

Meeting:	Homes and Communities Scrutiny Committee
Meeting Date:	7th November 2024
Publication:	Open
Council Priority:	A Safe Place to Call Home
Ward(s):	All
Report of:	Acting Corporate Director of Homes and Neighbourhoods

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## Subject: Property Licensing 6 monthly Update

### 1. Recommendations

**The Committee are asked to:**

- 1.1. Review the performance data for the first six months of 2024/2025.
- 1.2. Note the progress made against the Private Housing Service work plan.

### 2. Report Summary

- 2.1. The purpose of this report is to provide performance information in relation to our property licensing schemes.
- 2.2. Our property licensing schemes are intended to improve property conditions, management, anti-social behaviour (ASB) and crime, to create a clear and level playing field for the private rented sector across Islington. This is part of a wider programme of work to reduce the impact of poorly managed properties.
- 2.3. Good progress has been made implementing property licensing in Islington.

### 3. Details

- 3.1. The Private rented sector now accounts for a third of housing in Islington and although many privately rented properties are satisfactory, a significant amount are not up to standard.
- 3.2. Our Private Rented Sector Charter sets out our commitment to stand alongside private renters and work with private landlords to maintain and improve standards.

- 3.3. Property licensing is one of the tools the council uses to help address inadequate housing standards, rogue landlords, anti-social tenants, and the impact of poor management. In an area subject to licensing, all private landlords must demonstrate that they are a 'fit and proper' person to let a property, obtain a licence and provide and manage accommodation to a reasonable standard. If they fail to do so, the council can take enforcement action.
- 3.4. Performance has been good over the last 2 quarters with good progress being made with compliance with our expanded licensing schemes and an improvement in processing times.
- 3.5. The committee note the progress that has been made bringing properties into compliance with the licensing schemes and the wider work being undertaken to improve this area.

### **Property Licensing Schemes**

- 3.6. There are three licensing schemes currently in operation in Islington.

Mandatory – a boroughwide scheme for Houses in Multiple Occupation (HMO's) covering five or more people from two or more household's sharing one or more basic facilities such as a bathroom and/or kitchen. This obligation has been in place across the country since 2006 and does not expire.

Additional – a boroughwide discretionary scheme adopted by the council covering smaller HMOs occupied by 3 or 4 persons who are not members of the same household who share kitchen and/or bathroom facilities. It also includes properties converted into self-contained flats where the conversion work was not carried out in accordance with the Building Regulations 1991.

Selective – a discretionary scheme expanded in May 2024 covering three wards, Finsbury Park, Tollington, and Hillrise.

Licensing schemes run for a maximum of five years and a fee is payable for each licence.

### 3.7. Applications received April 24 to September 24

Licence Type	Number
Mandatory HMO	78
Additional HMO (including S257)	283
Selective	1,186
Temporary exemptions	44

## Scheme Performance Summary

### 3.8. Property Licensing Applications April 24 to September 24

Overall, we currently have 6,214 Live licences with a further 690 Applications being processed.

Measure	Number
Applications received	1,547
Final licences issued	1,312
Reduced term (1 year) licenses issued	32
Applications withdrawn	44
Applications refused	2
Licences revoked	75
Licences varied	62
Average Number of days Application to issue	55 (down from 81)

3.9. Income received for the two quarters is £1,099,595.79.

### **Landlord and Managing Agent Accreditation**

3.10. The council offers discounted fees for landlord and managing agents that have joined a recognised accreditation scheme to promote professional management of the residential rental sector.

3.11. Accreditation allows landlords and managing agents to demonstrate their knowledge, training, skills to manage properties and tenancies in line with best practice. They undertake continual professional development (CPD) in order to keep up with changes in the law, safety requirements and best practice.

3.12. Discounts may be refused for applicants that make late applications or where the council has served a warning letter for failure to license the property or has had to make multiple requests for required documentation.

### **Proportion of accredited landlords this period**

<b>Licence Type</b>	<b>Mandatory</b>	<b>Additional</b>	<b>Selective</b>
<b>% Accredited</b>	32%	22%	24%
<b>Overall</b>	<b>24% of applicants had accreditation this period</b> (an increase on the previous overall average of 19%)		

### **Periodic Inspections (5-year inspections) and outcomes**

3.13. Compliance with the scheme is also measured by undertaking inspections. The council aims to inspect most premises at least once during the duration of a licence. The council aims to carry out at least one routine verification inspection during the lifetime of the licence.

3.14. Inspections are allocated on a risk basis. 867 compliance inspections have been carried out since April (an average of 145 per month an increase from the previously reported 120) Of these 973 hazards were identified and resolved.

3.15. More agency resources have been recruited and there is an ongoing recruitment campaign to attract additional permanent officers into the service.

### **Private Housing Service Requests**

- 3.16. 285 service requests were received private rented properties during this period over 80% of which related to the condition of housing including damp, nuisance and pest issues. Most issues found were dealt with following our intervention via advice and warnings, 39 formal enforcement notices were served in other cases.
- 3.17. Regular Quarterly monitoring is undertaken, the Spring / Summer quarters are generally lower than the winter quarters due to reduced damp & mould and heating related issues.

### **Unlicensed Property investigations**

- 3.18. In addition to 16 reports from the public this period the council has an ongoing programme of unlicensed property inspections. Properties are visited following no response to letters where information suggests they may be rented and a doorstep survey is undertaken, or letters left addressed to the occupier and owner.
- 3.19. 257 properties which have been identified as potential unlicensed HMOs have been visited during this period. As a result:
- 41 have now applied for licences.
  - 3 have since applied for Temporary Exemption Notices (TEN)
  - 44 have been confirmed as not requiring a licence mostly because they are now owner occupied or currently empty.
  - 167 have been scheduled for follow up action either as the doorstep information confirms they are licensable or there was no response.
- 3.20. Follow up action from visits will include the issue of 1-year licences and Civil Penalty Notices (CPNs) as appropriate.

### **Financial Penalty Notices**

- 3.21. The Civil Penalties procedure to take account of precedent set by a first-tier property tribunal case and a training day was held for private housing officers in September.

## Penalty Penalties Issued since April 2024

	Client Money Protection (CMP)	Tenancy Fees Act (TFA)	Minimum Energy Efficiency Standard (MEES)
Number of Notices issued	2	11	1
Total value of fines issued since April 24	<b>£400</b>	<b>£17,500</b>	<b>£2,000</b>

## Rent Repayment Orders

- 3.22. A rent repayment order (RRO) requires repayment, of rent or housing benefit or housing costs element of universal credit paid in respect of a tenancy or licence, by a landlord/agent who has committed a particular offence set out in the Housing and Planning Act 2016.
- 3.23. Justice for Tenants report that they have received 27 referrals for Islington renters during this period and £88,000 has been recovered since April with 61 further cases currently ongoing.

## Other Private Sector Improvement Work

### Engagement

- 3.24. Improving communication across the sector is crucial. Raising awareness of the responsibilities of landlords, agents, and tenants, sharing good practices, and enhancing the role of relevant professional bodies will help maintain standards at all levels of the market. Additionally, disseminating information to keep landlords updated on new legislative changes, local initiatives, and policies related to private sector housing is essential. Promoting internal and independent advice and assistance for private renters and creating opportunities for private renters to obtain direct advice from the council, are also key components.
- 3.25. Phone Advice Line with Pre-Booked Drop-In Sessions launched on September 10, 2024, this service operates every Tuesday. It has been well attended, with 26 private renters receiving advice via phone, email, or in person during September.
- 3.26. London Landlord Accreditation Scheme (LLAS) training for Islington private sector landlords is being re-launched. The event has been prepared and advertised, and it will take place at Town Hall on November 4, 2024

- 3.27. Property Licensing Frequently Asked Questions (FAQs) for PRS landlords have been produced and made available on our website.
- 3.28. Substantial advertising of the Selective of Scheme expansion to 3 wards including press releases, advertising on trade websites, and promotion on council X (previously Twitter), Facebook and Nextdoor accounts.
- 3.29. Website improvement is underway to make dedicated content for private renters and landlords.
- 3.30. PRS bulletin and landlord forums are planned.
- 3.31. A widespread damp and mould campaign is planned to provide residents with practical information and advice as winter approaches.
- 3.32. **Review and Expansion**
- 3.33. Tenure intelligence and stock condition modelling has been undertaken and it is likely that wide public consultation will be undertaken in early 2025 seeking views on whether the council should re-designate the borough for Addition HMO licensing and potentially extending selective licensing to further wards.
- 3.34. Any selective licensing scheme that covers more than 20% of a borough's private rented sector would require approval from the Secretary of State for Levelling Up Housing and Communities.

#### 4. Other options considered and the reasons for recommending this proposal.

- 4.3. not applicable

#### 5. Key impacts and risks of the proposal

- 5.3. not applicable

#### 6. Contribution to the Islington Together 2030 Plan

- 6.1. We are determined to ensure that by 2030, everyone in Islington has a safe, decent place to call home and our residents feel safer and appreciate that the root-causes of anti-social behaviour are routinely and actively tackled and managed by landlords, the council and police.
- 6.2. We have affirmed our commitment to stand up for private renters, to cooperate with private landlords and residents to maintain and improve standards in our Private Rented Sector Charter.

#### 7. Consultation and community engagement

7.1. not applicable

## 8. Implications

### 8.1 Financial Implications

8.1. The property licencing schemes (Mandatory, Additional, and Selective) run by the Council are legally ringfenced, with all income raised spent on the management, administration, and enforcement of the licencing schemes. The property licencing schemes have generated a total of £1.1m since April 2024

8.1.1. Income generated through civil penalties is restricted and ringfenced to be used to further the Council's statutory functions in relation to their enforcement activities covering the private rented sector, as specified in regulations.

8.1.2. The administration of Additional and Selective Licensing should be self-funding over the five-year licensing period. As most income is received in initial years any annual surplus is carried forward to subsequent years to fund monitoring and enforcement activities. Income is monitored and a team proportionate to the demand for the service employed.

8.1.3. There is no financial cost to the Council from the operation of the schemes.

### 8.2. Legal Implications

8.2.1. The licensing of HMOs is governed by Part 2 of the Housing Act 2004. Certain types of HMO must be licensed. Local Authorities may extend the licensing scheme in their area to include HMOs not covered by mandatory licensing, for example, a local authority could extend licensing to include all HMOs in a specific area, or the whole district.

8.2.2. Where local authorities have designated an area or areas to be subject to selective or additional licensing, local authorities are required to review the operation of the designation from time to time.

8.2.3. Selective and Additional licensing is discretionary and can be only implemented where the council is able to demonstrate that specific criteria have been met. Licensing schemes last for up to five years, after which they expire, unless they are renewed, following a further consultation process.

8.2.4. Any selective licensing scheme that covers more than 20% of a borough's private rented sector will require approval from the Secretary of State for Levelling Up Housing and Communities.



### 8.3. **Climate Change and Environmental Implications**

- 8.3.1. Property Licensing Schemes are one of the few tools available to encourage landlords to reduce carbon emissions and as such make an invaluable contribution to the councils Net Zero ambitions and the Greener and Healthier mission.
- 8.3.2. Improving property and energy efficiency in the sector both reduces carbon emissions and also fuel poverty as tenants often need to rely of expensive forms of heating without homes having the benefit of insulation.

### 8.4. **Equalities Impact Assessment**

- 8.4.1. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 8.4.2. An Equalities Impact Assessment is not required in relation to this report, because a full Impact Assessment was completed prior to introduction of the licensing schemes on 9/05/2023 The main findings were that licensing schemes would have either positive or neutral impacts on people with protected characteristics and from disadvantaged groups.

## 9. **Timetable for implementation**

- 9.1. not applicable

### **Appendices**

None

### **Relevant decisions / reports:**

<https://democracy.islington.gov.uk/documents/s33680/Selective%20Licensing%20Report.pdf>

<https://democracy.islington.gov.uk/documents/q4960/Public%20reports%20pack%2018th-Jul-2024%2019.30%20Homes%20and%20Communities%20Scrutiny%20Committee.pdf?T=10>

**Background papers:**

None

**Report approval:**

Authorised by: Jed Young - Acting Corporate Director of Homes and Neighbourhoods

Date: 29 October 2024

Report Author: Nicholas Austin (Interim) Project Delivery Manager

Tel: 020 7527 3205

Email: [Nicholas.Austin@Islington.gov.uk](mailto:Nicholas.Austin@Islington.gov.uk)

Financial Implications Author: Thomas Cooksey – Finance Manager

Tel: 020 7527 1867

Email: [Thomas.Cooksey@Islington.gov.uk](mailto:Thomas.Cooksey@Islington.gov.uk)

Legal Implications Author: Sarah Williams - Senior Litigation Lawyer

Tel: 020 7527 3188

Email: [sarah.williams@Islington.gov.uk](mailto:sarah.williams@Islington.gov.uk)

Environmental Implications authorised by: Richard Martin - Climate Action Strategic

Email: [climateactionteam@islington.gov.uk](mailto:climateactionteam@islington.gov.uk)