

# Improving the Private Rented Sector in Waltham Forest

Private Rented Property Licensing Proposals

Document to support public Consultation.

December 2023

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### Glossary

Term	Meaning
Private Rented Sector	The portion of housing in the borough that is rented from
(PRS)	private landlords
Privately rented	Homes rented from a private landlord
Socially rented	Homes rented from the Council or a Registered Provider
	(commonly still referred to as a Housing Association)
Selective Licensing	A discretionary licensing scheme which requires landlords to
	have a licence to legally let their property to a family or no
	more than two unrelated sharers
Additional Houses in	A discretionary licensing scheme which requires landlords to
Multiple Occupation (HMO)	have a licence to legally let eligible HMOs occupied by three
Licensing	or more persons forming two or more households sharing one
	or more basic amenity that fall outside the scope of Mandatory
Mandatory Houses in	HMO licensing A national scheme which requires landlords to have a licence
Multiple Occupation (HMO)	to legally let eligible HMOs occupied by five or more persons
Licensing	forming two or more households sharing one or more basic
Licensing	amenity
Designation	A geographical area that meets the relevant legal tests
Housing Health and Safety	A government prescribed system that rates housing hazards
Rating System (HHSRS)	based on their risk to occupiers' health, safety, and welfare
Category 1 hazard	A serious or immediate risk to a person's health and safety
(Cat 1)	that is related to housing
Category 2 hazard	A less serious or less urgent risk that can still be regarded as
(Cat 2)	placing the occupiers' health, safety, and welfare at risk
Statutory Notice	A legal document issued by the Council that requires the
	recipient to complete specified actions within a specified
Austine siel behaviour (ACD)	timeframe
Antisocial behaviour (ASB)	Behaviour related to the occupiers of, and/or visitors to, a
	rented property that causes nuisance, annoyance and irritation to neighbours and the community. Most commonly
	noise, litter and waste
Deprivation	Living on low income and not having the money to pay for
Dopinvacion	some basic requirements
Indices of Multiple	A dataset produced by the government to give a relative value
Deprivation	to how deprived an area is, compared to the rest of the
	country
Barriers to housing and	One of the government's measures of deprivation. It combines
services	measures relating to housing affordability, overcrowding and
	homelessness
Minimum Energy Efficiency	Regulations that set a minimum energy efficiency standard
Standard (MEES)	(EPC rating of E) that applies to privately rented properties
Energy Performance	EPCs rate how energy efficient properties are using grades
Certificate (EPC)	from A to G (with 'A' being the most efficient grade)
Accreditation	Schemes overseen by various organisations, including local
	authorities and landlord associations, to provide training and
	encourage good practice by private landlords

### **Executive Summary**

Waltham Forest recognises that privately rented properties play a valuable role in providing housing for residents of the borough. More households in the borough rent from a private landlord than from a social landlord and an estimated 39% of households with dependent children live in privately rented homes.

While many private landlords operating in the borough take their responsibilities seriously and provide well-managed rented homes that are maintained to a good standard, recent evidence shows that there are widespread issues of disrepair and housing hazards in the private rented sector (PRS) and poorly managed properties that give rise to significant and persistent anti-social behaviour (ASB) compared to homes in other sectors.

The Council has made strides in improving standards in the PRS through the administration and enforcement of its property licensing schemes. These schemes have provided a regulatory framework requiring landlords to proactively manage and maintain their rented homes through conditions attached to approved licences. More than 4500 private rented homes have been improved since the first borough-wide selective licensing scheme came into force in 2015 through a combination of working with landlords and agents informally and the taking of formal action where necessary.

Despite these improvements, private renting continues to be a necessity rather than a choice for many tenants due to factors such as lack of rent controls and security of tenure. While the Council has improved a large number of privately rented homes, the worst housing conditions are still likely to be experienced by tenants who rent privately, and communities are more likely to be adversely impacted by issues arising from poorly managed privately rented properties.

In order to build on the achievements of the current schemes, the Council is proposing, subject to consultation, to implement new five-year rented property licensing schemes when the current additional (HMO) licensing scheme expires on 31<sup>st</sup> March 2025 and the current selective licensing scheme expires on 30<sup>th</sup> April 2025.

Whether you are a tenant, landlord, managing or letting agent, business, service provider, local authority, voluntary organisation, local resident or another key stakeholder this is your chance to have your say on private property licensing in Waltham Forest.

### Introduction

This consultation document provides information about the scale of issues relating to poor housing conditions and persistent ASB in Waltham Forest's private rented sector and the evidence to support the Council's proposal to introduce new licensing schemes. The document sets out alternatives to property licensing considered by the Council. It also provides a detailed description of the proposed new licensing schemes, the proposed licence conditions and proposed fees.

This document also sets out how the administration and enforcement of Waltham Forest's large scale property licensing schemes to date have delivered tangible benefits to the living conditions of its many residents that rent their home from a private landlord.

We want to know your views on our proposals before any final decision is made about the future of property licensing in Waltham Forest. We are keen to hear from all those who are likely to be affected by the proposals, including local tenants, landlords, managing agents and members of the community who live, operate businesses or provide services in the proposed designated areas and/or the surrounding areas.

We would encourage you to complete our online survey by visiting: https://www.walthamforest.gov.uk/property-licensing-consultation

We shall also be holding a number of forums and workshops during the consultation period. If you are interested in sharing your experiences and views, please email <a href="mailto:propertylicensing@walthamforest.gov.uk">propertylicensing@walthamforest.gov.uk</a>

The consultation will run for 12 weeks from **14th December 2023 until 10th March 2024** 

For further information about the proposed new licensing schemes, assistance with completing the questionnaire or to request a paper copy of the consultation papers please contact:

Email: propertylicensing@walthamforest.gov.uk

Telephone: 020 8496 4949

Post: Waltham Forest Town Hall, Fellowship Square, Forest Road, E17 4JF

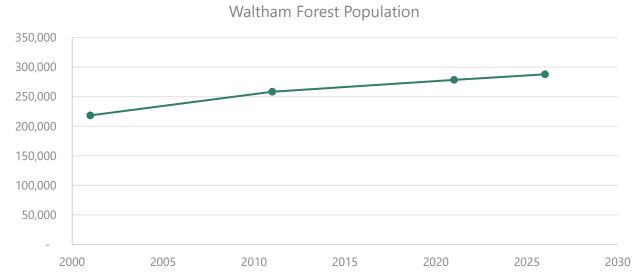
Once the consultation has closed, the Council will review the replies. A full consultation report, including the Council's response to any alternatives suggested, will be published on the council's webpages at <a href="https://www.walthamforest.gov.uk/property-licensing-consultation">https://www.walthamforest.gov.uk/property-licensing-consultation</a>

### **Borough overview**

The London Borough of Waltham Forest is an outer London borough which covers an area of 38.82 km<sup>2</sup>. The borough borders five other London boroughs: Enfield to the north-west, Haringey to the west, Hackney to the south-west, Newham to the south-east and Redbridge to the east, as well as the non-metropolitan county of Essex to the north.<sup>1</sup>

### **Population**

According to the Census 2021, Waltham Forest is home to a total of 278,400 people and 102,900 households. The Greater London Authority (GLA) 2021 round of population projections estimate that the Waltham Forest population will increase its number of residents to a total of 287,800 by 2026. The fastest growing group is projected to be those aged 18-21 (13.5%) and 65+ (15.5%).<sup>2</sup>



Source: Census 2001, 2011 and 2021. Source for population projection for 2026: Greater London Authority (GLA) 2021

### **Ethnicity**

Waltham Forest is one of the most diverse areas in the country with an estimated 53% of residents from a minority ethnic background. In 2021 Waltham Forest ranked as the 18<sup>th</sup> most diverse borough in England and Wales (out of 339). The top six countries of origin for residents born overseas are Romania (11,000), Hungary (6,000), Poland (6,000), Bulgaria (5,000), Lithuania (5,000) and Pakistan (5,000). The top five languages spoken locally other than English are Urdu, Polish, Romanian, Turkish and Lithuanian.

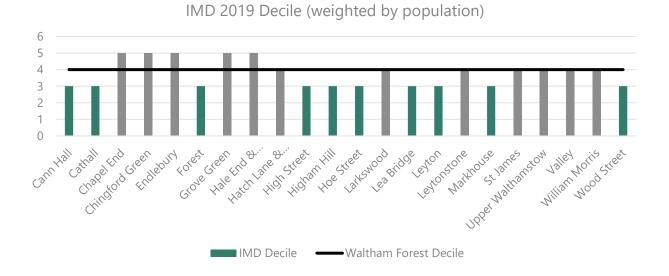
<sup>&</sup>lt;sup>1</sup> https://en.wikipedia.org/wiki/London\_Borough\_of\_Waltham\_Forest

<sup>&</sup>lt;sup>2</sup> https://www.walthamforest.gov.uk/Council-and-elections/about-us/statistics-about-borough

### **Deprivation**

The Indices of Multiple Deprivation (IMD) is a measure of relative deprivation for small areas (Lower Super Output Areas (LSOAs), based on seven domains of deprivation: income, employment, education, health, crime, living environment, and barriers to housing and services. Waltham Forest ranks as the 82<sup>nd</sup> most deprived borough in England out of 317.<sup>3</sup>

Waltham Forest has a mixture of high and low deprivation wards with 10 out of 22 wards having an aggregated IMD ranking below the national average.

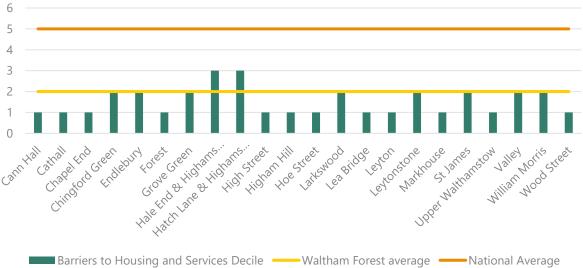


Horizontal black line shows borough average decile (4). Source – IMD 2019

The IMD also evaluates "Barriers to Housing and Services". This domain measures the physical and financial accessibility of housing and local services, divided into two subdomains: 'geographical barriers,' which are about the physical proximity of local services, and 'wider barriers,' which cover issues related to housing access such as affordability and homelessness. In Waltham Forest, every ward falls within the top 30% most deprived nationally according to this measure, with more than half of the wards (12 out of 22) being among the top 10% most deprived nationally.

<sup>&</sup>lt;sup>3</sup> ONS 2019 <a href="https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019">https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019</a>,

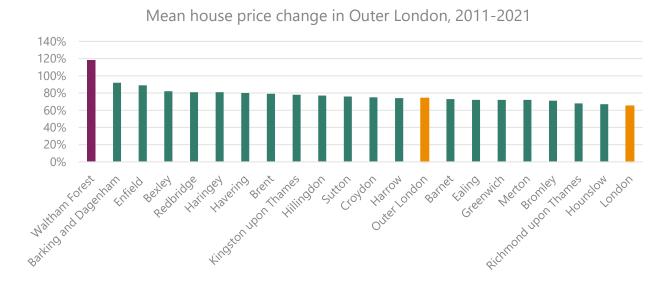




Horizontal yellow line shows the borough average decile (2), and the horizontal orange lines shows the national average (5). Source – IMD 2019

### **Housing Affordability**

Waltham Forest has experienced the highest rate of house price growth of all London boroughs, with house prices increasing by 118% since 2011. This is considerably higher than the London (+65%) and Outer London (+74%) averages over the same period.<sup>4</sup>



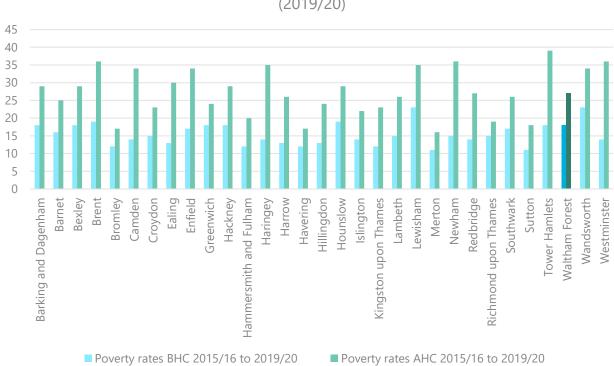
Source - Waltham Forest Housing Commission Evidence Report 2023

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<sup>&</sup>lt;sup>4</sup> Waltham Forest Housing Commission Evidence Report, March 2023

### **Poverty Rate**

Households are considered to be below the UK poverty line if their income is below 60% of the median household income after housing costs for that year. The impact of housing costs to poverty rates is acutely apparent within Waltham Forest. Trust for London data shows that the poverty rate in Waltham Forest before housing costs is 18%. However, when housing costs are included the poverty rate increases to 27%. This is due to the significantly high housing costs experienced across Waltham Forest.<sup>5</sup>



Poverty rate in London Boroughs, before and after housing costs (2019/20)

Source - Trust for London

### **Fuel Poverty**

Fuel poverty in England is measured using the Low-Income Low Energy Efficiency (LILEE) indicator. Under this indicator, a household is considered to be fuel poor if they are living in a property with a fuel poverty energy efficiency rating of band D or below and when they spend the required amount to heat their home, their disposable income is below the official poverty line.<sup>6</sup>

There are three important elements in determining whether a household is fuel poor: Household income, Household energy requirements and Fuel prices.

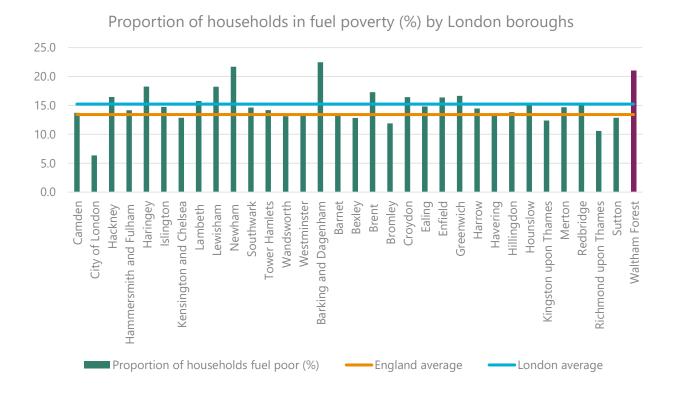
Fuel poverty is a significant issue in Waltham Forest. The fuel poverty score produced by the Department for Business, Energy & Industrial Strategy (BEIS) using 2019 data and published in 2021 shows that currently Waltham Forest has a higher proportion of

<sup>&</sup>lt;sup>5</sup> Poverty Rates, Trust for London

<sup>5</sup> 

<sup>&</sup>lt;sup>6</sup> Fuel Poverty Statistics in England, DESNZ and BEIS

households in fuel poverty (21.1%) than the national average (13.4%) and the London average (15.2%).<sup>7</sup>



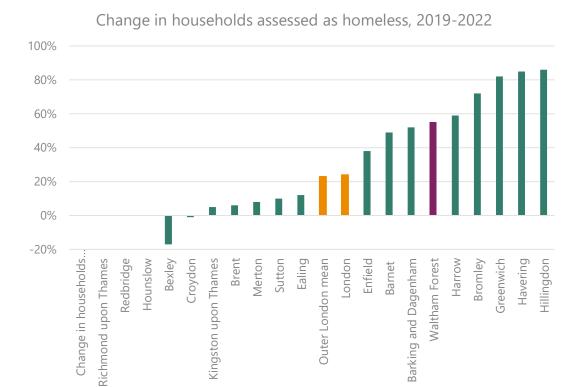
Horizontal line shows England average (13.4%) and the London average (15.2%). Source – BEIS 2021

#### **Homelessness**

National trends are creating challenges for residents and increased demand for Council services. Local authorities have duties to prevent and relieve homelessness for all homeless applicants who are eligible. The proportion of residents in Waltham Forest who have been assessed as statutorily homeless has increased significantly since 2019. Statutorily homeless means residents who lack a secure place in which they are entitled to live and are therefore owed a duty by the council. There has been a 55% growth in the number of households who were recorded statutorily homeless in 2022 compared with 2019 levels.<sup>8</sup>

<sup>&</sup>lt;sup>7</sup> Sub-regional fuel poverty data, BEIS 2021

<sup>&</sup>lt;sup>8</sup> Waltham Forest Housing Commission Evidence Report, March 2023



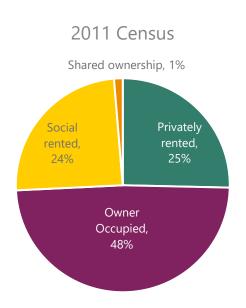
Source – Waltham Forest Housing Commission Evidence Report 2023

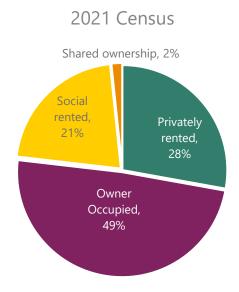
### The private rented sector in Waltham Forest

### **Housing Tenure**

Consistent with the long term nationwide and regional trend, the private rented sector (PRS) in Waltham Forest has grown steadily from 25% in 2011 to 28% in 2021.<sup>9</sup> This represents a 13.9% increase over the last 10 years. There are a total of 102,901 residential dwellings in Waltham Forest, 28,593 of which are estimated to be privately rented.<sup>10</sup>

### Housing Tenure in Waltham Forest 2011 & 202111





### Number of dwellings by tenure 2001, 2011 & 2021 dwellings by ward 12

	2001	2011	2021
PRS	13,931	25,102	28,593
Social housing	21,208	21,376	22,099
Owner occupier	52,117	48,361	50,356
Other	2,148	2,022	1,853
Total	89,404	96,861	102,901

The PRS is spread across all 22 wards in Waltham Forest. The percentage of PRS properties in each ward ranges between 42% in Grove Green and 15% in Endlebury and Hatch Lane & Highams Park North. The average rate of PRS across all wards is 28%.

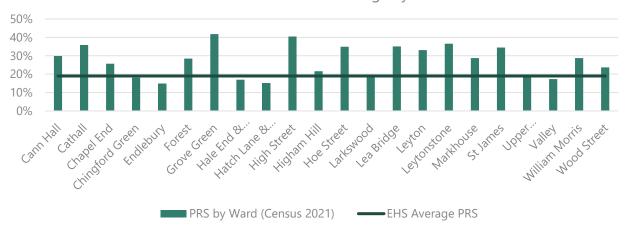
<sup>11</sup> Census 2011 and 2021

<sup>&</sup>lt;sup>9</sup> https://data.london.gov.uk/dataset/dwelling-stock-tenure-and-condition-borough

<sup>&</sup>lt;sup>10</sup> Census 2021

<sup>12</sup> Census 2001, 2011 and 2021

Census 2021 - PRS dwellings by ward

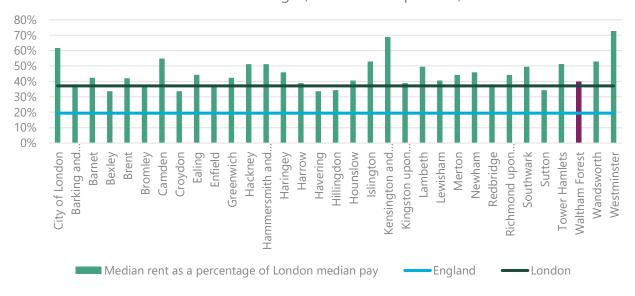


Horizontal black line shows national average PRS (19%) from the English Housing Survey Headline Report 2021-2022. Source of ward PRS – Census 2021

### Rent and affordability

One of the major changes to the PRS across London over the last 20 years has been the increase in rent. This has resulted in problems with residents being able to access decent, affordable housing. Waltham Forest has above average rents for London in terms of affordability, with rent in the borough costing 39.7% of average London earnings against a London average of 37.1%.<sup>13</sup>

Rent for a one bedroom dwelling as a percentage of gross pay by London borough (Oct 2021 - Sept 2022)



Horizontal black line shows London average (37.1), and the blue line shows the England average (19.4%). Source – Trust for London

<sup>&</sup>lt;sup>13</sup> Based on the median rent as a percentage of London median pay – Trust for London 2023 - <u>London rent as a percentage of gross pay | Trust for London</u>

### **Property licensing schemes**

### What is property licensing?

Where the relevant legal test is met, property licensing allows the Council to regulate private rented properties in their area by issuing a licence to the person responsible for the property, usually the landlord, which contains conditions that relate to the property's management, use and upkeep. This helps to improve the condition and management of privately rented properties and makes renting in the private rented sector safer and fairer for tenants.

Property licence conditions are wide ranging and include requirements relating to gas, electrical and fire safety, pest control, refuse/recycling management and, for HMOs, maximum occupancy levels.

The Housing Act 2004 sets out three types of property licensing schemes and prescribes how the Council can implement them.

### **Mandatory HMO Licensing**

Under Part 2 of the 2004 Act, HMOs falling within a prescribed, statutory description must be licensed in order that they can legally be let. Most HMOs occupied by five or more persons forming two or more households, who share amenities such as kitchens or bathrooms, fall within the scope of mandatory HMO licensing. As the licensing of HMOs falling within the statutory description is mandatory, we are not consulting on this scheme.

### **Additional HMO Licensing (discretionary)**

Part 2 of the Housing Act 2004 also allows local authorities to designate an area as subject to additional licensing. A licence is required for most HMOs, that are not subject to mandatory licensing and are occupied by three or more persons, forming two or more households, who share at least one amenity such as kitchens or bathrooms. Additional HMO licencing can also apply to certain converted flats or blocks (known as section 257 HMOs).

In order to make an additional licensing scheme, the local authority must in brief consider that a significant proportion of the HMOs in the area are being managed ineffectively, so as to give rise to one or more particular problems, either for those occupying the HMOs or for the public. A proposed additional licensing scheme forms part of this consultation and the Council welcomes feedback regarding the proposals.

### **Selective Licensing (discretionary)**

Under Part 3 of the Housing Act 2004, local authorities may also designate an area as subject to selective licensing, requiring those managing or having control of other privately rented accommodation that does not have to be licensed under other licensing schemes, to obtain a licence to let their property. This includes, but is not necessarily limited to, properties rented to either an individual, a single family or two unrelated sharers.

In order to designate an area as a selective licensing area, the local authority must be satisfied that certain, prescribed conditions are met.

In summary, the designated area must be experiencing one or more of the following:

a) low housing demand (or likely low housing demand in the future);

- b) a significant and persistent problem caused by ASB;
- c) poor property conditions;
- d) high levels of migration;
- e) high levels of deprivation; and/or
- f) high levels of crime.

In addition, with regard to criteria c) to f) above, the designated area must have a high proportion of property in the private rented sector (PRS).

If a proposed designation covers more than 20% of an authority's geographical area or would affect more than 20% of the privately rented homes in the area, the local authority must apply to the Department for Levelling Up, Housing and Communities for confirmation of the scheme.

A proposed selective licensing scheme forms part of this consultation and the Council welcomes feedback regarding the proposals.

### What are the benefits of property licensing schemes?

#### **Benefits for tenants**

- Through conditions that accompany any granted licence, Licence Holders are required to proactively manage and maintain their rented homes.
- Licensing improves the standard of private rented properties. This makes properties safer for tenants who occupy them.
- Licensing allows a local authority to adopt a much more proactive approach to tackling poor housing conditions and raising standards in private rented housing.
- Licensing encourages good practices for example, if a landlord is not able to demonstrate that they comply with gas safety conditions, a licence will not be granted.
- Many people who are vulnerable, disabled and living on low incomes rely on private renting. Licensing helps the Council to protect as many tenants living in private rented accommodation as possible.

#### **Benefits for landlords**

- Licensing encourages landlords to proactively manage their properties and to take reasonable action to address problems. The Council will work with landlords to help support them and build their professionalism.
- Licensing enables the Council to create a 'level playing field' for responsible landlords by taking a much more robust approach to the minority of 'rogue' landlords who fail to invest in their properties and meet their legal obligations.

### Benefits for the wider community

- Poorly managed privately rented properties have, or are at least capable of having, a negative impact on many neighbourhoods. Licensing will ensure that landlords manage their properties effectively, including the enforcement of tenancy conditions to combat neighbourhood nuisance caused by their tenants or people visiting their properties.
- Poor waste management and fly tipping has been cited as a major issue in many wards. All property licences contain a condition that the holder must provide adequately sized bins and sufficient recycling containers for the occupiers.
- When an HMO is overcrowded, this is often linked to an increase in noise complaints arising from it. Through additional licensing the Council is able to limit the number of occupants in a property, reducing overcrowding and the likelihood of noise nuisance.

### Property licensing - regional context

Waltham Forest is bordered by boroughs that have large-scale licensing already in place or are planning to introduce a scheme in the near future. Newham, which has a border with Waltham Forest, has recently designated a large area as subject to licensing schemes and we know that Redbridge are proposing a further large-scale scheme. Strategically, there is a need for Waltham Forest to have such a scheme in place to prevent rogue landlords, who operate across borough boundaries, transferring their operations into the borough.

Borough	Selective Licensing	Additional Licensing
Waltham Forest	Yes (18 of 20 wards)	Yes – borough wide
Barking and Dagenham	Yes - borough wide	No
Hackney	No	No
Havering	No	Yes in selected areas
Newham	Yes in all but 2 wards	Yes – all but 2 wards
Enfield	Yes in 14 wards	Yes – borough wide
Tower Hamlets	Yes in 3 wards	Yes – borough wide
Redbridge	Yes in 2 wards*	Yes – borough wide

<sup>\*</sup>submission for a scheme covering further 15 wards pending SoS determination

### **Property licensing schemes in Waltham Forest**

In 2020, the Government approved Waltham Forest's current large-scale selective licensing designation covering 18 of the 20 wards in the borough that existed prior to the recent ward boundary changes and increase in the number of wards to 22. The current selective licensing scheme came into force on 1 May 2020 and is due to expire on 30 April 2025.

This selective licensing designation was in addition to borough-wide mandatory Houses in Multiple Occupation (HMO) and discretionary additional (HMO) licensing schemes. The additional HMO licensing scheme came into force on 1 April 2020 and is due to expire on 31 March 2025. The Council's existing additional licensing scheme applies to eligible HMOs that fall outside the scope of mandatory HMO licensing and where three or more persons forming two or more households share one or more basic amenities. The current designation does not apply to certain converted flats or blocks (known as section 257 HMOs).

The objectives of these schemes are summarised as follows:

- Ensure that all licensable properties are licensed
- On application, to inspect all HMOs prior to determining the application
- To carry out targeted audits of licensed properties
- To improve the condition of properties, reducing the number of housing hazards in HMOs by 50% and in single family dwellings by 25% over the life of the schemes
- Reduce ASB incidents in licensed properties.

Licensing schemes require landlords to proactively manage their properties and take action to address any problems in order to comply with licence conditions. They

encourage better standards of property management. The Council has worked collaboratively with landlords to make sure these requirements are met and also carried out enforcement actions when needed to raise standards. Since 2015, 4,680 properties have been improved through a combination of informal and formal actions.

Through robust, targeted enforcement, licensing has created a genuine and tangible deterrent for the minority of criminal landlords, to the benefit of their tenants and the wider community. We have successfully taken enforcement action by way of criminal prosecution or the imposition of a financial penalty in 170 cases where a relevant breach of housing law has been identified, with many more cases in the pipeline at an earlier enforcement stage. Our officers have been involved in 62 action days with concentrated enforcement activity and more than 30 multi-agency operations, with both internal and external agencies. They have helped to improve over 1680 privately rented properties under the current schemes and have held landlords to account for failure to licence or breaches of licence conditions.

Whilst these schemes have enabled the Council to begin to make real progress in raising standards in the private rented sector, the evidence is that there is still much more to do.

### Impact of the current licensing schemes

The administration and enforcement of the current discretionary licensing schemes was significantly impacted by the Covid lockdowns in 2020 and 2021. To accommodate landlords, the early bird period was extended, allowing them more time to apply for a licence at a discounted rate. During lockdown periods, scheduled/proactive inspections were put on hold to reflect the requirements around social distancing and licensing staff were reassigned to other roles to aid the Council's pandemic response. Despite these service delivery disruptions, the Council has made considerable progress in achieving its core licensing objectives.

Performance Metric	Target	Performance
Licence Applications	~30,000 (5 years)	26,485
Properties Inspected	5,600 (3.5 years)	8011
Properties Improved	1,925(3.5 years)	1,680

Key to any licensing scheme is an audit and compliance regime that ensures that licences are applied for, valid applications are processed and that there is evidenced compliance with issued licence conditions. Since the introduction of the licensing schemes in 2020, over 26,000 applications have been received. The table below summarises the outcome of applications determined as at 4 December 2023.

	Applications received	Licence granted full term (5yrs)	Licence granted reduced term* (<5yrs)	Licence refused
Selective	24,528	22,249	267	
HMO (Additional and mandatory)	1,957	815	578	855

<sup>\*</sup> as a consequence of concerns at time of application

As part of the licensing process, properties are risk assessed and prioritised for compliance inspections. This approach allows the Council to target properties of most concern. The Covid lockdowns in 2020 and 2021 impacted programmed/proactive inspections as these had to be suspended during the lockdown periods. Despite this disruption in service delivery, the Council has carried out over 8,000 property audits resulting in over 1,680 properties seeing an improvement in condition as a consequence. Case study 1 below gives an example of the Council's robust use of all available enforcement powers, including licensing provisions, to intervene to protect the health, safety and welfare of private tenants.

Performance Metric	Output
Property audits/inspections	8,011
Properties improved	1,680

In cases where audit checks identify non-compliance issues at a rented home, Council officers normally work with the landlord to ensure that identified issues are resolved as part of a stepped approach to enforcement, where such an approach is appropriate. In a significant majority of cases, compliance is achieved through informal action working closely with the landlord or agent. However, where compliance cannot be achieved through informal means, or the seriousness of the non-compliance means that an informal approach is not appropriate, the Council will use the full range of enforcement powers, in line with its adopted enforcement policy. Formal actions might commonly include one or more of the following actions:

Formal Action	Output
Post inspection and other warning letters issued	More than 15,000
Service of a legal notice, most frequently under Part 1 Housing Act 2004 (Housing Health and Rating System – HHSRS) such as an Improvement Notice requiring works to be carried out	223
A criminal prosecution or imposition of a Financial Penalty of up to £30,000 for each offence	195
The making of an Interim Management Order, whereby the Council assumes management control of a property pending it being licensed	20
Civil Penalties	233

Through the administration and enforcement of the licensing schemes, the Council has also been able to place greater onus and responsibility on licence holders to prevent ASB in their rented homes, to investigate any reported ASB incidents and to take appropriate action to address any evidenced issues.

In recent research published in BMJ Open, researchers from the School for Public Health Research have found that the licensing of private rented housing in London is associated with less anti-social behaviour (ASB) and with less calls being made regarding ASB concerns<sup>14</sup>.

The council has also worked with multi-agency partners on investigating and tackling brothels in the borough. As a result of the Council's Private Sector Housing Team's joint operations work with the police and ASB team, 25 (since start of the scheme) confirmed brothels have been found through visits to residential properties and are now closed. The vast majority of visited homes were rented from a private landlord.

<sup>&</sup>lt;sup>14</sup> Impact of selective licensing schemes for private rental housing on mental health and social outcomes in Greater London, England:
<u>a natural experiment study</u> Petersen J, et al. BMJ Open 2022

### Case study 1:

### Using Interim Management Orders to regulate an unlicensed House in Multiple Occupation

### Background

As part of a tasking day, a proactive inspection was undertaken at this property as back-office checks had identified it as a property required to be licensed, but where no application had been made. Upon inspection the property was found to be an HMO, occupied by four persons forming two households. One tenant reported that previously, at one point there had been up to eleven occupiers, sharing six bedrooms, one kitchen, and two toilets.

### Council Findings and Action

The initial inspection revealed that the property was in an appalling condition, posing major health and safety risks to the occupiers. Evidenced disrepair included a leak through a bedroom ceiling that resulted in the tenant using a bucket to collect rainwater. There were significant fire safety risks as there were no smoke or heat detectors. In addition, there was waste accumulating in the front yard, and an active and widespread cockroach infestation. There was also a defective boiler, traces of damp and mould growth in a bedroom and evidence of a mouse infestation.

After the initial inspection the landlord and their representative effected an illegal eviction of all of the tenants and changed the locks, preventing the tenants from entering the property.

The Council served an Interim Management Order (IMO) to take over the management of the property to ensure that any disrepair was completed to a satisfactory standard and to ensure that the tenants were able to return to the property.

The Council sought an injunction to prevent the landlord and family members from entering the property, given that the harassment and attempts to exclude the lawful occupants from entering the property continued even whilst the IMO was in place.

### Outcome:

When the injunction and IMO were in place, the Council were able to carry out the required repairs, including the elimination of the pest infestations, and reinstated the tenants in the property.

Where appropriate, the Council will not hesitate in using robust enforcement measures to improve poor housing conditions for the safety and wellbeing of tenants.

### Establishing caselaw and setting national legal precedents

The Council's approach to the administration and enforcement of its property licensing schemes, alongside its use of wider powers, has meant that Waltham Forest has benefitted from a significantly raised profile with central and regional government and is seen as a 'go to' borough in relation to property licensing and the associated enforcement activities. Officers continue to work closely with civil service counterparts to discuss and shape the nature of future regulatory powers.

The Council has taken a robust approach to enforcement against private landlords who failed to meet their legal obligations. We have embraced new powers. For example, we were one of the first local authorities nationally to adopt the power to issue a financial penalty of up to £30,000, introduced by the Housing and Planning Act 2016, as an alternative to prosecution for certain housing offences. In addition, we are one of the leading authorities nationally in the use of Interim Management Orders to take control of unlicensed privately rented properties.

Through the effective operation and enforcement of property licensing schemes, Waltham Forest has tested the boundaries of the powers that Government have provided, establishing caselaw that has set national legal precedents, enabling other local authorities to intervene more effectively to protect the safety and wellbeing of private tenants. Since the designation of Waltham Forest's first borough-wide selective licensing scheme came into force in April 2015, this has included:

Date	Reference	Key aspects of legal ruling
2017	UKUT 153 (LC)	Local authorities were perfectly entitled to consider the planning status of a property when determining whether to grant or refuse a licence or the terms of any licence granted. Waltham Forest's policy of granting landlords in breach of planning law shorter licences to allow them time to resolve outstanding planning issues was deemed to be a rational and pragmatic course.
2019	UKUT 0362 (LC)	When giving notice of intention to impose a financial penalty, brief reasons are acceptable, and reasons can be incorporated within separate documents such as attached witness statements. Furthermore, even if reasons are defective, it will not usually justify invalidating the notice, particularly where there has been no prejudice to the recipient.
2019	UKUT 339 (LC) EWCA Civ 1539	Spent convictions are relevant when determining whether applicant for HMO licence is a "fit and proper person".
2020	UKUT 0035 (LC)	When considering an appeal against the amount of a financial penalty imposed under the Housing Act 2004, the First-tier Tribunal must give "special" and "considerable" weight to the local authority's decision. Further, the Tribunal may not entertain a challenge to the authority's enforcement policy. It may depart from it, when

Date	Reference	Key aspects of legal ruling
		making its decision, but only in certain circumstances, and only if the appellant discharges the burden of persuading it to do so.
2020	EWHC 1083 (Admin)	The offence of managing or having control of an unlicensed house in multiple occupation (HMO), contrary to s.72(1) of the Housing Act 2004 (the 2004 Act), is a strict liability offence, which does not require proof of a defendant's <i>mens rea</i> .
2023	EWCA Civ 733	When a First-tier Tribunal (Property Chamber) ("the FTT") hears an appeal against a decision under the Housing Act 2004 as a 'rehearing', the FTT must consider whether the authority's decision was wrong by reference to facts that existed at the time of its decision and must also give sufficient deference to the authority's original decision.

### **Supporting good landlords**

Through the licensing schemes, a database of over 17,000 landlords and agents operating in Waltham Forest has been compiled, supporting better communication and engagement with the sector through a regular e-newsletter and a thrice-yearly landlords' forum. Both landlords and tenants are on the Council's mailing list of only 170,000 subscribers who receive its Resident News updates.

### Supporting private rented sector tenants

In promoting tenants' rights and responsibilities, tenants' awareness of the minimum standards to be expected in rented accommodation has dramatically increased. Tenants have been encouraged to report landlords who do not comply with licensing conditions. The Council receives an average of 800 service requests a year from tenants in the private rented sector relating to living conditions or tenancy matters, resulting in significant interventions and property improvements.

We have established weekly tenant drop-in sessions where officers are able to provide in-person advice to private tenants reporting issues with the condition of their rented homes, and to signpost tenants to other relevant services. The tenant drop-in sessions have afforded an additional means for private tenants to access the Council's Private Sector Housing & Licensing service, whose officers have been able to intervene where necessary to improve the condition of PRS homes.

It is clear from running these schemes, that licensing allows the Council to work proactively with landlords and tenants. Licensing provides clear conditions for landlords to comply with, promotes an improvement in property conditions and enables ASB to be minimised through better, more effective management. Licence conditions can be enforced against much more effectively and quickly than by using other powers available to the Council, such as Part 1 of the Housing Act 2004. Formal action under Part 1 is generally a slow process with recipients permitted to bring appeals for most types of notices, which can significantly delay the time period for compliance.

Case study 2 (below) highlights how the Council has used licencing to improve housing conditions in licensed properties.

### Case study 2:

Supporting a landlord and tenant to resolve disrepair in a licensed property.

### Background

Officers from the Private Sector Housing & Licensing Team hold tenant advice sessions fortnightly at the Waltham Forest Community Hub in addition to the weekly drop-in sessions referenced above. A tenant reported that their privately rented property was in disrepair.

### Council Action

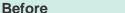
Back-office checks confirmed that the property was licensed. Council officers were able to make immediate contact with the Licence Holder to arrange an inspection of the property. The inspection revealed severe and extensive damp & mould in the bathroom and living room.

On the day of the inspection, a post-inspection letter was sent to the landlord, setting out the issues within the property. The landlord responded quickly and stated that work would begin within 10 days. Some level of negotiation was required by the officer in the team as the landlord and tenant were trying to come to an agreement on when the work could be completed and what was the best material to use. The officer was able to ensure that the work was carried out and advised the tenant to allow access to ensure that the situation was resolved ensuring that there was no longer a health risk from the damp & mould.

#### Outcome

A further inspection four weeks later revealed that the damp & mould had been remedied and treated and all areas had been painted and made good. A new extractor fan had also been fitted to reduce the risk of the damp & mould returning.







**After** 

Licensing allows the Council to work with, advise and support landlords to address poor housing conditions and achieve compliance with licence conditions. Licensing also allows the Council to educate tenants on how to deal with issues that arise in their properties.

### About this consultation

We are proposing to continue to require that most privately rented properties in Waltham Forest are licensed through a new selective licensing designation to most effectively regulate their management, use and occupation and to also help tackle anti-social behaviour (ASB) associated with private rented properties. Further, we propose to redesignate the whole borough as subject to additional licensing so that problems associated with HMOs in particular, below, are addressed directly and effectively.

This consultation paper outlines our proposals and preferred approach. We will listen carefully to the results of the consultation before making a decision. That is to say that the Council has not yet come to a decision about whether to implement the proposed schemes and, if so, in respect of which areas.

The consultation is open to all residents, tenants, landlords, agents and businesses in Waltham Forest and neighbouring boroughs.

### Proposals for a new selective licensing scheme

The evidence base demonstrates that 20 wards meet the criteria for selective licensing in that:

- Housing conditions in the area comprising those 20 wards are poor and the Council proposes to inspect them in order to take any necessary enforcement action within the meaning of Part 1 Housing Act 2004, which is expected to contribute to an improvement in general housing conditions.
- The area is experiencing a significant and persistent problem caused by antisocial behaviour, which some private sector landlords are failing to address, and in respect of which designating the area will assist in reducing the problem.

Furthermore, the proposed designation area contains a high proportion of privately rented homes compared with the national average of 19% and these homes are let on assured tenancies or licences.

The following sections and tables provide a breakdown, by ward, of the predicted number of properties in the PRS, evidence of their poor condition and evidence about the significant and persistent anti-social behaviour in each ward.

Based on this evidence, it is proposed that the Council makes a selective licensing designation covering the 20 wards in which there is evidenced poor property condition and significant and persistent ASB. We have considered smaller designations but believe the evidence base shows that the criteria for making a larger designation covering 20 Wards are met and that a smaller designation would not, in our view, enable us to tackle the scale of problems we are experiencing across the proposed designation area.

If the scheme is approved, all properties in the designated areas that are rented to a single household (e.g., a family) or two unrelated sharers (e.g., two friends living together) will need to have a licence to be legally let.

Due to its size, and subject to consideration of the responses in the consultation process, if Waltham Forest agreed to introduce the scheme, it would need confirmation by the Department of Levelling up Housing and Communities (DLUHC).

If approved, the proposed scheme will be introduced in May 2025.

The proposed designation is subject to change as a result of this consultation and the Council welcomes input into the scheme.

### Which wards are included in the proposed selective licensing designation?

Cann Hall

Cathall

Chapel End

Chingford Green

Forest

Grove Green

Larkswood

Lea Bridge

Leyton

Leytonstone

Markhouse

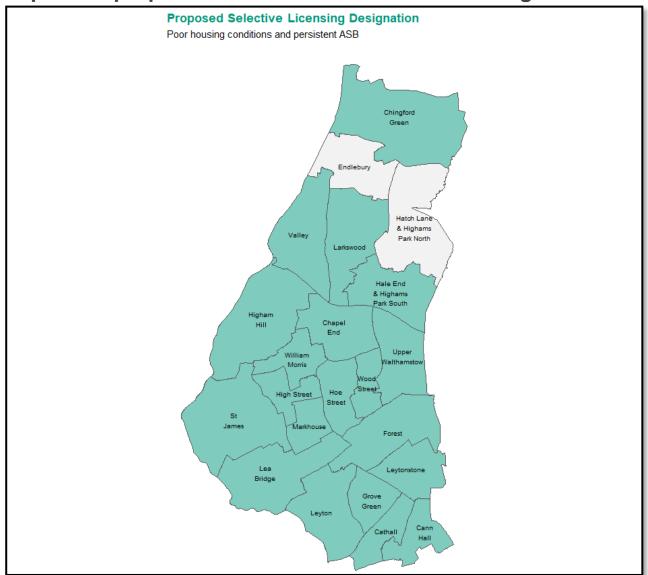
St James

Hale End & Highams Park South Upper Walthamstow

High Street Valley

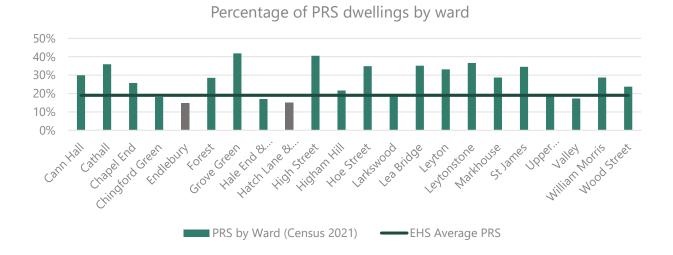
Higham Hill William Morris Hoe Street Wood Street

### Map of the proposed selective licence scheme designation



## Why have you included 20 wards in the proposed selective licensing designation and why are Endlebury and Hatch Lane & Highams Park North wards not included?

The proposed designation has a high proportion of housing in the PRS. The percentage of PRS in the area covered by the proposed designation is 29%. This is considerably above the English Housing Survey national average (England) which is 19% and the Census 2021 national average (England and Wales) which is 20.3%.



Horizontal black line shows national average PRS (19%) from the English Housing Survey Headline Report 2021-2022. Source of ward PRS – Census 2021

All of the 20 wards in the proposed selective licensing designation either have proportions of PRS properties that are above the national average or proportions that are close to that average. In relation to all wards in the proposed designation, there is evidence of both poor property conditions meaning that significant numbers of properties need to be inspected and significant and persistent ASB. The Council is further concerned that landlords operating in an area covered by a proposed designation will move to another if it is not included in that designation.

Endlebury and Hatch Lane & Highams Park North are not currently included in the proposed designation as there is not the cumulative evidence of significant levels of poor property conditions and/or persistent ASB. These wards will, however, be kept under review and a second designation could be considered should the evidence change.

### What is the evidence of poor property conditions in the proposed designation area?

### **Category 1 and 2 Hazards**

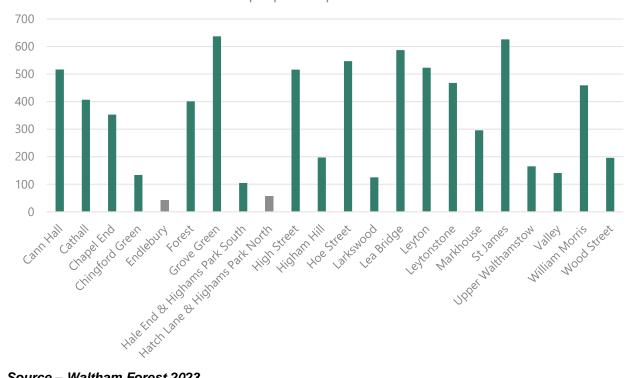
The recent review of Waltham Forest's housing stock has provided insights about the presence and distribution of a range of housing factors in the borough. The main finding was that poor housing conditions are widespread in the PRS. Under the Housing Health and Safety Rating System (HHSRS), category 1 hazards are the most serious housing hazards and may result in the immediate risk to a person's health and safety. A significant category 2 hazard, although arguably less serious or less urgent, can still be regarded as placing the occupiers' health, safety and welfare at risk.

Our evidence shows that the wards in this designation are predicted to have high rates of properties with hazards. It is estimated that over 7,400 private rented properties (27%) have at least one serious category 1 hazard or category 2 damp or excess cold hazard in the proposed designation. Grove Green (637), St James (626) and Hoe Street (547) have the highest estimated number of properties with serious hazards. Proportionally, Markhouse (37%), St James (33%) and Leyton (33%) have the highest estimated levels of serious hazards.

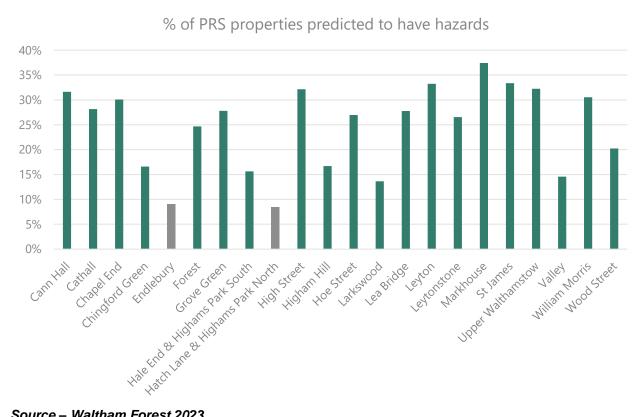
It is important to note that our evidence of Category 2 hazard is based on (1) Damp and Mould and (2) excess cold. These are only two of 29 hazards assessed under the HHSRS; however, the Council considers these hazards to have a particularly significant impact on the health of occupier but the presence of other category 2 hazards, which have not been modelled/estimated will also be impactful. The evidence summarised in this document pertaining to poor property conditions should therefore be regarded as understating this issue in relation to Waltham Forest's PRS stock.

A significant number of these properties in the proposed designation would need to be inspected to accurately identify and assess the presence of category 1 or 2 hazards and ensure tenant safety.

### Number of PRS properties predicted to have hazards



Source - Waltham Forest 2023



Source - Waltham Forest 2023

### Damp and mould

Damp and mould is one of 29 hazards assessed under the Housing Health and Safety Rating System (HHSRS). The HHSRS is a tool used to assess risks in residential properties. Hazards assessed at the most dangerous level using issued Government guidance are category 1. All other assessable hazards that are judged to be significantly worse than average are category 2 hazards. Local authorities have a duty under the Act to take enforcement action on category 1 hazards and a power to take enforcement action on category 2 hazards.

Damp and mould primarily affect the airways and lungs, but they can also affect the eyes and skin. The respiratory effects of damp and mould can cause serious illness and, in the most severe cases, death. The presence of damp and mould can also affect tenants' mental health. This could be due to worries about the health impacts of damp and mould, unpleasant living conditions, and destruction of property and belongings, among other concerns.

Everyone is vulnerable to the health impacts of damp and mould, but people with certain health conditions, children and older adults are at greater risk of more severe health impacts (see 'People at increased risk from damp and mould').<sup>15</sup>

### Damp and mould in Waltham Forest's PRS stock

Following the tragic death of 2-year-old Awaab Ishak in 2020 attributed by the coroner to damp and mould in his family home the Secretary of State for Levelling Up, Housing and Communities wrote to local authorities in November 2022 to request data on damp and mould hazards in the private rented sector.

Local authorities were requested to provide estimates on the percentage of private rented sector properties that had category 1 and category 2 damp and mould hazards. In addition, they were asked to give an estimate of the number of property inspections where these hazards were identified. The data was collected for the years 2019-2020, 2020-2021, and 2021-2022.<sup>16</sup>

Key findings based only on the data provided by local authorities is as follows:

- Across London Boroughs, in 2021/22, Waltham Forest had the highest reported level of complaints related to damp and mould, the third highest level of inspections and the highest overall number of recorded Category 2 damp and mould hazards
- Waltham Forest's undertook 3790 inspections of PRS homes in the years 2019/20 to 2021/22 which was the 6<sup>th</sup> highest of the 307 local authorities.
- Waltham Forest's 15 civil penalties/prosecutions relating to homes impacted by damp/mould was the joint 8<sup>th</sup> highest of the 307 local authorities

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<sup>&</sup>lt;sup>15</sup> <u>Understanding and addressing the health risks of damp and mould in the home - GOV.UK (www.gov.uk)</u>

<sup>&</sup>lt;sup>16</sup> Damp and mould in the private rented sector - GOV.UK (www.gov.uk)

The high levels of reported damp problems in PRS homes in Waltham Forest is most likely a reflection of the more visible and proactive regulation of housing standards in the borough compared with areas of similar character but where there is no large-scale property licensing; in Waltham Forest, PRS tenants are aware of the service that is available and know that their service requests will be looked into. Nonetheless, the available data serves to demonstrate that the issue of damp and mould in PRS homes is a significant one in Waltham Forest.

### Overcrowding

Overcrowding is a secondary impact of housing unaffordability. A household is overcrowded if it has fewer bedrooms than it needs to avoid undesirable sharing, based on the age, sex and relationship of household members. 18% of households within Waltham Forest are overcrowded. This is significantly higher than the Outer London average (13.5%). National statistics show that BME households were significantly more likely to be overcrowded than white British households. Nationally, the households with the highest rates of overcrowding were in the Bangladeshi (24%), Pakistani (18%), Black African (16%), Arab (15%) and Mixed White and Black African (14%) ethnic groups. 17

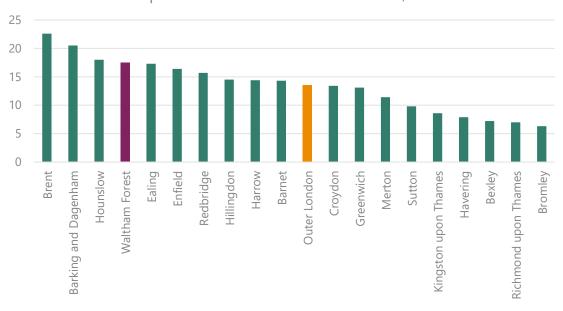
Overcrowding exacerbates hazards such as damp and mould due to the increased laundry and cooking activities required to cater to more people in a confined space. Insulation and ventilation generally can't cope with the extra demand. The Housing Health and Safety Rating System states that 'crowded conditions can result in a moisture burden above that which the dwelling is designed to safely deal with, and this can be a cause of condensation and high humidities, giving rise to associated health risk' 18.

Evidence indicates that poor housing and overcrowding negatively affects physical and mental health and can also have a major impact on educational achievement<sup>19</sup>. For example, children's education may be affected by overcrowding directly, through a lack of space for homework, as well as indirectly because of school absences caused by illness.

Waltham Forest Housing Commission Evidence Report, March 2023
 Housing Health and Safety Rating System (HHSRS)

<sup>19</sup> The impact of bad housing on children's lives

### Proportion of households overcrowded, 2021



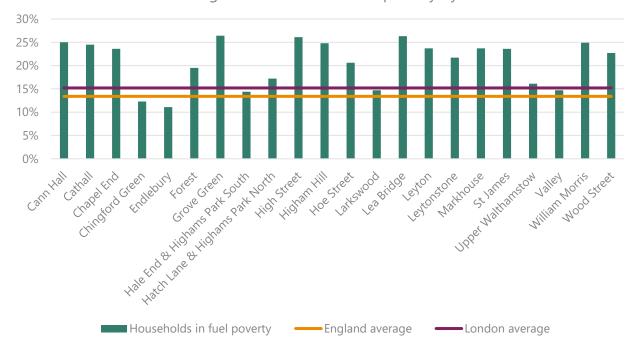
### **Fuel Poverty**

Energy prices in the UK are expected to be higher in 2023/24 compared to 2022/23. This will in turn impact fuel poverty rates which are also expected to increase. In 19 out of 20 wards in the proposed designation, the proportion of households in fuel poverty is higher than the London average (15.2%) and national average (13.4%).<sup>20</sup>

With growing pressure on household finances because of increasing energy costs, and wider concerns about the cost of living, there are concerns that households are choosing between "heating or eating" over the winter months.

<sup>&</sup>lt;sup>20</sup>BEIS Sub-regional fuel poverty data 2023 (2021 data)





Horizontal line shows England average (13.4%) and the London average (15.2%). Source – BEIS 2021.

### **Child Poverty**

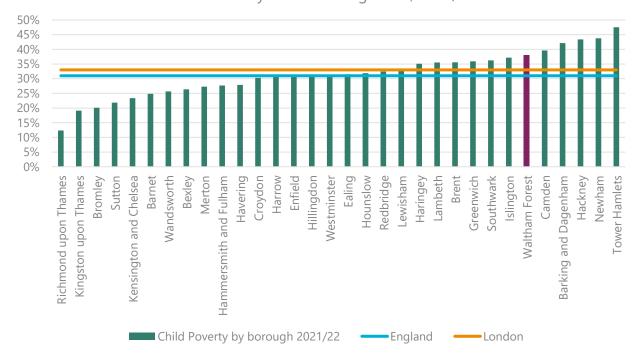
In Waltham Forest 38.1% of children aged 15 years and under experience child poverty after housing costs. This is higher than the national rate of 31% and the London rate of 33%.<sup>21</sup>

As the cost-of-living crisis continues, it is likely that many households with children will be unable to afford to put the heating on, making homes more susceptible to damp, mould and cold. Children aged 14 years or under are at the greatest risk of ill health caused by damp and mould in their homes<sup>22</sup>.

<sup>&</sup>lt;sup>21</sup> Child Poverty Statistics - End Child Poverty

<sup>&</sup>lt;sup>22</sup> Housing Health and Safety Rating System (HHSRS)

Child Poverty After Housing Costs, 2021/22



Horizontal line shows England average (31%) and the London average (33%). Source – End Child Poverty 2023

### Minimum Energy Efficiency Standard (MEES)

Under the current Minimum Energy Efficiency Standard (MEES), properties must have an Energy Performance Certificate (EPC) rating of E and above before they can be let out. Currently in Waltham Forest, 1.6% of the PRS have an F and G rating, which means approximately 447 PRS properties are likely to fail the MEES statutory requirement.

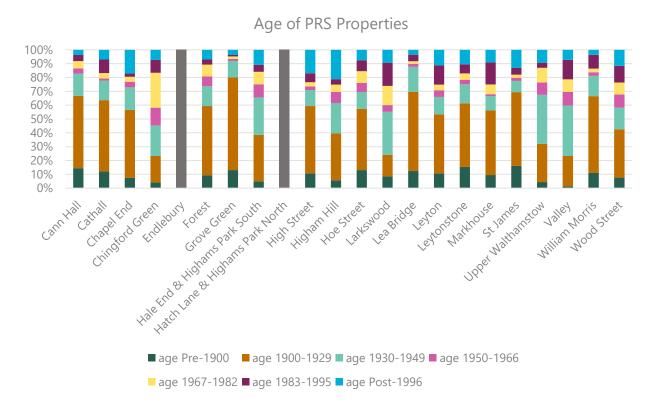
The statistical evidence shows that there is a continuous relationship between indoor temperature and vulnerability to cold-related deaths <sup>23</sup>. The colder the dwelling, the greater the risk. The percentage rise in deaths in winter is greater in dwellings with low energy efficiency ratings. Children in cold homes are twice as likely to suffer from a variety of respiratory problems <sup>24</sup>. Therefore, the F and G properties present a serious risk to the occupants' health, particularly in children or where occupants are over the age of 65. As detailed above, a significant proportion of households with dependant children rent their home from a private landlord.

There is also a gradient of risk with the age of the property, the risk being greatest in dwellings built before 1929, and lowest in the more energy efficient dwellings built after 1980<sup>25</sup>. Waltham Forest has a high level of privately rented properties (55%) built before 1930. Wards with a majority of older properties tend to have more hazards such as excess cold, fire & electrical issues, and damp and mould.

<sup>&</sup>lt;sup>23</sup> Housing Health and Rating System, Operation Guidance, 2006

<sup>&</sup>lt;sup>24</sup> Health Equity in England: The Marmot Review 10 Years On, 2020

<sup>&</sup>lt;sup>25</sup> Housing Health and Rating System, Operation Guidance, 2006



Source - Waltham Forest 2023

### How will licensing deal with poor property conditions in the proposed designated area?

A high proportion of housing in the proposed designation area is let in the private rented sector, normally under an assured tenancy. The Council has, as above, conducted a review of the housing and determined that a significant number of the PRS properties should be inspected, in particular to determine if any hazards exist. The Council intends to inspect in order to do so. And it considers that the proposed designation, if made and approved, would contribute to improving the housing conditions in the area.

The designation of these wards will allow the Council to deal with some of the worst property conditions in the borough at scale.

A new selective licensing designation would be supported by licence conditions relating to the standard and management of rented properties in the area. Higher risk properties will be prioritised for inspection by officers to check for hazards and compliance with licence conditions. The Council would take the full range of necessary enforcement actions, including the additional regulatory controls afforded by property licensing, to improve poor property conditions.

Property licensing forms an integral part of the Council's current housing strategy. The Council has also considered how the designation of new property licensing schemes would form part of a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour. Further details are set out on pages 58 to 60 of this document).

The Council has also considered possible alternatives to licensing scheme designations, which are set out on pages 54 to 56 of this document)

The legal framework of the licensing scheme enables property issues to be dealt with more effectively:

- The licence application process requires the management arrangements for each licensable home to be confirmed, a nominated Licence Holder to be identified and for key parties involved in the letting/management of the licensed property to pass a 'fit and proper person' test.
- A granted licence is accompanied by a set of conditions which place obligations on the Licence Holder (or another nominated party) in relation to the management, use or occupation. These conditions, for example, currently include requirements to carry out 6-monthly inspections of the rented home to identify any problems relating to its condition and management and to take prompt action to investigate complaints relating to disrepair or pest infestation.
- The Council's Private Sector Housing & Licensing service receives approximately 800 service requests each year, many of which relate to reported poor housing conditions in privately rented homes. In the significant majority of cases the rented home is licensed, and through licensing, the Council has a 'go to' party in the form of the nominated Licence Holder to which most complaints are immediately referred to as part of a triage process.
- Licensing data also enables the ready identification of interested parties should it be necessary to take formal enforcement action although, in the significant majority of cases, the effective operation of the licensing regime means that property-related defects are remedied informally. In this regard, whilst the Council recognises that there are limitations on what a landlord can be required to do as a condition of a selective licence, it is the case that the evidenced failure of a landlord/Licence Holder to maintain their rented property such that formal action (such as the service of a Notice under Part 1 of the Housing Act HHSRS) is needed will adversely impact on their ability to be regarded as a fit and proper person able to hold a licence or a full term licence.

Information and support on the professional management of properties will be available to landlords through the Council's website and landlord forums (in person and online). The licence conditions relating to the management of the properties will help ensure that properties are properly managed to prevent further deterioration.

The Council will work with landlords to address poor property conditions and help them to comply with the licence conditions in these wards.

The Council will also continue to work with external partners such as the London Fire Brigade and Police as well as additional Council departments, to identify properties that need improvement. In addition, licensing has facilitated better and more effective working

with internal stakeholders too, such as planning enforcement, Trading Standards, Empty Properties Team, Housing Needs, Council Tax and others.

Landlords who fail to license their properties could face a criminal conviction upon prosecution and an unlimited fine or a civil penalty of up to £30,000. This will normally also lead landlords being placed on the <a href="Mayor of London's public Rogue Landlords and Agents database">Mayor of London's public Rogue Landlords and Agents database</a>.

Case Study 3 below shows how the council can use licence conditions to improve properties with excess cold and poor conditions.

### Case study 3

#### Breach of licence conditions involving excess cold

#### **Background**

A private tenant contacted a local MP about the mould growth and cold in her rented property, as well as the dangerous exterior staircase used to access it. An enforcement officer contacted her within a week and arranged a visit to the licensed property – a two-storey privately rented home above a commercial premises.

#### Council Action

On inspection, black mould was apparent throughout the flat including in all three bedrooms. This posed a risk to the family, which included three children aged 14 or under (who fall into the vulnerable age category for damp and mould growth). The property was an older property and lacked sufficient insulation and heating meaning it presented a significant excess cold hazard.

Additionally, the inspection revealed that the security light illuminating the alleyway leading to the external staircase wasn't functioning. This impacted the safety of family members when using the alleyway to enter or leave their home at night. The staircase itself was poorly designed. Throughout the property, the smoke alarms had been removed and not replaced, with just their brackets visible, presenting a significant fire safety risk especially as the bedrooms were on the second floor. There was also no evidence that a 60-minute fire-resisting separation existed between the commercial unit downstairs and the property.

The enforcement officer emailed the Licence Holder, describing the actions needed to remedy the defects, and the Licence Holder confirmed the following day they would begin arranging the necessary work, but this was not progressed. These actions were reiterated in a warning letter which additionally requested records that should have been kept complying with the licence conditions. These included an EPC certificate, evidence of a 60-minute fire-resisting separation, and evidence of installed insulation. The landlord did not respond. A further letter requested documentation relating to seven licence conditions, including gas and electric certificates, but these were not provided.

#### Outcome

An Improvement Notice has now been served to carry out the required works. The Council is now considering a range of additional enforcement actions in relation to the experienced non-compliance.

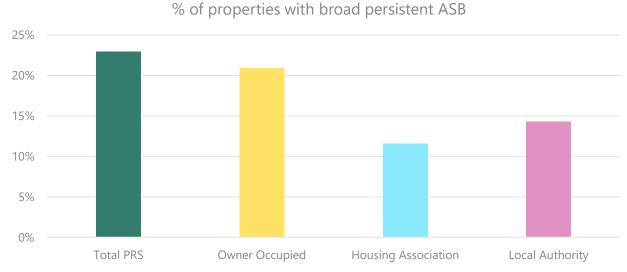
A selective licensing designation will allow the Council to continue to deal with some of the worst property conditions in the borough with additional powers available to sanction non-compliant landlords and agents.

# What is the evidence of ASB in the proposed designation area?

The Council has considered a wide range of antisocial and neighbour dispute issues relating to residential properties, including those in the private rented sector, including:

- Anti-social behaviour
- Brothels
- Noise nuisance
- Untidy front and rear gardens
- Fly tipping and littering offences
- Neighbour disputes
- Health & Safety
- Pest Control
- Public Health
- Property Licensing enforcement
- Other statutory nuisances

The PRS has the highest proportion of properties with persistent ASB (23% of PRS properties with persistent ASB) compared with persistent ASB in other tenure types in Waltham Forest (21% of owner occupier properties, 12% of housing association properties and 14% of local authority properties).

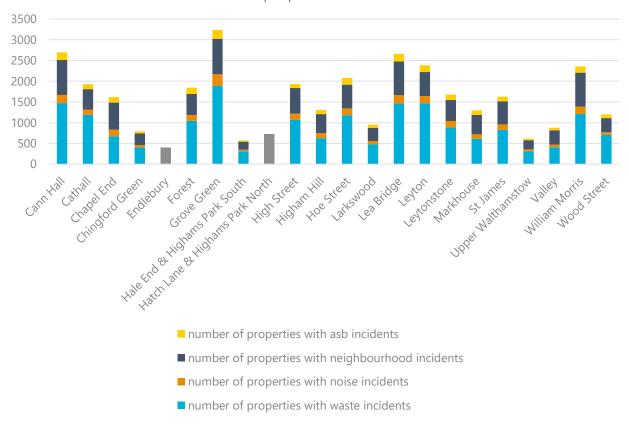


Source - Waltham Forest 2023

Over a five-year period, the following incidents linked to PRS properties were recorded in the wards in the proposed designation:

- 107,305 waste incidents such as fly tipping and littering
- 5.095 noise incidents
- 26,960 neighbourhood incidents such as disputes and graffiti
- 3,864 ASB incidents



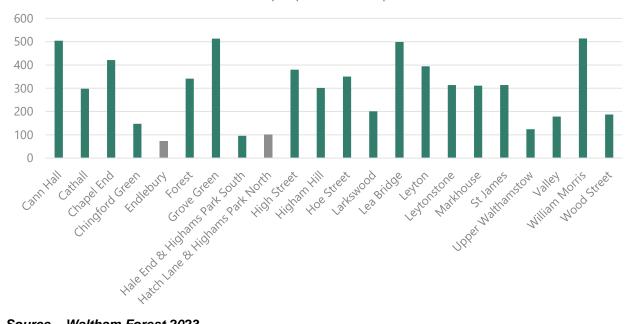


#### Source - Waltham Forest 2023

For the purpose of the following analysis, ASB is categorised as persistent when a property has two or more incidents of ASB (except for waste issues which are defined as 'eight or more incidents' due to their relatively higher frequency). Persistent ASB data shows that some landlords are failing to take the appropriate action to deal with ASB in their properties when it first occurs.

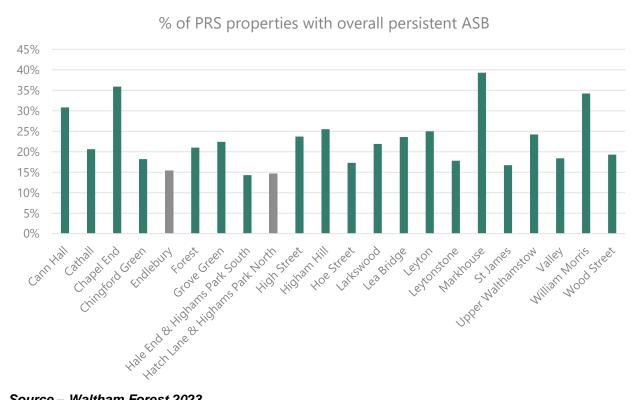
6,387 properties in these wards had repeat ASB across all ASB category types.





Source - Waltham Forest 2023

The evidence shows that across the borough there is a high rate of persistent ASB linked to PRS properties.



Source - Waltham Forest 2023

# How will selective licensing deal with ASB in the designated area?

It appears that the area that it is proposed will be subject to designation is experiencing a significant and persistent problem caused by ASB. Repeated reports of ASB suggests that some PRS landlords letting premises in the area are failing to adopt a proactive approach to tenancy management to effectively address the ASB, notwithstanding the imposition of licence conditions where any particular property is licensed. The Council considers that making the proposed designation would lead to a reduction in the problem.

A selective licensing scheme in these wards would give the Council greater information and powers to deal with the properties that cause such a problem for neighbours and the community.

A designation in these wards would allow the Council to work proactively with the landlords and owners of the properties to prevent ASB and, where necessary, deal with ASB in their properties. This will be done through a combined effort as a local authority working in partnership with other agencies and internal departments.

Through the granting of licences under the selective licensing scheme, standard licence conditions will be imposed that require licence holders to meet obligations relating to the letting and effective proactive management of their rented homes. These conditions include several requirements relating to the prevention of ASB and the early resolution of any ASB that might arise, including:

- Generally, taking all reasonable and practicable steps to prevent and deal
  effectively with ASB resulting from the conduct of occupiers of, or visitors to, the
  house, including the investigation of complaints, notifying the occupants as to the
  consequences of any ongoing evidenced ASB and keeping written records of any
  ASB-related documentation for a minimum 5-year period;
- Requiring licence holders to ensure that tenants are aware of, and comply with, the relevant rules relating to waste disposal and recycling and providing tenants with adequate facilities for the disposal of refuse and recycling;
- Carrying out inspections of the rented property at least every 6 months.

A failure to comply with a licence condition without reasonable excuse is a criminal offence. Under the existing licensing schemes, enforcement teams have sent 264 ASB warning letters to Licence Holders/landlords to bring instances of alleged ASB to their attention and requiring them to investigate in line with the obligations placed on them through the relevant licence conditions and report their findings and any necessary actions to the Council. This enforcement of licensing requirements has yielded positive results, with 236 (89%) cases being resolved within three months, through the prompt and effective action taken by the landlord.

Guidance and advice will be provided to landlords on managing tenants who are involved in ASB, particularly where there is evidenced serious ASB which necessitates formal action in the Courts.

Case Study 4 below shows how licensing inspections can help address issues with antisocial behaviour.

## Case study 4

#### Dealing with Anti-Social Behaviour (ASB) in the PRS

#### Background

Whilst visiting a block of about 30 flats in Leyton to inspect individual flats for licensing compliance, Council officers noticed several issues in the block, such as fly-tipping, a blocked drain and pest infestation.

#### Council Action

The Private Sector Housing and Licensing Team (PSHL) served enforcement notices on the freeholder to carry out remediation work. The Freeholder of the block did not carry out remediation work; therefore, PSHL carried out work in default to remediate hazards.

On 15 September 2023 during a later visit, PSHL noticed squatters occupying the rear stairwell that provides access to and from the block and illegally abstracting electricity. A further visit was carried out by an officer and a team manager. The electrical installation located in the electrical cupboard within the stairwell had been severely tampered with. This had rendered the electrical installation located in the stairwell immediately unsafe and presented an imminent risk of serious harm to any occupier or visitor to the premises.

On 8 November 2023, a notice of intention to carry out Emergency Remedial Action (ERA) was served to the occupier of the flats.

#### Outcome

On 10 November 2023, PSHL carried out ERA at the block. Service of an electrician and locksmith was arranged. The electrician found a non-compliant unprotected switchgear was located under the stairwell cupboard. This unprotected switchgear was identified as a C1 (dangerous) electrical fault and immediately removed. Once the electrical fault was rectified, a locksmith secured the stairwell cupboard. A closure order was served against the squatters by the Anti-Social Behaviour team, which will prevent squatters from occupying the stairwell again.





# Proposals for a new additional HMO licensing scheme

The evidence base demonstrates that the criteria for a borough-wide additional licensing scheme is met in that a significant proportion of the borough's HMOs are being poorly managed and are giving rise, or are likely to give rise, to problems affecting their occupiers or members of the public. In this regard, whilst we have made good progress in identifying and improving HMOs, there is more to be done as our evidence shows that a significant proportion of HMOs in the borough are being managed ineffectively due to the cumulative presence of serious housings hazards and/or significant and persistent ASB.

Property licensing forms an integral part of the Council's current housing strategy. The Council has also considered how the designation of new property licensing schemes would form part of a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour. Further details are set out on pages 59 to 61 of this document).

As part of the administration of the current HMO licensing schemes, inspections of all HMOs have been undertaken by enforcement officers as part of the process for determining the additional or mandatory HMO licence application. As detailed below, these inspections have revealed that nearly one fifth (19%) of HMOs had serious (category 1) hazards, and over half (53%) category 2 hazards indicative of a significant failure of many HMO landlords to meet the relevant HMO management code.

We are therefore proposing to introduce a new additional HMO licensing scheme in April 2025, that will apply to all wards in the borough and run for a further five years.

An additional HMO licence will be required for properties that are:

- HMOs rented to three of more occupiers in two or more households that share (or lack) toilet, washing and cooking facilities. This excludes HMOs that require a mandatory HMO licence.
- This includes multiply-occupied flats in purpose-built blocks (with over two flats) where more than 3 people live in the flat.

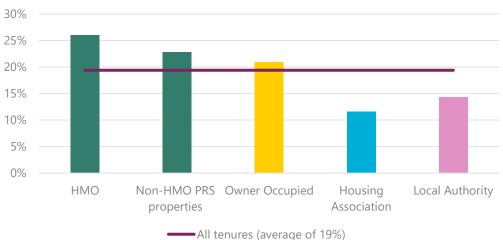
There are some types of buildings which are exempt from HMO licensing by law. These include buildings controlled by public sector bodies (for example, housing associations), some buildings occupied by students, and some owner-occupied buildings. A full list of exemptions can be found at Housing Act 2004 (legislation.gov.uk)

Like the current additional licensing scheme, the proposed additional scheme will not apply to certain converted flats or blocks (known as section 257 HMOs) although individual privately rented flats within these conversions will, unless otherwise exempt, require the relevant individual property licence.

Key factors supporting the Council's proposals are:

 HMOs in Waltham Forest have the highest proportion of properties with repeat ASB compared with other tenure types.

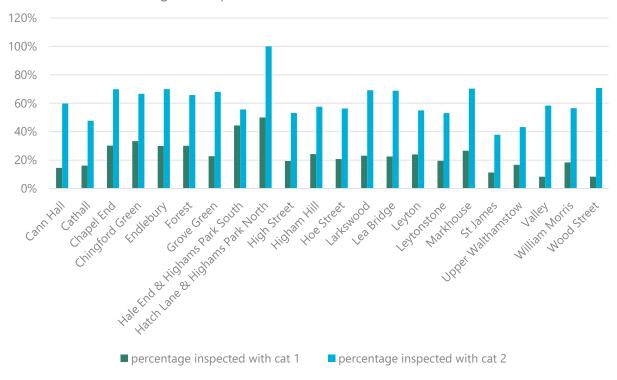




Source - Waltham Forest 2023

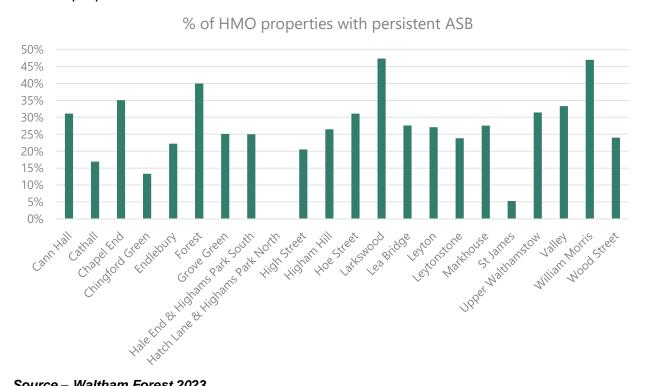
- Poor housing conditions are prevalent in Waltham Forest's HMOs. The evidence shows that nearly one fifth (19%) of HMOs have serious (category 1) hazards, and over half (53%) have category 2 hazards. Converted building HMOs are also usually older houses or buildings converted into flats either under considerably older legal standards, or without any consideration of building standards. Common issues found in all types of HMO are a lack of adequate fire and electrical safety measures, inadequate amenities, overcrowding and damp and mould.
- The Council inspects all properties that apply for an HMO licence. These HMO inspections have shown consistently high rates of Category 1 and Category 2 hazards across the borough.





#### Source - Waltham Forest 2023

ASB has been shown to be significantly more prevalent in HMOs than in the PRS generally, with persistent ASB (two or more ASB incidents) linked to over a quarter (26%) of HMO properties.

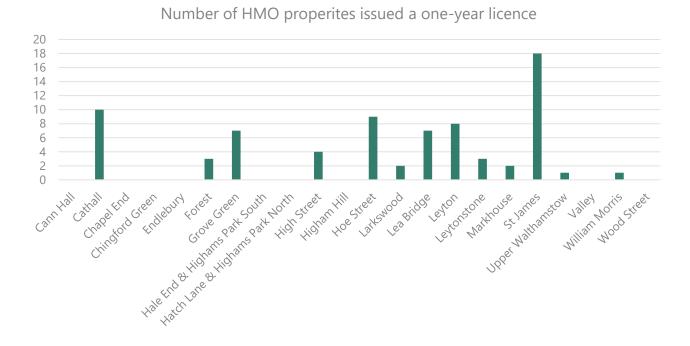


Source - Waltham Forest 2023

Typically, an HMO licence is granted for the maximum term possible of five years. However, there are a large number of HMO licences that have been granted for a reduced term.

There are several reasons as to why a reduced term licence might be granted instead of the full-term, including concerns identified regarding the Licence Holder/Manager (but which are not sufficient to find that the person failed the 'fit and proper person' test) or concerns regarding the property itself. Most licences granted for a reduced term or refused outright have related to properties operating as HMOs without the necessary planning permission or established use.

St James ward has the highest number of reduced term licences granted, indicating that there is a high proportion of HMOs in this ward that are being poorly managed and require additional oversight.



Source - Waltham Forest 2023

Poorly managed HMOs not only place extra demands on the Council, but they create problems for their tenants and the community around them. It is vital that all HMOs are of an adequate standard, are managed effectively and offer a safe home to their occupiers.

By introducing a new additional HMO licensing scheme, we will be able to continue to improve conditions in this important sector and tackle the problems identified.

# **Proposed licensing scheme conditions**

The conditions that the Council proposes to include in licences granted under the selective and additional licensing schemes can be seen in the documents downloadable from the consultation web page.

The 'Waltham Forest – **proposed selective licence conditions** – Part 3 December 2023' document lists the conditions for the proposed selective licensing scheme.

The 'Waltham Forest - **proposed additional licence conditions** – Part 2 December 2023' document lists the conditions for the proposed additional HMO licensing scheme.

Each set of proposed licence conditions includes, for ease of reference, both 'mandatory' conditions that the Council is obliged to include under statute, and local conditions that we propose to include licences granted in Waltham Forest.

As part of the consultation process, respondents are able to give us their views about the **proposed local conditions** for the selective and additional licensing schemes.

Please note, the proposed licence conditions for both schemes represent the conditions that the Council would normally impose in respect of a licence granted on application for a selective or additional licence. However, the Council may impose additional or alternative conditions, where necessary and appropriate, on an individual case basis.

# Fees, charges & discounts

### Fee proposal

Our proposal is that, as with the existing licensing scheme, the grant of a licence will be subject to the payment of a fee. The proposal is to set fees for licence applications taking into account all of the Council's costs in administering and carrying out its licensing functions and carrying out its functions under Chapter 1 of Part 4 Housing Act 2004 (where steps are necessary to make Interim and Final Management Orders) so far as they are not recoverable under or by virtue of any provision of Chapter 1 of Part 4. We have not included costs we can recover directly from landlords when undertaking those functions.

Licences will be granted for the duration of the scheme (up to 5 years) unless we have concerns about the management, use, condition or occupation of the property, in which case we may grant a licence for a shorter period.

Where we take enforcement action, the licence may be revoked or varied to a shorter term. If the licence is revoked, and the property continues to be rented out, a new application will have to be made and a new licence fee paid at the standard rate.

Licences are not transferable. If a person wants to become the new licence holder for a property, they must apply for a new licence, and pay a new licence fee.

Full payment must be received and cleared before a licence is issued.

## Split fee

The fee is levied in two parts (in accordance with the *Hemming/Gaskin* ruling). Part A of the fee is for the application for a licence and covers the costs of processing, administration and validation of the application. Part B of the fee comprises a contribution towards the costs of exercising our other licensing functions and those in respect of management orders, above.

In the event that we decide to refuse a licence application, only the Part A fee will be payable.

## **Proposed fees**

Type of Licence	Part A element (application & processing)	Part B element (enforcement)	Total fee payable [on successful application]
Selective Licence	£300	£595	£895
Additional HMO licence	£600	£600	£1,200

## Proposed discounts\*

Nature of discount	Amount
Multi-dwelling discount for or selective and	Part A fee reduced by £125 in respect of
additional licence applications (where	applications relating to the 2nd, 3rd etc. flat in
multiple properties in the same building are	a block with the Part A fee payable at the full
owned and under the control of the same	rate for the first flat.
person)	
PRS property with an EPC of B or above	Full selective licence fee reduced by £295 and
	additional by £400 (from Part B payment)
Discount for certain charities (selective	Part B fee reduced to £100
licence)	

<sup>\*</sup>An eligible property may qualify for up to two discounts

After careful consideration the Council is not intending to offer an early bird discount for the proposed new selective and additional licensing schemes. Previously, an early bird discount was available for the first selective licensing scheme from April 2015 to March 2020, where applications submitted in the first three months received a reduced fee. Licenses granted during this period typically ended on 31 March 2020 (the end of the scheme designation period).

On 11 July 2019, the Council implemented a new policy stating that all full-term licenses would be granted for 5 years, the maximum period allowed. As a result, licenses issued under the current schemes are valid for 5 years, with expiry dates between 2025 and 2028, based on the date the licence was granted. This means that many landlords won't need to seek a new licence until well into any future schemes. Given this, the Council considers it impractical and inequitable to provide an early bird discount that would benefit only a small number of landlords with licenses expiring at the start of any new scheme.

# Why is the Council proposing to offer these discounts and when do they apply?

Discount	Value	Description	When does it apply/not apply	Reasoning/Justification	Evidence required
EPC of B or above	£295 against the full selective licence fee or £400 against the full additional licence fee	Dwellings that have an EPC of B or better. This should encompass all new builds and an estimated 7% of existing PRS homes.	It applies to applications made under the Selective Licensing and Additional Licensing schemes [but not to properties that require a mandatory HMO licence]	This proposed discount aligns with our strategic housing policies that seeks to encourage the provision of good quality build-to-rent accommodation. The proposed discount applies to properties that have a high energy performance rating of B. It is envisaged that this discount will be applied to submitted applications relating to brand new build to rent properties, but the energy performance-based discount will be applied to other good quality rental accommodation. Properties that have an EPC of B, including newbuild addresses, are much less likely to have any significant disrepair issues and will require less inspections and enforcement to ensure that property standards are met.	A current EPC
Multiple properties [flats] in the same	£125 discount on the up- front	The properties have to be in common ownership &	Throughout the life of the scheme It applies to	Efficiencies in the costs of processing applications [or a single application] that relates	Confirmation that the ownership and management of all of the

Discount	Value	Description	When does it apply/not apply	Reasoning/Justification	Evidence required
block or building	processing costs on the 2nd, 3rd etc. unit. The full fee is paid on the first unit	mgmt control, contiguous with each other in the same block/building and the applications have to be made at the same time	Selective Licensing and Additional Licensing. Mandatory HMOs do not get a discount	to multiple units in the same ownership and control and in the same block/building	properties is with the same person e.g. Tenancy agreements/Land Registry documents
Eligible charities	£495 against the full selective licence fee	Eligible charities can get a discounted selective licence of £300. This includes any charities, including almshouses, which provides housing that is:  (a) let at below market rent and (b) specially designed / adapted to meet the needs of disabled people, older people, or any other groups protected under the Equality Act 2010.	Throughout the life of the scheme	The proposed discount aligns with the Council's strategic priority to encourage the provision of affordable accommodation for rent	Confirmation of status as eligible charity

# How we calculated the fees

The proposed fees have been calculated on the basis that the schemes will be costneutral to the Council, with licence fees covering our costs of administering the schemes and meeting the scheme objectives that are set out above. A significant proportion of the licence fee income will meet the necessary staffing costs to deliver the scheme outcomes, but the fees will also meet other running costs, such as IT expenditure, with appropriate allowances made for inflationary increases during the life of the scheme.

The proposed fees are underpinned by assumptions about the level of income the fees will generate, based upon the number of properties that we expect to be licensed during the life of the schemes and the numbers of those properties that we expect to be eligible from one or two discounts.

The proposed schedule of fees and associated charges is attached as **Appendix 4.**These fees form part of the consultation, and the Council welcomes any views on them.

# How do the proposed fees and discounts compare with the advertised fee structures for other London Boroughs with similar schemes?

Local Authority	Selective Licence fee (& year scheme commenced)	HMO licence fee	Discounts offered
Barking & Dagenham	£900 (Sept 2019)	NA	A landlord who is considered a fit and proper person, has held a licence with LBBD in the previous scheme and has not been subject to any enforcement or legal action including conviction, caution or civil penalty maybe eligible for a £215 discount
Enfield	£673.80 (Sept 2021)	£1,170	None
Haringey	£600 (Sept 2022)	N/A	Multi-dwelling discount - £75 on 2 <sup>nd</sup> , 3 <sup>rd</sup> unit etc. Accredited landlord and/or EPC or C or better - £50 discount
Havering	£900 (Jan 2021)	£900	Accredited landlord - £35 discount.  Multi-dwelling discount - £100 on 2 <sup>nd</sup> , 3 <sup>rd</sup> unit etc.  *Discounts do not apply where warning letter sent
Newham	£750 (Jun 2023)	£1,250	Multi-dwelling discount - £50 on 2 <sup>nd</sup> , 3 <sup>rd</sup> unit etc. Accredited landlord and/or EPC or C or better - £50 discount. Discount for new PRS dwellings with EPC of C or better - £350 for selective licence and £450 for additional licence Discount for selective licence addresses used by Newham as nightly paid TA - £350 *Discounts do not apply where warning letter sent
Redbridge	£860 (Nov 2023)	£1,698 - £1,800	Accredited landlord - £35 discount
Tower Hamlets	£649 (Oct 2021)	£600.50	None

## **Selective and Additional licensing exemptions**

Selective licensing applies to all privately rented properties, unless they are licensable HMOs or exempt by law. Such exemptions include tenancies granted by public bodies (for example housing associations), holiday homes and some business tenancies. A full list of exemptions for Selective Licensing can be found at <a href="https://doi.org/10.1007/jhear.2006/">The Selective Licensing of Houses (Specified Exemptions)</a> (England) Order 2006 (legislation.gov.uk)

Schedule 14 of the Housing Act provides an exemption from HMO licensing law for some types of buildings. These include buildings controlled by public sector bodies (for example, housing associations), some buildings occupied by students, and some owner-occupied buildings. A full list of exemptions can be found at <a href="Housing Act 2004">Housing Act 2004</a> (legislation.gov.uk)

# Alternatives to licensing that have been considered.

Both the Housing Act 2004 and guidance issued by the Government requires the Council to consider whether any alternative means would be effective, instead of licensing, to address the problems the Council has identified. The guidance - Selective licensing in the private rented sector: A guide for local authorities (March 2015) - states: The local housing authority must show:

- it has considered whether there are any other courses of action available to them that might provide an effective method of achieving the objectives that the designation is intended to achieve, and;
- how the making of the designation will significantly assist the local housing authority in achieving its' objectives (whether or not in conjunction with those other measures).

We have considered a number of other courses of action or alternatives to selective and additional licensing, but do not believe that, individually or collectively, they provide an effective, or as effective a, means of tackling ASB and poor housing conditions in the borough, or of delivering the scale of improvement that we believe is required in the PRS. This table shows the alternatives that we have considered and explains why they are not sufficient to meet our objectives.

Alternative Measure	Strengths	Weaknesses
Use of Part 1 Housing Act 2004 enforcement powers [HHSRS] and Public Health powers	Following an investigation, formal statutory notices can be served that require improvements to be carried out to a property. Councils can carry out work in default if a notice is not complied with. Landlords risk being prosecuted if they do not comply with the notice or the Council can impose a civil penalty on the person responsible.	These powers are reactive and can be resource intensive for the Council. They do not place any obligation on landlords to be proactive in improving conditions. Formal action is generally slow, with appeal provisions against most types of notices served, which can significantly delay the time period for compliance.  Work in default can be effective but it is expensive and time consuming to the Council, with the risk that not all costs are recovered.  Successful prosecutions and civil penalties do not in themselves secure improvements in property conditions and the Council's costs in pursuing legal action are often not met in full.
Rely on prosecutions and civil penalties for housing offences	Provides a disincentive to keep properties in poor conditions.	These powers do not place any obligation on landlords to be proactive in improving conditions. Successful prosecutions, or the imposition of civil penalties, do not in

Alternative Measure	Strengths	Weaknesses
		themselves secure improvements in property conditions. The absence of licensing significantly reduces the scope of the Council to impose civil penalties in respect of identified housing breaches.
Wider promotion of voluntary accreditation schemes to facilitate improvement in management practices and standards	For those landlords who take part, accreditation can increase their knowledge and competence and their ability to effectively manage a property.	This requires voluntary landlord engagement and rogue operators are unlikely to attend/engage in such schemes.
Improvement grants to improve substandard properties	Grants subsidise improvement works, improving standards and giving benefits for landlords and tenants.	Generally, there are few grants available and the Council has very limited scope to offer grants through successful external funding bids. In the most part, grant awards would fund improvements that the landlord should be carrying out to meet their legal obligations.  Any grant scheme would be discretionary and would rely on voluntary landlord engagement.
ASB powers	Formal notices can be served at addresses identified as having ASB issues. This can resolve ASB at the particular address.	Action would generally be taken against the tenant in occupation. The powers do not place any obligations on landlords to be proactive in managing their properties to prevent or reduce the likelihood of ASB occurring.

Each of the above powers or measures supports the Council in achieving the objectives of selective and additional licensing, but it is our opinion that, none of them, either individually or collectively, is capable of achieving the objectives that we intend to deliver through the proposed licensing schemes at the scale that is necessary.

# Proposed scheme objectives

In general terms, we propose to use selective and additional licensing to continue to tackle anti-social behaviour (ASB) in the borough, to improve property standards and to keep our residents safe. We are committed to improving property conditions and management standards in the PRS, so that it provides good quality accommodation, helps us to achieve sustainable communities and continues to contribute positively to the local economy.

The objectives of our proposed schemes are summarised in the delivery plan below:

Objective	Outcome
Improve property conditions and management	Reduce Housing hazards, prioritising those properties containing the most serious hazards and/or those impacted by significant damp & mould
standards in single family dwellings	Improve licensing compliance rates and property standards by 25% from 2023 baseline
	Ensure that all licensable properties are licensed in order to better manage, by supervision and licence conditions, ASB and the state of the subject property
Improve property conditions and management	Ensure that all HMOs are properly regulated, meeting basic safety standards and let in accordance with relevant space/amenity (overcrowding) standards.
standards in HMOs	Improve licensing compliance rates and property standards by 25% from 2023 baseline
	Ensure that all licensable properties are licensed in order to better manage, by supervision and licence conditions, ASB and the state of the subject property
Landlord engagement	Hold Landlord Forum meetings over the life of the new schemes, and produce E-newsletters to landlord and agent subscribers
Reduce ASB	Reduce repeat ASB incidents in licensed properties by 20% over the life of the scheme

We strongly believe that selective and additional licensing provides the framework to enable us to achieve these objectives.

- It provides clarity for the majority of landlords who want to co-operate, enabling them to operate legally and effectively in the borough.
- It allows the Council to use data and intelligence to enforce standards at the earliest opportunity, against the worst landlords.
- Licensing uptake can be monitored against the predicted number of licensable addresses.

- Proposed licence conditions require landlords to manage their properties proactively and to take reasonable action to address any identified problems.
- Many properties undergo a council inspection to ensure that they are maintained to an appropriate standard. Indeed, all new HMOs would be inspected *prior* to the determination of a licence application; and landlords would be notified of any necessary safety and improvement works.
- Large-scale property licensing also gives us the capability to undertake significant, proactive audit inspections.
- The licensing team would have targets to inspect, intervene and improve substandard dwellings. Officers would carry out targeted audit and compliance checks at 25% of the properties with selective licenses. Audit checks would be carried out at HMOs to ensure the works identified at the licence application stage had been carried out; and further risk-based audits of HMOs would be undertaken throughout the life of the scheme.
- Improvements would be delivered, as currently, through the enforcement of licensing conditions to support the schemes' objectives, backed up by a range of informal and formal enforcement actions, such as action under Part 1 Housing Act [HHSRS].

You will find illustrations of how we have already used licensing to achieve some of these objectives in the Case Studies elsewhere in this document.

# **Licensing and wider Council strategies**

Property licensing is an effective tool in improving conditions for private renters and forms an integral part of the Councils overarching housing strategy. In addition, licensing can support the delivery of several broader Council priorities that recognise the impact of poor-quality housing and anti-social behaviour in resident's lives, including the Affordable Housing Commission report, the Climate Emergency Action Plan and our Safer Streets initiative, all core programmes in the Councils current 15 Minute Neighbourhoods corporate framework.

## **Housing Strategy**

Waltham Forest Council is currently in the process of drafting the new Housing Strategy for 2024 onwards. Its key priorities will remain consistent with its existing 2019-2024 Housing Strategy. One of the key objectives of the Housing Strategy is to 'ensure decent, safe, and healthy homes'. The Council is committed to building a strong private rented sector in Waltham Forest, which provides security and stability for both tenants and landlords.

Private property licensing schemes are instrumental in achieving this commitment by improving poor property conditions and ensuring private rented properties meet certain

standards of safety and quality. This in turn, contributes to the Council's broader vision of creating an inclusive and sustainable community for all residents of Waltham Forest.

#### **Homelessness**

The Housing Strategy's second objective is 'Tackling and preventing homelessness'. In common with much of the country and London in particular, the ending of private sector tenancies in Waltham Forest has overtaken all other causes to become the biggest single driver of statutory homelessness. The Council has committed to a number of measures to reducing homelessness, by doing everything we can to address housing problems before the situation reaches a crisis point. In July 2023 the Council launched its Families in Need Programme, a scheme to help Waltham Forest families who are at risk of homelessness and will target households that can no longer afford privately rented accommodation in the borough.

By regulating the private rented sector through licensing schemes, it provides an opportunity to work with local landlords to improve standards and drive-up conditions in the private rented sector and increase the supply of much needed stable family homes. Licensing schemes will also enable us to offer greater protection to tenants in the private rented sector, by reducing the prospect of unlawful evictions, which in turn helps to both avoid and reduce homelessness in the borough.

#### **Affordable Housing Commission Report 2023**

The Waltham Forest Affordable Housing Commission Report 2023 outlines the impact of the national housing crisis and provides recommendations on how to tackle these challenges. Private property licensing schemes align with the commission's goals to improve housing conditions, one of the key issues highlighted in the report.

## **Climate Emergency Action Plan**

The Waltham Forest Climate Action Plan outlines the Council's strategy to tackle climate change at the local level and achieve net zero carbon emissions by 2030. The plan recognises that the climate crisis and the energy crisis are connected. The same solutions to tackle the rising energy crisis are also key solutions to tackle the climate crisis, such as insulating homes to reduce the demand for energy. One of the key actions is for all buildings in Waltham Forest to be energy efficient, making them affordable, comfortable and adaptable to the changing climate. With 80% of homes having achieved an EPC level of B (or equivalent) or higher by 2030.

Private property licensing schemes will enable the Council to identify tenants on low incomes who are living in homes with an E, F or G EPC rating and those who may be affected by fuel poverty. We are also proposing to offer a discount of £295 or £400 against the full licence fee in respect of properties that have an EPC rating of B or above.

## **Empty Properties**

As part of the Housing Strategy, the Council has made a commitment to tackle empty homes. The Empty Homes Service specifically targets long term or derelict properties, as these often generate wider community issues such as ASB. The Council will provide grants, loans, free impartial advice, support and refurbishment options to bring long-term

empty properties back into use. These will ideally be as long-term private rented homes for families.

Bringing empty properties up to standard and back into use as decent liveable homes is complimentary to the objectives of the proposed licensing schemes.

#### **Anti-Social Behaviour**

The Anti-Social Behaviour Strategy 2019 - 2024 sets out Waltham Forest's coordinated approach to address Anti-Social behaviour (ASB) in the borough. The strategy's vision is to see a reduction in incidents of ASB and the harm it causes across Waltham Forest, with any incidents dealt with quickly and effectively using a multi-agency model.

The ASB policy applies to all residents including all landlords and tenants in the private rented sector. To tackle ASB problems, we have made it conditional on all private landlords who hold licences under our HMO or selective scheme to prevent and combat ASB associated with properties they manage. Section 57(5) of the Housing Act 2004 gives a definition of ASB for the purposes of licensing under Parts 2 and 3 of the Act.

Additional and Selective Licensing will enable the Council to encourage landlords to work with their tenants to reduce ASB. Information and support will be available both online and through forums.

## **Further information**

Further information about the Council's proposals can be found in the following report:

<u>Decision - Licensing of private rented sector properties - review and preparation for possible future designation</u>

The Public Sector Equality Duty (PSED), section149 of the Equality Act 2010 requires the Council to have "due regard" to its equality aims when exercising its public functions. Waltham Forest believes that an Equality Analysis (EA) is the best method to demonstrate compliance with the PSED. An equality analysis was carried out as part of these proposals. This Equalities Assessment found at Appendix 4 of the consultation bundle.

# **Appendices**

Appendix 1	Housing Conditions Report
Appendix 2	Proposed Selective Licence Conditions
Appendix 3	Proposed Additional HMO Licence Conditions
Appendix 4	Proposed Schedule of Fees and Charges
Appendix 5	Map of proposed designations