



ISLINGTON

Private Rented Sector Housing Mini-Review

FINAL REPORT OF THE HOUSING SCRUTINY COMMITTEE



**London Borough of Islington
September 2020**

EXECUTIVE SUMMARY

The decision to scrutinise the Council's work with the private rented sector was to address the exploitation experienced by private tenants in the hands of landlords. When the review commenced little did anyone envisage how turbulent the year would be for the council and for those living in the private rented sector. The decision to scrutinise was as a result of concerns of thousands of residents who often have no choice but to rent privately paying high rents and often have limited security of tenure at best. At worst, the private tenants may be exploited and face discrimination and/or harassment.

The council has legal responsibilities to help tenants facing disrepair that can threaten their health and safety or actions such as harassment or illegal eviction. It is important to note that the council is the freeholder for many privately rented properties because so many of the council homes sold under "right to buy" are now rented privately, either by the original owner or having been sold on.

Members noted the significant local support for licensing of private landlords, beyond the limited statutory minimum for houses in multiple occupation and acknowledge the Council's work with the sector, in particular find housing for those who are homeless. Members are concerned that with the courts having established the "right to rent" provisions which requires landlords to check the immigration status of tenants, and in some cases, evict them because of it, resulting in discrimination, the borough should consider whether this complies with its public sector equality duties so as to eliminate such discrimination. Although the Covid-19 pandemic did curtail the committee's ambitions, it has been able to gather useful evidence from some very helpful witnesses and would like to have decided to focus recommendations on three areas and believe that taken together these recommendations will make a positive difference to the lives of private tenants in Islington.

1. Introduction

- 1.1 The Committee commenced the review in July 2019 with the overall aim to determine whether the Council has adequate mechanisms in place to regulate the private rented sector and support private sector tenants, in particular those who are vulnerable.
- 1.2 The Committee also agreed to the following objectives:
 - a) Examine latest information on costs, quality and regulation of the PRS in Islington, trends over time and comparison with other boroughs.
 - b) Examine how we regulate the sector and whether there is room for improvement
 - c) Examine the role of the private sector in meeting housing needs.
 - d) Review the way that the council supports tenants living in the private rented sector, including how we better inform people about their rights to make them more resilient, and how we hear their voice.
 - e) Examine the impact of the right to rent on access to the PRS for those subject to immigration control, and the council's role and ability to combat discrimination.

- 1.3 The review exercise considered the quality, costs and regulation of the private sector rented housing in Islington and how this could be improved. It also covered recent changes to legislation, extension of HMO licensing; influence from Islington Lettings; the regulation of landlords and letting agencies, however it did not cover owner-occupation or empty properties and the effects of welfare reforms on rent levels and affordability.

Local context

The private rented sector provides housing for a large number of households in the borough. The private sector as a housing option for many residents and we use the private sector as temporary accommodation for some people who are homeless.

Nationally the private rented sector has seen the highest level of growth across all housing sectors since 2011. The number of households living in the private rented sector in England more than doubled in the past 20 years. London's private rented sector doubled in just over a decade and continues to rise; 40% of London's households could be private renters by 2030.

Islington presently has 25,217 privately rented properties in the borough, which represents 27% of total housing in the borough. Evidence indicates that 34% of resident's income is spent on rent which on average is about £1752 per month.

The Council and especially its staff across residential environmental health, trading standards and housing recognises the need to work closely with landlords and tenants to ensure that private renters are aware of their rights and are provided some protection.

2. Recommendations

- 2.1 The Committee has considered evidence relating to the Private Rented Sector and would want to focus recommendations on three key areas-

Members noted that given the living conditions experienced by tenants in the private rented sector and in some instances some discriminatory behaviour of some landlords, the Executive be recommended:

2.2 Better coordination of actions against criminal and poor landlords in the borough

- 2.2.1 Better internal coordination and awareness of the Private Rented sector in Islington for all teams working with the Private Rented Sector and for Housing staff, including Estate Management staff, and other relevant council services. All staff to be aware of the need for premises identified to be referred for to Environmental Health to include on their database.

- 2.2.2 Collaboration also take place with other London Boroughs to identify bad landlords, who may have properties across a number of different boroughs
- 2.2.3 Regular liaison to take place between Council staff and the Police in relation to enforcement action to be taken against private landlords, and that the Council work with the police to prepare a short document for the Police as to the relevant action that needs to be taken in these cases, and encourages the police to ensure all officers are trained as to their responsibilities in relation to landlord tenant problems
- 2.2.4 Consideration be given to the licensing scheme being extended across the borough
- 2.2.5 To work closely with communications team to ensure publicity given to the civil penalty notices that the council can and does issue against poor landlords

2.3 Ensuring that all private tenants have effective access to help and advice

- 2.3.1 Recognising that private sector tenants may approach the council via a range of departments and services, and about many different problems, we should ensure that clear comprehensive information is available from all public facing services about the rights and options for private tenants, that staff are encouraged to get this information to all private tenants who contact them, and there is a simple referral route to specialist services in relation to harassment, illegal eviction and disrepair
- 2.3.2 That the council consider whether an external service provider might be a cost effective way to assist the Council by supporting tenants involved in difficult cases regarding private landlords
- 2.3.3 Recognising that private tenants often face significant disadvantages and discrimination the Council should continue to lobby against the Right to Rent legislation and the benefit cap.

2.4 Involving private tenants on our council estates

- 2.4.1 That the Council should engage with organisations on our estates, including TRAs and TMOs, and residents to ensure that private tenants can be involved in them
- 2.4.2 That the council should ensure that information about organisations like the London Renters Union, London Tenants Rights and similar displayed on estate noticeboards and made available to estate residents
- 2.4.3 The council to work with TMOs and TRAs and residents to ensure that when they identify problems with poor landlords on estates this is shared with relevant council staff so that action can be taken

2.4.4 That all estate management staff have access to good quality information as to residents rights so that these can be distributed amongst residents groups and community organisations. The Council should also try to maximise the recovery of any costs accrued by the Council to Council property, as a result of faulty work carried out by private sector landlords

3. Main Findings

- 3.1 The Committee received evidence during the review which is collated at Appendix B. The Committee examined the position of tenants within the private rented sector and the challenges which could be summarised as the following-
- 3.2 Based on the input provided to Members conducting the review by Officers supporting the review from Housing and Environmental Health department and verbal evidence, the Committee have made the following conclusions.
- 3.3 Members acknowledged that a minority of properties are poorly maintained and examined the options available to remedying the issues, this ranges from dealing with rouge landlords who are ignorant of their duties to those who flout the law, to making tenants aware of their rights and directing them to the local authority to take action on their behalf.
- 3.4 Members highlighted the need to promote tenant's rights, that emphasis should be put into raising the awareness of not only private rented sector tenants but for those renting privately in Right to Buy properties in Council Estate blocks. Tenants should be encouraged to approach the Council if they consider the property they are renting to be in a poor state of disrepair or in a hazardous condition.
- 3.5 Members acknowledged the growth of the private rented sector in the last 20 years and the role they play but was concerned that considering the absence of adequate regulation within the sector the local authority will need to encourage better standards by encouraging better self-regulation by pro-actively engaging with landlords.
- 3.6 Members recognise the invaluable resource of HMOs as a source of accommodation but also noted that they are also offer some of the poorest living conditions. Members welcomed that when issues of poor living conditions are reported to Environmental Health, this is quickly resolved when brought to the attention of landlords.
- 3.7 On the issue of landlord forums, members were of the view that the Council should resurrect the forum as it provides a place for two way communication between landlords and the Council to share ideas about how all parties can work together to improve services for tenants. The purpose of the forum would be to encourage as wide participation as possible amongst local landlords providing them with up to date and impartial information about housing legislation with practical solutions to

problems and act as a catalyst for improved standards within the local private rented sector.

4. Conclusions

- 4.1 The Committee noted the practices of private landlords in the borough and in particular the protections and support systems available for private renters. The Committee is of the view that more should be done in the area of signposting private renters to their rights so that they are not exploited by rogue landlords.
- 4.3 The Committee noted that considering the Council remains the freeholder of properties, it should utilise the services of the TRA's, TMO to ensure that tenants are made aware of their rights. In carrying out the review, the Committee met with officers and members of the public to gain a balanced view

The Committee would like to thank witnesses that gave evidence in relation to the scrutiny and The Executive is asked to endorse the Committee's recommendations.

MEMBERSHIP OF THE HOUSING SCRUTINY COMMITTEE – 2019/20

Councillors:

Councillor Mick O'Sullivan (Chair)
Councillor Sue Lukes (Vice-Chair)
Councillor Theresa Debono
Councillor Troy Gallagher
Councillor Mouna Hamitouche MBE
Councillor Gary Heather
Councillor Ben Mackmurdie
Councillor Marian Spall

Co-opted members:

Rose-Marie McDonald – PFI Managed Tenants
Dean Donaghey – Directly Managed Tenants

Substitutes:

Councillor Vivien Cutler
Councillor Osh Gantly
Councillor Sara Hyde
Councillor Jenny Kay
Councillor Roulin Khondoker
Councillor Nurullah Turan

Acknowledgements:

The Committee would like to thank all the witnesses who gave evidence to the review.

Officer Support:

Karen Lucas – Interim Director- Housing Needs and Strategy
Janice Gibbons – Service Manager – Environmental Health
Ola Adeoye/Peter Moore – Democratic Services

Witnesses

Safer Renting – Sue Rowland
Renters Right London

SCRUTINY REVIEW INITIATION DOCUMENT (SID)	
Review:	PRIVATE SECTOR RENTED HOUSING
Scrutiny Review Committee:	Housing Scrutiny Committee
Director leading the Review:	Jan Hart & Karen Lucas
Lead Officer:	Janice Gibbons
Overall aim: To determine whether the council has adequate mechanisms in place to regulate the private rented sector and support private sector tenants, in particular those who are vulnerable.	
Objectives of the review: <ul style="list-style-type: none"> a) Examine latest information on costs, quality and regulation of the PRS in Islington, trends over time and comparison with other boroughs. b) Examine how we regulate the sector and whether there is room for improvement c) Examine the role of the private sector in meeting housing needs. d) Review the way that the council supports tenants living in the private rented sector, including how we better inform people about their rights to make them more resilient, and how we hear their voice. e) Examine the impact of the right to rent on access to the PRS for those subject to immigration control, and the council's role and ability to combat discrimination. 	
How is the review to be carried out: <p>Scope of the Review</p> <p>Look at quality, cost and regulation of the private sector rented housing in Islington and how this could be improved. Cover recent changes to legislation and extension of HMO licensing. Influence from Islington lettings/residential. Regulation of landlords and lettings agencies will be included. Examine the role of the private sector in Islington and how it has changed, use of deposits and incentives – RSS and how it supports our aims.</p> <p>The review will not cover owner-occupation or empty properties and the effects of welfare reforms on rent levels and affordability.</p> <p>Types of evidence will be assessed by the review:</p> <p>1. Documentary submissions:</p> <p>Presentations will cover the following topics:</p> <ul style="list-style-type: none"> • Current quality and quantity of private rented housing in the borough and trends over the last few years. 	

- Details of the population of renters – who is renting - affordability.
- Role of the private sector in meeting housing needs.
- Details of current rent levels and trends over the past few years.
- Evidence on enforcement and future direction
- Role of GLA and MHCLG in disseminating information on action taken against poor landlords / letting agencies
- Details on Islington Residential/Lettings.
- Evidence on how tenants are supported.

2. It is proposed that witness evidence be taken from:

- Generation Rent
- Shelter
- National Landlords Association / local landlords on how we help them to comply
- Representative from lettings agencies/estate agents.
- Any innovative approaches by other boroughs supporting tenants where enforcement action is being taken
- GLA – data base on rogue landlords
- CAB
- Renters Rights London
- Safer Renting

3. Visits

Visits with staff to properties and to sit in on interviews with staff at 222 Upper Street.

Additional Information:

Members of Committee to be invited to attend meeting of the Islington Landlord Forum to get opinions from landlords.

Islington Law Centre and the CAB will be asked to contribute information on their experiences of the private rented sector.

Programme	
Key output:	To be submitted to Committee on:
1. Scrutiny Initiation Document	15 July 2019
2. Draft Recommendations	8 September 2020
3. Final Report	20 September 2020

Evidence

- On 20 January 2020, Members received a presentation from both Janice Gibbons, Service Manager (Environmental Health) and Karen Lucas (Director Housing Needs and Strategy) on the Private Rented Sector. The following main points were raised and discussed:
 - Islington presently has over 25,217 privately rented properties which represents 27% of the total housing stock. It is noticeable that since 2011 that the private sector is experiencing the highest level of growth across all housing sectors.
 - In light of the shortage in social rented housing, properties in private accommodation attract rents of about £1752 rent per month and this remains a challenge especially for young private renters as this represents about 34% of their income.
 - Housing Services provides support for people who live in privately rented properties, signposting residents to accredited private landlords and liaises with landlords who provide temporary accommodation for those designated as homeless.
 - Other support includes a phone advice service, a drop in service at 222 Upper Street, funding organisations such as Citizen Advice Bureau which is located at 222 Upper Street and Islington Law centre. The Council offers monthly outreach surgeries for hard to reach communities in children centres, community centres, Finsbury Park Mosque and Job centres.
 - The importance of the Trailblazer programme, the Early Homelessness Prevention Service in alleviating homelessness was highlighted.
 - Information about Landlord Accreditation schemes; complaints procedure and a London rents map showing average rents is published on the council website.
 - Council housing staff are trained in negotiation skills to deal with landlords so as to resolve issues with their tenants.
 - On the issue of the Landlords forum, Members were informed of the noticeable drop in attendance so the Service aims to look at ways of raising its profile as it recognises their value and contribution in alleviating homelessness.

- Available evidence shows that of the 2,488 clients seeking advice from CAB, only 8% were identified as private sector clients and Officers acknowledge that more work is required in this area especially as private renters are not accessing this valuable resource.
- Although lots of residents are unlikely to be offered social housing, the private sector plays an important role in preventing homelessness.
- Islington Lettings and Islington Residential, the two letting schemes run by the Council, work in partnership with approximately 15 private sector landlords across London. Landlords receive either an incentive fee or a rent deposit fee to be involved and in most cases landlords offer a minimum tenancy term of 12 months with some exceptions of up to 2 years.
- Market rate rents are charged for residents placed in private accommodation.
- Although private accommodation is an option for households identified as homeless, the Council is committed in the last few years to reduce the number of households placed in private accommodation. Housing Services have now acquired properties to ensure that the standard of temporary accommodation is of good standard.
- 'The Right to Rent' was rolled out across the whole of England on 1 February 2016.
- With regard to refusals, the housing team will signpost the public to the No Recourse to Public Funds if required. Evidence from Islington Law Centre indicate a noticeable increase in the number of refugees experiencing difficulty in accessing housing.
- Although Environmental Health (EH) investigates over 500 complaints and referrals relating to poor private housing conditions each year, in most cases landlords tend to address the issues raised by private tenants.
- Islington has over 663 Houses in Multiple Occupation (HMOs) which are licensed and are subject to inspection at least once in 5 years.
- The budget of Environmental Health is £500,000 and it comprises a small team of 9.5 equivalent enforcement officers, receiving income of about £250,000 from licensing and enforcement fees.
- Enforcement action taken is proportionate to the issues raised and this varies from either verbal or a written notice of intention, formal notices or Financial Penalty Notices.
- In very serious cases, Environmental Health will prosecute breaches by landlords, issuing Rent Repayment Orders or initiate action under the

Proceeds of Crime Act.

- Mandatory HMO Licensing applies to any rented property that is occupied by five or more people who form more than one household and share basic amenities such as a kitchen, bathroom or toilet. An Additional HMO's Licensing scheme covering HMOs occupied by 3 or 4 people in Holloway Road and Caledonian Road comes to an end in September 2020.
- Council proposes to roll out a borough wide Additional HMO Licensing Scheme and a Selective Licensing Scheme covering all privately rented accommodation during 2020.
- Islington Council is committed to consult on proposals to introduce selective licensing for all privately rented properties in 6-7 wards.
- It was noted that although EH's remit extends to privately rented properties owned by leaseholders on council estates, the Service will only intervene where there are issues that can be dealt with under the Housing Act for example issues such as damp, electrical faults.
- Environmental Health has powers to investigate Registered Social Landlords (RSL's, however in most instances when issues are brought to EH's attention, this is immediately raised with RSL managers to resolve.
- In response to a suggestion on Islington letting activities being discontinued especially as it is not meeting it's aims, the Director of Housing Needs acknowledged that a further analysis would still need to be carried out. Members were advised that in the interim a decision has been taken pending its review to put a temporary arrangement in place to run both schemes together pending a business assessment. The Director of Housing Needs informed members that a review of the financial model would need to be carried out prior to any decision being taken.
- With regard to private renting concerns on council estate, meeting was informed that colleagues in Homes and Communities would refer any complaint or issues to Environmental Health.
- Additional training should be available for staff to handle enquiries as a result of findings from a review carried out on the Right to Rent that private renters were being unfairly discriminated against.
- With regard to the recent refusal by the Secretary of State to renew the Liverpool Licensing scheme and its implications with the Finsbury Park Selective Licensing Scheme, the manager advised that Finsbury Park scheme will not require permission from the Secretary of State.

Members took evidence from Rowan Milligan of Law for Life, an educational and information charity include the following -

- A recent survey carried out among private tenants welcomed the proposed extension of the licensing scheme but there still exist reservations on how it is to be regulated especially as local authorities had limited resources.
- Private tenants had concerns with the length of time and processes in resolving complaints about living conditions with Environmental Health and possible repercussions as it does not prevent landlords issuing section 21 no fault evictions. Although disrepair complaints remain a major cause of no fault evictions, there is no evidence of increasing tenants protections in the rollout of this policy.
- With regards to the Right to Rent policy and evidence that over 44% of landlords refuse to rent to someone without a UK passport, Members were advised that the issue here lies with the landlords refusal and not with council staff not being sufficiently trained.
- Law for Life welcomed Islington Council's decision to bring the vulnerability assessments in house with the hope that other authorities will follow suit and noted the roll-out of Housing First accommodation, a stellar success in other places where it has been rolled out effectively.

During consideration the following main points were made –

- Safer Renter, a TRO tenancy advocacy provider is committed to change through research with over 4 years operational experience in 7 London Boroughs. Funded by borough contracts and charitable core funding. Safer Renting is an independent, social enterprise organisation
- Strength in depth – services can include litigation friend defending against landlord claims, representation at Tribunals for civil redress, homelessness prevention, out of court settlements, client borough portal for online referrals to case management, GDPR compliant and ASQ accreditation
- At present Safer Renting has 4.5 full time caseworkers
- In light of the current developments – COVID 19, there has been a rise in illegal evictions and harassment, HMO's and Public Health, safer renting training by the MET
- What local authorities can do better – adopt better data sharing to target and detect unlicensed HMO's, work with the MET to enforce the Protection of Eviction Act and actively pursue prosecution of offenders
- Councils should consider employ a TRO service to support private renters
- Barriers to greater effectiveness – austerity has stripped Local Authorities of expertise in enforcement and tenancy rights, funding for enforcement needs to be 'pump primed', no duty on Police to enforce Prevention of Eviction Act. Carried out

work with the Police in Waltham Forest and as a result over 1000 officers had been trained and since the training the Police had followed correct procedures

- Weak tradition of multi-agency working, regulatory arrangements not fit for purpose
- How could safer renting benefit – provide private tenants with access to their rights, savings on tenant advice, customisable access to expertise and capacity and ability to contribute to policy change through research
- It was noted that it was felt that new Government legislation to increase the number of storeys on properties without planning permission would exacerbate problems with rogue landlords
- Noted that the sentencing for illegal evictions is less than shoplifting
- Noted that landlords tended to fit in number of categories which were easily recognisable
- In response to a question about tracking landlords down it was stated that this could be difficult if the owner was clever in concealing his/her tracks, and the proliferation of letting agents made this more difficult. Noted that consideration was being given by the Government to hold agents responsible for offences being committed in relation to properties where applicable
- Reference was made to other enforcement powers under the Housing Act 2004, however a multi-agency approach is needed. Trading Standards in Islington had successfully made a prosecution resulting in a fine of £11000
- Councillor Ward referred to the Trailblazers scheme whereby Islington talked to landlords in an attempt to resolve problems before the eviction process starts and this had been successful in many instances
- It was stated that Islington Trading Standards have attempted to work on a multi-agency basis, and that two Police officers had joined the team, and that consideration was being given with Housing to look at letting agents
- In response to a question, it was stated that the report in relation to Safer Renting would be made available to Committee Members