



Havering

LONDON BOROUGH

TOWNS & COMMUNITIES OVERVIEW AND SCRUTINY SUB-COMMITTEE, 26 FEBRUARY 2019

Subject Heading:

Statement of PRS and implementation of
Additional Licensing Scheme

SLT Lead:

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Policy context:

The policy context is associated with the
Council's statutory duties in connection
with the Housing Act 2004

Financial summary:

**There are no significant financial
implications associated with this report
which is for information only**

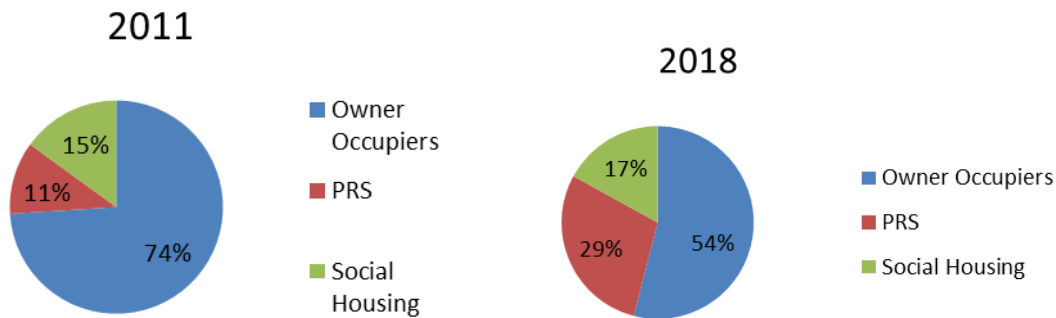
The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering

[x]
[x]

SUMMARY

The private rented sector (PRS) has grown rapidly in Havering since 2001. Population growth, lower London median rents and new transport infrastructure are factors.



Graph 1 - Tenure profile 2011 to 2018 (ONS & Metastreet data)

Havering introduced Additional Licensing to cover all HMOs in 12 of 18 wards in late 2017 and enforcement of the scheme commenced in March 2018 (Cabinet Decision 18th January 2018).

This report explains the progress over the last 12 months whereby the Council has successfully implemented the proposed scheme with over 22 multi-agency operations conducted, 108 Financial Penalty Notices issued and 21 Statutory Notices served

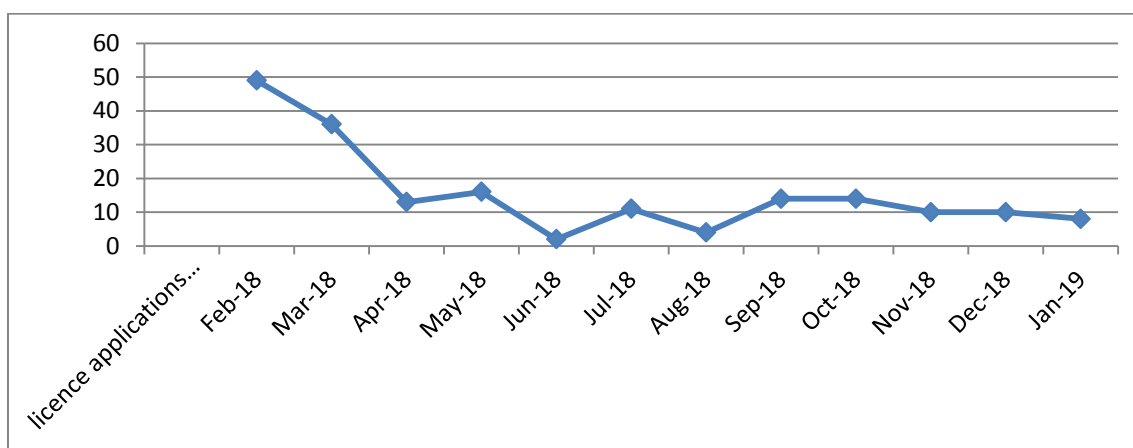
RECOMMENDATIONS

The Committee is asked to note the report.

REPORT DETAIL

Havering introduced Additional Licensing in 12 wards in March 2018 (see Map 1). The scheme mandates that all HMOs must license with the Council. The scheme offers the Council new powers to tackle overcrowding, poor property management and ASB in these types of properties. The expectation for the first year was to achieve 50% compliance, currently compliance sits at 48%, and a further 2% is expected by the end of March 2019.

Applications for the scheme commenced in January 2018. An early bird rate of 25% was offered until 1st March 2018, after this date the license fee reverted to the standard rate of £550. To date 201 applications have been received, this represents 25% of the predicted population. Income from license applications stands at £173,346.



Graph 2 License applications by month

The scheme supports good landlords through reduced fees and longer licenses. Efforts have been made to promote the scheme as widely as possible and the service makes every effort to notify individual landlords in writing of the need to license before considering enforcement.

For those landlords who choose not to comply, the Private Sector Housing team works closely with a range of enforcement partners including, Police, Planning, ASB and Immigration Enforcement to proactively tackle tenants and landlords who commit offences. This is delivered via fortnightly multi-agency operations targeting problematic and dangerous rental properties, and/or when intelligence is received indicating a non-compliant premises i.e. a tenant complaint. Operations are intelligence led and conducted in the early morning for maximum enforcement efficiency.

The Team consists of 6 extra officers over and above the current team. The staffing costs together with on-costs such as legal fees, ICT equipment/software and training, totals an estimated £0.300m. The majority of this has been funded by the income from licensing fees and financial penalty notices totalling £0.210m. Any budget gap will be recuperated over the 5 year life of the project, together with a recent successful funding bid to the Controlling Migration Fund from Ministry of Housing, Communities and Local Government. The first instalment of £0.190m has been confirmed.

Since March 2018, the scheme has delivered the following outputs:

- **22 multi-agency operations**, involving Police and Home Office Enforcement Officers
- **108 Financial Penalty Notices** with a value of £312,250
- **21 Statutory Notices** served

This level of enforcement intervention represents a significant increase on previous years.

The scheme is proving to be a powerful tool to address a range of issues, including poor housing conditions, ASB and overcrowding. Moreover, a clear correlation has been found between unlicensed HMOs and poor property management and conditions. Intelligence found during investigations are also shared with other council services, including Social Services and Council Tax.

Licensing powers are being used in combination with other council powers to address public health hazards found during property inspections, such as pests and damp and mould.

One of the key objectives of the scheme is to ensure all HMOs are licensed over the 5-year life of the scheme. The initial take-up has been quite low, however as landlords start to understand the consequences of not licensing it is likely that compliance rates will improve. A range of reasons have been uncovered as to why landlords fail to license HMO properties, ranging from a lack of awareness, through to tax fraud (local and national), to non-compliance with other housing and planning legislation.

It's too early to assess the impact of the scheme; however early indicators are that licensing is an effective tool to tackle criminal landlords and tenants in Havering.

In addition to licensing enforcement, the service is now using all its statutory powers to address serious hazards and disrepair cases, amongst the 97% of PRS properties not covered by the Additional licensing scheme. With the first anniversary fast approaching following a successful first year, it is expected that compliance will reach more than 90% by the end of the 5 year scheme, and those that are not compliance are the subject of robust enforcement action. Further a review of options for licensing schemes in other parts of the borough and single dwelling rented properties has begun.

PRS Enforcement Case Study – Balgores Lane Gidea Park

An unannounced inspection by officers from Private Sector Housing found 8 males living in unhygienic shared housing conditions.

The unlicensed HMO above shops in the centre of Gidea Park was found to be overcrowded, filthy and had no working fire detection. Every room had been converted into a bedroom, a number of which had bunkbeds.

Police, Immigration Enforcement and Housing Officers visited the property after the Police had been made of aware of a violent incident at the property between tenants.

A £14,500 Financial Penalty Notice has been issued to the landlord for failing to license a HMO and for breaches of HMO Management Regulations.



Unhygienic and overcrowded conditions



Filthy carpets and bunkbeds

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications as a result of this report which is for information only

Legal implications and risks:

There are no legal implications as a result of this report which is for information only.

Human Resources implications and risks:

There are no legal implications as a result of this report which is for information only.

Equalities implications and risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An Equalities Assessment (EQ) is not required for this report which is for information only.

Map 1: Current Additional Licensing Scheme for HMO's

