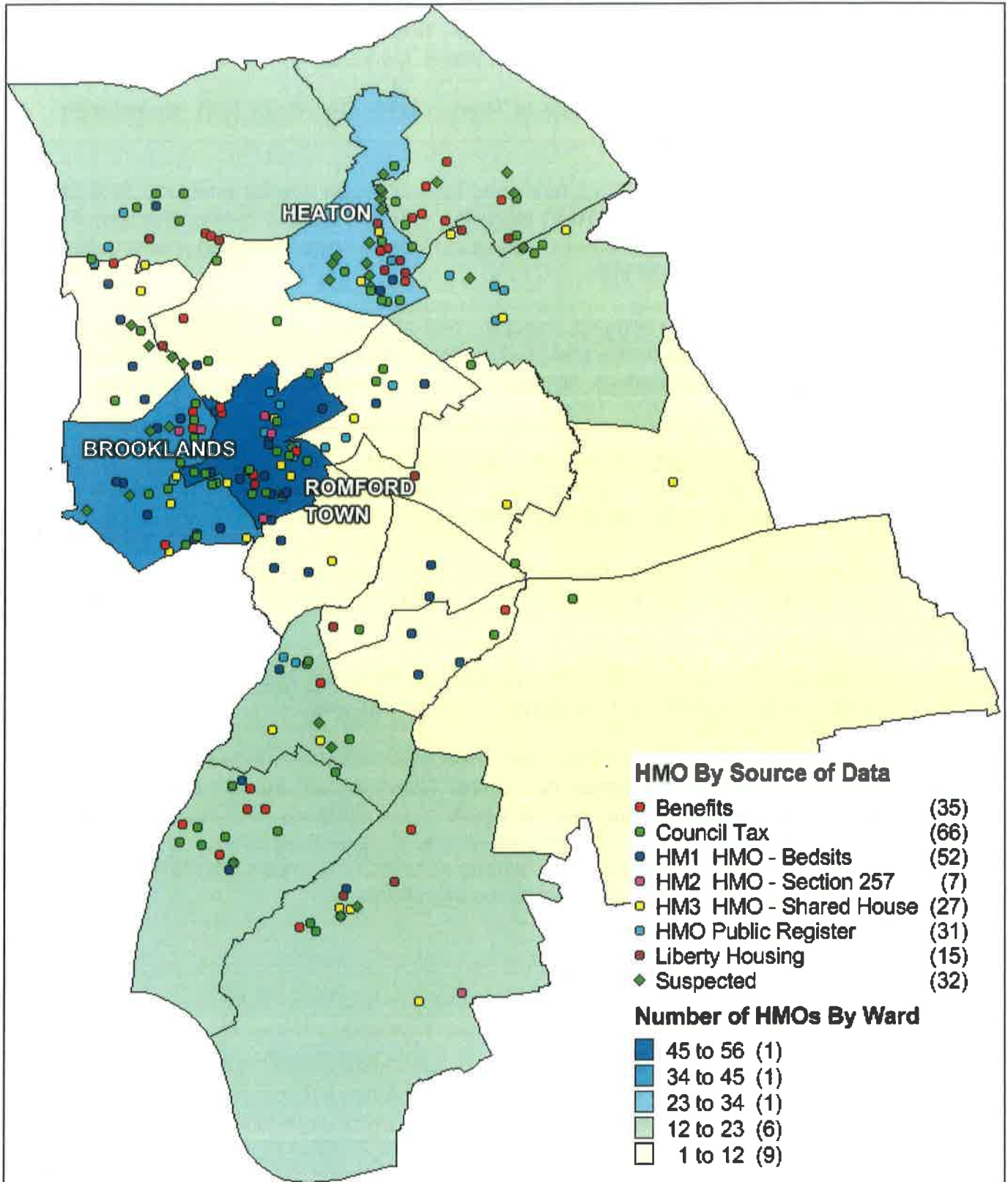
Whilst the planning investigations into unlawful HMO conversions may be an emerging issue, it should be stressed that the significant majority of properties in Harold Hill are unaffected by these developments.

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), it should be noted that this figure is likely to be vastly underestimated due to the number of unconfirmed but predicted HMOs that exist. However, on the basis of the lower figure, HMOs remained proportionately over-represented in all cross-referenced areas, especially domestic violence and noise complaints. 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.

Table 1 below shows the correlation between incidents of ASB and nuisance reported to the council's Environmental Health Department which can be linked to the private rented sector and where the perpetrator resides in a HMO. Although there is some variation in the actual number of complaints reported from year to year, the proportion of the total proportion of complaints that can be linked to HMO premises remains above 75%, which demonstrates that the problem is persistent.

Table 1- Number of ASB and noise incidents reported to London Borough of Havering

2016	174	132	75.9
2015	391	289	73.9
2014	391	302	77.2
2013	305	223	73.1
2012	290	227	78.2

2011	277	213	76.9
2010	215	181	84.2

Table 2: Noise complaints, police calls for service, police calls for domestic violence and total crime and crime-related incident records for 2014-15 for HMOs.

Category	No. premises	Noise complaints	Police calls (exc. Domestic Violence)	Police calls - domestic violence	Crimes recorded
HMO Public Register	31	2	11	10	13
Benefits list	35	-	17	25	14
Council Tax	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 known HMOs	265	7	77	76	102
Borough Total (rounded)	100,000	700	94,000	6,500	15,000
HMOs as % of borough total	0.3%	1.0%	0.08%	1.27%	0.6%

Table 3: Number of properties affected for 2014-15 (%)

Category	No. premises	Noise complaints	Police calls (exc. domestic violence)	Police domestic violence calls	Crimes Recorded
		No. of properties affected (%)	No. of properties affected (%)	No. of properties affected (%)	No. of properties affected (%)
HMO Public Register	31	2 (6%)	4 (13%)	6 (19%)	9 (29%)
Benefits list	35	-	4 (11%)	6 (17%)	8 (23%)
Council Tax	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%)

A further analysis of the number of properties affected reveals that almost a quarter of HMOs were linked to reported incidents of crimes; and that rates of burglary per 100 households were one and a half times higher at HMOs than the borough average.

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.

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.

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).

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 disproportionately higher concentration of those with an offending history are found in 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-domestic violence 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 studies¹ 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.

Significant concentrations of HMOs in small geographical areas may, therefore, lead to elevated levels of crimes such as household burglary and vehicle crime. Total notifiable offences reported to and recorded by the Metropolitan Police within Havering have increased by 4.7% over the past five years, whilst over the previous 12-months there has been a rise of 10.2%.

Incidents of anti-social behaviour

The largest volume of ASB incidents, from available data, in Havering are reported to the Metropolitan Police (92%), not including Environmental Crime and ASB reported to the London Borough of Havering. When these are factored in (flytipping, graffiti, noise, abandoned vehicles) then the Metropolitan Police reports account for 42% of the total and local authority environmental crime and ASB accounts for 58%. Data is currently unavailable for the level of ASB reported to private and registered social landlord in Havering.

Figure 3.31 below provides a breakdown of all police ASB calls made in Havering and how they were categorised in the 12-month rolling period to September 2016. Most incidents are recorded as '*Rowdy and Inconsiderate Behaviour*' (26%), an ambiguous category covering a range of behaviours, predominantly groups causing noise and making complainants feel intimidated. '*ASB – Nuisance*' follows with 18%, rising 188% since the previous assessment, or over 550 additional records. This type category has been used predominantly in capturing calls regarding unauthorised traveller sites at a number of open spaces across the borough. Neighbour disputes, harassment and noise, invariably interlinked, and substance misuse related ASB feature highly.

(1) ¹ 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

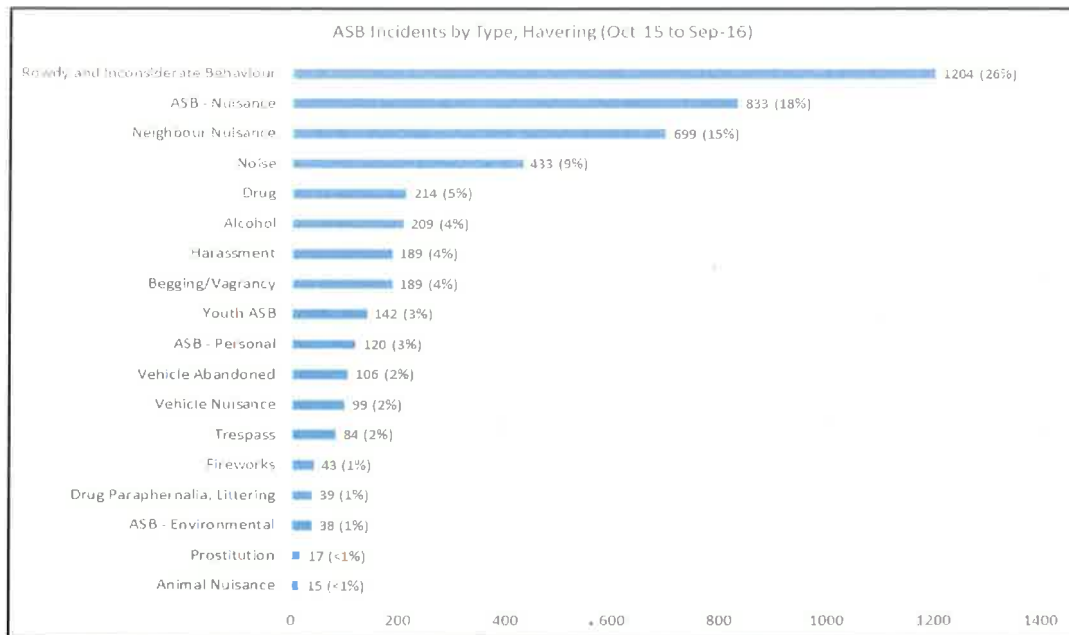


Figure 3.31 Breakdown of ASB calls by incident type

This section identifies those areas of Havering where crime, disorder, ASB and substance misuse are most problematic. The maps below show hotspots for total recorded crime, household crime, all motor vehicle crime and personal crime (violence, sexual and robbery offences) in Havering. There were 17,456 offences recorded in the 12-months to September 2016, the highest concentrations were located in areas of the highest pedestrian and vehicular traffic, such as transport hubs and business districts (map 1). Around a third of all crime in Havering occurs in business districts, transport hubs, shopping and retail areas.

There were almost 4,750 household crimes in Havering (burglary, criminal damage and vehicle crimes at home addresses). Hotspots were more widespread across the borough, with highly concentrated pockets of offending in Heaton and Gooshays to the north, Elm Park, South Hornchurch and Rainham & Wennington to the south, and Brooklands ward in the centre of the borough – see map 2.

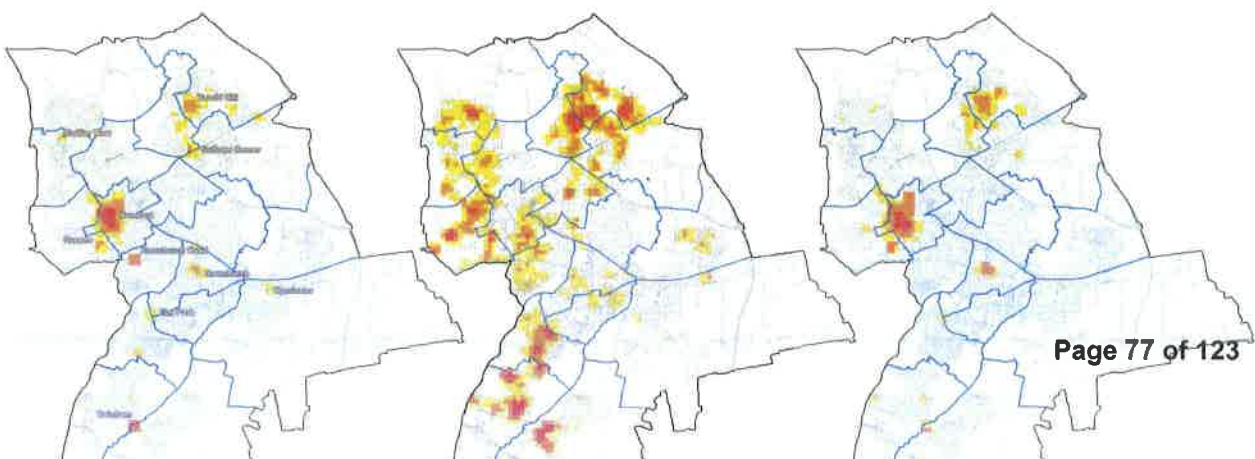
There were over 6,600 personal crimes (robbery, violence and sexual offences). These were highly concentrated within town centre and retail areas. The most concentrated hotspots are Romford Town Centre, which accounts for more than half of robbery and sexual offences in Havering, Hornchurch Town Centre and Harold Hill – see map 3

Maps 1-3 Left to Right:

Map 1 – Total Notifiable Offences;

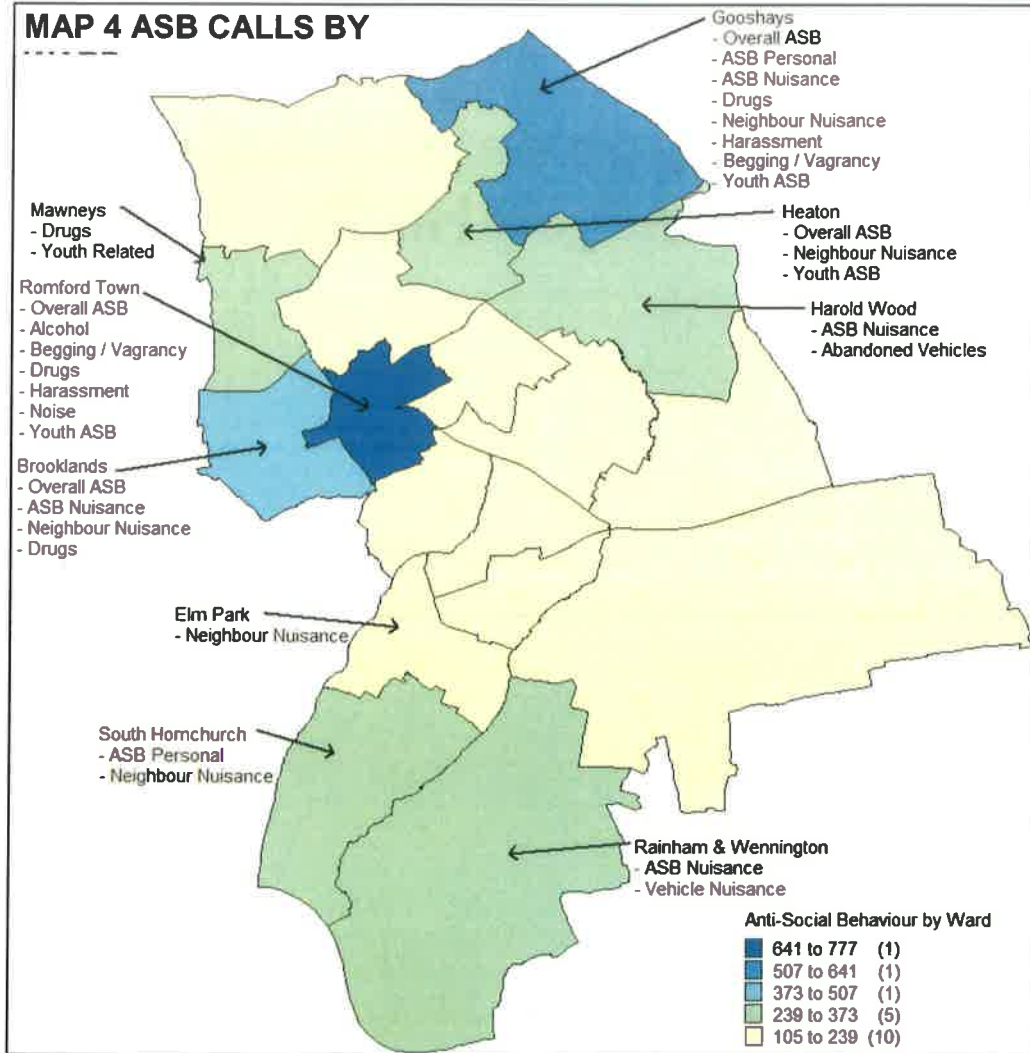
Map 2 – Household Crime;

Map 3 – Personal/Violent Crime



Map 4 shows a thematic breakdown of ASB calls by ward in Havering, which ranges from 777 incidents in Romford Town (17% of borough total) to just 105 in Hacton (less than 3%). Romford Town, Gooshays and Brooklands account for over a third of all ASB calls received and feature highly for a range of different issues. Those wards which suffer higher than average calls for specific problems are labelled on map 4.

MAP 4 ASB CALLS BY



Appendix 3:
Evidence of problematic and poorly-
managed HMOs

Over approximately the last five years the council has operated a proactive inspection programme for non-licensable HMOs, most of which are 2-storey buildings. The programme's objectives included:

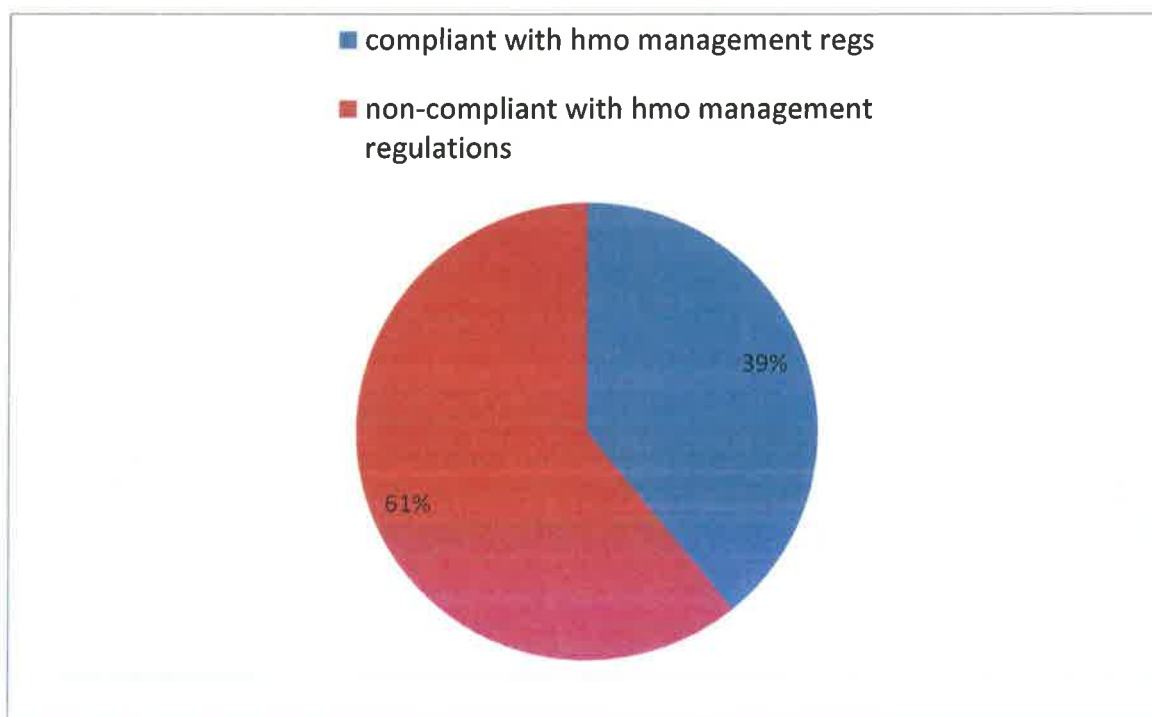
- providing the council with knowledge about the quality of accommodation afforded by smaller HMOs;
- helping landlords to improve HMOs, their management and fire safety; and
- encouraging compliance with the HMO Management Regulations.

The programme revealed unsatisfactory management practices in a significant number of cases. It identified that the majority of non-licensable HMOs contravened one or more of the HMO Management Regulations' requirements, did not meet fire safety standards set out in LACORS guidance or did not satisfy minimum space or facility standards adopted by east London authorities. The ward locations of those premises are shown in figure 1 and the overall level of compliance detected is illustrated in figure 2 below.

Figure 1: Number of HMOs included in sample, by ward

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
Saint Andrews	0	Hacton	0				

Figure 2: Results of proactive risk assessment inspections of two 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 and adequacy of standard amenities (W/C, basin, bath/shower kitchen sink and cooking facilities);
- gas and electrical safety;
- disrepair; and
- management controls.

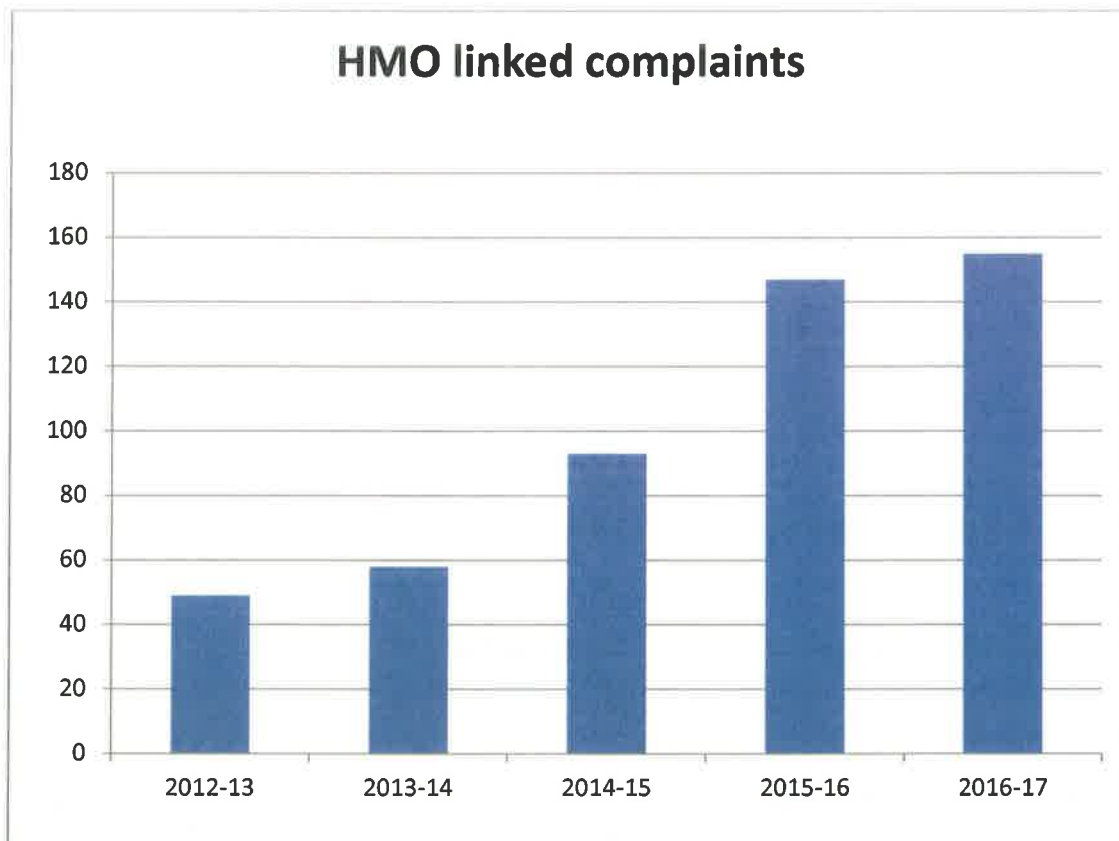
Figure 3 illustrates the nature of deficiencies, identified by type and ward location, from an inspection sample of 78 non-licensable HMOs. A significant number of individual premises were deficient in multiple categories.

Figure 3: summary of results

Ward	No. fully compliant	No gas safety certificate	Poor fire safety	Disrepair	Inadequate amenities	Poor management
Brooklands	4	3	5	2	1	3
Cranham	1	0	0	0	0	0
Elm Park	3	0	1	0	0	0
Emerson Park	1	0	0	0	0	0
Gooshays	3	3	3	3	1	0
Harold Wood	1	3	3	2	1	1
Havering Park	1	1	2	0	0	1
Heaton	5	1	8	5	0	7
Hylands	2	1	1	0	0	0
Mawneys	2	0	1	0	0	2
Pettits	0	1	1	0	1	0
Rainham & Wennington	1	3	4	1	0	2
Romford Town	3	4	5	0	3	3
Saint Andrews	0	0	0	0	0	0
South Hornchurch	1	2	3	1	1	3
Squirrels Heath	1	0	0	0	0	0
Upminster	0	2	3	1	1	1
% of sample total	37	30	51	19	11	29

Figure 4 below illustrates the year-on-year rise in HMO linked complaints received by the council's Environmental Health Department. The number has increased three-fold in the five year period 2012-2017.

Figure 4 - Total number of complaints linked to HMOs received by Environmental Health Department by year



A further analysis of this increase in the number of complaints has been broken down into ward areas. The results are shown in figure 5. Almost all wards of the borough have seen an increase in the overall number of HMO linked complaints received per year between 2012 and 2017. The wards with the most significant increase in the number of complaints are Brooklands, Gooshays, Harold Wood, Heaton, Romford Town and Squirrels Heath. Only Upminster and Pettits wards have seen a reduction in the number of reports from 2012 to 2017, albeit several other wards have insignificant numbers of reported complaints overall.

Figure 5 – complaints received within Environmental Health linked to non-licensed HMOs by year and ward area

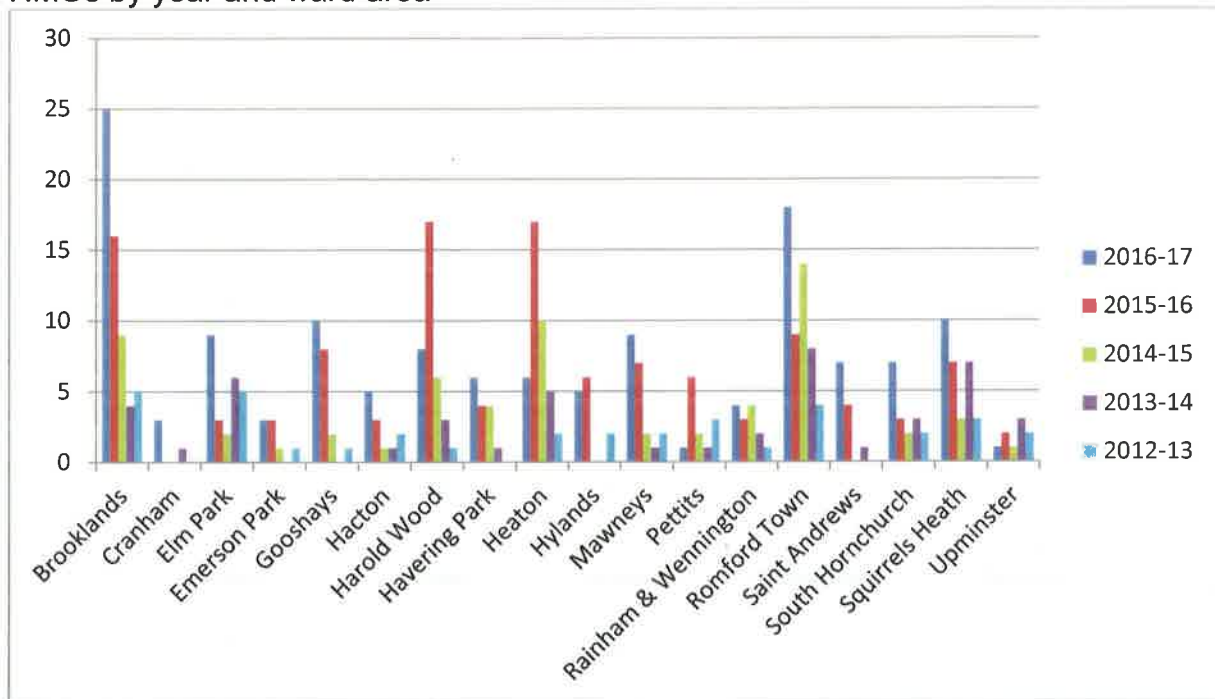
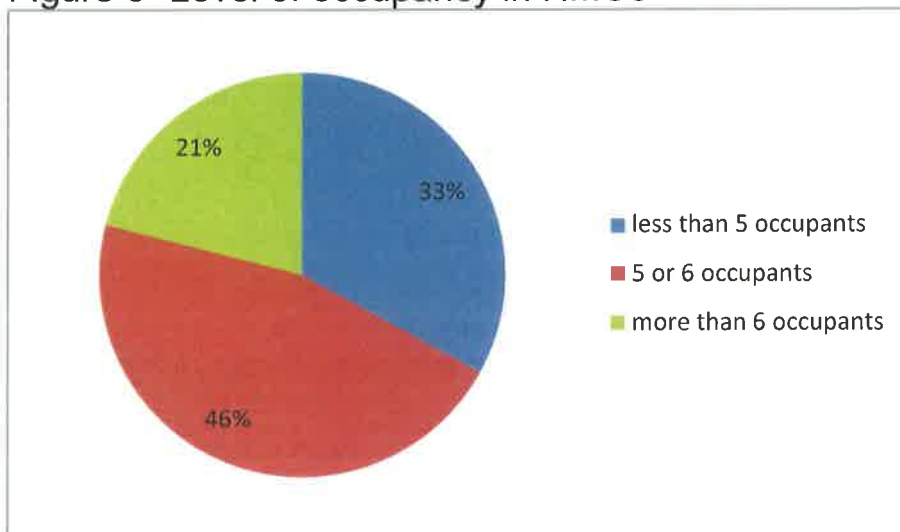


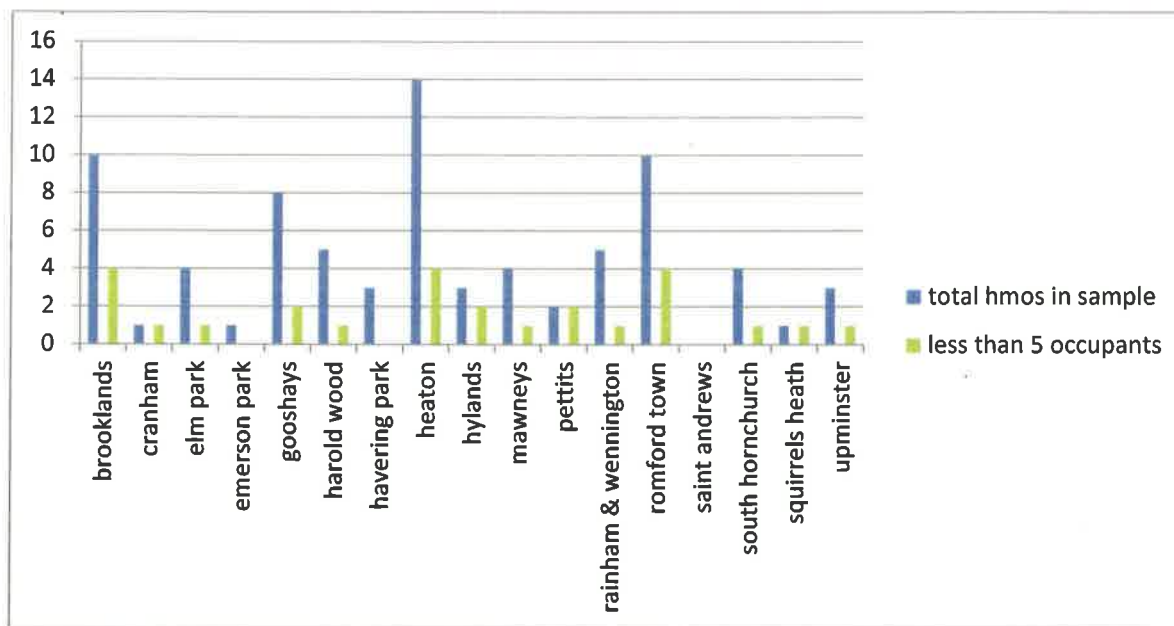
Figure 6 below shows the level of occupancy in known two-storey (non-licensable) HMOs from sample inspections of 78 premises. On the basis of this sample, 33% of HMOs in Havering are likely to remain outside the scope of licensing if the Government’s proposal to extend mandatory HMO licensing is implemented. Although not all of the occupancy levels of known HMOs have been recorded, it is quite likely that a similar proportion of predicted (unknown) HMOs will be occupied by less than five persons and therefore fall outside current and proposed mandatory licensing requirements. This could amount to around 400 premises borough wide based on known and predicted HMO data.

Figure 6- Level of occupancy in HMOs



The ward locations of known HMOs that would fall outside the extended mandatory HMO licensing requirement are illustrated in figure 7.

Figure 7- Location of sample HMOs falling outside mandatory licencing



Appendix 4:

Proposed licence fee and charges

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.

Having considered the European Services Directive 2006/123/EC (ESD) and the Supreme Court's judgment in *R (on the application of Hemming (t/s Simply Pleasure Ltd) v Westminster City Council*, in relation to the extent of activities to which fee charges can be made, the council is satisfied that the licence fee can include recovery of the monitoring and enforcement costs of the scheme from licence holders.

The council therefore intends to adopt a fee structure under sections 63 and 87 of the 2004 Act, whereby the fee will be payable in two parts, as follows:

1. **Part A** - the payment of fee at the point of licence application that will solely cover the costs of the council satisfying itself that statutory criteria for granting a licence under Part 2 of the 2004 Act are satisfied. The Part A fee will cover the direct costs of processing and administering the licence application up to the point of granting or refusing a licence; and
2. **Part B** - the payment of a further fee which only becomes payable upon notification that the criteria for issuing a licence have been met, bar payment of the Part B fee. This element of the fee will include the cost of functions undertaken after the grant or refusal of a licence; i.e. ongoing monitoring of compliance with, and enforcement of the scheme. The second part of the fee will not be payable if an application for a licence is refused.

The council will review the fees annually and adjust them to reflect 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.

It should be noted that due to there being a number of fixed costs in setting up and facilitating a licensing scheme, the proposed licence fee per property would be significantly higher for a small scale scheme, such as in the four ward option.

The following tables illustrate proposed fee structure and charges for each of the options:

Table 4: Proposed fees and charges

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

Options	Description	Part A Fee (licence processing)	Part B Fee (enforcement)	Both charges fee
Option 1	Wider ward-specific option (12 wards)	£675	£225	£900
Option 2	Narrower ward-specific option (4 wards only)	£950	£230	£1,180
Additional charge for assisted applications is £100 per Application **				

Table 5: Discounts

Discounts		
1	Early Bird Discount 25% - Part A fee element only	For applications made following scheme designation but prior to the implementation date
2	Multiple discount 5% - Part A fee element only (excludes first application)	For multiple applications made concurrently by the same proposed licence holder
3	Accredited discount 10% - Part B fee element only	For accredited landlords or members of recognised landlord associations

** 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 Part A fee applicable) see table 4 above
Change of manager (unless they are also the licence holder)	No Fee

Table 7: Actions and Applicable Charges

Action	Applicable Fee
Revocation of licence	No fee
Application for licence following revocation of licence	(full applicable fee) see table 4 above
Application refused by the council	Part A application fee (no refund)
Application withdrawn by the applicant	Part A application fee (no refund)
Application made in error – e.g. out of Borough	No fee, and a refund will be made

Table 8: Worked Examples (based on wider ward specific scheme)

Part A fee £	Part B fee £	Discounts £	Total Fee Payable £	Weekly equivalent £
Example 1				
Landlord not accredited and applies for single licence after commencement date				
675	225	NIL	900	3.46
Example 2				
Landlord not accredited and applies for single licence before commencement date				
675	225	168.75	731.25	2.81
Example 3				
Accredited landlord applying for single licence before commencement date				
675	225	(168.75 +22.50)= 191.25	708.75	2.72

Operational Costs of Licensing Schemes

<u>WIDER WARD OPTION</u>				<u>Further Discounts Available</u>					
Total Estimated Number HMO Licences Required:			820	Discount Rate		Discount Rate			
				25%		10%			
London Borough of Havering HMO Additional Licence 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 Per centage Receivable	Estimated Number of Clients who are Members of a Landlord Association	Estimated Further Discount Receivable from Clients who are Members of a Landlord Association	Total
Income									
HMO Additional Licence Part A		£675	600	£405,000	220	£111,375	50	-£3,375	£513,000
<u>Additional Charges</u>									
Additional supplement for paper application	1%	£100	6	£600					£600
Charge for assisted applications	1%	£100	6	£600					£600
Subtotal			12	£1,200					£1,200
Total Estimated Income Over 5 Years									£514,200
Expenditure									
<u>Operational Costs</u>					Staff				
Staff Cost				£234,527	FTE				
Overhead Costs				£105,160	5.3				
				£339,686					
<u>Start up cost</u>									
IT system				£40,000					
Publicity				£25,000					
				£65,000					
<u>Setup costs</u>									
Staff Cost				£95,771					
Materials/Printing forms/Formal Consultation etc				£15,000					
				£110,771					
Total Estimated Expenditure Over 5 Years									£515,457
Enforcement Part B Licence									
Income									
HMO Additional Licence Part B		£225	310	£69,795	1.0				£69,795
Expenditure									
				Estimated					
				Expenditure					
<u>Operational Costs</u>									
Staff Enforcement Cost				£70,068					
				£70,068					
Estimated Expenditure Over 5 years									£70,068

Note 1 - HMO Additional Licence Part A Fee rounded to the nearest whole number or £5

Note 2 - HMO Additional Licence Part B Fee rounded to the nearest whole number or £5

NARROWER WARD OPTION

Further Discounts Available

Total Estimated Number HMO Licences Required: 400

Discount Rate 25% Discount Rate 10%

London Borough of Havering HMO Additional Licence 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	Estimated Number of Clients who are Members of a Landlord Association	Estimated Further Discount Receivable from Clients who are Members of a Landlord Association	Total
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Income									
HMO Additional Licence Part A	Note 1	£950	250	£237,500	150	£106,875	40	-£3,800	£340,575

Additional Charges

Additional supplement for paper application	1%	£100	2.5	£250					£250
Charge for assisted applications	1%	£100	2.5	£250					£250
Subtotal			5	£500					£500

Total Estimated Income Over 5 Years									£341,075
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Expenditure					Staff FTE				
Operational Costs									
Staff Cost				£114,403	2.6				
Overhead Costs				£51,297					
				£165,701					
Start up cost									
IT system				£40,000					
Publicity				£25,000					
				£65,000					
Setup costs									
Staff Cost				£95,771					
Materials/Printing forms/Formal Consultation etc				£15,000					
				£110,771					
Total Estimated Expenditure Over 5 years				£341,471					£341,471

Enforcement Part B Licence

Fee Part B	Estimated Enforcement Numbers	Estimated Income Receivable
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Income					Staff FTE				
HMO Additional Licence Part B	Note 2	£230	152	£34,914	0.5				£34,914

Expenditure				Estimated Expenditure				
Operational Costs								
Staff Enforcement Cost				£35,034				
				£35,034				
Estimated Expenditure Over 5 years				£35,034				£35,034

Note 1 - HMO Additional Licence Part A Fee rounded to the nearest who number
 Note 2 - HMO Additional Licence Part B Fee rounded to the nearest who number

Appendix 5:

Additional Licensing Conditions

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 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

- 5) 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.
- 6) 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.
- 7) 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.

- 8) 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;
 - (b) not enter into any such agreement if the person is unable to provide suitable references;
 - (c) retain copies of all references for the duration of this licence and
 - (d) provide the council with a copy of any such reference or references within 28 days of any request to inspect it or them
- 9) The licence holder must 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;
 - (ii) ensure the effective management of the property; and
 - (iii) ensure that the said arrangements include the provision of an emergency, 24hr contact number (including out-of-hours response arrangements);

- 10) 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.
- 11) The licence holder must:
- (i) 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
 - (ii) 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 anti-social 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 into 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 11(a) to (f) within 28 days of any request to inspect them.

Conditions 12-16 will not apply to all licences.

- 12) 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.
- 13) 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.

- 14) 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/).

- 15) The licence holder must remain an accredited Landlord with LLAS or registered with the equivalent, professionally-recognised scheme for the duration of this licence.
- 16) 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

- 17) 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.
- 18) 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.
- 19) 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.

20) 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. (Note: 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.

21) 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;
- formal arrangements for how the occupants can disposal of rubbish and 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 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.

22) 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.

23) The licence holder must carry out regular checks to 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).

24) 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

- 25) 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.
- 26) 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.
- 27) The licence holder must carry out regular checks 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.
- 28) The licence holder must:
- (i) ensure that smoke alarms are installed on each storey of the property where there is a room used wholly or partly as living accommodation, in accordance with the LACORS housing fire safety guidance, as follows:
 - a Grade D system with LD3 coverage for all shared house HMOs (e.g. shared accommodation occupied under a single tenancy);
 - a Grade D system with LD2 coverage for all bedsit type HMOs (e.g. rooms occupied under individual tenancies); and
 - a Grade D system with LD2 coverage plus single point mains wired smoke alarm in each bedsit where cooking occurs.
 - (ii) ensure that each smoke alarm installed in any room, hallway, landing, bathroom or lavatory in the property is kept in proper working order; and
 - (iii) 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.

A copy of the LACORS housing fire safety guidance can be accessed online and downloaded free of charge at:

http://www.cieh.org/library/Knowledge/Housing/National_fire_safety_guidance_08.pdf

- 29) The licence holder must:

- (i) 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); and
 - (ii) ensure that each carbon monoxide alarm installed in any room in the property is kept in proper working order; and
 - (iii) 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.
- 30) 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.
- 31) 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

- 32) 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.
- 33) 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.
- 34) 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

- 35) 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.

- 36) 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.
- 37) Management of the council tax account for the property shall remain the liability of the licence holder and, if requested, the licence holder must, within 28 days, provide the council with written details of the arrangements made to pay and settle the annual council tax liability in respect of the property.

General Conditions

- 38) 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.
- 39) 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.

Limitations of Licence

- 40) **LICENCE TRANSFER** This licence is not transferable and may NOT be transferred to another person, organisation or property.
- 41) **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.
- 42) **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.

- 43) **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
- 44) **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.

- 45) **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.
- 46) **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 at:

- <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.**

Appendix ^C 6:
Equalities Impact Assessment

Equality Impact Assessment (EIA)

Document control

Title of activity:	Private Sector Landlord Licensing
Type of activity:	Strategy
Lead officer:	Louise Watkinson, Public Protection Manager
Approved by:	Dipti Patel Assistant Director of Neighbourhoods
Date completed:	8 May 2017
Version Number	V5
Scheduled date for review:	Autumn 2017 -following completion of full public consultation

Did you seek advice from the Corporate Policy & Diversity team?	Yes
Does the EIA contain any confidential or exempt information that would prevent you publishing it on the council's website?	No

1. Equality Impact Assessment Checklist

About the activity

1	Title of activity	Private Sector Landlord Licensing
2	Type of activity	Strategy
3	Scope of activity	<p>Under the provisions of Part 2 of the Housing Act 2004 the council is proposing to designate the whole of Havering as an Additional Licensing area. This will have the effect of requiring landlords of <u>all</u> houses in multiple occupation (HMO) whereas, currently, Havering operates the mandatory scheme for HMOs which are 3 storeys and above to obtain a property licence, whereas, currently, Havering operates the mandatory scheme for HMOs which are 3 storeys and above.</p> <p>These proposals will be subject to a full public consultation with landlords, residents, businesses and community groups across the borough and all other potentially affected stakeholders whereby they will be invited to comment on the proposals. All feedback received will then be fully considered prior to making a final informed decision.</p> <p>The designation is intended to last for five years and the council will be required to review the scheme from time to time within this period. Havering is proposing to review the scheme at the end of year one and at year four of its operation. If following a review, it is considered appropriate to do so, the designation may be revoked.</p> <p>The aims of Havering Council's Private Sector Landlord Licensing Project are:</p> <ul style="list-style-type: none"> • to exercise the council's powers under the provisions under Part 2, section 55-56 of Housing Act 2004 • to improve management practices and improve housing conditions within the private rented residential sector and to deter the activities of rogue or unprofessional landlords within the Borough.
4a	Is the activity new or changing?	The process of making Additional Licensing Designation is a new activity for Havering, but is an established legislative procedure and has been invoked by other Boroughs to ensure better management practices and control over it's private rented sector in the interests of those people occupying private rented HMO accommodation and the broader community.
4b	Is the activity likely to have an impact on individuals or groups?	<p>Yes, the process of making this designation will impact on the following individuals/ groups :</p> <ul style="list-style-type: none"> • Landlords who operate any HMOs within the designated zones • Tenants who occupy or are potential occupiers of privately rented HMOs within designated areas • Borough residents and businesses located within the vicinity of HMO accommodation. • Interest groups e.g. young men, ethnic groups or low income

households which support the provision of HMO accommodation

This Initial Screening EIA has been completed (pre-consultation)
Section 149 of the Equality Act 2010 stipulates the public sector equality duty. A public authority must, in the exercise of its functions, have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Section 2 of this EIA addresses the public sector equality duty insofar as Havering holds information about the levels of anti-social behaviour (ASB) and crime in or close to areas where there is a high existence of HMOs. This data has been developed over recent years because the borough has envisaged an increasing need for a licensing scheme beyond the statutory licensing of three storey HMOs. In support of this is the reality for Havering Council's public duty that circumstances surrounding the topic of HMOs are fast developing within the local community and there are associated and growing social tensions, being fuelled by the perceived lack of Council control over the suitability and impact of HMO developments happening on the ground and poor management of existing HMOs.

The council has addressed these concerns in part by its implementation of Article 4 Directions under the Town & Country Planning Act 1990 in order to achieve a balanced control in relation to how and where HMOs are proposed to be formed in the future. This however does not address the growing concerns relating to existing poorly managed and poor quality HMOs, hence the proposal to consider a comprehensive HMO Additional licensing scheme across the Borough.

Inherent within the statutory process of making an Additional Licensing designation is the requirement to publicise the proposals within the community and to take into account all representations received when deciding whether or not to confirm the designations

Once the consultation has been completed and representations taken into account then, should the council decide to proceed with the Licensing Designation, the statutory 3-month period prior to any Licensing Designation coming into effect would provide an adequate timeframe for measures to be introduced to mitigate the impact on groups with relevant protected characteristics.

5 If you answered yes:

6 If you answered no:

N/A

Completed by:

Wendy Laybourn, Senior Private Sector Housing Strategy Officer

	Regulatory Services/ Neighbourhoods Directorate
Date:	5 May 2017

2. Equality Impact Assessment

Understanding the different needs of individuals and groups who use or deliver this service

Context:

Havering has an important and growing private rented sector (PRS) that provides affordable housing options for local people. The council realises that the majority of landlords operate professionally, however the council is concerned about increasing levels of anti-social behaviour (ASB) associated with those rented properties that fail to meet satisfactory levels of tenancy and property management.

There is a a growing body of evidence that poorly managed privately rented properties are having a negative effect on neighbourhoods – anti-social behaviour, nuisance neighbours and properties, and accumulations of refuse are just three issues which have been linked to the failure of private landlords to manage properties and tenancies in an effective way. High demand and affordability issues for those residing in the PRS has resulted in overcrowding, sub-letting and illegal conversions with associated elevated levels of ASB and wider neighbourhood nuisance problems.

The London Borough of Havering wants to ensure that all private rented shared homes in the borough offer residents a choice of safe, quality and well managed accommodation. We recognise that in order to achieve this there is a need for a robust and coherent regulatory framework in which this market operates.

Havering has identified that problems in the private rented sector of poor property and tenancy management and anti-social behaviour, particularly in relation to houses in multiple occupation (HMOs), are distributed across most parts of the borough. To tackle these issues we are consulting on proposals to introduce either a comprehensive borough-wide Additional Licensing designation, or a choice of two less comprehensive area based designations in respect of HMOs..

The evidence base to be used in relation to the selection of areas to be designated under an Additional Licensing scheme should a borough wide scheme not be implemented has been linked to the levels of ASB and crime, or evidence of poor management and facility standards. .

HMO Locations

Information has been provided from checks of the 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, addresses which are suspected of being HMOs, and data from

council tax records for properties of shared accommodation and bedsits. A total of 265 addresses have been considered as part of this data exercise. The distribution and type/category of HMO by ward within Havering is shown in the table below.

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

- HMO Public Register – addresses confirmed and registered as HMOs.
- Benefits List – Properties in receipt of housing benefit identified as HMO/Shared Accommodation not on public register.
- Council Tax List – Properties recorded on council tax register as being HMO/Bedsit/Shared Accommodation
- HM1 HMO – Bedsits – these are known HMOs below the mandatory licence level.
- HM2 HMO – Section 257 – these are known HMOs below the mandatory licence level.
- HM3 HMO – Shared House – these are known HMOs below the mandatory licence level.
- Liberty Housing properties, which are HMOs
- Suspected, unconfirmed HMO – addresses which are currently being investigated by planning.

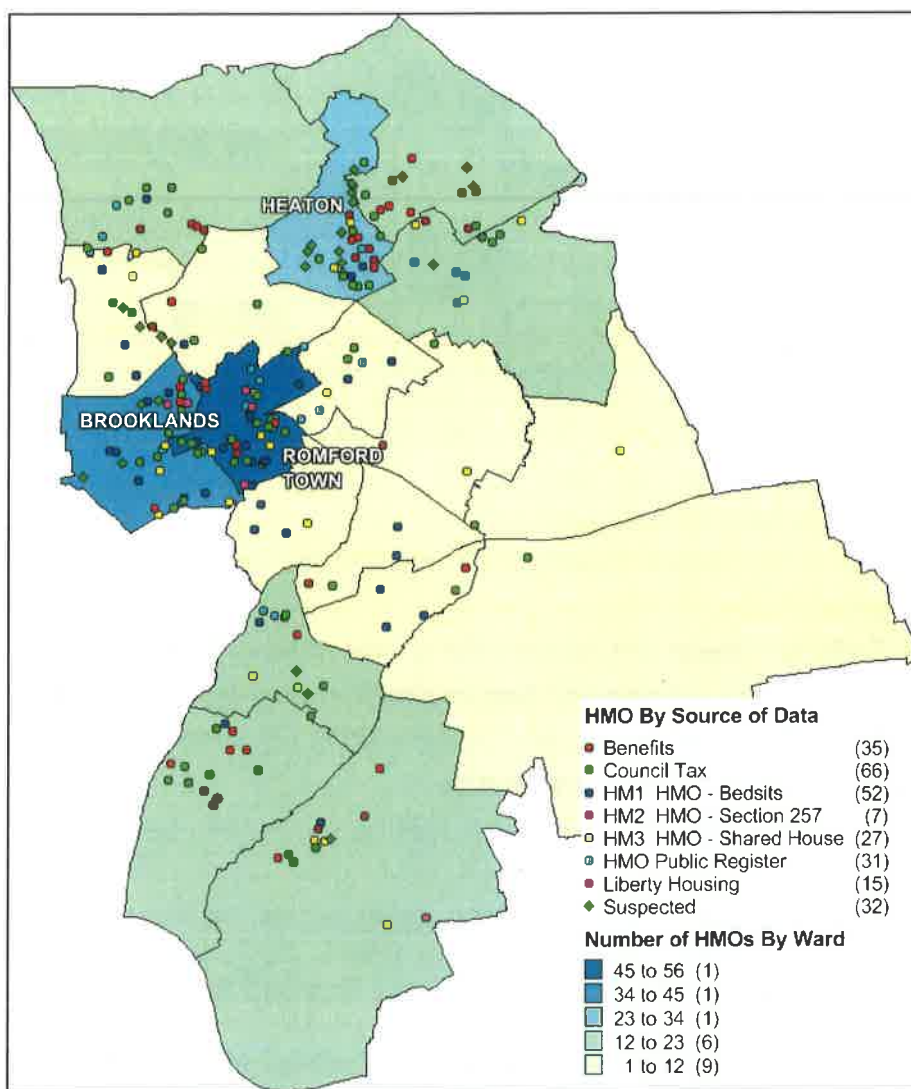
It should be noted that some addresses appear on multiple lists. Addresses are not duplicated/double counted in the table above. Those on official lists (HM1, 2, 3, Liberty Housing and HMO Public Register) have been removed from the Benefits, Council Tax and Suspect, unconfirmed lists.

Just fewer than one-third of the properties identified are categorised as HM1, HM2, HM3 – below the mandatory licence level. Whilst these properties are spread throughout most wards, they are concentrated largely around Romford Town (28) and Brooklands (16) wards, the biggest contributor being HM1 (Bedsits).

Where licensable HMOs are more prevalent are 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 register, Liberty Housing or in receipt of housing benefit payments, 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 of residents and Councillors, is home to approximately 13,000 residential 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 this may be an emerging issue, it should be stressed that the significant majority of properties in Harold Hill are unaffected.

The map below shows the distribution of aforementioned categories of HMOs, with clear clusters of properties notable within 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 Ward number breakdowns.



ASB and Crime

The table below for 2014-15 data, provides the total number of records for noise complaints, police calls for service, police calls for domestic violence and total crime and crime related incident records, where the venue was a HMO. The total number of HMOs identified in Havering accounts for less than 0.3% of all properties (265 of approximately 100,000). Proportionately, these properties were over-

represented in all areas observed (most notably calls regarding domestic violence and noise), however, in volume terms the amount of calls/complaints generated accounted for $\geq 1.27\%$ of the borough total.

Category	No. Addresses	Total Number of Noise Complaints	Total Number of Police Calls (exc. Domestic Violence)	Total Number of Police Calls regarding Domestic Violence	Total Number of Crimes Recorded
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 (to nearest hundred/thousand)	100,000	700	94,000	6,500	15,000
HMOs as per cent of borough total	0.3%	1.0%	0.08%	1.27%	0.6%

There is a strong correlation between the location of HMOs and significant areas where burglary is disproportionately high in Havering. There are 25 geographical areas of the borough which were identified as containing 40% of all household burglary in the previous 12-months. These 25 areas take up just 7% of the borough physical geographical area and contain 20% of the boroughs housing stock. Within these locations are 198 of our HMO accommodation (74%).

It is worth noting that numerous burglary studies have found rates of burglary are higher in areas of private renting and areas with multiple HMOs due to the transient nature of the population in these locations (with many residents being short term), which can enable offenders to operate with more anonymity than they might in more established communities (social organisation and informal social control are more vulnerable in transient areas). Significant concentrations of HMOs in small geographical areas may lead to elevated levels of crimes such as household burglary and vehicle crime.

Age: Consider the full range of age groups

Please tick (✓) the relevant box:

Positive (long term benefits)

✓

Neutral

Negative (in the short term)

✓

Overall impact:

Houses in Multiple Occupation are more likely to be occupied by young people under the age of 35 as shared accommodation is often the only type of affordable accommodation available to benefit reliant tenants as a result of housing benefit caps for young people. Many of these individuals are forced to accept accommodation within the private rented sector as they usually have no access to social housing. Additional licensing proposals could impact on this group negatively in the short term due to the possibility that some landlords may seek to return converted houses currently used as bedsit type accommodation back into single family homes in order to avoid licensing requirements. This may result in consequential short term shortages of HMO accommodation and increased potential for evictions. This is however only expected to be the case for poorly managed properties in the worst condition and may have the beneficial effect of driving bad landlords out of the market which, in the longer term, should result in increased availability of better quality and well managed bedsit type accommodation. Residents that are displaced as a result of this process will have access to housing advice albeit it may not be possible for the council to make a direct offer of alternative accommodation in all cases.

Housing and the quality of housing has a major impact on health and wellbeing of all age groups. Investment in improving poor, overcrowded or inappropriate housing will improve the quality of life of residents and have a preventative effect on future health and social care need. By driving up standards, licensing in the long term can deliver better individual health outcomes

Evidence:

2014	Number	Percentage of population (%)
All persons	245,974	100.0
0-4 years	15,563	6.3
5-9 years	14,812	6.0
10-14 years	13,735	5.6
15-19 years	15,045	6.1
20-64 years	141,237	57.4
65+ years	45,582	18.6

Sources used: Mid-year population estimates 2014; Office for National Statistics (ONS); Produced by Public Health Intelligence.

Disability: Consider the full range of disabilities; including physical mental, sensory and progressive conditions

Please tick (✓) the relevant box:

Positive	✓
Neutral	
Negative	

Overall impact: There are a significant number of tenants with mental health disabilities living in HMO accommodation. The potential risk to the number of available HMO units as a direct result of additional licencing could impact negatively on this group. However, the envisaged benefits of better quality housing accommodation that is well managed and complies with all relevant standards outweighs the possible negative impact that may result from implementing the proposed licensing scheme.

The council' Housing service have a duty to assist vulnerable adults to find alternative accommodation in cases where they have become unintentionally homeless, therefore it is expected that the majority of adversely affected individuals would be assisted to secure either temporary or permanent alternative accommodation.

Evidence:

(1) Previous research has highlighted the relationship between mental health problems and HMOs. Shaw *et al.*,(1998) note that HMO residents are eight times more likely than the general population to suffer from mental health problems as well as having other problems:

'These groups [living in HMOs] are more likely to be drug or alcohol-dependent, many have spent their early lives in care, or are ex-prisoners, and have nowhere else to go' (Shaw et al., 1998: 67

'Within HMOs some of the greatest threats to the mental health of tenants come from the actions of other tenants. Landlords currently have a duty to ensure that the behaviour of tenants in the property does not impinge on the surrounding community but it is not specified that tenants should be protected from the behaviour of other tenants'. (2)

'In terms of mental health, preventing ASB in the property will make tenants feel safer and more secure', (2)

'current legislation has the potential to contribute significantly to the safety and quality of housing and this is likely to positively affect the mental health of tenants, through creating a sense of safety and security' (2)

Sources used:

(1) Shaw M, Danny D and Brimblecombe N (1998)

Health problems in houses in multiple occupation.

Environmental Health Journal 106(10) 280-281.

(2) Professional Evaluation: Beyond safety to wellbeing: How local authorities can mitigate the mental health risks of living in houses in multiple occupation-

Dr Caroline Barratt, Christopher Kitcher and Dr Jill Stewart

Sex/gender: Consider both men and women

Please tick
(✓) the
relevant box:

Positive

Neutral

**Negative
(short
term
only)**

✓

Overall impact:

No differential impact has been identified on the grounds of this protected characteristic in respect of landlords who may be affected by the licensing proposals as it applies equally to all landlords operating in Havering irrespective of sex / gender.

Evidence suggests that Houses in Multiple Occupation are twice as likely to be occupied by males, predominantly under the age of 30, as shared accommodation is often the only type of affordable accommodation available to them and they usually have no access to social housing accommodation.

Additional licensing proposals could impact on this group negatively in the short term due to the possibility that some landlords may seek to return converted houses currently used as bedsit type accommodation back into single family homes in order to avoid licensing requirements which may result in consequential shortages of HMO accommodation and evictions.

This is however only expected to be the case for poorly managed properties in the worst condition and may have the beneficial effect of driving bad landlords out of the market which, in the longer term, should result in increased availability of better quality and well managed bedsit type accommodation. Residents that are displaced as a result of this process will have access to housing advice albeit it may not be possible for the council to make a direct offer of alternative accommodation in all cases.

Evidence:

Community Safety report using data collected from Havering databases and Metropolitan Police records stated that of all known HMOs in the Borough, 67% were occupied by males.

Sources used:

Data on noise nuisance collated by London Borough of Havering and Metropolitan Police records of reported crime and anti-social behaviour (for period April 2015-March 2016)

Ethnicity/race: Consider the impact on different ethnic groups and nationalities

Please tick (✓) the relevant box:

Positive

Neutral

Negative (short term)

✓

Overall impact:

There is a significant concentration of migrant households in HMOs and low quality homes where this is the only affordable form of accommodation for a working household on low wages.

Vulnerable, such as new arrivals in the country may be more likely to be affected by poor housing conditions. Overcrowding disproportionately affects migrants. PRS Tenants within ethnic minority groups are therefore likely to be adversely affected by licensing in the short term due to the potential of a shortage of HMO accommodation resultant from licensing requirements. However, they should be positively affected in the longer term by way of better quality accommodation and landlord management practices and more protection from eviction to be implemented through licence conditions. Housing advice will be available to any tenant that has been displaced as a consequence of licensing.

The Private Sector Landlord Licensing proposal applies equally to all landlords operating within the London Borough of Havering irrespective of ethnicity / race therefore this group will not be negatively affected. A range of measures will be implemented in order to support landlords to respond to reports of anti-social behaviour and unsocial tenants.

Evidence:

No local data is yet specifically available on the profile of protected characteristics associated with privately managed HMOs. This is because HMOs generally have highly transient occupants and /or data is not available to the council because currently licensing provisions under the Housing Act do not apply to the premises in question. Some equality profile data specific to the management of HMOs by the council itself is available and is detailed below, however that profile data will not necessarily be consistent with that of the private rented sector and it will not necessarily show the whole picture due to the complexity of data collection. It is included at this stage of the process because it serves as a useful indicative benchmark about several of the protected characteristics

Equality Profile data for HMOs managed on behalf of LB Havering This data was collected about the profile of tenants who occupy HMOs managed by Havering. In respect of the proposed licensing designations subject of this Equality Assessment the data below does not specifically represent the picture for existing private sector HMOs and is referenced solely for guideline purposes.

Ethnicity- Summary Total tenants in sample: 91-		
Black African	8	8.8%
Black Caribbean	8	8.8%
Black other	4	4.4%
Not Known/ no response	6	6.6%
White and Asian	3	3.3%
White and Black African	2	2.2%

Sources used:

This snapshot data represents all tenants responding to survey who were occupying HMOs managed by Havering as at 9 June 2015 sourced from the housing database.

Religion/faith: Consider people from different religions or beliefs including those with no religion or belief

Please tick
(✓) the
relevant box:

Positive

Neutral

Negative

Overall impact:

No differential impact has been identified on the grounds of this protected characteristic. The Private Sector Landlord Licensing proposal applies equally to all tenants and Landlords operating within Havering irrespective of religion / faith. However housing advice will be available to any tenant that has been displaced as a consequence of licensing.

Evidence: N/A

Sources used: N/A

Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual

Please tick
(✓) the
relevant box:

Positive

Neutral

Negative

Overall impact:

There is no information relating to sexual orientation of landlords.

Additional licensing aims to reduce anti-social behaviour which is likely to benefit people who suffer from homophobic crime and incidents. A range of measures will be implemented in order to support landlords to respond to reports of anti-social behaviour and unsocial tenants.

Evidence:

There is insufficient data available to measure accurately the potential effect of these proposals in relation to sexual orientation of tenants.

Sources used:

N/A

Gender reassignment: Consider people who are seeking, undergoing or have received gender reassignment surgery, as well as people whose gender identity is different from their gender at birth	
<i>Please tick (✓) the relevant box:</i>	Overall impact: No differential impact has been identified on the grounds of this protected characteristic. The Private Sector Landlord Licensing proposal applies equally to all tenants and landlords operating in Havering irrespective of gender reassignment. Housing advice will be available to any tenant that has been displaced as a consequence of licensing.
Positive	
Neutral	
Negative	
Evidence: N/A	
Sources used: N/A	

Marriage/civil partnership: Consider people in a marriage or civil partnership	
<i>Please tick (✓) the relevant box:</i>	Overall impact: No differential impact has been identified on the grounds of this protected characteristic. The Private Sector Landlord Licensing proposal applies equally to all tenants and landlords operating in Havering irrespective of marriage / civil partnership.
Positive	
Neutral	
Negative	
Evidence: N/A	
Sources used: N/A	

Pregnancy, maternity and paternity: Consider those who are pregnant and those who are undertaking maternity or paternity leave	
<i>Please tick (✓) the relevant box:</i>	Overall impact: Proposed restrictions on numbers of occupants in HMO bedsit rooms may impact upon pregnant tenants as the addition of a baby may result in a breach of licence conditions where the total number of occupants in a room will exceed two persons. Landlords will be responsible for ensuring premises do not become overcrowded and therefore may be forced to take action to evict certain tenants that fall within this protected characteristic and thus increase
Positive	
Neutral	

Negative	✓	risk of homelessness. Housing advice will be available to any tenant that has been displaced as a consequence of licensing and in many cases tenants falling within this protected characteristic will be owed a homeless duty by the council's housing service.
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Evidence:

There is no available evidence to directly link homeless approaches from pregnant women to bedsit type accommodation but data recorded on homeless approaches by pregnant women and/ or applicants with dependent children is shown below.

Section E2: Applicant households found to be eligible for assistance, unintentionally homeless and in priority need during the quarter, by priority need category

Total households with dependent children	Household includes, a pregnant woman and there are no other dependent children	6. Total applicants
86	11	122

*

Sources used:

Quarterly P1d Housing Statistical return (1/7/16 to 30/9/16) -from LBH Housing database-homeless approaches

Socio-economic status: Consider those who are from low income or financially excluded backgrounds

Please tick (✓) the relevant box:

Positive in the long term

✓

Neutral

Negative in the short term

✓

Overall impact:

Vulnerable residents and those on low incomes have found that access to housing appropriate to their needs has been restricted by a lack of affordability and large numbers find themselves living in the worst PRS properties or shared accommodation. Changes to the national welfare system has had a negative impact on the provision of quality housing options due to displacement of benefit dependent households into cheaper accommodation as a result of the Local Housing Allowance rent caps. Some landlords may decide to increase rents or leave the cheaper private rented market altogether if landlord licensing is introduced in Havering and this could negatively impact tenants due to an increase in evictions and homelessness.

On the positive side, a significant protection that would be provided for assured shorthold tenants is that a s.21 Notice to evict tenants cannot be used by the landlord where a property is subject to licensing, but has not been licensed, and the Courts will therefore refuse to issue Possession Orders on that basis. The life chances of residents are closely linked to the quality of their neighbourhoods and their housing accommodation. Licensing seeks to address some of these issues by driving up the quality of the PRS and will improve housing conditions and security of tenure, particularly for the poorest tenants, over the longer term.

Evidence:

The council does not have any data to demonstrate this expectation, however on the basis of experience of other Councils who have introduced additional licensing, the effects of licensing on tenants sharing this protected characteristic have not been reported to be significantly negative.

The proportion of households on low income benefits within the key areas affected by this scheme are tabulated below:

	Heaton Ward	Gooshays Ward	Haverling Average
Income support claimants (% of working age population)	3.47	3.68	1.74
Income Support claimants, Carers and others (% of Income Support claimants)	17.86	19.44	18.54
Income Support claimants, Incapacity Benefit reasons (% of Income Support claimants)	14.29	8.33	11.61
Income Support claimants, Lone Parent (% of Income Support claimants)	67.86	72.22	69.85

Sources used:

Haverling Data Intelligence Hub

Conclusion

Overall it is anticipated that the introduction of Additional Licensing is likely to bring about significant benefits to groups with protected characteristics, particularly those who are disadvantaged and who have no alternative to renting a room in a shared house in the private sector.

The main purpose of the scheme is to reduce anti-social behaviour and improve housing conditions which will benefit all residents and particularly those who have protected characteristics. Making our Borough a safe place to live is a top priority for Haverling Council and the implementation of landlord licensing schemes will support this vision.

Vulnerable groups will also benefit from overall improvements in management standards due to the ability of the council to better identify HMOs and the improved ability to enforce standards,, especially in the locations where the greatest problems currently exist.

The Equality Assessment has identified some potential for adverse impacts, particularly to the lower income groups, if landlords decide to increase rents or withdraw from the HMO rental market altogether as this could put tenants at an increased risk of homelessness. Although any adverse impacts are only expected to be short term, the council proposes to mitigate this risk by proposing to offer a reduced licence fee to landlords who submit early licence applications. It is also proposed to launch a major publicity campaign when the Licensing scheme is introduced to make tenants and landlords aware of their rights and obligations and what tenants can do if threatened with eviction. Specific actions are set out in more detail in the action plan below.

Overall it is considered that the benefits of this initiative far outweigh any negative impacts to groups with protected characteristics.

If the proposed Licensing Scheme is introduced, it is intended to closely monitor the situation on an ongoing basis and to carry out a major review after the scheme has been in place for 12 months.

Action Plan

In this section you should list the specific actions that set out how you will address any negative equality impacts you have identified in this assessment.

Protected characteristic	Identified negative impact	Action to be taken to mitigate impact*	Intended outcomes and monitoring**	Timescale of actions	Lead officer
Sex/Gender	Males, particularly those under the age of 35 may be negatively impacted by the implementation of Additional HMO licensing as bedsit unit numbers may reduce as a direct result of licensing and enforcement of standards leading to a consequential rise in the number of evictions	HMOs Wherever possible, displaced private tenants to be supported by rehousing within existing stock of privately leased shared accommodation managed by the Housing Department	Numbers of homeless declarations from young males resulting from closure of HMOs due to licensing requirement to be monitored.	From designation of the additional licensing scheme and ongoing	PRS Licensing Lead
Ethnicity/Race	Migrant households with no entitlement to public funds or social housing may be displaced due to their inability to afford potential increases in rent or reduction in availability of shared accommodation	Licensing will prevent lawful eviction of tenants from premises which are required to be, but not licensed, so should provide additional protection from eviction in some cases. Early bird discounts and other incentives to reduce license fee to be	Numbers of households presenting as homeless to be monitored by housing department	From designation of the additional licensing scheme and ongoing	PRS Licensing Lead

Non-key Executive Decision

		incorporated into fee structure in order to minimise the risk of rent increases for tenants.			
Pregnancy Maternity & Paternity	Pregnant women and new mothers may face eviction from HMO accommodation as a result of licensing and enforcement of licence conditions limiting occupancy	Housing authority to exercise homelessness duties to eligible tenants by assisting tenants to secure alternative suitable accommodation either in private rented or social housing sector	Housing Department to exercise homeless duties to vulnerable residents	From designation of the additional licensing scheme and ongoing	PRS Licensing Lead
Socio-economic status	Low income/benefit dependant households	Licensing will be beneficial in the longer term as housing standards should improve and greater security of tenure will discourage landlords from exploitation of vulnerable tenants. Licence fees will be set at a level designed to cover costs in order to minimise the burden on landlords and minimise the likelihood that the charges will be passed onto	Private tenants to be supported if there are negative consequences arising from the council's enforcement approach	From designation of the additional licensing scheme and ongoing	PRS Licensing Lead

Non-key Executive Decision

		tenants through increased rents. There is also a proposal to offer an early bird discount so that landlords can benefit from reduced fees if they apply early.			
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Review

The EIA will be reviewed following completion of the full consultation exercise in order to incorporate informed information. Following implementation of the licensing scheme) a further review will be carried out after 12 months of the scheme's operation and annually thereafter in order to ascertain if there has been any significant negative impact upon groups with protected characteristics.

