

London Borough of Enfield Selective and Additional Licensing

Appendix 3 Evidence Pack



Evidence Report for Consultation on Private Rented Property Licensing Additional and Selective Licensing

London Borough of Enfield

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1. Executive Summary

- 1.1 The Council is consulting about proposals to designate the borough, or a large part of it, as subject to two licensing schemes for private rented properties, under Parts 2 and 3 of the Housing Act 2004. It is proposed, subject to legislative requirements that these would both come into effect in the summer of 2020.
- 1.2 The first scheme is a proposal for selective licensing in 14 wards of the borough in two designations to regulate the management, use and occupation of privately rented properties that are not Houses in Multiple Occupation. The first designation of 13 wards has evidence of poor housing conditions, deprivation and anti-social behaviour. The second designation (Chase ward) has evidence of poor property conditions and deprivation. Both proposed designations meet the statutory criteria for selective licensing.
- 1.3 The Council has worked with a third-party specialist to review conditions in the private rented sector in the Borough. We have looked thoroughly and objectively and believe that there is sufficient evidence to support selective licensing in the 14 wards. These wards not only meet the minimum criteria that the government sets out for licensing, but have a combination of poor property conditions, property related anti-social behaviour and deprivation, which is having a negative impact on the lives of tenants and our local communities. The result is also that they are requiring the Council to intervene and deal with situations much more frequently than other tenures, and other areas.
- 1.4 The second scheme is a proposal to introduce a borough-wide additional licensing scheme to regulate the management, use, occupation and condition of Houses in Multiple Occupation (HMOs). The Council has evidence that a significant number of HMOs in the borough are managed ineffectively and that their mismanagement is contributing to social problems such as poor housing conditions and anti-social behaviour.
- 1.5 We consider that the proposed schemes are the most effective way to regulate the condition, management and occupation of privately rented properties in the borough. They will help us to:
- Improve housing conditions
 - Seek to reduce deprivation and inequalities, in conjunction with other key council strategies (e.g. homelessness prevention, housing strategy, corporate plan)
 - Tackle anti-social behaviour linked with the private rented sector as part of a broader tool kit, and
 - Contribute to an improvement in the health outcomes of residents in the most deprived areas by improving property conditions.
- 1.6 In summary the proposed scheme objectives documented in further detail in section 15 (page 43) are as follows:
- Ensure that at least 95% of licensable properties are licensed by the end of the scheme

- In at least 75% of licensed properties, compliance with licence conditions and improved property conditions has been achieved
- Reduction of housing hazards by at least 70%
- Reduction of overcrowding and fuel poverty in at least 90% of identifiable properties
- Enforcement action taken to reduce repeat anti-social behaviour by at least 70% in identified properties

1.7 The Council has increasingly used existing enforcement powers to deal with property conditions and management. This is mainly in a reactive way as the Council relies heavily on receipt of complaints from tenants and neighbours 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 private rented sector indicates that current enforcement measures are not sufficient on their own. Additional and selective licensing would be hugely beneficial in identifying which properties to target for inspection and to bring into compliance, and help us to raise standards and improve conditions in privately rented properties. Licensing provides clear guidance for landlords on the expected standards for property conditions and management.

1.8 The evidence shows that all wards in Enfield have a higher than average number of private rented properties with serious property issues (Category 1 hazards). However, the wards within the proposed designated areas also have the highest number of Council interventions relating to property issues, disrepair and property related ASB. These wards place the highest demands on council services and resources and would benefit from being brought into a more robust regulatory framework.

1.9 The Council appreciates that many landlords let their properties responsibly. However, the private rented sector is disproportionately affected by poor housing conditions and property-related ASB, especially when compared with other sectors. Council officers are frequently alerted to privately rented properties in very poor condition.

1.10 Enfield has growing problems in the private rented sector with extremely high levels of illegal evictions that often lead to homelessness. 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 but has not licensed. Enfield also has the highest number of private renters on Housing Benefit in London, and the second highest level of Discretionary Housing Payment for Universal Credit in the country. The condition and issues with properties in this sector are only getting worse. A large-scale selective licensing scheme and additional HMO licensing are necessary and, we believe, are the most effective means by which we can address on-going problems highlighted by our review of housing conditions in the area under Part 1 of the 2004 Act.

1.11 As the largest growing housing sector in the borough, the private rented sector is hugely important to our local community, providing local people with decent, flexible accommodation and vital support for our local economy. The proposals in this document are integral to our strategy to raise the quality of life for Enfield residents and create safer, stronger and more cohesive local communities. We urge you therefore to consider our proposals carefully.

1.12 This consultation paper outlines our proposals and approach. Our consultation questionnaire seeks your views about these proposals, our objectives, our proposed licence conditions, our proposed licencing fees and the alternatives that you think we should consider. Our proposals are still at a formative stage and we will listen carefully and consider the results of the consultation before making a decision about how to proceed.

We look forward to hearing from you.

2. Borough Summary

- 2.1 Enfield is 12 miles from the centre of the capital, in the north east of London. Since the 1870s, Enfield has developed from a modest market town, surrounded by open country and small villages, to a pattern of suburbs on the edge of London. Whilst 40% of the borough is green belt land, with a number of parks, agricultural land and woodland, we also have large industrial and commercial areas due to the excellent road links and proximity to international airports.
- 2.2 Enfield is the 5th largest London Borough in terms of population¹. The latest estimate is that we have a population of 332,705². This is an increase of 4.9% or 15,500 people since 2012. This growth is slightly higher than the national average of 4%.
- 2.3 Enfield is the 11th most diverse borough in London³. Black African and Black Caribbean populations are the biggest non-white group in the borough. We also have a large Turkish and Cypriot population (4% each) and a growing number of newly arrived Romanians.
- 2.4 Enfield has a young population. 64% of our population is of working-age and there are proportionately more children and young people under 20 than in both London and England overall.
- 2.5 The borough has many of the challenges that other local authorities face, such as tackling crime, improving housing, creating more affordable housing and improving the environment, but the growing population and the underlying deprivation in the borough exacerbates these challenges. We are tackling these issues head on by working with the police, fire service and other partners to combat crime and anti-social behaviour and by taking direct action against those responsible. But we feel there is more we can do.
- 2.6 The Council is committed to developing more homes that are genuinely affordable to local people. Before 2030, we will deliver 3,500 new homes which will be owned by the Council, and many more that will be created through our current programmes which will be owned by partners and available to Enfield residents⁴.
- 2.7 You will find more information about each ward in our borough in the Ward Summaries. Please see Appendix B.

¹ Enfield Borough Profile 2018, <https://new.enfield.gov.uk/services/your-council/borough-and-wards-profiles/borough-profile-2018-your-council.pdf>

² Enfield Borough Profile 2018, <https://new.enfield.gov.uk/services/your-council/borough-and-wards-profiles/borough-profile-2018-your-council.pdf>

³ Enfield Borough Profile 2018, <https://new.enfield.gov.uk/services/your-council/borough-and-wards-profiles/borough-profile-2018-your-council.pdf>

⁴ More and better homes for Enfield, Housing and Growth Strategy 2020 – 203

3. The Private Rented Sector in Enfield

3.1 The number of people living in Enfield’s private rented sector has almost trebled since 2001 and renting from private landlords is now the fastest growing housing tenure.

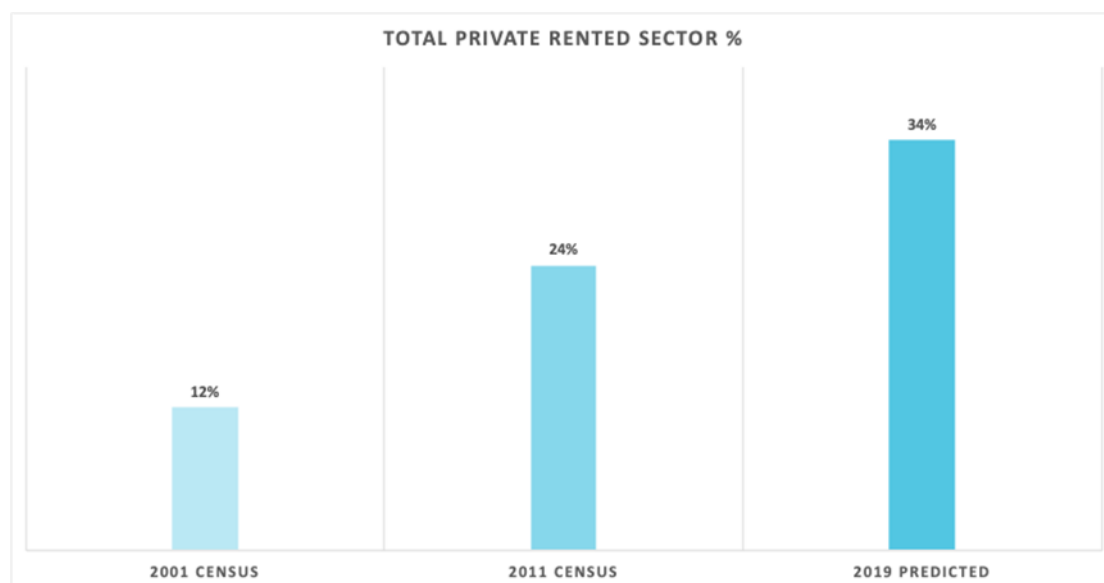


Figure 1 - Total % of Private Rented Sector since 2001

3.2 The increase in the level of the private rented sector is comparable to neighbouring boroughs and the general trend across London.

	Census 2011	Latest reported PRS level	Difference
Havering	10%	29%	+19%
Newham	35%	46%	+11%
Enfield	24%	34%	+10%
Waltham Forest	27%	37%	+10%
Brent	32%	41.5%	+9.5%

Table 1 - % PRS comparison with other North East London Boroughs

3.3 We recognise that privately rented properties play a valuable role in providing housing for residents of the borough. An estimated 34%⁵ of Enfield’s homes are now privately rented with a growing number of families with children living in the sector.

3.4 Many landlords operating in the borough take their responsibilities seriously and provide well managed rented homes that are maintained to a good standard. However, there are widespread issues of disrepair and housing hazards in the private rented sector and poorly managed properties that give rise to significant and persistent ASB compared to homes in other sectors.

⁵ Metastreet 2019

3.5 Some of the headline issues in the private rented sector in the borough (in addition to poor property conditions, deprivation and ASB) are:

- High levels of evictions
- High levels of homelessness and temporary accommodation
- Overcrowding as people share with more tenants to make the rent affordable.
- Children living in HMOs

Evictions

3.6 The eviction rate in the private rented sector in Enfield is the highest in London. In 2017/18, there were 20.4 evictions per 1,000 renting households. This was a reduction on the previous year's figure of 32/1,000 renting households but is a major cause for concern. The average for London was 16.5. Between 2011 and 2018, PRS rents in Enfield increased by 37%⁶. Increased levels of migration into the borough, deprivation, low incomes and the limited supply of affordable social rented homes means that vulnerable and migrant communities are increasingly reliant on finding accommodation in the private rented sector in Enfield and are exposed to these higher housing costs⁷. In addition, Enfield work with Cambridge House Safer Renting to support those faced with illegal eviction, but this will be enhanced with licensing as it gives tenants greater rights, especially against section 21 evictions.

3.7 The licensing schemes would help to support higher standards of professionalism amongst landlords, tenants will be more aware of their rights and there will be minimum standards set for all properties. This should contribute towards stabilising the rental market and encourage longer tenancies with less turnover.

Temporary accommodation and homelessness

3.8 Enfield relies heavily on temporary accommodation in the private rented sector to home a large number of homeless households. In 2017, Enfield had the second highest number of households in temporary accommodation in London, with 3,244 households being housed, nearly double the London average of 1,696⁸.

3.9 Whilst most temporary accommodation is exempt from licensing, licensing does allow the Council to set a 'standard' that will help to ensure that the temporary accommodation in the PRS is fit for purpose. This would currently account for over two thousand properties.

3.10 One of our aims is to work with landlords to sustain tenancies and to reduce the prevalence of section 21s, leading to a more stable private rented community. Any new licensing scheme will be aligned with the Council's strategy on preventing homelessness.

Renters on benefits

3.11 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

⁶ <https://new.enfield.gov.uk/consultations/the-right-home-for-everyone/enfield-draft-preventing-homelessness-and-rough-sleeping-strategy-for-public-consultation.pdf>

⁷ Enfield Housing Strategy More and better homes for Enfield Housing and Growth Strategy 2020 – 2030

⁸ Trustforlondon.org.uk 2017

– twice as many are living in the private renter sector. This shows that private renters are working, but their wages to rent ratio is too low, and they need to have support to cover the costs of their accommodation.

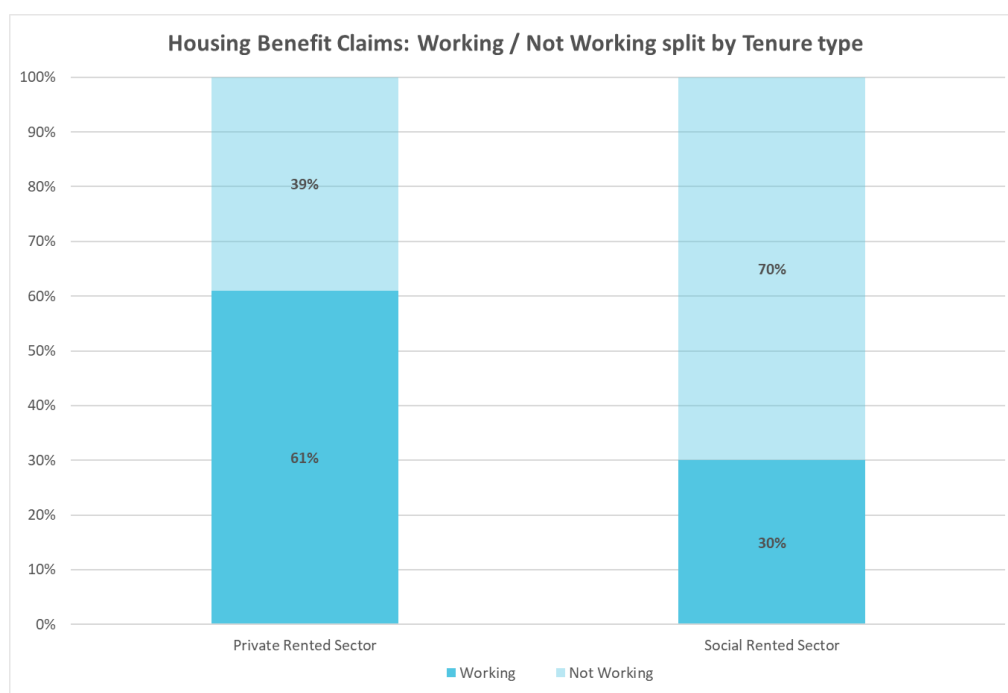


Figure 2- Housing Benefit Claims: Working / Not Working Split by Tenure⁹

3.12 The borough has the second highest level of Discretionary Housing Payment for Universal Credit in the country, after Birmingham. Discretionary Housing Payment is a payment you can receive at the discretion of your local authority which can help towards housing costs. It is available to people who are not receiving enough to cover their rent and is only paid to those who are entitled to Housing Benefit or the Housing Costs element of Universal Credit. The roll out of Universal Credit to replace Housing Benefit started in Enfield in 2017 and is ongoing.

4. Current housing enforcement in Enfield

Rogue landlord project

4.1 Enfield has a good history of tracking down and enforcing against criminal landlords. We have previously received funding from central government to target criminal landlords and agents operating in the borough. The funding has enabled us to obtain a better insight to the extent of the issues affecting tenants living in the private rented sector; the negative impacts this has on the health and safety of the tenants living in dangerous and overcrowded properties and the environmental impacts, such property related ASB. This work has also uncovered criminality relating to modern day slavery, exploitation, and benefit fraud. This type of criminal activity has a direct impact on issues such as harassment, intimidation, threats and illegal evictions. These are not landlords who are unaware of their responsibilities or who are inexperienced. These

⁹ Source: DWP reporting tool – Stat-Xplore 2019, LB of Enfield – Information & Research Team

criminal landlords have a disproportionate effect on the lives of residents and communities in Enfield.

4.2 Evidence from this project shows that poor regulation of privately rented homes results in the lowering of standards, often to the point where the safety of the occupants is at risk. This is particularly noticeable at the bottom end of the market where some of the most vulnerable members of the community, many of which are migrants, are forced to rent as they have no alternatives. It is only when the local authority intervenes that compliance is achieved.

4.3 Cases investigated as part of the Rogue landlord project, between 2017 and 2019, have uncovered a significant number of sub-standard and overcrowded accommodation, unlicensed HMOs and illegal outbuildings/beds in sheds. So far, the project has inspected 4,259 properties in which we have:

- Identified 104 outbuildings that are lived in
- Prohibited 118 buildings/rooms used as sleeping accommodation as they are either unsuitable for human habitation; below the minimum room size or access is situated in a high risk area, such as a kitchen.
- Reduced overcrowding in 137 properties.
- Identified and removed 3,267 hazards. The main hazards identified;
 - Electrical hazards
 - Fire risk (hazards associated with badly installed electrical installations and where escape routes are via high risk areas)
 - Damp and mould
 - Excess cold
 - Overcrowding
- Brought into licensing 173 HMOs, providing 1,007 rooms for sleeping accommodation for 1,016 households. It has been found that an increasing number of families with dependent children are now living in HMOs.
- 2,821 Notices served for housing and planning enforcement offences.
- 39 prosecutions and proceeds of crime amounting to £128,280.

4.4 In collaboration with an independent charitable organisation the project funding also assisted vulnerable tenants at risk of harassment and unlawful eviction by landlords who do not use the legal route to end a tenancy. So far, the project has helped to sustain 42 private rented tenancies; improving conditions in their homes and dealing with harassment and unlawful evictions.

4.5 In one case, the accommodation was in such poor condition that a prohibition order was served and the family was assisted with sourcing other housing options. An emergency injunction was sought against another landlord to prevent him from entering the property and harassing the tenant to leave because the housing benefit had been reduced. In another case involving an illegal eviction the landlord moved other occupiers into the tenants' flat to increase his rental income and threatened the tenant when they objected. An injunction was obtained against this landlord on behalf of the tenants.

4.6 Whilst this project tackles the worst of the worst, this should not detract from the many properties across the borough that suffer from poor property conditions,

and have property-related ASB, which are affecting the lives of both tenants and neighbours in the borough.

Overall Enforcement

4.7 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.

4.8 The Council has increasingly used existing enforcement powers to deal with property conditions and management, but this response is 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 private rented sector 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 in the private rented sector. Licensing provides clear guidance for landlords on the expected standards for property conditions and management.

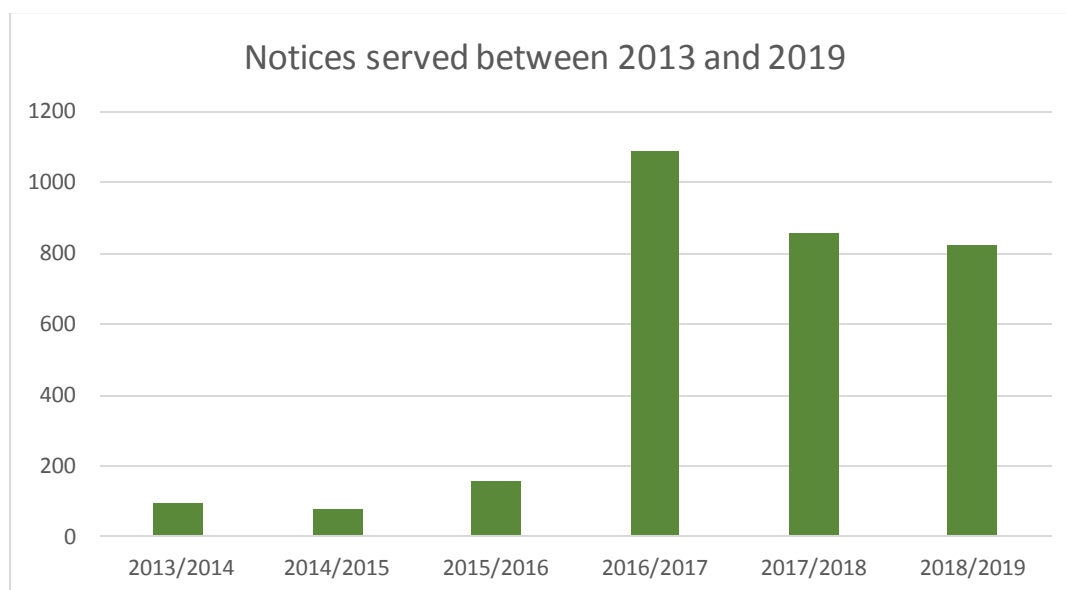


Figure 3 - Housing Enforcement Notices served between 2013/14 and 2018/19

5. Property Licensing – Regional Context

5.1 Enfield is bordered by boroughs that have property licensing already in place or are planning to introduce a scheme in the near future. Haringey, Newham, Redbridge, Barking & Dagenham have recently designated borough-wide or large areas as subject to licensing schemes. Waltham Forest and Havering have either recently consulted or are currently consulting on new schemes. Aside from the evidence to support the need for licensing schemes, contextually Enfield is potentially vulnerable to criminal landlords who operate across borough boundaries, transferring their operations into the borough.

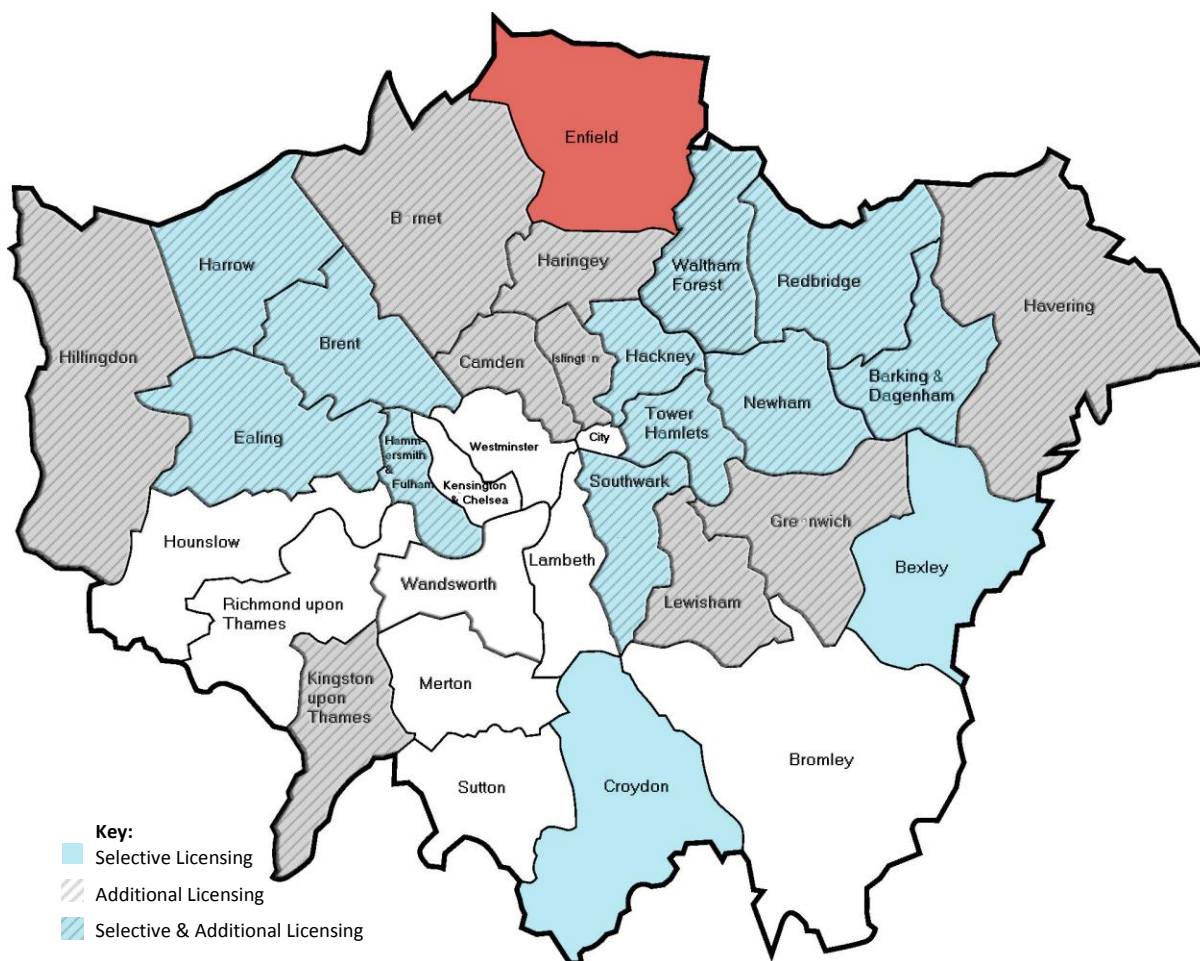


Figure 4 - Map of London showing current selective licensing and additional licensing in other boroughs

London Borough	Existing Selective Licensing	Existing Additional Licensing	Proposed Licensing	Selective	Proposed Licensing	Additional
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London Borough	Existing Selective Licensing	Existing Additional Licensing	Proposed Selective Licensing	Proposed Additional Licensing
Barking and Dagenham	Yes	Yes	New borough wide scheme 1 st Sept 2019	Propose to consult in the near future (TBC)
Barnet	No	Yes		
Bexley	Yes	No		
Brent	Yes	Yes	Consultation closed on 25 th Aug- renewal in 3 wards and extend to further 10 wards	Consultation closed on 25 th Aug- renewal borough wide
Bromley	No	No		
Camden	No	Yes		
City of London	No	No		
Croydon	Yes	No		
Ealing	Yes	Yes		
Enfield	Proposed	Proposed		
Greenwich	No	Yes		
Hackney	Yes	Yes		
Hammersmith & Fulham	Yes	Yes		
Haringey	Yes	Yes		
Harrow	Yes	Yes		
Havering	No	Yes		
Hillingdon	No	Yes		
Hounslow	No	Expired May 2019		Consultation closed on 3 rd April 2019 to continue existing scheme
Islington	No	Yes	Consultation closes on 3 rd Nov 2019 to introduce in 1 ward	Consultation closes on 3 rd Nov 2019 for borough wide scheme
Kensington & Chelsea	No	No		
Kingston	No	Yes		
Lambeth	No	No		
Lewisham	No	Yes	Consultation closed on 21 st Aug 2019 for	Consultation closed on 21 st Aug 2019 for

London Borough	Existing Selective Licensing	Existing Additional Licensing	Proposed Selective Licensing	Proposed Additional Licensing
			borough wide scheme	borough wide scheme
Merton	No	No		
Newham	Yes	Yes		
Redbridge	Yes	Yes		
Richmond	No	No		
Southwark	Yes	Yes		
Sutton	No	No		
Tower Hamlets	Yes	Yes		
Waltham Forest	Yes	Yes	Consultation closed on 29 th April 2019 to continue in 18 wards	Consultation closed on 29 th April 2019
Wandsworth	No	No		
Westminster	No	No		

Table 2 - London Boroughs with Selective and Additional Licenses and proposing schemes

6. Property Licensing – Statutory provisions

6.1 Parts 2 and 3 of the Housing Act 2004 provide for the licensing of privately rented properties. There are three different licensing schemes under the Act. These are a national ‘mandatory’ scheme that applies to certain Houses in Multiple Occupation (HMOs) and two discretionary schemes (additional or selective) that local authorities can designate at a local level. A summary of these different schemes is set out below.

Mandatory HMO Licensing

6.2 Under Part 2 of the 2004 Act, those who manage or have control of HMOs falling within a prescribed, statutory description must obtain a licence authorising their occupation. 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 about it.

Additional HMO Licensing (discretionary)

6.3 Part 2 of the 2004 Act also allows local authorities to designate an area as subject to additional licensing, 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 acquire a licence authorising their occupation. 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 ineffectively, so as to give rise to one or more particular problems, either for those occupying the HMOs or for the public. Before making a designation, the authority must also, among other matters:

- take reasonable steps to consult persons who are likely to be affected by the designation; and
- consider any representations made in accordance with the consultation and not withdrawn.

6.4 There are also HMOs defined under Section 257 Housing Act 2004; (a building converted into self-contained flats but does not meet the standards of conversion required by the Building Regulations 1991, and where less than two thirds of the flats are owner occupied). It is estimated that a very small number of HMOs will fall into this category and on this basis, Section 257 HMO's are not being considered in the proposed Additional licensing scheme.

Selective Licensing (discretionary)

6.5 Under Part 3 of the 2004 Act, local authorities may also 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 to let their property. In order to designate an area as a selective licensing area, the local authority must be satisfied that certain, prescribed conditions are met.

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

- low housing demand (or likely low housing demand in the future);
- a significant and persistent problem caused by ASB;
- poor property conditions;
- high levels of migration;
- high levels of deprivation; and/or
- high levels of crime.

In addition, the area must have a high proportion of property in the private rented sector (PRS) that is let under either assured tenancies or licences.

6.7 Further, when considering whether to designate a selective licensing area the local housing authority must:

- take reasonable steps to consult persons who are likely to be affected by the designation, and,
- consider any representations made in accordance with the consultation

6.8 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 Secretary of State for confirmation of the scheme.

6.9 Further, when considering whether to make an additional or selective licensing designation a local housing authority must identify the objective or objectives that a designation will help it to achieve. In other words it must identify whether the area is suffering problems that are caused by or attributable to any of the criteria for making the designation and how it expects the designation to help resolve them. The local authority must also consider whether there are any alternative courses of action that would meet its objectives without, or as well as, the need for a designation; and it must ensure that its approach is consistent with its housing strategy and its approach to empty properties, homelessness and anti-social behaviour.

7. About this consultation

7.1 We are therefore proposing to licence privately rented properties in the 14 wards with the most issues with property conditions, deprivation and property-related ASB. Further, we propose to designate the whole borough as subject to additional licensing so that problems associated with HMOs in particular, are addressed directly and effectively. These licensing schemes will allow us to more effectively regulate and improve the management, use, occupation and condition of privately rented homes.

7.2 This consultation paper outlines our proposals and preferred approach. We will listen carefully and consider the results of the consultation before making a decision.

7.3 The consultation is open to all residents, tenants, landlords, agents, businesses and interested parties in Enfield and outside of the borough.

8. Proposed licensing designations

8.1 The Council has compiled an evidence base that enables it to predict, on a ward by ward basis, the number of privately rented homes in an area and the likely incidence and spread of, for example, Category 1 housing hazards, deprivation and ASB. This evidence base, coupled with other available information from the Council's current enforcement, demonstrates that the borough would benefit from the following licensing schemes:

- Two selective licensing schemes covering 14 wards (Bowes, Chase, Edmonton Green, Enfield Highway, Enfield Lock, Haselbury, Jubilee, Lower Edmonton, Palmers Green, Ponders End, Southbury, Southgate Green, Turkey Street and Upper Edmonton); and
- A borough-wide additional HMO licensing scheme.

9. The proposed Selective Licensing scheme

9.1 Our predictive data shows that all the wards in the borough meet the criteria for selective licensing, in that they have over the national average of private rented sector and they meet at least one other criteria. However, we have used a

combination of data to select the wards that have the most issues in the private rented sector, and which, as a result, most affect the quality of life for tenants and residents, and make the most demands on council services. Instead of going for a borough-wide designation, we have used the evidence to select the 14 wards that have the highest levels of issues. The 14 wards that are being proposed for the selective licensing scheme:

- have a high proportion of privately rented homes compared with the national average of 19%¹⁰;
- have homes which are let on assured tenancies or licences;
- have high levels of poor property conditions in the area and the Council proposes to inspect in order to take any necessary enforcement action;
- are areas experiencing high levels of deprivation;

13 of the 14 wards are also:

- areas experiencing a *significant and persistent* problem caused by anti-social behaviour, that some or all of the private sector landlords who have let premises in the area are failing to take action to combat the problem that it would be appropriate for them to take.

9.2 The combination of these issues results in the rented properties in the 14 wards placing a high demand on Council services.

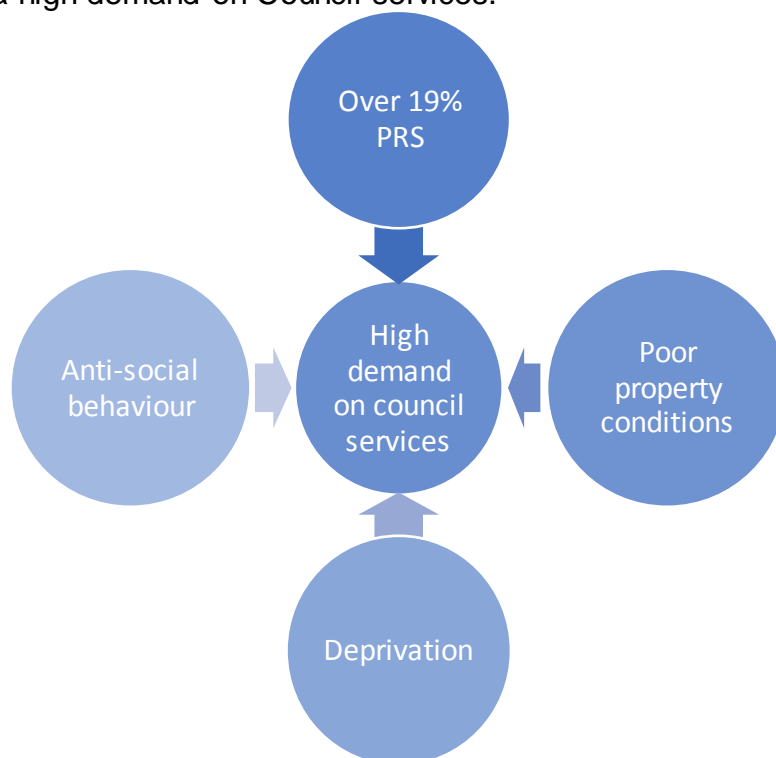


Figure 5 - Factors in housing leading to high demand for council services

9.3 The selective licensing scheme, comprising two designations, is proportionate, justifiable and based on evidence. The scheme will enable us to tackle the problems we are experiencing in the borough's housing and really help us to make an improvement to the quality of life for those privately renting in the borough.

¹⁰ English Housing Survey, Headline Report 2017-18

9.4 The wards that are proposed to be included in the selective licensing scheme are:

Designation 1 (light blue in Table 3) has poor property conditions, deprivation and ASB: Bowes, Edmonton Green, Enfield Highway, Enfield Lock, Haselbury, Jubilee, Lower Edmonton, Palmers Green, Ponders End, Southbury, Southgate Green, Turkey Street and Upper Edmonton.

Designation 2 (dark blue in Table 3) has poor property conditions and deprivation: Chase

Ward	Above 19% PRS	Poor property Conditions	Deprivation – based on IMD ranking	Significant Anti-Social Behaviour	Designation 1	Designation 2
BOWES	✓	✓	12	✓	Yes	
BUSH HILL PARK	✓	✓	18			
CHASE	✓	✓	11			Yes
COCKFOSTERS	✓	✓	16	✓		
EDMONTON GREEN	✓	✓	1	✓	Yes	
ENFIELD HIGHWAY	✓	✓	8	✓	Yes	
ENFIELD LOCK	✓	✓	7	✓	Yes	
GRANGE	✓	✓	21			
HASELBURY	✓	✓	6	✓	Yes	
HIGHLANDS	✓	✓	15			
JUBILEE	✓	✓	9	✓	Yes	
LOWER EDMONTON	✓	✓	4	✓	Yes	
PALMERS GREEN	✓	✓	13	✓	Yes	
PONDERS END	✓	✓	5	✓	Yes	
SOUTHBURY	✓	✓	10	✓	Yes	
SOUTHGATE	✓	✓	17			
SOUTHGATE GREEN	✓	✓	14	✓	Yes	
TOWN	✓	✓	19			
TURKEY STREET	✓	✓	3	✓	Yes	
UPPER EDMONTON	✓	✓	2	✓	Yes	
WINCHMORE HILL	✓	✓	20			

Table 3 - Summary designation criteria by ward

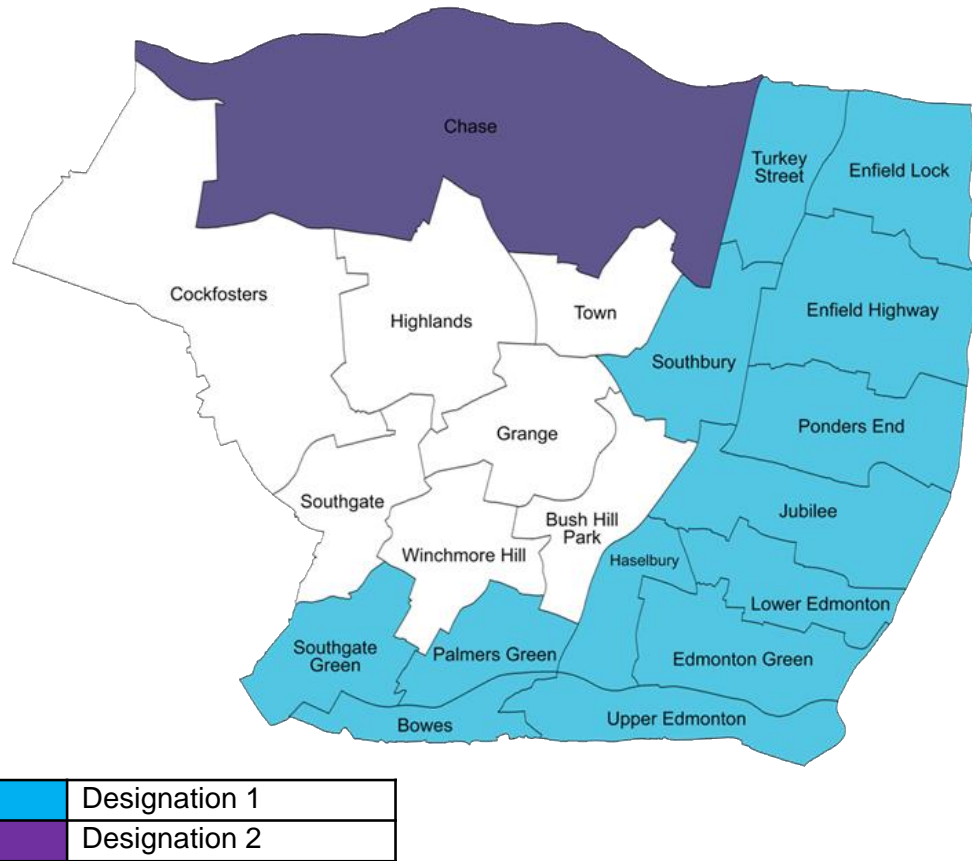


Figure 6 - Map showing the wards in the proposed selective licensing designations

9.5 We are satisfied that the private rented properties are, or are likely to be, let under assured tenancies or licences, not least because assured shorthold tenancies (ASTs) – a species of assured tenancy governed by the Housing Act 1988 – are the most common type of tenancy agreement by which privately rented properties are let. From our housing enforcement work, the vast majority of the properties are let under ASTs as opposed to licence agreements.

10. Qualifying criteria – Area has a high proportion of property in the private rented sector

10.1 In considering whether to designate an area for selective licensing the area must have a high proportion of property in the private rented sector. Nationally the private rented sector currently makes up 19% of the total housing stock in England¹¹. In Enfield, the level is much higher with 34% of properties currently predicted to be privately rented. Whilst the levels vary across the borough, all wards have over the national average with Bowes having the highest percentage of rented properties at 44.4%. The level of private rented sector in each ward is shown in the graph below (Figure 7).

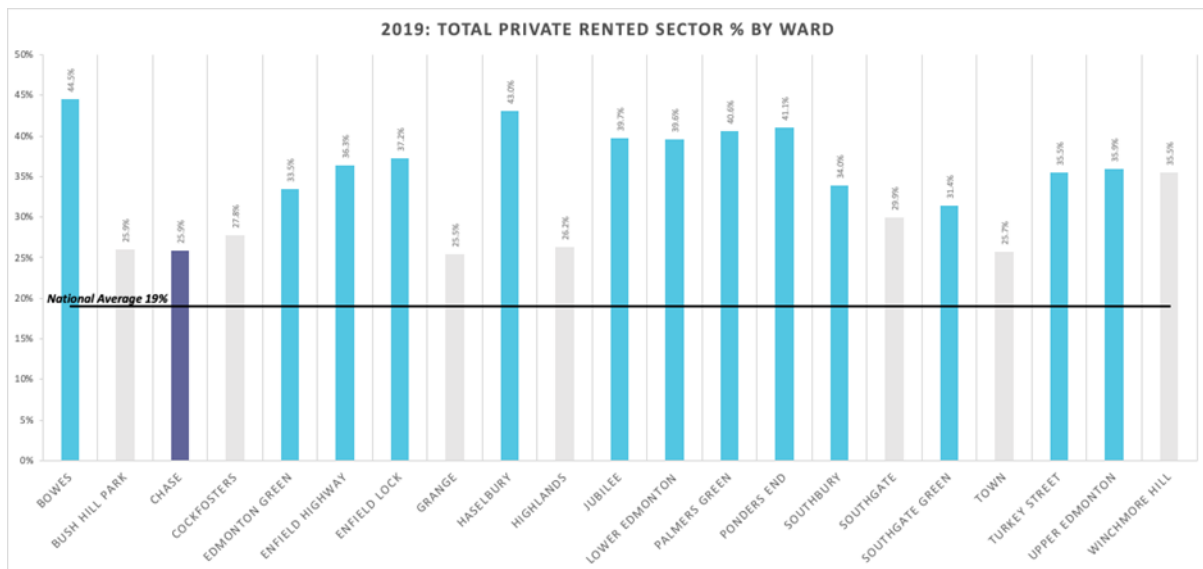


Figure 7 - Graph showing the predicted level of PRS by ward¹²

¹¹ English Housing Survey Headline Report, 2017-18

¹² Housing Stock Report, Metastreet 2019

11. Qualifying criteria – Area experiencing poor property conditions

11.1 Nationally, the condition of properties in the private rented sector continues to be worse than other housing sectors. Category 1 hazards are serious housing hazards, including significant damp and mould, electrical hazards, fire safety hazards and excess cold. These types of hazard require urgent remedy to protect tenants' health and safety.

11.2 A national survey showed that over a quarter (27%) of privately rented homes in England fell below the Decent Homes Standard in 2016; 20% had serious disrepair and 15% of privately rented dwellings had at least one serious Category 1 hazard, assessed using the Housing Health and Safety Rating system (HHSRS) under Part 1 of the 2004 Housing Act¹³. The rates of disrepair in the privately rented homes are approximately double that of socially rented homes (10%) and of owner-occupied homes (11%).

11.3 In Enfield, the situation is worse than the national picture. The following graph shows the percentage of predicted private rented sector with Category 1 Hazards. Every ward has over the national average of 15%, with the worst wards having 35-40% of rented properties with these serious hazards.

11.4 All of the wards in both designation one and designation two have over the national average of category 1 hazards.

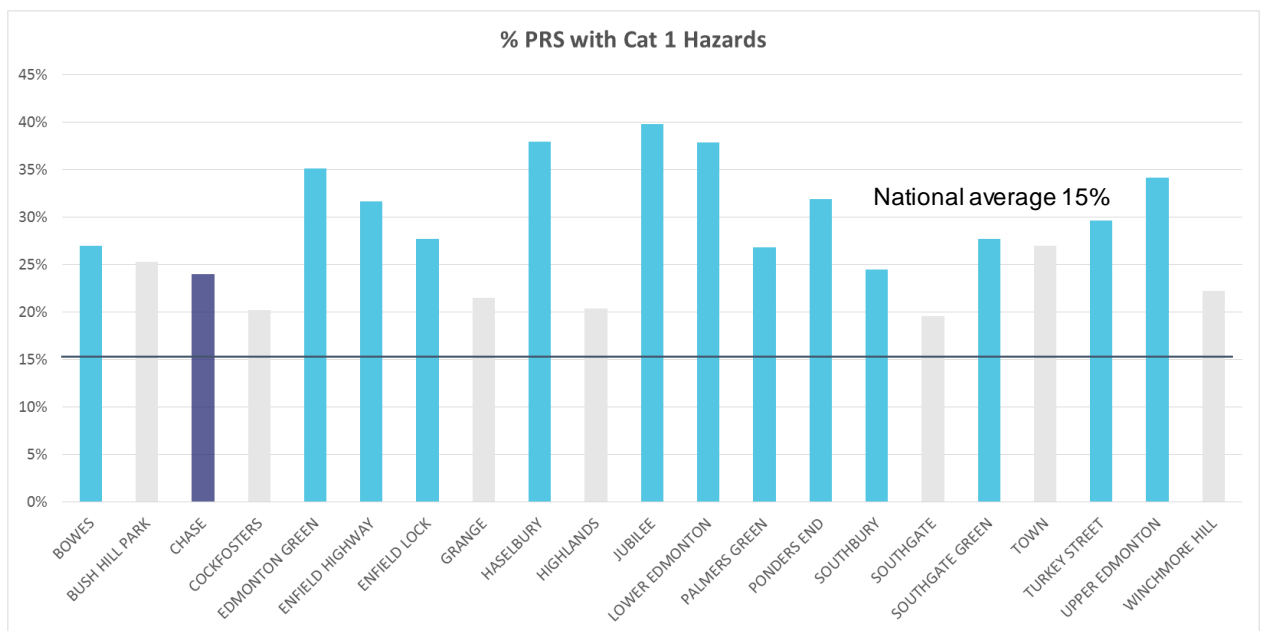


Figure 8 - Percentage of properties with Cat 1 hazards by ward¹⁴

11.5 Figure 8 uses data from the council database including complaints about property conditions, housing enforcement data and nationally available Energy Performance Certificates (EPC) data.

¹³ English Housing Survey Private Rented Sector 2016/17

¹⁴ Metastreet 2019

11.6 When compared to other nearby and comparable boroughs (Table 4), it is clear that the condition of privately rented properties in Enfield is not only worse than the national picture, but is worse than many other London boroughs.

Borough	% of rented properties with Cat 1 Hazards
Enfield	28%
Lewisham	23%
Waltham Forest ¹⁵	22%
Barking & Dagenham	22%
Newham	20%
Havering	19%
Croydon	17%
Redbridge	16%
Hackney	11%

Table 4 - Level of Cat 1 Hazards in London boroughs

Ward	PRS Dwellings	% PRS	Cat 1 Hazards	% PRS with Cat 1 Hazards
BOWES	2,657	44.5%	716	27%
BUSH HILL PARK	1,497	25.9%	379	25%
CHASE	1,507	25.9%	362	24%
COCKFOSTERS	1,591	27.8%	321	20%
EDMONTON GREEN	2,387	33.5%	838	35%
ENFIELD HIGHWAY	2,217	36.3%	701	32%
ENFIELD LOCK	2,529	37.2%	700	28%
GRANGE	1,477	25.5%	317	21%
HASELBURY	2,573	43.0%	976	38%
HIGHLANDS	1,559	26.2%	317	20%
JUBILEE	2,164	39.7%	861	40%
LOWER EDMONTON	2,513	39.6%	952	38%
PALMERS GREEN	2,578	40.6%	691	27%
PONDERS END	2,480	41.1%	791	32%
SOUTHBURY	2,070	34.0%	506	24%
SOUTHGATE	1,909	29.9%	374	20%
SOUTHGATE GREEN	1,790	31.4%	496	28%
TOWN	1,670	25.7%	451	27%
TURKEY STREET	1,974	35.5%	585	30%
UPPER EDMONTON	2,386	35.9%	814	34%
WINCHMORE HILL	2,018	35.5%	448	22%
BOROUGH TOTAL	43,546	34.1%	12,596	29%
BOROUGH AVERAGE			600	28%

Table 5 - The predicted distribution of Cat 1 Hazards by ward¹⁶

11.7 Poor housing is known to have a detrimental effect on inhabitants' physical and mental health. Cold, overcrowding and damp are the three biggest factors affecting physical health causing respiratory problems, such as asthma, cardiovascular problems and a bigger risk of infectious diseases. The cost of

¹⁵ <https://democracy.walthamforest.gov.uk/> Waltham Forest Selective and Additional Licensing, Appendix 3, Evidence Pack Used to Accompany the Consultation February 2019

¹⁶ Metastreet 2019

poor housing to the NHS in England is estimated to be around £2bn/year¹⁷. In addition, people with mental health conditions are one and a half times more likely to live in rented housing, compared to the general population and mental ill health is frequently cited as a reason for tenancy breakdown. Housing problems are often given as a reason for a person being admitted, or readmitted, to inpatient care¹⁸.

11.8 The effect of poor housing is even more pronounced in children. Living with multiple housing problems increases children's risk of ill-health and disability by up to 25% during childhood and early adulthood¹⁹. We have a growing number of young families forced into living in the cheapest, poorest housing in the borough.

How licensing will help improve property conditions

11.9 We want to work positively with landlords to ensure that they bring their properties up to standard. However, for those landlords who fail to comply with the licence conditions, licensing will provide a robust enforcement framework that will allow the Council to hold them to account for the condition of their properties. Licensing gives the Council a quicker and more robust means to enforce non-compliance with licence conditions, which acts as an incentive for landlords to comply with what is required.

The scheme objectives relating to the improvement of property conditions can be found on page 43.

12. Qualifying criteria – Area experiencing deprivation

12.1 Enfield is the 12th most deprived borough in London and the 64th in England, based on the government's indices of deprivation. The levels of deprivation have got worse since 2010 when Enfield was the 14th most deprived borough in London. The wards included in the proposed selective licensing scheme are the most deprived 14 wards in the borough. They are all in the most deprived 50% of wards in England.

¹⁷ The Cost of Poor Housing to the NHS, BRE, 2014

¹⁸ NHS Confederation, 2011, Issue 233

¹⁹ Chance of a lifetime: The impact of bad housing on children's lives, Shelter 2006

Wards	Deprivation Rank	Deprivation Rank within Borough	Deprivation Rank within London	Deprivation Rank within England
Edmonton Green	1	1st most deprived	10% most deprived	10% most deprived
Upper Edmonton	2	2nd most deprived	10% most deprived	10% most deprived
Turkey Street	3	3rd most deprived	10% most deprived	10% most deprived
Lower Edmonton	4	4th most deprived	10% most deprived	10% most deprived
Ponders End	5	5th most deprived	20% most deprived	20% most deprived
Haselbury	6	6th most deprived	20% most deprived	20% most deprived
Enfield Lock	7	7th most deprived	20% most deprived	20% most deprived
Enfield Highway	8	8th most deprived	20% most deprived	20% most deprived
Jubilee	9	9th most deprived	30% most deprived	20% most deprived
Southbury	10	10th most deprived	30% most deprived	20% most deprived
Chase	11	11th most deprived	40% most deprived	30% most deprived
Bowes	12	12th most deprived	60% most deprived	40% most deprived
Palmers Green	13	13th most deprived	60% most deprived	40% most deprived
Southgate Green	14	14th most deprived	40% least deprived	50% most deprived
Highlands	15	15th most deprived	30% least deprived	50% most deprived
Cockfosters	16	16th most deprived	30% least deprived	50% least deprived
Southgate	17	17th most deprived	30% least deprived	50% least deprived
Bush Hill Park	18	18th most deprived	30% least deprived	50% least deprived
Town	19	19th most deprived	30% least deprived	50% least deprived
Winchmore Hill	20	20th most deprived	30% least deprived	40% least deprived
Grange	21	21st least deprived	20% least deprived	40% least deprived

Designation cut off

Table 6 - Deprivation ranking by ward²⁰

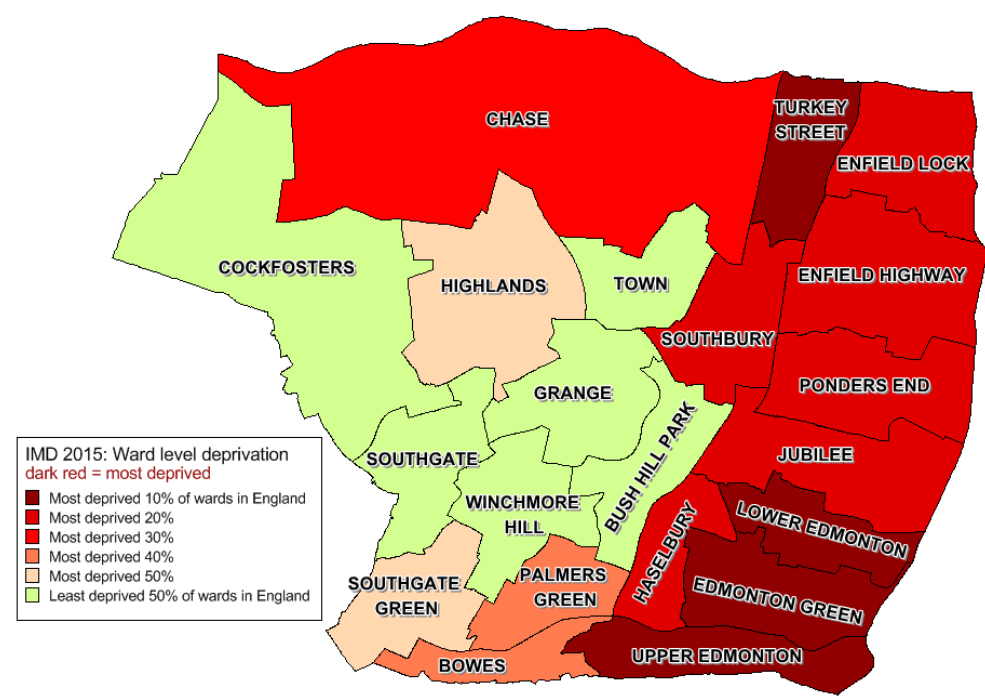


Figure 9 - Map of wards in Enfield showing deprivation levels

12.2 When assessing if an area suffers from a high level of deprivation, the following elements can be taken into consideration:

- the employment status of adults;
- the average income of households;

²⁰ IMD 2015

- **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.**

12.3 The Council holds good data on the criteria in bold, and all of the wards in the designations have high levels of a combination of these factors.

Employment status

12.4 The employment level of working age people in Enfield is below both the London and national averages. In the year to December 2018, only 69.6% of 16-64 year olds were employed compared to 74.3% in London and 75% across the UK. Of those who are considered 'economically inactive' in the borough, 27% want a job, compared to 21.7 % in London and 20.8% in the UK.

12.5 This is backed up by the number of people claiming unemployment benefit in the borough. The map (Figure 10) shows the levels of unemployment benefit claims by ward. It clearly shows the majority of the wards in the proposed designations, which also have the highest private rented sector levels, have the highest levels of unemployed people claiming benefit.

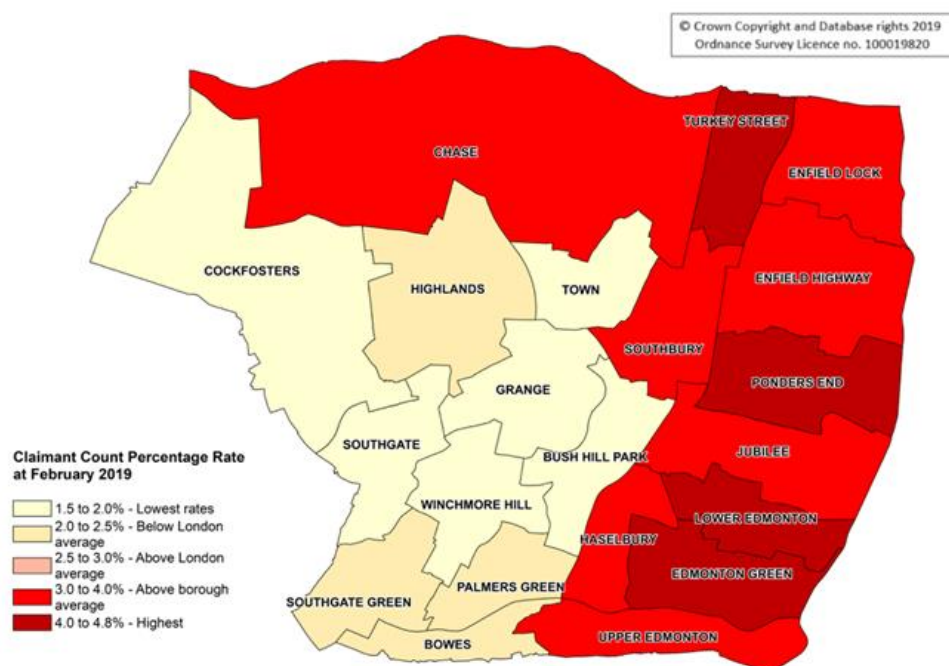


Figure 10- Unemployment benefit claimant count % rate by ward

Average income of households

12.6 Enfield is the 4th worst of the London boroughs for low pay. 31% of workers do not earn a living wage; this is 9 percentage points higher than the London average²¹. This is reflected in the number of households surviving on less than £15,000 per year (see below).

²¹ <https://www.trustforlondon.org.uk/data/boroughs/enfield-poverty-and-inequality-indicators/>

12.7 The graph (Figure 11) shows that the wards included in the proposed selective licensing designations have the highest number of households living on an income of less than £15,000 per year. The black line represents the borough average showing those wards above and below the average.

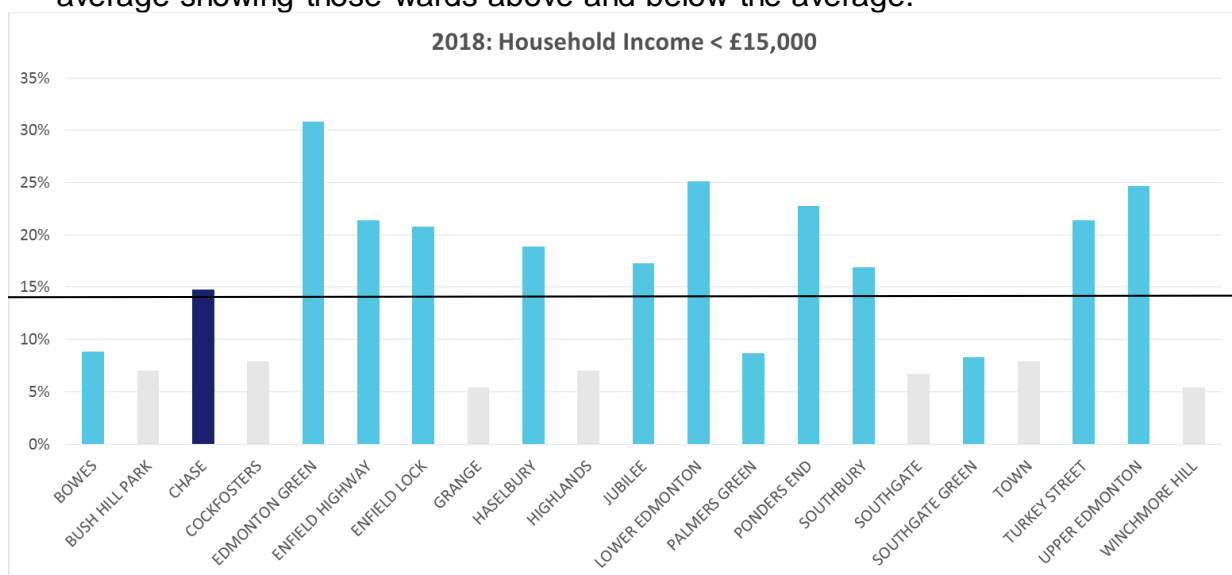


Figure 11 - % of households living on less than £15,000/year²²

12.8 Figure 12 shows that the wards in the proposed designations have the highest percentage of children living in low income families.

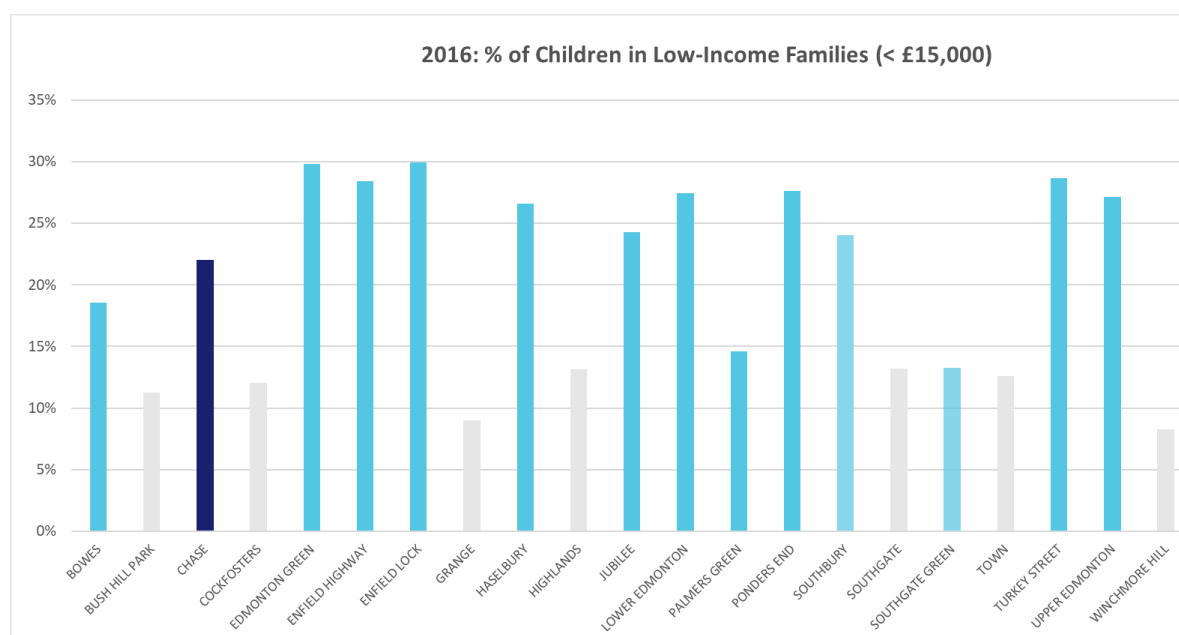


Figure 12 - % of children in low income families by ward²³

12.9 The ward data gives a borough average of 20.1%. This compares to a UK figure of 18% for children living in households on absolute low income, before housing costs²⁴. This shows that Enfield, on average, has more children living in poverty than the rest of the UK.

²² CACI Paycheck, 2018

²³ HMRC 2016

²⁴ Households below average income: an analysis of the income distribution 1994/95 to 2017/18, DWP 2019

The health of households

12.10 Obesity in children can be viewed as a proxy for poor health outcomes related to deprivation. Enfield has one of the highest levels of childhood obesity in north London with 41.1% of Year 6 children being classed as obese in the borough. The wards with the highest levels of childhood obesity also have the higher levels of private rented sector.

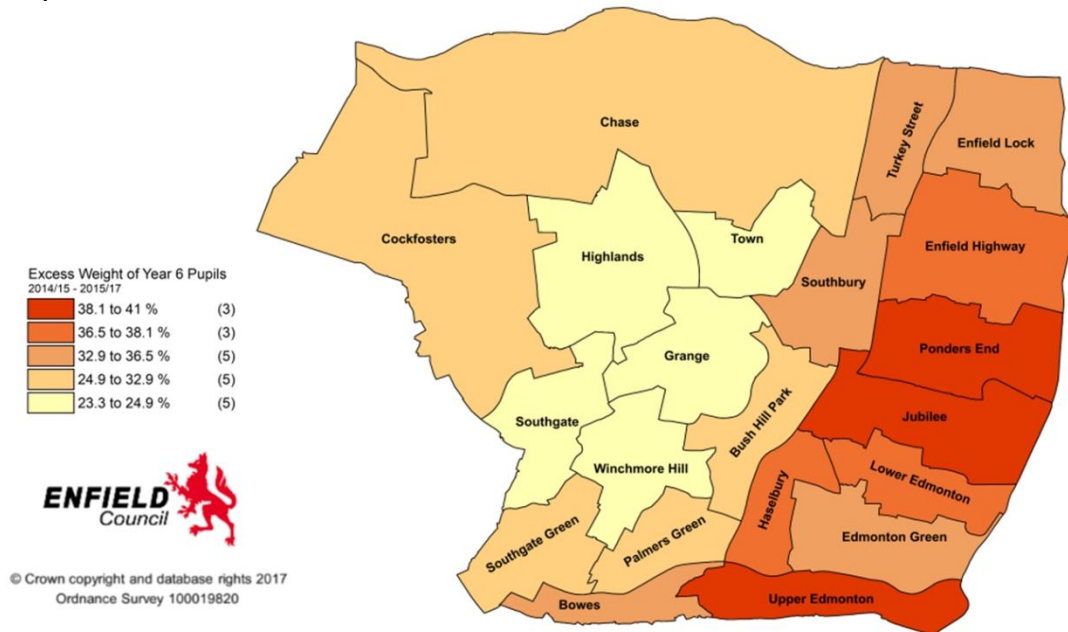


Figure 13 - Map of wards in Enfield showing rates of childhood obesity

North Central London STP	Reception Year Prevalence	Year 6 Prevalence
Enfield	24.9%	41.1%
Islington	21.4%	38.4%
Haringey	22.1%	37.8%
Camden	21.2%	36.1%
Barnet	20.0%	33.1%
London	21.8%	37.7%
England	22.4%	34.3%

Table 7 - Prevalence of childhood obesity in North London boroughs, London and England

Housing conditions

12.11 As shown above, all wards in the borough have poor property conditions with high levels of serious hazards. Figure 14 below shows the level of private rented properties that have presented to the Council with a property condition issue or have required the Council to intervene over an issue. The wards with the highest rate of issues are included in the designations.

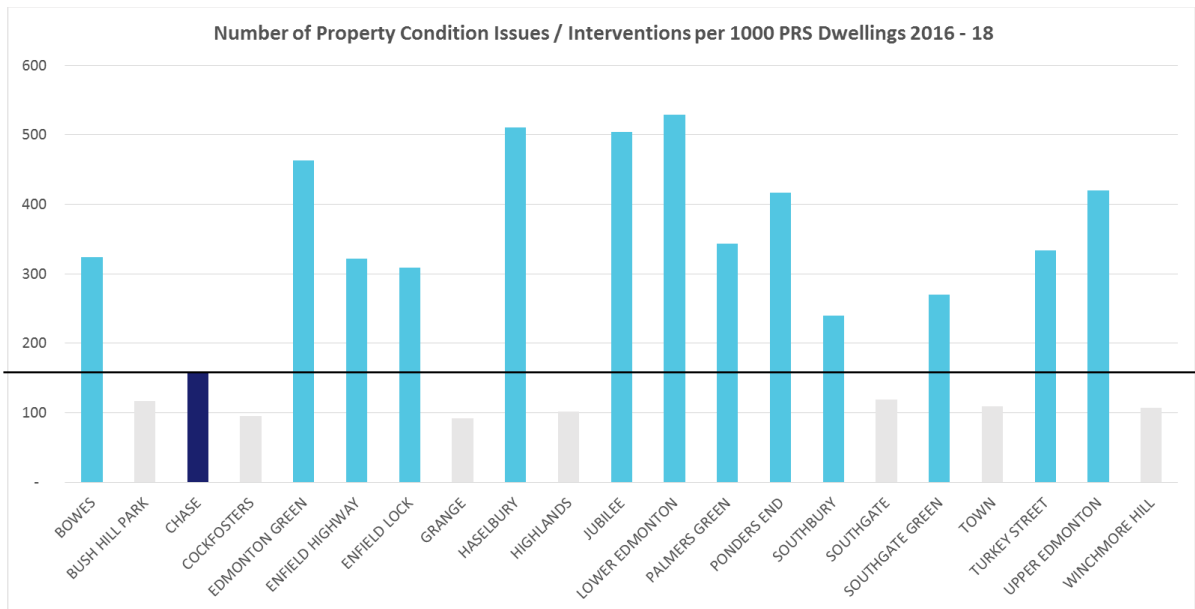


Figure 14 - The rate of private rented properties with property condition issues / interventions (measured per 1,000 dwellings)²⁵

Levels of Crime

12.12 The Police crime data (Figure 15: ASB-related crime only) shows that the wards with the highest PRS also have the higher incidence of crime.

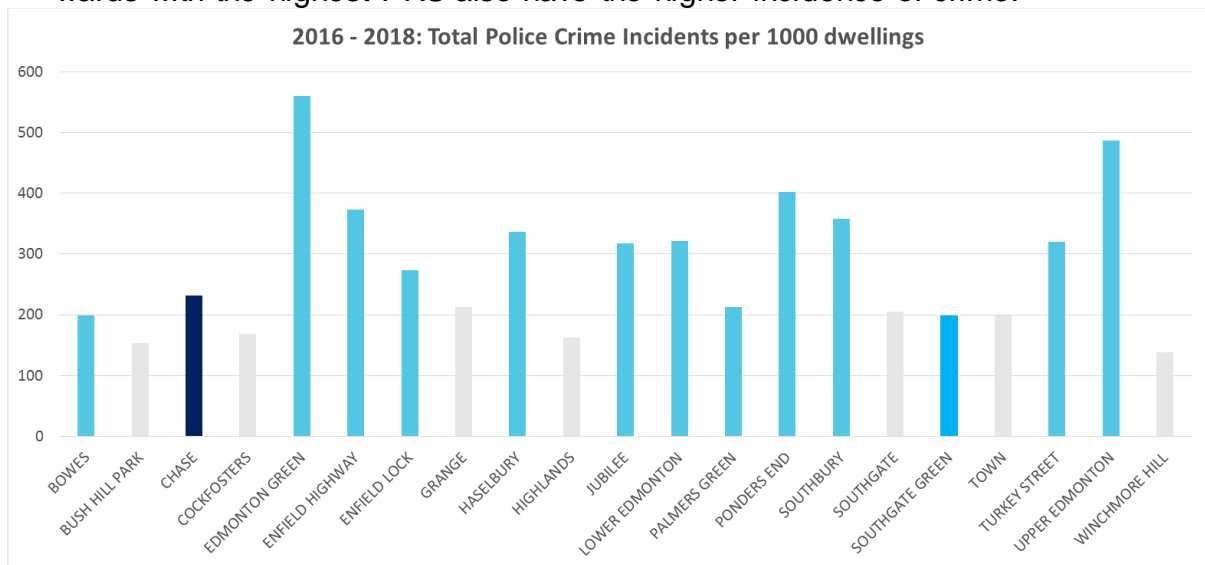


Figure 15 - Incidence of ASB crime by ward²⁶

²⁵ Metastreet 2019

²⁶ Police Crime Data, Community Safety Unit

How licensing will help with deprivation

12.13 High levels of deprivation in Enfield are exacerbated by housing issues such as overcrowding, disrepair and ASB. Licensing can make a direct and tangible difference to this by:

- Reducing overcrowding that has an impact on the physical and mental health of residents, as well as affecting the academic development of children and young people who have no space to study;
- Reducing Category 1 and 2 hazards, specifically damp, mould and excess cold that affect health;
- Ensure there are adequate amenities for the size of the household;
- Address properties that have an EPC rating of F or G, to ensure they are brought up to a minimum legal standard, helping families who are in fuel poverty.

12.14 Poorer families have little choice about the quality and size of the home they rent, with more and more families being forced into cheaper HMO accommodation. Licensing helps us to set minimum standards for occupation, fire safety and property management. More importantly, it provides the resources to enforce those standards. The licence would clearly state the Maximum Permitted Occupancy of a property and the licence conditions will limit the number of people allowed to live in a property as well as limit the use of certain rooms, such as kitchens, for sleeping.

The scheme objectives relating to deprivation can be found on page 43.

13. Qualifying criteria – Area experiencing a significant and persistent problem caused by anti-social behaviour (ASB)

Note: This criterion only applies to the wards in Designation 1 and does not include Chase ward in Designation 2.

13.1 The types of ASB that we are referring to here are specifically related to the property and its occupants, or its immediate vicinity. When this type of ASB is carried out by tenants, we expect a landlord to address the issues with them. The types of ASB include²⁷:

- intimidation and harassment of tenants or neighbours;
- noise, rowdy and nuisance behaviour affecting persons living in or visiting the vicinity;
- animal related problems;
- vehicle related nuisance;
- anti-social drinking or prostitution;
- illegal drug taking or dealing;
- graffiti and fly tipping; and
- litter and waste within the curtilage of the property.

13.2 The private rented sector has much higher levels of ASB than properties owned by Housing Associations and the Council. Owner occupied homes have the lowest levels.

Tenure type	Levels of ASB (whole borough)
Private rented (PRS)	7,352
HMOs (subset of PRS)	2,384
Social housing (Housing Association and Council)	2,170
Owner occupied	696

Table 8 - Levels of ASB in Enfield by tenure type ²⁸

²⁷Selective licensing in the private rented sector, A Guide for local authorities, 2015, Department for Communities and Local Government

²⁸Metastreet Predictive Model, 2018

ASB by tenure (housing type)



Figure 16 - ASB by tenure type

13.3 This graph (Figure 17) shows the combined levels of ASB events. Noise problems are the biggest cause of ASB complaints, with rubbish in gardens and other envirocrimes causing the next level of complaints. The summary clearly shows that the situation with ASB is worse in the wards in the proposed Designation 1.

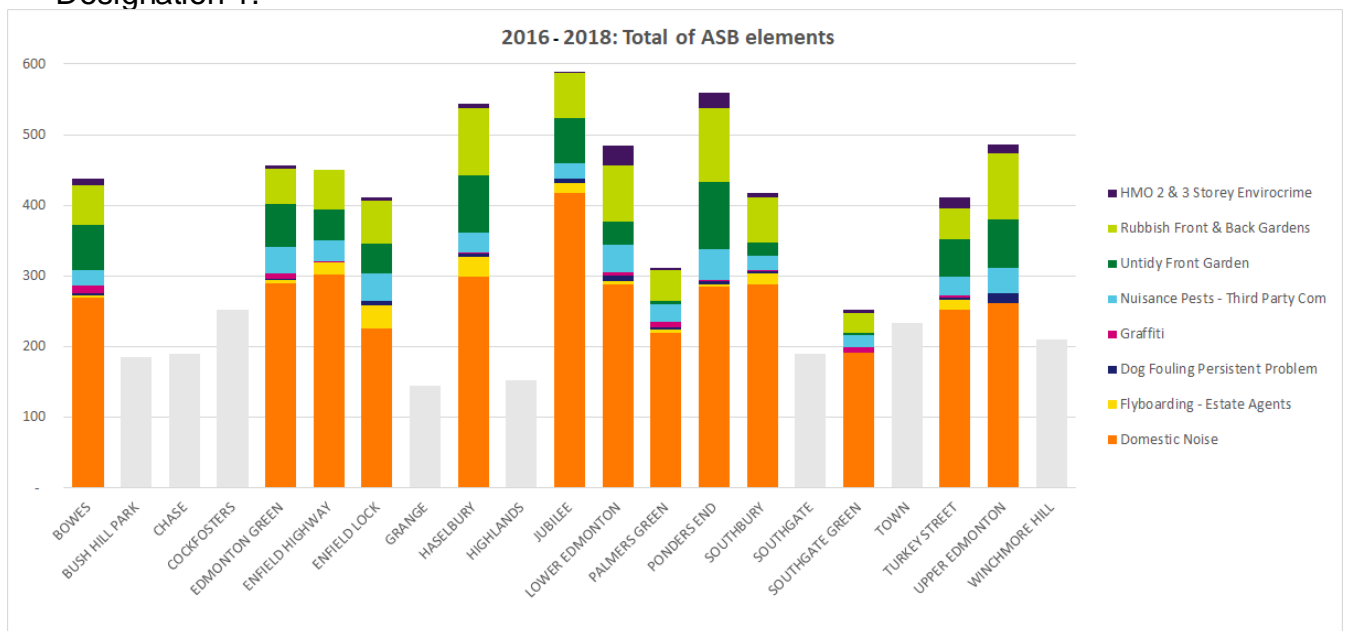


Figure 17 - The level of combined elements of ASB by ward ²⁹

13.4 We looked at the incidence of dirty front gardens as an example of property-related ASB (litter and waste within the boundary of the property). This type of ASB affects the street scene and can encourage vermin and further fly tipping. It not only affects the tenants but has an impact on the quality of life of the whole community, especially neighbours. Figure 18 includes a proactive exercise that was targeted in particular problem areas in the borough.

²⁹ Enfield Council 2016-18

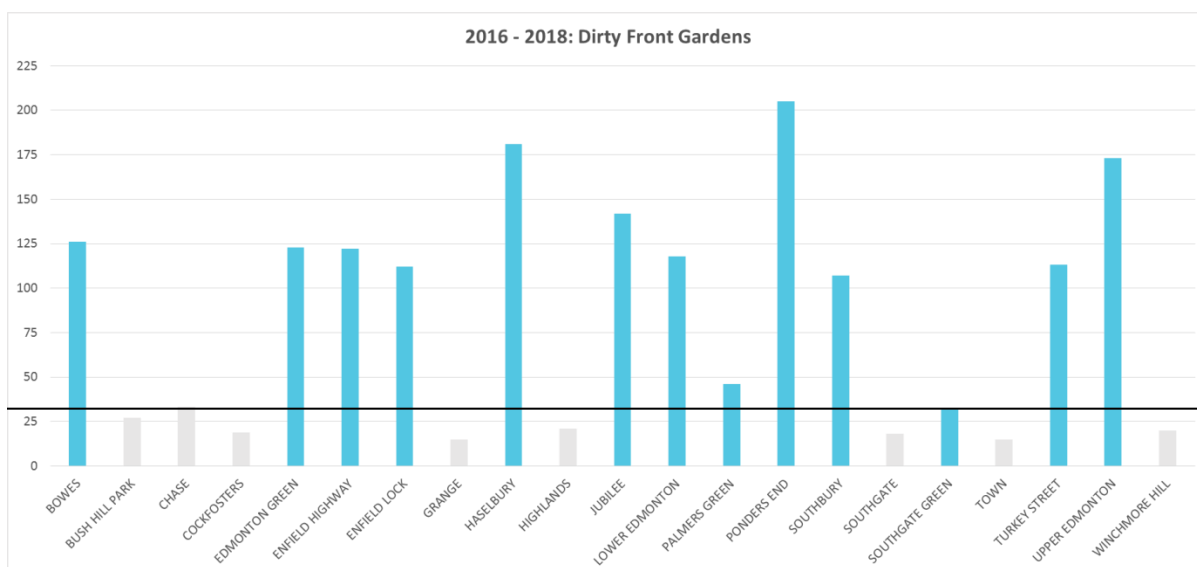


Figure 18 - The number of dirty front gardens by ward

13.5 These tables and graphs show that these areas are experiencing a significant and persistent problem caused by anti-social behaviour. The table below summarises the ASB issues by ward.

Ward	PRS Dwellings	% PRS	Total ASB, Nuisances & Envirocrime	% PRS with ASB, Nuisances & Envirocrime	Total PRS Interventions / Notices	% PRS with PRS Interventions / Notices	Total ASB Incidents per 1000 dwellings	Total PRS Interventions / Notices per 1000 dwellings
BOWES	2,657	44.5%	437	16%	1,152	43%	164	434
BUSH HILL PARK	1,497	25.9%	184	12%	253	17%	123	169
CHASE	1,507	25.9%	189	13%	234	16%	125	155
COCKFOSTERS	1,591	27.8%	251	16%	197	12%	158	124
EDMONTON GREEN	2,387	33.5%	456	19%	1,361	57%	191	570
ENFIELD HIGHWAY	2,217	36.3%	450	20%	1,010	46%	203	456
ENFIELD LOCK	2,529	37.2%	408	16%	960	38%	161	380
GRANGE	1,477	25.5%	143	10%	172	12%	97	116
HASELBURY	2,573	43.0%	543	21%	1,729	67%	211	672
HIGHLANDS	1,559	26.2%	153	10%	200	13%	98	128
JUBILEE	2,164	39.7%	587	27%	1,475	68%	271	682
LOWER EDMONTON	2,513	39.6%	485	19%	1,744	69%	193	694
PALMERS GREEN	2,578	40.6%	311	12%	1,115	43%	121	433
PONDERS END	2,480	41.1%	560	23%	1,338	54%	226	540
SOUTHBURY	2,070	34.0%	417	20%	566	27%	201	273
SOUTHGATE	1,909	29.9%	187	10%	310	16%	98	162
SOUTHGATE GREEN	1,790	31.4%	253	14%	606	34%	141	339
TOWN	1,670	25.7%	230	14%	272	16%	138	163
TURKEY STREET	1,974	35.5%	411	21%	885	45%	208	448
UPPER EDMONTON	2,386	35.9%	486	20%	1,101	46%	204	461
WINCHMORE HILL	2,018	35.5%	210	10%	341	17%	104	169
BOROUGH TOTAL	43,546	34.1%	7,351	17%	17,021	39%	169	391
BOROUGH AVERAGE		34%	350		811		164	360

Table 9 - Summary of ASB issues by ward

13.6 To designate an area as subject to Selective Licensing on grounds of ASB, the Council also has to be satisfied that some or all of the private sector landlords who have let premises in the area, whether under leases or licences, are failing to take action to combat the problem that it would be appropriate for them to take. Also that making a designation will, when combined with other measures taken by the Council, or by other persons together with the Council, lead to a reduction

in, or the elimination of ASB. The level of ASB issues in the wards shows that landlords are failing to take action when their tenants are causing ASB issues.

13.7 The level of ASB in the designation is significant. For example, Jubilee ward has the highest incidence with 587 (27%) of the 2,164 privately rented dwellings generating at least one record of ASB. This compares to a borough-wide level for owner occupied properties of 6.8%

13.8 The distribution of issues in the private rented sector that require some sort of intervention by the Council is greater in the wards in Designation 1. This can be seen clearly in the map below (Figure 19).

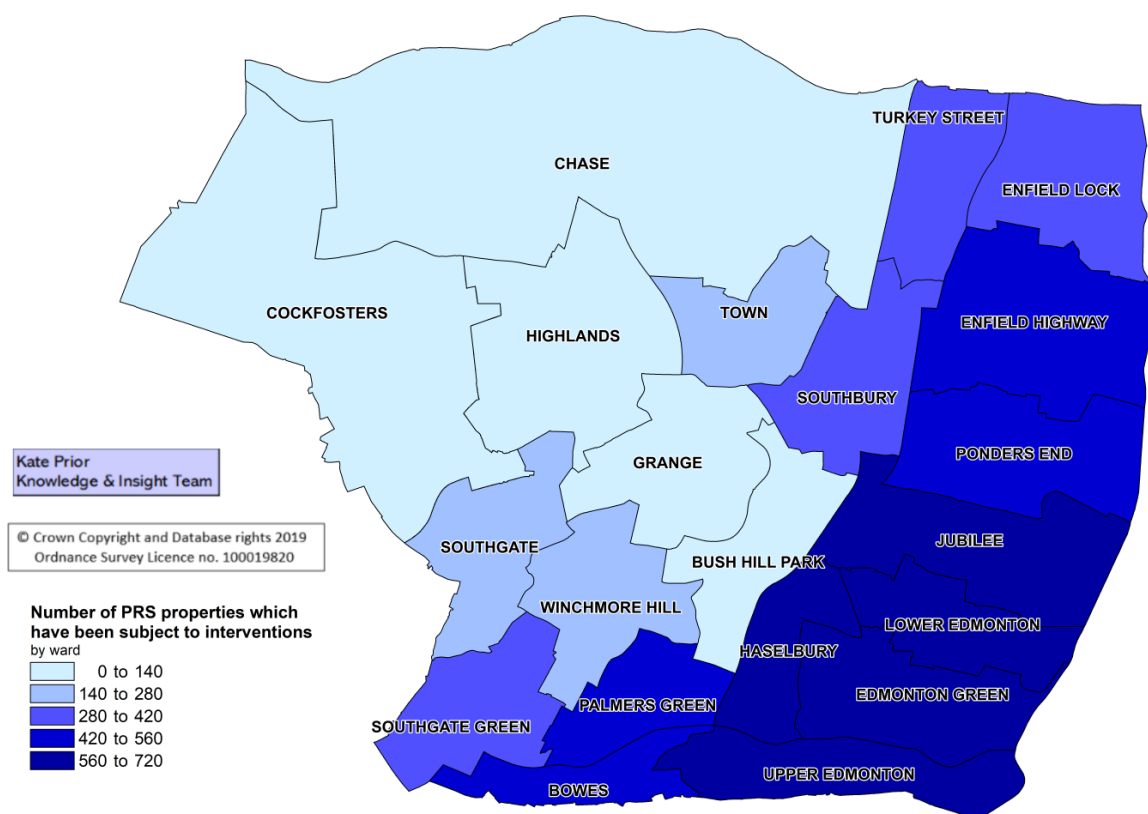


Figure 19 - Map of the borough showing the wards with the most council interventions

Ward	% PRS	Total PRS Interventions / Notices
BOWES	44.5%	1,152
BUSH HILL PARK	25.9%	253
CHASE	25.9%	234
COCKFOSTERS	27.8%	197
EDMONTON GREEN	33.5%	1,361
ENFIELD HIGHWAY	36.3%	1,010
ENFIELD LOCK	37.2%	960
GRANGE	25.5%	172
HASELBURY	43.0%	1,729
HIGHLANDS	26.2%	200
JUBILEE	39.7%	1,475
LOWER EDMONTON	39.6%	1,744
PALMERS GREEN	40.6%	1,115
PONDERS END	41.1%	1,338
SOUTHBURY	34.0%	566
SOUTHGATE	29.9%	310
SOUTHGATE GREEN	31.4%	606
TOWN	25.7%	272
TURKEY STREET	35.5%	885
UPPER EDMONTON	35.9%	1,101
WINCHMORE HILL	35.5%	341
BOROUGH TOTAL	34.1%	17,021
BOROUGH AVERAGE	34%	811

Table 10 - % PRS and Total PRS Interventions / Notices by ward

How licensing will help improve ASB

13.9 Properties with high levels of anti-social behaviour are targeted by enforcement officers, and landlords are required to take responsibility for any problems with the properties they rent. The licence conditions will clearly state the responsibility of the landlord: “The licence holder shall effectively address problems of anti-social behaviour resulting from the conduct of occupiers, or visitors to the premises.”

The scheme objectives relating to ASB can be found on page 43

14. The proposed Additional Licensing scheme

14.1 The evidence demonstrates that the criteria for a borough-wide Additional Licensing scheme are 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.

14.2 Our predictive data shows that there are around 9,600 HMOs in Enfield³⁰. These properties are associated with inadequate property management, high levels of ASB, poor property conditions, including serious Category 1 hazards, culminating in an increased demand on the Council's services.

14.3 HMOs are spread across the borough and poor management is evident in each ward.

Ward	% of HMOs with Cat 1 Hazards	% of HMOs with ASB, Nuisances & Envirocrime	% of HMOs with PRS Regulatory Interventions	% of HMOs with Statutory Notices served to PRS
BOWES	55%	23%	155%	12%
BUSH HILL PARK	34%	15%	52%	2%
CHASE	38%	17%	62%	3%
COCKFOSTERS	30%	17%	35%	2%
EDMONTON GREEN	56%	30%	170%	13%
ENFIELD HIGHWAY	48%	23%	146%	11%
ENFIELD LOCK	45%	19%	126%	9%
GRANGE	31%	7%	29%	1%
HASELBURY	59%	26%	183%	10%
HIGHLANDS	29%	11%	41%	3%
JUBILEE	59%	51%	190%	18%
LOWER EDMONTON	57%	32%	180%	13%
PALMERS GREEN	56%	17%	138%	6%
PONDERS END	55%	35%	184%	11%
SOUTHBURY	42%	38%	97%	6%
SOUTHGATE	29%	10%	48%	5%
SOUTHGATE GREEN	48%	19%	107%	7%
TOWN	42%	17%	64%	3%
TURKEY STREET	50%	32%	146%	10%
UPPER EDMONTON	53%	32%	126%	9%
WINCHMORE HILL	45%	13%	65%	4%
BOROUGH TOTAL	48%	25%	125%	8%
BOROUGH AVERAGE	46%	23%	112%	7%

Table 11 - Table showing the % of HMOs with Cat 1 Hazards, ASB and levels of regulatory interventions and statutory notices³¹

14.4 This graph shows that there are property management issues with HMOs across the borough, and in all wards to varying degrees.

³⁰ Housing Stock Report, Metastreet 2019

³¹ Metastreet 2019

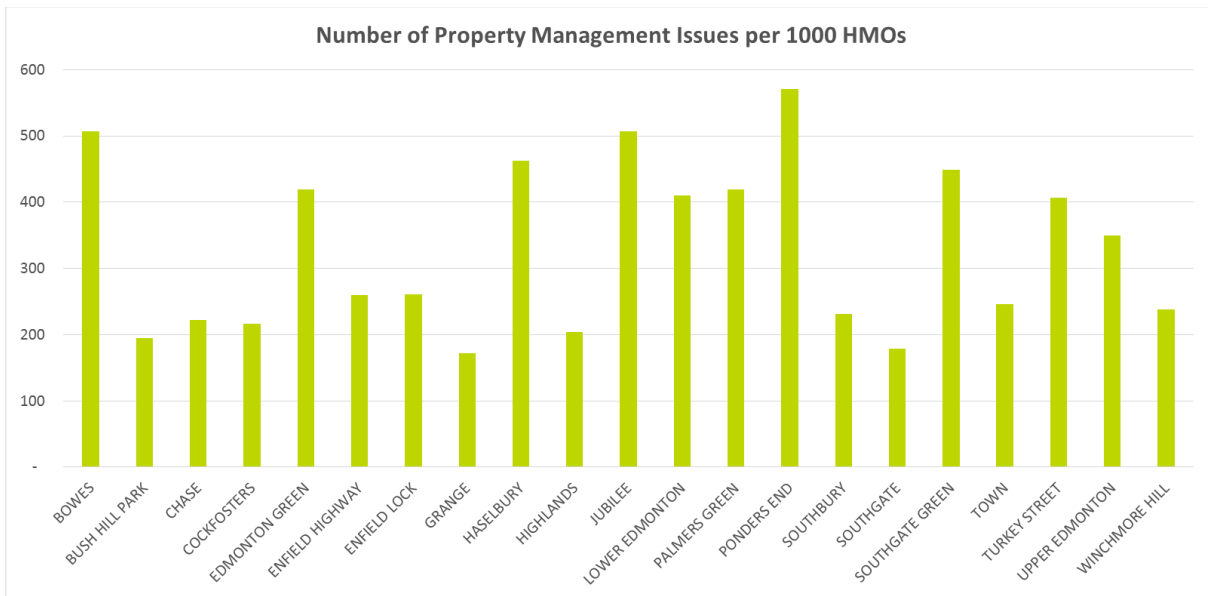


Figure 20 - The rate of property management issues in HMOs per 1,000 HMOs ³²

14.5 Based on the number of actual queries and complaints we receive about HMOs (Figure 21) we can also see that the situation is getting worse; the caseload for HMOs has increased dramatically in 2018.

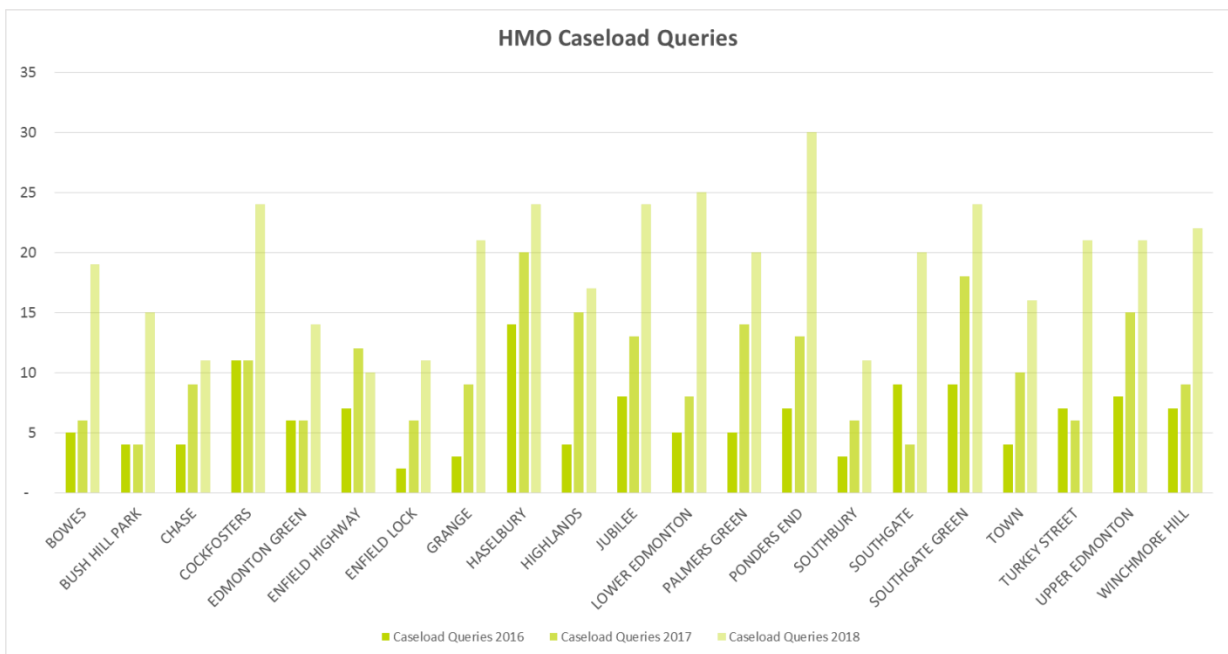


Figure 21 - The number of queries about HMOs as part of officers' caseload 2016-2018 (London Borough of Enfield database)

14.6 We have been able to predict the number of HMOs in the borough with Category 1 Hazards, as an example of poor property conditions. The average is between 29% and 59% and is an indication that property issues in HMOs are even worse than other privately rented accommodation.

³² Metastreet, 2019

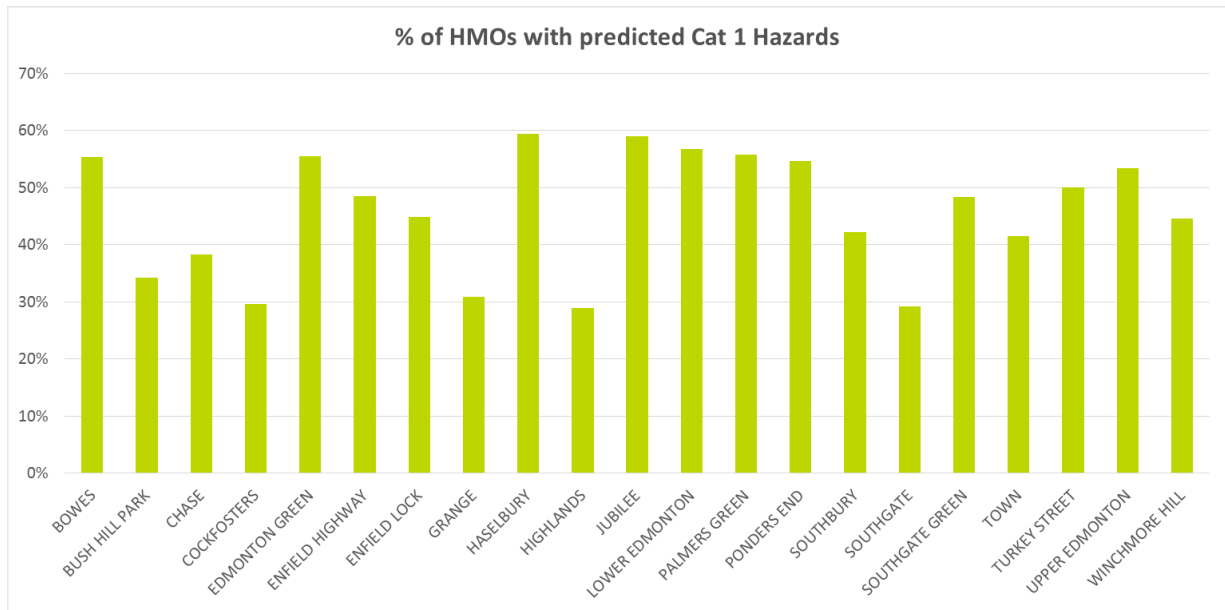


Figure 22 -% HMOs with predicted Cat 1 Hazards³³

14.7 By law, all deposits for rented properties should be registered with a Deposit Protection Scheme. The absence of a registered deposit could mean that the landlord is either failing to take a deposit or is not registering the deposit with a scheme, hence an indication of the low level and poor quality of property management. In the experience of officers in the borough it is the latter; landlords are taking a, usually cash, deposit and not registering it. In the cases where deposits are not taken, this indicates that the landlord is dealing with the very lowest end of the market where tenants can't afford to pay a deposit. The levels we can see listed in Table 12 show that landlords and agents are not complying with the legal standards of property management, with wards such as Enfield Highway and Turkey Street only having 7% of HMOs with a registered tenancy deposit.

³³ Metastreet 2019

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%
BOROUGH TOTAL	1,157	12%
BOROUGH AVERAGE	55	12%

Table 12 - % of HMO properties with a registered deposit³⁴

14.8 As described in Section 4, the Rogue Landlord project found that an increasing number of families with dependent children are now living in HMO's. Cases investigated as part of this project have uncovered a significant number of sub-standard and overcrowded accommodation and unlicensed HMO's. Currently the scheme has bought 173 HMO's into mandatory HMO licensing.

14.9 HMOs not only place extra demands on the Council but they create problems for their tenants and the community around them. We are therefore proposing a borough-wide additional licensing scheme on the basis that, we believe, a significant proportion of HMOs in Enfield are poorly managed and give rise to problems for residents or the general public. We further believe that the implementation of licensing will significantly assist us in dealing with these problems.

The scheme objectives for Additional Licensing can be found on page 43.

³⁴ Data from Tenancy Deposit Insured scheme (DPS) and My Deposit Insured Scheme 2019/19

15. Proposed Scheme Objectives

15.1 In general terms, we propose to use Selective and Additional Licensing to improve property conditions, tackle anti-social behaviour (ASB) and help reduce deprivation in the borough. We are committed to improving property conditions and management standards in the private rented sector, so that it provides good quality accommodation, helps us to achieve sustainable communities and continues to contribute positively to the local economy.

15.2 The objectives of our proposed schemes over the five-year scheme are:

Objective	Outcome	Output	Benefits
Improve property conditions and management standards	Ensure that at least 95% of licensable properties are licensed by the end of the scheme	Monitor compliance against predicted number of licensable addresses	The Council will gain extensive knowledge of the private rented sector in the borough. This will enable targeted enforcement and support for landlords.
	Ensure compliance with licence conditions and improve property standards in at least 75% of licensed properties	Carry out targeted desktop audit and compliance checks of properties licensed under the Selective Licensing Scheme and HMOs licensed under the additional licensing scheme.	A level playing field will be created; responsible landlords will not be undercut by an unscrupulous minority. More professional landlords should bring about improvements in the quality and management of properties.
	Reduce Housing hazards by at least 70% in the designated area	Improve properties through a combination of informal and formal actions, including the service of Notices under the Housing Act and Public Health related legislation	Responsible landlords will receive information and support. Irresponsible landlords will be forced to improve their practices or be enforced against protection of vulnerable groups who are often occupiers of privately rented accommodation, which is poorly managed and maintained.
Reduce the factors that make deprivation worse	Reduce overcrowding in at least 90% of properties identified as being overcrowded	Overcrowding is reduced through a combination of informal and formal actions Bring identified properties up from F and G to a minimum	Tenants could see economic benefits, reduced heating costs and improved likelihood of regaining any deposit paid.

Objective	Outcome	Output	Benefits
	Reduce fuel poverty in at least 90% of properties with a F and G EPC rating	of E rating Increase in the number of deposits in tenancy deposit schemes by 50% in wards in the designation.	
Reduce ASB	Take enforcement action to reduce repeat ASB incidents in PRS properties in the designated areas by at least 70%	ASB is reduced through the use of informal actions, enforcement notices and civil penalties in licensed properties	Reduced anti-social behaviour will improve problem areas, making these areas safer and more desirable places to live in.

Table 13 - Objectives of the Selective and Additional Licensing scheme

15.3 We strongly believe that selective and additional licensing schemes will provide the framework to enable us to achieve these objectives.

- It provides clarity on the required property standards for the majority of landlords who want to co-operate, enabling them to operate legally, effectively and professionally in the borough.
- It enables the Council to use data and intelligence to identify properties that have unsafe and sub-standard conditions and gives us the capability to undertake significant, proactive audits and inspections.
- It allows the Council to enforce standards at the earliest opportunity, against non-compliant landlords using a range of informal and formal enforcement actions, such as action under Part 1 Housing Act [HHSRS].
- Licensing applications can be monitored against the predicted number of licensable addresses and the Council will be able to enforce against those landlords who evade licensing.

16. Licensing and Wider Borough Strategies

16.1 Selective and additional licensing schemes are key to supporting the Council's strategies for Housing, Homelessness and Empty Properties.

Housing

16.2 The Council is currently developing a new Housing strategy³⁵, which sets out how we will deliver more and better homes to address inequality, create a more balanced housing market and help local people access a good home. This will make a significant contribution to delivering on our ambition to deliver a lifetime of opportunities for people in Enfield, by creating good homes in well-connected neighbourhoods. While still in early stages of development, Enfield's emerging Housing Strategy is made up of five ambitions. The third ambition relates specifically to the private rented sector – "Quality and variety in private sector housing."

³⁵ More and better homes for Enfield Housing and Growth Strategy 2020 – 2030

16.3 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 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 to 'increase the supply of affordable, quality housing options'.

Homelessness

16.4 Alongside the new Housing Strategy, the Council is also developing a 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.

16.5 The Council sees its relationship with private rented landlords as key to achieving a reduction in homelessness. Loss of private rented accommodation is the main reason for households becoming 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.

ASB

16.6 The objectives of the proposed licensing schemes will be strongly linked to reducing ASB connected to private rented homes. This will be done 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 private rented sector; and the Safer and Stronger Communities Board, which deals with a range of ASB behaviours as one of the five priorities in the Community Safety Plan 2021.

Empty Properties

16.7 The Council's Empty Property Team investigates residential homes which have become empty and are attracting anti-social behaviour. There is a specific 'Private Sector Empty Homes Approach', which has been developed to reduce ASB and nuisance caused by empty homes and to help increase affordable housing supply in the borough. The Council initiates compulsory purchase orders when required to induce an empty property owner into doing something with their property. It is expected that the increased level of enforcement activity during the licensing schemes, with officers out in the community on tasking days and inspections, will unearth more empty homes that can potentially be returned to the private rented market.

Deprivation

16.8 Enfield Council launched the Enfield Poverty and Inequality Commission (EPIC) on 7th June 2019. This independent commission, facilitated on our behalf by the Smith Institute, will help us to understand the forces driving poverty and inequality in the borough and point the way to potential solutions locally. Following a period of engagement with local people, the Commission will publish recommendations in December 2019. Poverty and housing are closely linked, and the results of this commission will help inform our approach in the proposed licensing schemes.

16.9 The Enfield Corporate Plan, 2018-2022 demonstrates three key principles reflecting poverty and housing informing our approach in the proposed licensing scheme:

- Good Homes in well-connected communities
 - By improving standards in the private rented sector and tackling rogue landlords, this will improve the neighbourhood as a whole and encourage regeneration and much needed housing in the borough to deliver decent and safe housing that meets the residents needs
- Sustain strong and healthy communities
 - Improving the management and maintenance of properties will encourage residents to stay in Enfield, in turn creating sustainable communities
- Build our economy to create a thriving place
 - Poor property conditions are borne by the most vulnerable and economically disadvantaged in the community so, by improving housing conditions these schemes will help us to reduce the inequalities in the borough.

17. Alternative Options Considered

17.1 Both the Housing Act 2004 and guidance issued by the Department for Communities and Local Government requires the Council to consider whether any alternative means would be effective, as well as or 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)”.*

17.2 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 poor housing conditions and ASB in the borough, or of delivering the scale of

improvement that we believe is required in the private rented sector to have an impact on deprivation. This table shows the alternatives that we have considered and explains why they are not sufficient to meet our objectives.

Number	Alternative Measure	Strengths	Weaknesses
1	Do nothing		This is not a viable option. If no action is taken, the significant problems with poor housing conditions will continue and are likely to increase further as the private rented sector continues to grow in the borough.
2	Use of Part 1 Housing Act 2004 enforcement powers [HHSRS] and Public Health powers	Formal notices can be served that require improvements to be carried out. Councils can carry out work in default if a notice is not complied with. Landlords also risk being prosecuted if they do not comply with the notice	The Council has undertaken significantly increased levels of enforcement to improve private rented properties in the last 3 years. However, 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. on individual properties, but is not able to raise standards in a specific area. These powers do not address the volume or scale of the issues in the borough.
3	Voluntary Accreditation schemes facilitate improvement in management practices and standards	For those landlords who take part, accreditation can improve the ability to effectively manage a property	This requires voluntary landlord engagement. Our experience is that attendance/membership is usually only by a relatively small proportion of landlords. Rogue operators are unlikely to

Number	Alternative Measure	Strengths	Weaknesses
			attend/engage.
4	Rely on prosecutions and civil penalties for housing offences	Provides a disincentive to keep properties in poor condition	These powers do not place any obligation on landlords to be proactive in improving property conditions. Successful prosecutions, or the imposition of civil penalties, do not themselves secure improvements in property conditions. The absence of licensing means that the Council cannot enforce against unlicensed properties or breaches in licence conditions which are needed to improve property conditions
5	Improvement grants to improve sub-standard properties	Grants subsidise improvement works, improving standards and deriving 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 in any event be carrying out to meet their legal obligations. Any grant scheme would be discretionary and would rely on voluntary landlord engagement
6	ASB powers	Formal notices can be served that address ASB identified at individual properties which, if complied with, would remedy ASB at that location	Action would generally be taken against the tenant in occupation. These powers do not place any obligation on landlords to be proactive in managing their properties to prevent or reduce the likelihood of ASB occurring

Table 14 - Alternative Measures to introducing selective and additional licensing

17.3 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.

18. Proposed Licence Conditions

18.1 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.

18.2 The proposed licence conditions include both 'mandatory' conditions that the Council is obliged to include under the Housing Act 2004, and other conditions,

that the Act allows us to include to regulate the management, use, occupation and condition of private rented properties for licences granted in Enfield.

18.3 As part of the consultation process, respondents are able to give us their views about the proposed conditions for the Selective and Additional Licensing schemes. The mandatory conditions are not under consultation.

19. Licence Fees

Fee proposal

19.1 The application for and grant of a licence will be subject to the payment of a fee. 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 (licensing) 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 five-year duration of the scheme. The fees will be reviewed throughout the scheme and the council may adjust the fees to reflect changes in costs.

19.2 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.

19.3 Licences will be granted for the duration of the scheme (up to five 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 and a new application and fee will have to be paid on its expiry.

19.4 Where we take enforcement action, the licence may be revoked, varied to a shorter term or additional conditions will be added to the licence. If this happens, and the property continues to be rented out, a new application will have to be made and a new licence fee paid.

19.5 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.

19.6 Payment of Part 1 of the fee must be received when the application is made to the Council and, if the licence application is granted, Part 2 of the fee must be received and cleared before a licence is issued.

Split fee

19.7 The fee is levied in two parts. Part 1 of the fee is for the application for a licence and covers the costs of processing, administration and validation of the

application. Part 2 of the fee comprises a contribution towards the running costs of the scheme and exercising our other licensing functions, including enforcement.

19.8 We propose to require the Part 1 fee to be paid when the licence application is made, and Part 2 to be paid at the point at which we decide to grant the licence. In the event that we decide to refuse a licence application, only the Part 1 fee will have been paid.

Proposed Licence fees

Type of Licence	Part 1 element (application & processing)	Part 2 element (running costs and enforcement)	Total fee payable [on successful application]
Selective Licence	260	340	£600
Additional HMO licence	550	350	£900

Table 15 - Proposed License fees

How we calculated the fees

19.9 The proposed fees have been calculated on the basis that the licence fee income will cover the costs of administering and enforcing the schemes. 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 Licence fees have been calculated so that the schemes will be cost-neutral to the Council.

19.10 The proposed fees are underpinned by our estimations 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 estimated costs of running the scheme, including IT, communications and staffing.

19.11 Staffing and other resources necessary to administer, run and enforce the proposed schemes have been split between the various licence types as follows in order to calculate the proposed fees:

	Selective Licence	Additional HMO Licence
Estimated income	£13,829,000	£5,965,000
Estimated staffing costs	£10,122,041	£4,857,801
Estimated other operating costs	£3,349,545	£1,465,484
Total estimated costs	£13,471,586	£6,323,285

Table 16 - Selective and Additional Licensing estimated income and costs

How does this compare with other London Boroughs with similar schemes?

19.12 Each local authority determines their licence fees dependant on their proposed licensing schemes, their scope and costs. For comparison only, the proposed fees for Selective Licensing and Additional Licensing are on the lower end of the scale overall compared to other London boroughs. We have kept the fee as low as possible whilst ensuring that it covers the cost of the licensing schemes. We therefore are not proposing a discount for early licence applications.

London Borough	Selective Licence	Additional HMO Licence
Enfield	£600	£900
Redbridge	£604	£1,198
Waltham Forest	£650	£1,000
Newham	£750	£1,250

Table 17 - Selective and Additional Licensing in other London Boroughs

20. Exemptions

20.1 Under the Housing Act 2004 certain tenancies and licences are exempt from property licensing requirements. The statutory references are set out below by way of background information. It is not proposed to exempt further categories of property or tenancy under the proposed licensing schemes, but we will consider any alternative views arising from the consultation exercise.

21. Legislation

Exempt tenancies or licences for the purposes of Part 3 of the Housing Act 2004 [Selective Licences]

A tenancy or licence of a house or a dwelling contained in a house is an exempt tenancy or licence for the purposes of Part 3 of the Housing Act 2004 (“the Act”) if it falls within any of the following descriptions—

- (a) a tenancy or licence of a house or dwelling that is subject to a prohibition order made under section 20 of the Act whose operation has not been suspended in accordance with section 23 of the Act;
- (b) a tenancy described in any of the following provisions of Part 1 of Schedule 1 to the Housing Act 1988, which cannot be an assured tenancy by virtue of section 1(2) of that Act—
 - (i) paragraph 4 (business tenancies);
 - (ii) paragraph 5 (licensed premises);
 - (iii) paragraph 6 (tenancies of agricultural land); or
 - (iv) paragraph 7 (tenancies of agricultural holdings etc);
- (c) a tenancy or licence of a house or a dwelling that is managed or controlled by—
 - (i) a local housing authority;
 - (ii) a police authority established under section 3 of the Police Act 1996;
 - (iii) the Metropolitan Police Authority established under section 5B of the Police Act 1996;
 - (iv) a fire and rescue authority under the Fire and Rescue Services Act 2004;or
 - (v) a health service body within the meaning of section 4 of the National Health Service and Community Care Act 1990;
- (d) a tenancy or licence of a house which is not a house in multiple occupations for any purposes of the Act (except Part 1) by virtue of—
 - (i) paragraph 3 of Schedule 14 to the Act (buildings regulated otherwise than under the Act); or
 - (ii) paragraph 4(1) of that Schedule (buildings occupied by students);
- (e) a tenancy of a house or a dwelling where—
 - (i) the full term of the tenancy is more than 21 years;
 - (ii) the lease does not contain a provision enabling the landlord to determine the tenancy, other than by forfeiture, earlier than at end of the term; and

- (iii) the house or dwelling is occupied by a person to whom the tenancy was granted or his successor in title or any members of such person's family;
- (f) a tenancy or licence of a house or a dwelling granted by a person to a person who is a member of his family where—
 - (i) the person to whom the tenancy or licence is granted occupies the house or dwelling as his only or main residence;
 - (ii) the person granting the tenancy or licence is the freeholder or the holder of a lease of the house or dwelling the full term of which is more than 21 years; and
 - (iii) the lease referred to in sub-paragraph (ii) does not contain a provision enabling the landlord to determine the tenancy, other than by forfeiture, earlier than at end of the term;
- (g) a tenancy or licence that is granted to a person in relation to his occupancy of a house or a dwelling as a holiday home; or
- (h) a tenancy or licence under the terms of which the occupier shares any accommodation with the landlord or licensor or a member of the landlord's or licensor's family.

Buildings which are not HMOs for purposes of Part 2 Housing Act [Additional and mandatory HMO licensing]

The following paragraphs list buildings which are not HMOs for any purposes of this Act other than those of Part 1 [HHSRS].

1. Buildings controlled or managed by public sector bodies etc. A building where the person managing or having control of it is:
 - a. a local housing authority
 - b. a non-profit registered provider of social housing
 - c. a body which is registered as a social landlord under Part 1 of the Housing Act 1996
 - d. a police and crime commissioner
 - e. the Mayor's Office for Policing and Crime
 - f. a fire and rescue authority under the Fire and Rescue Services Act 2004, or
 - g. a health service body within the meaning of [F3section 9 of the National Health Service Act 2006].
2. A building
 - a. which is social housing within the meaning of Part 2 of the Housing and Regeneration Act 2008, and
 - b. where the person managing or having control of it is a profit-making registered provider of social housing.]
3. A building where
 - a. the person managing or having control of it is a co-operative society whose rules are such as to secure that each of the conditions set out is met, and
 - b. no person who occupies premises in the building does so by virtue of an assured tenancy, a secure tenancy or a protected tenancy.

- c. For a) above, the conditions are—
 - i. that membership of the society is restricted to persons who are occupiers or prospective occupiers of buildings managed or controlled by the society,
 - ii. that all management decisions of the society are made by the members (or a specified quorum of members) at a general meeting which all members are entitled to, and invited to, attend,
 - iii. that each member has equal voting rights at such a meeting, and
 - iv. that, if a person occupies premises in the building and is not a member, that person is an occupier of the premises only as a result of sharing occupation of them with a member at the member's invitation.
- d. “co-operative society” means a body that—
 - i. is registered as a co-operative society under the 2014 Act or is a pre-commencement society (within the meaning of that Act) that meets the condition in section 2(2)(a)(i) of that Act,]and
 - ii. is neither a non-profit registered provider of social housing, nor registered as a social landlord under Part 1 of the Housing Act 1996.
- e. Definitions
 - i. “the 2014 Act” means the Co-operative and Community Benefit Societies Act 2014;
 - ii. “assured tenancy” has the same meaning as in Part 1 of the Housing Act 1988;
 - iii. “protected tenancy” has the same meaning as in the Rent Act 1977;
 - iv. “secure tenancy” has the same meaning as in Part 4 of the Housing Act 1985.]

4. Any building

- a. which is occupied solely or principally by persons who occupy it for the purpose of undertaking a full-time course of further or higher education at a specified educational establishment or at an educational establishment of a specified description, and
- b. where the person managing or having control of it is the educational establishment in question or a specified person or a person of a specified description.
- c. “specified ” means specified for the purposes of this paragraph in regulations made by the appropriate national authority.
- d. Sub-paragraph ‘e’ applies in connection with any decision by the appropriate national authority as to whether to make, or revoke, any regulations specifying—
 - i. a particular educational establishment, or
 - ii. a particular description of educational establishments.
- e. The appropriate national authority may have regard to the extent to which, in its opinion
 - i. the management by or on behalf of the establishment in question of any building or buildings occupied for connected educational

purposes is in conformity with any code of practice for the time being approved under section 233 which appears to the authority to be relevant, or

- ii. the management of such buildings by or on behalf of establishments of the description in question is in general in conformity with any such code of practice, as the case may be.
- iii. “ occupied for connected educational purposes ”, in relation to a building managed by or on behalf of an educational establishment, means occupied solely or principally by persons who occupy it for the purpose of undertaking a full-time course of further or higher education at the establishment

5. Any building which is occupied principally for the purposes of a religious community whose principal occupation is prayer, contemplation, education or the relief of suffering.

This paragraph does not apply in the case of a converted block of flats to which section 257 applies.

6. Any building which is occupied only by persons within the following paragraphs—
 - a. one or more persons who have, whether in the whole or any part of it, either the freehold estate or a leasehold interest granted for a term of more than 21 years;
 - b. any member of the household of such a person or persons;
 - c. no more than such number of other persons as is specified for the purposes of this paragraph in regulations made by the appropriate national authority.

This paragraph does not apply in the case of a converted block of flats to which section 257 applies, except for the purpose of determining the status of any flat in the block.

7. Any building which is occupied only by two persons who form two households.