

## MUNICIPAL YEAR 2019/2020 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

### PORTFOLIO DECISION OF:

Cllr George Savva -  
Cabinet Member for Licensing and  
Regulatory Services

### REPORT OF:

Executive Director of  
Place

Agenda – Part:

KD Num: 4870

**Subject: Review of the private rented sector in Enfield and proposal to go to public consultation on the introduction of a borough-wide additional licensing scheme and a selective licensing scheme in 14 wards.**

**Wards: All**

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### 1. EXECUTIVE SUMMARY

- 1.1 The private rented sector is rapidly growing in Enfield and is increasingly relied upon by Enfield's residents to meet their housing needs. Tackling poor housing conditions and improvement of the quality of the private rented sector is a key contributor towards the Corporate Plan's objective to provide '*Good homes in well-connected neighbourhoods*'. Good quality and well managed private rented sector will also encourage residents and their neighbours to stay in Enfield and in turn '*sustain strong and healthy communities*' which is another objective of the Corporate Plan. Well managed and good quality private rented properties also contribute towards the perception and quality of the neighbourhood and will help '*build our local economy to create a thriving place*'.
- 1.2 One of the key strands of the Council's proposed new Housing Strategy is "Quality private sector homes – the best possible standards of owner occupied and private rented homes." A review of the private rented sector in the borough found evidence of significant levels of poor housing conditions, deprivation, antisocial behaviour, and also significant poor management of Houses in Multiple Occupation (HMOs) is causing problems for the occupants and residents. Existing measures alone, such as enforcement under Part 1 of the Housing Act 2004, are not having the required impact to address the large-scale improvements that are needed in the borough's private rented sector.
- 1.3 Under Part 3 of the Housing Act 2004, local authorities may designate an area, as subject to Selective Licensing, requiring those managing or having control of privately rented accommodation (that does not have to be licensed under other licensing schemes) to obtain a licence. These are properties occupied by a single household.

- 1.4 In order to designate an area as a Selective Licensing area, the local authority must be satisfied that at least one of the prescribed criteria are met. The evidence from the review demonstrates that 3 of the 6 criteria are met. There are:
- significant numbers of private rented properties that have poor housing conditions and need inspection,
  - the area is suffering high levels of deprivation and affect a significant number of private rented properties and
  - the area is experiencing significant and persistent anti-social behaviour and appropriate action is not being taken by private sector landlords.
- 1.5 The evidence supports two proposed selective licensing schemes (designations). The first designation includes 13 wards meeting the criteria for poor housing conditions, deprivation and anti-social behaviour – Bowes, Edmonton Green, Enfield Highway, Enfield Lock, Haselbury, Jubilee, Lower Edmonton, Palmers Green, Ponders End, Southbury, Southgate Green, Turkey Street and Upper Edmonton. The second designation meets the criteria for poor housing conditions and deprivation and is 1 ward - Chase.
- 1.6 Part 2 of the Housing Act 2004 allows local authorities to designate an area as subject to an Additional Licensing Scheme, requiring those managing or having control of HMOs that are not subject to mandatory licensing, to obtain a licence. These are properties occupied by 3 or 4 persons who do not form a single household and share amenities.
- 1.7 In order to make an Additional Licensing Scheme, the local authority must consider that a significant proportion of the HMOs in the area are being managed sufficiently ineffectively, so as to give rise to one or more problems, either for those occupying the HMOs or for the public.
- 1.8 The evidence from the review demonstrates there are significant numbers of HMOs that have poor housing conditions and a significant level of antisocial behaviour, and are being ineffectively managed. HMOs are located throughout the borough.
- 1.9 The evidence supports a proposed additional licensing scheme (designation) for the whole borough.
- 1.10 If a local authority proposes to introduce an additional or selective licensing scheme (designation) it must take reasonable steps to consult persons who are likely to be affected by the designation(s), and consider any representations made in accordance with the consultation. The consultation must take place for not less than 10 weeks.
- 1.11 If a proposed selective licensing designation would affect more than 20% of the privately rented homes in the area, the local authority must apply to the Secretary of State for confirmation of the scheme. The proposed selective licensing scheme covers more than 20% of the private rented

## **2. RECOMMENDATIONS**

The Cabinet Member is recommended to:

- 2.1 Note the outcome of the work undertaken to establish a robust evidence base on the private rented sector in the borough.
- 2.2 Note that the evidence base meets the Government criteria and supports a Selective Licensing Scheme across 14 wards of the borough. Note that the evidence base meets the Government criteria and supports a borough-wide Additional HMO Licensing Scheme.
- 2.3 Agree that there be a public consultation on a proposed scheme that includes two Selective Licensing Scheme designations. The first designation includes 13 wards – Bowes, Edmonton Green, Enfield Highway, Enfield Lock, Haselbury, Jubilee, Lower Edmonton, Palmers Green, Ponders End, Southbury, Southgate Green, Turkey Street and Upper Edmonton. The second designation is 1 ward - Chase.
- 2.4 Agree that there be a public consultation on the proposed designation of the whole borough as an Additional HMO Licensing area.
- 2.5 Delegate to the Cabinet Member for Licensing and Regulatory Services and the Director of Environment and Operational Services responsibility for agreeing the final version of the public consultation questionnaire and material in consultation with the Director of Law and Governance.
- 2.6 Note that a further report will be presented to Cabinet with the outcomes of the public consultation and recommendations in relation to a decision about designation of Additional Licensing and Selective Licensing Schemes. Any Selective Licensing designation is likely to require an application for approval by the Secretary of State for the Ministry of Housing, Communities and Local Government.

## **3. BACKGROUND**

### Selective Licensing Scheme

- 3.1 Under Part 3 of the Housing Act 2004, local authorities may designate an area, as subject to Selective Licensing, requiring those managing or having control of privately rented accommodation that does not have to be licensed under other licensing schemes, to obtain a licence. In order to designate an area as a Selective Licensing area, the local authority must be satisfied that certain prescribed criteria are met.
- 3.2 The designated area must be experiencing one or more of the following:

- low housing demand (or likely low housing demand in the future, in this case Enfield has a high housing demand and hence is not considering this criteria);
  - **a significant and persistent problem caused by ASB;**
  - **poor property conditions;**
  - high levels of migration;
  - **high levels of deprivation;**
  - high levels of crime.
- 3.3 In addition, the area must have a high proportion of properties in the Private Rented Sector (PRS) (in comparison with the national level of PRS in the English House Condition Survey), that are let under either assured tenancies or licences.
- 3.4 If a proposed selective licensing 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 Secretary of State for confirmation of the scheme.
- 3.5 When considering whether to make a selective licensing designation a local housing authority must first identify the objective or objectives that a designation will help it achieve as outlined in paragraph 5.1. Secondly, it must also consider whether there are any other courses of action available to it that might effectively achieve the same objective or objectives as the proposed scheme without the need for the designation to be made. Only where there is no practical and beneficial alternative to a designation should a scheme be made.
- 3.6 A local authority may determine to make a single designation covering all areas that it considers meet the designation criteria, or it may make two or more designations each covering one or more wards.

#### Additional Licensing Schemes

- 3.7 Part 2 of the Housing Act 2004 also allows local authorities to designate an area as subject to an Additional Licensing Scheme, requiring those managing or having control of HMOs that are not subject to mandatory licensing but fall within a description set by the local authority, to obtain a licence. In order to designate an Additional Licensing Scheme, the local authority must consider that a significant proportion of the HMOs in the area are being managed sufficiently ineffectively, so as to give rise to one or more particular problems, either for those occupying the HMOs or for the public. An Additional HMO Licensing Scheme does not require Secretary of State approval.

#### Statutory Consultation

- 3.8 In both cases, the Council must take reasonable steps to consult persons who are likely to be affected by the designation(s), and consider any representations made in accordance with the

consultation. The consultation must take place for not less than 10 weeks. The consultation document needs to set out the proposed area of designation and the reasons for proposing it, and the proposed licence fee structure. It also needs to identify its scheme objectives that it aims to achieve through the licensing designation, why alternative remedies are insufficient and demonstrating how it will tackle the issues (along with other measures).

### Proposals to consult on Additional and Selective Licensing schemes

3.9 Based on a review of evidence regarding the private rented sector in the borough and consideration of the legislative requirements, approval is sought for the following proposed licensing schemes:

- Two Selective Licensing schemes:
  - The first designation includes 13 wards – Bowes, Edmonton Green, Enfield Highway, Enfield Lock, Haselbury, Jubilee, Lower Edmonton, Palmers Green, Ponders End, Southbury, Southgate Green, Turkey Street and Upper Edmonton (to address property conditions, deprivation and anti-social behaviour)
- The second designation is 1 ward - Chase (to address property conditions and deprivation)
  - An Additional HMO Licensing scheme for the whole borough (to address ineffective HMO management).

3.10 One of the key legislative requirements in considering whether to implement a selective or additional licensing scheme is whether there are any other courses of action available to the Council that might provide an effective method of achieving the objectives that the licensing schemes seek to achieve, and whether the licensing schemes will significantly assist the Council achieve the objectives (whether or not they take any other course of action as well).

3.11 Section 4 below outlines the measures that the Council have taken to seek to improve conditions in the private rented sector. However, for the reasons explained below, these measures alone have not brought about the large-scale improvement that is needed in Enfield's private rented sector.

3.12 It is considered that the introduction of an additional and a selective licensing scheme, alongside continued use of enforcement powers under Part 1 of the Housing Act and other measures, will assist the Council to achieve the objectives of improving housing conditions and reducing ASB and deprivation (selective licensing) and improve the management of HMOs (additional licensing). The introduction of licence conditions as part of these schemes will, in particular, ensure that landlords are fully aware of their obligations and will require landlords to ensure that properties are properly managed. This is

currently not a measure that is available to the Council across all private rented properties.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 The Council could decide to do nothing. However, poor housing conditions are significant and likely to increase further as the private rented sector continues to grow in the borough. The Council could continue to rely on Part 1 Housing Act 2004 enforcement powers and Public Health powers alone. The Council has undertaken significantly increased levels of enforcement to improve private rented properties in the last 3 years but despite this, large scale improvements are still needed in the sector. Formal action is slow with appeal provisions against most types of notices served, which can significantly delay the time period for compliance. Work in default (where a local authority carries out works to a property when the landlord fails to and the landlord is then billed for it) can be effective but is expensive and time consuming for the Council, with the risk that costs are not recovered. In addition, the Council's powers under Part 1 do not enable it to regulate the management of property as licensing schemes do. The Part 1 provisions are currently available to the Council but have not provided the necessary large-scale improvements in the sector. The Council can only respond reactively to complaints or reports of disrepair, overcrowding etc. which does not address the volume or scale of the issues in the borough.
- 4.2 The Council could rely on voluntary accreditation schemes or landlord membership organisations, such as the National Landlord Association or the Residential Landlords Association. These can help to support and improve the professionalism of landlords, but the uptake of the various schemes is low and does not give the Council any additional powers to take enforcement action against poor landlords. A local landlords' forum was set up by the Council but was attended with only 30 landlords and agents. Attendance dwindled to ten and was eventually disbanded in 2014. The national membership schemes are currently available but have not had a significant uptake or provided the necessary improvements in the borough.
- 4.3 The Council could decide to only consult on Selective Licensing designation and not consult upon an Additional HMO Licensing designation. However, this will not give the necessary legal framework to implement the required improvements across the Private Rented Sector in the borough.
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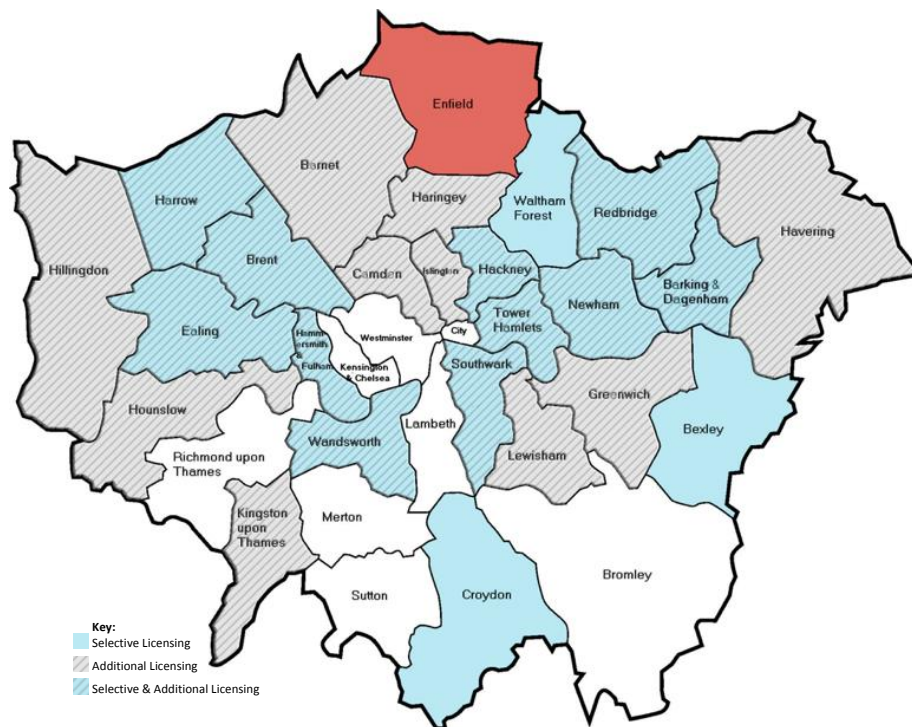
- 4.5 The Council could decide to consult only on the first designation of 13 wards. However, there are still a significant number of issues in Chase, particularly with property conditions and deprivation, and they would not be addressed, leaving residents in that ward without the improvements in the Private Rented Sector that they really need.

## **5. REASONS FOR RECOMMENDATIONS**

- 5.1 The introduction of Additional and Selective Licensing will:

- Improve housing conditions
- Seek to reduce deprivation and inequalities, in conjunction with other key council strategies (e.g. homelessness prevention, housing strategy, corporate plan)
- Help to tackle anti-social behaviour linked with the private rented sector as part of a broader tool kit
- Contribute to an improvement in the health outcomes of residents in the most deprived areas by improving property conditions

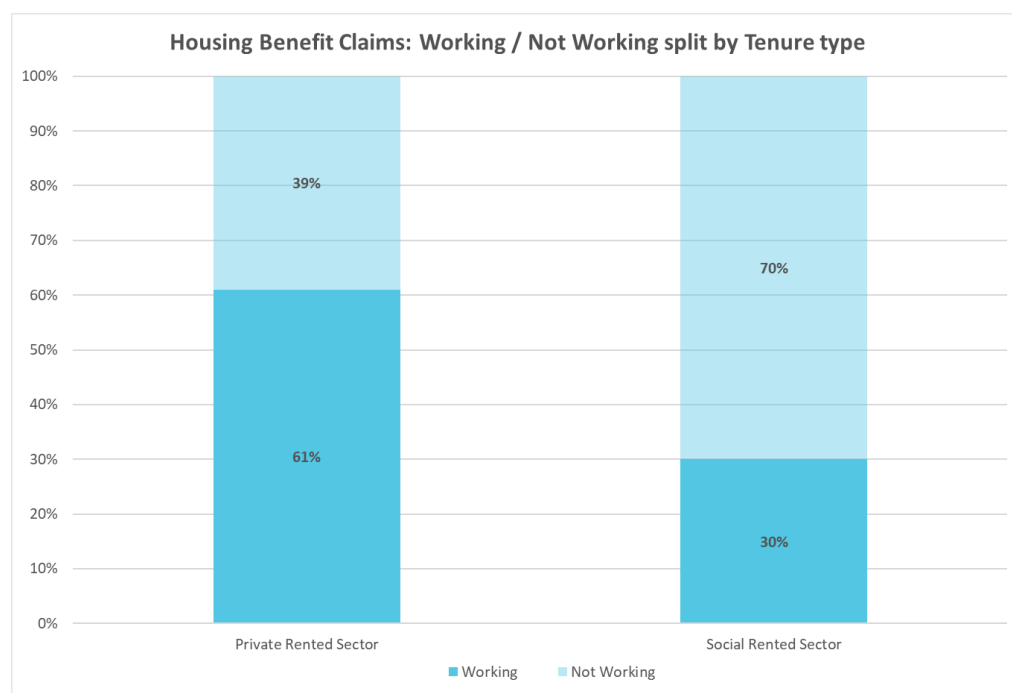
- 5.2 Enfield is one of the few boroughs in London that doesn't have either Selective or Additional Licensing Schemes. Anecdotally and observationally, officers from the borough and neighbouring boroughs support the theory that this has the effect of displacing the problem of rogue landlords from neighbouring boroughs with strong licensing scheme inspection regimes, to Enfield, making the situation in the borough worse.



- 5.3 Two nearby boroughs, Newham and Waltham Forest, have had large scale Additional and/or Selective Licensing for a number of years, since 2014 and 2015 respectively. Newham's experience is that *"Licensing has proved invaluable in driving housing standards up in the growing private rented sector and helps both tenants and landlords manage rented properties to a higher standard"*. In addition, 89% of residents who responded to a survey agreed that continuing the scheme would improve property condition and management. (Cabinet report, *Newham Council, June 2017*).
- 5.4 Waltham Forest has improved over 5,685 properties and has sent over 21,000 warning letters to landlords, agents and property managers. It has prosecuted or issued a civil penalty to nearly 200 landlords and has taken over the full management of over 20 properties. Waltham Forest is currently in public consultation on a new Selective Licensing Scheme and a borough-wide Additional Licensing Scheme.
- 5.5 The eviction rate in the PRS in Enfield is the highest in London. There were 32 evictions per 1,000 renting households in 2016/17 compared to 22 and 20 per thousand in Newham and Waltham Forest respectively. Whilst not completely eradicating the issue, a designation of selective licensing would provide greater protection to tenants from one of the biggest causes of eviction. Landlords cannot use Section 21 of the Housing Act 1988, a so-called "no-fault eviction notice", to evict tenants from a property that is subject to licensing, if the property is not licensed. It is essential that any new licensing scheme is aligned with the Council's strategy on preventing homelessness.
- 5.6 The Council have increasingly used existing enforcement powers to deal with property conditions and management, but are mainly

reactive. At the moment the council relies heavily on receipt of complaints to identify which properties are privately rented and are in poor condition, overcrowded and are being badly managed. The continuing increase and high number of service requests and incidences of ASB in the PRS indicate that current enforcement measures are not sufficient on their own. Additional and Selective licensing will assist in identifying which properties to target for inspection and to bring into compliance, and help us to raise standards and improve conditions for the PRS. Licensing provides clear guidance for landlords on the expected standards for property conditions and management.

- 5.7 Enfield has the highest number of private renters on Housing Benefit in London, and the second highest in the UK. Of Housing Benefit claimants in work – twice as many live in the private renter sector. This demonstrates that private renting is expensive and families in work also need assistance with housing benefit to help pay their rent.



**Source: DWP reporting tool – Stat-Xplore 2019, LB of Enfield – Information & Research Team**

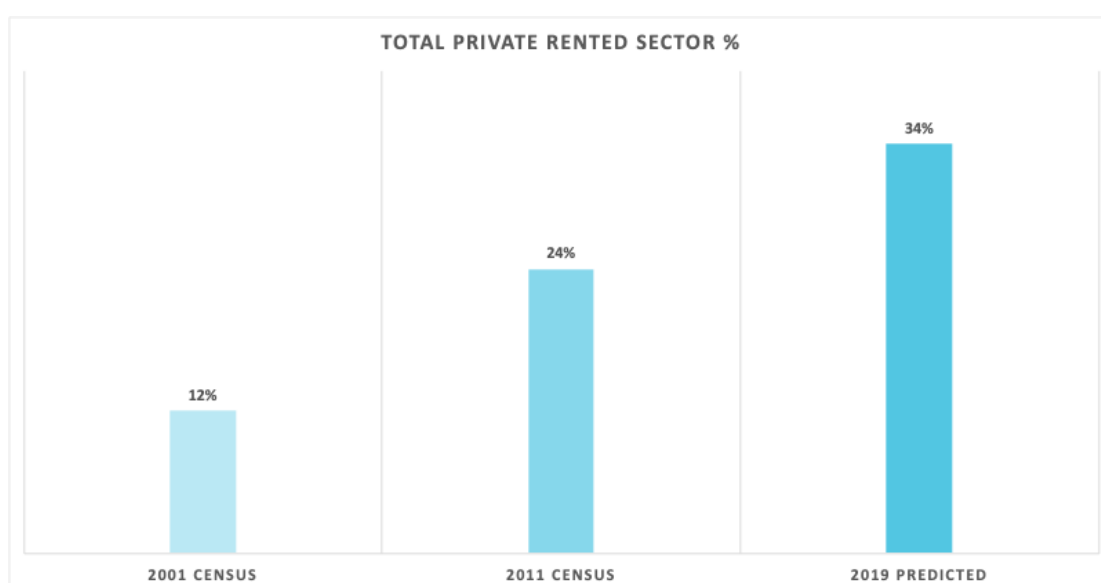
- 5.8 Housing Benefit assistance is being rolled into universal credit payments on a phased basis. The borough also has the second highest level of Discretionary Housing Payment for Universal Credit in the country, after Birmingham. The roll out of Universal Credit started in Enfield in 2017 and is ongoing. Discretionary Housing Payments provide further financial assistance, over and above any welfare benefits, when help with housing costs is required.
- 5.9 At the moment, the Council pays rent in the PRS via Housing Benefit (and Universal Credit is paid via the Department of Work and Pensions

to residents in the borough). Despite contributing around £202 million this year to rent through Housing Benefit in the PRS, the Council has very limited means to control the standards in the sector.

## Evidence Base – Selective Licensing Scheme

The level and distribution of Private Rented Sector accommodation in the borough

- 5.10 The Private Rented Sector in the borough has been steadily growing from 12% in 2001 to 24% in 2011 and now reaching an estimated 34%.



Source: Metastreet predicted model 2019

- 5.11 This aligns with the trend across London, which has seen a dramatic increase in the PRS over the last fifteen years. Nearby boroughs now report a PRS level of between 21% and 46%.

### PRS % COMPARISON

	Census 2011	Latest reported PRS level
Enfield	24%	34%
Brent	32%	41.5%
Hackney	30%	30%
Haringey	33%	31%
Harrow	23%	22%
Islington	28%	26%
Newham	35%	46%
Redbridge	24%	24%
Waltham Forest	27%	37%

Source: Census 2011- Tenure for Local Authorities, Reported PRS on individual borough documentation

- 5.12 Any geographical area included in a Selective Licensing Scheme must have over the current national average of 19% of PRS (English Housing Survey 2018). All wards in Enfield have well over 19% PRS and could therefore be included in the scheme. Appendix 1 (Fig 1 and Fig 2) shows the ward by ward breakdown of PRS based on recent predicted modelled data.
- 5.13 The legislation requires that for a Selective Licensing Scheme, the area must also have a high proportion of the tenancies in the Private Rented Sector (PRS) that are either assured tenancies or licences (to occupy). We are satisfied that a high proportion of private rented properties in the borough are rented out as assured tenancies or licences. Since the Housing Act 1988, assured shorthold tenancies are the most common type of tenancy agreement in the private rented sector. Also, the experience of the Council's Housing Enforcement Officers is that the majority of tenants they deal with have (or should have) an assured shorthold tenancy agreement.
- 5.14 Whilst all wards meet the Government criteria of being over the national average of 19% PRS, only 14 wards are being put forward to be included in the designation areas because they must also meet at least one of the other criteria set in the legislation. The criteria are listed in paragraph 3.2. Thirteen of the 14 wards meet three of the criteria; poor property conditions, high levels of deprivation and significant and persistent anti-social behaviour. One ward meets the criteria for both poor property conditions and high levels of deprivation.
- 5.15 The Council is looking at Property Conditions as the primary criteria followed by Deprivation and then ASB. Private rented properties in the first proposed designation area suffer from poor property conditions; high levels of deprivation and have significant and persistent anti-social behaviour. They also place a significant demand on council resources. Chase ward has been placed in a separate second proposed designation, as it has a significant number of private rented properties with poor property conditions along with being 11<sup>th</sup> most deprived ward in Enfield, but with lower levels of ASB compared to Designation one. Appendix 1 (Fig 3) shows the proposed wards for selective licensing.

### **Poor Property Conditions**

- 5.16 According to the Government guidance, *"There may... be circumstances in which a significant number of properties in the private rented sector are in poor condition and are adversely affecting the character of the area and/ or the health and safety of their occupants. In that case, as part of wider strategy to tackle housing conditions, the local housing authority may consider it appropriate to make a Selective Licensing Scheme so that it can prioritise enforcement action under Part 1 of the Act, whilst ensuring through licence conditions under Part 3 that the properties are properly managed to prevent further deterioration."*

- 5.17 Nationally, the condition of properties in the Private Rented Sector continues to be worse than other housing sectors. A quarter (25%) of privately rented homes fell below the Decent Homes standard in 2017 and 14% of privately rented dwellings were estimated to have a least one serious Category 1 hazard, assessed using the Housing Health and Safety Rating System (HHSRS) under Part 1 of the Housing Act 2004 (English Housing Survey 2017/18).
- 5.18 The modelling shows that there are a significant number of Category 1 hazards in the private rented sector in Enfield. The vast majority (79%) of the Category 1 hazards are within the designated areas (Appendix 2 Fig 1).
- 5.19 The modelling shows that all the wards in Enfield have over the national average of 14% of private rented properties with Cat 1 hazards, and the borough average for Cat 1 hazards is 28% which is significantly above the national average. (Appendix 2 Fig 2). Bearing in mind that there is no safe level for Cat 1 hazards.
- 5.20 The modelled data is based on actual Council records, which shows that the wards within the designated areas have the highest number of PRS interventions per 1,000 PRS dwellings. (Appendix 2 Fig 3). This includes a broader range of property issues including Cat 1 Hazards, overcrowding, enforcement actions, housing notices, enviro-crime and disrepair. These wards place the highest demands on council services and resources.
- 5.21 A recent report into selective licensing schemes by Julie Rugg and David Rhodes, University of York 2018, agrees that, *“there are currently no regulations that define a minimum standard for property deemed suitable for letting, although the local authority can enforce compliance with the Housing Act 2004 if the property is inspected...Selective Licensing regimes open a dialogue between the local authority and local landlords, which local authorities can use to implement ‘soft’ enforcement through advice and support on property condition.”*
- 5.22 A Selective Licensing Scheme would enable a supportive dialogue with compliant landlords and to greater prioritise enforcement action under Part 1 of the Housing Act. The proposed licence conditions would set a minimum standard and encourage better management of properties to stop them getting even worse. A selective licensing scheme would also provide a targeted inspection programme and compliance capability backed by a strong legal framework.
- 5.23 The 2019 report from the Chartered Institute of Environmental Health states the important role that Selective Licensing has in improving property conditions in the areas it is introduced, *“The introduction of a Selective Licensing Scheme in these areas clearly shows that property and management standards have been improved and the schemes were well targeted to focus on areas with very poor housing stock. The*

*fact that such large numbers of properties needed works to be done also suggests that the schemes are largely fair to landlords – a majority of properties within licensable areas are benefitting from improvements and greater compliance.”*

### **Deprivation**

5.24 In order to make a selective licensing designation based on a high level of deprivation, the Government recommends considering the following factors when compared to other similar neighbourhoods in the local authority area or within the region:

- the employment status of adults;
- the average income of households;
- the health of households;
- the availability and ease of access to education, training and other services for households;
- housing conditions;
- the physical environment;
- levels of crime.

5.25 Enfield is the 6th most deprived borough in London and the 25th most deprived borough in England, based on low income levels (IMD, 2015). Breaking this down by ward, 14 of the wards with the highest levels of PRS rank in the 14 most deprived wards in the borough. These wards rank in the top 10% - 50% most deprived in London and nationally. See Appendix 3 Fig 1.

5.26 Using the data from a number of sources, it is clear that the wards with the highest levels of PRS are also the wards with high levels of deprivation, as indicated by a combination of the following:

- The higher levels of unemployment benefit claims as an indicator of the employment status of adults (Appendix 3 Fig 2)
- The high number of households living on low incomes, below £15,000 per annum (Appendix 3 Fig 3)
- The number of children in low income families (Appendix 3 Fig 4)
- The number of households receiving the housing element of Universal Credit and Housing Benefit for the property they rent. Enfield has the second highest level of Discretionary Housing Payment in the country (Appendix 3 Fig 5)

- High levels of childhood obesity, as a proxy for poor health outcomes (Appendix 3 Fig 6).
- Properties with dirty front gardens as an example of a poor physical environment (Appendix 3 Fig 7)
- High levels of crime (Appendix 3 Fig 8)

5.27 The modelled data shows that there are significant numbers of private rented properties with poor housing conditions (including Cat 1 Hazards) in the wards in the proposed designations (Appendix 2 Fig 2). These not only contribute to poor health, with damp, mould and excessive cold being common issues, but landlords with properties in areas of high crime and ASB need to ensure that their properties are secure. In addition, under Selective Licensing, any ASB relating to a property must be monitored and dealt with effectively by the licence holder.

5.28 The proposed Selective Licensing Scheme will help to address these problems by providing a targeted inspection programme and compliance capability backed by a strong legal framework. This will ensure that landlords keep their properties in good condition and are not able to take advantage of vulnerable people and families who, due to their low income, have very limited choice in the rental market.

5.29 In addition, the licence conditions that will be proposed for the scheme will stipulate a management regime for properties that will encourage landlords to inspect their properties and deal with disrepair and anti-social behaviour. Failure to manage a property effectively could also lead to prosecution or a civil penalty.

5.30 The table below summarises the deprivation factors in each ward demonstrating that the wards with the highest PRS also have the highest levels of deprivation.

Ward	IMD ranking	High unemployment	Low income households	Poor health outcomes	Poor property conditions	Poor physical environment	High levels of crime	Number of factors
EDMONTON GREEN	1	✓	✓	✓	✓	✓	✓	
UPPER EDMONTON	2	✓	✓	✓	✓	✓	✓	
TURKEY STREET	3	✓	✓	✓	✓	✓	✓	
LOWER EDMONTON	4	✓	✓	✓	✓	✓	✓	
PONDERS END	5	✓	✓	✓	✓	✓	✓	
HASELBURY	6	✓	✓	✓	✓	✓	✓	
ENFIELD LOCK	7	✓	✓	✓	✓	✓	✓	
ENFIELD HIGHWAY	8	✓	✓	✓	✓	✓	✓	
JUBILEE	9	✓	✓	✓	✓	✓	✓	
SOUTHBURY	10	✓	✓	✓	✓	✓	✓	
CHASE	11	✓	✓	✓	✓			
BOWES	12			✓	✓	✓		
PALMERS GREEN	13			✓	✓			
SOUTHGATE GREEN	14			✓	✓			
HIGHLANDS	15				✓			
COCKFOSTERS	16			✓	✓			
SOUTHGATE	17				✓			
BUSH HILL PARK	18			✓	✓			
TOWN	19				✓			
WINCHMORE HILL	20				✓			
GRANGE	21				✓			

Source: IMD 2015, LB of Enfield – Information & Research Team

### **Anti-social Behaviour**

- 5.31 According to the Government's guidance, if ASB is to be used as a criteria, the Council must show that the proposed designated area is suffering from significant and persistent anti-social behaviour. In addition, must show that 'private sector landlords in the designated area are not effectively managing their properties so as to combat incidences of anti-social behaviour caused by their tenants or people visiting their properties'.
- 5.32 The total number of all Council recorded ASB (Appendix 4 Fig 1) over the last three years is significant when mapped against the estimated PRS. Property-related ASB is much worse in the wards with higher levels of private rented properties. It can be seen that the wards in designation one, have near or above the borough average for ASB incidents
- 5.33 The objectives of the proposed Selective Licensing Scheme will be strongly linked to reducing ASB connected to private rented homes, in conjunction with the Council's Corporate Plan 2018 - 2022 '*Creating a lifetime of opportunities in Enfield*', which promises to tackle 'all types of crime and anti-social behaviour'; the emerging Homelessness Prevention strategy, which will look at tackling ASB in relation to tenancy sustainment; the new Housing strategy, which aims to prevent ASB by an improvement in interventions with PRS; and the Safer and Stronger Communities Board, Community Safety Plan 2021 will deal with a range of ASB behaviours as one of the 5 priorities in the Community Safety Plan 2021.
- 5.34 The proposed licensing conditions will also deal with a landlord's responsibilities to deal with ASB in their property.
- 5.35 Summary of the evidence - the table below summarises the evidence ward by ward, allowing a view of all of the criteria considered (PRS level, Property Conditions, Deprivation and ASB)

Ward	Above 19% PRS	Poor property Conditions (above borough average)	Deprivation – based on IMD ranking in England	Anti-Social Behaviour (above borough average)	Included in designation 1	Included in designation 2
BOWES	✓	✓	✓	✓	Yes	
BUSH HILL PARK	✓	✓				
CHASE	✓	✓	✓			Yes
COCKFOSTERS	✓	✓		✓		
EDMONTON GREEN	✓	✓	✓	✓	Yes	
ENFIELD HIGHWAY	✓	✓	✓	✓	Yes	
ENFIELD LOCK	✓	✓	✓	✓	Yes	
GRANGE	✓	✓				
HASELBURY	✓	✓	✓	✓	Yes	
HIGHLANDS	✓	✓				
JUBILEE	✓	✓	✓	✓	Yes	
LOWER EDMONTON	✓	✓	✓	✓	Yes	
PALMERS GREEN	✓	✓	✓	✓	Yes	
PONDERS END	✓	✓	✓	✓	Yes	
SOUTHBURY	✓	✓	✓	✓	Yes	
SOUTHGATE	✓	✓				
SOUTHGATE GREEN	✓	✓	✓	✓	Yes	
TOWN	✓	✓				
TURKEY STREET	✓	✓	✓	✓	Yes	
UPPER EDMONTON	✓	✓	✓	✓	Yes	
WINCHMORE HILL	✓	✓				

Source: IMD 2015, LB of Enfield – Information & Research Team

5.36 The light blue rows represents Designation ONE of 13 wards – these wards exceeds the national PRS level and show the significant level of Cat 1 hazards within the PRS sector following this all 13 wards have been presented as showing high levels of deprivation within all factors and present a significant high level of ASB, showing that landlords with properties within these wards (and hence the designation) are not managing their properties to combat ASB.

5.37 The dark blue row showing Chase ward exceeds the national PRS level and has a significant issue with Property conditions Cat 1 hazards within the PRS properties along with being the 11<sup>th</sup> most deprived ward in Enfield and hence being placed in designation two.

### ***Other Government criteria for Selective Licensing***

5.38 The other criteria (as listed in paragraph 3.2) that can be used to identify an area that could benefit from a Selective Licensing scheme either do not apply in the borough (i.e. low housing demand), or the pattern and distribution of the issues in the borough do not suggest a strong link to PRS (i.e. high levels of crime, migration).

### **Evidence Base – HMO Additional Licensing Scheme**

- 5.39 Additional Licensing Schemes relate to HMOs (House of Multiple Occupation) and applies to the entire house or flat which is let to less than 5 persons in two or more households with shared facilities (kitchen, bathroom and/or toilet). Larger HMOs that are occupied by five or more people forming two or more households which share facilities, already fall within the scope of mandatory HMO licensing, which Enfield already operates.

#### ***Level and distribution of Additional Scheme HMOs in the borough***

- 5.40 The current estimation is that there are 9,661 HMOs operating which are spread across the borough (Appendix 5 Fig 1). Whilst we would not expect these all to be licensed under the current Mandatory HMO licensing regime, there are still likely to be a large number of mandatory HMOs that have not come forward to licence despite recent increased communications and publicity we have undertaken. This contributes towards the case for borough-wide HMO Additional licensing to help combat problems associated with the inadequate management of properties in that sector.

#### ***Evidence and experience of poorly managed sector***

- 5.41 There is evidence that HMOs in the borough are being ineffectively managed and are causing issues for their inhabitants and neighbours in the community. There have been a high proportion of queries, complaints and reports to the Council from tenants living in HMOs and their neighbours, covering issues from noise and rubbish to overcrowding and fire hazards. These are confirmed by the follow up inspections and enforcement notices issued against the owners and managing agents of those properties. It is clear that this problem is getting worse and that the number of HMOs is also increasing. See Appendix 5 Fig 2 for evidence of an increase to caseload queries between 2016 -2018.
- 5.42 The evidence from the predicted data modelling shows that there are poor property conditions (Cat 1 Hazards) associated with HMOs in the borough (Appendix 5 Fig 3). HMOs are much more likely to have Cat 1 Hazards, way above the national average of 15% of privately rented properties. There are also significant and persistent problems caused by anti-social behaviour specifically related to HMO properties and evidence that HMO properties place high demands on Council services (PRS Regulatory interventions).

Ward	No. HMOs	Cat 1 hazards	Total ASB, Nuisances & Envirocrime	Total PRS Regulatory Interventions
BOWES	555	307	128	860
BUSH HILL PARK	298	102	44	155
CHASE	261	100	45	162
COCKFOSTERS	347	103	60	122
EDMONTON GREEN	558	310	167	947
ENFIELD HIGHWAY	520	252	121	758
ENFIELD LOCK	548	246	103	693
GRANGE	337	104	25	97
HASELBURY	688	409	182	1,259
HIGHLANDS	290	84	32	119
JUBILEE	555	327	285	1,054
LOWER EDMONTON	709	402	225	1,274
PALMERS GREEN	596	332	99	821
PONDERS END	533	291	188	980
SOUTHBURY	367	155	139	355
SOUTHGATE	435	127	45	209
SOUTHGATE GREEN	397	192	74	424
TOWN	277	115	47	176
TURKEY STREET	452	226	146	661
UPPER EDMONTON	552	295	179	697
WINCHMORE HILL	386	172	50	250
<b>BOROUGH TOTAL</b>	<b>9,661</b>	<b>4,651</b>	<b>2,384</b>	<b>12,073</b>
<b>BOROUGH AVERAGE</b>	<b>460</b>	<b>221</b>	<b>114</b>	<b>575</b>

Source: *Metastreet predicted model 2019*

- 5.43 Appendix 5 Fig 4 shows that there are high levels of property-related ASB in HMOs across the borough, supporting the case for a borough-wide Additional Licensing Scheme.
- 5.44 Another example of poor property management is the extremely low level of tenancy deposits registered with the national schemes. The national average for all PRS is 73%, and the Enfield Borough average for HMOs is only 12%. This shows an indicative failure of Landlords to use these government protected schemes and is an offence under the Consumer Rights Act 2015.

Ward	Total Registered Tenancy Deposits	% HMOs with Tenancy Deposits
BOWES	93	17%
BUSH HILL PARK	37	12%
CHASE	26	10%
COCKFOSTERS	54	16%
EDMONTON GREEN	65	12%
ENFIELD HIGHWAY	36	7%
ENFIELD LOCK	55	10%
GRANGE	31	9%
HASELBURY	64	9%
HIGHLANDS	29	10%
JUBILEE	56	10%
LOWER EDMONTON	84	12%
PALMERS GREEN	66	11%
PONDERS END	78	15%
SOUTHBURY	49	13%
SOUTHGATE	92	21%
SOUTHGATE GREEN	78	20%
TOWN	51	18%
TURKEY STREET	30	7%
UPPER EDMONTON	51	9%
WINCHMORE HILL	32	8%
<b>BOROUGH TOTAL</b>	<b>1,157</b>	<b>12%</b>
<b>BOROUGH AVERAGE</b>	<b>55</b>	<b>12%</b>

Source: Metastreet predicted model 2019

### ***Alignment with other key council strategies***

- 5.45 Selective Licensing and Additional Licensing Schemes are key to supporting the Council's strategies for Housing and Homelessness.
- 5.46 The Council is currently developing a new Housing strategy, which sets out the vision for delivering housing that creates a step-change to tackle the scale of the housing crisis. The Council wants to make sure that everyone can benefit from the opportunities that growth can bring, and everyone feels connected to their community, even during times of change. While still in early stages of development, Enfield's emerging new Housing Strategy is made up of five ambitions. The fifth strand relates specifically to the private rented sector – "Quality private sector homes – the best possible standards of owner occupied and private rented homes."
- 5.47 This strand focuses on the need to improve the private rented sector in the context of rising homelessness, high eviction rates and heavy reliance on the Private Rented Sector. Licensing will significantly contribute to the Council's Corporate Plan aim to 'deliver initiatives to improve standards in the private rented sector and tackle rogue landlords' and the overarching aim to deliver 'good homes in well-connected neighbourhoods' and 'increase the supply of affordable, quality housing options'.

- 5.48 Alongside the new Housing Strategy, the Council is also developing a new Preventing Homelessness Strategy. The vision is to end homelessness in Enfield. This means ensuring that everyone has a safe, stable place to live. Whilst homelessness is rising significantly across the country, in Enfield this is particularly stark with 3,466 households currently in Temporary Accommodation, the second highest number nationally.
- 5.49 The Council sees its relationship with private rented landlords as key to achieving this. Loss of private rented accommodation is the main reason for households accepted as homeless, accounting for nearly half of all cases. Reducing evictions from the private rented sector is a key priority. This involves supporting, empowering, and educating tenants regarding their rights and responsibilities, as well as working with landlords. Enfield Council's priorities include both improving standards of management through effective support, information, advice and guidance for landlords; whilst also taking a strong approach to tackling poor conditions and stopping rogue landlords and managing/ letting agents.

### **Licence Fees**

- 5.50 Article 13(2) of the EU Services Directive (2006/123/EC) requires that the licence fee paid by the applicant must be reasonable and proportionate to the cost of the authorisation (licensing) procedure and shall not exceed the cost of the authorisation procedure. This means that the costs of the proposed licensing schemes must be cost neutral whereby the total licensing fee income does not exceed the expenditure over the 5 year duration of the scheme.
- 5.51 Based on the estimation of costs, the proposed fee for a Selective Licensing property is £600 for a five year scheme, and the proposed fee for an Additional Licensing property is £900 for a five year scheme.

### **The Public Consultation**

- 5.52 We are required to consult on the proposed additional and selective licensing schemes for a minimum of 10 weeks. If approval is given to undertake the public consultation, the consultation questionnaire and consultation material will be prepared, and legal and counsel consulted. The public consultation will be conducted for 3 months and include:
- An online questionnaire on the Council's website
  - Face to Face meetings with landlords and businesses
  - Face to Face meetings with tenants and residents

- 5.53 This will be supported by extensive communications using a range of media to publicise the consultation both within and outside of the borough.
- 5.54 If this report is agreed, an external provider will be procured to deliver the statutory consultation.
- 5.55 Appendix 6 contains further information about our intended approach towards the public consultation.

## **6.0 COMMENTS FROM OTHER DEPARTMENTS**

### **6.1 Financial Implications**

The schemes, if implemented, will be self-financing – cost neutral. The proposed licence fees are indicative and have been calculated so that the income generated will cover the total cost of processing applications and enforcing compliance with the schemes. The income generated will cover all one off implementation costs and the ongoing costs over the 5 year period.

If this report is agreed, an external provider will be procured to deliver the statutory consultation, which will be covered by existing resources.

### **6.2 Legal Implications**

- 6.2.1 Counsel has provided advice and guidance to the Council on the proposed Additional and Selective Licensing Schemes. The following legal implications have been prepared in full consultation with Counsel.
- 6.2.2 Parts 2 and 3 of the Housing Act 2004 provide powers for local housing authorities to designate areas, or the whole of the area of its district, for additional (Part 2) and/or selective (Part 3) licensing of private rented accommodation.
- 6.2.3 These powers are available where the local housing authority is satisfied that specified criteria are met as set out at Paragraph 3 of the Report.
- 6.2.4 The exercise of the powers must be consistent with the Councils overall housing strategy and the Council must adopt a co-ordinated approach in connection with improving housing standards and tackling deprivation and inequalities including homelessness, empty properties and antisocial behaviour.
- 6.2.5 Where the statutory conditions for implementation of licensing for private rented accommodation are satisfied the Council must undertake a process of consultation before a designation is made, including consideration of all representations received to the consultation. The Council must have taken reasonable steps to consult persons who are likely to be affected by the designation in compliance with sections

56(3) and 80(9) Housing Act 2004. The period must not be shorter than 10 weeks and must be sufficiently adequate to comply with the statutory requirements; notably, ensuring that consultation captures persons likely to be affected. It is imperative the consultation process is robust and fully transparent incorporating cogent and coherent data and evidence base, properly attributable evidence to relevant factors including decision making rationality.

- 6.2.6 The Public notice of a designation must be given once it is made.
- 6.2.7 Additionally, the Council must have considered other courses of action that might provide an effective remedy of achieving its policy objective(s) the proposed licensing scheme(s) seek to achieve and that the making of the designation will significantly assist the Council to achieve those objective(s). Here it is important to stress why the alternative course(s) of action highlighted do not in themselves achieve the policy objective(s) but that a combination of the existent enforcement powers and the proposed licensing scheme(s) would in its view significantly assist the Council in achieving those objectives.
- 6.2.8 Legal will be engaged throughout the process to ensure continued compliance with the Council's statutory functions and to ensure all documents/agreements/etc. are in a form approved by the Director of Law and Governance.

### **6.3 Property Implications**

- 6.3.1. There are no immediate property implications in relation to this report to approve a public consultation. If in due course Cabinet approves the introduction of additional and selective licensing schemes, office space will be required for the new team of staff. The majority of staff that would be undertaking inspections and compliance checks will be working mostly remotely and so the amount of office space will be minimised.

## **7.0 KEY RISKS**

- 7.1 The most significant risk of not implementing a scheme is that we will fail to effectively tackle the large scale improvement required in the private rented sector. In addition, surrounding Councils have either one or both schemes in place. This makes Enfield more vulnerable to be targeted by rogue landlords wishing to operate with relative impunity. Anecdotally, there is experience of poor landlords setting up new businesses in areas without licensing.
- 7.2 The key risk during the statutory consultation period is potentially inaccurate and negative publicity/media about the proposed licensing schemes.

Mitigation: Robust and clear statements about the findings of the review of the private rented sector and the objectives and benefits of licensing schemes

- 7.3 Another key risk is of Judicial Review of the Council's decision to consult on proposed licensing schemes or of the consultation process, which could delay progress and give rise to a reputational risk to the Council

Mitigation: There is detailed and quality assured data and evidence that supports the proposed licensing schemes. There has been early engagement with Counsel providing assured legal advice.

## **8.0 IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

### **8.1 Good homes in well-connected neighbourhoods**

One of the Council's key promises in the corporate plan is *“Delivering initiatives to improve standards in the private rented sector and tackle rogue landlords.”* The introduction of additional and selective licensing schemes is fundamental to the delivery of that promise and is the most important tool the Council will have to enable an improvement in the standard of privately rented homes and making Enfield a place that does not tolerate rogue landlords.

The schemes will also work positively and supportively with good landlords to raise the professionalism and management of the sector and ensure that properties are safe, secure and well-maintained.

By improving standards in the private rented sector and tackling rogue landlords, this will improve the neighbourhood as a whole and will help to encourage investment in regeneration and housing in the borough. Together, these will enable the Council to deliver on its aim of, *“Working with the public and private sector to deliver decent, safe housing that meets residents' needs.”*

### **8.2 Sustain strong and healthy communities**

- 8.2.1. A good quality private rented sector will encourage residents to stay in Enfield, in turn creating sustainable communities. A poorly managed rented sector, with badly maintained properties, not only encourages a faster turnover of tenants but often distracts from the look and feel of the street. This can put off residents of all tenures from remaining in the borough and destabilises the community.

- 8.2.2. The main objective of both licensing schemes is to improve the management and maintenance of properties in the sector. Selective licensing, in particular, will have a specific aim to reduce category 1 hazards in the private rented sector, such as excessive cold, damp, infestations and fire/electrical issues, which adversely affect the health

and wellbeing of residents. This supports the council's corporate aim to "Build measures into all our strategies and projects that will help improve public health and people's wellbeing."

- 8.2.3. Another of the objectives of introducing selective licensing in Enfield is to reduce property-related ASB. This is consistent with Enfield's corporate plan pledge of "Working with partners to make Enfield a safer place by tackling all types of crime and anti-social behaviour; and protecting the local and urban environment."

### **8.3 Build our local economy to create a thriving place**

- 8.3.1. The introduction of selective and additional licensing in Enfield aims to provide an improved standard of housing within the private rented sector. Poor property conditions are borne by the most vulnerable and economically disadvantaged in the community so, by improving housing conditions these schemes will help the council to deliver on its pledge to "work on reducing inequalities to make Enfield a place for people to enjoy from childhood to old age."
- 8.3.2. An improvement in property conditions also has an inevitable effect on the streetscape, and will help to ensure *"our high streets and town centres thrive and attract people to live, work and visit."*

## **9.0 EQUALITIES IMPACT IMPLICATIONS**

- 9.1. Enfield is characterised by significant inequalities between the affluent west of the Borough and the deprived east, separated by the A10, which represents both a physical and social boundary between communities. A licencing scheme should help those that are most disadvantaged through ensuring that proper tenancy arrangements are in place. The elimination of overcrowding within the PRS will help to improve the health outcomes of the most disadvantaged groups. Overall, tenants will benefit from an improvement in their property conditions and better standards of tenancy management.
- 9.2. A predictive Equalities Impact Assessment was completed based on these proposals (Appendix 7). Whilst the overall impact of the scheme will have a positive impact for many people the decision and any potential adverse impact is outweighed by the benefits of the scheme for many people. The Equalities Impact Assessment will be reviewed again after the public consultation.

## **10.0 PERFORMANCE AND DATA IMPLICATIONS**

- 10.1. There are no specific performance indicators at this stage for the public consultation. Objectives for the licensing schemes and performance measures will be set if it is agreed to implement licensing schemes following the public consultation.

- 10.2. Data has been compiled from Council and Police records in accordance with GDPR and has been quality assured.

## **11.0 HEALTH AND SAFETY IMPLICATIONS**

- 11.1. There are no specific health and safety implications for approval of the public consultation.

## **12.0 HR IMPLICATIONS**

- 12.1. There are no immediate human resources safety implications for approval of the public consultation. An external provider will be procured to deliver the statutory consultation

## **13.0 PUBLIC HEALTH IMPLICATIONS**

- 13.1. An improvement in the living conditions of the most vulnerable and deprived in the borough is one of the aims of introducing the licensing schemes. Additional HMO licensing scheme and a selective licensing scheme in 14 wards will help raise housing standards by identifying removing hundreds of dangerous defects from privately rented accommodations. The inspection and ensuring compliance of the licensing schemes can reduce anti-social behaviour and subsequently criminal behaviour. As a result, the proposed licensing changes may contribute to an improvement in the health outcomes of the private tenants who will be living there after the proposed changes. Nonetheless the licensing measures in itself will not improve the respiratory diseases related to damp and mould which are made worse by fuel efficiency measures, that inhibits ventilation, when the tenants cannot afford heating due to fuel poverty. Licensing in itself will not solve a key underlying cause which is poverty. A co-ordinated approach with other agencies is needed to tackle deprivation, homelessness, empty properties and antisocial behaviour.
- 13.2. The consultation should seek to ensure representative levels of engagement of the residents, tenants and landlords in the geographical areas who will be affected most by the new changes so that they do not feel disempowered.
- 13.3. For the new scheme to be effective in achieving its objectives, the council should produce and make available guidance materials to educate and support all landlords and tenants in the areas to understand their responsibilities and how to fulfil them in practice.

## **Background Papers**

None

