



**Havering**  
LONDON BOROUGH



**CADENCE  
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# London Borough of Havering

## PRSL Feasibility & Options Appraisal Report

November 24

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2	Purpose and Background
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# Executive Summary

This report provides the London Borough of Havering (LBH) a robust basis for deciding its approach to private rented sector (PRS) licensing schemes. It aims to give decision makers confidence on how to move forward with selective and additional HMO licensing schemes by ensuring that all legislative key criteria has been considered. It provides justification for the proposed licence fee of £950 (Selective licensing scheme) and £1400 (Additional HMO Scheme) and the resources needed to effectively deliver the schemes. It will also provide the foundation for a robust consultation evidence base.

## The feasibility review indicates:

- 7 wards in Havering have above the national percentage PRS and are eligible to be considered for selective licensing
- All wards in Havering meet the criteria for poor housing conditions
- 1 ward in Havering is in the 30% most deprived, meeting the criteria for deprivation
- As no valid ASB data was available for the past five years this review does not include an evaluation of ASB

## Four selective licensing scheme options are proposed.

- Option 1 – one designation on the criteria of Poor Housing Conditions in 3 of the 20 wards
- Option 2 – one designation on the criteria of Poor Housing Conditions in 7 of the 20 wards
- Option 3 – a phased approach in two designations on the criteria of Poor Housing Conditions:
  - Designation 1: 3 wards
  - Designation 2: 4 wards

For **additional licensing** we are proposing a **borough wide** scheme.

# Aim of feasibility and options appraisal

**Enable senior stakeholders to agree Private Rented Sector Licensing (PRSL) approach by:**

- Summarising the evidence
- Determining implications of recommended designations
- Appraising options for implementation
- Suggesting scheme objectives to meet agreed designations
- Identifying any gaps and understanding any barriers in meeting key criteria before moving to consultation phase.

**The report's purpose is to gain agreement on a proposed selective and additional HMO licensing scheme before submitting a proposal to Havering's Cabinet, with the intention of undertaking a public consultation following that submission.**

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# Purpose

**This review gives the London Borough Havering (LBH) a robust basis for deciding its approach to Private Rented Sector (PRS) Selective and Additional HMO licensing that:**

1. Meets legislative guidance
2. Identifies evidence against relevant key criteria for making designations.
3. Assesses how property licensing aligns with LBH's strategic housing goals.
4. Explores options for scheme designations, including:
  - Identifying the largest possible coverage (with single or multiple designations) to protect the widest number of renters
  - Identifies wards that should pass **cabinet** scrutiny by benchmarking evidence and demonstrating robust criteria:
    - a. Against other councils, London and UK averages
    - b. **For criteria that MHCLG have previously approved.**
  - Makes designations internally consistent and straightforward to enforce.
5. Supports the Council to agree proposed scheme objectives.
6. Provides justification for the proposed licence fee and resources needed to effectively deliver the scheme.
7. Provides the foundation for a robust consultation evidence base



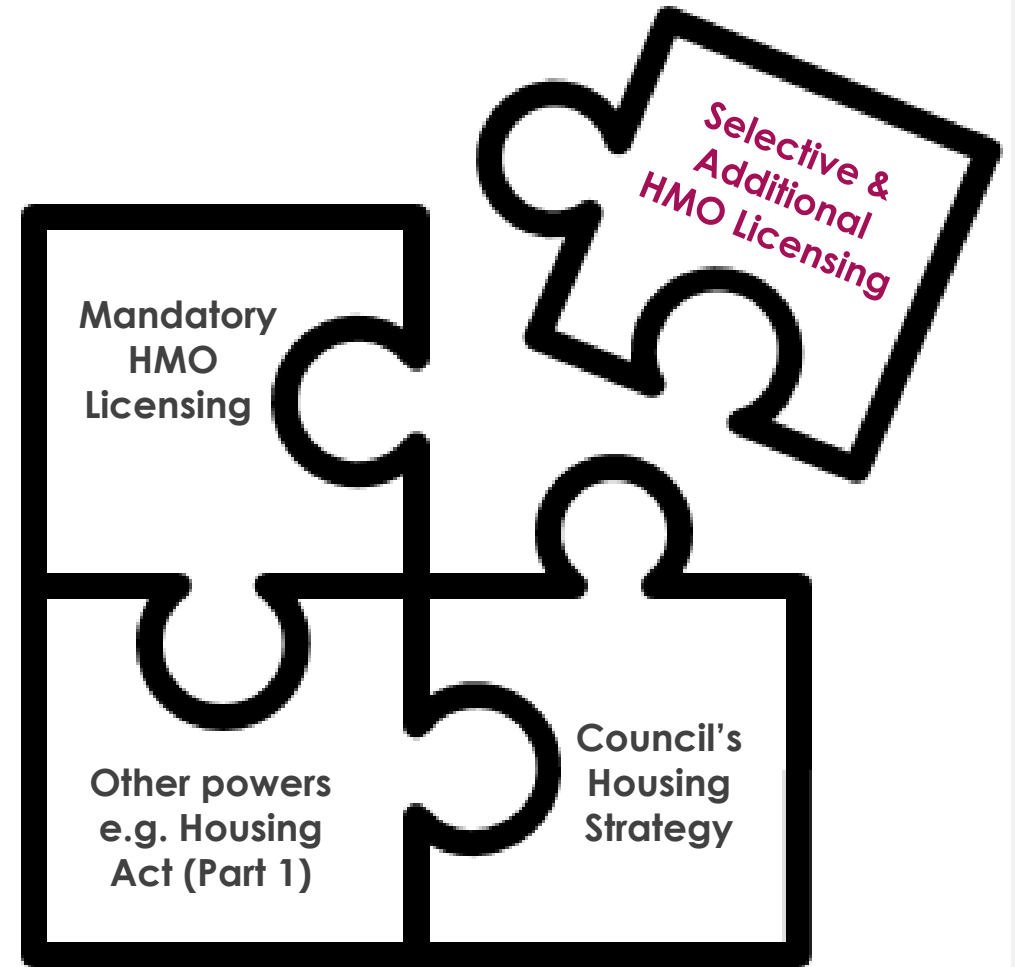
# Overview of Licensing

**Property licensing is one tool to help the council to:**

- Effectively support vulnerable residents
- Improve property conditions and management standards in the PRS
- Enforce property standards
- Tackle the most pressing private rented housing issues
- Support and educate landlords and tenants
- Generate revenue to be used to improve the PRS

## **Havering's current licensing position**

- Havering have had one previous additional licencing scheme covering 12 wards (Scheme 1 2018-2023) and a current one covering the remaining 6 wards (Scheme 2 2021 – 2026).
- Havering also have a current Selective Licence scheme for Brooklands and Romford Town (2021 – 2016). As a result of the ward changes in May 2022 these are now 3 wards: Rush Green and Crowlands, St Alban's & St Edward's (2021-2026).



# Selective licensing legislative framework

Only where there is no practical and beneficial alternative to a designation should a scheme be made.



1. The area must have **a high proportion of housing in the private rented sector**. More than the national average ( 19% - EHS/20.3% - Census '21)



2. One of the following conditions must be met:

- Anti-Social Behaviour
- Low Housing Demand
- Migration
- Deprivation
- Poor Housing Conditions
- Crime



3. Must be satisfied that the scheme will significantly assist the council in achieving its **objectives** and that there are no other courses of action available that would achieve the same objectives



4. Any designation made must be:

- **Consistent** with the overall **housing strategy**
- Part of a **coordinated** housing approach for dealing with **homelessness, empty homes, regeneration and anti-social behaviour** affecting the PRS when combined with other action taken by the council or action taken by other internal and/or external stakeholders/partners.



# Background to licensing schemes

## Selective Licensing

- Privately rented properties let to a single household (e.g. a family) or two households of no more than two sharers (e.g. two friends living together).
- Designated by the Council



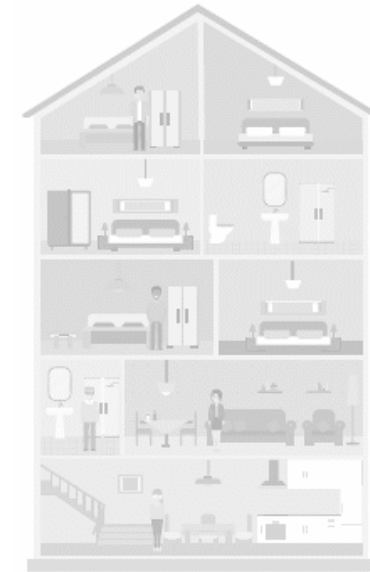
## Additional HMO Licensing

- Applies to smaller houses in multiple occupation (HMOs) let to 3 or 4 unrelated people, forming 2 or more households sharing amenities e.g. kitchen or bathroom.
- Designated by the Council.



## Mandatory HMO licensing

- Applies to large HMOs, let to 5 or more unrelated people, forming 2 or more households sharing amenities e.g. kitchen or bathroom.
- National mandatory scheme.



# New general approval for selective licensing

- On the 16<sup>th</sup> December 2024, the Housing and Planning Minister issued a **new general approval for selective licensing** taking effect from **Monday 23 December 2024.**
- This new general approval will enable local housing authorities to introduce schemes of any size **without seeking approval from the Secretary of State**. This was announced in the English Devolution White Paper : [English Devolution White Paper - GOV.UK](#)
- **The legislative criteria for introducing a scheme have not changed**, nor has the condition to consult for a minimum of 10 weeks.
- However, the general approval includes new best practice guidance, **including a request for local housing authorities to submit data to MHCLG and to publish on their websites the results of any licensing reviews that they are already legally required to conduct.**
- Further information on this is included in the updated selective licensing guidance: [Selective licensing in the private rented sector: a guide for local authorities - GOV.UK](#)

# Demonstrating a consistent and coordinated approach

The Local authority must be able to demonstrate that:

1. The making of the designation is **consistent** with the authority's overall **housing strategy**.
2. Within the Housing Strategy selective **licensing plays an intrinsic role** in helping the council to achieve its priorities.
3. They are taking a **joined-up approach** to tackling **homelessness, empty properties, regeneration** and **anti-social behaviour** and licensing is intrinsic to this by:
  - combining selective licensing with other courses of action available to them, and
  - combining selective licensing with measures taken by others i.e., other organisations working in the area

*December 2024 updated selective licensing guidance – section 6*

*50. The selective licensing scheme must be consistent with the overall housing strategy and co-ordinated with procedures for homelessness, empty properties, anti-social behaviour in the private rented sector, and housing market renewal activity*

# Duration and notification of a selective licensing scheme

December 2024 updated selective licensing guidance – section 8

- A designation cannot come into force until 3 months after it is made.
- The introduction of the scheme **may be delayed up to an additional 3 months**, if need be, to prepare for the scheme's implementation. This is to avoid an excessive delay between the consultation and the scheme's introduction, to ensure consultation requirements are met and persons who are likely to be affected by the designation have been consulted.

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# Ward Map of LB Havering

Ward	Area / km2
Beam Park	2.04
Cranham	5.29
Elm Park	4.12
Emerson Park	3.51
Gooshays	7.79
Hacton	1.80
Harold Wood	9.08
Havering-atte-Bower	10.87
Heaton	3.23
Hylands & Harrow Lodge	2.95
Marshalls & Rise Park	3.96
Mawneys	3.02
Rainham & Wennington	18.76
Rush Green & Crowlands	3.75
South Hornchurch	2.95
Squirrels Heath	2.98
St Albans	1.09
St Andrews	2.88
St Edwards	1.83
Upminster	22.54
<b>HAVERING TOTAL</b>	<b>114.46</b>

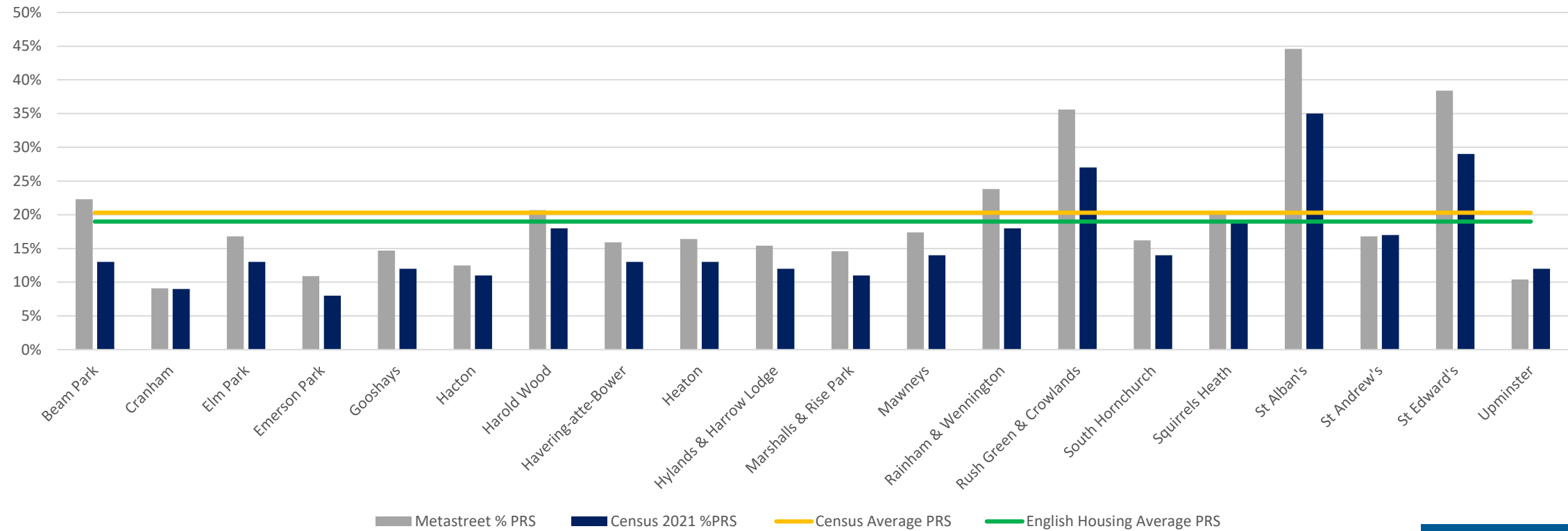


# Overall eligibility for Selective Licensing – percentage of PRS

For an area to be suitable for selective licensing the council has to consider if the area has **a high proportion of housing in the private rented sector**. The 2015 (updated 2023) guidance states that an area can be considered as having a high proportion of PRS if it is **more than the national average**, and states to use the English Housing Survey figure. The **EHS 2022-23 headline report put the national average at 19%**; however, the **2021 Census**, which should also be considered, has the average for the **PRS in England and Wales at 20.3%**

*Seven wards in Havering are eligible to be considered for selective licensing on % PRS levels*

% of PRS by Ward





# Ward Information

	Metastreet Data			Census 2021 Data		
Ward	Havering Dwellings	PRS	% PRS of Ward Stock	Total Housing Stock	Total PRS	Census 2021 %PRS
Beam Park	3406	758	22.3%	1816	237	13%
Cranham	5402	494	9.1%	5149	484	9%
Elm Park	6595	1108	16.8%	6438	861	13%
Emerson Park	3560	387	10.9%	3512	290	8%
Gooshays	6930	1018	14.7%	6581	811	12%
Hacton	4004	499	12.5%	3359	354	11%
Harold Wood	5984	1241	20.7%	5643	1006	18%
Havering-atte-Bower	6161	979	15.9%	5947	754	13%
Heaton	7015	1153	16.4%	6474	855	13%
Hylands & Harrow Lodge	5833	899	15.4%	5295	637	12%
Marshalls & Rise Park	5239	765	14.6%	4886	536	11%
Mawneys	5770	1006	17.4%	5487	777	14%
Rainham & Wennington	5457	1301	23.8%	5117	896	18%
Rush Green & Crowlands	6283	2235	35.6%	5904	1567	27%
South Hornchurch	3968	643	16.2%	3987	565	14%
Squirrels Heath	6788	1366	20.1%	6313	1171	19%
St Alban's	3647	1625	44.6%	3519	1233	35%
St Andrew's	6490	1093	16.8%	6202	1070	17%
St Edward's	5072	1948	38.4%	4479	1292	29%
Upminster	5444	564	10.4%	5165	619	12%
<b>TOTAL</b>	<b>109048</b>	<b>21082</b>	<b>19.3%</b>	<b>101273</b>	<b>16015</b>	<b>16%</b>

# Metastreet and Census data

LBH commissioned Metastreet Ltd to undertake an independent review of Havering's housing stock and produce a Housing Conditions Report based on current available data and evidence-based predictive modelling.

When using the Metastreet data in comparison with the Census data, the census figures need to be treated with a degree of caution. There is evidence to suggest that Census data significantly undercounts the population in some areas. There are many reasons for this, some of which relate to the COVID pandemic, including:

- Census was taken during lockdown (transient population may simply not have been there)
- Census return-rate is poorer in more deprived areas (e.g. specific wards in Thanet)
- Census return-rate higher in owner-occupied properties/lower in PRS (and this is accounted for in Ti modelling)

Similarly, evidence from the [English Housing Survey 2021 to 2022: private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-private-rented-sector) points to disparities in PRS data, again with causes linked to the pandemic. Most significantly, the EHS data did not include properties that were vacant at the time of the survey:

- “Additionally, as interviewers were unable to identify vacant dwellings in the 2020-21 data collection year, and dwelling level data includes two survey years, all dwelling estimates for this report are based on occupied dwellings only.”
- “Due to COVID-19 restrictions, the sample does not include vacant dwellings, where in previous years it did. Throughout the report, this is referred to as the ‘dwelling sample’.”

Where appropriate, both datasets will be used, but as the predicted serious hazards are based on the Metastreet data (the evidence for the Poor Housing Conditions criteria), it is helpful to have an additional narrative and an external source to refer to regarding the discrepancy between the Metastreet and Census figures – whilst acknowledging that the data will not be identical as there is a range of error (as is the case with all mathematical models).

# Reviewing designation criteria

## Possible criteria (Housing Act 2004)

1. Poor housing conditions
2. Anti-Social Behaviour
3. Deprivation
4. Crime
5. Migration
6. Low housing demand.

## Criteria evidenced

1. Poor housing conditions
2. Deprivation.

Evidence indicates possible designations based on **two criteria** and/or combination thereof.  
The following slides outline how the housing stock has been assessed for these criteria.

# Poor Housing Conditions



# Evidence needed to meet criteria of poor housing conditions

According to "Selective licensing in the private rented sector: A Guide for local authorities" (2015 – updated June 2023):

- "Local housing authorities can address Poor Housing Conditions through their powers in Part 1 of the Act, which are extensive...There may, however, be circumstances in which a significant number of properties in the private rented sector are in poor condition and are adversely affecting the character of the area and/ or the health and safety of their occupants. In that case, as part of wider strategy to tackle housing conditions, the local housing authority may consider introducing a selective licensing scheme so that it can prioritise enforcement action under Part 1 of the Act, whilst ensuring through licence conditions under Part 3 that the properties are properly managed to prevent further deterioration."
- It is recommended that local housing authorities consider the following factors to help determine whether there are Poor Housing Conditions in their area:
  - **The age and visual appearance of properties in the area and that a high proportion of those properties are in the private rented sector.**
  - Whether following a review of housing conditions under section 3(1) of the Act, the authority considers **a significant number of properties in the private rented sector need to be inspected in order to determine whether any of those properties contain category 1 or 2 hazards.** In this context "significant" means more than a small number, although it does not have to be a majority of the private rented stock in the sector."

Other councils have:

- Provided evidence of the **rate of Category 1 hazards predicted** in PRS properties in the designated area, compared with the national average (12%)
- Also submitted the age profile of properties within the designated area.

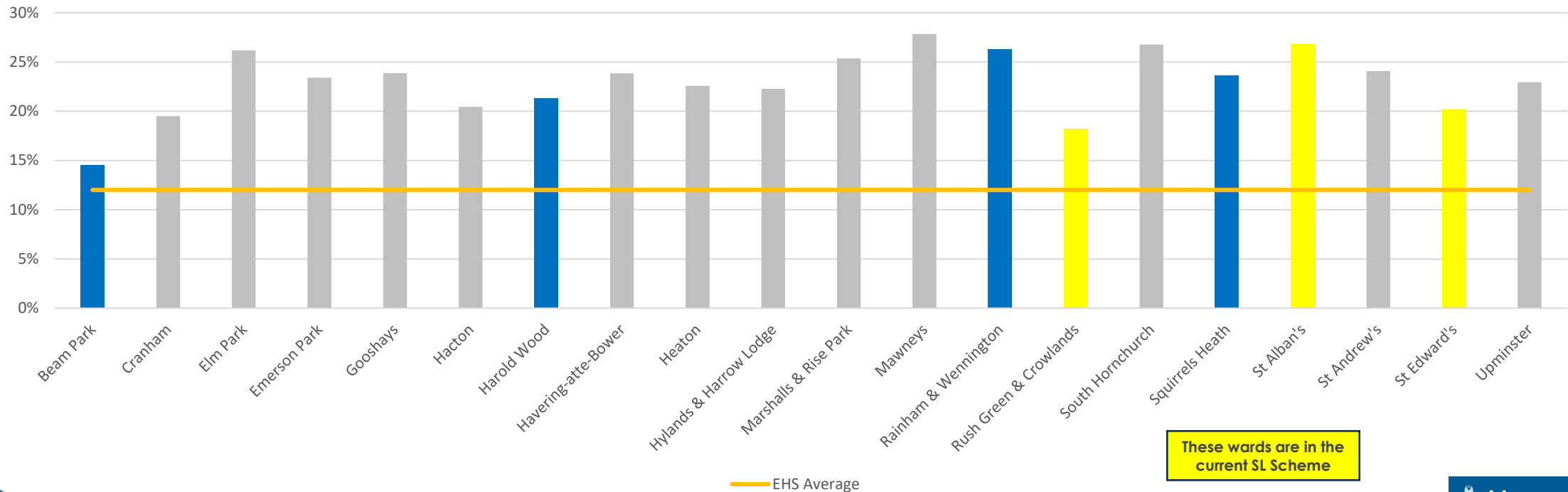
# % of PRS properties with Category 1 & high Category 2 hazards

To be included, according to legislation made under the Housing Act, a Local Authority must deem it appropriate to inspect a large number of properties to determine the existence of properties with serious hazards (Category 1 or high scoring Category 2 hazards)

For benchmarking we have recommended areas must show levels above the national average of 12% (EHS 2022 to 2023)

**All seven eligible wards** have above the national average percentage (12%) of cat 1 or high cat 2 hazards

% Selective Properties likely to have 1 or more cat 1 or high cat 2 hazards  
(PRS minus known and predicted HMOs)  
(Metastreet)



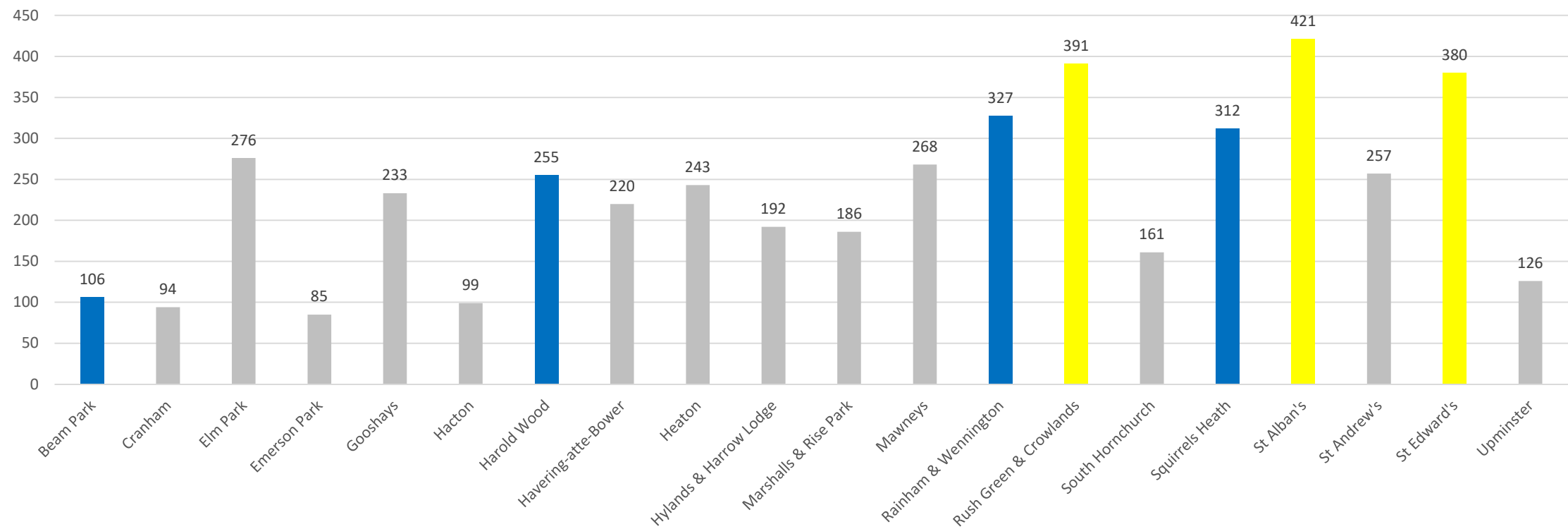


# Number of PRS properties with Category 1 & high Category 2 hazards

As well as the proportion of serious hazards within a ward, a Local Authority must consider a **significant number** of properties in the PRS need to be inspected in order to determine whether any of those properties contain category 1 or 2 hazards.

*Five of the eligible wards have the highest number of predicted cat 1 and high cat 2 hazards*

Number of Selective Properties likely to have 1 or more cat 1 or high cat 2 hazards  
(PRS minus known and predicted HMOs)  
(Metastreet)



■ Number of SL likely to have 1 or more serious hazards

These wards are in the current SL Scheme



# Deprivation



# Evidence for Deprivation

According to “Selective licensing in the private rented sector: A Guide for local authorities” (2015):

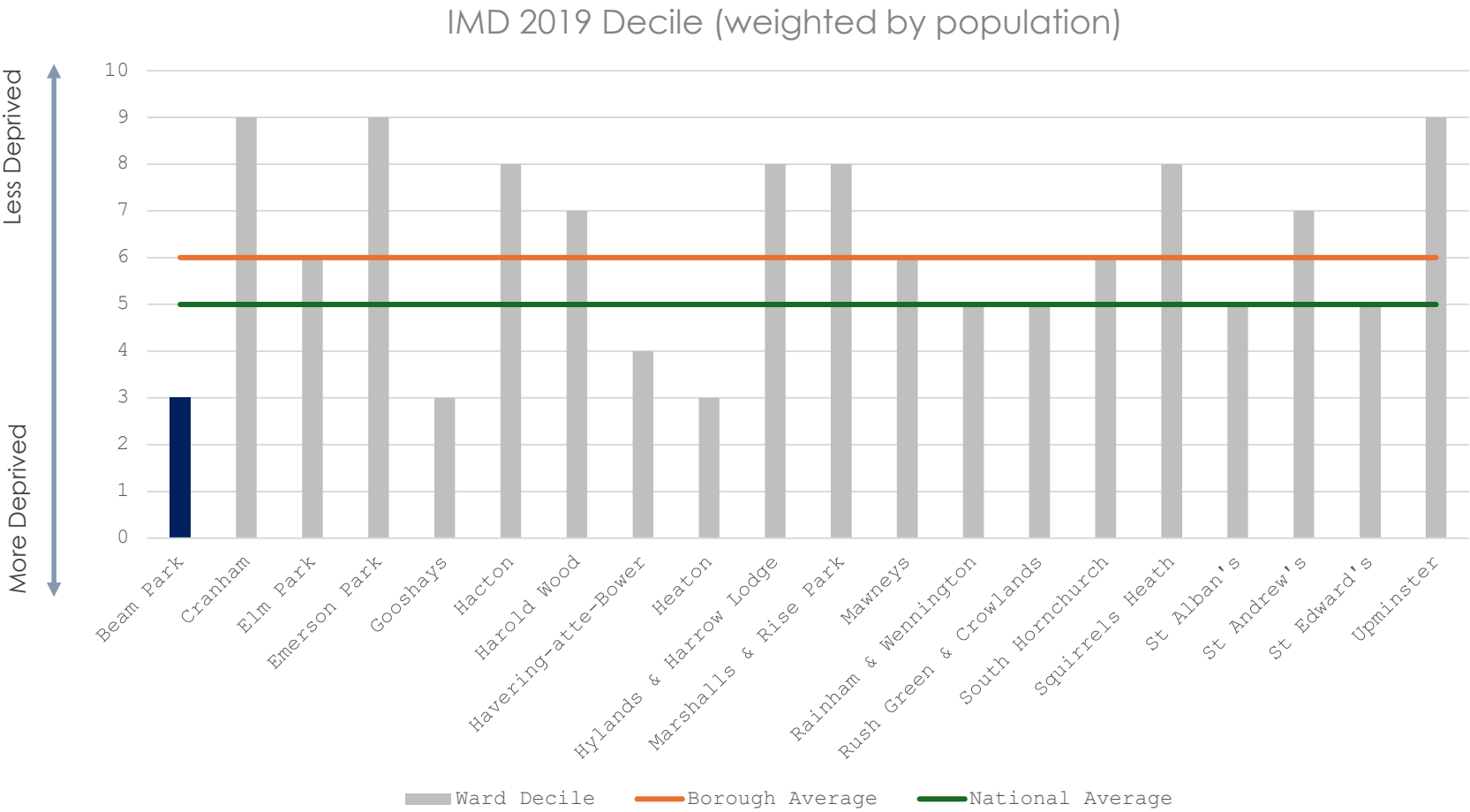
- In deciding whether to make a designation because the local authority considers the area suffers from a high level of deprivation, we recommend that the local housing authority considers the following factors when compared to other similar neighbourhoods in the local authority area or within the region:
  - **the employment status of adults;**
  - **the average income of households;**
  - **the health of households;**
  - **the availability and ease of access to education, training and other services for households;**
  - **housing conditions;**
  - **the physical environment;**
  - **levels of crime.**
- Although it is a matter for the local housing authority to determine, whether having regard to the above factors, the area is one that is suffering from a high level of deprivation, the local housing authority may only make a designation if a high proportion of housing in the area is in the private rented sector.

Other councils have provided **IMD rankings, rates of unemployment, average household income, rates of childhood obesity, numbers of notices issued for overcrowding, fuel poverty and crime rates** as evidence of deprivation.

# Deprivation

The Indices of Deprivation (the official measure of relative deprivation in England,) is comprised of seven distinct domains of deprivation which, when combined and appropriately weighted, form the Indices of Multiple Deprivation 2019.

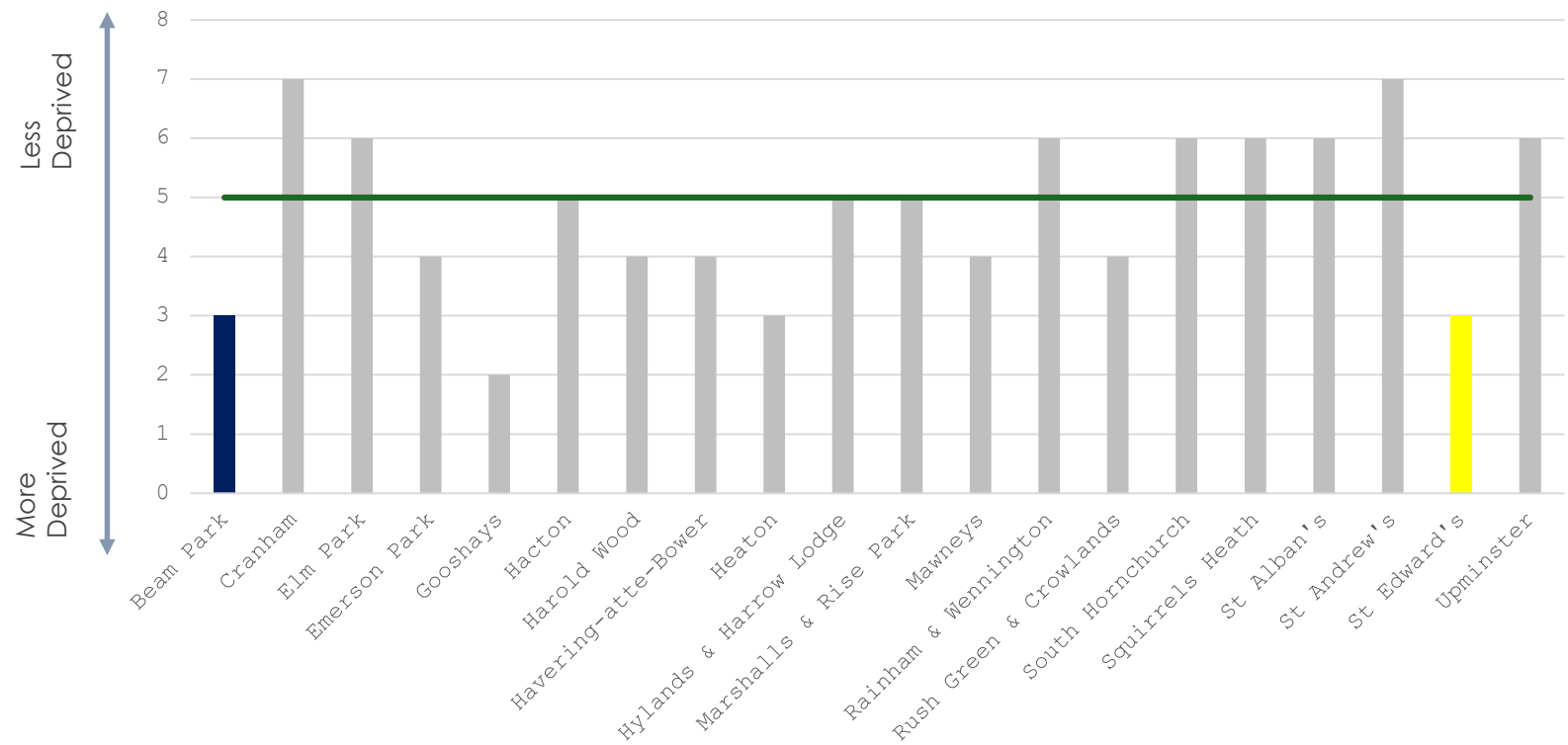
They are:- Income, Employment, Health Deprivation and Disability, Education & Skills Training, Crime, Barriers to Housing and Services, and Living Environment



Deprivation could be used as a criteria for **Beam Park**, however, it has gone through significant regeneration since the last IMD 2019 and may not stand up to scrutiny on this measure.

# Deprivation (continued)

Barriers to Housing and Services (IMD 2019 weighted by population)



The Council can also consider the Indices of Deprivation score for Barriers to Housing and Services, which is most related to housing. The decile shows areas where there are the biggest barriers to housing and services nationally, where 1 is the most deprived decile and 10 is the least deprived. The national and borough average is 5.

*The ward of **Beam Park** and **St Edward's** show significant Barriers to Housing compared to the national average. Although the wards of Gooshays and Heaton also show significant Barriers to Housing they are not eligible as they do not meet the % PRS threshold.*

# Evidence Summary

Ward	%PRS > 19%	Poor Housing Conditions > 12%	Deprivation < IMD 5	Criteria met (Poor Housing Conditions, ASB or deprivation)
Beam Park	✓	✓	✓	PHC & Dep
Cranham	✗	✓	✗	N/A
Elm Park	✗	✓	✗	N/A
Emerson Park	✗	✓	✗	N/A
Gooshays	✗	✓	✓	N/A
Hacton	✗	✓	✗	N/A
Harold Wood	✓	✓	✗	PHC
Havering-atte-Bower	✗	✓	✓	N/A
Heaton	✗	✓	✓	N/A
Hylands & Harrow Lodge	✗	✓	✗	N/A
Marshalls & Rise Park	✗	✓	✗	N/A
Mawneys	✗	✓	✗	N/A
Rainham & Wennington	✓	✓	✗	PHC
Rush Green & Crowlands	✓	✓	✗	PHC
South Hornchurch	✗	✓	✗	N/A
Squirrels Heath	✓	✓	✗	PHC
St Alban's	✓	✓	✗	PHC
St Andrew's	✗	✓	✗	N/A
St Edward's	✓	✓	✗	PHC
Upminster	✗	✓	✗	N/A

# What the evidence is showing

## Review for Selective Licencing:

- Seven wards are eligible to be included as have a high proportion of PRS (>19%)
- Evidence for relevant criteria:
  - There is evidence to support a designation for poor housing conditions
  - There is not sufficient evidence to support a designation for deprivation based on the IMD data for wards which are eligible.



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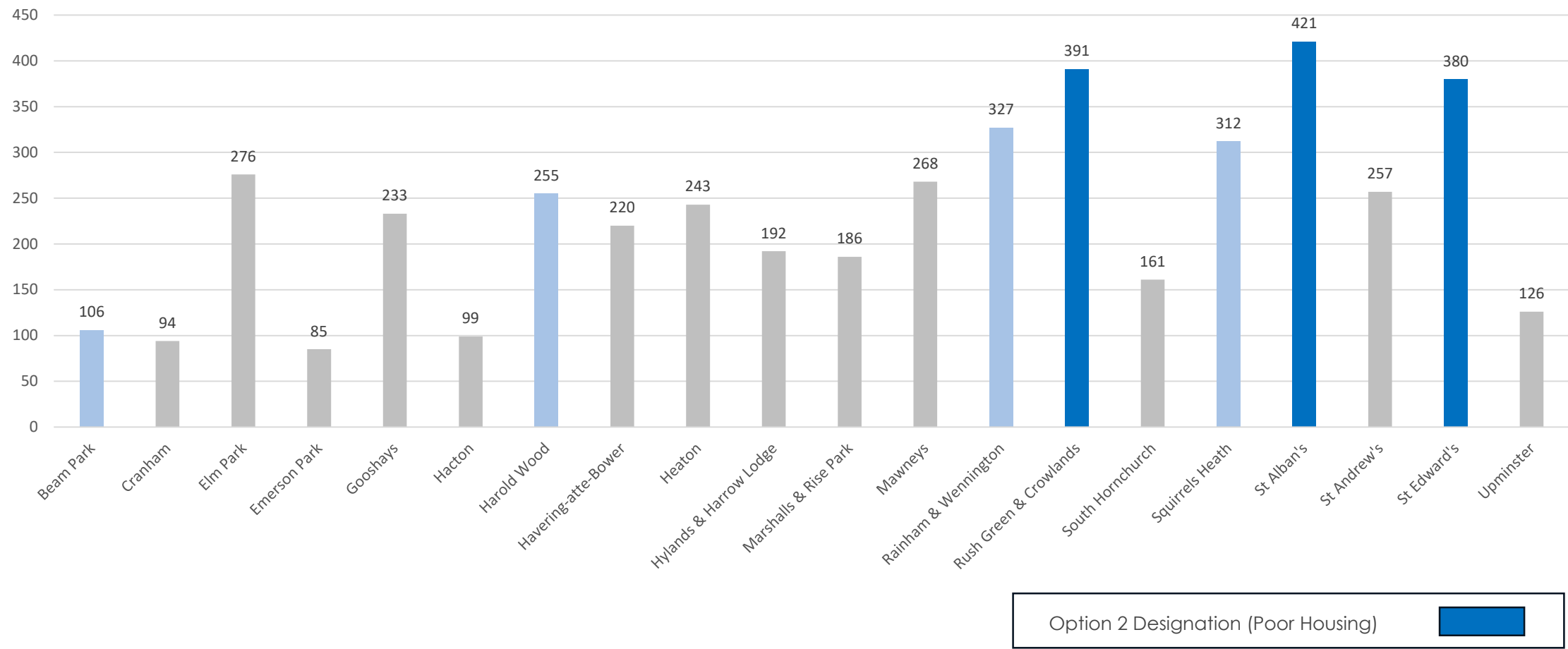


# Option 1

	Options	No. wards	Wards	% PRS and Area	Strengths	Risks
1	<b>Three wards</b> based on Poor Housing Conditions	3	<ul style="list-style-type: none"> <li>Rush Green &amp; Crowlands</li> <li>St Alban's</li> <li>St Edward's</li> </ul>	<ul style="list-style-type: none"> <li>5808 properties</li> <li>27.5% of PRS</li> <li>5.8% of geographical area</li> </ul>	<ul style="list-style-type: none"> <li>Led by the evidence – these three wards have the highest number of predicted cat 1 &amp; high cat 2 hazards</li> <li>Covers the areas which are part of the current scheme.</li> <li>Consistent and easy to communicate scheme</li> <li>Will enable the council to address the areas with most pressing issues and apply learning to larger schemes in the future</li> </ul>	<ul style="list-style-type: none"> <li>Small area of PRS - does not include other eligible wards (4) which have over the national average percentage (12%) of cat 1 and high cat 2 hazards and would need to be explained</li> <li>Potential reputational damage as Council not demonstrating that they are endeavouring to regulate all eligible areas with above average high cat 1 and cat 2 hazards.</li> <li>Little development of capability, greater pressure on future schemes if issues not addressed.</li> <li>Limited sample size for evidence going forward</li> </ul>

# Option 1

Number of Selective Properties likely to have 1 or more cat 1 or high cat 2 hazards  
(PRS minus known and unknown HMOs)  
(Metastreet)

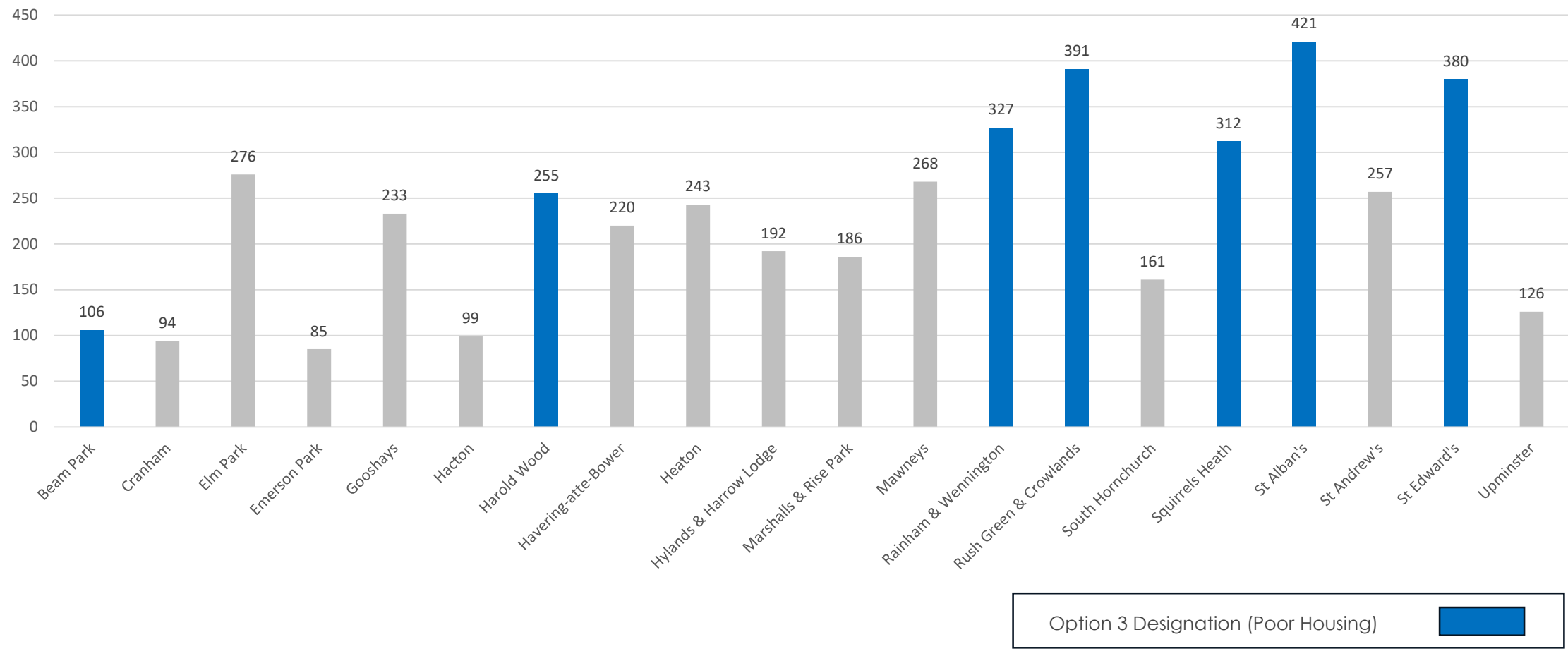


# Option 2 – RECOMMENDED OPTION

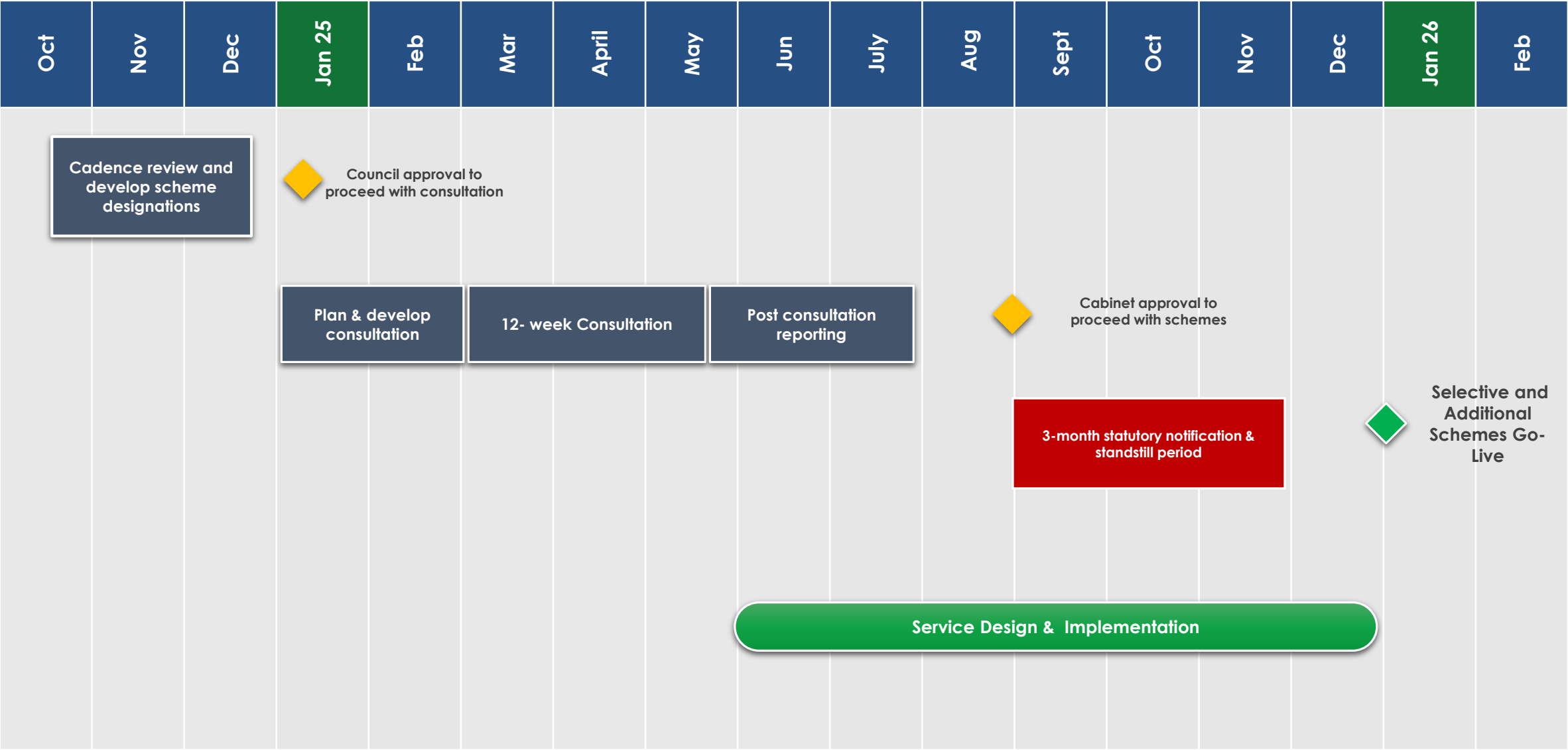
	Options	No. wards	Wards	% PRS and Area	Strengths	Risks
2	<b>Seven wards</b> based on Poor Housing Conditions	7	<ul style="list-style-type: none"> <li>• Beam Park</li> <li>• Harold Wood</li> <li>• Rainham &amp; Wennington</li> <li>• Rush Green &amp; Crowlands</li> <li>• Squirrels Heath</li> <li>• St. Alban's</li> <li>• St Edward's</li> </ul>	<ul style="list-style-type: none"> <li>• 10,474 properties</li> <li>• 49.7% of the PRS</li> <li>• 34.5% of the geographical area</li> </ul>	<ul style="list-style-type: none"> <li>• Covers large proportion of PRS - Includes all eligible wards by % PRS</li> <li>• Led by the evidence and includes all eligible wards which have over the national average percentage (12%) of cat 1 and high cat 2 hazards</li> <li>• Council is demonstrating that they are endeavouring to regulate all the areas – good for reputation</li> <li>• All eligible wards are on the same scheme timeline making it simpler to manage when renewing.</li> <li>• Greater sample size for gathering data for future schemes.</li> <li>• More revenue and greater economies of scale/best use of resource</li> <li>• No longer requires MHCLG approval and therefore it is likely that the new scheme will be ready to start as the old one expires.</li> <li>• Additional HMO and SL schemes will have aligned timeframes and more resource efficient to manage and less complex</li> <li>• Simple message – easy to communicate scheme</li> </ul>	<ul style="list-style-type: none"> <li>• Will need to scale up resources to ensure capability to administer larger scheme.</li> </ul>

# Option 2

Number of Selective Properties likely to have 1 or more cat 1 or high cat 2 hazards  
(PRS minus known and unknown HMOs)  
(Metastreet)



# Options 1 & 2 Indicative Timeline

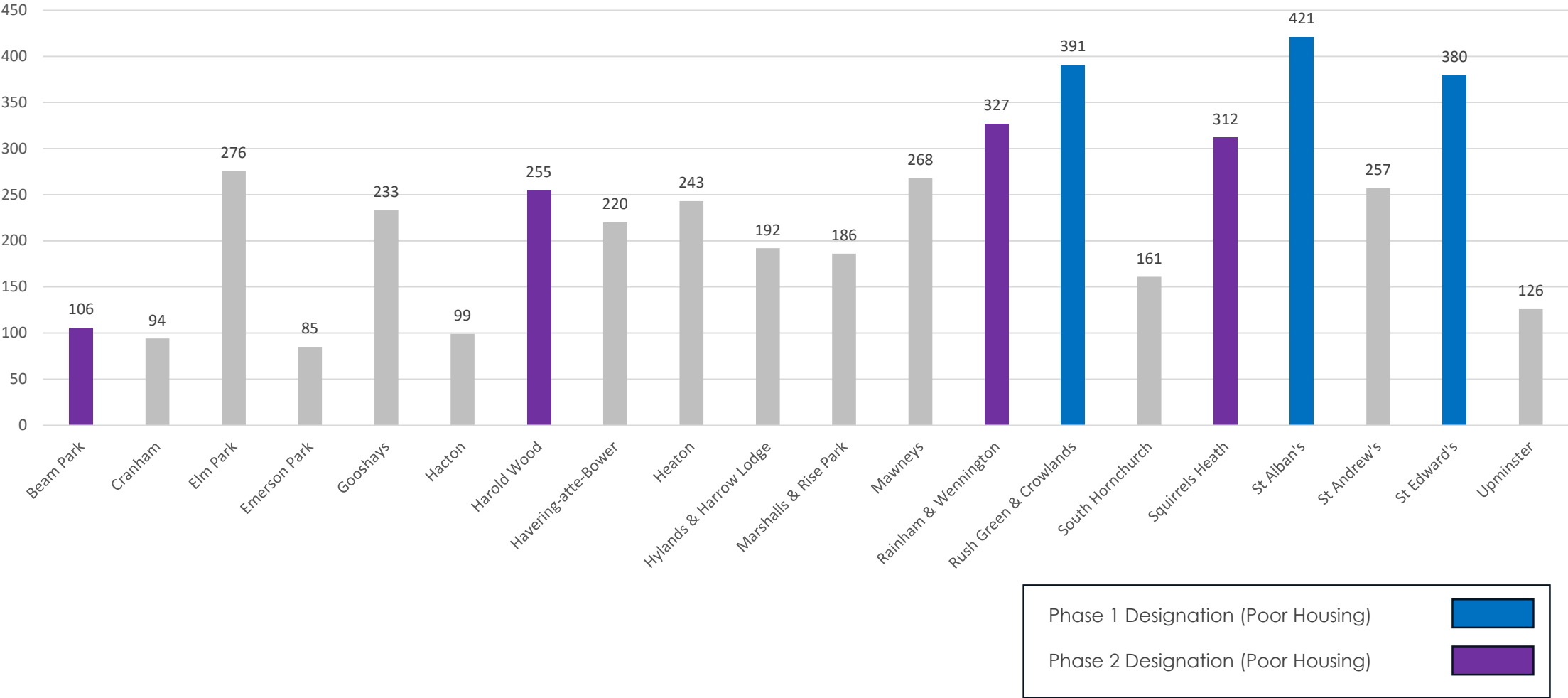


# Option 3

	Options	No. wards	Wards	% PRS and Area	Strengths	Risks
3	<p>Phased approach:</p> <p><b>Phase 1:</b> Small scheme including 3 wards (see option 1)</p> <p><b>Phase 2:</b> Larger scheme including 4 other wards</p>	7	<p>Phase 1:</p> <ul style="list-style-type: none"> <li>Rush Green &amp; Crowlands</li> <li>St Alban's</li> <li>St Edwards</li> </ul> <p>Phase 2:</p> <ul style="list-style-type: none"> <li>Beam Park</li> <li>Harold Wood</li> <li>Rainham &amp; Wennington</li> <li>Squirrels Heath</li> </ul>	<p>Phase 1:</p> <ul style="list-style-type: none"> <li>5808 properties</li> <li>27.5% of PRS</li> <li>5.8% of geographical area</li> </ul> <p>Phase 2:</p> <ul style="list-style-type: none"> <li>4666 properties</li> <li>22.2% of PRS</li> <li>28.7% of geographical area</li> </ul>	<ul style="list-style-type: none"> <li>Provides time to scale up resources to ensure council has capacity and capability to administer a substantially enlarged scheme.</li> <li>Allows wards in current scheme to start in January 26 along with Additional scheme.</li> <li>Provides an immediate injection of revenue whilst waiting for phase 2 to start.</li> </ul>	<ul style="list-style-type: none"> <li>Licensing journey takes a long time to complete because phases need to be implemented separately.</li> <li>Resource intensive. Go-live phase longer and repeated.</li> <li>Go-live for 4 wards delayed</li> <li>Added complexity to messaging</li> <li>Revenue from a substantially larger scheme is delayed.</li> <li>Not economically efficient</li> <li>Planning for re-designation (around end of year 3) may be complex as will have two scheme end dates to consider.</li> </ul>

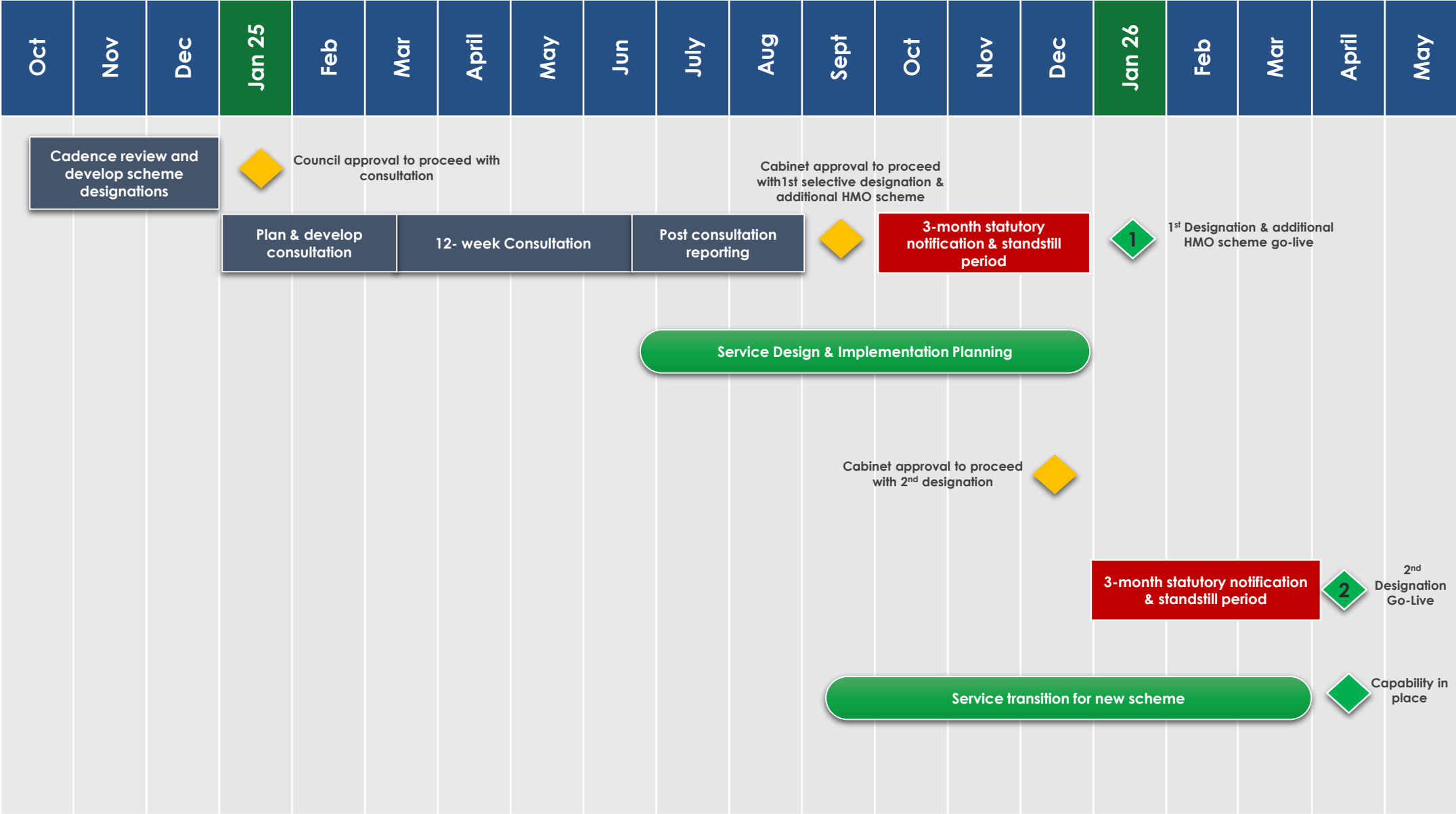
# Option 3 – Phased Approach

Number of Selective Properties likely to have 1 or more cat 1 or high cat 2 hazards  
(PRS minus known and unknown HMOs)  
(Metastreet)





# Option 3 - Indicative Timeline for Phased Approach



# Wards not included in any Selective Licensing Scheme Options

	No of PRS	% PRS	Serious Hazards	IMD Decile (weighted by population)	Reason it is not included
Cranham	494	9.1%	20.2%	9	<ul style="list-style-type: none"> <li>% of PRS under national average of 19% precluding it from being considered against other criteria</li> <li>The deprivation ranking is a lot higher than the Havering average.</li> </ul>
Elm Park	1108	16.8%	27.7%	6	<ul style="list-style-type: none"> <li>% of PRS under national average of 19% precluding it from being considered against other criteria</li> <li>The deprivation ranking is just above the national average, and equal to the Havering average</li> </ul>
Emerson Park	387	18.6%	24.3%	9	<ul style="list-style-type: none"> <li>% of PRS under national average of 19% precluding it from being considered against other criteria</li> <li>The deprivation ranking is a lot higher than the Havering average.</li> </ul>
Gooshays	1018	17.3%	25.2%	3	<ul style="list-style-type: none"> <li>% of PRS under national average of 19% precluding it from being considered against other criteria</li> </ul>
Hacton	499	18.6%	21.6%	8	<ul style="list-style-type: none"> <li>% of PRS under national average of 19% precluding it from being considered against other criteria</li> <li>The deprivation ranking is a lot higher than the Havering average.</li> </ul>

# Wards not included in any Selective Licensing Scheme Options

	No of PRS	% PRS	Serious Hazards	IMD Decile (weighted by population)	Reason it is not included
Havering-atte-Bower	979	15.9%	25.2%	4	<ul style="list-style-type: none"> <li>% of PRS under national average of 19% precluding it from being considered against other criteria</li> </ul>
Heaton	1153	16.4%	24.5%	3	<ul style="list-style-type: none"> <li>% of PRS under national average of 19% precluding it from being considered against other criteria</li> </ul>
Hylands & Harrow Lodge	899	15.4%	23.2%	8	<ul style="list-style-type: none"> <li>% of PRS under national average of 19% precluding it from being considered against other criteria</li> <li>The deprivation ranking is a lot higher than the Havering average.</li> </ul>
Marshalls & Rise Park	765	14.6%	26.7%	8	<ul style="list-style-type: none"> <li>% of PRS under national average of 19% precluding it from being considered against other criteria</li> <li>The deprivation ranking is a lot higher than the Havering average.</li> </ul>
Mawneys	1006	17.4%	29.5%	6	<ul style="list-style-type: none"> <li>% of PRS under national average of 19% precluding it from being considered against other criteria</li> <li>The deprivation ranking is just above the national average, and equal to the Havering average</li> </ul>

# Wards not included in any Selective Licensing Scheme Options

	No of PRS	% PRS	Serious Hazards	IMD Decile (weighted by population)	Reason it is not included
South Hornchurch	643	16.2%	28.1%	6	<ul style="list-style-type: none"> <li>% of PRS under national average of 19% precluding it from being considered against other criteria</li> <li>The deprivation ranking is just above the national average, and equal to the Havering average</li> </ul>
St Andrew's	1093	16.8%	24.5%	7	<ul style="list-style-type: none"> <li>% of PRS under national average of 19% precluding it from being considered against other criteria</li> <li>The deprivation ranking is a lot higher than the Havering average.</li> </ul>
Upminster	564	10.4%	23.4%	9	<ul style="list-style-type: none"> <li>% of PRS under national average of 19% precluding it from being considered against other criteria</li> <li>The deprivation ranking is a lot higher than the Havering average.</li> </ul>

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# Additional HMO Licensing Legislative Framework

To introduce Additional HMO licensing the council must be satisfied that:

- a **significant proportion of the HMOs are being poorly managed and** are giving rise, or likely to give rise, to problems affecting the occupiers or members of the public.
- decision to implement an additional licensing scheme must be **consistent** with the council's **housing strategy**
- is part of a **coordinated approach** for dealing with homelessness, empty homes and other related policies.
- there are **no other courses of action** that might provide an effective remedy
- the introduction of a licensing scheme will significantly assist in dealing with the problem.

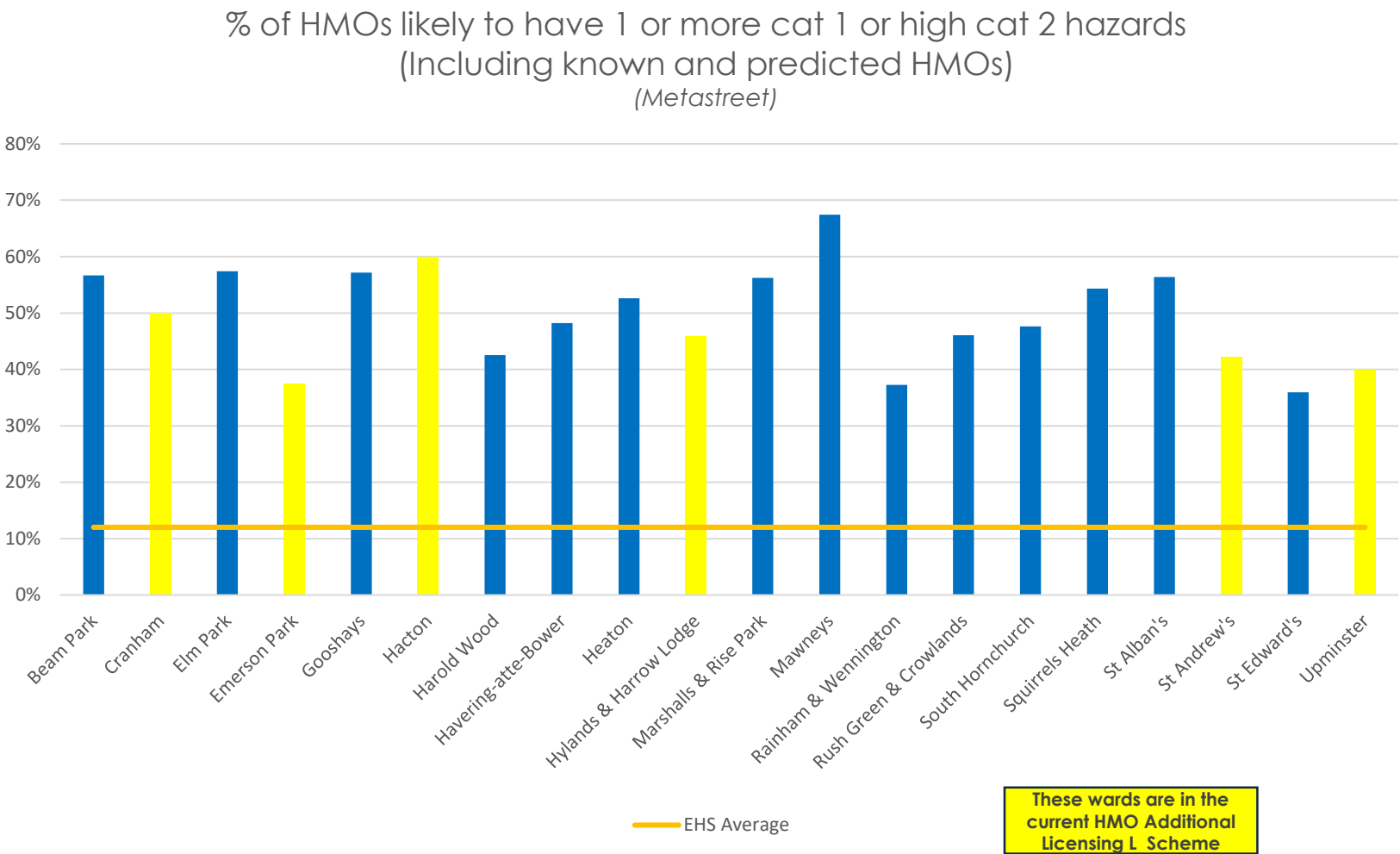
The Council should also consider whether the proposed Additional HMO scheme includes '**section 257 HMOs**'. These are buildings that:

- have been converted into self-contained flats; and
- the conversion did not comply with the relevant Building Regulations in force at that time and still does not comply; and
- less than two-thirds of the flats are owner-occupied

The council **must consult** with everyone affected by the designation for a minimum of 10 weeks. Depending on local circumstances, or the time of year when the consultation is held, a longer consultation may be advised

# % HMOs likely to have 1 or more Cat 1 or high Cat 2 hazards

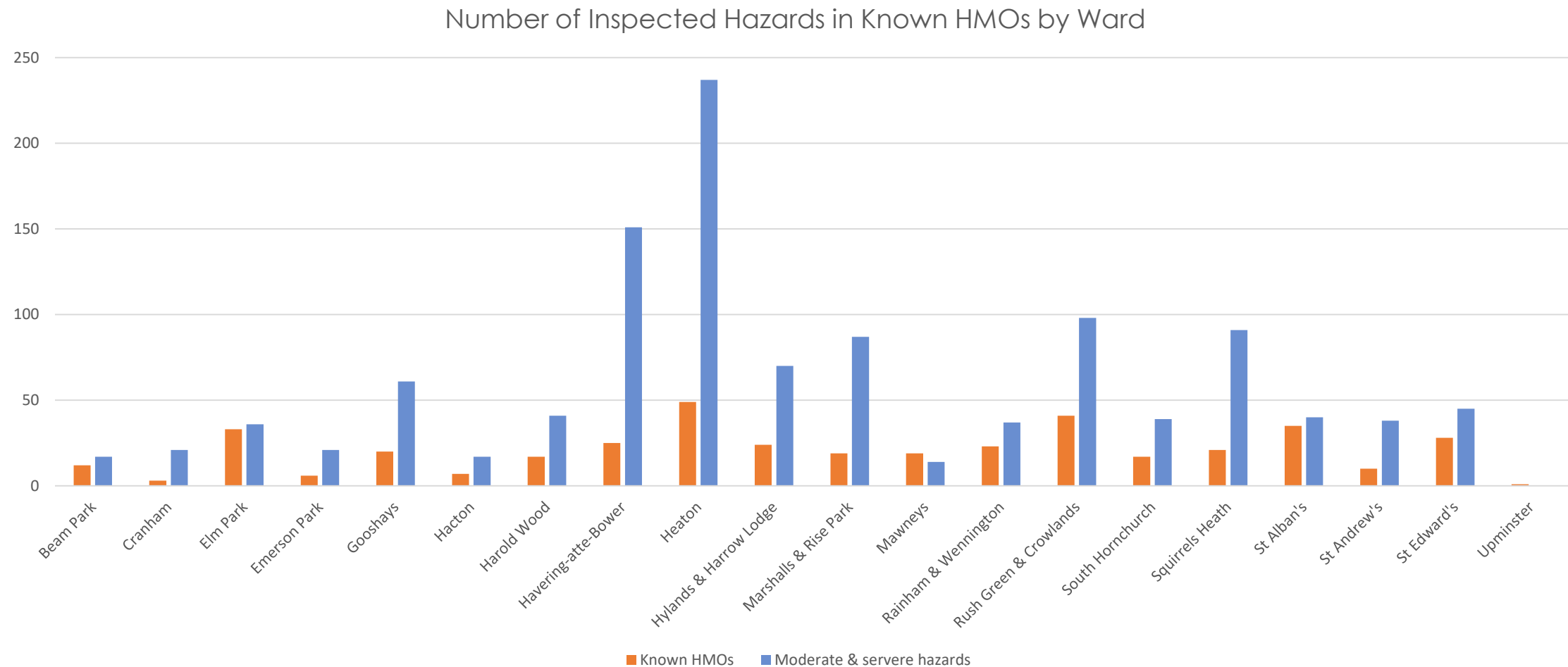
All wards have above the national average percentage (12%) of cat 1 or high cat 2 hazards for HMOs



Ward name	% of HMOs likely to have 1 or more cat 1 or cat 2 hazards
Beam Park	57%
Cranham	50%
Elm Park	57%
Emerson Park	38%
Gooshays	57%
Hacton	60%
Harold Wood	43%
Havering-atte-Bower	48%
Heaton	53%
Hylands & Harrow Lodge	46%
Marshalls & Rise Park	56%
Mawneys	67%
Rainham & Wennington	37%
Rush Green & Crowlands	46%
South Hornchurch	48%
Squirrels Heath	54%
St Alban's	56%
St Andrew's	42%
St Edward's	36%
Upminster	40%
TOTAL	49%

# HMOs - Cat 1 and High Cat 2 Inspected Hazards

Even in wards with a small number of HMOs, there is a high proportion of inspected Cat1 and Cat 2 hazards





# What the evidence is showing

- The evidence supports borough-wide Additional HMO scheme
- The Council need to decide whether to include s257 HMOs in the designation



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# Framing objectives

Key strategic themes that could shape objectives:

1. Improvement in poor housing conditions and management standards in the PRS
2. Better protection of private renters
3. Sustainability – increasing the energy efficiency in PRS and link to government green policy
4. Reducing levels of poverty and fuel deprivation

Objectives will need to:

- a. Match criteria and evidence
- b. Link to overall strategic goals – golden thread
- c. Show a coordinated approach – outlined in council Housing Strategy.

*Any designation made must: ensure that the exercise of the power is consistent with their overall housing strategy; and seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining licensing with other action taken by them or others.*

*Housing Act 2004, Sections 81(2) - The authority must ensure that any exercise of the power is consistent with the authority's overall housing strategy.*

# Example selective & additional licensing scheme objective 1

The following slides outline draft selective and additional licensing objectives that could be used where the criteria of **Poor Housing Conditions** are used. These draft objectives can be further developed in consultation with key council stakeholders before being approved in principle and taken forward for consultation.

Objective	*Measure	*Example targets	*Baseline	Outcomes and Benefits
1. <b>Improve housing conditions</b> in the PRS by eliminating poor property standards	<ul style="list-style-type: none"> <li>Number of properties licensed</li> <li>Number of properties inspected</li> <li>Number of PRS properties improved</li> <li>Number of Category 1 hazards resolved following inspection</li> <li>Number of Category 2 hazards resolved following inspection</li> <li>X% of identified issues enforced and addressed</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that at least 80% of licensable properties are licensed over the 5-year scheme.</li> <li>Proactively inspect X% of selectively licensed properties and 100% HMO properties during the 5-year scheme and enforce the conditions of the licence.</li> <li>Reduction in Cat 1 hazards found in licensable dwellings by e.g., 25% over 5 years</li> <li>Improve property standards in at least 75% of properties where improvements are required</li> <li>Bring at least 50% of identified properties up from F and G rated EPCs to a minimum of an E rating</li> </ul>	<ul style="list-style-type: none"> <li>Predicted number of properties with Cat 1 hazards</li> <li>100% HMOs need to be inspected before licences are issued</li> </ul>	<ul style="list-style-type: none"> <li>Licensed properties are monitored, and licence conditions robustly enforced and complied with.</li> <li>Poor Housing Conditions are improved with category 1 &amp; 2 hazards resolved (including issues such as damp and mould)</li> <li>PRS properties meet a minimum E EPC rating (unless an exemption applies)</li> <li>Improved health, safety and welfare of tenants in the PRS</li> <li>The Council will gain increased knowledge of the private rented sector in the borough. This will enable targeted enforcement and support for landlords</li> </ul>

**\*Performance Indicators (targets) are examples and need to be confirmed and developed as part of the next phase.**

# Example selective & additional licensing scheme objective 2

Objective	*Measure	*Example targets	*Baseline	Outcomes and Benefits
2 <b>Improve management standards</b> in PRS properties	<ul style="list-style-type: none"> <li>• X% of identified issues enforced and addressed</li> <li>• Number of accredited landlords</li> <li>• Number of landlord forums held per annum</li> <li>• Number of newsletters sent to licensed landlords per annum.</li> </ul>	<ul style="list-style-type: none"> <li>• Take appropriate enforcement action against those landlords who fail to license or breach licence conditions</li> <li>• Proactively target high risk properties within the designation and carry out audit and compliance checks as per enforcement plan</li> <li>• Be in the top 10 of London Council's whose landlords are accredited to the LLAS</li> <li>• 2 landlord forums held per year</li> <li>• 4 newsletters sent per year to licensed landlords.</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of licensable properties to be licensed</li> <li>• Proactively target high risk part 3 properties within the designation and carry out audit and compliance checks as per enforcement plan</li> </ul>	<ul style="list-style-type: none"> <li>• Landlords actively manage their properties or be enforced against</li> <li>• Absentee or unfit landlords employ an agent to actively manage their properties to ensure compliance</li> <li>• Prevention of overcrowding through better management of property occupancy</li> <li>• Greater number of landlords become accredited improving the professionalism of landlords in the PRS</li> <li>• Engagement with landlords improved</li> <li>• Landlords are kept informed of latest legislation and good practice</li> <li>• Responsible landlords will become more involved in Council licensing schemes and receive information and support</li> <li>• Irresponsible landlords will be forced to improve their properties or be enforced against.</li> </ul>

**\*Performance Indicators (targets) are examples and need to be confirmed and developed as part of the next phase.**

# Example selective & additional licensing scheme objective 3

Objective	*Measure	*Example targets	*Baseline	Outcomes and Benefits
3 Increased awareness for tenants of the minimum standards to be expected in rented accommodation and what their other rights are when renting in the PRS	<ul style="list-style-type: none"> <li>Number of educational forums delivered.</li> <li>Number of referrals for support made to third parties</li> <li>Number of joint working/partnership activities undertaken</li> </ul>	<ul style="list-style-type: none"> <li>Deliver an education campaign to make renters aware of licensing, as well as their tenancy rights and responsibilities and also services available to them</li> <li>Work with third parties to provide additional advice and support with tenancy rights (e.g. referrals made to Justice for Tenants and/or Cambridge House)</li> <li>Joint working with internal and external partners to support tenants in fuel poverty to get the support they need (Green Doctor Services and Grants )</li> </ul>		<ul style="list-style-type: none"> <li>Information for tenants on the local licensing scheme advertised and third-party support for tenants made available</li> <li>Dedicated tenants' advice section created on web site.</li> <li>Officers to provide tenants with information and sign posting to support their housing and wider needs.</li> <li>Improved tenants' support through work with third parties.</li> <li>Renters know their rights and responsibilities and have greater awareness of and access to council services that can support them.</li> <li>Tenants will see economic benefits such as reduced heating costs, bringing them out of fuel poverty.</li> </ul>

\*Performance Indicators (targets) are examples and need to be confirmed and developed as part of the next phase.

# Reviewing scheme progress

- The Housing Act 2004 requires local authorities to review their licensing schemes from time to time and to revoke the scheme if they consider this to be the most appropriate action .
- Once objectives have been agreed LBH must consider what data they will need to routinely collate to assess the effectiveness of the scheme designations and whether objectives are being met.
- Performance monitoring and management and analysis of this data is key to assess service improvements and resource requirements.
- The following slides provide examples of measurable key performance indicators that may be used to facilitate formal scheme reviews and assess scheme effectiveness.

A process for review must be developed to inform strategic direction of the licensing scheme

# Key Performance Indicators

Category	Metric / Number	
<b>General</b>	<ul style="list-style-type: none"> <li>• Applications received</li> <li>• Licences granted</li> </ul>	<ul style="list-style-type: none"> <li>• Licences refused</li> <li>• Reduced term licences granted</li> </ul>
<b>Poor property conditions</b>	<ul style="list-style-type: none"> <li>• Complaints received</li> <li>• Complaints responded to</li> <li>• HHSRS inspection carried out</li> <li>• Cat 1 hazard identified</li> <li>• Cat 1 hazard resolved</li> <li>• Cat 2 hazard identified</li> <li>• Cat 2 hazard resolved</li> </ul>	<ul style="list-style-type: none"> <li>• HA Statutory Notices served</li> <li>• HA Statutory Notices served</li> <li>• Other Statutory Notices served (PDPA/EPA/BA/PHA etc)</li> <li>• Licence compliance inspection carried out</li> <li>• Licence conditions complied with (relevant to poor property conditions)</li> <li>• Licence conditions breached (relevant to poor property conditions)</li> <li>• Any MEES related audits/work carried</li> </ul>
<b>Anti-Social Behaviour</b>	<ul style="list-style-type: none"> <li>• Reported ASB incidents</li> <li>• Properties with repeat ASB incidents (2 or more)</li> <li>• ASB actions taken (need to clarify what action does this include?)</li> <li>• Repeat ASB cases resolved</li> </ul>	<ul style="list-style-type: none"> <li>• Properties visited/inspected where ASB reported</li> <li>• Properties visited/inspections where repeat ASB (2 or more) reported</li> <li>• ASB licence conditions complied with</li> <li>• ASB licence conditions breached</li> <li>• ASB related enforcement notices served (PDPA/EPA etc)</li> </ul>
<b>Enforcement / Compliance</b>	<ul style="list-style-type: none"> <li>• Desktop audits and compliance checks completed</li> <li>• Licence compliance check undertaken</li> <li>• Warning Letters sent</li> <li>• Street Surveys/Tasking Days</li> </ul>	<ul style="list-style-type: none"> <li>• Prosecutions</li> <li>• Proceeds of Crime Confiscation Awards</li> <li>• Rent Repayment Orders (RRO) – taken or assisted tenants with</li> </ul>
<b>Civil Penalties (Notices of Intent and Final Notice)</b>	<ul style="list-style-type: none"> <li>• Failure to licence</li> <li>• Failure to comply with an Improvement Notice</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to comply with Overcrowding Notice</li> <li>• Failure to comply with licence conditions</li> </ul>
<b>Landlord &amp; Tenant Engagement</b>	<ul style="list-style-type: none"> <li>• Accredited Landlords (consider scheme breakdown if possible)</li> <li>• Landlord forums held</li> </ul>	<ul style="list-style-type: none"> <li>• Landlord newsletters (frequency circulated and circulation numbers)</li> <li>• Tenants forums held</li> <li>• Any other tenant engagement exercise</li> </ul>



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# Demonstrating a consistent and coordinated approach

The Local authority must be able to demonstrate that:

1. The making of the designation is **consistent** with the authority's overall **housing strategy**.
2. Within the Housing Strategy selective **licensing plays an intrinsic role** in helping the council to achieve its priorities.
3. They are taking a **joined-up approach** to tackling **homelessness, empty properties, regeneration** and **anti-social behaviour** and licensing is intrinsic to this by:
  - combining selective licensing with other courses of action available to them, and
  - combining selective licensing with measures taken by others i.e., other organisations working in the area
4. There is a **golden thread** running through **other strategies and policies** showing how licensing can be used to support council wide objectives for example, those linked to climate change, fuel poverty reduction etc.
5. Licensing is **working in conjunction** with **existing initiatives** (e.g. landlord accreditation, rogue landlord task force) and **partnerships** (e.g. Justice for Tenants, Cambridge House)

# Strategic Alignment – Policy Review

Key strategy/policy documents (where possible) have been reviewed using the following assessment criteria.

## Assessment criteria

- a **Goals** – relates to PRS residents, e.g., a statement of policy intent for this group
- b **Links** - sets out clear principles and objectives for Private Sector Licensing, linking Additional, Selective and Mandatory where relevant
- c **Governance** – sets out how governance (decision-making) links to PRSL
- d **Relevance** – policy exists and is still within stated policy life and has been updated

No further work	Update	Formal review
Green – clearly sets out PRS to support goals	Amber - Mentions PRS	Red – Not met
Green – clearly links to PRSL	Amber -Infers links	Red – Not met
Green – shows how regulation will be delivered	Amber -Infers how regulation could be met	Red – Not met
Green – up to date policy	Amber -About to expire	Red – Out of date

Six ‘key’ council strategies/policies and one ‘supporting’ strategy have been reviewed to assess alignment with selective licensing criteria and whether a consistent and coordinated approach has been adopted.

# Strategic Alignment – Policy Review

Key Strategy/Policy documents	Assessment RAG
1 Corporate Plan	
2 Housing Strategy	Draft Reviewed
3 Homelessness and Rough Sleeping Strategy	
4 Havering Council Housing Anti-Social Behaviour Policy	
5 Empty Properties Strategy	
6 Private Rented Sector Housing Enforcement Policy	

Supporting Strategies/Policies	Assessment RAG
7 Climate Action Plan	

## Key Actions

1. The policy team must be made aware of the intention to expand licensing schemes and where possible licensing should be woven into any policies that are scheduled for review/update.
2. Where possible strategies should provide:
  - clear links to discretionary licensing and how this will help the Council to achieve its overarching goals and key priorities
  - a statement of intent for the PRS or set out any clear principles or objectives for Private Sector Licensing.
3. **Empty Properties Strategy** – no overall strategy exists. When introducing a selective licensing scheme, the council will need to demonstrate they are 'seeking to adopt a co-ordinated approach in dealing with homelessness, empty properties and ASB'. The council's approach to dealing with empty properties should be referenced in any future Private Sector Housing Strategy.
4. Existing **ASB Policy** applies to properties managed by Havering Council. Policy specific to ASB in the PRS and licensing should be considered or existing policy broadened to encompass an approach to ASB in PRS properties.

# Strategic Alignment – Key Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
1	<b>Havering Corporate Plan 2024 – 27</b>  <a href="#">Havering Corporate Plan 2024-2027.pdf</a>					<p>Faced with heavy budget deficits, a new Corporate Plan for 2024 onwards was developed. The Havering Council's Corporate Plan 2024-2027 focuses on three priorities:</p> <ul style="list-style-type: none"> <li>✓ <b>People - Supporting our residents to stay safe and well:</b> Aims to enhance health, support youth, and protect vulnerable groups by promoting preventive healthcare, mental health support, and improved care for at-risk children.</li> <li>✓ <b>Place - A great place to live, work and enjoy:</b> Seeks to improve public safety, provide affordable housing, and maintain public spaces, focusing on safety initiatives and environmental sustainability.</li> <li>✓ <b>Resources - Enabling a resident-focused and resilient Council:</b> Emphasises digital transformation, better data use, and efficient resource management, including updating systems and enhancing service transparency.</li> <li>✓ <b>Promotion of good private sector housing is included under the place element, focusing on HMO's and poor quality.</b></li> <li>✓ The metric presented is 'the number of enforcement actions taken in relation to poor-quality HMOs (Homes of Multiple Occupation)' but does not include licensing as a mechanism for that.</li> </ul>	<p>It is important to show the role of the private rented sector in achieving place and people objectives.</p> <p>The strategy must demonstrate how the private rented sector with licencing forms part of a holistic approach to improve Havering for its residents.</p> <ol style="list-style-type: none"> <li>1. Under place, include the role of, and importance of, the private rented sector in providing good homes</li> <li>2. Under place, include the schemes you already have, to introduce licencing as a route to drive up standards on the way to achieving your goals.</li> <li>3. Under quality of homes, include licensing as a route to achieve the stated goal of increasing enforcement with HMOs</li> </ol>

# Strategic Alignment – Key Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
2	<b>Housing Strategy 2024-2029(Draft)</b>  <a href="#">Housing Strategy 2024 - 2029.docx</a>					<p>2024-2029 Housing Strategy was reviewed in draft form.</p> <ul style="list-style-type: none"> <li>✓ Sets out a plan to meet the diverse and evolving housing requirements of Havering informed by the latest data and projections – Strategic Housing Market Assessment (SHMA)</li> <li>✓ Focus is on the provision of new homes to keep up with demand - many families are living in overcrowded or otherwise unsuitable housing – and the rising costs and affordability challenges of PRS.</li> <li>✓ With high levels of private renting compared to other London boroughs, Havering recognises the importance that the private rented sector plays and how it is <b>'inextricably linked to the temporary accommodation market and the council is an active player in that'</b>.</li> <li>✓ Although PRSL not explicitly mentioned, Havering have committed to <ul style="list-style-type: none"> <li>• supporting renters in understanding their rights</li> <li>• increasing resource in the Private Rent Enforcement Team to ensure all landlords provide safe, high-quality homes.</li> <li>• increasing the number and quality of PRS and tackling damp and mould which <b>'is particularly prevalent in the PRS'</b></li> </ul> </li> <li>✓ There is mention of partnerships with Queens Letting and Management and Urban Impact for investment.</li> </ul>	<p>It is necessary to show the role of the private rented sector in the overall housing landscape, and then the link to licensing being able to achieve your objectives.</p> <p>Licensing needs to be seen as an essential vehicle for you to achieve your vision for housing.</p> <ol style="list-style-type: none"> <li>1. Make specific mention of the PRSL schemes and the importance and impact they have e.g. how schemes provide additional protection to households living in PRS, schemes support landlords and private sector tenants to improve the quality and energy efficiency of homes in PRS.</li> <li>2. Introduce an objective to improve the quality of the private rented sector housing stock ie reduce hazards</li> <li>3. Set out the ambition for licencing to be a fundamental route to achieve this goal through the improved management facility. Phrases such as <i>'licencing will improve the ability to manage the private rented sector and therefore drive-up standards through early, efficient and effective interventions'</i> should be included.</li> </ol>

# Strategic Alignment – Key Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
3	<b>Having Prevention of Homelessness and Rough Sleeping Strategy</b>  <a href="#">Prevention of Homelessness and Rough Sleeping Strategy 2020-2025.pdf</a>					<p>Having Prevention of Homelessness Strategy 2020-25 and Rough Sleeping focuses on four key objectives:</p> <p><b>Objective 1:</b> End long-term rough sleeping:</p> <p><b>Objective 2:</b> Reducing the number of people in temporary accommodation</p> <p><b>Objective 3:</b> Supporting people who become homeless</p> <p><b>Objective 4:</b> Provide good value, integrated services that deliver excellent customer care</p> <p>Although no specific mention of PRSL relevant aspects of the strategy includes:</p> <p>✓ In <b>Ob. 2</b> action plan includes '<b>Improving relations with landlords</b>':</p> <ul style="list-style-type: none"> <li>• Work with landlords to ensure more high-quality homes are available to rent</li> <li>• Improve energy efficiency and reduce costs for tenants</li> <li>• Develop a landlords' forum to improve the quality of housing management in the private sector and reduce evictions</li> </ul> <p>✓ In <b>Ob. 4</b> action plan includes '<b>Providing high-quality properties</b>':</p> <ul style="list-style-type: none"> <li>• Drive up the standard and quality of private sector leased homes</li> <li>• Develop incentives for residents who care for their property</li> </ul>	<p>For a licencing scheme focused on quality and reduction of hazards, it is good that an objective specifically relates to private sector quality.</p> <p>However, the link to licensing as a mechanism to achieve this, and therefore the overall homelessness aims is important. The licencing must be part of a co-ordinated approach.</p> <ol style="list-style-type: none"> <li>1. Make specific mention of the PRSL schemes and the importance and impact they have e.g. how schemes provide additional protection to households living in PRS, schemes support landlords and private sector tenants to improve the quality and energy efficiency of homes in PRS and how this links to homelessness and the quality of private rented sector accommodation</li> <li>2. State that the council has lack of management control of the private rented sector and therefore cannot help transition people from supported accommodation</li> <li>3. Include licensing as an important mechanism to improve quality.</li> </ol>

# Strategic Alignment – Key Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
5	<b>Housing Services Anti-Social Behaviour (ASB) Policy (2024)</b> <a href="#">Policy Document</a>					<p>The policy seems focused only on council tenants with local housing authorities as the landlords – it does not deal with the private sector.</p> <p>It adopts a victim-centred approach following a preventative model: identifying and addressing potential risks at the earliest stage.</p> <p><b>Prevention</b> - act reasonably and proportionately in line with the severity and persistence of the ASB. Our intention is to deter such behaviour in the first place, and to encourage victims to come forward as witnesses.</p> <p><b>Enforcement</b> - ensure that perpetrators are offered appropriate support to assist them in modifying their behaviour.</p> <p><b>Rehabilitation</b> - work closely with expert partners to help correct/improve the behaviour of perpetrators via recognised best practice.</p> <p><b>Service Standards</b> - All reports of ASB are acknowledged and investigated fairly, thoroughly and within the given timescales. Complainants are treated professionally and that the complaint is treated in total confidentiality throughout unless:</p> <ul style="list-style-type: none"> <li>a) there is a legal requirement for disclosure, or</li> <li>b) the complainant gives us permission to disclose.</li> </ul>	<p>When introducing a selective licensing scheme, the council will need to demonstrate they are 'seeking to adopt a co-ordinated approach in dealing with homelessness, empty properties and ASB'</p> <ol style="list-style-type: none"> <li>1. Review if there is a need for a separate plan/policy detailing how existing ASB measures (if any) are being used to combat ASB in the PRS.</li> </ol>



# Strategic Alignment – Key Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
4	Empty Property Strategy					<p>No standalone policy but clear information and reporting capability on the Havering website:</p> <p><a href="#">Information</a></p> <p><a href="#">Reporting</a></p> <p>Further, on 28 February 2024 the Council of the London Borough of Havering agreed to introduce a Council Tax Empty Premium for unoccupied, furnished second homes.</p>	<ol style="list-style-type: none"> <li>1. The council's approach to dealing with empty properties should be referenced in any future Private Sector Housing Strategy.</li> <li>2. When introducing a selective licensing scheme, the council will need to demonstrate they are 'seeking to adopt a co-ordinated approach in dealing with homelessness, empty properties and ASB'</li> <li>3. Must also consider how licensing fits in with the approach taken to tackle empty properties.</li> <li>4. Enforcement policy could also be updated to include powers used to bring empty properties back into use (eg Empty Dwelling Management Orders Part 4 Housing Act 2004, Compulsory Purchase Orders)</li> </ol>

# Strategic Alignment – Key Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
4	<p><b>Havering Private Rented Sector Enforcement Policy Jan 24 &amp; policy revisions Feb 24 (cab review)</b></p> <p><a href="#">Havering Private Sector Enforcement Policy Jan 2024.pdf</a></p> <p><a href="#">Private Sector Housing Enforcement Policy Revision.pdf</a></p>					<p>The policy clearly sets out principles for private rented sector enforcement with reference to current licencing schemes.</p>	<p>This policy must be reviewed and updated considering new licensing conditions</p>

# Strategic Alignment – Key Policy Review

	Key policy/strategy	a. Goals	b. Links	c. Gov.	d. Rel.	Observations	Recommendations
8	<b>Havering Climate Change Action Plan 2024-2027</b>					<p>The approach to tackling the climate emergency commitments, both for the council operations and borough-wide emissions, is focused in nine work streams:</p> <ol style="list-style-type: none"> <li>1. Built Environment</li> <li>2. Business Continuity</li> <li>3. Energy</li> <li>4. People</li> <li>5. Procurement</li> <li>6. Public Protection</li> <li>7. Transport</li> <li>8. Stakeholder &amp; Community</li> <li>9. Waste</li> </ol> <p>There is no mention of the private rented sector nor licencing.</p> <p>Under public protection, part 6, there is focus on comfortable, affordably heated, cost-efficient homes, but the main action is around sharing knowledge of Government schemes and pollution prevention.</p>	<p>This policy should include PRS in the vision and needs to specifically reference how licensing can enhance progress towards limiting the housing carbon footprint.</p> <ol style="list-style-type: none"> <li>1. Include link between PRS quality and energy efficiency / carbon footprint.</li> <li>2. State how better management through licensing will increase overall quality</li> <li>3. Further actions could be included such as: <ul style="list-style-type: none"> <li>• Maximise the use of the Minimum Energy Efficiency Standard Regulations (MEES) to improve energy efficiency in private sector properties.</li> <li>• Use intelligence gathered through private property licensing schemes to identify properties with an E, F or G EPC rating and provide interventions to improve the overall energy efficiency of properties.</li> <li>• Use the private property licensing database to communicate information and support to licensed landlords on how to improve EPC ratings</li> </ul> </li> </ol>

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# Financial Model

The Council should have **regard to the EU Service Directive and sections 63(7) and 87(7)** of the Housing Act 2004 which confirms that "when fixing fees, the local authority **may take into account all costs incurred by the authority in carrying out their functions.**"

- The Regulatory Impact Assessment on licensing makes it clear, authorities should **not use fee income to raise additional revenue**
- The proposed licence **fees should be sufficient to cover the estimated costs of establishing and administering the schemes** and the undertaking of any enforcement action
- Include a **clear fee breakdown** for Part A (application) and Part B (inspection and enforcement)

## **Model lifecycle, should:**

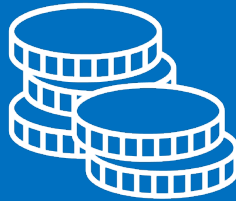
- Be cost neutral over 10-year period – scheme has 5-year licences, there is ongoing enforcement and management
- Reflect reducing scheme resourcing costs in years 6-10 as licences being managed and enforced reduces.

## **Income and expenditure, should be based on activity-based-costing for each step in the end-to end process,** and include:

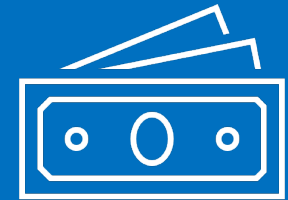
- Additional staff to process applications and to carry out inspections of premises (including recruitment and training)
- Promoting and ensuring scheme compliance, including appeals against licensing decisions
- Other non-staff costs could include:
  - Purchasing new hardware or software, including ongoing licence subscription commitments
  - Share of building costs
  - Communications, advertising and printing and postage.
- Include discounts in forecast income profile and forecast expenditure
- Align with corporate finance assumptions on inflation and pay uplifts over lifecycle of the model
- Include a clear and transparent set of assumptions upon which the model is built for traceability.

# Example of cost categories used by other councils

- Staff (including oncosts and future pay uplifts)
- Future redundancy payments
- Recruitment
- Training
- Clothing and uniforms
- Agency fees
- Agency staff expenses
- Recharge of other council support staff (e.g., communications, legal, HR etc)
- New IT applications (initial costs and annual maintenance & support)
- IT licence costs (new applications and existing council applications)
- Hardware and devices (laptops, mobiles)
- Building costs (corporate recharge and / or hire of new office space)
- Vehicle costs
- Vehicle repair and maintenance.



- Staff parking permits
- Travel and subsistence
- Other transport related expenses
- Advertising
- Hire of halls (consultation)
- Legal
- Bank fees
- Subscriptions
- Criminal records bureau checks
- Printing and postage
- Stationery
- Data archiving
- Contractors
- Specialist external advice
- Other internal recharges
- Inflation
- Discounts.



# Selective Licence Fee – benchmarking

London Borough	Additional Fee	Selective Fee	Difference	% SL is lower than Additional
Southwark	£1,300	£900	£400	31%
Barking & Dagenham	£1,400	£900	£500	36%
Lambeth	£506 (per habitable room)	£923	N/A	N/A
Newham	£1,250	£750	£500	40%
Waltham Forest	£1,200	£700	£500	42%
Brent	£840	£640	£200	24%
Wandsworth	£1,450	£850	£600	41%
Westminster	£1450	£995	£455	31%
Havering	£900	£900	£0	0%

# Resources

Successful administration and enforcement of licensing schemes requires additional staffing for licensing:

- Administration
- Compliance
- Enforcement/legal activities.

Recognised *long-term* challenges:

- A lack of resources within teams
- Tightening budgets
- Market shortages, difficulties with recruitment of experienced and qualified practitioners.

[Chartered Institute of Environmental Health workforce survey report, April 2021](#)

The following recruitment risks could impact successful implementation of large-scale licensing scheme.



# Recruitment and retention risks

	Risk	Impact	Mitigations
1	<b>Lack of available officers in the market</b> , the Service may not recruit required number or calibre of enforcement officers.	<p>Reduces the services ability to work effectively in administering the increased number of licencing applications and carrying out inspections and enforcement activity.</p> <p>Insufficient resources to process applications will result in significant delays in issuing licences and therefore the collection of licence fees (Part B enforcement fee).</p> <p>May lead to a reliance on short-term contract and agency staff.</p>	<p>The service should:</p> <ul style="list-style-type: none"> <li>• explore internal secondment opportunities.</li> <li>• career graded role profiles which will enable the recruitment of candidates with requisite competences enabling the Council to 'grow its own talent.'</li> <li>• consider a mix of fixed term contracts (FTC) and agency staff to cover hard to recruit to roles</li> <li>• explore apprenticeships and graduate students.</li> </ul>
2	<b>Uncompetitive salary packages</b> , the Service may not recruit required number or calibre of enforcement officers.	The service will be less effective in key areas, at a time when there will be increased demand on the service.	<p>The Council should:</p> <ul style="list-style-type: none"> <li>• offer market scarcity payments and other incentives, as part of any financial package.</li> <li>• consider a mix of FTC and agency staff to cover hard to recruit to roles.</li> </ul>
3	<b>Management time spent on recruitment negatively impacts</b> on managers day to day duties.	Service delivery may be impacted as 'business as usual tasks' cannot be undertaken.	<p>The service should:</p> <ul style="list-style-type: none"> <li>• plan all recruitment activity in advance.</li> <li>• consider outsourcing parts of recruitment.</li> <li>• look at ways of freeing up management time.</li> </ul>
4	The service is unable to <b>recruit to key roles in a timely manner</b> .	Reduces the services ability to work effectively in administering the increased number of licencing applications and carrying out inspections and enforcement activity.	<p>The service should:</p> <ul style="list-style-type: none"> <li>• explore internal secondment opportunities.</li> <li>• career graded role profiles which will enable the recruitment of candidates with requisite competences enabling the Council to 'grow its own talent'.</li> <li>• consider a mix of FTC and agency staff to cover hard to recruit to roles,</li> <li>• explore apprenticeships and graduate students.</li> <li>• Ensure performance reporting is in place for early sight of potential issue.</li> </ul>

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# Pros and Cons of Licensing

Advantages	Challenges
Improves standards and management in the PRS - landlords know what “good is”	Licensing is a money-making scheme for the council
Creates level playing field, good landlords are not penalised	Landlords will leave the sector
Allows council to be proactive – risk-based compliance inspections	Licensing will lead to higher rents
Provides support for landlord and tenants	The council can use existing powers to address poor housing conditions
Increased tenants' awareness	Licensing does not help to improve the private rented sector
Improved housing leads to additional health benefits and increased educational attainment	
Can assist with fraud detection e.g. housing benefit, council tax	

# Common challenges around licensing

## **“Councils introduce licensing schemes to make money?”**

This is not the case as any income generated from licensing fees can only be used to fund the running costs of the scheme. The Council is not allowed to make any surplus on the scheme to be used for any other purpose.



## **“Licensing makes it more difficult for law abiding landlords and many will just stop letting their properties in Wandsworth altogether”**

Property licensing helps to create a level playing field to stop good landlords being undercut by those who break the law. There is no evidence that landlords cease to let out properties as a result of new property licensing schemes and in fact the private rented sector continues to grow across England including in areas subject to selective and additional licensing.

## **“Cost of living is expensive enough and Landlords will simply pass the fee onto tenants”**

Recent Government research on the PRSL found that the introduction of licensing schemes has not resulted in increased rents as this is dictated by market forces. Whilst the Council recognises that the licence fee is a cost to the landlord, this is not considered unaffordable compared to the average rental income obtainable in Havering. The average fee equates to less than the cost of a cup of coffee (Approx. £2.90 per week over 5 years)

# Common challenges around licensing

## **“Councils can use existing powers to address poor housing conditions?”**

The current powers the council has, including the use of the Part 1 Housing Act 2004, do not require landlords to declare themselves. This means there is no obligation for landlords to make their properties known to the council or to be proactive in improving conditions, including minor issues (that may still pose a health and safety risk) but still need to be addressed, but which a tenant may not complain to the council about. Formal action under the Housing Act can be a slow process, and improvements to properties can take many months.



## **“Licensing does not help to improve the private rented sector”**

Recent government research found that licensing was an “effective policy tool” that can achieve demonstrable positive outcomes. Licensing provides a clearly defined offence (licensed / unlicensed) which simplifies enforcement - and where a landlord is intentionally operating without a licence it is highly likely the inspection process will uncover further offences.

## **“If my tenants want to live in rooms that are considered to be too small that’s their choice, isn’t it?”**

No, there are minimum legal standards for room sizes in private rented properties, and it is against the law to let out rooms that are smaller than this. The law is there to protect tenants from living in properties that are overcrowded and too small for their health, privacy and wellbeing.

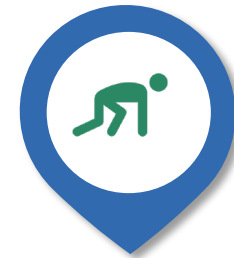
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# Next Steps: Moving to the consultation phase

1. Develop strategic policies to show how Selective Licensing links to LBH Strategic goals and other policies/strategies
2. Continue to develop example activities that will contribute to objectives for instance enforcement
3. Develop consultation plan, including an accessible evidence pack to support the consultation
4. Begin shaping Licence Conditions
5. Agree designation
6. Agree in principle objectives, designations in preparation for consultation
7. Re-baseline project plan and mobilise project team for following phases.

# The PRS licensing journey- Getting it right



## Feasibility

- Gather robust evidence against relevant criteria for designations
- Benchmark to ensure designations withstand scrutiny

Develop compelling evidence-based approach that shows how to support renters & landlords to improve PRS standards.

## Consultation

- Develop a clear and accessible evidence pack
- Carry out statutory public consultation (minimum 10 weeks)
- Following consultation prepare consultation findings report and formal response to consultation questions

Engage stakeholders to consult on approach and develop a robust business case.

## Scheme Approval

- Consultation findings and recommendations presented to Cabinet.
- Scheme approved by Cabinet

Engage internal stakeholders and consult on developing the service. Understand what is needed in terms of investing in the service.

## Scheme Implementation

- Full scheme implementation including training, processes and IT
- Manage transition to new service
- Manage go-live including marketing
- Post go-live support

Design and develop the service. Implement processes, systems and recruit the capability and capacity; with a view on how the service will adapt maturity.

Set the council's ambition, so that a powerful guiding coalition can sign up to the licensing journey

Show how ambition will be implemented, and lessons have been learnt. Demonstrate that you have listened to stakeholders

Prepare to implement the infrastructure to deliver PRSL.

Implement infrastructure and approach to deliver PRSL benefits. Handover to the council team for 'go-live' and support early stages



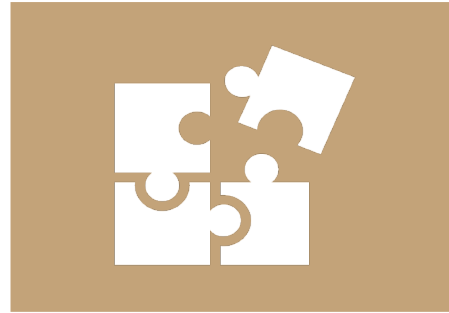
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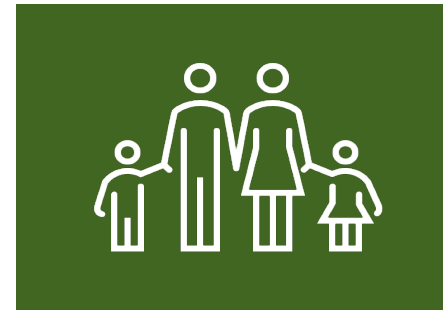
# Conclusions



PRS is growing and increasingly important to meet housing needs for many groups



SL is only one tool and needs to be part of a strategic approach



SL should be self-funding in terms of administrative costs



SL should be planned for as a 15-24 month journey



Needs robust, triangulated and benchmarked evidence



There will be landlords who will oppose and potentially challenge



The cost of getting it wrong is extremely high in terms of reputation, resources, time and money



Complex and long process