

# Cabinet



Wednesday, 25 October 2023 at 5.30 p.m.

Council Chamber - Town Hall, Whitechapel

## Supplementary Agenda – Additional Licensing Houses in Multiple Occupation Designation Appendices

### Contact for further enquiries:

Joel West, Democratic Services,  
Town Hall, 160 Whitechapel Road, London, E1 1BJ  
Tel: 020 7364 4207  
E-mail: [joel.west@towerhamlets.gov.uk](mailto:joel.west@towerhamlets.gov.uk)  
Web: <http://www.towerhamlets.gov.uk>



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| <p><b>Report Summary:</b><br/>           To consider renewing the additional licensing – houses in multiple occupation designation.</p> <p><b>Wards:</b> All Wards</p> <p><b>Lead Member:</b> Cabinet Member for Environment and the Climate<br/>Emergency</p> <p><b>Corporate Priority:</b> A council that works for you and listens to you</p> |   |                |



**Review of the Additional Licensing Scheme for  
private rented properties in the London Borough  
of Tower Hamlets**

**Dr Les Mayhew  
Dr Gillian Harper  
Mayhew Harper Associates Ltd.**

**October 2022**



Neighbourhood Knowledge  
Management

## EXEC SUMMARY

Our evaluation of the Additional Licensing Scheme introduced in April 2019 takes place against the general background of the wider Tower Hamlets housing strategy whose aims includes raising private rented housing standards. With social housing declining as a proportion of all housing, private landlords now provide most homes in the rented sector and surpassed owner occupation.

To give an indication of scale, we estimate that of the 185k housing 43k are in the Private Rented Sector (PRS) – that is an increase of 26 % since the 2011 Census. Of the total, 15k premises belong to one of the three existing licensing schemes – Mandatory, Additional or Selective. The first two are concerned with Houses of Multiple Occupation (HMOs), whilst Selective Licensing is targeted at all rented properties in a designated area.

The Additional Scheme started in April 2019 and is due to end in April 2024. The aim of this review is to consider whether it should be extended across the whole Borough and for a further five years. The stated purpose of the Additional Licensing Scheme is to improve management and housing conditions across the private rented sector, as set out in a Tower Hamlets Cabinet paper from October 31<sup>st</sup> 2018.<sup>1</sup>

In doing so both tenants and landlords would be clear on the minimum standards expected within multi-occupied premises. The scheme itself would be backed up by a strong legal framework and a strengthened inspection system to root out poor housing conditions. Responsible landlords would gain from improved clarity of their role in raising property and tenancy management standards.

The review found that the significant task of improving standards has made progress but the size of that task continues to grow and remains challenging. For example, the evidence shows that compared with private ownership and social tenure, the PRS continues to generate more call centre housing complaints, more domestic noise complaints, notifications of housing hazards, and improvement notices served.

In addition all of the above are noticeably more frequent in licensed rather than unlicensed premises with Mandatory licensed premises being the most culpable followed by Additional licensed, and then Selective licensed premises. These patterns are replicated at ward level where we find a strong positive correlation between the size of the PRS and all of the above, indicating that neighbourhoods are being unequally affected.

The case can be made therefore that all the schemes are well targeted, although it is likely that some HMOs which should be licensed may yet be escaping scrutiny. Using multiple sources of administrative records we analysed whether progress is being

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<sup>1</sup> Proposed Additional Licensing Scheme for Houses in Multiple Occupation.

made across a range of indicators. For example, we note that there has been a fall in noise complaints across the borough. The evidence also shows that properties are much more likely to have an Additional Licence if they have been reported for housing complaints or noise complaints, housing hazards, or if an improvement notice has been served.

Under the Rent Repayment Order scheme, data show that £810k has been returned to tenants since 2019 and of this 65% pertained to Additional Licensed properties, 24% to Selective and 11% to Mandatory properties. These examples show that the scheme is both helping to protect tenants but also root out licence dodgers and rogue landlords.

At the same time the administrative overheads should not be underestimated. In the case of Additional Licensing it is fair to say that take-up is below where it should be. Although there is no full proof way of quantifying the shortfall, the pattern of workflow shows longer administrative delays in issuing licences than for the other two schemes.

It is probable that the COVID lockdown must take some of the blame and recent data shows processing times are coming down. However, Additional Licensing is inherently more complicated and wider in its scope than the other schemes. Our main recommendation therefore is that the scheme be extended Boroughwide and for a further five years from 2024 but that the scheme is adequately resourced.

If there is no substantial improvement there remains the option of extending Selective Licensing across the whole borough which would include all private rented properties and not just HMOs. However, we stop short of recommending that option here. Otherwise we suggest management action to improve some of the enforcement processes by making more management use of administrative data sources that were available to us. The data base provided as part of that review which identifies PRS properties down to UPRN (address) level should help in this regard.

Dr. Les Mayhew  
Dr. Gillian Harper

*Mayhew Harper Associates Ltd.*  
*Email: lesmayhew@googlemail.com*  
*October 2022*

# 1. Introduction

## 1.1 Background

This report commissioned from Mayhew Harper Associates Ltd. (MHA) by the London Borough of Tower Hamlets reviews the impact of the Additional Licensing in the Borough. The scheme itself will formally come to an end in April 2024, at which point the Council will need to decide whether the designation has achieved or are on course to achieve their aims.

The council has a duty to carry out a review of any discretionary licensing scheme it has implemented to determine if it is achieving the aim of improving management standards. The scheme itself commenced on April 1<sup>st</sup> 2019, the outcome of this review will help inform a future decision on the renewal of the scheme designation and areas for improvement.

The Additional Licensing Scheme applies to the whole of the private rented sector (PRS) excluding the current Selective Licensing designations (Spitalfields and Banglatown, Weavers, Whitechapel areas which are based on pre-2014 wards), there is also HMO licensing under the Mandatory Scheme which also covers the whole borough. In this report we review the case for extending the Additional Scheme for another full five year term.

Additional HMO licensing is intended to help the council tackle poor management, poor housing conditions and overcrowding in HMOs not subject to Mandatory Licensing. The benefits to the council are the landlords are required to engage with it and that they in turn will receive information and support. In addition, it is argued, bad landlords will be forced to improve their practices or leave the market.

The scheme's introduction has coincided with a period of rapid change in Tower Hamlets, both in terms of the housing stock and also the population. In 2011 the population was 256,000. By 2019 it had grown by 27% to 325,000, and by 2022 34% to 343,000, making it one of the fastest growing boroughs in the country. By 2024 when the scheme is due to end a further 10,000 will be added to the total.

As far as private renting is concerned the critical age group for private renters is from 25 to 34. Totalling 77,000, the 25 to 34 year age group currently account for around 23% of the Tower Hamlets population. Unlike the population as a whole, their number has been fairly steady and in fact is slightly declining as a proportion and so is not expected to change very much over the duration of the scheme. This suggests that Private Rented Sector (PRS) growth is being affected by other factors such as high house prices or different types of clientele.

A full audit of the size of the PRS was last undertaken at the time of the 2011 census at which time it was estimated to have totalled 34,000 units out of a total housing stock of 140,000. Estimates using administrative data in a previous MHA report in

2019 concluded that the figure was then closer to 39,000 out of a total housing stock of 140,000 units, since when we believe there has been further growth.

Because fresh data from the 2021 Census was not available in time for our report we continue to use administrative estimates based on our previous methodology. Using the Local Land and Property gazetteer (LLPG) we estimate that the total housing stock now comprises 185,000 units. If we apply the same methodology as we did in 2019, then we also observe further growth in the PRS and now estimate it to be 43,000. This process is summarised in Box 1.

**Box 1: Estimating the size of the PRS from administrative data**

There are no current or official statistics on the size of the private rented sector. The nearest available dates back to the 2011 Census, and although there was another Census in 2021 the results were not available for this report. In a previous review of the PRS we used administrative sources to estimate its size which was 39,000 at the time.

For this review, our starting point is the 185,380 Unique Property Reference Numbers (UPRNs) on the Tower Hamlets Local Land and Property Gazetteer (LLPG). Of these, 42,025 UPRNs were removed that had a property type that could not be PRS unless previously identified as such – for example licensed HMOs. This included commercial properties, garages, residential institutions, etc.

This left 143,355 UPRNs of which 40,690 were identified as social housing if on the Tower Hamlets Homes database that were not Right to Buy (RTB). These data were known to be incomplete, and so were supplemented with any known social housing from the 2019 PRS study, that was not known PRS in 2022.

A further 15,260 were labelled PRS if there was an in-force or applied for Mandatory, Additional or Selective Licence, or a Council Tax student exemption, or an Additional Licensing rent repayment order. Finally, an additional 28,441 non-social housing were flagged as PRS if receiving Housing Benefit or identified as PRS in the 2019 review, resulting in 43,701 PRS units in total, about 10% more than in 2019.

Our evaluation takes place against the general background of the wider Tower Hamlets housing strategy. With social housing declining as a proportion of all housing, private landlords now provide more homes than any other sector. Thus the PRS will continue to be a major preoccupation as the council seeks to ensure that the standards of accommodation for people living in PRS are as good as they can be.

The rest of this report reviews the scope of the Additional Licensing Scheme and the take up of licenses to date, and compares the purpose of the scheme against its original objectives by reviewing housing conditions against other sectors to see if there have been improvements. It begins by re-capping on the purpose of the scheme and how it works.

It compares the take up of licences with the experience to date of the Selective Licensing Scheme which has been in force since October 2016, the impact it has had on the ground and scope for improvement. The analysis covers the period from the implementation of the scheme to the present. MHA is most grateful to Tower Hamlets for providing the relevant data and for the practical assistance received.

## 2. Scope of Additional Licensing

The Housing Act 2004 gives the Council the power to introduce housing licensing schemes for privately rented properties within the whole Borough or in designated areas, in order to improve standards of management in the Private Rented Sector (PRS) and reduce anti-social behaviour.

Note that just because a property is in the PRS does not mean that it has to be licensed. Additional Licensing is one of three different types of landlord licensing scheme operating in Tower Hamlets with the same ultimate purpose but affecting different types of private rented property and operating over different areas. Broadly there are two types of scheme: Mandatory or discretionary.

1. **Mandatory Licensing** applies borough-wide and was the first licensing scheme to be introduced from 2006 following the Housing Act of 2004. An HMO is defined as private rented accommodation with five or more occupiers living in two or more households who share some amenities such as a kitchen or bathroom.
2. **Discretionary Licensing** means any licensing of residential property under the Housing Act 2004 (the Act) that goes beyond the national Mandatory HMO licensing requirements contained in the Act. The two types of discretionary licensing are:
  - (a) **Additional:** where a council can impose a licence on other HMOs in its area which are not subject to Mandatory Licensing, but where the council considers that poor management of the properties is causing problems either for the occupants or the general public.
  - (b) **Selective:** covering all privately rented property in areas which suffer or are likely to suffer from low housing demand and also to those that suffer from significant and persistent anti-social behaviour (ASB).

The long-standing Mandatory HMO Licensing Scheme is well established in the borough but since the removal from the definition of an HMO that they should be of



three or more storeys the number of licenses have increased considerably from around 280 in 2017 to 710 today.

## 2.1 Spatial coverage of Additional and Selective Licensing

Additional Licensing which applies to HMOs was introduced from April 2019 for multi-occupied private rented properties. It excludes areas of the borough covered by Selective Licensing and all Mandatory licensed HMOs which is a borough-wide scheme. By the end of September 2022, 5,050 licences had been issued.

The Selective Licensing Scheme which has been running since October 2016 applies to three wards under the pre-2014 ward designations - Spitalfields and Banglatown, Weavers, Whitechapel. This is shown in the map in Figure 1 in which as can be seen the boundaries have slightly altered the configuration.

It means that some Selectively licensed properties are now covered by the new wards whilst some Additional Licensed properties in the new wards now find themselves situated in Selectively licensed areas. By the end of September 2022, 7,542 Selective licences had been issued. The operation of this scheme was reviewed by MHA in a previous report for Tower Hamlets published in 2020.

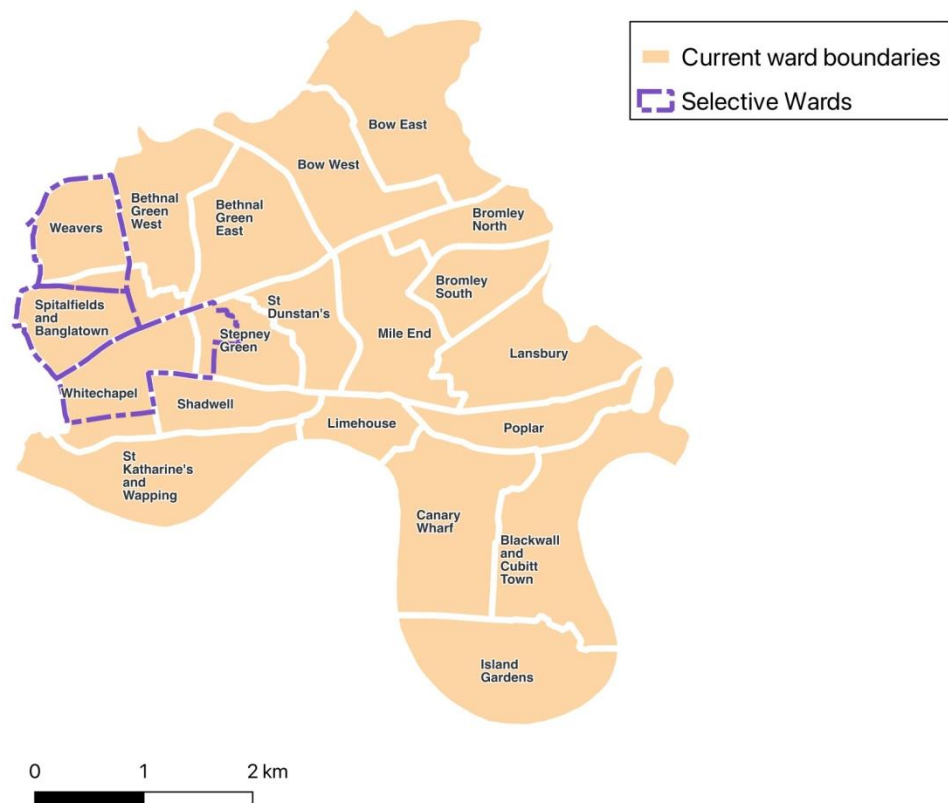


Figure 1: Post-2014 ward map of Tower Hamlets showing boundaries of the areas covered by Selective Licensing

The costs of each type of licence is quite similar and among the lowest in London. Costs vary depending on whether a landlord applies online or by post which costs slightly more. If the application is online an Additional Licence costs £550 and is valid for five years; if it is a postal application then it is £645. This compares with £569 for a Mandatory licence and £595 for a Selective licence. For Mandatory licences there is also an additional fee of £35 per habitable room.

## **2.2 Properties eligible for Additional Licensing**

An HMO is a house or a flat which is typically occupied by persons who do not form a single household and share amenities such as bathrooms, kitchens and toilets. A Selective Licensing Scheme differs from HMO based licensing schemes because it covers all private rented accommodation in a designated area.

The Additional Licensing Scheme includes all HMOs where there are 3 or more people living as 2 or more households and they share facilities such as a bathroom or kitchen and at least one of the tenants pays rent. If the property has five or more occupants living as two or more households then a Mandatory licence normally applies.

However, the Government has excluded purpose-built self contained flats within a block comprising three or more self-contained flats from the Mandatory Scheme. If the property is in one of three wards (pre-2014 boundaries) - Spitalfields and Banglatown, Weavers and Whitechapel- then Selective Licensing will apply except in the case of student accommodation which is exempt.

## **2.3 Applying for a Licence and enforcement of property standards**

To obtain a licence several conditions apply. These include whether a person is 'fit and proper' to be a landlord - for example the Council must have regard to whether the applicant has any previous convictions involving fraud or other dishonesty or violence or drugs and sexual offences.

Other conditions include whether the applicant has practised any type of unlawful discrimination, or has contravened housing, landlord or tenant law. If a property remains unlicensed a tenant can apply for a Rent Repayment Order and landlords will be severely limited in taking any eviction proceedings. Penalties include a criminal conviction and unlimited fine or a financial penalty of up to £30,000.

Latest Tower Hamlets data show that £810k has been returned to tenants since 2019 and of this 65% pertained to Additional Licensed properties, 24% to Selective and 11% to Mandatory properties. This shows that the scheme is both helping to protect tenants but also root out licence dodgers and rogue landlords.

In addition tenants are protected through the Deposit Protection Scheme which ensures they get their deposit back when they move out provided they have paid their rent and have looked after the property. The property also needs to be safe to live in and free from problems with damp and mould and have a working smoke

alarm on every floor.

Electrical wiring and any electrical items supplied with the accommodation must be also safe. Applications should therefore include a Gas Safety Certificate or Commissioning form and an Electrical Safety Certificate or Commissioning form. It is also necessary to ensure a carbon monoxide alarm is equipped in any room used as living accommodation which contains a fixed combustion appliance (excluding gas cookers).

The Council typically inspects medium and high risk properties which may give rise to a hazard using information on the application form. A hazard is any risk of harm to the health or safety of an actual or potential occupier of accommodation that arises from a deficiency in the dwelling, building or land in the vicinity.

Hazards are bracketed into different types depending on their seriousness – for example damp and mould pollutants such as asbestos or carbon monoxide, overcrowding, noise, domestic hygiene, electrical and fire hazards. In most cases officers will enter a property following an invite by the occupier or tenant.

Notices served on landlords to remove the hazard or to make improvements is one of the means of regulating the sector under the 2004 Housing Act. Typical inspections include fire safety precautions, overcrowding, damp and mould, excess cold issues and health and safety hazards.

Legislative tools available to the Council include the Housing Health and Rating System under part 1 of the Housing Act 2004. This gives powers for councils to take a wide range of enforcement including improvement notices, prohibition orders, and emergency remedial actions and demolition orders, where an officer considers a person is contravening health and safety laws.

Complaints from tenants are routed via call centres or service requests to the Environmental Health and Trading Standards department. Some complaints may be referred via the Citizens Advice Bureau. Many come from overseas visitors or students studying in England, often concerning the non-return of holding deposits, misleading property advertisements, illegal building conversions and so on.

Trading Standards may issue fixed penalty notices (FPNs) on landlords or letting agents. Examples include landlords or letting agents charging outlawed fees for spurious items such as renewal or terminations fees, room cleaning charges and others. On paper the penalties are substantial but the fines are often hard to collect and indeed may never be collected, although clearly the system acts as a deterrent.

Landlords and letting agents must also belong to a Redress Scheme whose job is to investigate complaints between landlords and tenants. If a complaint is upheld, the scheme can order the letting agent to apologise or pay compensation. It is also an offence not to belong to a redress scheme. A landlord or letting agent that is not a member can be fined up to £5,000 and have their licence revoked.

A more recent piece of legislation will also tackle the problem of thermally efficient heating of properties in the private rented sector. Energy performance grades range from A to G in which properties designated A are the most energy efficient and G are the least. Since April 2020 private rented properties are legally obliged to have an Energy Performance Certificate (EPC) graded as E or above, although we understand that no-one to date in Tower Hamlets has so far been prosecuted.

### **3. Take-up of Additional Licensing**

Additional Licensing started in April 2019. After 36 months to the end of September 2022, 5,050 licences had been issued, with some applications pre-dating the official start of the scheme by a few months. At the time of this report we understand that the number of Additional Licences issued had increased to 5,134 equating to about £2.8m in revenue.

Figure 2 shows how Additional applications have evolved over the period averaging around 160 a month which, based on the latest data, now appears to be levelling off. The number may be lower than it might have been because there is a backlog of applications awaiting attention.

Figure 2 also shows that applications commenced before the official start of the scheme which points to the effectiveness of prior publicity. Although there is no direct equivalence with Selective Licensing, where there have been over 7,000 applications since the scheme's inception and over 6,000 licences issued, averaging around 100 per month. Under Mandatory Licensing, around 700 have been issued since April 2019, averaging about 18 per month.

Figure 3 shows the pattern of Additional Licence 'starts' from April 2019 onwards. The number of 'starts' reached a peak between October 2019 and June 2020 before falling back. They reached a low point in October and November 2021 with less than 50 'starts' but then increased in the last months of last financial year ending March 2022. The low point appears to be a consequence of the COVID pandemic and the first lockdown in March 2020.

In the current financial year the data suggests the Council should expect around 100 applications a month, but this is hard to confirm because of recent variability. One important difference between the Additional and Selective Schemes is the average time it takes to process and issue a licence. For Additional Licensing the average wait is around 8 months compared with under half that time for a Selective licence.

This could occur for several reasons, including the difficulty of verifying whether a property is eligible for an Additional Licence or not. The comparative wait for a Mandatory licence is 4.7 months. However, there are also several mitigating factors. For example, the scheme was implemented just ahead of the COVID pandemic 2019

and as we noted above this noticeably impacted the processing of applications from July 2020 onwards.

Additional Licensing requires a lot of documents such as fire alarm systems, electrical, gas, EPC, floor plans so the process of approving a licence is inherently longer. It seems missing documents are a frequent occurrence requiring constant reminders and chasing letters. The landlords/agents are often difficult to deal with in terms of missing payments, chasing information and documents and this can take some time before the Council receive everything before applications are completed and licences issued. But why Mandatory licences which also require documentation are dealt with quicker is unclear, it could be that these landlords/agents are more familiar with the process as these licences are renewed every three years.

The data show that processing times have been improving and are coming down from 8.2 months in 2019, 7.9 in 2020, and 6.5 in 2021. However, this still feels unacceptably long and may partially explain the slowdown in licences issued when the processing times are compared with applications for Selective and Mandatory licences which remain shorter on average. On a positive note the size of the backlog has been falling. This can be gauged from the vertical distance between the solid and hatched lines in Figure 2. In January 2020 for example, it was around 2000 whereas today it is under 500.

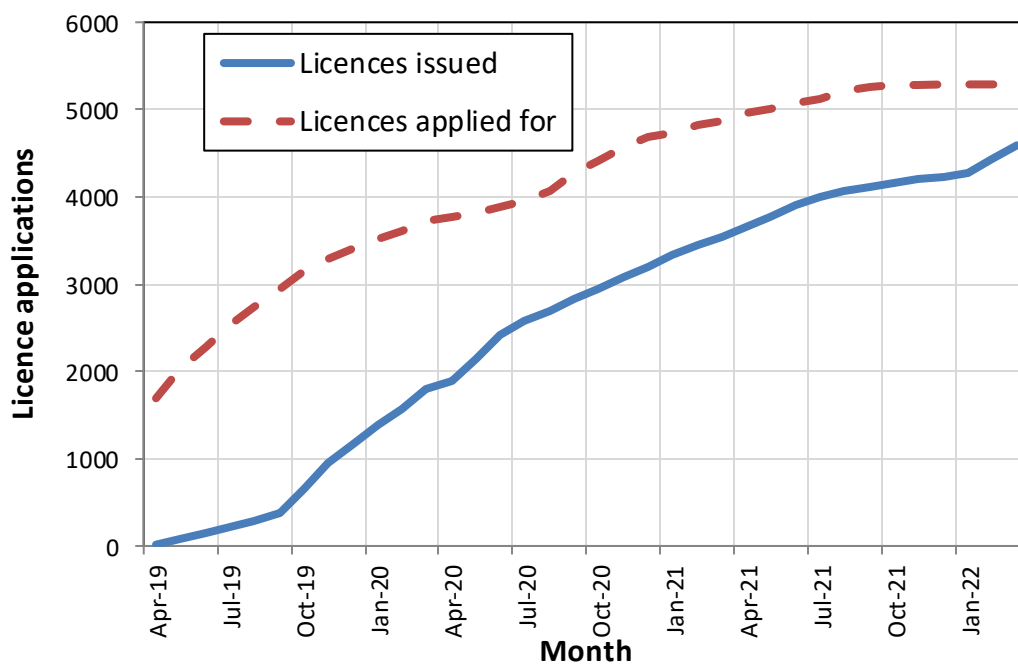


Figure 2: Additional licences applied for and issued

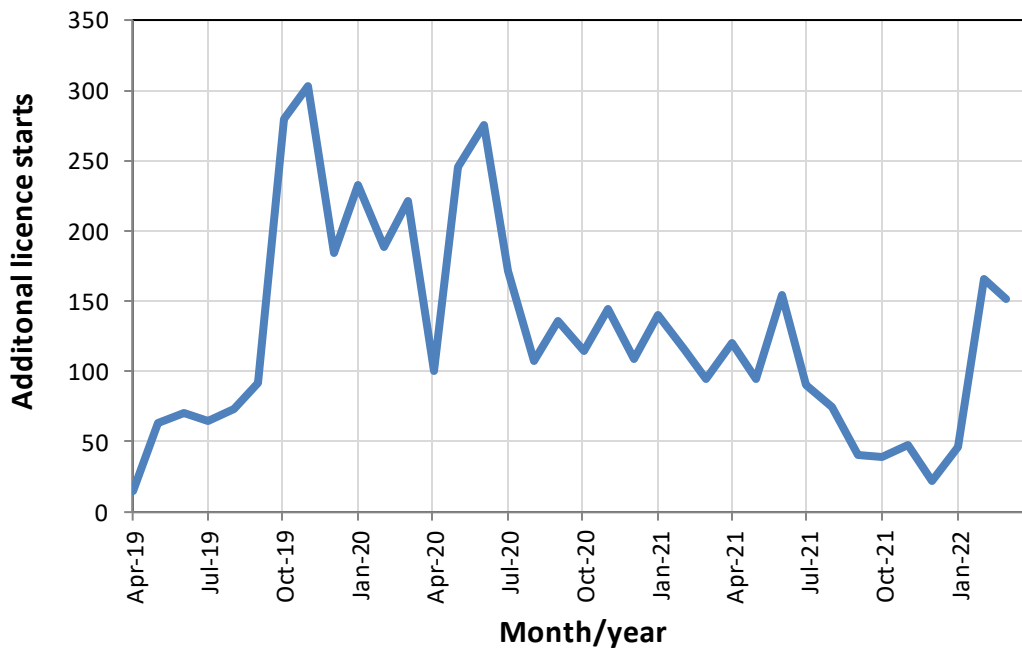
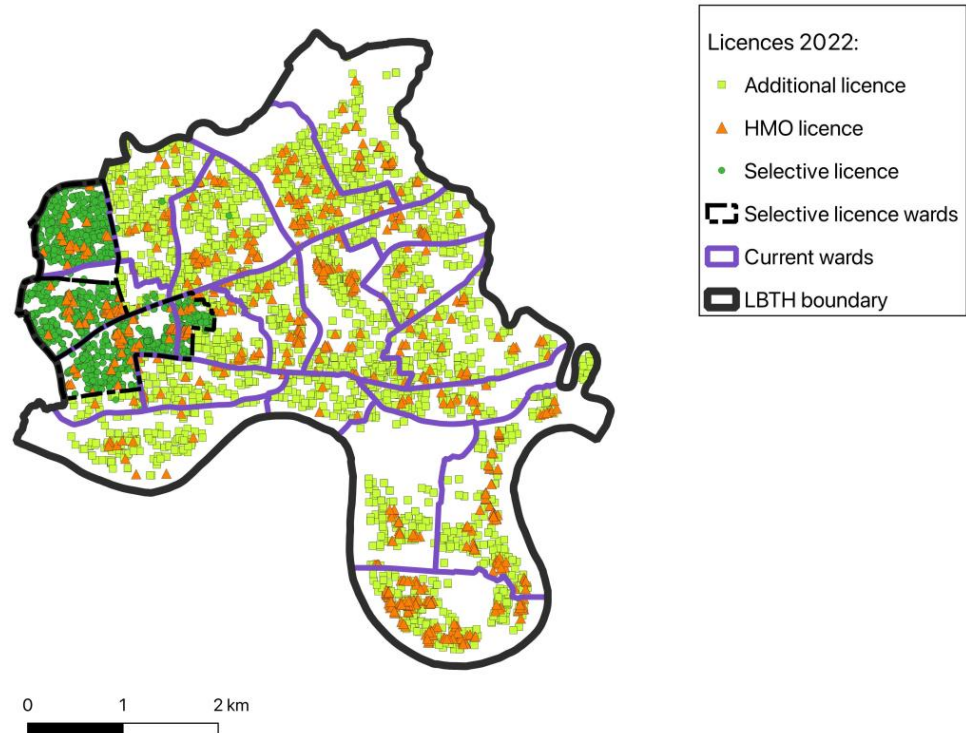


Figure 3: The number of Additional licences issued by start month

Figure 4 is a map showing the distribution of licenses among wards according to licence type. The map uses the 2017 ward boundary configuration in which it can be seen that a number, around 350, Selectively licensed properties have effectively changed ward from Spitalfields and Banglatown to Stepney Green.

In addition around 120 Additional Licensed properties within the Selectively licensed boundaries are now situated in Weavers, Whitechapel and Spitalfields and Banglatown. It is not considered necessary that such licenses be re-assigned or re-designated, but there could come a point when licensing next comes up for review to adjust the Selective Licensing boundary accordingly.



*Figure 4: Map of Tower Hamlets showing the distribution of all types of licensed properties, 2017 ward boundaries and the limits of Selective Licensing*

#### **4. Evaluating the impact of Additional Licensing**

Additional Licensing is designed to assist councils in improving the management of private rented properties where it considers that poor management of the properties is causing problems either for the occupants or the general public. This has an obvious benefit both in terms of attractiveness of Tower Hamlets as a place to live and also impacts the immediate neighbourhood.

Any evaluation of the scheme should have regards to the size of the sector, whether there is evidence of management problems such as persistent problems regarding the home itself. This includes reports of overcrowding, the visual appearance of the property and immediate surroundings, such as evidence of flying tipping and dilapidations.

It could include complaints relayed to the council or housing department about specific problems such as noise complaints, warning letters recovered from the council, for example concerning garbage waste. Since the scheme has only been in existence since April 2019 it will be important to manage expectations of the full impact while at the same time identifying where further work is required in order to derive future benefit.

There are various ways to do this, none of which is perfect but in combination show that aspects of the scheme are being effective. Several large administrative sources were analysed in depth, all of which are considered to be of importance in the management of the PRS. They potentially enable us to identify ongoing issues requiring management attention or if the sector is outperforming other housing sectors.

Data sets provided to us included the following:

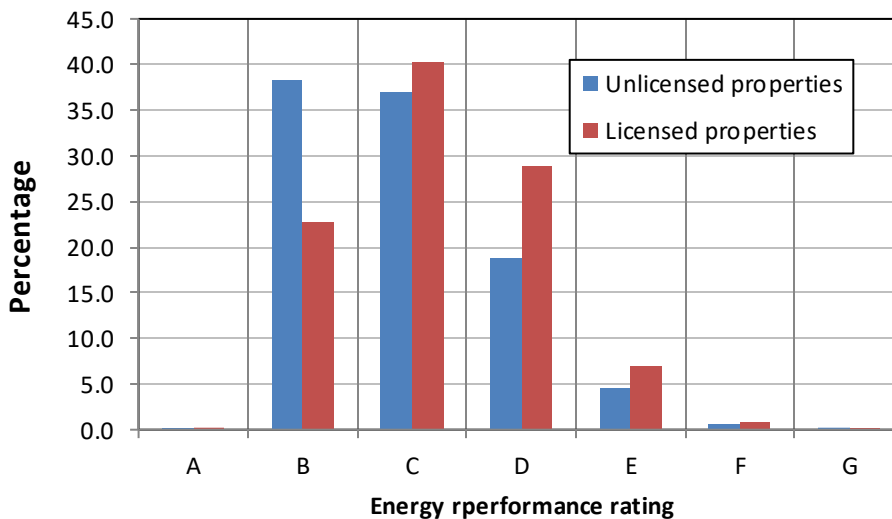
- (a) Energy Performance Certificates: There is law which says that private rented properties must have energy performance certificates of band E or above. We analysed the data provided and compared the private rented sector against all housing, nearly 150,000 in total.
- (b) Service requests: Around 1,000 Service requests involving complaints, mostly pertaining to the private rented sector, were analysed to understand what proportion were generated by different types of licensed properties.
- (c) Warning letters totalling around 500 were sent to householders between January 2020 and March 2022, mostly covering issues relating to garden waste and overhanging shrubs and trees. In many cases letters were sent to multiple addresses
- (d) Noise complaints: Unwelcome noise is a nuisance and complaints to the council can reveal both the source of noise – whether domestic or not and if the PRS is more likely to be a source of the complaint. We analysed around 9,000 noise complaints and broke them down into domestic and non-domestic origin.
- (e) Pest infestations: Tower Hamlets is reputed to have one of the worst infestations of rats and mice in London. We analysed data on pest control covering the whole borough; there were some 14,500 visits to properties or 850 a month in the period January 2021 to March 2022 where we found that the biggest problem is mice and rats.
- (f) Housing complaints: We analysed call centre data on housing complaints and hazard notifications and other concerns such as public health issues, damp and mould, fire safety concerns and overcrowding, and a range of others.



- (g) Notices served under part one the Housing Act 2004 to regulate housing standards including enforcement action with regard to identified hazards, improvement and prohibition notices, and notices to disclose information about a property.

Taking each in turn:

**(a) Energy performance certificates (EPCs)**



*Figure 5: The percentage of Licensed and unlicensed properties by energy rating performance*

An EPC certificate is intended to inform potential buyers or tenants about the energy performance of a property, so they can consider energy efficiency as part of their decision to buy or occupy a building. EPC ratings are carried out by accredited assessors. Not all properties have certificates include those that are unsold or empty currently.

The rating scale used ranges from A to G with A being the most energy efficient and G the least. The reason why it has become an important issue is that it is now unlawful for a landlord or agent to rent out a domestic property with a rating of F or G, unless it has a valid exemption.

Currently available Energy Performance ratings cover some 150,000 residential properties in Tower Hamlets. As Figure 5 shows there are marked differences in performance between licensed and unlicensed properties, as can be seen by differences in the percentages within each rating band.

Whilst around 99% of all properties in the dataset are rated E or better, the average rating between licensed and unlicensed properties is about one level lower in the private rented sector. From our analysis not many properties are immediately

affected by the legislation if we focus only on bands F and G – about 1,000 properties of which 131 are licensed.

The indication is that, because uptake is less than 100%, the true number is closer to 1,700 properties of which 225 will be licensed. The enforcement of new EPC rules should not present the Council with any administrative problems under the normal processes of buying and letting properties, but enforcement action should be a consideration. Our database is able to identify these properties as long as they have a certificate.

At the other end of the scale, it is noteworthy that there are still very few properties that are rated A, and there are some 5,300 properties that are rated E, i.e. just outside the regulation. This has implications for the workload of services such as those services provided by Tower Hamlets which include access to grants for insulation and other assistance but we do not comment on this further here.

### (b) Service requests

Housing complaints in the form of service requests number about 30 per month on average. As is seen in Figure 6, they tend to be seasonal, peaking in January and dipping between April and September. The data show a slight increase over time based on the last 36 months of data and show no sign presently of levelling off or declining.

Among the 1,071 service requests analysed, where the nature of the request was specified, 80% were related to housing hazards generally but are not broken down by type, 18% to general complaints about an HMO and 2% to overcrowding. The data also appear to suggest that two thirds of all requests are generated by HMOs, and only one third by Selective licence holders.

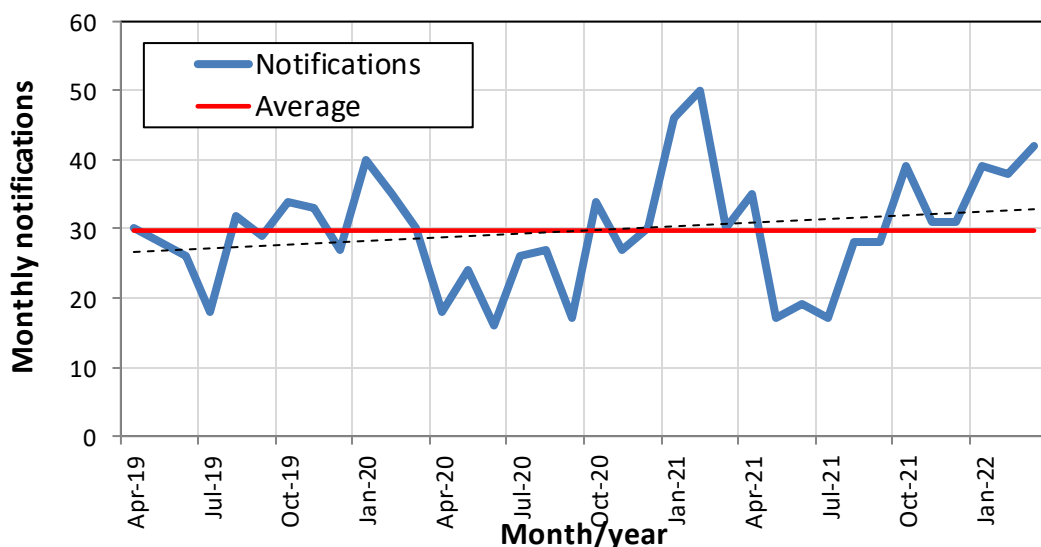


Figure 6: PRS service requests including trend

### **(c) Warning letters**

At roughly six month intervals the Council sends out warning letters to addresses in the borough. These letters, sent to individual addresses or to batches of addresses, are to notify the occupants about re-cycling garden waste, fly-tipping or other concerns. However, it was not possible to unpick whether these were to licensed or unlicensed addresses.

Nearly five hundred letters were sent out to 3,100 addresses in the three years to March 2022. Half of these concerned garden waste and 8% fly-tipping but the rest are undisclosed specific warnings. The number of letters dispatched has been increasing over time by about one a month each letter being sent to three addresses on average.

There is a small correlation with the size of the PRS in each ward and the number of letters issued, but the ward that stands out by far is Whitechapel which accounts for 31% of all addresses to which letters were addressed. There is probably a simple explanation for this e.g. the number of businesses in the area and so any link with the PRS is probably coincidental. Since Whitechapel is mainly a Selective licensed area, there is no suggestion that Additional Licensed properties are particularly implicated.

### **(d) Domestic noise complaints**

Data provided showed that there were about 9,000 noise complaints to the council based on two years of data to 2022 March 2022. Of these 59% are domestic in nature covering mainly loud music which accounted for about 85% of the total but also barking dogs, alarms sounding off, shouting and banging, and home alterations. Other complaints were related to other settings such as building work or general street noise.

We analysed to what extent domestic complaints were generated by licensed addresses which are a subset of all addresses, numbering around 11,000 properties. We found that there were over 900 complaints in the period - or 4.5% of all licensed properties; this compared with an all-property rate of 3.6% and so higher. Overall as Figure 7 shows, the absolute number of complaints appears to be falling over time.

To some extent this is a likely effect of the licensing because of the penalties faced by landlords for which this is a condition of the licence. The Environmental Protection Team has developed a noise reduction strategy with the Health and Housing Team which appears to have been effective. Where properties have a licence in place the team works to share information on noise reports from private rented properties.

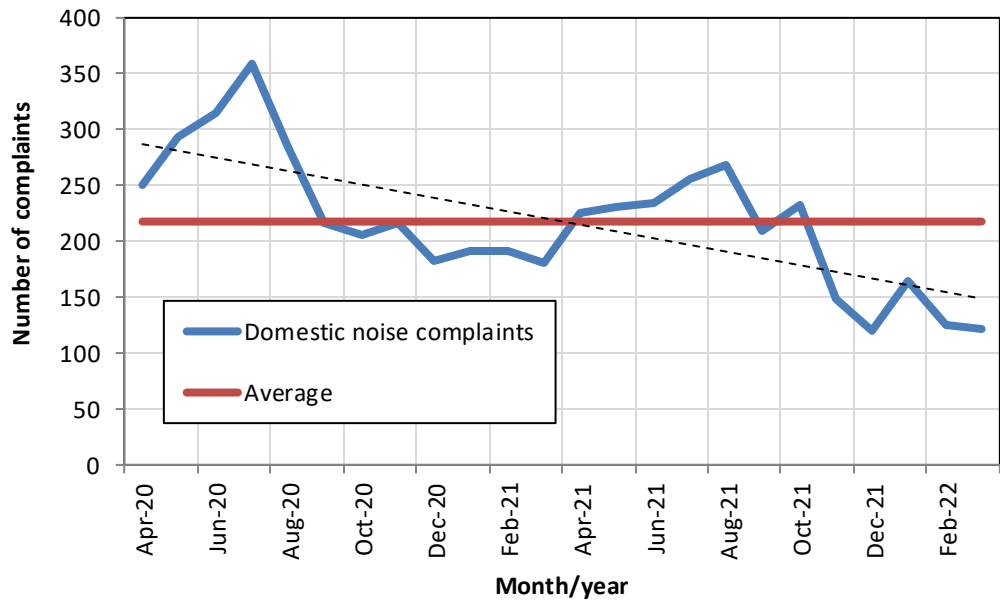


Figure 7: The monthly pattern of noise complaints including trend

Figure 8 is a map showing the density of domestic noise complaints across the borough. The areas of the borough most affected will reflect the density of housing but also, as we later show, the number and types of licences issued. Weavers and Whitechapel which are in Selectively licensed wards also have a large number of Mandatory HMOs and are particularly affected as also is Bethnal Green East.

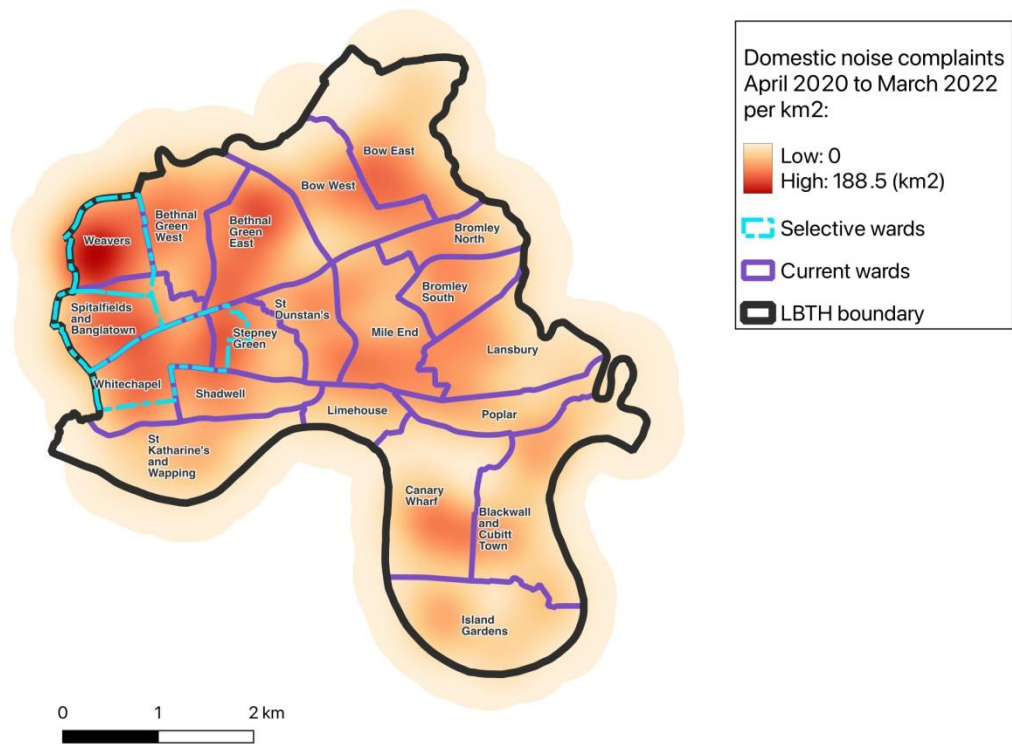


Figure 8: Density of domestic noise complaints

**(e) Pest control visits**

Tower Hamlets data on pest control visits highlights a serious borough-wide problem especially with infestations of mice and rats. Table 1 shows that problems with mice and rats tend to dominate with insect infestations falling some way behind. Based only on the most recent data it seems that the number of visits has been increasing over the last 18<sup>th</sup> months.

It is fairly well known that the infestations of rats and mice in Tower Hamlets are among the worst in London. Most residents pay the Council for the service, but for tenants of some social landlords the service is provided at no direct cost. As we show later in Table 2, the free service explain why visits to social housing tenants are considerably higher than in the private sector.

| Pest type    | Visits | % of visits |
|--------------|--------|-------------|
| Mice         | 6,904  | 49.14       |
| Rats         | 4,484  | 31.91       |
| Bed-bugs     | 1,084  | 7.71        |
| Cockroaches  | 820    | 5.84        |
| Pharoah ants | 371    | 2.64        |
| Other        | 838    | 2.76        |
| Total        | 14,501 | 100.00      |

Table 1: Pest control activity in Tower Hamlets

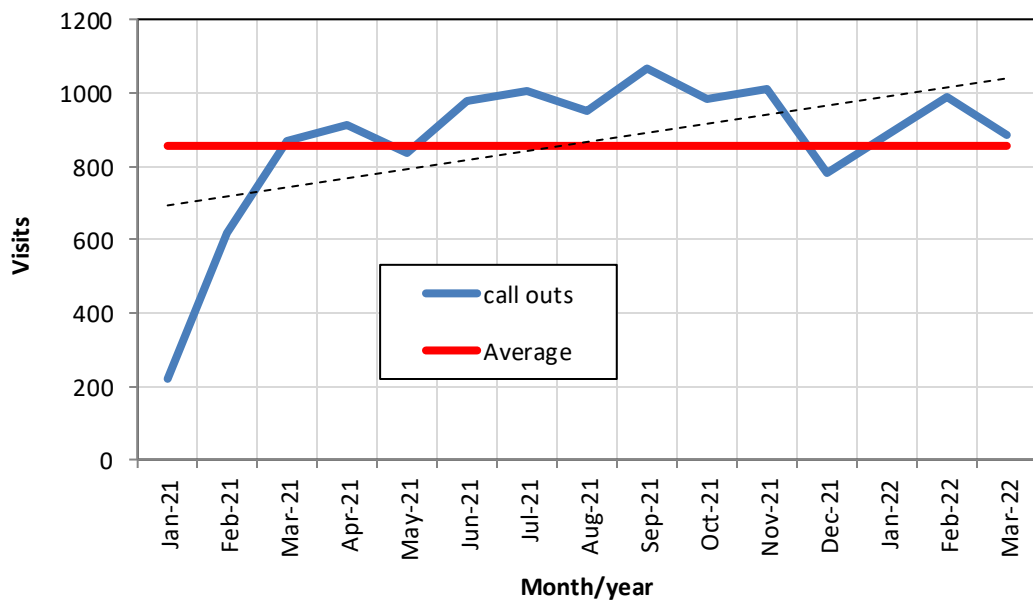


Figure 9: Pest control call outs between January 2021 and March 2022 including trend

Figure 9 shows an upward trend in pest control call-outs in the previous 18<sup>th</sup> months; however, a longer period of data is needed to know if this was affected by the pandemic.

**(f) Property conditions**

We analysed call centre data that focused on property conditions or housing complaints. We split them into four categories - calls regardless of tenure type, calls concerning any PRS property, calls regarding licensed properties, and calls if the property had an Additional licence.

Overall calls to the call centre accounted for around 4% of all residential properties; among the PRS generally, the rate was 7.3%; among licensed properties 14.8%; and among Additional licensed properties it was 18.5%, and so considerably higher.

The categorisation of calls shows a spread of mostly individually small issues which do not amount to systemic concerns about property risk. Some of this due to calls being classified under headings such as general complaints or general hazards, which is obviously not very illuminating.

The chart in Figure 10 is for Additional licensed properties only. It shows average complaints running at about 15 per month but also very slightly declining over time. It is important to note these are licence holders in March 22, none of whom would have been licensed in April 2019 when the scheme started.

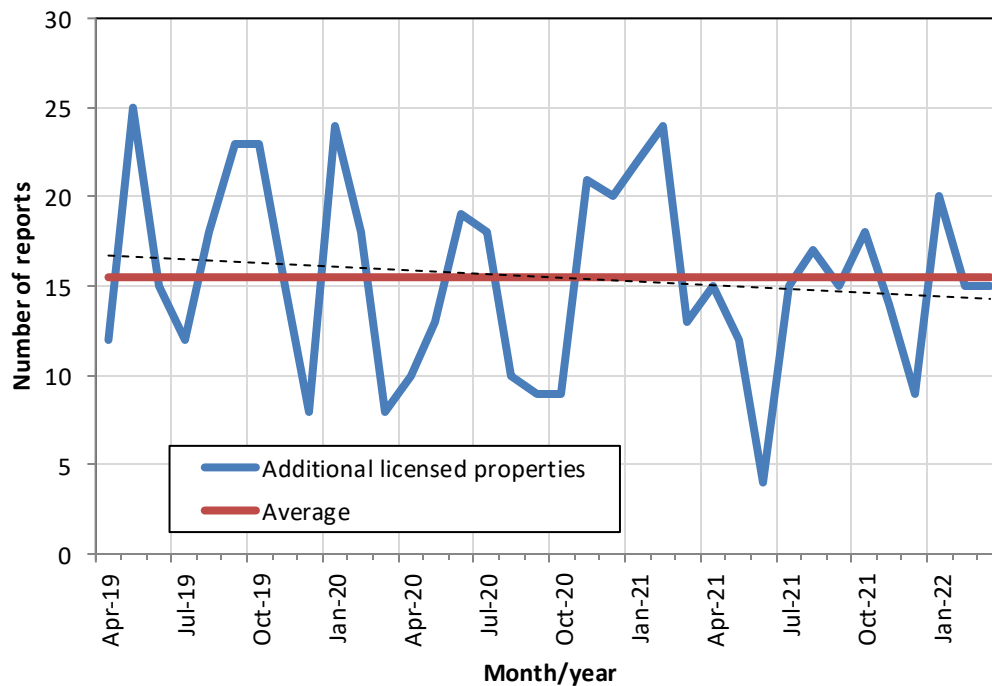


Figure 10: Call centre activity pertaining to Additional licensed properties including trend

What we are probably seeing therefore is the evolution of the scheme as the licensing regime takes effect, potentially leading to fewer hazard notifications or complaints into the future. The next section shows that, at ward level, the number of calls is more highly correlated with the wider PRS as a whole.

It is telling that 32% of all calls from an Additional licensed property refer to hazards as compared with 41% in the whole of the PRS. Proportionally more calls are complaints; the sector also attracts more queries about rogue landlords and deposit repayment inquiries. The level of engagement could be a sign that and the scheme is working and that problems are being addressed as they arise.

**(g) Notices served**

In this case our data go back to October 2016 as shown in Figure 11. The important point to note here is the lull in activity from February 2020 until October 2021 which largely corresponds with the lockdown period and other restrictive working conditions during the pandemic.

It is probable that this is a contributing factor to the processing of applications for Additional licences although this has not been investigated in detail. However, the chart shows that the number of notices being served increased after October 2021 and is now above the five year average of 20 notices a month.

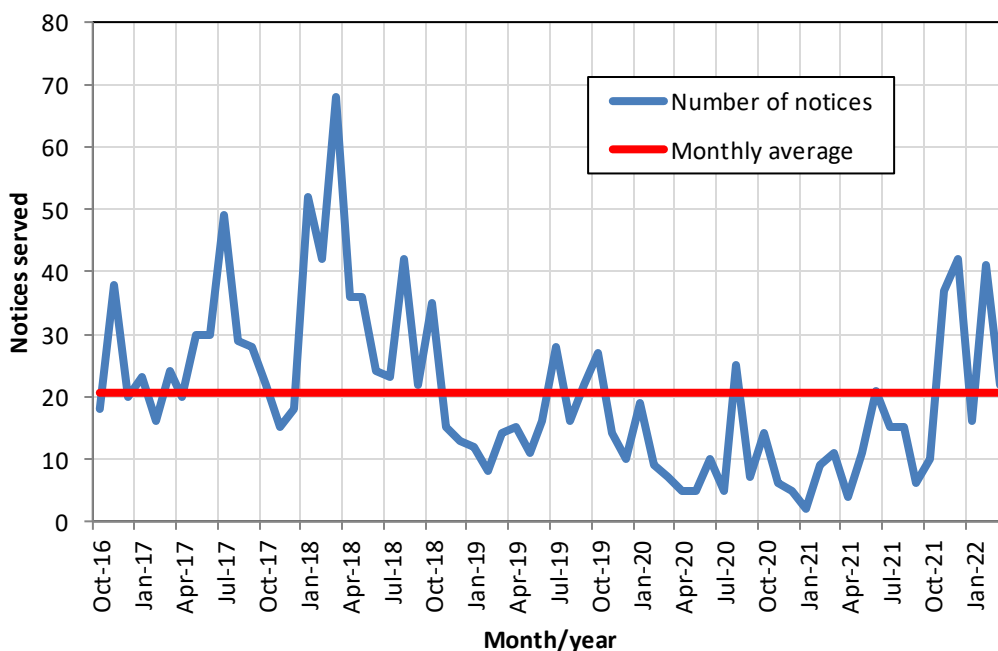


Figure 11: Monthly improvement and prohibition notices issued

**5. Summary of evidence**

An effective way to summarise these findings is by comparing some of the above by tenancy and licence type. Table 2 (a) and (b) shows the percentages of social housing,

private housing and the PRS affected by each of call centre complaints, domestic noise complaints, housing hazards, pest control visits, and prohibition and improvement notices.

All figures are expressed as a percentage of the number of dwellings in each tenancy or licence category – these numbers are shown in the rightmost column. For example Table 2a shows that 3.3% of 102.7 thousand private dwellings were subject to call centre housing complaints and 1.6% to noise complaints.

Caution is needed however, because for example housing complaints in social tenancies will tend to be channelled through housing associations and so the picture is not entirely balanced. The fairest comparison is probably domestic noise complaints where the PRS is more culpable than either of the private sector or social housing.

| Tenure          | Call centre housing complaints | Domestic noise complaints | Housing hazards | Pest control visits | Notices served | Base ('000s UPRNs) |
|-----------------|--------------------------------|---------------------------|-----------------|---------------------|----------------|--------------------|
| Social housing  | 1.0                            | 1.8                       | 0.2             | 7.9                 | 0.1            | 41.4               |
| Private housing | 3.3                            | 1.6                       | 0.8             | 1.6                 | 0.5            | 102.7              |
| PRS             | 5.8                            | 2.4                       | 1.4             | 2.5                 | 0.9            | 42.7               |

(a)

| Tenure             | Call centre housing complaints | Domestic noise complaints | Housing hazards | Pest control visits | Notices served | Base ('000s UPRNs) |
|--------------------|--------------------------------|---------------------------|-----------------|---------------------|----------------|--------------------|
| Mandatory licence  | 25.6                           | 10.1                      | 7.2             | 4.6                 | 7.2            | 0.7                |
| Selective licence  | 5.4                            | 2.8                       | 1.7             | 1.7                 | 1.4            | 7.2                |
| Additional licence | 13.5                           | 5.0                       | 3.8             | 3.0                 | 1.7            | 5.1                |
| No licence         | 3.9                            | 1.7                       | 0.8             | 2.5                 | 0.5            | 30.7               |

(b)

*Table 2 (a) and (b): (a) percentages of properties affected by the given indicators by tenure type; (b) percentage of the PRS affected by license type*

Aside from this caveat, Table 2 shows that:

- Based solely on tenancy type, Table 2(a) indicates that the PRS is most likely to be the subject of housing and noise complaints, housing hazards, and notices served. The only exception is pest control visits which are highest in social tenancies. Social tenancies on the other hand experience fewer complaints overall than the private housing sector and private housing sector fewer than the PRS.
- Table 2 (b) shows that within the PRS, Mandatory licensed HMOs experience the highest rates of housing and noise complaints, housing hazards, notices served and pest control visits. Additional licensed properties experience



slightly lower rates than Mandatory licensed properties and Selective licensed properties the least.

- The lowest rates in every category are among unlicensed PRS properties. Overall, it suggests that the licensing schemes are being generally well targeted and therefore serving their main purpose. However, this does not mean there are no unlicensed properties that should be licensed because they are yet to be identified as HMOs.

A more forensic examination of the Additional licensed sector compares whether they are more likely to be licensed than other PRS properties if they have been subject of a noise, housing complaint, or some other indicator. The argument here is that any of these indicators could shine a light on the properties affected which then attracts the attention of the relevant authorities.

Table 3 is an audit of 43.7k potential PRS properties according to whether they are recipients of a noise or housing complaint, a housing hazard has been identified or a notice has been served. The right-most column shows the percentage of properties in each risk category that are licensed which are ranked from highest to lowest risk. The column totals show the number of complaints made, hazards identified or notices served.

Most of the risk categories are quite small as measured by the number of properties affected seen in column two - for example, there are 96 properties in row one which are subject to noise and call centre housing complaints. Of these 41.7% are Additional licensed HMOs. Moving down the categories to row ten, this has no risk factors and is easily the biggest group with 40.2k PRS properties, of which 10.5% are licensed.

It basically means around 3,500 properties do present a management problem to a greater or lesser extent. Further analysis shows that properties are 2.9 times more likely to have an Additional licence if they are the subject of a call centre complaint, 2.3 times if a noise complaint, 1.4 times for housing hazards, and 1.1 times if a notice has been served. Again this suggests the scheme is capturing a majority of the at risk properties with the greatest number of problems.

| Category | Number in category | Domestic noise complaint | Call centre housing complaint | Housing hazard | Housing notice served | % Additional licence |
|----------|--------------------|--------------------------|-------------------------------|----------------|-----------------------|----------------------|
| 1        | 96                 | Y                        | Y                             |                |                       | 41.7                 |
| 2        | 509                |                          | Y                             | Y              |                       | 33.4                 |
| 3        | 15                 | Y                        | Y                             |                | Y                     | 33.3                 |
| 4        | 39                 | Y                        | Y                             | Y              |                       | 33.3                 |
| 5        | 45                 |                          | Y                             | Y              | Y                     | 31.1                 |
| 6        | 1606               |                          | Y                             |                |                       | 25.8                 |
| 7        | 143                |                          | Y                             |                | Y                     | 25.2                 |
| 8        | 857                | Y                        |                               |                |                       | 23.1                 |
| 9        | 146                |                          |                               |                | Y                     | 19.2                 |
| 10       | 40215              |                          |                               |                |                       | 10.5                 |
| 11       | 22                 | Y                        |                               |                | Y                     | 9.1                  |
| total    | 43701              | 1036                     | 2460                          | 601            | 378                   | 11.7                 |

*Table 3: Risk ladder showing the percentage probability of PRS properties holding an Additional licence*

### 5.1 Summary impact by ward

In this section we compare the wider PRS at ward level using the indicators analysed in the previous section. Essentially we wish to know whether being part of the PRS is correlated with more reports of hazards, warning letters and so on.

Because our unit of analysis is wards, the results will show whether there are certain wards skewing the direction and magnitude of correlations. If the answer that comes is there is a correlation, we can reasonably assume that the PRS is not as well managed as other tenancies.

The relevant measures are set out in the columns of Table 4. Each ward is ranked from one to twenty according to whether it likely to experience more than other wards on each measure, with rank one being most affected and twenty least affected.

For example, Bethnal Green East has the sixth largest PRS out of 21 wards. Moving from left to right it is tenth on pest control but fifth if measured on housing hazards and 9<sup>th</sup> on notices served.

The final column headed rank of ranks combines all the measures from left to right into one single indicator. For example, we observe that Whitechapel scores a value of one and so is the most affected; Bethnal Green West is second most affected and Limehouse, ranked twenty, is least.

To understand the size of the effect of each indicator on the both categories, the last row of the table give the level of correlation. This ranges from -1 (strongly negatively

correlated) to +1 (strongly positively correlated) with various different management issues affecting the PRS.

This is the same as the method used in our 2019 review. The results show that some indicators are more correlated with the PRS at ward level than others as would be expected. Overall the results show that wards which are high in PRS properties are more likely to suffer management problems:

For example:

- The pattern of reported housing hazards indicates a +0.68 correlation with the PRS indicate there are more housing hazards needing attention in the affected wards than others.
- Energy performance certificates (EPC) graded F or G means that the affected properties are illegal and need improvement. While they are few in number overall results show there is a +0.78 correlation with the PRS.
- We also find that noise complaints are more likely to be correlated with the wider PRS (+ 0.66) and also call centre complaints (+0.68). There is also a positive correlation (+0.46) between the PRS and the number of improvement notices issued.
- Other indicators show no particular association with private renting, such as garden waste - possibly as the PRS has fewer gardens. With regard to pest control we have already noted that this affects private sector housing more than the PRS.

| No | New ward                    | Rank PRS  | Pest control | Housing hazards | EPC grades F&G | Domestic noise complaints | Call centre complaints | Warning letters | Notices served | Rank of ranks |
|----|-----------------------------|-----------|--------------|-----------------|----------------|---------------------------|------------------------|-----------------|----------------|---------------|
| 1  | Bethnal Green East          | 6         | 10           | 5               | 9              | 2                         | 3                      | 10              | 9              | 5             |
| 2  | Bethnal Green West          | 14        | 7            | 6               | 6              | 4                         | 7                      | 2               | 4              | 2             |
| 3  | Blackwall and Cubitt Town   | 2         | 18           | 1               | 1              | 7                         | 2                      | 15              | 12             | 8             |
| 4  | Bow East                    | 8         | 14           | 11              | 5              | 6                         | 8                      | 6               | 14             | 9             |
| 5  | Bow West                    | 13        | 8            | 15              | 16             | 9                         | 11                     | 8               | 15             | 14            |
| 6  | Bromley North               | 19        | 15           | 17              | 17             | 18                        | 18                     | 13              | 19             | 18            |
| 7  | Bromley South               | 15        | 11           | 18              | 12             | 14                        | 17                     | 17              | 16             | 16            |
| 8  | Canary Wharf                | 4         | 20           | 8               | 2              | 13                        | 14                     | 17              | 11             | 15            |
| 9  | Island Gardens              | 10        | 16           | 7               | 11             | 11                        | 9                      | 12              | 12             | 13            |
| 10 | Lansbury                    | 11        | 1            | 2               | 7              | 12                        | 6                      | 5               | 6              | 4             |
| 11 | Limehouse                   | 18        | 17           | 20              | 19             | 20                        | 20                     | 17              | 17             | 20            |
| 12 | Mile End                    | 9         | 2            | 4               | 3              | 5                         | 3                      | 13              | 6              | 2             |
| 13 | Poplar                      | 20        | 12           | 18              | 20             | 19                        | 19                     | 15              | 19             | 19            |
| 14 | Shadwell                    | 17        | 6            | 12              | 15             | 17                        | 10                     | 9               | 8              | 11            |
| 15 | Spitalfields and Banglatown | 3         | 5            | 8               | 10             | 8                         | 5                      | 10              | 2              | 5             |
| 16 | St Dunstan's                | 12        | 13           | 14              | 12             | 10                        | 13                     | 3               | 9              | 10            |
| 17 | St Katharine's and Wapping  | 5         | 19           | 16              | 8              | 16                        | 16                     | 17              | 17             | 17            |
| 18 | Stepney Green               | 16        | 4            | 13              | 18             | 15                        | 15                     | 7               | 5              | 11            |
| 19 | Weavers                     | 7         | 9            | 10              | 14             | 1                         | 12                     | 1               | 3              | 7             |
| 20 | Whitechapel                 | 1         | 3            | 3               | 4              | 3                         | 1                      | 4               | 1              | 1             |
|    | Correlation with            | Whole PRS | -0.05        | 0.68            | 0.78           | 0.66                      | 0.68                   | 0.09            | 0.46           | 0.53          |

Table 4: Ward ranks based on outcome measures and their correlation with the size of the Private Rented Sector in each ward  
(Note: 1=highest rank or most problematic, 20=lowest rank or least problematic)

- The overall correlation between the above indicators shows that it is strongly positive (+0.54) with respect to the whole PRS. It may be safely concluded that there is still PRS work to be done and issues to be managed.

We can also look at the shift in ranking since our review of Selective Licensing at a similar point in time – although indicators then were supplemented with data on anti-social behaviour and crime. Notwithstanding this caveat, the wards that have become more problematic are Mile End which has moved from 8<sup>th</sup> to 2<sup>nd</sup> place, Lansbury 9<sup>th</sup> to 4<sup>th</sup> place, Blackwall and Cubitt Town 18<sup>th</sup> to 8<sup>th</sup> place, and Island Gardens from 17<sup>th</sup> to 13<sup>th</sup> place.

## 6. Conclusions

Additional Licensing was launched in April 2019, since then 5,050 licenses have been issued by the end of September. This autumn marks 18 months left in the five-year cycle for which this report is designed to review progress so far against the scheme's objectives and to consider its extension for another five years.

The purpose of Additional Licensing is intended to help the council tackle poor management, poor housing conditions and overcrowding in HMOs not subject to Mandatory licensing which is far smaller in scope in terms of the number of properties affected.

The benefits to the council of the scheme are that landlords are required to engage with it and that they in turn will receive information and support. An inspection system helps to identify problems with strong powers to prosecute poorly maintained properties or non-compliant landlords.

The powers include revoking licences and issuing heavy fines for illegal transgressions and failure to remedy problems, landlords evading taking out a licence when they should, and protection for tenants such as a deposit refund scheme and rent rebate scheme for failing to take out a licence.

What we have seen is a rapid rise in the take up of licences in the first 18<sup>th</sup> months of the scheme followed by a tailing off. Whilst the number of licences issued exceed the number of Selective licences taken up at the same stage, there are signs that take-up may be levelling off prematurely.

It is arguable that an Additional Licensing Schemes is more difficult to administer than Selective Scheme where a licence applies to all privately rented properties in an area which are not Mandatory HMOs. This helps to explain processing delays which take around twice as long as for other types of licence and the recent tailing off.

There is some evidence that these delays were exacerbated by the need for tighter working practices during the pandemic, by the lockdowns and home working. The most recent data appears to show an up-turn in applications which is encouraging, but there is no easy way to determine if a peak has been reached.

We have estimated that there are approximately 43,000 PRS properties in Tower Hamlets of which some 30% have one of the three licence types. That leaves some 30,000 which are unlicensed but whether and how many are HMOs is impossible to verify without more data on the number of occupants.

However, the evidence shows that Additional Licensing has been effective in establishing take-up among the more high risk HMOs. For example, we saw that properties are much more likely have an Additional licence if they have been reported for call centre or noise complaint, housing hazards, or if an improvement notice has been served.

There was also positive correlation at ward level between the size of the PRS and various different management indicators. These showed that the PRS shared generic problems and that these were not necessarily ward-specific or the result of local factors which, together, support the need for licensing.

We also observe that there has been a fall in domestic noise complaints over the past two years, but the seasonal pattern and trend in other activity such as service requests or complaints have been fairly steady. The number of prohibition and improvement notices issued has increased in recent months, after a lull probably caused by the pandemic.

Rent repayment orders allows tenants to reclaim 12 month rents from a landlord that fails to have a licence to tenants or for some other offence. The amount reclaimed since 2019 is impressive and acts to curb some of the worst excesses in the sector.

There is arguably scope to do more especially when used in conjunction with other tools such as the issuing of Fixed Penalty Notices to Landlords for various misdemeanours. However, their application is not straightforward, they are difficult to co-ordinate and take months/years to finalise, whilst prosecutions are expensive and time consuming.

Overall however, whilst Additional Licensing is clearly making a difference, there is a sense that more needs to be done to extend the scheme and improve take-up whilst reducing administrative delays. Using the data assembled for this review, which includes a list of all potential PRS properties to write to, asking them to check if they must be licensed. Our main recommendation therefore is that the scheme be extended Borough wide and for a further five years from 2024 but that the scheme is adequately resourced.

**Annex A:** Tenancy by ward under old and new boundaries

**Annex B:** Estimated size of the PRS by ward based on administrative data



| No | Ward name (old boundaries)    | Social housing (A) | Private (B) | <i>of which PRS (est.)</i> | Total (A+B) |
|----|-------------------------------|--------------------|-------------|----------------------------|-------------|
| 1  | Bethnal Green North           | 2,520              | 3,730       | 1,812                      | 6,250       |
| 2  | Bethnal Green South           | 2,115              | 3,783       | 2,110                      | 5,898       |
| 3  | Blackwall and Cubitt Town     | 2,635              | 14,730      | 4,067                      | 17,365      |
| 4  | Bow East                      | 2,656              | 6,886       | 2,578                      | 9,542       |
| 5  | Bow West                      | 2,103              | 3,322       | 1,747                      | 5,425       |
| 6  | Bromley By Bow                | 3,688              | 5,217       | 2,103                      | 8,905       |
| 7  | East India and Lansbury       | 3,699              | 4,456       | 1,782                      | 8,155       |
| 8  | Limehouse                     | 2,615              | 5,815       | 2,615                      | 8,430       |
| 9  | Mile End and Globe Town       | 2,214              | 3,678       | 1,965                      | 5,892       |
| 10 | Mile End East                 | 3,110              | 3,714       | 1,705                      | 6,824       |
| 11 | Millwall                      | 2,388              | 15,484      | 4,559                      | 17,872      |
| 12 | Shadwell                      | 2,314              | 4,157       | 1,911                      | 6,471       |
| 13 | Spitalfields and Banglatown   | 1,187              | 3,895       | 2,513                      | 5,082       |
| 14 | St Dunstons and Stepney Green | 2,909              | 4,176       | 2,107                      | 7,085       |
| 15 | St Katharine's and Wapping    | 1,644              | 6,857       | 2,158                      | 8,501       |
| 16 | Weavers                       | 2,248              | 4,310       | 2,711                      | 6,558       |
| 17 | Whitechapel                   | 1,385              | 8,455       | 5,258                      | 9,840       |
|    | Total                         | 41,430             | 102,665     | 43,701                     | 144,095     |

| No | Ward name (old boundaries)  | Social housing (A) | Private (B) | <i>of which PRS (est.)</i> | Total (A+B) |
|----|-----------------------------|--------------------|-------------|----------------------------|-------------|
| 1  | Bethnal Green East          | 2,937              | 4,888       | 2,615                      | 7,825       |
| 2  | Bethnal Green West          | 3,203              | 5,255       | 2,679                      | 8,458       |
| 3  | Blackwall and Cubitt Town   | 1,629              | 12,263      | 3,247                      | 13,892      |
| 4  | Bow East                    | 2,656              | 6,886       | 2,578                      | 9,542       |
| 5  | Bow West                    | 2,103              | 3,322       | 1,747                      | 5,425       |
| 6  | Bromley North               | 2,396              | 2,864       | 1,027                      | 5,260       |
| 7  | Bromley South               | 2,074              | 3,525       | 1,583                      | 5,599       |
| 8  | Canary/Wharf                | 1,418              | 11,473      | 2,801                      | 12,891      |
| 9  | Island Gardens              | 1,713              | 4,848       | 2,168                      | 6,561       |
| 10 | Lansbury                    | 3,728              | 5,144       | 2,118                      | 8,872       |
| 11 | Limehouse                   | 548                | 2,826       | 1,043                      | 3,374       |
| 12 | Mile End                    | 3,612              | 4,779       | 2,231                      | 8,391       |
| 13 | Poplar                      | 1,109              | 2,588       | 920                        | 3,697       |
| 14 | Shadwell                    | 2,199              | 2,674       | 1,376                      | 4,873       |
| 15 | Spitalfields and Banglatown | 1,557              | 4,673       | 2,889                      | 6,230       |
| 16 | St Katharine's and Wapping  | 1,015              | 6,234       | 1,991                      | 7,249       |
| 17 | St/Dunstan's                | 1,862              | 3,085       | 1,595                      | 4,947       |
| 18 | Stepney/Green               | 2,145              | 2,432       | 1,407                      | 4,577       |
| 19 | Weavers                     | 2,102              | 4,147       | 2,605                      | 6,249       |
| 20 | Whitechapel                 | 1,424              | 8,759       | 5,081                      | 10,183      |
|    | Total                       | 41,430             | 102,665     | 43,701                     | 144,095     |

| No. | Ward name (old boundaries)    | HMO licences | Additional licences | Selective licences |
|-----|-------------------------------|--------------|---------------------|--------------------|
| 1   | Bethnal Green North           | 14           | 356                 | 4                  |
| 2   | Bethnal Green South           | 23           | 446                 | 8                  |
| 3   | Blackwall and Cubitt Town     | 102          | 494                 | 1                  |
| 4   | Bow East                      | 28           | 252                 | 0                  |
| 5   | Bow West                      | 47           | 397                 | 0                  |
| 6   | Bromley By Bow                | 19           | 341                 | 3                  |
| 7   | East India and Lansbury       | 32           | 324                 | 1                  |
| 8   | Limehouse                     | 30           | 406                 | 1                  |
| 9   | Mile End and Globe Town       | 29           | 404                 | 1                  |
| 10  | Mile End East                 | 47           | 349                 | 1                  |
| 11  | Millwall                      | 132          | 478                 | 1                  |
| 12  | Shadwell                      | 17           | 288                 | 3                  |
| 13  | Spitalfields and Banglatown   | 38           | 6                   | 1,737              |
| 14  | St Dunstons and Stepney Green | 48           | 322                 | 2                  |
| 15  | St Katharine's and Wapping    | 12           | 249                 | 3                  |
| 16  | Weavers                       | 25           | 14                  | 1,718              |
| 17  | Whitechapel                   | 52           | 8                   | 3,747              |
|     | Total                         | 695          | 5,134               | 7,231              |

| No | Ward name (new boundaries)  | HMO licences | Additional licences | Selective licences |
|----|-----------------------------|--------------|---------------------|--------------------|
| 1  | Bethnal Green East          | 44           | 505                 | 2                  |
| 2  | Bethnal Green West          | 15           | 538                 | 6                  |
| 3  | Blackwall and Cubitt Town   | 76           | 385                 | 1                  |
| 4  | Bow East                    | 28           | 252                 | 0                  |
| 5  | Bow West                    | 47           | 397                 | 0                  |
| 6  | Bromley North               | 14           | 145                 | 2                  |
| 7  | Bromley South               | 11           | 244                 | 1                  |
| 8  | Canary/Wharf                | 23           | 276                 | 1                  |
| 9  | Island Gardens              | 130          | 267                 | 0                  |
| 10 | Lansbury                    | 35           | 363                 | 1                  |
| 11 | Limehouse                   | 3            | 135                 | 0                  |
| 12 | Mile End                    | 57           | 450                 | 2                  |
| 13 | Poplar                      | 13           | 161                 | 0                  |
| 14 | Shadwell                    | 16           | 219                 | 3                  |
| 15 | Spitalfields and Banglatown | 40           | 51                  | 1,782              |
| 16 | St Katharine's and Wapping  | 11           | 232                 | 0                  |
| 17 | St/Dunstan's                | 37           | 265                 | 0                  |
| 18 | Stepney/Green               | 29           | 177                 | 353                |
| 19 | Weavers                     | 24           | 14                  | 1,678              |
| 20 | Whitechapel                 | 42           | 58                  | 3,399              |
|    | Total                       | 695          | 5,134               | 7,231              |



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# **Consultation Document: Additional Licensing scheme proposal**

**December 2022**

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# 1. Introduction

A 2020 report from the Local Government Association indicated that Tower Hamlets has one of the fastest growing, youngest, and diverse populations in the country. Its population has doubled in 30 years to 308,000 in 2017 and is expected to reach 365,000 by 2027. Over 45 per cent of residents are aged 20-39 years of age and 43 per cent were born outside of the UK. Link: [Improving the private rented sector: London Borough of Tower Hamlets | Local Government Association](#)

The private rented sector in the London Borough of Tower Hamlets continues to grow along with its population. It is estimated that that over 40% of all property in the borough is in the private rented sector equating to 53,000 households which has doubled since 2003. This compares to an estimated 26% of all properties in the private rented sector across London and 19% nationally.

The Housing Act 2004 provides for an adoptive power that the Council can require smaller Houses and Flats in Multiple Occupation (HMOs) to be licensed. This is known as additional licensing. The Council has been licensing these smaller HMOs since the designation of an additional licensing scheme in April 2019 in all areas except Weavers, Whitechapel and Spitalfields and Banglatown. This designation is due to end on the 31<sup>st</sup> March 2024.

Tower Hamlets Council wishes to consult and seek the views of tenants, landlords, residents, and all other interested parties and stakeholders in relation to a proposed new five-year borough-wide additional licensing scheme. If, after consultation, it is found to be the best option by the Council, we anticipate that the new scheme would commence at the end of the current scheme i.e., April 2024. This proposal would include the areas of Weavers, Whitechapel, Spitalfields and Banglatown, which are currently excluded from the existing scheme.

The Council recognises that many landlords manage their properties responsibly. However, we do have concerns about those who rent out smaller HMOs and flats that are in multiple occupation that fail to provide acceptable conditions. This gives rise to concerns about poorly managed HMOs and poor tenancy arrangements.

The Council currently operates three licensing schemes:

- Selective licensing which requires all privately rented properties to be licensed in the pre-2014 ward boundaries of Weavers, Whitechapel and Spitalfields & Banglatown. This scheme was recently renewed for a further five years in October 2021. The evidence that supported this designation is at: <https://democracy.towerhamlets.gov.uk/mglIssueHistoryHome.aspx?Id=113054>
- An additional licensing scheme that covers smaller HMOs within the whole borough (excluding the selective licensing wards). This designation has been in place since April 2019
- A mandatory HMO licensing scheme for larger HMOs with five or more occupiers. This is a statutory scheme and has been in place since 2006.

It is recognised that poorly managed HMOs can have severe detrimental impacts on local neighbourhoods such as anti-social behaviour, noise nuisance, fly-tipping, poor waste management, pest infestations and tenant intimidation.

The Council considers that these issues can be addressed most effectively with an additional licensing scheme. We are proposing to continue with the current additional licensing scheme for a further five years from April 2024 but propose that the designation covers the whole borough i.e., including relevant properties within the selective licensing area.

The Council is commencing a 14-week consultation from **12<sup>th</sup> December 2022** to seek stakeholders' views. This will help inform the Council's decision-making process on whether to continue the scheme for a further five years and to expand it across the whole borough.

The following documents are provided to support the consultation:

- Mayhew's and Harpers Review of Additional Licensing in Tower Hamlets
- Licence conditions
- Amenity Standards
- Fit and Proper Person Protocol.

## **2. Background**

In 2019 it was estimated that there could be in the region of 9,000 HMOs in the borough. To date, we have identified and licensed 680 mandatory HMO's and 6000 smaller additional HMO's and approximately 8000 properties licensed in the selective licensing designation.

Many households in Tower Hamlets are experiencing financial hardship. The enormous pressures relating to housing affordability is unlikely to be unabated.

It is recognised that private rented properties are important because they can provide people with flexibility and affordable good quality homes, but at a higher rent than social housing. As the private rented sector continues to grow so do the problems associated with poorly managed properties. Poor housing conditions, subletting and damp/mould issues have not gone away but with the powers and licence conditions imposed under the housing licensing schemes, we have been able to deal with these issues effectively and quickly when they are brought to our attention.

Due to the high number of households living in the private sector, the Council must continue to remain proactive in inspecting privately rented homes, supporting private tenants, and supporting and ensuring that landlords comply with their legal duty.



### **3. What are the key benefits of an additional licensing scheme to residents and landlords**

By introducing a borough-wide additional licensing scheme, the Council has additional powers to manage the private rented sector which it otherwise would not have, namely:

- The ability to refuse to licence an HMO where the landlord has a history of criminal convictions or who are otherwise found not to be fit and proper.
- Provides a level playing field for all landlords/licence holder in the borough running legitimate businesses and enables support and dialogue between the landlord and Council. This enables the long-term improvement of HMOs and drives up standards.
- Protection for private tenants to ensure that they have proper tenancies with legal tenancy agreements. This will assist with improved neighbourhoods and should lead to a positive impact on property values and rental yields.
- It can help reduce the high level of “churn” that can be the result of illegal tenancy arrangements.
- Provides protections for vulnerable households, who are disproportionately represented in the private rented sector.
- The ability to ensure rented homes are safe by requiring current gas and electrical safety certificates to be submitted.
- A requirement that a landlord/licence holder provides 24/7 contact details to ensure consistent property management to assist both tenants and the Council to solve problems.
- Sets occupation limits to control overcrowding in all licensed rented homes.
- Tackles anti-social behaviour by imposing a requirement on the property licence for landlords/licence holder to investigate problems in their properties, such as noise nuisance and bad behaviour. This has a positive impact on the area as a whole and ensures that HMOs are managed more effectively.
- Provides a more effective way of using the existing range of enforcement powers for Environmental Health Officers to use to tackle rented housing conditions, which includes Financial Penalty Notices and prosecutions and Rent Repayment Orders. This allows us to have targeted measures to improve the management and tenancy arrangements of HMOs
- Imposes specific obligations on the licence holder requiring the landlord/licence holder to prevent fly tipping and illegal dumping, which landlords can be held to account if proved.
- Enables the Council to know where the private rented properties are and supports Tower Hamlets Homes in managing sub-let properties.

- The licensing framework with its enforcement powers can assist in resolving disrepair issues and landlord and tenant disputes.

#### 4. What we have achieved with the current scheme

The powers that a licensing scheme provides the Council with, enables it to keep a check on landlords, agents and tenants without having to resort to the rather cumbersome powers within the Housing Act 2004 to deal with single issues.

The licence conditions set the regulatory landscape for those that rent out homes and those that live in those homes. Licensing has made it easier for enforcement officers to contact the relevant party to address the problems and take the appropriate action necessary. The improvements include addressing a range of general disrepair issues and hazards which contribute to the overall improvement to the property conditions and for holding tenants to account for anti-social behaviour.

This is in addition to ensuring landlords or licence holders are compelled to have in place:

- Annual Gas Safe check and certificate
- Electrical Installation Conditions Report - checked on a timely basis
- Required Energy Performance Certificate
- Required level of fire detection and alarm system including installation and servicing certificates
- Proper and appropriate tenancy agreement including deposit certificate

This has resulted in improving the sector which provides homes to some of the most vulnerable in society. Improvement of the sector has wider benefits to the community and residents of areas across all tenures.

Below is an example of the activities we have carried out within the current additional licensing designation from April 2019 to September 2022.

It must also be noted that due to the Covid lockdowns in 2020 and 2021 we did not carry out inspections due to the risk that tenants and staff faced.

|                                |      |
|--------------------------------|------|
| Applications Received          | 5897 |
| Additional Licences revoked    | 115  |
| Interventions carried out      | 1907 |
| Enforcement notices issued     | 179  |
| Warning letters issued         | 2517 |
| Property Surveys undertaken    | 1437 |
| Service Requests received      | 542  |
| Noise complaints received      | 485  |
| Rent Repayment claims assisted | 105  |

Ward level data is provided in the appendices; as this is real live data there is variance in the specific numbers.

**Rent Repayment Orders:** The Council supports tenants in claiming rent repayment orders from landlords where they should be licensed but are not. The tenants are able to secure up to 12 months' rent repayment if they are successful at the first-tier property tribunal.

To date we have secured £812,940 in rent repayment orders across all unlicensed properties, with £527,793 coming from unlicensed additional HMO properties.

In addition, we work in partnership with Justice for Tenants, and they have independently carried out 40 Rent Repayment Orders for Tower Hamlets residents and have achieved £409,750 in payments to tenants.

**Letting Agents:** The various housing licensing schemes allow us to have greater access to landlord and tenants who then subsequently highlight concerns that they have with their letting agent. The Council is able to issue monetary penalties on letting agents whereby the agent has charged an illegal fee or is not within a tenancy redress scheme.

In total £431,851 in financial penalties have been issued since the selective licensing scheme in October 2016 in relation to the following areas:

Illegal letting fees - £308,101

Agent not in a redress scheme: £123,750

**Civil Penalty Notices:** The Housing Act 2004 permits the Council to issue a civil penalty on an agent or landlord where the property is unlicensed and should be, or on the conditions within the property. The Council has only recently started to use this for the additional licensing scheme, primarily for unlicensed properties. This was not used at the commencement of the current designation due to the pandemic.

We have either issued or are in the process of issuing civil penalty notices under the additional licensing scheme. We have recently been using this enforcement instrument on those landlords and agents that do not engage with us to licence their properties. The total income expected from this action is £29,500.

**Prosecutions:** Unfortunately, there are times when we are left no option to commence a prosecution due to the conditions that the landlord has left the property in, and they have decided not to engage with us. Our current prosecutions that have been concluded or remain under consideration pending are:

- One case due to the failure to provide documents when requested
- A case where there was a fire within the property
- Four letting agents – Consumer Protection Regulations
- Two cases for a licence to occupy instead of a secure tenancy

**Noise Complaints:** The Council recognise that noise disturbance can drastically affect a resident's wellbeing and home life. The Council recognises that tenants in

the private rented sector are good neighbours. However, sometimes this may not be the case and we use the licence conditions to ensure that the landlord or managing agent are clear that we will not permit their tenants to cause a disturbance in the neighbourhood. We have received over 500 complaints from residents being disturbed from additional HMOs and we have used the licence conditions to ensure that the landlord and agent manage their tenants.

## **5. Evidence and reasons for proposal of boroughwide scheme**

The council commissioned an independent evaluation of the current Additional Licensing Scheme that reported in 2022. This evaluation takes place against the general background of the wider Tower Hamlets housing strategy, whose aims include raising private rented housing standards. With social housing declining as a proportion of all housing, private landlords now provide most homes in the rented sector and surpassed owner occupation.

The current Additional Licensing scheme started in April 2019 and is due to end in April 2024. The review looked at how successful the scheme has been to date and whether there is evidence to suggest it needs to be extended beyond its current timeline and in which areas.

The review found that the significant task of improving standards has made progress, but the size of that task continues to grow and remains challenging. For example, the evidence shows that compared with private ownership and social tenure, the PRS continues to generate more call centre housing complaints, more domestic noise complaints, notifications of housing hazards, and the need for more improvement notices served.

The information provided in section 4, demonstrates that sufficient intervention is needed by the Council to maintain the minimum standards within the smaller HMO sector. The actions outlined in section 4 would give the Council the view that the relevant properties are being ineffectively managed.

The key private rented sector indicators, as outlined in the Mayhew Harper and Associates report, demonstrate that management failings and issues are noticeably more frequent in licensed rather than unlicensed premises with Mandatory licensed premises being the most culpable, followed by Additional licensed, and then Selective licensed premises. These patterns are replicated at ward level where the research found a strong positive correlation between the size of the PRS.

The Mayhew Harper and Associates analysis of the current additional licensing scheme reviewed data that we held in the following key private sector management indicators:

- Energy Performance Certificates

- Service requests to the enforcement officers
- Warning letters regarding environmental issues
- Noise complaints
- Pest infestations
- Housing complaints
- Enforcement Notices.

This data was examined and considered, placing each ward area in ranked order. The current selective licensing wards were ranked Whitechapel 1, Spitalfields and Banglatown 5, and Weavers 7. It is the assessment of this data that supports the fact that HMOs are being ineffectively managed and the proposal that the Council is considering, to extend the current additional licensing scheme to a borough-wide scheme. In addition, the risk ladder shown in table 3 of the report demonstrates the percentage chance that a property suffering from a poor management indicator is likely to be an additional HMO property. This gives the Council an indication that such properties are being ineffectively managed.

The analysis has shown that properties are 2.9 times more likely to have an Additional licence if they are the subject of a call centre complaint, 2.3 times if a noise complaint, 1.4 times for housing hazards, and 1.1 times if a notice has been served. This suggests the scheme is capturing a majority of the at risk properties with the greatest number of problems.

The full report is provided as **Appendix 1**.

## **6. The Tower Hamlets Proposal**

It is proposed that the additional licensing designation will cover the whole geographical area of the London Borough of Tower Hamlets.

The proposal seeks views on the licence fees, updated amenity standards, the fit and proper person protocol and licence conditions which will affect smaller HMOs in the borough, i.e., not covered by mandatory licencing.

The Additional Licensing scheme would ensure that the responsibility for the HMO property management lies with the landlord. The licensing process should require the landlord to:

- a) Complete and submit an application form to the Council together with an application fee. The form would seek to understand the size of the property, the available amenities as well as details of safety measures that have been put in place, such as the type and installation of a fire detection system.
- b) In order to demonstrate competent property management, the landlord will need to provide evidence on application of the following:
  - Annual gas safety certificate (where applicable)

- Electrical installation condition certificate in the last 5 years and a portable appliance test certificate
- An automated alarm system in the event of fire, and if appropriate emergency lighting
- Evidence of arrangements which demonstrate competent property management – management records and copies of tenancy agreements
- The suitability of management structures and adequacy of management structures
- Floor plan with room sizes and uses clearly shown
- Copy of the Energy Performance Certificate where this applies
- Current occupancy details
- The proposed licence holder or manager of the property will be required to make a declaration that they are fit and proper persons.

The completed application will be reviewed, and a licence may be granted with conditions prior to an inspection taking place.

Properties currently licensed under the 2019 additional licensing designation will be required to licence at the expiry of their current licence if the proposed extension is implemented.

For properties with licences already in place, where applications are received within the first month of the expiry of the current licence or within three months of the extended area (Weavers, Whitechapel, Spitalfields and Banglatown areas) this will be considered an indication of professional property management and a five-year licence may be granted commencing the day after the current license expired and if all documents and property conditions are satisfactory. The property will then be risk-assessed for inspection within five years of the licence issue date.

If the property still requires a licence and no applications are made and the property is deemed unlicensed, the landlord and/or agent may be subject to possible enforcement action.

### **Licence Fees**

The proposed licence fee has been set to ensure that the fee does not exceed the actual and direct costs of processing an application and the cost of monitoring compliance by landlords with terms of the licence (per the Provision of Services Regulations 2009).

The fee structure is also required to be reasonable and proportionate and cannot include set up charges for the scheme nor overheads or the general running costs of the organisation.

The fee is to cover the administration and enforcement costs of the licensing scheme and fees will be reviewed annually to reflect changes in costs (for new applicants applying throughout the five-year scheme term).

The council will provide an online system to manage applications. Where the council incurs extra costs by having to manually process licences, an additional fee will be imposed. These fees are shown in the table below.

The current fee structure 2022/23 is below. This is likely to increase in line with Council annual reviews. The 23/24 fee is proposed to be £600.50 per licence. Payment in two instalments relates to administration and the licence fee. Inflation may have a further impact on the fees for 24/25 – the year the new scheme will be introduced if adopted. The applicant will still be able to pay a split fee which demonstrates the cost between administration and enforcement of the scheme. This is a voluntary decision by the applicant, as they can still pay the full fee but at a reduced rate due to our administration costs. If the licence is refused, then the enforcement costs will be refunded.

### **23/24 Proposed Fees**

| <b>Application type</b>   | <b>Fee</b>                          |
|---|-------------------------------------|
| Full online application   | £600.50                             |
| Online part one payment   | £280                                |
| Online part two payment   | £357                                |
| Postal application  | £703.50                             |
| Postal part one payment   | £320.50                             |
| Postal part two payment   | £420                                |
| Missing documents follow up   | £70                                 |
| Application withdrawn by applicant, revocation, refusal by Council to licence, property ceases to require a licence | Part two element is refundable only |

### **Licence holder**

The proposed licence holder must have a UK address.

The Council will also consider if the proposed licence holder is a 'fit and proper person' within the meaning of the legislation. This is provided in **Appendix 2**.

The licence holder must also ensure that they have any relevant permissions for the HMO from the Planning Service.

If the licence holder is found not to be a fit and proper person, then they must find someone else who can act as the licence holder and who is a fit and proper person to do so.

The Council will publish an on-line list of all HMOs under the scheme. Members of the public and tenants or prospective tenants will be able to check the database and be confident of knowing that an HMO has a licence.

If the scheme is approved and having become operative, it will be an offence to operate an HMO falling within the scope of the scheme without a licence. The consequences of not licensing could be prosecution, a civil penalty or rent repayment order.

### **Scheme Exemptions**

The following are statutorily exempt for the Additional Licensing Scheme

- 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) body which is registered as a social landlord under Part 1 of the Housing Act
  - d) a police and crime commissioner,
  - e) the Mayor's Office for Policing and Crime,
  - f) a fire and rescue authority, or
  - g) a health service body within the meaning of section 9 of the National Health Service Act 2006.
- Buildings controlled or managed by a co-operative society
- Buildings occupied by students, where:
  - they are 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
  - 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
- Buildings occupied by religious communities:
  - 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.
- Buildings occupied by two persons



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

### **Definition of an HMO**

It is proposed that the scheme would cover the whole borough.

The definition of an HMO is within the Housing Act 2004 at sections 254 to 259.

An HMO means a building or part of a building, such as a flat which:

- Is occupied by more than one household, who share or lack one or more basic amenities such as a bathroom, toilet or cooking facilities; or
- Is a converted building occupied by more than one household, but does not consist entirely of self-contained flats (whether or not one or more of the basic amenities are shared or lacking); or
- Is a building converted into self-contained flats, but does not meet as a minimum standard, the requirements of the Building regulations 1991 and where less than two thirds of the flats are owner occupied (section 257 of the Housing Act 2004) *see note*.

And where;

- The building is occupied by more than one household as their only or main residence
- Rents are payable or other consideration provided by at least one of the occupiers
- The occupation of the living accommodation is the only use of that accommodation.

#### *Note*

For these purposes, a flat is 'owner occupied' if it is occupied:

- a) By a person who has a lease of the flat which has been granted for a term of more than 21 years,
- b) By a person who has the freehold estate in the converted block of flats, or,
- c) By a member of the household of a person within paragraph a) or b)

There are exemptions to these definitions, and these are contained in schedule 14 of the Housing Act 2004. This includes any building which is occupied only by two persons who form two households.

## 7. Objectives of the new proposed scheme

The objectives of the proposed licensing schemes are detailed below:

- to support and ensure landlords continue to improve the conditions and management of privately rented properties across the borough and that they are made aware of the standards required with managing property within Tower Hamlets,
- to enable the identification and potential inspection/audit of smaller HMOs over the licensing period to ensure standards are met,
- to support renters so that they are aware of the standards that they can expect and help when things go wrong,
- to complement other housing initiatives that the Council undertakes, such as – fuel poverty, cost of living, to work with landlord and renters’ organisations to promote safe and compliant homes,
- to continue with an active enforcement programme against criminal and exploitative landlords and their agents,
- to ensure all residential letting agents are fully compliant with consumer protection and rights legislation,
- to ensure that the sector funds its own regulation.

## 8. Alternative Options

There are several alternative options that we have considered that could be alternatives to licensing - we would welcome your views on these or any others that you consider are viable to ensuring a safe and well managed sector.

There is always the option of doing nothing and allowing the scheme to lapse. However, it is considered that any alternative needs to be able to ensure that housing in the private rented sector is well managed, tenants are protected and not burdened with problems caused by absentee landlords and irresponsible letting practices.

Other options we have considered include:

- **Voluntary landlord accreditation to seek improvements in private rented management.** There are currently just 1450 landlords accredited with the London Landlord Accreditation Scheme at the end of July 2022.

• **Use Housing Act 2004 powers to regulate landlords:** The ability to deal with hazards in the home under Part 1 of the Housing Act 2004 (known as Category 1 & 2 hazards depending on severity) is a complex and time-consuming process. Only a very small proportion of rented homes can be regulated with this option. Where formal action is taken, the Council prosecution costs are often not fully recovered. This would also require additional staffing resources to cover the additional processing time for using Part 1 of the Housing Act as an enforcement tool.

By adopting an additional licensing borough-wide scheme, the council will have the power to streamline, locate and manage the private rented sector more efficiently and proactively. Evidence in the Mayhew Harper and Associates report demonstrates that a large proportion of the PRS are operating as HMOs and the majority have been licensed with one of the three current schemes. However, there is still a significant proportion that have not. These tend to come through our reactive complaints system, which gives us an alternative way of locating them. Reactive complaints will only deal with the complaint around the isolated deficiency in the property and does not always deal with the whole property. This is the traditional route, and how the council would remedy poor property conditions, and it gives power to use the Housing Act Part 1 Housing Health and Rating System.

• **Use Anti-social behaviour legislation:** Action would be taken against the tenant in occupation but does not place any obligation on landlords/licence holders to be proactive in managing their properties to prevent or reduce the likelihood of ASB occurring. The management of behaviours would become the responsibility of the Council.

ASB on its own will only be dealt with on an isolated case by case basis and does not necessarily deal with the holistic element of the issues in relation to the rented accommodation. HMOs offers cheaper alternatives accommodations and often can have transients tenants. By having an additional licensing, the conditions in the licence will hold licence holders/landlords/managers to account to the behaviour and the conditions of the property and individuals, transferring the responsibility back to the landlords to manage their tenants. Example of this is what we do with working with noise team on noise issues from any licence property, we will immediately take action by notifying the licence holder as this will breach their licence conditions.

• **Government planned housing reforms:** A white paper (A Fairer Private Rented Sector) has now been released to review current reforms that the Government is considering, namely.

- abolish Section 21 'no-fault' evictions and introduce a simpler tenancy structure
- apply the Decent Homes Standard to the Private Rented Sector (PRS) for the first time
- introduce a new Property Portal to help landlords understand their obligations
- introduce a housing ombudsman covering all PRS landlords and providing redress for tenants.

It is not yet known if and when the government reforms will become law.

The above options are costly to administer and are mainly reactive to complaints and not managing the sector as a whole. Licensing schemes are self-funding with the income being ring fenced for the administration and enforcement of the scheme. We have found that licensing schemes have enabled landlords, agents and renters to engage with us, setting a level playing field and being able to intervene before formal action becomes necessary (in the majority of cases) The use of powers under the Housing Act and Anti-social behaviour legislation is often confrontational and expensive for all parties.

Therefore, considering the limitations of the above, the Council considers that there is a need to continue with a borough-wide additional licensing scheme to supplement our other regulatory and enforcement powers.

This will allow the council to achieve its strategic plan objectives, namely improving:

- Our commitment to equality and community cohesion
- Tackling the cost-of-living crisis
- Homes for the future
- Empower Communities and Fight Crime
- A clean and green future.

## **9. Looking Forward**

The majority of landlords and agents have licenced their properties and fully engaged with us, but we still have some way to go to bring on board all of the landlords and agents, particularly those who are still avoiding their responsibilities to licence their properties. We have until March 2024 of the current scheme left to undertake various investigative works and inspections in relation to unlicensed properties as well as compliance inspections of licensed properties. As the pandemic is being brought under control, we are visiting more properties to ensure compliance of our scheme.

Given the size of the sector in Tower Hamlets, this is the only way the Council believes it can ensure a large number of often vulnerable people live in safe homes and where landlords are not hiding or deliberately avoiding detection by the Local Authority.

We have further developed our GIS mapping and intelligence-led approach to target the rogue, criminal and non-compliant landlords and agents efficiently. This is to build on the success of what we have achieved so far.

Given the success of dealing with nearly 6000 applications within the first 3.5 years of the scheme, we are now putting together a programme of publicity and intelligence-led, targeted approaches including proactive street surveys to identify and give those landlords or agents who have yet to come forward a final chance to do so. This will identify the real rogue and criminal elements who try to remain under

the radar. We will be targeting those who are deliberately avoiding coming forward to make the required application, with appropriate and robust enforcement action.

**Some Flats/Houses in multiple occupation are still being managed ineffectively and giving rise to problems for the tenants or neighbourhood**

In considering extending the additional licensing scheme in term of duration and across the whole borough, the activity that that we have carried out to date within the current scheme indicates that there is still a lot for us to do to support some landlords and improve conditions for tenants and residents. From the estimates provided by Mayhew and Harper in their original review in 2017 and currently in 2022, not all property owners have licensed their properties.

We have shown that unlicensed properties continue to be managed ineffectively through the number of rent repayment orders that have been successful, the warning letters sent out and interventions undertaken. Landlords operating HMOs subject to additional licensing need to ensure that they are managing their properties effectively to ensure that enforcement is not taken against them.

We have recently started to use our most harsh powers on issuing Civil Penalty Notices and prosecutions on those that are unwilling to meet the statutory requirements.

**How will a borough-wide additional licensing scheme affect the current selective licensing scheme?**

As the proposal is for additional licensing to cover geographically the same areas that the current selective licensing scheme covers i.e., Weavers, Whitechapel and Spitalfields & Banglatown, there may be some confusion on what licence the landlord should apply for.

We are of the view that we could have both schemes in operation at the same time. However, where a property could be licensed under both schemes, the HMO licence will take priority.

If additional licensing is introduced in the selective licensing wards, then any property within scope of Part 2 or Part 3 of the Housing Act 2004 that is not licensed under additional or selective licensing must be licensed. If it falls within mandatory or additional HMO licensing then it must be licensed as an additional licensed property, even if it could also be licensed under selective licensing.

If an additional licence designation is approved within the current selective licensing area, it is our intention that any properties that may fall under both criteria will only have one licence – it is not our intention that a property would hold two licences.

However, we are required by legislation to take all reasonable steps to secure applications from those landlords who properties will require an additional licence.

We would seek your views as part of the consultation on how to achieve this. Some possible options are set out below:

- Holder of current selective licences who now require an additional HMO licence can apply for an additional licence at no charge. In such a case, the expiry date will match that of the selective licence
- If a selective licence has six months before expiry, we will not require an additional licence unless requested by the landlord or in circumstances that require action to be taken under the Housing Act 2004.

## **10. Matters that need to be considered for additional licensing**

Under section 56 of the Housing Act 2004, the Council is permitted to designate areas, or the whole of the area within their district, as subject to Additional HMO Licensing. In April 2019, the Council designated the whole borough an additional licensing area but exempted the current selective licensing wards of Weavers, Whitechapel, Spitalfields & Banglatown (pre 2014 ward boundaries). The Council is now considering making the whole borough an additional licensing area, where all houses and flats in multiple occupation (three or more renters from two different households) will require a licence.

Before making a designation, the Council must consider the following:

- That a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problem either for those occupying the HMOs or for members of the public
- Have regard to any information regarding the extent to which any codes of practice under section 233 have been complied with by persons managing HMOs in the relevant area
- Consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of dealing with the problem or problems in question; and that making the designation will significantly assist dealing with them
- Take reasonable steps to consult persons who are likely to be affected by the designation, for a period of not less than ten weeks, and consider any representations made in accordance with the consultation
- Ensure that any exercise of the power is consistent with the Council's overall strategic approach to housing
- Seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining licensing with other action.

The current Government guidance gives examples of properties being managed sufficiently ineffectively, and as a result having a detrimental effect on a local area:

- Those whose external condition and curtilage (including yards and gardens) adversely impact upon the general character and amenity of the area in which they are located
- Those whose internal condition, such as poor amenities, overcrowding etc., adversely impact upon the health, safety and welfare of the occupiers and the landlords of these properties are failing to take appropriate steps to address the issues
- Those where there is a significant and persistent problem of anti-social behaviour affecting other residents and/or the local community and the landlords of the HMOs are not taking reasonable and lawful steps to eliminate or reduce the problems
- Those where the lack of management or poor management skills or practices are otherwise adversely impacting upon the welfare, health, or safety of residents and/or impacting upon the wider community.

The power to apply a local designation is within the Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of Other Residential Accommodation (England) General Approval 2015 which grants a general consent to the Council to designate an Additional HMO Licensing scheme if the authority has consulted persons likely to be affected by the proposal for a period of not less than ten weeks.

## **11. Consideration of continuing the additional licensing scheme**

The Government recognises that issues of poor management and facilities in HMOs are not confined to those that are regulated by mandatory HMO licensing. Therefore, the Housing Act 2004 gives powers to local authorities to require certain other private rented accommodation to be licensed in specific circumstances.

In order for an Additional Licensing designation to be made, the authority must consider that a significant proportion of HMOs of that description that we intend to licence in the borough are being managed sufficiently ineffectively as to give rise, or likely to give rise to one or more particular problems for those occupying HMOs or for members of the public

Examples of properties being managed sufficiently ineffectively and therefore having a detrimental effect on an area are:

- Whereby the external condition and curtilage adversely impacts on the general character and amenity of the area.

- Where the HMO has not been set up to meet the needs of the number of people living there, for example, because it lacks adequate fire precautions; insufficient kitchen, bathroom, or toilet amenities; bedrooms are undersized, etc.
- Whereby the internal condition, such as poorly maintained amenities, leaks, damp and dirty conditions, pest infestations or overcrowding adversely impact on the health safety and welfare of the tenants and the landlords are failing to take the appropriate remedial action.
- Where there are significant and persistent problems of anti-social behaviour affecting other residents and/or the local community and the landlords are not taking steps to address the issues.
- The lack of management or poor management skills or practices is otherwise adversely impacting on the health, safety, and welfare of the tenants and/or the wider community.

The continuation and extension of the Additional Licensing designation would place a legal responsibility on the landlord to identify themselves, the property, and any management arrangements. This would reduce the difficulty in Council Officers having to identify these premises. There would be a single point of contact as well as clear lines of responsibility should complaints from tenants be received. Such complaints can then be investigated and addressed more promptly.

The amenity standards that are currently used in relation to HMOs and licence conditions have been reviewed and updated and are part of this consultation process to redesignate the additional licensing scheme.

It is also proposed that poorly converted blocks of self-contained flats would form part of the scheme as they are known to present a higher fire risk and are specifically defined in section 257 of the Housing Act 2004. This relates to 'converted block of flats' which is any building (or part of a building) which that has been converted into and consists of, self-contained flats and

- The conversion work was not done in accordance with 'appropriate building standards' (appropriate building standards means the 1991 Building Regulations), and
- Less than two-thirds of the self-contained flats are owner-occupied.

Many such properties were converted a number of years ago and as such, would not be able to be dealt with through Planning or Building Control enforcement. It is proposed that an Additional Licensing scheme would apply to these units and the common parts.

The conditions outlined above would not necessarily be addressed by taking a course of action available under the Housing Health and Safety Rating Scheme or with Demolition Orders. This is due to the scale and nature of the issues identified.



## **12. Criteria to Consider before introducing an additional scheme**

In order to consider establishing an additional licensing scheme the Housing Act 2004 requires that certain criteria must be met. These are detailed in italics below.

***The Authority must consider that a significant proportion of the HMOs of the description to be included in the area are being managed sufficiently ineffectively as to give rise, or likely to give rise, to one or more particular problems either for those occupying the HMO or for member of the public.***

This evidence is outlined in the report by Mayhew Harper Associates in **Appendix 1**.

***The Authority must have regard to any information regarding the extent to which any codes of practice approved under section 233 of the Housing Act 2004 have been complied with by persons managing HMOs in the area:***

The Council has had regard to the following Codes of Practice under section 233 in relation to the management of student housing and for the purposes of schedule 14 which lists buildings which are not HMOs for the purpose of the Housing Act 2004;

- The ANUK/Unipol Code of Standards for Larger Developments for Student Accommodation Managed and Controlled by Educational Establishments.
- The Universities UK/Guild HE Code of Practice for the Management of Student Housing.

***The Authority must consider whether there are other courses of action available to them that might prove an effective method of dealing with the problem.***

Consideration of this is contained in Section 8 '**Alternative Options**'.

***The Authority must consider that making the designation will significantly assist them in dealing with the problems highlighted.***

The issues created by the HMOs within the borough are highlighted in the Mayhew and Harper Associates report.

The Government recognises that issues of poor management and facilities in HMOs are not confined to those that are regulated by mandatory HMO licensing. Therefore, the Housing Act 2004 gives powers to local authorities to require certain other private rented accommodation to be licensed in specific circumstances.

In order for an Additional Licensing designation to be made, it must be demonstrated that a significant proportion of HMOs in their area are considered to be managed sufficiently ineffectively as to give rise, or likely to give rise to one or more particular problems for those occupying HMOs or for members of the public.

If a borough-wide Additional Licensing designation was adopted across the borough, this would create a level operating platform for all landlords in relation to HMO standards. It would also discourage landlords who reduce their occupancy levels to avoid mandatory licensing.

It is proposed that the continuation of the current scheme and to extend it to a borough-wide licensing scheme for HMO's would be the best way to regulate such premises by:

- Targeting resources at the properties and management arrangements of most concern.
- Promote engagement with landlords, tenants and agents with an involvement with HMOs.
- Assist with raising standards in the private rented market in relation to health, safety and welfare of the occupants – thus reducing the need for expensive intervention strategies.
- Helping to improve standards of fire safety which are a particular problem in HMOs, benefitting HMO occupiers and people who live in neighbouring properties.
- Enable licensed HMOs database to be published on the Council's website.
- Assist with the identification of the worst properties to enable the Services to work with landlords and managing agents to bring them up to standard.
- Enable residents, occupiers or potential occupiers to inform the Council of any HMO's which they think need a licence but do not have one.
- Prevent overcrowding by setting limits as to the number of permitted occupiers.
- Assist with reducing any associated detrimental impacts upon local neighbourhoods and reducing the number of complaints.
- Ensure that criminal landlords are targeted and dealt with appropriately and to make certain that only those proven to be fit and proper persons can have control over an HMO.
- Promote engagement between enforcers (such as Environmental Health and Trading Standards depts) with the various tenants' advice services to tackle poor practice and exploitation of tenants by local landlords.
- Helping to prevent exploitation of tenants by ensuring that they are issued with lawful tenancies and are aware of their rights, keeping people secure in their homes and preventing illegal evictions.
- Making sure that HMOs can take their proper place among other dwelling types in the housing market, and that they are not a choice of last resort.

If an Additional Licensing scheme is introduced borough-wide, focus should be on enabling and supporting landlords who are, or wish to be compliant, whilst targeting those landlords who do not wish to comply with the legislation for enforcement action.

***The Authority must consult persons who are likely to be affected by the designation and consider any representations.***

A full consultation exercise will be undertaken to obtain stakeholders' views.

***The Authority must consider that the exercise of this power is consistent with the Authority's overall Housing Strategy.***

This is considered in the Section 13 '**Consideration of Additional licensing scheme within the overall housing strategy**'

The London Borough of Tower Hamlets is led by an Executive Mayor from the Aspire Party. In the May 2022 manifesto, the Aspire Party supported improving conditions in the private rented housing sector and the following commitments were made:

- Work closely with the Tower Hamlets' Renters Union to achieve all their policy goals.
- Empower local Tenants and Residents Associations (or set them up where they do not exist) to work with the Council to tackle the housing emergency, while encouraging social and private landlords to work with us to effect change.
- Work with social and private landlords to encourage them to improve the condition of the homes they let and the service they provide to their tenants.
- Fix the landlord registration scheme to ensure it delivers on its purpose of driving up standards in the private sector, including landlord rent disclosure.
- Fully fund and resource housing enforcement officers to hold landlords to account.
- Work with private and social landlords to improve insulation standards in our homes.

The Mayor of London, Sadiq Khan, came to power in 2016 and included the following manifesto commitments to improve the private rented housing offer in London, namely:

- Setting up a London-wide not-for-profit lettings agency for good landlords, building on the work that councils have started, and ending rip-off fees for renters.
- Working alongside boroughs to promote landlord licensing schemes to drive up standards and make the case to government for London-wide landlord licensing.
- Naming and shaming rogue landlords and ensure tenants have access to this information online.

These London wide commitments reflect and support the strategic housing direction of the London Borough of Tower Hamlets in tackling sub-standard and poorly managed PRS accommodation.

***The Authority must seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour and as regards to combing licensing with measures taken by other persons.***

These matters are considered in the overall [housing strategy](#) but we will also continue our engagement in the following areas:

**Landlord Accreditation:** This is a mechanism that helps landlords or agents meet agreed standards of competence, skill, and knowledge about the business of managing and letting a private rented home. In order to be accredited, landlords and agents must go through specific training. We actively support this process as it may avoid intervention from the Environmental Health and Trading Standards Service.

**Landlords Forum:** The Landlord Forum is an open forum run by Housing Strategy. It uses a network to provide information to landlords and agents. It is held several times a year and is used as a launch pad for several initiatives such as the Tenants Charter.

**Reactive Enforcement Action:** The Environmental Health and Trading Standards Service has a direct response to deal with service requests from tenants who live in private rented property, including HMOs. Issues that are identified are dealt with in accordance with statutory powers and advice. Such action includes securing improvements by service of notices, prohibiting the property or parts of it from use due to poor conditions and then to prosecution.

**Homelessness:** Tenants of flats in multiple occupation are amongst the most vulnerable and insecurely housed. Additional Licensing would allow us to identify their landlords and then to work with and educate them as part of our homeless prevention work. We are confident that this would reduce unlawful evictions and contribute positively to tenancy sustainment work.

**Empty properties:** There are privately owned properties lying empty in Tower Hamlets. There is an undoubted housing need in Tower Hamlets, and these vacant properties could provide much needed accommodation. Many of these properties are in a neglected state and have a damaging effect on the areas in which they are located.

At the last stock condition survey there were approximately 1,500 homes empty for six months or more and currently considerable efforts are made to bring these back into use. This Landlord Licensing Scheme may help us in identifying owners, encouraging them to bring properties back into use.

**Anti-social behaviour:** In some instances, private letting by leaseholders in former Right-to-Buy flats has led to serious overcrowding and anti-social behaviour such as noise nuisance, fly-tipping, and drug-related criminal behaviour on estates owned by

the council and its housing association partners. In addition, partners report that parties in Airbnb-style short-term lets is a growing problem for their tenants.

**Regeneration:** The Council's regeneration remit is aimed at both economic and physical renewal and primarily carried forward through our [Local Plan](#) and growth policies. However, the private rented sector is primarily amenable to those aims through our Housing Strategy: and Additional Licensing is a key part of that strategy.

Where the Environmental Health and Trading Standards Service receive reports of flats in multiple occupation, it is not unusual to find that the layout has been altered to maximise the spaces that can be let out. Frequently, no fire or safety precautions are taken prior to the property becoming multiply occupied. Such accommodation presents fire risks not only to the occupiers but also to people living in neighbouring dwellings. Because demand is so high, landlords can confidently market dangerous and overcrowded accommodation in the knowledge that rental income is high with minimal risk of discovery by the local authority.

Additional Licensing would enable the Council to enforce minimum safety standards without having to rely on the reports of vulnerably housed tenants. Many tenants of such properties are vulnerable. Frequently they are forced to accept cramped, potentially dangerous and unsuitable accommodation. However, they are often reluctant to complain to their landlords or to the Council for fear of retaliation by their landlord, because they do not understand their rights, or because it is hard to find alternative accommodation. With the continuation of additional licensing, the Council's enforcement work will no longer have to rely on tenants' reports – or on reports from neighbours and housing providers which are reactive, unreliable and limited, undermining the Council's ability to take the strategic response needed.

**Monitoring:** The scheme will be monitored part way through to ensure that the improvements to HMOs are being achieved.

### **13. Consideration of Additional licensing scheme within the overall housing strategy**

The tenure mix in Tower Hamlets has changed dramatically and at a very rapid rate over the last 20 years. Social rented housing used to provide homes to the vast majority of Tower Hamlets residents, but now provides just 36 per cent of the housing in the borough. The private rented sector is now the largest single tenure, with 40 per cent of the borough's homes rented from a private landlord.

To reflect this, for the first time the Council's Housing Strategy ([TH Housing Strategy document v5.pdf \(towerhamlets.gov.uk\)](#)) details our approach to private renting: the Private Sector Housing Strategy. The Council's Housing Strategy has committed to improve the private rented sector. Contributing to this commitment, Action 21 of the Strategy is to "review Selective and Additional Licensing schemes for the private rented sector".

The Council's Housing Strategy notes: *“Many HMOs in the borough do not fall under the current provisions of the mandatory licensing scheme. These include a significant proportion of former Council stock sold under Right to Buy and now let by the room to multiple families and to young people. With a lack of affordable homes, the impact of welfare reform, and increasing private sector rents, it is likely that many households will adopt this tenure in order to remain in Tower Hamlets. “*

The Housing Strategy also notes that around 15,000 ex-Council homes have so far been bought in Tower Hamlets under the 'Right to Buy' programme – and that an estimated 6,000 of these are now being let, often as HMOs, by private landlords. The extension of this right (Right to Acquire) to housing association tenants could lead to an ever-greater concentration of flats in multiple occupation on Tower Hamlet's estates. Most of these flats are in purpose-built blocks. Historically, lease agreements are weak in relation to sub-letting and place few, if any, restrictions on the use of the property as an HMO.

The Housing Strategy identifies registered housing providers' increasing concerns that these privately let flats in multiple occupation are often seriously overcrowded and have led to anti-social behaviour, such as noise nuisance and fly-tipping, and drug-related criminal behaviour on the borough's estates.

The Council Housing Strategy states that the council “wants to use landlord licensing to tackle anti-social behaviour associated with private renting, deal with poor housing standards and assist in improving the overall management of private rented accommodation.”

Part 6 of The Housing Strategy focuses on the private rented sector, setting out the commitment to ensure that the standards of accommodation for people in private rented housing are good – not only by weeding out the bad landlords who give the sector a poor reputation but also by working to professionalise the sector, supporting “amateur” and small landlords to provide decent, well-managed homes to their tenants.

Additional Licensing will go a very long way to remove the major obstacle to all these initiatives: the difficulty we have identifying those “amateur” and small landlords in order to engage with them, especially those who operate at the cheapest end of the market. Again, this is a particular concern for Registered Providers whose leaseholders let out the flats in multiple occupation, that we wish to bring into the Additional Licensing scheme.

Once a landlord of an HMO is licensed, we can not only provide a broad range of support and education in order to promote good practice, but we can also impose conditions through the licensing scheme.

Part of the strategic commitment to improve and professionalise the private rented sector, is our adoption of a [Tower Hamlets Private Renters' Charter](#). The Charter was developed with a broad range of advice agencies, landlord bodies, and tenants' groups. It sets out clearly the standards that all tenants can expect when they rent from a private landlord in the borough, and also the steps that the council and its partners will take to support those standards in individual cases.

## 14. Consultation Process

If the Council is to designate an additional licensing scheme, a formal consultation needs to be carried out. The consultation includes:

- Online questionnaire
- Engagement with local residents/renters
- Use of social media
- Mailshots to letting agents, managing agents, landlords and tenants' groups
- Landlord workshops
- Newspaper adverts.

The consultation will inform interest groups of the main key points of the scheme.

The Council will 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.

The proposal outlined, along with the proposed fee structure, fit and proper person protocol, amenity standards and licence conditions will be consulted on with residents, tenants, landlords, agents, and other members of the community who live or operate businesses or provide services within the proposed designation and surrounding area.

The consultation findings will inform the final decision-making process. The consultation opens on Monday 12<sup>th</sup> December 2022 and will close on Friday 31<sup>st</sup> March 2023, exceeding the statutory requirements for the length of consultation.

At the end of the consultation period, the views of all those that have had an input will be reviewed and a report will be produced for the Mayor and Cabinet to determine the potential outcome on whether to confirm a further designation, in an extended/reduced area or not or to allow the designation to end. It is expected that the decision will be made in Autumn 2023.

## **Appendices (external links)**

[Appendix 1: Mayhew and Harper Associates report on additional licencing](#)

[Appendix 2: Fit and Proper Protocol](#)

[Appendix 3: Accommodation and Amenity Standards](#)

[Appendix 4: Additional licence conditions](#)

[Appendix 5: Ward Data](#)



# The fit and proper test

## 1. Why is there a test?

- 1.1. In deciding to grant a licence the Council must be satisfied that the proposed licence holder ‘...is a fit and proper person to be the licence holder...’ and that ‘the proposed manager of the house is a fit and proper person to be the manager of the house...’
- 1.2. The licence may be revoked where: the licence holder or any other person has committed a serious breach of a licence condition or repeated breaches of a licence condition; the Council no longer considers that the licence holder is a fit and proper person to be the licence holder; or where the Council no longer considers that the management of the house is being carried on by persons who are not in each case fit and proper persons to be involved in its management.
- 1.3. This requirement is to ensure that those responsible for operating the licence and managing the property are of sufficient integrity and good character to be involved in the management of the particular residential property and as such they do not pose a risk to the welfare or safety of persons occupying the property.

## 2. ‘Involved in the management’

- 2.1. Under section 66(6) of the Housing Act 2004 the Council must consider whether:
  - (a) A person involved in the management of the house has a sufficient level of competence,
  - (b) any other person involved is fit and proper, and
  - (c) management structures and funding arrangements are suitable.
- 2.2. This means the Council must consider licence holders, managers and others, including key-holders. This will not extend to, for example, all members of staff at a managing agent who have limited access to a property, but it will be necessary to find out how repairs to the property are carried out. The emphasis is on managing agents to ensure that their staff are fit and proper.
- 2.3. The licence holder and the manager can be two different people. Where this is the case, a decision must be made for each individual about whether they are a fit and proper person. When making this decision, the Council will take into account their fitness to hold the licence or to manage the property.
- 2.4. When making the decision, the Council must ask the following:

- What are the management arrangements?
- Who is involved in the management?
- What precautions have been taken to ensure those involved in the management are fit and proper?

2.5. In the case of a key-holder, the Council must consider their involvement in the management of the house and whether they have a sufficient level of competence to be so involved.

### 3. What will the Council look at?

3.1. When considering whether a person is 'fit and proper' the Council must have regard (among other things) to whether the applicant has:

- committed any offences or there is sufficient evidence involving fraud or other dishonesty or violence or drugs and sexual offences,
  - practised unlawful discrimination on the grounds of sex, colour, race, ethnic or national origins or disability in, or in connection with the carrying out of any business,
  - contravened any provision of housing or landlord and tenant law,
  - acted otherwise than in accordance with an approved code of practice,
- or to anything else which is relevant.

3.2. When deciding, the following should be considered:

- Nature of convictions – convictions relating to fraud, running unlicensed HMOs or violence may well affect someone's status as fit and proper. A conviction based on the existence of a category 1 hazard would give some indication of an applicant's approach to health and safety in a property. The relevance of each conviction must be considered in relation to the management of the HMO.
- Weight of convictions.
- Nature of contraventions – specifically officers' views on these. An administrative or technical breach of the Management Regulations, for example an isolated incident of not displaying the Code of Good Management Practice, may not in an officer's opinion affect a person's status as fit and proper.

3.3. A **conviction** is the verdict that results when a court of law finds a defendant guilty of a crime.

3.4. A **contravention** is to act contrary to a rule, order, regulation or law, or of not fulfilling an obligation, promise or agreement.

3.5. Under section 64 of the Act, both the proposed licence holder and the proposed manager must be fit and proper persons.

3.6. This policy is not intended to be exhaustive and the Council is entitled to take into account other factors in so far as they are relevant to the

fitness and propriety of the relevant person. In other words, the misconduct has to be relevant to the person's fitness to hold a licence and/or manage the particular residential building, and in regard to criminal offences the Council must only have regard to unspent convictions.

3.7. The Council would not normally consider a landlord with a criminal record for unlawful evictions and harassment of tenants to be fit and proper person. In contrast, evidence of minor contraventions of housing or landlord and tenant law need not result in an adverse decision. Evidence of any specified misconduct does not necessarily lead to the conclusion that the person is not a fit and proper person.

3.8. Discretion may be appropriate if an offence is isolated and there are mitigating circumstances. Multiple offences or a series of offences over a period of time are likely to give greater cause for concern and may demonstrate a pattern of inappropriate behaviour which should be taken into account. A particularly serious view may be taken where the victim of any offence is vulnerable.

3.9. Each case must be considered on its own merits.

3.10. The Council will adopt a common sense approach, exercising its discretion reasonably and proportionately, taking into account relevant considerations and disregarding irrelevant considerations.

3.11. Where a potential licensee or a manager has a relevant unspent conviction or contravention, in deciding whether they are fit and proper the Council will take into account the following factors:

- the relevance of the conviction/contravention in relation to the person's character and integrity to manage an HMO
- the severity of the conviction/contravention in terms of impact, upon residents and the wider community
- whether the person is accredited or has been trained to manage an HMO
- any other relevant matter
- any mitigating circumstances
- whether the proposed **manager** is fit and proper
- whether the proposed **licence holder** is fit and proper
- whether there are satisfactory management arrangements
- who is involved in the management
- what precautions have been taken to ensure those involved in the management are fit and proper

3.12. These points should form the basis of the decision made. Any review or report produced should refer to each point.

#### **4. Consideration of 'persons associated or formerly associated' with the proposed licence holder or manager**

4.1. If there is evidence that a person associated, or formally associated, with the person proposed to be the licence holder or manager of the property, has committed any wrongdoings, that evidence may be taken into account in determining the proposed licence holder's or manager's fitness (even if that person has himself or herself an unblemished record). The purpose of this requirement is to ensure that only fit and proper persons hold licences or are in any way involved in the management of licensed properties. It would not be appropriate for a licence to be granted to someone, or for someone to be the manager of a property, if that person was merely acting as a 'front' for someone else who, if he or she were not unfit, would be entitled to be the manager or licence holder.

4.2. Examples:

4.2.1. In a partnership, where one partner is the landlord (or indeed both he and his partner are joint landlords), but only one partner has applied for the licence. If there is evidence that a partner has committed wrongdoings and those wrongdoings are relevant to the other persons management of the property or licence, then the Council may refuse to grant them a licence.

4.2.2. A landlord with an unsatisfactory record has nominated a 'manager' who has a clean record, but who has previously acted for the landlord whilst wrongdoings were committed. In this case, the Council may consider the managing agent by association to be unfit too.

4.2.3. The director of company A has been prosecuted previously, and then starts to work for company B as a director. The new company could be found not to be fit and proper to manage or be a licence holder by association. By contrast, however, if A was merely an employee of B then this may not affect B's fitness to act as manager or licence holder.

4.3. A refusal to grant a licence in these circumstances will normally only be made if:

- there is sufficient evidence of misconduct by the associated person and
- the associate's fitness is directly relevant to the applicant or proposed licence holder's fitness to manage the property or hold the licence.

4.4. If someone is found not to be fit and proper the Council will normally consider this to be the case for five years, which is the maximum duration of a licence. This cannot preclude a further application being submitted within that period. If so, the Council will reconsider a person's fit and proper status on the merits of that application. This policy would be used to make that decision and it would be up to the applicant to provide evidence which could demonstrate why they may be a fit and proper person at that point.

## 5. Offences / evidence of contraventions

5.1. The following examples afford a general guide to the action which might be taken where convictions and cautions are disclosed or where offending behaviour is proved to the satisfaction of the Council.

5.2. *Have they contravened housing law or landlord and tenant law?*

5.2.1. Careful consideration should be given to an application where a person making a fit and proper person declaration has contravened housing law or landlord and tenant law, for example points awarded under the HMO licensing points system (see below), evidence of poor management, previous history, prosecutions, simple cautions. In particular, consideration should be given to contraventions under:

- The Public Health Acts of 1936 and 1961
- The Building Act 1984
- The Environmental Protection Act 1990
- The Town and Country Planning Act 1990
- The Prevention of Damage by Pests Act 1949
- The Protection from Eviction Act 1977
- The Local Government (Miscellaneous Provisions) Acts of 1982 and 1976
- The Housing Grants, Construction and Regeneration Act 1996
- The Local Government and Housing Act 1989
- The Housing Act 2004

5.2.2. Contravention of one of the above Acts could result in informal action where a person is asked to complete works, formal action where a legal notice is served, remedial action or work in default, or a prosecution. The nature of the contravention, its relevance to the management of a rented house and the potential harm caused must all be considered. Also to be considered are the circumstances of the contravention, the number of contraventions and evidence to show good character since the date of the contravention. Each case will be considered on its own merit.

5.3. *Have they committed any offences involving fraud?*

5.3.1. Licence holders and anyone else who is involved in the management of a licensable HMO are in a position of trust. The nature of their role means they will enter the property on occasion and will be engaged in financial dealings with their tenants, so there may be opportunities for fraud.

5.3.2. In particular an application will normally be refused where the person has a conviction for an offence involving dishonest where the victim has been deprived of money, property or other benefit by misrepresentation/deception on the part of the offender including:

- Theft
- Burglary
- Fraud
- Benefit fraud (particularly where tenants are on Housing Benefit)
- Conspiracy to defraud
- False accounting
- Forgery and counterfeiting

*5.4. Have they committed any offences involving violence?*

5.4.1. Fit and proper person status will normally be refused where the person making a fit and proper person declaration has a conviction for violent crime, including :

- Murder
- Manslaughter
- Arson
- Malicious wounding or grievous bodily harm
- Grievous bodily harm with intent
- Actual bodily harm
- Grievous bodily harm
- Robbery
- Criminal damage
- Common assault
- Assault occasioning actual bodily harm
- Possession of an offensive weapon or firearm
- Any racially aggravated offence
- 

5.4.2. Weight will be given to the circumstances of the offence and any evidence showing good character since the date of conviction. Each case will be considered on its own merit.

*5.5. Have they committed any offences involving drugs?*

5.5.1. Careful consideration should be given to an application where a person making a fit and proper person declaration has committed a drug related offence. Consideration should be given to the nature of the offence and what bearing it could have on the management of a licensable HMO. The nature, quantity and class of drugs will be taken into account. Each case will be considered on its own merit.

*5.6. Have they committed any offences involving sexual offences?*

5.6.1. As licence holders, managers and anyone else who is involved in the management of a licensable HMO will on occasion visit tenants in their homes, convictions for sexual offences will be treated particularly seriously.

5.6.2. Fit and proper person status will normally be refused where a person making a fit and proper person declaration has a conviction for an offence contained in schedule 3 of the Sexual Offences Act 2003. Each case will be considered on its own merit.

*5.7. Have they practiced unlawful discrimination?*

5.7.1. Careful consideration should be given to an application where a person making a fit and proper person declaration has practiced unlawful discrimination. Unlawful discrimination can include findings of an Employment Tribunal on unlawful employment practice such as discrimination under the Equality Act 2010. Consideration should be given to the nature of the unlawful discrimination and what bearing it could have on the management of a licensable HMO. Each case will be considered on its own merit.

**6. Private Housing Enforcement Policy**

6.1. This policy forms a consideration under the Enforcement Policy, which promotes efficient and effective approaches to regulatory inspection and enforcement to improve regulatory outcomes without imposing unnecessary burdens.

**7. Data sharing**

7.1. Information used and ascertained for the purpose of deciding whether a proposed licence holder or manager is fit and proper is shared with other statutory bodies, particularly other local authorities and the police. Notification is given of this on the HMO licence application form.

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London Borough of Tower Hamlets

# Accommodation and Amenity Standards For Private Rented Sector Housing



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Accommodation and Amenity Standards for Private Rented Sector Housing  
Version 5      Date: 1 September 2022

# Private Rented Sector Housing Standards

## Introduction

The purpose of this document is to provide guidance on the minimum requirements for privately rented homes within London Borough of Tower Hamlets.

We aim to:

- Provide information and advice in plain language about the legislation we apply to HMOs.
- Discuss general issues and specific problems with anyone experiencing difficulties.
- Provide a courteous, efficient and helpful service.
- Actively seek the views of those that receive our services and use this information to develop our service.

If you require advice, please contact Environmental Health and Trading Standards Service on 0207 364 5000 or email [environmental.health@towerhamlets.gov.uk](mailto:environmental.health@towerhamlets.gov.uk)

As a minimum, properties should always:

- be free from Category 1 and significant Category 2 hazards with regard to the Housing Health and Safety Rating System (HHSRS) introduced by the Housing Act 2004,
- comply with all other legislation relating to the health and safety of residential occupants,
- be in such a condition so as not to cause nuisance to any neighbouring properties.

Officers will contact landlords to discuss the condition and requirements for their HMO property. A clear list of what is needed to be done to comply with legislation and standards applicable to HMOs will be provided.

A Statutory Notice is often served if problems are identified and this requires specified works to be undertaken within a defined time period; certain notices served under Part 1 of the Housing Act 2004 will attract a charge.

If a Statutory Notice is not complied with the council may prosecute, issue a Civil Penalty and may organise for the work to be done and recharge the cost, including any appropriate fees, to the owner of the property.

## Our Current Licensing schemes are:

### Selective Licensing

Selective licensing of residential accommodation under part 3 of the [Housing Act 2004](#) is intended to ensure that all properties let in the private rented sector are of a good standard, well maintained and well managed. It applies to all private rented properties within areas of Whitechapel, Weavers, Spitalfields and Banglatown areas. It is a tool to deliver sustainable improvements to private rented accommodation, increasing the quality of existing stock in the private rented sector in terms of both physical conditions and management standards.

### Additional Licensing

HMOs with 3 or more occupants in two or more households in the additional licensing areas are required to be licensed under the additional licensing scheme, The Additional Licensing scheme also covers flats in purpose built blocks.

## **Mandatory HMO licences**

HMOs are houses in which 5 or more people comprised of 2 or more households live. The Housing Act 2004 requires large Houses in Multiple Occupation (HMOs) to be licensed. Licences aim to ensure minimum standards of safety and maintenance for HMOs are met. Shelter has more information about HMO standards.

From 1 October 2018, mandatory licensing of HMOs has been extended so that smaller properties used as HMOs in England which house 5 people or more in 2 or more separate households will in many cases require a licence.

New mandatory conditions to be included in licences have also been introduced, prescribing national minimum sizes for rooms used as sleeping accommodation and requiring landlords to adhere to council refuse schemes.

## Overcrowding and Space Standards

Tower Hamlets has adopted a set of amenity standards to ensure that properties are not overcrowded and enough facilities are available for the tenants to live there safely, therefore:

- No bathroom, toilet, office, lobby, kitchen, cupboard, corridor or circulation space must be used for sleeping purposes.
- Inner bedrooms are not acceptable for sleeping and living purposes (this is a bedroom which can only be accessed by passing through another room, such as a lounge, kitchen or bedroom).
- Irrespective of the floor area, we will consider the shape of the room and the useable living space within the room when determining whether or not it is suitable for use as sleeping accommodation.
- Although basements and loft spaces may be used as sleeping accommodation, it is recommended that you contact the Health and Housing team to obtain advice as there are often additional hazards associated with loft spaces and basement rooms.
- Bedrooms without any access to natural light and ventilation shall not be used for sleeping and living purposes (for example, basements, lofts or rooms without windows).

### The Statutory Overcrowding Standard

There are two standards to assess whether a home is statutorily overcrowded, if either or both standards are breached then a dwelling will be statutorily overcrowded.

A property is overcrowded where two or more persons, being ten or more years old and of opposite sexes have to sleep in the same room.

Unless those persons are over 16 years old and co habiting are married to each other or live together as husband and wife or in an equivalent relationship in the case of persons of the same sex.

For these purposes, children under ten years of age maybe disregarded, and a room means any room normally used as either bedroom or a living room.

#### (1) Room Standard

The first test is based on the number of bedrooms available in the dwelling, disregarding rooms less than 4.6 m<sup>2</sup>, the following table should be used to calculate the permitted number of occupants for the dwelling:

| Maximum number of occupiers per dwelling based on number of bedrooms in single household dwelling units |                         |
|---|-------------------------|
| Number of Bedrooms  | Max. No. of Persons     |
| 1 bedroom   | 2 persons (1 household) |
| 2 bedrooms  | 4 persons (1 household) |
| 3 bedrooms  | 6 persons (1 household) |
| 4 bedrooms  | 7 persons (1 household) |

## (2) Space Standard

The second standard is based on space available.

| Number of Bedrooms                          |                      |
|---|----------------------|
| Bedrooms size                               | Max. No. of Persons  |
| Less than 4.64 m <sup>2</sup>               | No one               |
| 4.64 m <sup>2</sup> to 6.50 m <sup>2</sup>  | aged 1-10 years only |
| 6.51 m <sup>2</sup> to 10.21 m <sup>2</sup> | 1 person             |
| 10.22 m <sup>2</sup> or more                | 2 persons            |

A child below the age of one does not count and a child between the age of one and ten counts as a half person.

**Note:**

Hallways, corridors, landings, kitchens, W.Cs or bathrooms cannot be used as sleeping accommodation.

Sharing bedrooms - Only persons under the age of 10 years old of the opposite sex may sleep in the same room, unless those persons are over 16 years old and co habiting are married or live together as husband and wife (or in an equivalent relationship in the case persons of the same sex).

## Amenity Standards for Houses in Multiple Occupation

### Definition of a House in Multiple Occupation (HMO)

An HMO is defined in law as a house or flat in which three or more unrelated persons forming two or more households sharing an amenity such as a bathroom, toilet or cooking facilities.

A 'household' is defined as either a single person or members of the same family who are living together.

An HMO is also a building which has one, or more, non-self-contained units. A non-self-contained unit is where one, or more, of the facilities is not within the occupant's room. This applies even if the facility is for exclusive use of the occupant.

An HMO is also a building that has been converted into self-contained flats and less than two-thirds are owner occupied and the conversion does not meet the appropriate Building Regulations.

If the property was converted prior to June 1992, the conversion must meet the 1991 Building Regulations. If the conversion took place after June 1992, the conversion must meet whichever Building Regulations that were in force at the time of conversion.

Self-contained flats within buildings that are HMOs may be occupied as HMOs themselves. The guidance applies to self-contained flats which meet these conditions.

An individual tenancy may have exclusive use of the basic facilities (bath/shower, wc and kitchen), but the accommodation would only be defined as self-contained if the sleeping/living area and all the facilities are behind one door.

### Legal Standards in HMOs

The Housing Act 2004 and associated regulations state the minimum standards in HMOs. This guide will explain the legal requirements and provide the Council's approach on how those standards should be achieved.

### Management Regulations

All HMOs are subject to the Management Regulations irrespective of whether they are required to be licensed.

### What HMOs does this guide cover?

This guide sets out the standards to be applied to all HMOs which require to be licensed and will also be used as a baseline for standards expected to be achieved in non-licensable HMOs.

## Space Standards

### Legal requirements

| Maximum number of occupiers per room based on floor space in all privately rented accommodation |  |
|---|--|
| 4.64 m <sup>2</sup> to 6.50 m <sup>2</sup>  | 1 person (under the age of 10 years old) |
| 6.51 m <sup>2</sup> to 10.21 m <sup>2</sup>   | 1 person (over the age of 10 years old)  |
| 10.22 m <sup>2</sup> or more  | 2 persons (over the age of 10 years old) |

A room with a usable floor area between 6.51 m<sup>2</sup> and 10.21 m<sup>2</sup> may only be occupied as sleeping accommodation by one person.

Only a room with a usable floor area of 10.22 m<sup>2</sup> or over may be occupied as sleeping accommodation by two persons.

A room with a useable floor area between 4.64 m<sup>2</sup> and 6.5 m<sup>2</sup> may be occupied as sleeping accommodation by a child under the age of 10, provided the room is let or occupied in connection with the letting or occupation of an adjacent room with a useable floor area of or in excess of 6.51 m<sup>2</sup> to a parent or guardian of the child.

No room may be occupied as sleeping accommodation if the floor area of the room is less than 4.63 m<sup>2</sup>.

#### NOTE:

These are absolute minimum sizes and are only applied where there is adequate shared living accommodation elsewhere in the HMO (see space guidance below).

Communal space, hallways, corridors, landings, kitchens, W.Cs or bathrooms cannot be used as sleeping accommodation.

The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 require kitchens, bathrooms and WCs to be of adequate size, as set by this guide.

### Tower Hamlets Council Requirement for shared kitchen

Tower Hamlets Council has adopted the following space standards as the minimum requirements for Houses of Multiple Occupation (HMO), kitchens must be of an adequate size and shape to enable safe use of food preparation by the number of occupiers and the following guidelines for shared kitchens apply:

| Number of sharers | Room size           |
|-------------------|---------------------|
| Up to 3           | 5.5 m <sup>2</sup>  |
| 4 – 5             | 7.5 m <sup>2</sup>  |
| 6- 7              | 9.5 m <sup>2</sup>  |
| 8 – 10            | 11.5 m <sup>2</sup> |

Where all or some of the lettings within the HMO do not contain cooking facilities, they must be provided for sharing with other households. There should be one full set of facilities per 5 persons, irrespective of age. Some flexibility may be considered in well- managed properties where there are 6 or 7 persons, subject to a risk assessment carried out by the Landlord/Property.



Where there are 8 – 10 persons, either an additional full set of cooking facilities must be provided, or additional facilities must be provided in an appropriate number of individual lettings where the room is large enough.

### HMOs with kitchen facilities for the exclusive use of occupants (Bedsits)

1. A bedsit is where sleeping, living and cooking amenities are provided for exclusive use by occupants within a single unit of accommodation (i.e. one room).
2. A bedsit can be occupied by a maximum of two persons.
3. Room sizes:

| Maximum number of occupiers per room based on floor space in Houses in Multiple Occupation with exclusive kitchen facilities within the room and self-contained studio bedsits/flats with kitchen facilities within the room |  |
|--|--|
| 13 m <sup>2</sup> to 17.99 m <sup>2</sup>  | 1 person (over the age of 10 years old)  |
| 18 m <sup>2</sup> or more  | 2 persons (over the age of 10 years old) |

### Buildings converted into flats (Section 257 HMOs)

- Section 257 of the Housing Act 2004 defines the circumstance where a building converted into flats is a HMO. This is a building that was not converted in accordance with the 1991 Building Regulations (or later) and which still does not meet those standards and where a third or more of the flats are rented out on short term tenancies.
- The standards detailed below are for units occupied by a single household. Where a flat in a section 257 is occupied by two, or more unrelated persons the standards detailed above for HMOs will apply.
- The table below details the minimum required standards for a section 257 HMO:

**Table 1 Required Standards for 257 HMOs**

| Buildings                                 | Minimum floor space                      |
|---|--|
| Studio – one person                       | 13 m <sup>2</sup>                        |
| Studio two persons cohabiting as a couple | 18 m <sup>2</sup>                        |
| Separate kitchen – up to 3 persons        | 5.5 m <sup>2</sup>                       |
| Separate kitchen – 4-5 persons            | 7.5 m <sup>2</sup>                       |
| Bathroom                                  | Must meet the general requirements above |
| Separate bedroom – single occupancy       | 6.51 m <sup>2</sup>                      |
| Separate bedroom - couple                 | 10.22 m <sup>2</sup>                     |
| Additional bedrooms single person         | 6.51 m <sup>2</sup>                      |
| Additional bedrooms couple                | 10.22 m <sup>2</sup>                     |

**Notes.**

The measured space in any room must be ‘usable space’. The room should be able to accommodate the required amount of appropriate furniture easily and still allow space for movement about the room.

Any floor space that has a ceiling height of less than 1.5m (5ft) is disregarded for the purpose of measuring the total space in the room.

## Facilities for Storage, Preparation and Cooking of Food

### Shared kitchens

#### Legal requirement

The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 require:

1. A kitchen, suitably located in relation to the living accommodation, and of such layout and size and equipped with such facilities so as to adequately enable those sharing the facilities to store, prepare and cook food.
2. The kitchen must be equipped with the following equipment, which must be fit for the purpose and supplied in a sufficient quantity for the number of those sharing the facilities:
  - Sinks with draining boards
  - An adequate supply of cold and constant hot water to each sink supplied
  - Installations or equipment for the cooking of food
  - Electrical sockets
  - Worktops for the preparation of food
  - Cupboards for the storage of food or kitchen and cooking utensils
  - Refrigerators with an adequate freezer compartment
  - Appropriate refuse disposal facilities; and
  - Appropriate extractor fans, fire blankets and fire doors.

#### Tower Hamlets Council requirements

To achieve compliance with the above requirements for adequate size, layout and equipment, Tower Hamlets Council has adopted the following standards.

1. Location
  - Kitchen facilities should be no more than one floor away from the letting. Where this is not practicable, a dining area of a size suitable for the number of occupiers should be provided on the same floor as, and close to, the kitchen. Kitchens must be of an adequate size and shape to enable safe use of food preparation by the number of occupiers and the following guidelines for shared kitchens apply;

| Number of sharers | Room size |
|-------------------|-----------|
| Up to 3           | 5.5 sq m  |
| 4 – 5             | 7.5 sq m  |
| 6- 7              | 9.5 sq m  |
| 8 – 10            | 11.5 sq m |

2. Layout
  - The kitchen layout must be safe, convenient and allow good hygienic practices.
  - Cookers should be located away from doorways and have enough floor space for items to be safely retrieved from the oven.
  - It must be possible to stand directly in front of the cooker and sink and to place utensils down on both sides of each.

| Facilities            | Number of Occupiers   | Specifications  |
|-----------------------|-----------------------|---|
| Cooker                | One                   | In one-person bedsits only, a cooker with a 2- ring hob, oven and grill. Must be permanently and safely installed on a fixed worktop  |
|                       | Up to 5               | Four-ring hob, oven and grill   |
|                       | 6 – 7                 | Four-ring hob, oven and grill and an additional combined microwave oven and grill   |
| Sink / Drainer        | Up to 5               | 1000 mm sink/drainer set on base unit, provided with a constant supply of hot and cold water and properly connected to the drainage system  |
|                       | 6 – 7                 | A double sink/drainer installed as above <u>or</u><br>A single sink/drainer plus a dishwasher   |
| Worktop               | One household up to 5 | 1000 mm x 600 mm. Worktop must be fixed, and made of suitable impervious material.  |
|                       | 6 – 7                 | 2000 mm x 600 mm provided and fitted as above, plus additional space for extra appliances   |
| Splashback            | All                   | 300 mm tiled splashback or its equivalent to be provided to the sink/drainer, worktop and any cooker without an integral splashback.  |
| Electrical sockets    | Up to 5               | One suitably located electrical socket for each dedicated appliance such as a cooker, refrigerator and washing machine. In addition, 4 sockets (in either double or single combinations) to be provided above the worktop |
|                       | 6 – 7                 | An additional 2 sockets as above.   |
| Floor covering        | All                   | Impervious and washable floor covering to cover the floor area of the kitchen.  |
| Food storage cupboard | Per household         | One double wall cupboard or One single base cupboard.<br>May be provided within individual lets. The base unit below the sink/drainer is not acceptable for food storage.   |
| Refrigerator          | Per Household         | Where provided in individual lets, a small fridge freezer   |
|                       | Up to 5               | Where provided in a shared kitchen, equivalent of 2 worktop height refrigerators both with freezer compartments, or 1 worktop height fridge and 1 worktop height freezer  |
|                       | 6 - 7                 | Where provided in a shared kitchen, the equivalent of an additional worktop height refrigerator with freezer compartment  |

Kitchen facilities where provided in a bedsit should be sited remote from the entrance door.

The cooker should not be situated below a window.

Exit and egress to a kitchen must not be through a room used for sleeping.

Kitchen facilities must not be installed in a hallway.

kitchens must have a mechanical extractor regardless of whether there is an openable window.

Apart from an extractor hood, fixtures and fittings are not to be directly above cooking appliances.

**See appendix 1**

### Legal requirements

The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 requires rooms without shared amenities to be provided with adequate equipment.

### Tower Hamlets Council requirements

To achieve compliance with the above requirements for adequate size, layout and equipment, Tower Hamlets Council has adopted the following standards.

1. **Cooking:** A gas or electric cooker with a minimum two-ring hob, oven and grill.
2. **Storage:** A 130 litre refrigerator with freezer compartment plus at least one food storage cupboard for each occupant in the bedsit (base units shall be 500mm wide and wall units shall be 1000mm wide). The sink base unit cannot be used for food storage.
3. **Preparation:** Worktop of at least 500mm deep and 1000mm long, comprising a minimum of 300mm both sides of the cooking appliance to enable utensils and pans to be placed down. All worktops must be securely supported, impervious and easy to clean.
4. **Electricity:** Two double 13 amp power sockets suitably positioned at worktop height for use by portable appliances, in addition to sockets used by fixed kitchen appliances, plus two double sockets located elsewhere within the bedsit.
5. **Washing:** A stainless steel sink and integral drainer set on a base unit with constant supplies of hot and cold running water. The sink shall be properly connected to the drainage system. The cold water shall be direct from the mains supply. A tiled splash-back shall be provided behind the sink and drainer.
6. **Ventilation:** Mechanical ventilation to the outside air at a minimum extraction rate of 60 litres/second or 30 litres/second if the fan is sited within 300mm of the centre of the hob. This is in addition to any windows.
7. **Layout:** The same principles of safe layout and design apply in bedsits as for shared kitchens. Cookers must not be located near doorways to avoid collisions and to reduce the possibility of a fire on the hob trapping an occupant in the room.

#### Notes:

Where a gas appliance or a solid fuel burning appliance is provided within a unit of accommodation, a carbon monoxide detector must also be provided.

Kitchenettes with limited facilities may be provided as an additional facility in rooms but do not remove the necessity to provide the appropriate level of shared kitchen facilities and the space taken up including 750mm deep working space adjacent to the kitchenette is not counted towards the floor area of the room for space standards.

## Personal Washing Facilities

Legal requirements The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 set standards for washing facilities as below:

1. Bath/showers shall be provided in the ratio of at least one to every five persons sharing.
2. The bathrooms or shower rooms shall be readily accessible and normally not more than one floor away from the user. Shared facilities shall be accessible from a common area. Facilities must be inside the building.
3. Bathrooms and shower rooms must be of adequate size and be laid out in such a way as to enable persons to undress, dry and dress themselves in a safe manner.
4. Each bath, shower and wash hand basin shall be provided a continuous and adequate supply of hot and cold running water, designed to ensure reasonable temperature control.
5. Bathrooms and shower rooms must have adequate lighting, heating and ventilation.
6. Bathrooms must be fit for the purpose.

### Tower Hamlets Council requirements

To meet the above requirements of adequate size, layout, and fit for purpose, Tower Hamlets Council has adopted the following standards:

1. Bathrooms must have a mechanical ventilation to the outside air at a minimum extraction rate of 15 litres/second in addition to any window(s). The system is to be either coupled to the light switch and incorporate a suitable over-run period, or an appropriately set humidistat.
2. A tiled splash-back at least 300mm high or full height adjacent to an over-bath shower must be provided to all baths and wash hand basins.

Shower cubicles must have fully tiled walls and be provided with a suitable water-resistant curtain or door to the cubicle. Bathrooms and shower rooms must have smooth, impervious wall and ceiling surfaces, which can be easily cleaned. The flooring should be capable of being easily cleaned and slip-resistant

3. The information below explains the minimum requirement for WC, bath/shower facility:

| Number of Occupiers     | Facilities  |
|-------------------------|---|
| 1–5 people              | The minimum provision is 1 bathroom containing toilet, bath or shower and wash hand basin. The bathroom and toilet may be in the same room.   |
| 6–10 people             | The minimum provision is:<br>2 bathrooms containing a bath or shower<br>2 toilets with wash hand basins, one of which must be in a separate room.   |
| 11–15 people            | The minimum provision is:<br>3 bathrooms containing a bath or shower<br>3 toilets with wash hand basins, one of which must be in a separate room.   |
| Bedrooms with en-suites | Where a room is provided with a complete en-suite facility (bath/shower, toilet and wash hand basin) for the exclusive use of that occupant then that occupant will be disregarded when considering the provision of sanitary facilities. |

4. The following minimum dimensions apply:

| Item            | Dimension      |
|-----------------|----------------|
| Wash hand basin | 500mm × 400mm  |
| Splash-back     | 300mm high     |
| Bath            | 1700mm × 700mm |
| Shower          | 800mm × 800mm  |

5. Shared bathrooms and shower rooms must be constructed to ensure privacy, be provided with an internal locking device to the door, have facilities to hang clothes during bathing and have sufficient space to permit users to dry and dress themselves.

## Fire Safety

### Legal requirement

The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 require appropriate fire precaution facilities and equipment must be provided of such type, number and location as considered necessary.

The Regulatory Reform (Fire Safety) Order 2005 requires all HMOs to have a sufficient risk assessment with regard to fire.

The Management Regulations require firefighting equipment and fire alarms to be maintained in good working order. DASH Services - LACoRS Fire Safety Guidance

### Tower Hamlets Council requirements

1. The following fire safety advice is in accordance with the recommended standards detailed by LACORS in their publication "Housing – Fire Safety, Guidance on fire safety provisions for certain existing types of housing" with regard to fire safety risk assessment in sleeping accommodation. Responsible persons who operate licensed HMOs are required to record their fire safety arrangements and the responsible person must allow the Fire Authority to see those arrangement

Licence holders who feel competent to do so may prepare their own Fire Risk Assessment (FRA). The use of a suitable template such as that available at

<https://www.dashservices.org.uk/Media/Default/Docs/FireRisk%20AssessmentForm.pdf> will assist in ensuring that attention is given to the appropriate issues.

2. Fire precaution requirements

The requirements expected by Tower Hamlets Council will vary according to the observations and findings arising from any inspection undertaken and will be based on the advice detailed in the above guides.

Landlords should also be aware that where premises are occupied in a manner other than that intended under the original construction, compliance with the Building Regulations at the time of that construction will not necessarily negate the requirement for additional fire safety measures.

Although a full list of likely requirements cannot be given in this document necessary measures may include: fire doors on high risk rooms, fire separation and automatic fire detection systems.

Landlords are required to test and maintain fire alarm and emergency lighting systems in accordance with the British Standards.

The Fire Service discourage the provision of fire extinguishers except in premises with full time on-site staff who are trained in their use. The emphasis is on escape from danger rather than fighting a fire. Where fire extinguishers are provided, they must be serviced or replaced annually and a record of date of servicing or replacement attached to the equipment.

Fire blankets may be provided in kitchens to enable fires on hobs to be tackled before they get out of hand. Where provided they should be prominently mounted on the wall away from the hob and advice on their use should be prominently displayed nearby.

## Gas and Electricity Supplies

### **Location of gas and electricity meters and control equipment**

Other than “smart meters”, gas and electricity meters and associated isolating switches, valves and consumer units must always be located within communal parts of the HMO so as to be accessible to all occupiers at all times. Under no circumstances will they be permitted to be located within a letting room.

### **Pre-payment Meters**

Supplies of gas and electricity are maintained at all times without requiring tenants to contact the landlord to arrange for the “topping up” of meters.

**Electricity supplies to automatic fire detection and alarm systems and emergency lighting should not be from a pre-payment meter and shall be from a landlords supply.**



## Management of Privately Rented Properties

### Legal requirement

There are management regulations that apply to all HMOs and where appropriate single let properties.

The Management of Houses in Multiple Occupation (England) Regulations 2006 apply to all HMOs except those consisting entirely of self-contained flats. For HMOs consisting of self-contained flats, then The Licensing and Management of Houses in Multiple Occupation (Additional Provisions) (England) Regulations 2007 apply.

The Regulations can be accessed in full at [www.legislation.gov.uk](http://www.legislation.gov.uk). Under both sets of Regulations the person in control of or managing the HMO must ensure that:

- The manager's name, address and any telephone contact number is made available to each household in the HMO and these details must be clearly displayed in a prominent position in the HMO.
- Each letting is in a clean condition at the beginning of any rental period and that the internal structure, fixtures/fittings/appliances, windows and mechanical ventilation are maintained in good repair and clean working order.
- All common parts i.e. Staircases, passageways, corridors, halls, lobbies, entrances, balconies and steps are maintained in good and clean decorative repair, in a safe and working condition and kept reasonably clear from obstruction.
- Outbuildings, boundary walls, yards and fences are maintained in repair, clean condition and good order. The garden must be kept in a safe and tidy condition.
- The water supply is constant and not unreasonably interrupted and that the drainage system serving the HMO is maintained in good, clean and working condition.
- Annual gas safety tests are carried out on all gas appliances within the HMO by a Gas Safe registered engineer, and evidence is supplied to support this if requested by the Council.
- The electrical installation is inspected and tested at intervals not exceeding five years by a person qualified to undertake such inspection and testing, and evidence is supplied to support this if requested by the Council.
- The gas or electricity supply, used by any occupier within the HMO, is not unreasonably interrupted.
- All means of escape from fire, any automatic fire detection system and fire fighting equipment are maintained in good working order and are kept free from obstruction.
- All reasonable steps are taken to protect the occupiers of the HMO from injury, ensuring structural safety within the HMO, and that windows set close to or at floor level are suitably safeguarded.
- The manager must ensure that sufficient bins or other suitable receptacles are provided for the storage of refuse and litter pending their disposal.

### Responsibilities of occupiers

Every occupier must ensure that:

- Reasonable access is provided into their letting in order for the manager to undertake any work required under the Management Regulations.
- Reasonable care is taken to avoid damage to any items which the manager has responsibility to supply, maintain or repair under the Management Regulations.
- Store and dispose of litter in accordance with the arrangements made by the manager under the Management Regulations.
- Comply with the reasonable instructions of the manager in respect of any means of escape from fire, the prevention of fire and the use of fire equipment.

It is an offence to fail to comply with the Regulations. The Tower Hamlets Council can prosecute or issue a civil penalty of up to £30,000 per offence when landlords or agents do not comply with the Regulations. If found guilty, on summary conviction the Court can impose an unlimited fine per breach.

## **ASBESTOS AND MMF (Manufactured Mineral Fibres)**

Occupants should not be exposed to the presence of airborne asbestos or MMF.

The presence, position and condition of any asbestos or MMF building materials should be determined and recorded by a qualified asbestos auditor. Any necessary action to remove or encapsulate shall be undertaken by an approved UKAS (NAMAS) contractor (i.e. a contractor licensed by the HSE).

## **Pest Control**

The dwelling should be free from pests and pest infestations (including, but not limited to rats, mice, pigeons, cockroaches, fleas, bed bugs) so that the occupants are not subjected to threats to their physical or mental health.

Where pests or pest infestations are found during occupation, a suitably qualified pest control contractor should be engaged to carry out all necessary treatments and other works to ensure the eradication of the pests.

Where pest control works are carried out within occupied dwellings, the occupier must be made aware of the location of any baits or other chemical treatments.

Any soft furnishings found to be infested with pests must be appropriately destroyed and replaced.

## **Noise**

The dwelling should be sited and maintained so that the occupants are not subjected to noise which would result in a threat to their physical or mental health.

All new flats/flat conversions should comply fully with current Building Regulations in respect of sound insulation. Older flats/flat conversions should comply as fully as possible with current Building Regulations.

Where there are excessive noise levels (e.g. from main road, rail lines, and adjacent noise producing commercial premises) noise mitigation measures (e.g. secondary glazing) should be installed to habitable room i.e. bedrooms, living rooms. Where noise mitigation measures are necessary, consideration should also be given to the presence of existing airbricks which must be replaced with acoustic vents.

## **The Smoke and Carbon Monoxide Alarm (England) Regulations 2015**

These Regulations require landlords in the private rented sector in England to ensure that a smoke alarm is installed on every storey of their rented dwelling when occupied under a tenancy, and that a carbon monoxide alarm is installed in any room which contains a solid fuel burning combustion appliance. They also require landlords to ensure that such alarms are in proper working order at the start of a new tenancy. There will also be an on-going requirement to maintain the alarms provided under these Regulations to ensure compliance with the HMO Management Regulations.

## **HMO Planning Permission and Building Regulation Approval**

On the 1 June 2021, Tower Hamlets Council introduced an Article 4 direction, which removes permitted development rights for the change of use from a dwelling house (use class C3) to a House in Multiple Occupation (HMO) (use class C4) across the whole Borough. From this date, change of use to an HMO will require full planning permission.

Planning and/or Building Regulation approval may be required where works are being undertaken to create an HMO or carry out alterations within an existing HMO. Compliance with these standards is not a substitute for securing any required planning permissions or building regulation approval.

HMOs with seven or more occupiers require planning permission and owners and managers are recommended to contact the Planning Service to clarify the planning status of the property.

## Children

These standards in relation to minimum room sizes for children the following criteria shall always apply:

- No bedroom can be let to a child under the age of **18** without a parent/legal guardian also occupying a bedroom in the HMO.
- No adult to share a room with a child other than, parents or same sex siblings.
- A child's bedroom will be lockable (thumb turn lock) with two keys provided to the parent/legal guardian.
- A bed shall be provided for exclusive use by the child.
- Where a child is under the age of ten, the minimum bedroom size is 4.64 m<sup>2</sup> (higher standards will apply in different circumstances, see below).
- Where a bedroom is provided for a child under the age of ten, the bedroom shall be adjacent too or directly across from the bedroom occupied by the parent/legal guardian of that child.
- Where a bedroom is provided for a child under the age of ten, the bedroom shall not contain any kitchen facilities or bathroom facilities.

## Gardens and Balcony

Where there is a garden or other outside space associated with the dwelling it shall be maintained, it shall be free of harbourage for rodents, free of refuse and detritus and articles that could cause harm (physically, chemically or biologically), e.g. items with cutting edges, gas cylinders, pesticides, etc. Where items of this nature are stored in the garden they should be stored in locked container, inaccessible to children. The garden should be safely & easily accessible to the children.

Balconies must have guarding to a height of at least 1100mm. Guarding should be designed to discourage children from climbing on it and should be strong enough to support the weight of people leaning against it. There shall be no gaps greater than 100mm in width.

## Windows

- Window sills (to windows on the first floor upwards or on the ground floor where there is a basement well) less than 1100mm shall be fitted with window restrictors. It shall be possible to override the window restrictors for escape purposes.
- All windows should have key operated locks with the exception of windows which are complying with fire regulations as part of a means of escape.
- Where windows don't have a lock in order to comply with fire regulations (eg, green button handle locks), then they must be either double glazed units or laminated glazing or fitted with a security film or have a metal grill. The window will also require a security latch.
- Windows for basement, ground floor or first floor dwellings that lead directly to a flat roof require restrictors to be fitted.

## Clothes Drying Facilities

Consideration should also be given to the provision of clothes drying facilities externally e.g. a rotary line or a suitably located and ventilated tumble dryer, etc.

Where appliances provided are likely to cause noise and/or vibration they are to be located in positions to minimise noise nuisance to neighbouring or adjoining property (vertically and horizontally) and to minimise noise/vibration transmission to sleeping accommodation within the HMO. All appliances must be fitted and

adjusted in position to avoid vibration and consideration given to the use of sound proofing and/or anti-vibration materials

## **Heating**

All units of accommodation must be equipped with adequate means of space heating. 'Adequate' will mean that heating must be available, if required, to all tenants at all times and be capable of heating habitable rooms to 21° when the outside temperature is -1°C and all other rooms to 18°C when the outside temperature is -1°C. Although provision for space heating may be centrally controlled such systems should be operated to ensure that occupants are not exposed to cold indoor temperatures and the amount of heating in each unit must be under the control of the occupying tenant.

The method of heating must be safe and should be efficient and affordable. A current gas safety certificate must be available where gas appliances are provided. Where heating is provided by a gas or electric central heating system, the gas or electricity supply must be via a quarterly credit meter and not a key or card meter (except where a system is exclusive to a self-contained flat).

A humidistat-controlled mechanical extractor must be provided where there is inadequate ventilation by means of a window.

## **Lighting**

As with any habitable room, the area of natural lighting provided must be equal to at least 1/10th of the floor area of the room and must be of appropriate shape and position to allow for reasonable daylight penetration throughout the room.

There should be sufficient natural light during daylight hours to enable normal domestic tasks to be carried out without eyestrain. It is particularly difficult to meet this requirement where the property abuts directly onto the footpath and the window depends on the provision of a bulkhead in the ceiling encroaching on the room above. It is necessary for the bulkhead to have sufficient depth to not interfere with the light distribution, but consideration must be given to the effect on the floor area and space in the room above.

Artificial lighting must be sufficient for the normal use of the room outside daylight hours and on dull days but will not be considered a viable alternative to adequate natural lighting.

Where practicable bathroom and toilet compartments shall also comply with this standard. Glazing to windows and doors in bathrooms and toilet compartments shall be obscure to protect privacy.

## **Ventilation**

Sufficient ventilation, preferably by natural means must be provided to ensure that the room is not unduly affected by excess heat during summer months and also to assist in ensuring that rooms are not affected adversely from dampness connected with condensation, especially basement. Generally, an opening window of at least 1/20th of the floor area of the room is considered sufficient. Trickle ventilation should also be provided to permit background ventilation without compromising security when the room is unoccupied or at night time, especially considering that such rooms often abut the public footpath. Artificial ventilation or air conditioning may be considered appropriate to provide in addition to natural means.

## **Free from damp**

Special attention needs to be given to the prevention of penetrating and rising dampness and condensation damp.

## Electrical power points

| Room            | Minimum number of power points:  |
|-----------------|--|
| Living Room     | 3 double sockets   |
| Double Bedrooms | 3 double sockets   |
| Single Bedrooms | 3 double sockets   |
| Kitchen         | 2 double sockets at worktop height, plus separate socket for fridge. Boiler to be on spur. Cooker to be on a separate 30amp circuit. |
| Landing or hall | 1 socket   |

## Refuse Storage and Disposal

Appropriate refuse storage facilities should be provided within dwellings with suitable access to disposal facilities. Refuse containers to be located away from habitable rooms. Where dwellings do not have a yard or garden to store refuse bins, suitable bins should be provided to permit storage without causing odours or attracting vermin or pests. In particular the management of a House in Multiple Occupation is a commercial activity and as such a manager may have to give consideration to increasing the facilities provided by the Local Authority to prevent refuse accumulations and to meet recycling requirements.

## Energy Performance Certificates

Where accommodation is let to a group of tenants or under a single tenancy agreement an Energy Performance Certificate must be made available to prospective tenants.

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (as amended)

These Regulations make it a requirement to currently only rent properties that have an Energy Performance Certificate (EPC) rating of 'E' or above (Although there are proposals to change this). Exemptions apply and a landlord must register an exemption. Guidance - <https://www.gov.uk/government/publications/private-rented-sector-minimum-energyefficiency-standard-exemptions>

Register - <https://prsregister.beis.gov.uk/NdsBeisUi/used-service-befor>

## Security

It is necessary that consideration is given to the security of the property and appropriate measures are taken to prevent 'Entry by Intruders' hazards.

### Kitchen layout

#### Examples of approved and poor layout

This layout is not suitable as neither the cooker nor the sink can be practically or safely used.



This layout meets the minimum requirements as there is adequate worktop to both sides of the cooker and suitably located extraction.

The cooker is in an unsafe location due to its proximity to the door.



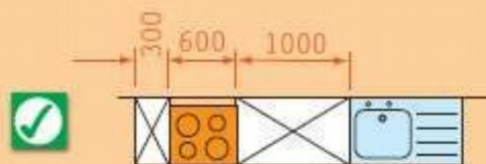
This cooker Location meets the minimum requirements for a suitably sited cooker with sufficient worktop to both sides of it.

## Examples of approved and poor layout



### Good practice

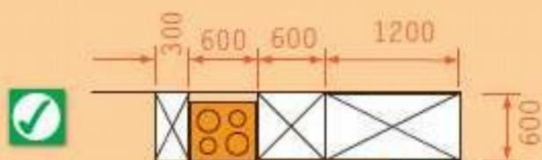
A satisfactory kitchen must be safe, convenient and must allow good hygiene practices. It must be possible to stand directly in front of the cooker and sink and to place utensils down on both sides of each. Worktops must be secure, level and impervious and must be of adequate size. Adjacent walls require splash-backs and power points must be suitably located.



#### This is the minimum provision for a kitchen.

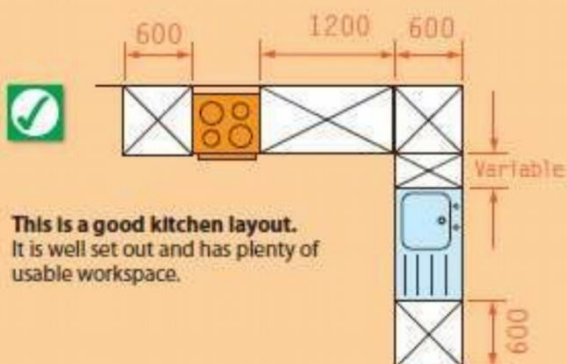
It incorporates worktop on both sides of the cooker and working space both sides of the sinkbowl.

Note 300mm is a minimum width and should be made wider where possible.



#### Alternative minimum layout.

This arrangement provides more workspace but could be further improved by giving more room in front of the sink (see below).



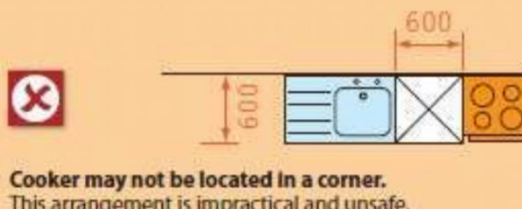
#### This is a good kitchen layout.

It is well set out and has plenty of usable workspace.



### Unacceptable

Cookers cannot be safely used if they are located in corners, do not have adequate worktop on both sides or are too close to sinks. Sinks require space to put dirty utensils on one side and clean on the other.



#### Cooker may not be located in a corner.

This arrangement is impractical and unsafe.



#### The sink bowl must not be located in a corner.

This is an impractical arrangement and because there is no worktop next to the bowl and it is impossible to separate clean and dirty utensils, it also creates a hygiene hazard.



Neither cooker nor sink can be practically or safely used with this arrangement.



The cooker is free-standing and improperly located in relation to the sink. Both the cooker and sink also lack worktops.

This arrangement is impractical and unsafe. Adding worktops will still not give a practical and safe kitchen.

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**Standard Conditions for the Additional Licensing Scheme in  
London Borough of Tower Hamlets  
Schedule 4 – Licence Condition under Part 2**

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**Property Address:**

**«address1» «address2» «address3» «address4» «address5»**

Licence No: «refno»

In these Conditions, “house” is meant to refer to the building or part of a building, which is licensed under Part 2 of the Housing Act 2004.

“Authority” refers to the local authority, namely the London Borough of Tower Hamlets

**1. Tenancy Management**

**Table of Occupation**

| Room             | Location          | Area                          | Maximum Number permitted for sleeping |
|------------------|-------------------|-------------------------------|---------------------------------------|
| Bedroom «Punit1» | «Plocation1»      | «Pfloor_area1» m <sup>2</sup> | «Ppermitted1»                         |
| Bedroom «Punit2» | «Plocation2»      | «Pfloor_area2» m <sup>2</sup> | «Ppermitted2»                         |
| Bedroom «Punit3» | «Plocation3»      | «Pfloor_area3» m <sup>2</sup> | «Ppermitted3»                         |
| Bedroom «Punit4» | «Plocation4»      | «Pfloor_area4» m <sup>2</sup> | «Ppermitted4»                         |
| Bedroom «Punit5» | «Plocation5»      | «Pfloor_area5» m <sup>2</sup> | «Ppermitted5»                         |
| Bedroom «Punit6» | «Plocation6»      | «Pfloor_area6» m <sup>2</sup> | «Ppermitted6»                         |
| Max household    | «Ppermitted_hhld» | Max Occupiers                 | «Ppermitted_occ»                      |
| <b>Notes:</b>    |                   |                               |                                       |

**Rooms that cannot be used for sleeping and living purposes**

| Room                 | Location or room size                  | ZERO |
|----------------------|--|------|
| Kitchen              |  | ZERO |
| Communal Living Room |  | ZERO |
| Bathroom\WC 1        |  | ZERO |
| Bathroom\WC 2        |  | ZERO |
| Any under sized room | <i>If not required delete this row</i> | ZERO |

**1.1 The licence holder/manager must ensure that:**

- a) the floor area of any room in the HMO used as sleeping accommodation by **one person** aged over 10 years is not less than 6.51 square metres;
- b) the floor area of any room in the HMO used as sleeping accommodation by **two persons** aged over 10 years is not less than 10.22 square metres;
- c) the floor area of any room in the HMO used as sleeping accommodation by **one person aged under 10 years** is not less than 4.64 square metres;
- d) to ensure that any room in the HMO with a floor area of **less than 4.64 square metres is not used as sleeping accommodation.**
- e) where any room in the HMO is used as sleeping accommodation by persons aged over 10 years only, it is not used as such by more than the maximum number of persons aged over 10 years specified in the licence;

- f) where any room in the HMO is used as sleeping accommodation by persons aged under 10 years only, it is not used as such by more than the maximum number of persons aged under 10 years specified in the licence;
- g) where any room in the HMO is used as sleeping accommodation by persons aged over 10 years and persons aged under 10 years, it is not used as such by more than the maximum number of persons aged over 10 years specified in the licence and the maximum number of persons aged under 10 years so specified.

**Please note: Any part of the floor area of a room in relation to which the height of the ceiling is less than 1.5 meters is not taken into account in determining the floor area of that room**

- 1.2 The licence holder/manager is prohibited from allowing a new resident to occupy\* the property and/or parts of the property if: -
- that occupation exceeds the maximum number of permitted persons in the property or,
  - that occupation exceeds the maximum number permitted for any unit of accommodation.

**\*A 'new resident' is a person not in occupation at the date the licence is issued.**

The licence holder shall ensure that the name, address, email and telephone number of the person responsible for managing the property is displayed in a prominent position in the common parts of the property. A 24 hour emergency telephone number should be provided and details of how to report any disrepair issues.

- 1.3 The Licence Holder shall ensure that a copy of the licence and licence conditions are displayed in a prominent position in the common parts of the property.
- 1.4 The licence holder must advise the Health and Housing Team directly, in writing or by email, if they plan to create or remove any rooms, bathrooms, WCs or kitchens in the property, at least 21 days before starting works.
- 1.5 The licence holder shall supply the occupiers of the property with a written statement of the terms on which they occupy the property and details of the arrangements in place to deal with repair and emergency issues. Copies of the written statement of terms must be provided to the Council within **21 days of a written request**.
- 1.6 The licence holder shall carry out the necessary right to rent checks for all tenants and obtain copies of the relevant documents for each tenant during the period of their tenancy. No new occupiers shall be allowed to occupy the property if they do not have the right to rent in the UK. Copies of the documents must be provided to the Authority within **21 days of a written request**.
- More information can be found at: <https://www.gov.uk/check-tenant-right-to-rent-documents/how-to-check>
- 1.7 The licence holder shall obtain references from persons who wish to occupy a letting in the property before entering into any tenancy, licence or other agreement with them to occupy the accommodation. No new occupiers shall be allowed to occupy the accommodation if they are unable to provide a satisfactory reference. Copies of the documents must be provided to the Authority within **21 days of a written request**.
- 1.8 When rent or licence fees are collected or received from the occupiers in cash form, a written receipt must be given to the occupiers, within 7 days of receiving or collecting the cash payment. (This can be an email confirming to the tenant, the date and amount paid.) Copies of the rent receipts and records must be provided to the Council within **21 days of a written request**.
- 1.9 The licence holder shall protect any deposit taken under an assured short-hold tenancy by placing it in one of the 3 statutory tenancy deposit schemes. The tenant(s) must be given the prescribed information about the scheme being used within 30 days of the deposit being protected. Copies of the documents must be provided to the Council within **21 days of a written request**.

**Any correspondence, letters and records referred on the conditions must be provided to the Authority within 21 days of written request.**

## **2. Reducing Anti-social behaviour**

- 2.1 The licence holder shall take all reasonable and practicable steps to prevent or reduce antisocial behaviour by persons occupying or visiting the house. All complaints of anti-social behaviour by occupants or their visitors shall be investigated and the following appropriate actions taken;
- The licence holder shall from the date of receipt of the complaint of antisocial behaviour, monitor any allegations of antisocial behaviour and whether it is continuing.
  - Where the antisocial behaviour is continuing after **28 days** from receipt of the complaint, the licence holder, or his agent must within **7 days** visit the property and issue the occupier with a warning letter advising them of the possibility of eviction.
  - Where the licence holder or his agent has reason to believe that the antisocial behaviour involves criminal activity the licence holder shall ensure that the appropriate authorities are informed.

- If after **14 days** of giving a warning letter the occupier has taken no steps to address the antisocial behaviour and the ASB is continuing the licence holder shall take formal steps under the written statement of terms of occupation, (e.g. the tenancy agreement or licence).
- Where the licence holder is specifically invited they shall attend any case conferences or multiagency meetings arranged by the Council or police.

2.2 The licence holder and his representatives will ensure that the tenant's right to quiet enjoyment of the property is respected. Where entry is required to the property for the purpose of undertaking landlord duties and responsibilities, the licence holder will ensure that the tenant receives at least 24 hours written notice of intention to enter the property specifying the reason entry is required. Only in emergency situations such as flood, fire or potential threat to life should these requirements be waived.

### 3 Fit and Proper Person

3.1 The licence holder must ensure that any persons involved with the management of the property must be a fit and proper person as per the definition under section 66 of the Housing Act 2004. The Licence Holder or their Managing Agent must inform the Council within **21 days** of any changes in their circumstances as a result of a conviction, or caution or civil penalty or any other fixed penalty notice in relation to the management or letting of properties.

3.2 The Licence Holder shall not cause or permit any person who has previously applied for a property licence in respect of the property and has either:  
(a) been found not to be a Fit and Proper person, or (b) been made subject to a Banning Order under the Housing and Planning Act 2016 to have control or management of the property, or to carry out or arrange any repair, improvement or other building works at the property.

### 4. Training

4.1 The licence holder shall upon request of the Council attend such training courses as required in relation to any applicable Code of Practice approved under the provisions of the Housing Act 2004 section 233.

### 5. Property Management

5.1 The licence holder shall ensure that regular inspections, at least six monthly, of the property are carried out to identify any problems relating to the condition and management of the property. The records of such inspections shall be kept for the duration of this licence. Copies of these must be provided to the Council within **21 days of a written request**.

5.2 The Licence Holder must arrange for access, to be granted to Council officers when requested, at any reasonable time (minimum notice requirement is 24hrs). They must not impede Council officers in carrying out their statutory duties including inspecting, surveying and investigating the property to ensure compliance with licence conditions and any other relevant legislation.

5.3

5.4 The licence holder shall ensure the property is maintained in reasonable repair and complies with The Management of Houses in Multiple Occupation (England) Regulations 2006 <https://www.legislation.gov.uk/uksi/2006/372/contents/made>

5.5 The licence holder must ensure that works of repair, improvement or treatment at the property are carried out by a competent person or persons, employed directly by the licence holder or an agent or employee of the licence holder.

5.6 The licence holder shall ensure that all gas installation and appliances are in safe condition at all times. The licence holder must have available a current valid gas safety certificate obtained within the 12 months. Copies of the certificate must be provided to the Authority within **7 days of a written request**.

5.7 The licence holder must have a current Electrical Installation Condition Report (EICR) for the fixed electrical installation in the parts of the property under their control. Any report should be less than five years old and copies must be provided to the Council within **7 days of a written request**.

5.8 The licence holder shall ensure that all electrical appliances provided in the property are in a safe condition. The licence holder must submit copies of the Portable Appliance Test (PAT) report for all electrical appliances that are supplied by the landlord to the Council within **7 days of a written request**.

5.9 All upholstered furniture and covers and fillings of cushions and pillows should comply with the requirements of the Furniture and Furnishings (Fire) (Safety) Regulations 1988 (as amended). The licence holder shall provide a declaration as to the compliance of such items to the Council within **21 days of a written request**.

5.10 The licence holder must ensure that the property has a valid Energy Performance Certificate which meets the current minimum energy efficiency standard (MEES) Regulations.  
More information can be found at: <https://www.gov.uk/guidance/domestic-private-rented-property-minimum-energy-efficiency-standard-landlord-guidance>

- 5.11 The licence holder shall carry out a fire risk assessment in accordance with The Regulatory Reform (Fire Safety) Order 2005 and take action to minimise the risk of fire in accordance with the assessment. A copy of the fire risk assessment must be provided to the Council within **7 days of a written request**.
- 5.12 The licence holder shall maintain all existing automatic fire detection systems and emergency lighting including smoke alarms in proper working order and must provide the Authority with a BS5839 test report relating to the fire alarm and detection system and/or a BS5266 test report relating to the emergency lighting within **21 days of a written request**.
- 5.13 As a minimum all properties must have a suitable mains-wired fire detection system and a means of escape that is adequately protected against smoke and flames should a fire arise in a kitchen, bedroom or other communal room. A smoke alarm should be installed on each storey of the property on which there is a room used wholly or partly as living accommodation. (A bathroom or lavatory is to be treated as a room used as living accommodation). Please consult the case study in Part D of the LACORS guide that closest match the property and adopting those standards.
- 5.14 The licence holder must install a carbon monoxide alarm in all rooms containing a fixed combustion appliance (except gas cookers) of any fuel type and shall provide a declaration as to the condition and position of such alarms to the Authority within **21 days of a written request**. More information can be found in the Smoke and Carbon Monoxide Alarm (England) Regulations 2015.
- 5.15 The licence holder must ensure each letting has a system of fixed space heating capable of maintaining an indoor temperature of at least 21°C in habitable rooms, including bathrooms, when the outdoor temperature is -1°C. The system is to be efficient, suitably sized and have sufficient controls to enable the occupier to regulate the temperature within their letting.
- 5.16 The licence holder shall ensure that there are suitable provision for household recycling and rubbish which are sufficient for the number of occupants within the property. All recycling and rubbish containers must be provided with a dedicated and appropriate storage area. For more information see the link below:  
[https://www.towerhamlets.gov.uk/ignl/environment\\_and\\_waste/recycling\\_and\\_waste/Recycling\\_and\\_waste.aspx](https://www.towerhamlets.gov.uk/ignl/environment_and_waste/recycling_and_waste/Recycling_and_waste.aspx)
- 5.17 The licence holder must give new occupants, in writing and **within 7 days** of the start of their occupation, the following information on waste and recycling:
- The days on which the property's refuse and recycling bins are collected
  - Details about what occupants can and cannot recycle
  - How occupants can dispose of bulky waste.
- 5.18 The licence holder must not discard old furniture, bedding, rubbish or refuse from the property on the public highway or pavement immediately outside the property or on private land, other than presenting it for collection.
- 5.19 If/once the Licence Holder becomes aware that the occupiers of the property or their visitors are not using the waste disposal facilities provided and/or leaving waste outside the property or in its vicinity (for example old furniture, mattresses), they must write a warning letter to the occupiers within 7 days advising them to remove the items immediately. A copy must be kept and must be provided to the Council within 28 days on demand.
- 5.20 The licence holder shall take such steps as are necessary to treat eradicate any pest infestation and prevent recurrence as soon as the infestation is discovered. Such steps should include engaging a competent pest control contractor to undertake a survey of the whole property and undertaking such treatment and proofing works as required. Copies of the any pest control report must be provided to the Council within **21 days of a written request**.
- 5.21 The licence holder shall inform the Council's Health and Housing Team directly, in writing or by email, of the following within **7 days of the change occurring**:
- a) Any change in the ownership or management of the property.
  - b) Any change in address, email and/or telephone number for the licence holder and/or agent.

## 6. General

- 6.1 The licence holder/managing agent shall provide the Council with the following particulars with respect to the occupancy of the house within **7 days of a written request**:
- a) The names and numbers of individuals/households accommodated specifying the rooms they occupy within the property.
  - b) Number of individuals in each house hold.
  - c) Address and contact telephone number and/or email for the licence holder/Landlord/Freeholder/Leaseholder

- d) Address and contact telephone number and/or email for the manager/agent
- 6.2 The licence holder shall ensure that whilst any alteration or construction works are in progress all reasonable steps are taken to safeguard occupiers and visitors and to minimise disruption to occupiers and neighbours.
  - 6.3 The licence holder must advise the Council's Health and Housing Team in writing of any proposed changes to the construction, layout or amenity provision of the house that would affect the licence or licence conditions.
  - 6.4 The licence holder shall ensure that all outbuildings, yards and gardens are maintained in good repair, a clean condition and good order. All boundary walls and fences must be kept and maintained in good and safe repair.
  - 6.5 Outbuildings must not be used as residential accommodation and will not form part of the licence for the main dwelling.
  - 6.6 The licence is not transferable and may NOT be transferred to another person, organisation or property.
  - 6.7 If the licence holder is a registered company and is dissolved while the licence is in force, the licence ceases to be in force on the date of dissolution.
  - 6.8 The Licence and conditions do not imply or grant by inference or otherwise any approval or permission for any other purposes including those for Building Control, Development Control and under The Regulatory Reform (Fire Safety) Order 2005.
  - 6.9 Conversely compliance with any of those requirements does not confer or imply compliance with the requirements of the Housing Act 2004 including property licensing.

Any requirements relating to the licence and conditions are without prejudice to assessments and appropriate actions including enforcement actions under the Housing Act 2004. This includes actions to deal with category 1 and category 2 hazards as may be identified under Housing Health and Safety Rating System (HHSRS).

**FAILURE TO COMPLY WITH ANY LICENCE CONDITION IS A CRIMINAL OFFENCE AND MAY LEAD TO ENFORCEMENT ACTION BEING INSTIGATED. UPON CONVICTION THIS MAY RESULT IN AN UNLIMITED FINE OR PENALTY CHARGE NOTICES FOR EACH OFFENCE AND REVOCATION OF THE LICENCE**

## **Other Statutory and Legal Requirements**

### **Planning Permission**

This licence does **not** grant any planning approvals, consents or permissions under the Town and Country Planning Act 1990 or any related planning legislation, retrospectively or otherwise. If the property is being used as a House in Multiple Occupation (HMO) this may constitute a breach of planning control and you should check the Council's website to ensure the correct planning permissions are in place:

This licence does not offer any protection against enforcement action taken by the Planning Department. If you are unclear on the matters outlined above, you should seek professional planning advice.

### **Building Control**

This licence does **not** grant any Building Control (Development Control) approvals, consents or permissions, retrospectively or otherwise. This licence does **not** offer any protection or excuse against enforcement action taken by the Building Control (Development Control) Department.

### **Property Condition**

This licence is **not** evidence that the property is safe or free from hazards and defects. The licence does not offer any protection against criminal or civil legal action being taken against the licence holder, or anyone else with an interest in the property, in respect of any hazards, nuisances or any other problems discovered in relation to the condition of the property.

### **Consumer Rights & Unfair Practices**

The licence holder's attention is drawn to Office of Fair Trading's (OFT) guidance on unfair contracts in relation to their tenancies or licences. The licence holder must negotiate its agreements in good faith and must not carry out misleading or aggressive commercial practices. Full information should be supplied to any prospective occupier including details of this licence. For further advice, please visit:

<https://www.gov.uk/government/publications/unfair-contract-terms-cma37>

<https://www.gov.uk/government/publications/unfair-terms-in-tenancy-agreements--2>

It is not the responsibility of the Council's Health and Housing Team Team to ensure the licence holder has complied with the above statutory requirements. If you are unclear on any of the matters outlined above, you should seek professional advice.

### **Contraventions & Prosecutions**

Please note that any prosecutions, enforcement action or legal action taken against the licence holder, or anyone associated with licence holder, or the management of the property, may affect the licence holder's 'fit and proper' status. The Council can revoke or vary the licence at any time, giving proper statutory notice.

Service Requests against additional licensed premises 1/4/19 until 1/12/22

| Wards                           | Potential Additional licensable property | Confirmed Additional licensable property under investigation | Application Pending Additional licence | Additional licensed property | Additional licence temporary exemption application pending | Additional lic temporary exemption granted | Grand Total |
|---------------------------------|--|--|--|------------------------------|--|--|-------------|
| BBB BROMLEY BY BOW              |  |  |  | 1                            |  |  | 1           |
| BCT Blackwall and Cubitt Town   | 19                                       |  | 4                                      | 49                           | 1  | 1  | 74          |
| BGR Bethnal Green East          | 30                                       |  | 1                                      | 71                           |  |  | 102         |
| BGS BETHNAL GREEN SOUTH         | 1  |  |  |                              |  |  | 1           |
| BRN Bromley North               | 10                                       |  | 3                                      | 18                           |  |  | 31          |
| BRS Bromley South               | 1  |  | 3                                      | 20                           |  |  | 24          |
| BWE Bow East                    | 13                                       |  |  | 28                           |  |  | 41          |
| BWW Bow West                    | 9  |  | 6                                      | 38                           |  |  | 53          |
| CNW Canary Wharf                | 9  |  | 2                                      | 35                           |  |  | 46          |
| ISG Island Gardens              | 11                                       |  |  | 35                           |  |  | 46          |
| LAS Lansbury                    | 14                                       |  |  | 45                           |  |  | 59          |
| LMH Limehouse                   | 5  |  | 5                                      | 8                            |  |  | 18          |
| MIE Mile End                    | 25                                       |  | 10                                     | 45                           |  |  | 80          |
| MLW MILLWALL                    | 1  |  |  |                              |  |  | 1           |
| POP Poplar                      | 10                                       |  | 4                                      | 20                           |  |  | 34          |
| SDU St. Dunstan's               | 14                                       | 3  | 3                                      | 32                           | 1  |  | 53          |
| SHD Shadwell                    | 17                                       |  | 5                                      | 32                           |  |  | 54          |
| SKW St. Katharine's and Wapping | 8  |  | 2                                      | 27                           |  |  | 37          |
| SPB Spitalfields and Banglatown |  |  |  | 5                            |  |  | 5           |
| SPE Bethnal Green West          | 13                                       |  | 3                                      | 58                           | 1  |  | 75          |
| STG Stepney Green               | 5  |  |  | 21                           |  |  | 26          |
| WHI Whitechapel                 |  |  | 2                                      | 1                            |  |  | 3           |
| WVR Weavers                     | 1  |  |  | 1                            |  |  | 2           |
| <b>Grand Total</b>              | <b>216</b>                               | <b>3</b>   | <b>53</b>                              | <b>590</b>                   | <b>3</b>   | <b>1</b>                                   | <b>866</b>  |

Noise complaints from against additional licensed premises 1/4/19 to 1/12/22

| Wards                           | Premises Usage                           |  |                              |  |             |
|---------------------------------|--|--|------------------------------|--|-------------|
|                                 | Potential Additional licensable property | Application Pending Additional licence | Additional licensed property | Additional licence temporary exemption application | Grand Total |
| BCT Blackwall and Cubitt Town   | 1  | 1                                      | 24                           | 1  | 27          |
| BGR Bethnal Green East          |  |  | 78                           |  | 78          |
| BRN Bromley North               |  |  | 14                           |  | 14          |
| BRS Bromley South               | 1  |  | 20                           |  | 21          |
| BWE Bow East                    | 10                                       | 1                                      | 31                           |  | 42          |
| BWW Bow West                    | 7  | 1                                      | 60                           |  | 68          |
| CNW Canary Wharf                | 4  |  | 8                            |  | 12          |
| ISG Island Gardens              | 1  | 2                                      | 34                           |  | 37          |
| LAS Lansbury                    | 2  | 2                                      | 23                           |  | 27          |
| LMH Limehouse                   |  |  | 10                           |  | 10          |
| MIE Mile End                    | 4  | 2                                      | 48                           |  | 54          |
| POP Poplar                      | 1  |  | 12                           |  | 13          |
| SDU St. Dunstan's               | 6  | 3                                      | 12                           |  | 21          |
| SHD Shadwell                    | 12                                       |  | 25                           |  | 37          |
| SKW St. Katharine's and Wapping | 43                                       | 1                                      | 28                           |  | 72          |
| SPB Spitalfields and Banglatown |  |  | 2                            |  | 2           |
| SPE Bethnal Green West          | 2  | 2                                      | 71                           |  | 75          |
| STG Stepney Green               |  |  | 21                           |  | 21          |
| WHI Whitechapel                 | 3  |  |                              |  | 3           |
| WVR Weavers                     |  |  | 4                            |  | 4           |
| <b>Grand Total</b>              | <b>97</b>                                | <b>15</b>                              | <b>525</b>                   | <b>1</b>   | <b>638</b>  |



Surveys of known additional licensed properties

| <b>Wards</b>                    | <b>Total</b> |
|---------------------------------|--------------|
| BCT Blackwall and Cubitt Town   | 150          |
| BGN BETHNAL GREEN NORTH         | 1            |
| BGR Bethnal Green East          | 71           |
| BRN Bromley North               | 12           |
| BRS Bromley South               | 36           |
| BWE Bow East                    | 55           |
| BWW Bow West                    | 216          |
| CNW Canary Wharf                | 228          |
| ISG Island Gardens              | 262          |
| LAS Lansbury                    | 38           |
| LMH Limehouse                   | 11           |
| MEE MILE END EAST               | 1            |
| MIE Mile End                    | 53           |
| MLW MILLWALL                    | 2            |
| POP Poplar                      | 36           |
| SDU St. Dunstan's               | 49           |
| SHD Shadwell                    | 47           |
| SKW St. Katharine's and Wapping | 65           |
| SPB Spitalfields and Banglatown | 4            |
| SPE Bethnal Green West          | 110          |
| STG Stepney Green               | 33           |
| WHI Whitechapel                 | 9            |
| WVR Weavers                     | 4            |
| <b>Grand Total</b>              | <b>1493</b>  |

Current licensed properties

| <b>Wards</b>                  | <b>Total</b> |
|-------------------------------|--------------|
| BCT Blackwall and Cubitt Town | 367          |
| BGR Bethnal Green East        | 536          |
| BRN Bromley North             | 152          |
| BRS Bromley South             | 234          |
| BWE Bow East                  | 249          |
| BWW Bow West                  | 374          |
| CNW Canary Wharf              | 267          |
| ISG Island Gardens            | 248          |

|                                 |             |
|---------------------------------|-------------|
| LAS Lansbury                    | 313         |
| LMH Limehouse                   | 127         |
| MIE Mile End                    | 431         |
| POP Poplar                      | 172         |
| SDU St. Dunstan's               | 285         |
| SHD Shadwell                    | 236         |
| SKW St. Katharine's and Wapping | 223         |
| SPB Spitalfields and Banglatown | 45          |
| SPE Bethnal Green West          | 574         |
| STG Stepney Green               | 191         |
| WHI Whitechapel                 | 53          |
| WVR Weavers                     | 13          |
| (blank)                         | 54          |
| <b>Grand Total</b>              | <b>5144</b> |



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## Consultation on additional licensing in Tower Hamlets

Tower Hamlets Council

**Final report**  
**May 2023**

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# Project details and acknowledgements

|                       |   |
|-----------------------|---|
| <b>Title</b>          | Consultation on additional licensing in Tower Hamlets |
| <b>Client</b>         | Tower Hamlets Council                                 |
| <b>Project number</b> | 22177   |
| <b>Author</b>         | Karen Etheridge                                       |

M·E·L Research would like to thank the Council for their support with the consultation. We would also like to thank residents, tenants, landlords, agents and other stakeholders in the borough and neighbouring areas for taking part in the consultation.



**M·E·L Research**

Somerset House, 37 Temple St, Birmingham, B2 5DP

[info@melresearch.co.uk](mailto:info@melresearch.co.uk)

[melresearch.co.uk](http://melresearch.co.uk)

0121 604 4664



## Executive summary

The private rented sector is a significant and growing proportion of the overall housing stock in Tower Hamlets. At 40% (around 53,000 households), it is the largest housing tenure in the borough. The sector is therefore meeting an essential need, and as the population continues to grow, particularly amongst younger age groups, this is unlikely to change for the foreseeable future.

The Council has been running an Additional Licensing scheme across the majority of the borough since 2019. This applies to all Houses in Multiple Occupation (HMOs) that are not licensable under the Mandatory Licensing scheme. This includes smaller HMO properties that are privately rented, where they are occupied by three or four unrelated people, forming two or more households, who share amenities such as a kitchen or bathroom. For example, house and flat shares and bedsits.

A review of the existing Additional Licensing scheme was commissioned, and the report<sup>1</sup> recommended that the scheme is extended borough-wide and for a further five years from 2024. Following this report, the Council is proposing to introduce an Additional Licensing scheme. As part of the licensing considerations, Tower Hamlets Council commissioned M·E·L Research, as an independent research organisation, to carry out a consultation on the proposal. The proposal includes the areas of Weavers, Whitechapel, Spitalfields and Banglatown, which were excluded from the current scheme, so that the scheme would be borough-wide.

This executive summary provides the main findings from the consultation undertaken in Tower Hamlets, which ran for 14 weeks, from 12<sup>th</sup> December 2022 to 31<sup>st</sup> March 2023. In total, 562 respondents took part in the survey, along with feedback provided via other forums and via written statements, as well as 8 stakeholder interviews. Opportunities to participate in the consultation were provided as follows:

- Online survey (166 respondents)
- Face to face survey across the borough (396 respondents)
- 4 online public meetings (51 participants)
- Written responses (5 organisations)
- Stakeholder interviews (8 organisations).

---

<sup>1</sup> 'Review of Additional Licensing Scheme for PRS properties in Tower Hamlets', Mayhew Harper Associates Ltd (2022)

## Key headlines

### Proposal for Additional Licensing in Tower Hamlets

The table below provides a summary of opinion on key questions on the renewal of additional licensing, including the currently exempted areas, the proposed standards and conditions of the licence, and the licence fees.

**Table 1: Responses on Additional Licensing in Tower Hamlets proposal (overall and by respondent group)**

|  | Overall    | Resident | Private tenant | Private landlord / agent | Other |
|--|------------|----------|----------------|--------------------------|-------|
| Agree with renewal of AL                                     | <b>72%</b> | 76%      | 81%            | 26%                      | 67%   |
| Disagree with renewal of AL                                  | <b>14%</b> | 9%       | 4%             | 60%                      | 33%   |
| Agree with exemption areas included                          | <b>70%</b> | 74%      | 75%            | 34%                      | 33%   |
| Disagree with exemption areas included                       | <b>12%</b> | 8%       | 6%             | 44%                      | 67%   |
| Licence conditions on space reasonable                       | <b>78%</b> | 79%      | 88%            | 45%                      | 83%   |
| Licence conditions on space unreasonable                     | <b>15%</b> | 13%      | 8%             | 40%                      | 17%   |
| Licence conditions on kitchen facilities reasonable          | <b>76%</b> | 76%      | 82%            | 64%                      | 67%   |
| Licence conditions on kitchen facilities unreasonable        | <b>16%</b> | 17%      | 12%            | 25%                      | 33%   |
| Licence conditions on washing/toilet facilities reasonable   | <b>75%</b> | 75%      | 81%            | 54%                      | 67%   |
| Licence conditions on washing/toilet facilities unreasonable | <b>18%</b> | 18%      | 13%            | 34%                      | 17%   |
| Agree with the proposed licence fee                          | <b>43%</b> | 51%      | 45%            | 7%                       | 33%   |
| Disagree with the proposed licence fee                       | <b>32%</b> | 25%      | 27%            | 75%                      | 50%   |

### Renew the Additional Licensing scheme in Tower Hamlets

Seven out of ten (72%) respondents agree with the proposal to renew the Additional Licensing scheme in Tower Hamlets, whilst 14% disagree.

- Private tenants in Tower Hamlets are more supportive of the proposal, with 81% agreeing
- Landlords are least in favour, with 60% disagreeing.

### Extension of the scheme to include the exempted wards

70% agree with the proposal to extend the scheme to include the currently exempted areas of Weavers, Whitechapel, Spitalfields and Banglatown, whilst 12% disagree.

- Around three quarters of residents (74%) and private tenants (75%) in Tower Hamlets agree with the exemption areas being included in the Additional Licensing scheme.
- 44% of landlords and agents disagree (44%).

### **Licenses required for PRS properties with 3 or more non-related tenants**

Around six out of ten (61%) agree that a licence should be required only for these properties, whilst a fifth (20%) disagree.

- Around two thirds of residents (65%) and private tenants of (66%) Tower Hamlets agree that licences should be required for these properties.
- Over half of landlords (54%) disagree.

### **Inclusion of 257 HMOs**

Two thirds of respondents (66%) agree that including Section 257 HMOs in the scheme (self-contained flats/dwellings, converted prior to Building Regulations 1991) will help to improve the quality of private rented housing. Around one in ten (11%) disagree.

- Over seven in ten residents and private tenants (both 72%) agree.
- A higher proportion of landlords disagree (44%) than agree (26%).

### **Proposed amenity standards**

Just under seven in ten (69%) agree that the proposed amenity standards will improve the quality and standards of HMOs. One in eight (12%) disagree.

- Around three quarters of private tenants (75%) and residents (73%) of Tower Hamlets agree.
- Almost half of landlords disagree (48%).

### **Proposed conditions and standards**

The Council has set out requirements on the conditions and standards of HMO properties, which include standards on space, on kitchen facilities and on washing and toilet/WC facilities. Standards on space are felt to be the most reasonable of the proposals.

- Around three quarters of all respondents are supportive of all of the standards proposed, with 75%-78% feeling they are reasonable, whilst 15%-18% feel they are unreasonable.



- Private tenants are more positive about the conditions and standards than other groups, in particular with the standards on space (88%).
- Landlords are least supportive of standards on space, with 40% feeling they are unreasonable (with 45% as reasonable). However, a slightly higher proportion of landlords feel the standards are reasonable than unreasonable across all three standards.

### Licence fees

A higher proportion of respondents believe the proposed licence fee of £600 for a five-year licence (subject to increases from April 2024/25, normally by inflation) is reasonable (43%) compared to unreasonable (32%). One in five (20%) neither agree nor disagree.

- Around half of residents (51%) agree that it is reasonable, with a slightly lower proportion of private tenants agreeing (45%).
- The vast majority of landlords disagree that the proposed licence fee is reasonable (75%), with only 7% saying it is reasonable.

### Other comments about the proposal

When asked whether there were any further comments about the proposals, the most common responses were around concerns that **costs will be passed onto tenants and rents will rise** (38 comments), followed by **generally agreeing with/in favour of the scheme** (24 comments) and that the scheme will have a **positive impact on the area and remove criminal landlords** (22 comments).

### Views from the online public meetings

Four public meetings were undertaken online, with an opportunity for questions and feedback on the proposals to be given by participants. Key themes from the meetings are as follows:

- Attitudes were mixed across the groups – some landlords felt that there were benefits to the scheme such as ensuring good property standards, whilst others felt it was very harsh for good landlords.
- Some landlords felt that they are being penalised to pay for rogue landlords. A few participants did ask how the council would tackle criminal landlords
- Not all landlords were sure of how the Additional Licensing scheme would work with properties that are smaller HMOs currently licenced under the Selective Licensing scheme.
- A number of landlords and agents felt the licensing application process was very lengthy in terms of the forms and volume of information and wondered if that could be simplified/shortened. Others felt that the time to process applications was very long and some were unsure whether they had

been issued a licence even though they had paid the fee. Others said they had not been inspected and therefore questioned why a new scheme was needed.

- In terms of fees, some participants asked for greater transparency around the fees and how they are calculated.
- There were a number of questions around living rooms being used as bedrooms and whether that was permissible.

## **Views from Stakeholders on licensing proposals**

The main findings that came out of the stakeholder interviews are as follows:

### **Views overall**

Council teams were in favour of Additional Licensing. The police were also in support of any form of regulating the private rented sector to improve conditions. Tenancy groups, such as Justice for Tenants and Shelter were also in favour.

Landlord/agent groups were more concerned about the scope of the scheme and both suggested it would be more beneficial and practical for the Council to take a more targeted approach rather than a broad brush approach (both geographically and in terms of types of HMOs). They also felt that inspections should occur as early as possible to head off any issues, with concerns raised about the resources that Tower Hamlets has to deal with the scheme.

### **Proposed borough wide scheme**

Landlord/agent groups felt that the Council has a huge task on its hands due to the size of the PRS in Tower Hamlets, and therefore both the NRLA and Safeagent suggested it would be more beneficial and practical for the council to take a staggered approach to focus on problem areas rather than tackle the whole borough. Concerns around the overlap/ Selective Licensing properties that would require Additional Licences needs to be carefully considered by the Council.

All other partners felt that a borough wide scheme would be more straightforward for landlords, residents and tenants to understand in terms of HMOs, although many felt that inspections need to happen to ensure that the scheme is not merely a paper exercise.

### **Impact of the licensing scheme**

Council teams and Justice for Tenants felt that the licencing scheme has had a positive impact, in terms of dealing with named individuals and agents (the licence holder/managing agent) when issues with either disrepair or with the tenants needed to be addressed. Trading standards had also found they are

more easily able to check on letting managing agents are operating legally, with the correct schemes in place (such as redress or client money protection schemes). On the other hand, the evidence did not suggest that enforcement has been used widely by the Council and other measures could be put in place to measure the impact of the scheme in future, including health outcomes, financial penalties – this would help landlords see the impact that licensing has in addressing non-compliant landlords and poor standards in the private rented sector.

### **Wider comments**

Tenant advocate groups, Shelter and Justice for Tenants felt that licensing helps tenants to understand more about their rights if schemes are well communicated, as in many cases they deal with, it is invariably a lack of knowledge and confidence about what rights tenants have in renting properties.

Landlord/agent groups felt that the Council would get greater buy in from landlords if they work collaboratively with them, giving them pragmatic and realistic timeframes where issues were identified with properties, and give them support through landlord forums for example, or another mechanism to help/signpost other services to landlords when they have issues.

# Introduction

The private rented sector (PRS) in England has grown from 1 in 10 households in 2004, to 1 in 5 households in 2021 (21%). At 40% (around 53,000 households), private rented sector housing is a significant and growing proportion of the overall housing stock in Tower Hamlets. The sector is therefore meeting an essential need, and as the population continues to grow, particularly amongst younger age groups, this is unlikely to change for the foreseeable future.

The Council has been running an Additional Licensing scheme since 2019 in all areas of the borough except Weavers, Whitechapel and Spitalfields and Banglatown. The proposed scheme would commence at the end of the current scheme (April 2024). This proposal includes the areas of Weavers, Whitechapel, Spitalfields and Banglatown, which were excluded from the current scheme.

To implement a borough-wide Additional Licensing scheme, the Council must consider that a significant proportion of HMOs in the area are being managed sufficiently ineffectively as to give rise, or likely to give rise, to one or more particular problems for those occupying the HMOs or for members of the public. The Council commissioned an independent review into the effectiveness of the existing scheme by looking at all available data. Mayhew Harper Associates Ltd produced a report in 2022 entitled '**Review of Additional Licensing Scheme for PRS properties in Tower Hamlets**'. The review found that the task of improving standards in Tower Hamlets has made progress, 'but the size of that task continues to grow and remains challenging'. The report recommended that the scheme is extended borough-wide and for a further five years from 2024, but that the scheme is also adequately resourced.

The Council believes that the report provides sufficient data and evidence for an Additional Licensing scheme to continue and are proposing for the scheme continued and rolled out borough-wide. The scheme would run from April 2024 for a five year period. The objectives of the scheme are to:

- to support and ensure landlords continue to improve the conditions and management of privately rented properties across the borough and that they are made aware of the standards required with managing property within Tower Hamlets,
- to enable the identification and potential inspection/audit of smaller HMOs over the licensing period to ensure standards are met,
- to support renters so that they are aware of the standards that they can expect and help when things go wrong,
- to complement other housing initiatives that the Council undertakes, such as – fuel poverty, cost of living, to work with landlord and renters' organisations to promote safe and compliant homes,
- to continue with an active enforcement programme against criminal and exploitative landlords and their agents,

- to ensure all residential letting agents are fully compliant with consumer protection and rights legislation,
- to ensure that the sector funds its own regulation.

## Public consultation

The public consultation took place over a 14 week period, from 12<sup>th</sup> December 2022 to 31<sup>st</sup> March 2023. A range of methods were used to consult with local residents, tenants, landlords, agents, businesses and organisations in Tower Hamlets, local stakeholders and neighbouring local authority areas. A range of different publicity and communications were used by Tower Hamlets, outlined in Appendix B.

### Consultation methods

The main methods of engagement used to gather responses as part of the consultation, and results of each, are outlined in more detailed below, including response rates received. In total, 562 people took part in the survey.

#### 1. Online survey

The online consultation was widely promoted by the Council (see Appendix B) and encouraged landlords, agents, tenants, residents and other interested parties to participate. In total, 166 responses were received to the online consultation. A breakdown of responses by respondent type is provided in the table below. A higher proportion of owner occupiers and landlords responded to the online survey, compared to private tenants or businesses.

**Table 2: Respondent profile to the online survey (multiple options allowed)**

| Respondent type                           | Count      |
|---|------------|
| Owner occupier                            | 64         |
| Private tenant                            | 28         |
| Social housing tenant                     | 13         |
| Landlord                                  | 60         |
| Letting or managing agent                 | 3          |
| Business owner in Tower Hamlets           | 16         |
| Other                                     | 2          |
| <b>Total respondents to online survey</b> | <b>166</b> |

#### 2. Face to face household survey

A door-to-door, face-to-face survey was undertaken with 396 residents from across the borough and results are broadly representative by ward, gender and age. Based on a total estimated population

(Census 2021) of 310,300 in the borough, the results provide a margin of error of +/-4.92% . A breakdown of respondent type is shown below.

**Table 3: Respondent profile to the face to face survey (multiple options allowed)**

| Respondent type                                 | Count      |
|---|------------|
| Owner occupier                                  | 80         |
| Private tenant                                  | 174        |
| Social housing tenant                           | 132        |
| Landlord  | 5          |
| Letting or managing agent                       | 7          |
| Business owner in Tower Hamlets                 | 0          |
| Other   | 1          |
| <b>Total respondents to face to face survey</b> | <b>396</b> |

### 3. Online public meetings

We ran four online consultation meetings for those interested in attending, where the proposals were presented and an opportunity for questions and feedback was given for participants for us to gather views about the proposal. These were held across a series of dates, with different days of the week and different times, to provide sufficient opportunity for people to get involved.

**Table 4: Online meeting attendees**

| Date   | Number of participants |
|--|------------------------|
| Thursday 26 <sup>th</sup> January 2023 (12-1.30pm) | 17                     |
| Tuesday 28 <sup>th</sup> February 2023 (6-7.30pm)  | 13                     |
| Wednesday 15 <sup>th</sup> March 2023 (12-1.30pm)  | 18                     |
| Monday 27 <sup>th</sup> March 2023 (5.30-7pm)      | 3                      |
| <b>TOTALS</b>                                      | <b>51</b>              |

### 4. Stakeholder interviews

A number of stakeholders were invited to take part in an interview undertaken by M·E·L Research staff as part of the consultation. The council provided a list of potential stakeholders and although attempts were made to contact all organisations, eight organisations took part in the consultation. A full list of those that took part is detailed in Section 3.

### 5. Written responses

In addition, 5 organisations submitted a written response to the consultation. These full responses are included in the Appendix C.

## Reporting conventions

We have used the term 'landlord' in this report to collectively refer to landlord, letting or managing agents. We have also grouped owner occupiers and social tenants to create a group called 'residents'. Due to the smaller number of respondents from businesses and 'other' types of respondents, these have been combined as 'other'. Responses from this group have been included in the charts for completeness, but not reported on in the text due to the very small number of respondents.

Owing to the rounding of numbers, percentages displayed visually on graphs or charts in the report may not always add up to 100% and may differ slightly when compared with the text. The figures provided in the text should always be used. For some questions, respondents could give more than one response (multiple choice). For these questions, the percentage for each response is calculated as a percentage of the total number of respondents and therefore percentages do not add up to 100%.

The consultation findings have been reported overall, combining results by method of consultation and by type of respondent (resident, private tenant, landlord/agent, other). Base sizes are shown in brackets or under the charts.

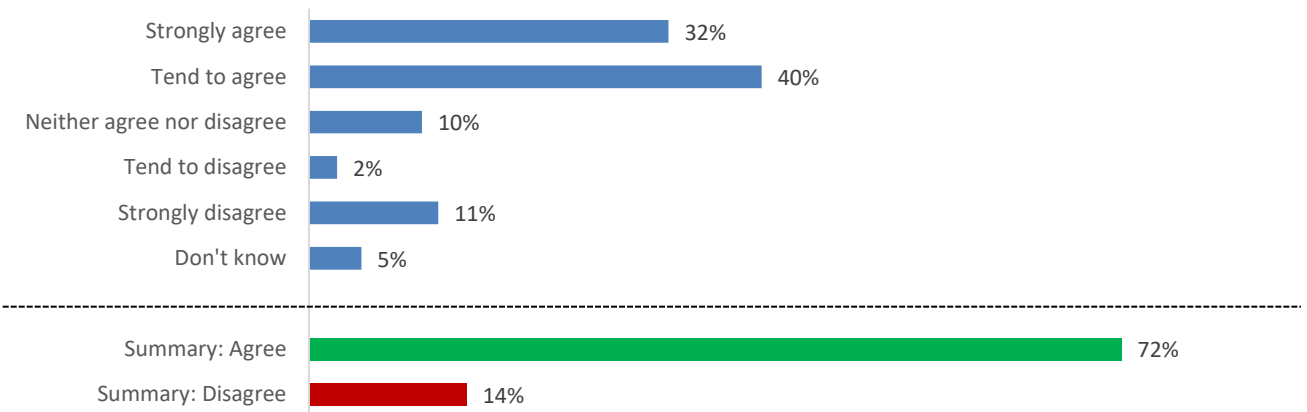
# 1. Survey results

This section of the report presents the results from the surveys. Results are shown for responses to the Additional Licensing survey and broken down into subgroups where possible. The online survey contained a broader list of questions, which are presented separately at the end of the section.

## Proposal on Additional Licensing

Respondents were asked whether they agree or disagree with the general proposal for renewing the Additional Licensing scheme in Tower Hamlets. Around seven out of ten (72%) respondents agree with the proposal, whilst 14% disagree.

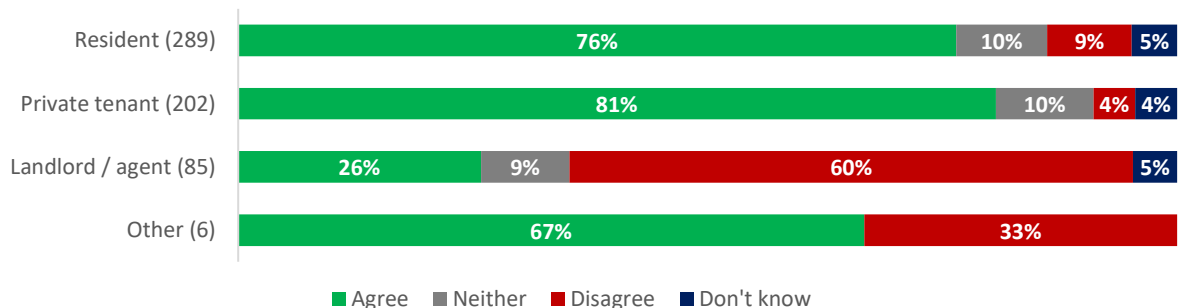
**Figure 1: To what extent do you agree or disagree with the general proposal for renewing the additional licensing scheme for Tower Hamlets?**



Sample base: 562

Private tenants in Tower Hamlets are more supportive of the proposal, with 81% agreeing. A majority of residents of Tower Hamlets were also in support, with 76% agreeing. Landlords are least in favour, with 60% disagreeing.

**Figure 2: To what extent you agree or disagree with the general proposal for renewing the additional licensing scheme for Tower Hamlets? (by respondent type)**

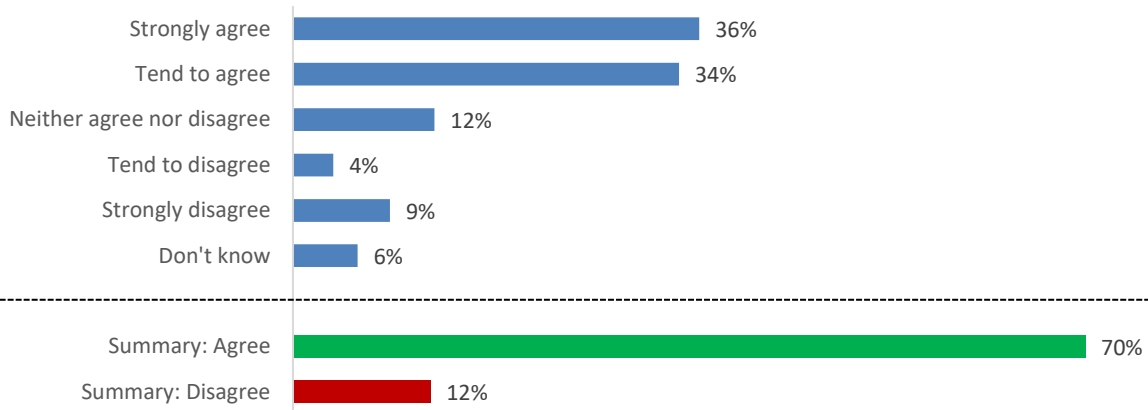


Sample base: Bases in parentheses



Respondents were asked whether they agree or disagree with the proposal to extend the scheme to include the currently exempted areas of Weavers, Whitechapel, Spitalfields and Banglatown. 70% agree with the proposal, whilst 12% disagree.

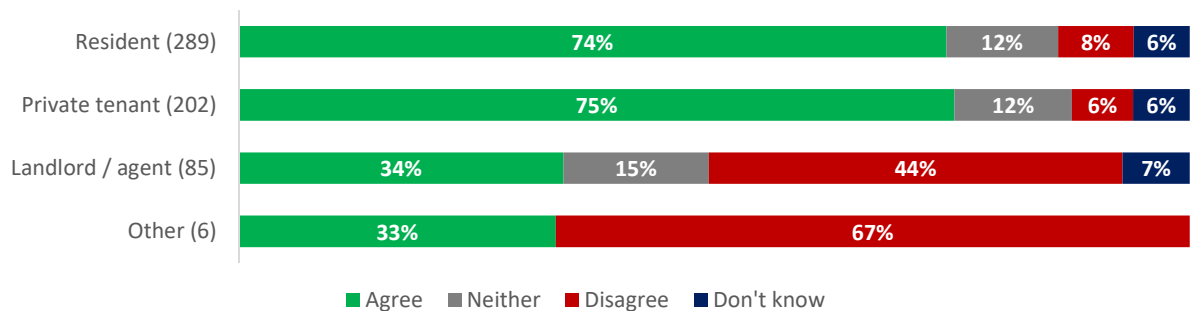
**Figure 3: To what extent do you agree or disagree that the exemption areas should be included?**



Sample base: 562

Residents (74%) of Tower Hamlets and private tenants (75%) are more likely to agree with the exemption areas being included in the Additional Licensing scheme, compared to landlords and agents (34%). A higher proportion of landlords/agents disagree with the inclusion (44%).

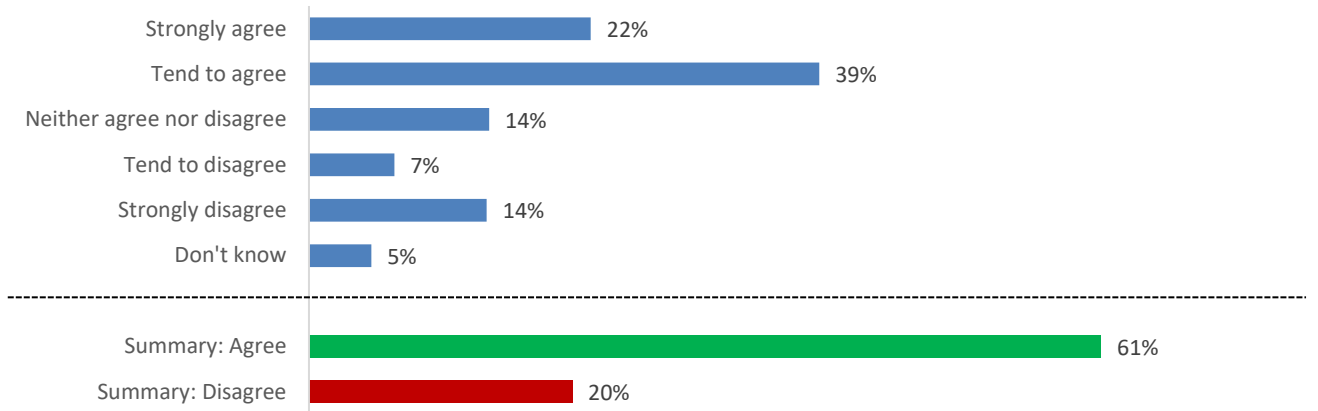
**Figure 4: To what extent do you agree or disagree that the exemption areas should be included? (by respondent type)**



Sample base: Bases in parentheses

Respondents were asked whether they agree or disagree with the proposal that licences should be required only for privately rented properties with three or more non-related tenants sharing a kitchen or bathroom in Tower Hamlets. Around six out of ten (61%) agree that a licence should be required only for these properties, whilst a fifth (20%) disagree.

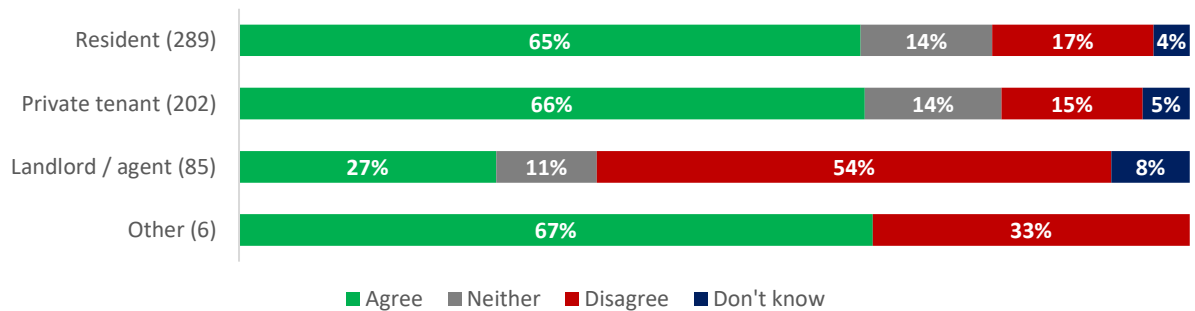
**Figure 5: To what extent do you agree or disagree with Additional licensing proposal that licences should be required only for the privately rented properties with three or more non- related tenants sharing a kitchen or bathroom in Tower Hamlets?**



Sample base: 562

Around two thirds of residents (65%) and private tenants of (66%) Tower Hamlets agree that licences should be required for these properties, whilst over half of landlords (54%) disagree.

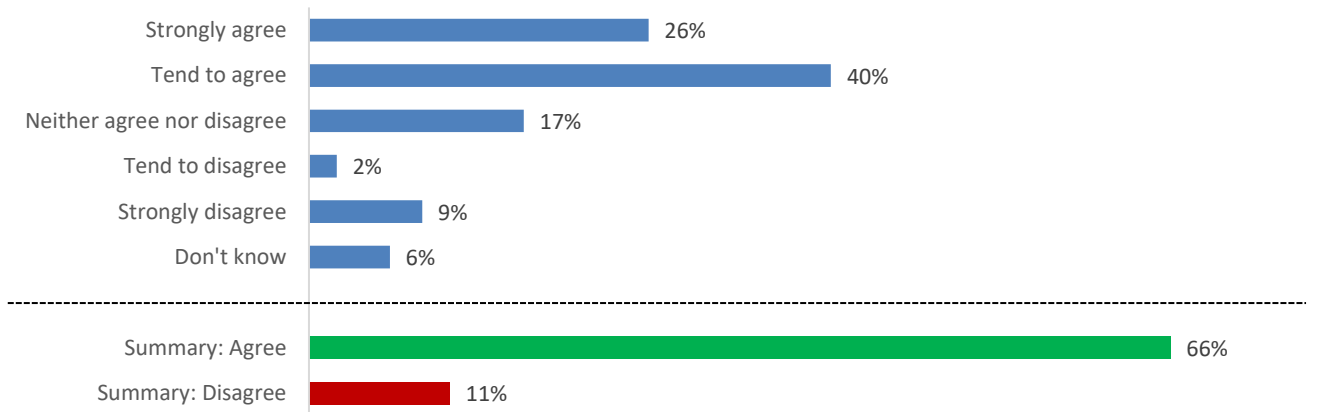
**Figure 6: To what extent do you agree or disagree with Additional licensing proposal that licences should be required only for the privately rented properties with three or more non- related tenants sharing a kitchen or bathroom in Tower Hamlets? (by respondent type)**



Sample base: Bases in parentheses

Respondents were asked whether they agree or disagree that including Section 257 HMOs (self-contained flats/dwellings, converted prior to Building Regulations 1991) will help to improve the quality of private rented housing. Two thirds of respondents (66%) agree that this will help, whilst only 11% disagree.

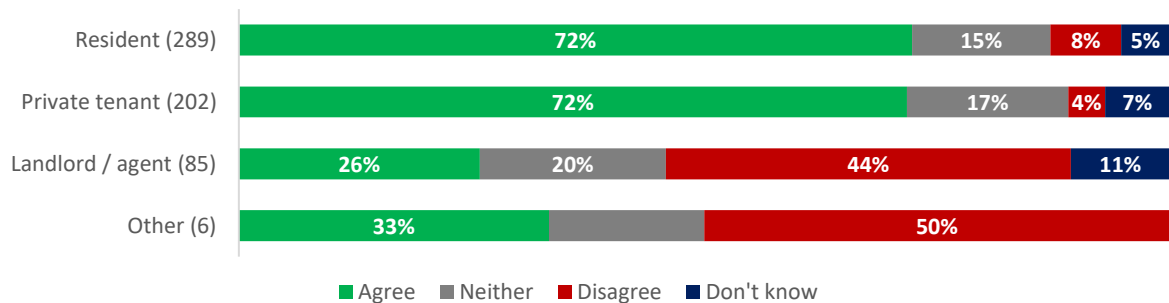
**Figure 7: To what extent do you agree or disagree that including Section 257 HMOs in the scheme will improve the quality of privately rented housing?**



Sample base: 562

Over seven in ten residents and private tenants (both 72%) in Tower Hamlets agree that including Section 257 HMOs will improve the quality of privately rented housing, whilst only a quarter (26%) of landlords agree. More landlords disagree (44%) than agree.

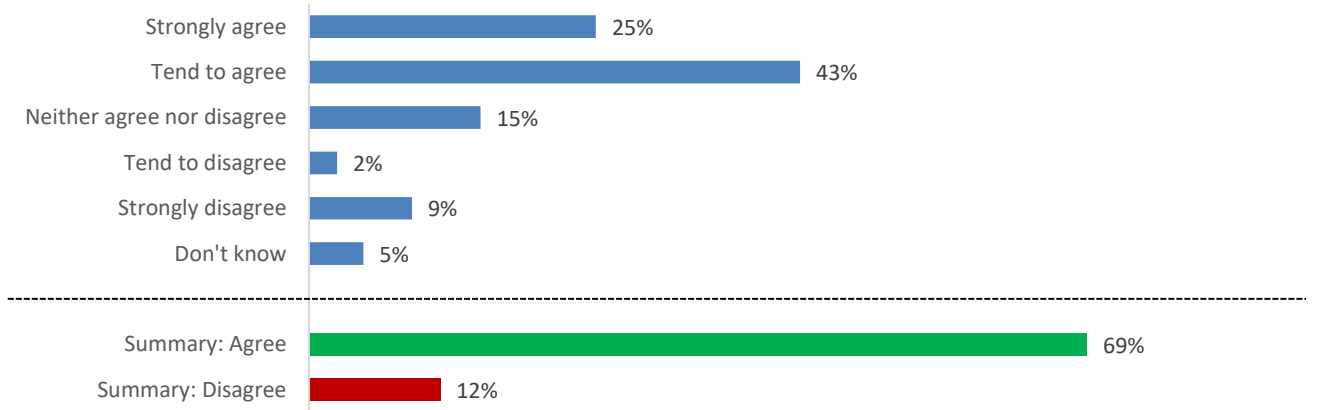
**Figure 8: To what extent do you agree or disagree that including Section 257 HMOs in the scheme will improve the quality of privately rented housing? (by respondent type)**



Sample base: Bases in parentheses

Respondents were asked whether they agree or disagree that the proposed amenity standards will improve the quality and standards of HMOs. Just under seven in ten (69%) agree, whilst 12% disagree.

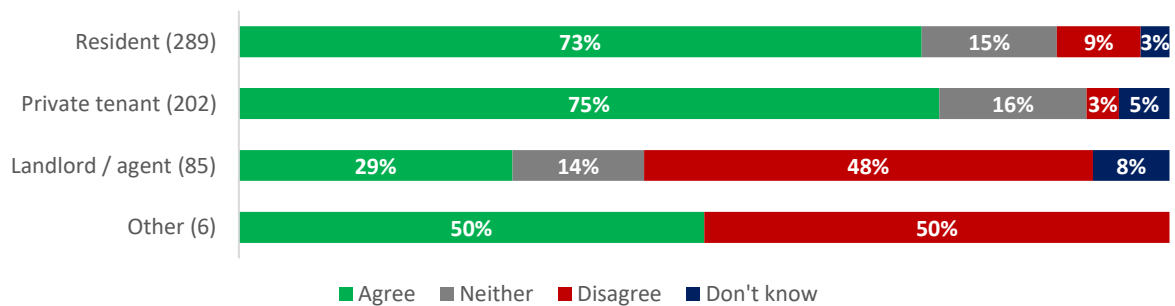
**Figure 9: To what extent do you agree or disagree that the proposed amenity standards will improve the quality and standards of HMOs?**



Sample base: 562

Around three quarters of private tenants (75%) and residents (73%) of Tower Hamlets agree that the proposed standards will improve the quality and standards of HMO. In contrast, almost half of landlords disagree (48%), whilst around three in ten (29%) agree.

**Figure 10: To what extent do you agree or disagree that the proposed amenity standards will improve the quality and standards of HMOs? (by respondent type)**

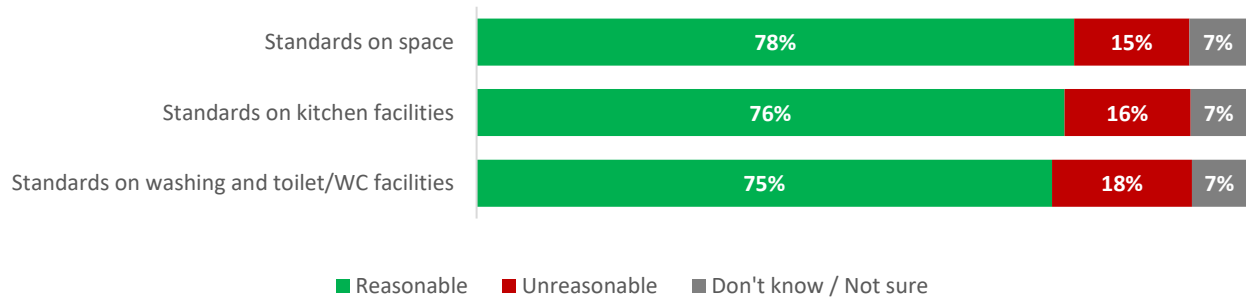


Sample base: Bases in parentheses

## Licence conditions

In the proposal, the Council has set out requirements on the conditions and standards of HMO properties, which include standards on space, on kitchen facilities and on washing and toilet/WC facilities. Around three quarters of all respondents are supportive of all of the standards proposed, with 75%-78% feeling they are reasonable, whilst 15%-18% feel they are unreasonable. Standards on space are felt to be the most reasonable of the proposals.

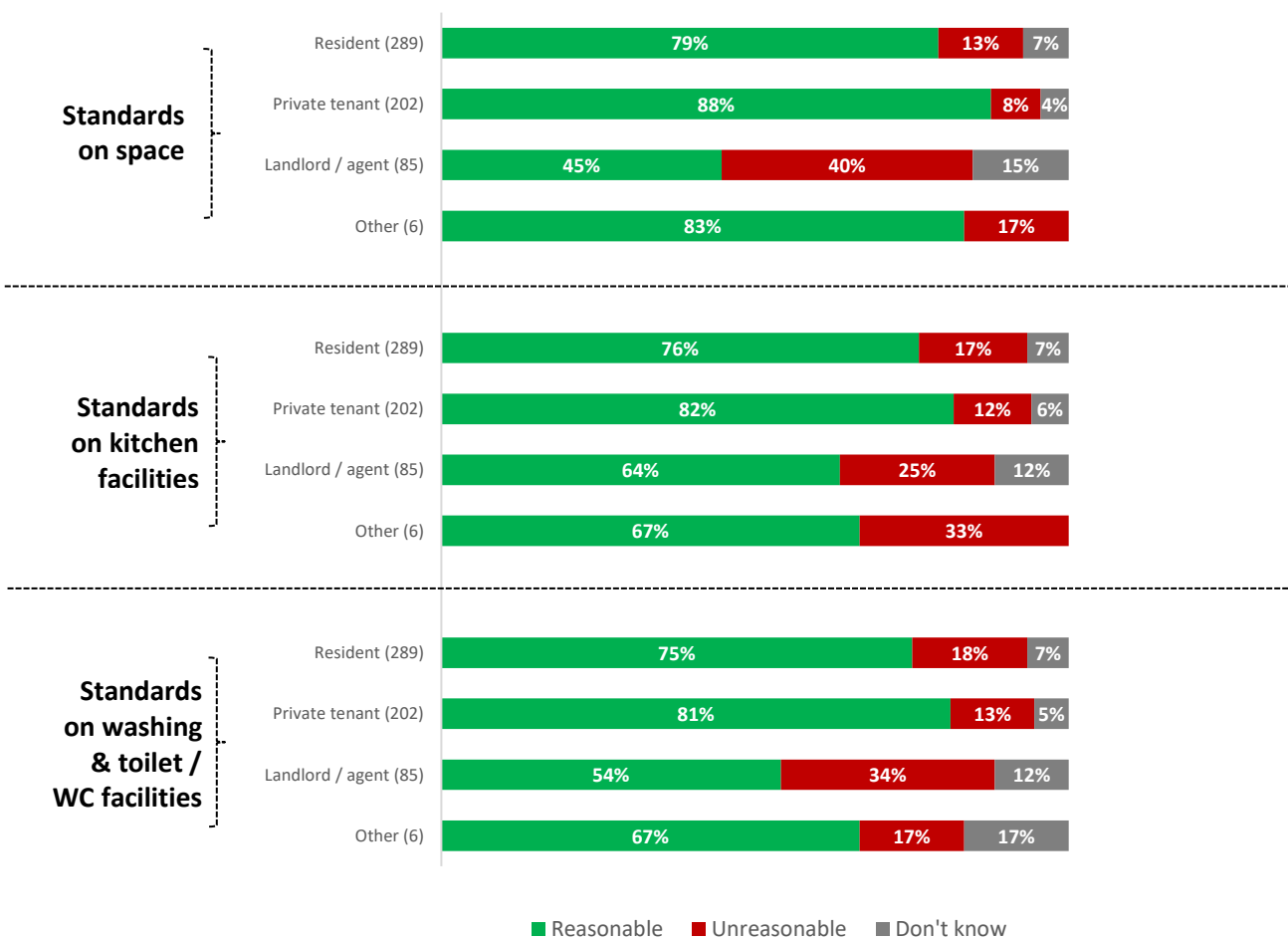
**Figure 11: How reasonable or unreasonable are the following elements of the proposals around conditions and standards...?**



Sample base: 562

When we look at results by respondent type, private tenants are more positive about the conditions and standards than other groups, in particular with the standards on space (88%). Tower Hamlets residents are also supportive, with three quarters or more feeling the different standards are reasonable (75%-79%). Landlords are least supportive of standards on space, with 40% feeling they are unreasonable. However, across all three proposals on standards, a slightly higher proportion of landlords feel the standards are reasonable, as opposed to unreasonable.

**Figure 12: How reasonable or unreasonable are the following elements of the proposals around conditions and standards...? (by respondent type)**



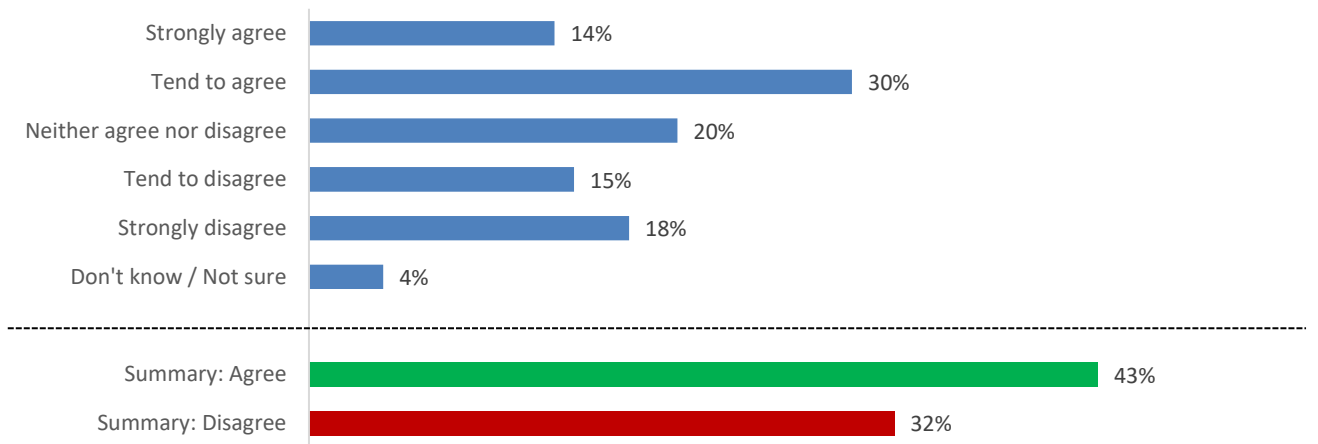
Sample base: Bases in parentheses

## Licence fees

As part of the consultation, respondents were asked to comment on the proposed fee of £600 for the additional licensing scheme for a five-year licence (subject to increases from April 2024/25, normally by inflation).

The chart below shows that a higher proportion of respondents believe the fee is reasonable (43%) compared to unreasonable (32%). One in five (20%) neither agree nor disagree.

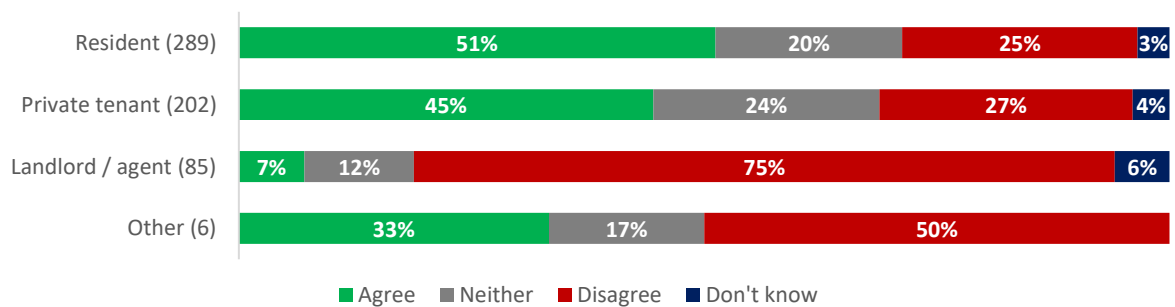
**Figure 2: To what extent do you agree or disagree that the proposed licence fee for a 5-year licence (£600) is reasonable?**



Sample base: 562

The chart below shows that the vast majority of landlords disagree that the proposed licence fee is reasonable (75%), with only 7% saying it is reasonable. Around half of residents (51%) agree that it is reasonable, with a slightly lower proportion of private tenants agreeing (45%).

**Figure 3: To what extent do you agree or disagree that the proposed licence fee for a 5-year licence (£600) is reasonable? (by respondent type)**



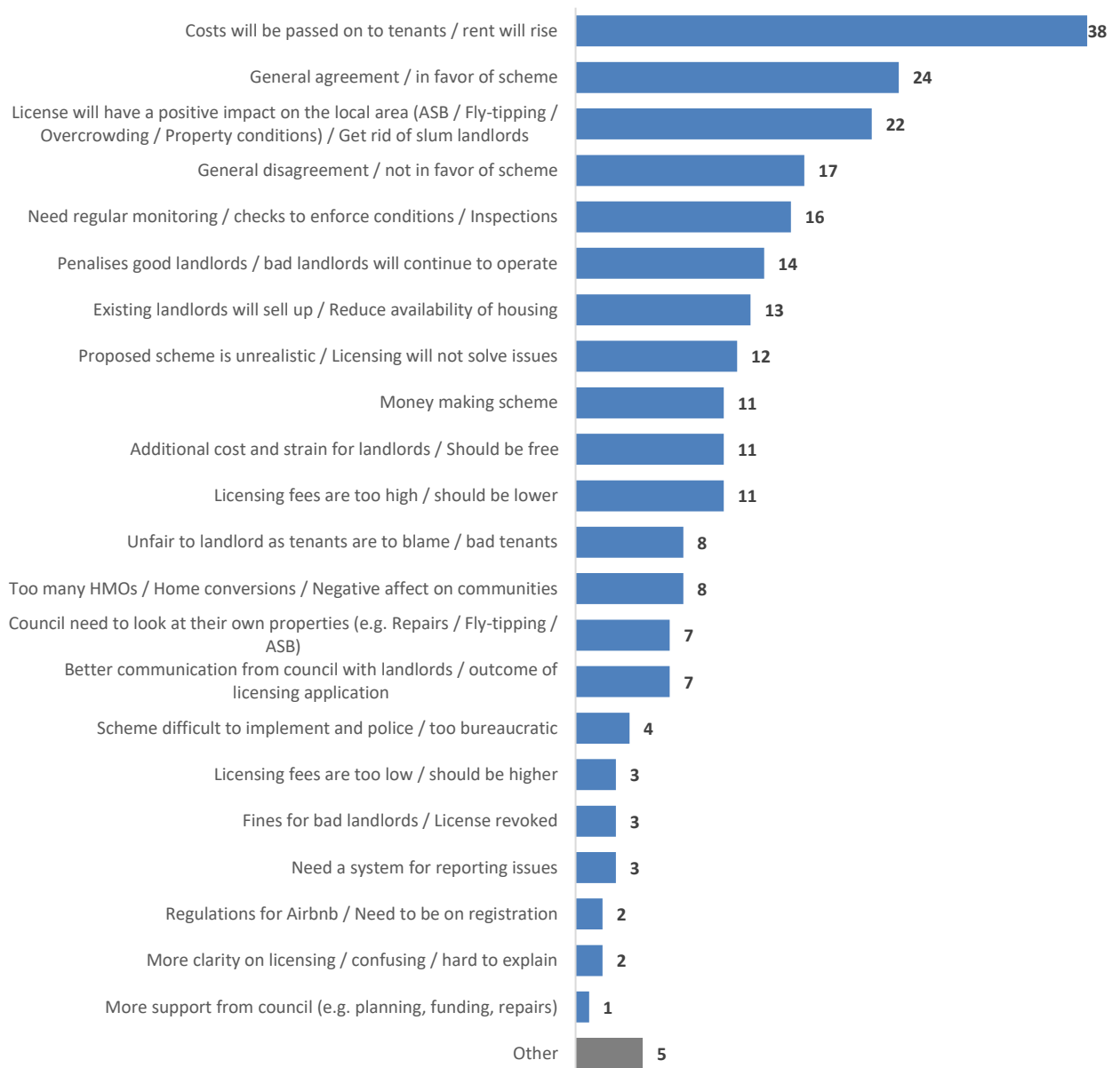
Sample base: Bases in parentheses

## Any further comments about the licensing proposals

All survey respondents were asked if they had any further comments about the Additional Licensing proposals. 164 respondents gave a comment. We have coded these free text comments to pull out recurring themes. These are presented by the number of comments each theme received.

The most common responses were around concerns that **costs will be passed onto tenants and rents will rise** (38 comments), followed by **generally agreeing with/in favour of the scheme** (24 comments) and that the scheme will have a **positive impact on the area and remove criminal landlords** (22 comments).

Figure 4: Do you have any further comments about the Licensing proposals? (coded responses)



Sample base: 164

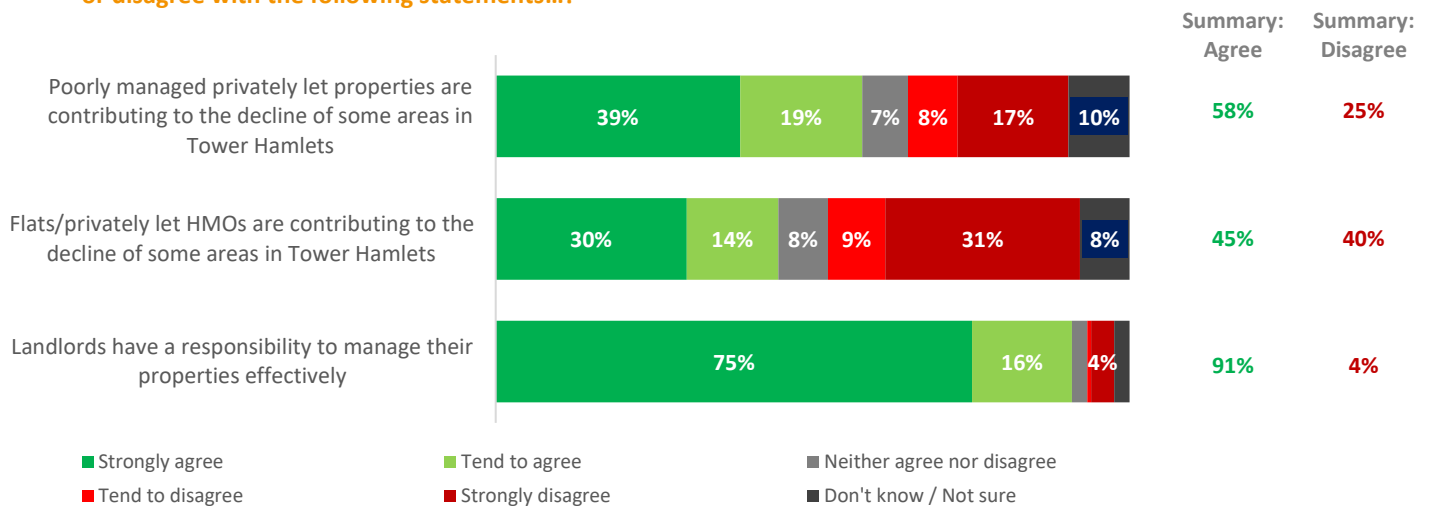


## Online survey questions

The online survey gave the Council the opportunity to explore the experiences of the private rented sector in Tower Hamlets, which were not feasible for the face to face survey due to the survey being too long to undertake on the doorstep. Results from this subset of questions are presented in this section.

Online respondents were given a set of statements about the PRS in Tower Hamlets, and asked whether they agree or disagree with them. The vast majority of respondents agree that landlords have a responsibility to manage their properties effectively (91%), with more than half (58%) agreeing that poorly managed privately let properties are contributing to the decline in some areas of Tower Hamlets. However, less than half (45%) feel that flats/privately let HMOs are contributing to the decline of some areas of Tower Hamlets, with 40% disagreeing.

**Figure 165: Thinking about the private rented sector in Tower Hamlets as a whole, to what extent do you agree or disagree with the following statements...?**



Sample base: 166

The chart below shows that residents (78%) and private tenants are most likely to agree with all statements. All groups agree substantially that landlords have a responsibility to manage their properties effectively, with 88% of landlords agreeing. Just under two thirds of landlords (64%) disagree that flats/privately let HMOs are contributing to the decline of some areas in Tower Hamlets, with only 16% agreeing, compared to 64% of residents. Just under four in ten (38%) landlords disagree that poorly managed privately let properties are contributing to the decline of some areas in Tower Hamlets, compared to 73% of residents and 75% of private tenants. However, around a third of landlords (31%) agree that this is the case.

**Figure 17: Thinking about the private rented sector in Tower Hamlets as a whole, to what extent do you agree or disagree with the following statements...? (by respondent type)**

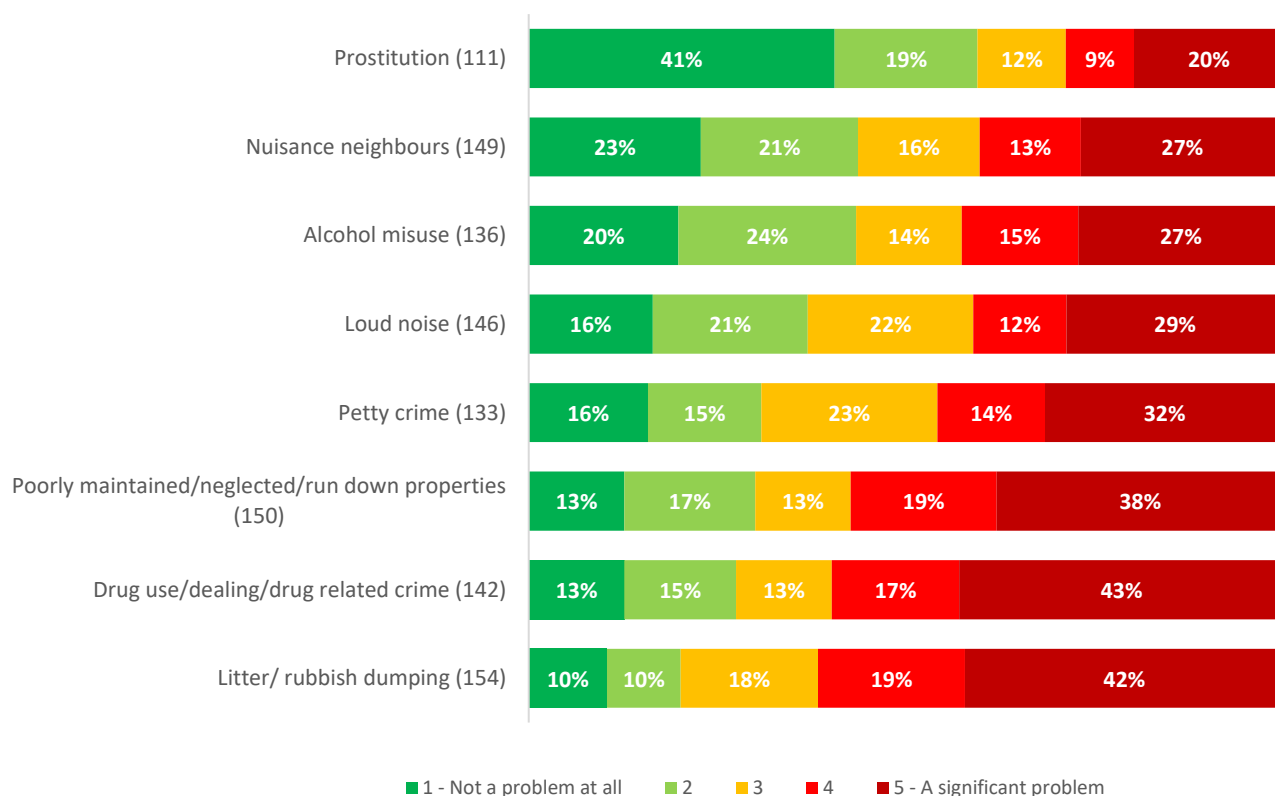


Sample base: Bases in parentheses

Respondents were given a list of common neighbourhood issues and asked to rate the severity of those issues in Tower Hamlets on a scale of 1-5, where 1 is not a problem at all and 5 is a significant problem. For this question we have taken out all 'don't know/not sure' responses, to get an understanding of the actual issues within the borough. The full set of responses has been provided to the Council, including those who stated 'don't know/not sure'

**Prostitution** and **nuisance neighbours** have a higher proportion of respondents rating these issues as a 1 (not a problem at all) or 2, closely followed by **alcohol misuse**. The biggest issues seem to be around **litter/rubbish dumping, drug use and dealing** and **poorly maintained/neglected/run down properties**, which more respondents rate as a 4 or 5. Over four in ten (43%) rate **drug use/dealing/drug related crime** as a 5 (a significant problem) in Tower Hamlets.

**Figure 18: Extent of problems in Tower Hamlets (where 1 is 'not a problem at all' and 5 is 'a significant problem')**



Sample base: Bases in parentheses

Although the number of responses by ward are small, Table 5 below shows the mean score<sup>2</sup> for all responses by problem type. Results for each problem by ward are compared to the mean score for Tower Hamlets as a whole, and those highlighted in green are more positive than the mean score for Tower Hamlets, whilst those in red are more negative. The highest and lowest mean scores for each problem, are highlighted in bold, with marked borders (green being the most positive mean score, and red being the most negative mean score across the borough). Please note these figures are not robust due to the small sample sizes, and therefore should be used with caution.

<sup>2</sup> The mean is a calculation of the average of the group of scores. To calculate the mean score, all scores are added up and divided by the number of scores.

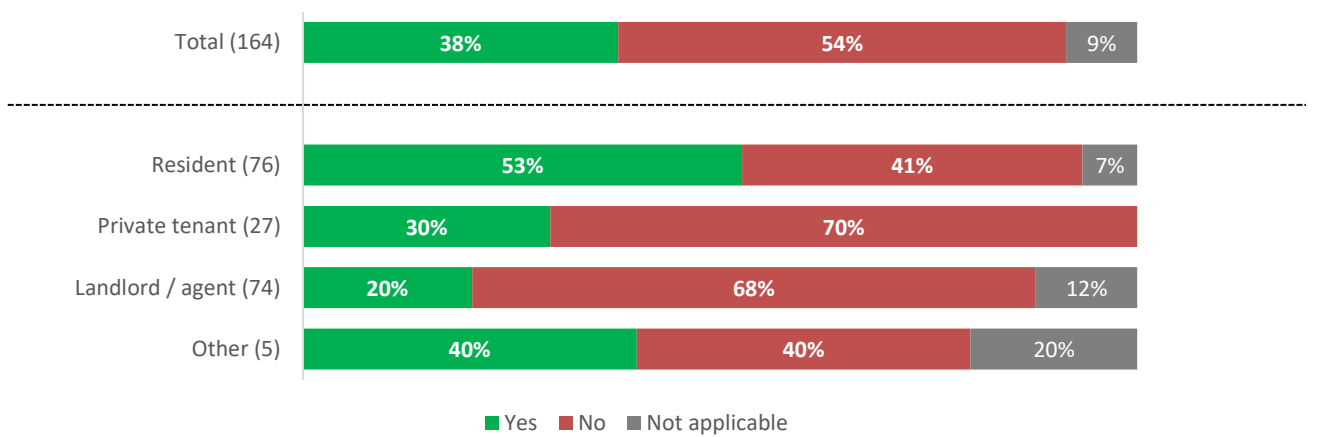
**Table 5: Mean score for problems in Tower Hamlets (where 1 is 'not a problem at all' and 5 is 'a significant problem') (by ward)**

| Ward / Problems in Tower Hamlets | Litter/ rubbish dumping | Drug use/dealing/drug related crime | Poorly maintained/neglected/ run | Petty crime | Loud noise  | Alcohol misuse | Nuisance neighbours | Prostitution |
|----------------------------------|-------------------------|-------------------------------------|----------------------------------|-------------|-------------|----------------|---------------------|--------------|
| <b>Whole of Tower Hamlets</b>    | <b>3.73</b>             | <b>3.63</b>                         | <b>3.53</b>                      | <b>3.31</b> | <b>3.16</b> | <b>3.07</b>    | <b>3.01</b>         | <b>2.49</b>  |
| Island Gardens                   | 4.44                    | 4.43                                | 4.00                             | 3.71        | 3.67        | 3.86           | 3.67                | 2.86         |
| Canary Wharf                     | 2.89                    | 3.20                                | 3.10                             | 2.89        | 3.13        | 2.22           | 2.56                | 1.86         |
| Blackwall and Cubitt Town        | 3.67                    | 3.83                                | 3.33                             | 3.17        | 2.67        | 2.33           | 2.33                | 2.67         |
| Poplar                           | 3.63                    | 3.88                                | 4.00                             | 3.83        | 4.00        | 3.57           | 3.88                | <b>3.50</b>  |
| Lansbury                         | 4.75                    | 3.25                                | 4.00                             | 2.67        | 3.00        | 3.00           | 3.00                | 2.00         |
| Limehouse                        | 3.40                    | 3.00                                | 2.20                             | 3.50        | 3.75        | 2.75           | 3.20                | <b>1.60</b>  |
| Mile End                         | 3.80                    | 4.10                                | 3.80                             | 3.50        | 2.90        | 3.00           | 3.10                | 2.00         |
| Bromley South                    | 4.67                    | 4.33                                | 4.33                             | 4.33        | 3.33        | 3.33           | 3.33                | 2.67         |
| Bromley North                    | <b>2.50</b>             | 3.00                                | 4.50                             | 3.00        | 2.50        | 3.50           | 2.00                | 2.50         |
| St. Dunstan's                    | <b>5.00</b>             | <b>2.50</b>                         | <b>5.00</b>                      | <b>2.00</b> | 3.50        | 1.50           | 3.50                | 2.00         |
| Stepney Green                    | 4.22                    | 3.86                                | 3.88                             | 3.86        | 3.56        | <b>4.00</b>    | 3.22                | 2.00         |
| St. Katherine and Wapping        | 4.33                    | 4.00                                | 4.00                             | 3.33        | 3.00        | 3.33           | 2.33                | 2.00         |
| Bethnal Green East               | 3.29                    | 2.71                                | 2.57                             | 2.14        | 2.71        | <b>2.14</b>    | 2.71                | 2.29         |
| Bethnal Green West               | 4.33                    | <b>4.50</b>                         | 4.00                             | <b>5.00</b> | <b>5.00</b> | 2.50           | <b>4.50</b>         | 0.00         |
| Bow West                         | <b>5.00</b>             | 3.50                                | 4.33                             | 4.00        | 3.00        | 3.00           | 4.00                | 2.00         |
| Bow East                         | 3.91                    | 3.40                                | 4.09                             | 3.30        | 3.00        | 3.00           | 2.64                | 2.71         |
| Shadwell                         | 3.80                    | 3.75                                | 3.80                             | 3.25        | 2.80        | 3.67           | 3.00                | 2.00         |
| Spitalfields and Banglatown      | <b>2.50</b>             | 3.29                                | <b>1.80</b>                      | 3.00        | <b>1.83</b> | 3.00           | <b>1.67</b>         | 2.60         |
| Weavers                          | 3.40                    | 3.50                                | 3.40                             | 2.90        | 3.70        | 2.60           | 3.40                | 2.22         |
| Whitechapel                      | 4.33                    | 3.89                                | 3.63                             | 3.00        | 4.33        | 3.67           | 3.67                | 3.00         |
| Do not live in Tower Hamlets     | 3.48                    | 3.68                                | 3.33                             | 3.65        | 2.62        | 3.30           | 2.69                | 2.85         |

Online respondents were then asked whether they had **experienced or witnessed anti-social behaviour from tenants living in a privately rented HMO/Flatted HMO**. Just under two in five (38%) respondents said they have, whilst over half (54%) said they haven't.

When we look at results by respondent type, a higher proportion of residents of Tower Hamlets said they have experienced or witnessed ASB from tenants in a privately rented HMO/HMO flats than other groups (53%). Three in ten private tenants (30%) say they have, whilst only one in five landlords (20%) have.

**Figure 19: Have you ever experienced or witnessed anti-social behaviour from tenants living in a privately rented HMO/flats HMOs? (by respondent type)**

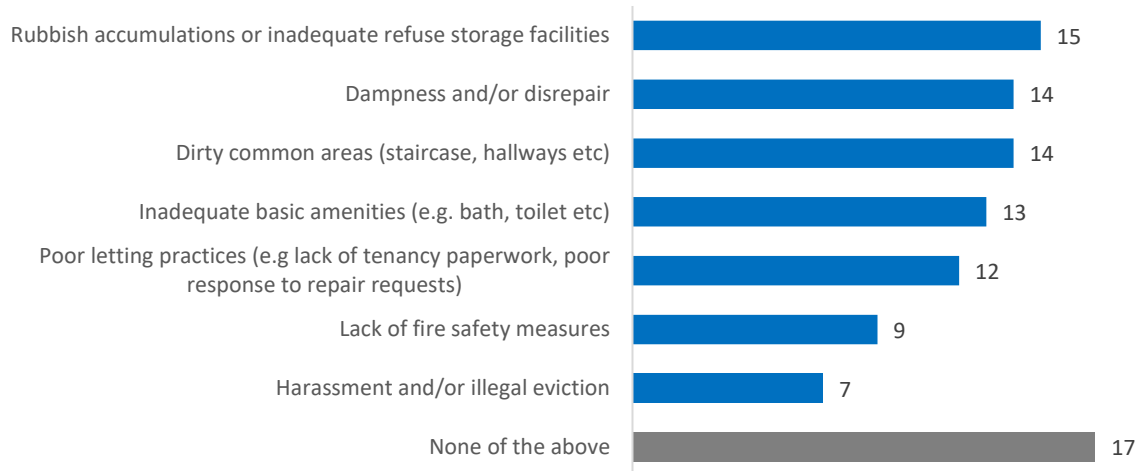


Sample base: Bases in parentheses

Privately renting tenants taking part in the online survey were then asked if they have ever experienced any issue from a predefined list of problems. In total, only 35 people responded to this question, therefore the chart below shows results by number of respondents, rather than percentage.

The most common option selected is **'none of the above'**, by almost half of respondents (17 respondents). Of those that had experienced issues, the most commonly cited are **rubbish accumulations or inadequate refuse storage facilities** (15 respondents), followed by **dampness and/or disrepair** or **dirty common areas** (14 respondents each). The fewest issues have been around **harassment and/or legal eviction** (only 7 respondents).

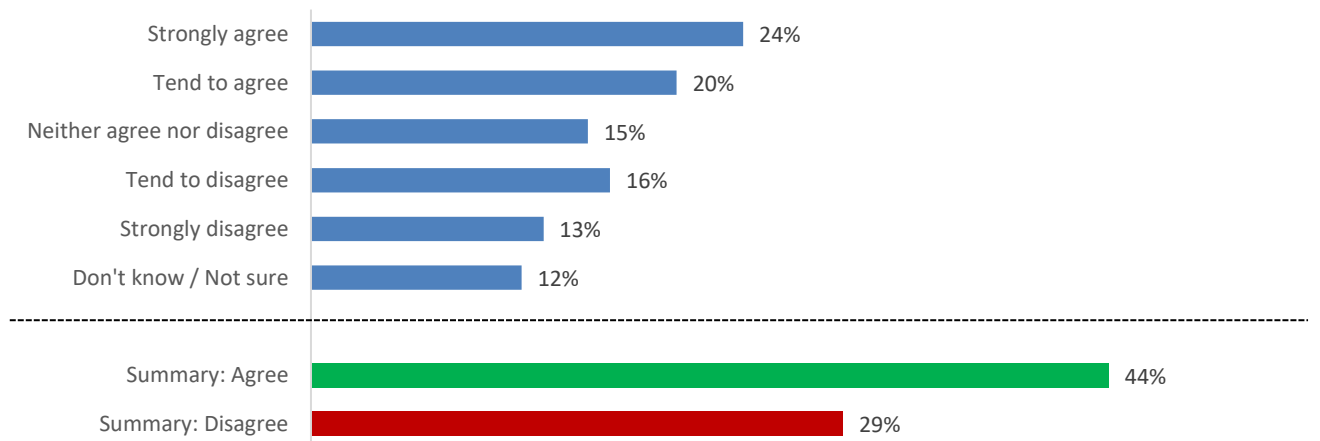
**Figure 20: If you are a private tenant living in a flat HMO or HMO, have you experienced any of the following issues...?**



Sample base: 35

The final question in the survey asked whether respondents agree or disagree **that landlords in Tower Hamlets maintain their properties to a good standard**. Over four in ten (44%) agree that landlords maintain their properties to a good standard, whilst 29% disagree. Around a quarter (27%) said they didn't know or neither agreed nor disagreed.

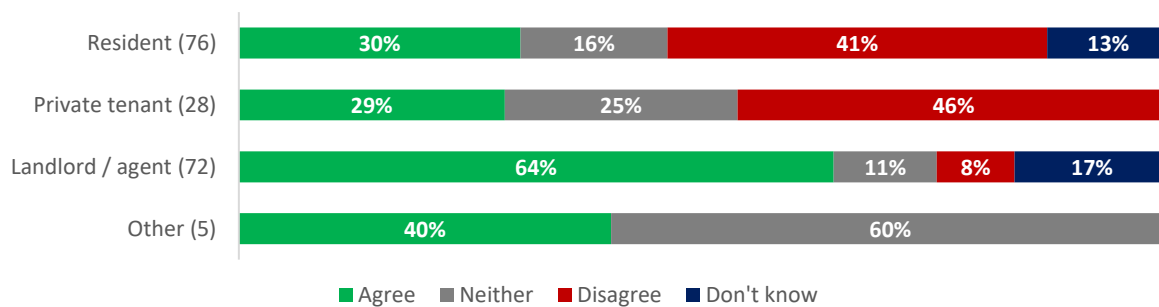
**Figure 216: To what extent do you agree or disagree that landlords in Tower Hamlets maintain their properties to a good standard?**



Sample base: 164

Around two thirds of landlords (64%) agree that landlords in Tower Hamlets maintain their properties to a good standard, with only 8% disagreeing. Private tenants and residents are more negative, with just under half of private tenants (46%), and 41% of residents disagreeing.

**Figure 22: To what extent do you agree or disagree that landlords in Tower Hamlets maintain their properties to a good standard? (by respondent type)**



Sample base: Bases in parentheses

## 2. Public meetings

Four public meetings were held as part of this consultation, all online, on the 26<sup>th</sup> January, 28<sup>th</sup> February, 15<sup>th</sup> March and 27<sup>th</sup> March 2023. These offered people the chance to hear and see the proposals outlined by Tower Hamlets Council, to ask questions and to put forward their views. In total, 51 people attended the meetings, whilst 62 booked to attend in total. Here is a summary of the key points covered:

### Scheme overall

- Attitudes were mixed across the groups – some landlords felt that there were benefits to the scheme such as ensuring good property standards, whilst others felt it was very harsh for good landlords.
- A number of landlords felt that they are being penalised to pay for rogue landlords. One asked to be quoted:  
*“landlords do not want a licensing scheme in place as it is just another way for the council to make money off landlords. If the council want to ensure landlords are renting properties safely then this should be done at the expense of the council or the tenants.”*
- One landlord went on to say that they felt Tower Hamlets makes ‘vast’ amounts of money from rogue landlords and said they would like to know how much they make and what is done with the money.
- A few participants asked how the council are going to identify and take action against agents/landlords that are renting properties out without a licence in place.
- A few landlords asked what constituted a household under the scheme, such as an unmarried couple, or friends living together in a shared house etc, or just those that are related.
- One participant (Propertymark representative) asked what the Council’s expectations/targets in terms of inspecting properties.
- One letting agent queried why new build apartments which have all the fire safety regulations in place, are also included in the scheme, as they are built to comply with regulations and are of a very high spec, demanding high rents. They supported the need for most HMOs to be included, but felt that some builds should be exempted.
- Another organisation asked about exemptions for charitable organisations providing affordable student accommodation. They felt there should be exemptions for properties like theirs, which will be required to pay a fee of around £36,000 for 59 student flats and other local authorities are using their discretionary powers to exclude them, as they are already covered by a different government scheme.

### Proposed borough wide scheme

- A number of participants were uncertain what they needed to do with their existing licence if they have a property in one of the existing Selective Licensing wards, which is a smaller HMO property.



One asked whether the paperwork would differ to what they have submitted for the Selective Licensing scheme.

- One participant asked why the previously excluded wards are now included within the Additional Licensing scheme.

## **Fees**

- A number of participants in one meeting asked for the Council to provide a breakdown of how the fees have been arrived at ie. What are the scheme cost calculation breakdown.
- One landlord said that they are going to have to pass the cost of the licence onto their tenants.
- A representative from Propertymark asked whether the Council would consider an early bird scheme or other forms of incentives to landlords/agents who are accredited to professional schemes/membership bodies?
- One participant suggested that licensing fees are a legitimate business expense so they can be offset against tax liabilities.

## **Impact of the scheme**

- One participant challenged whether Tower Hamlets have the resources to deal with the scheme properly and asked how many officers are employed and how long it takes to check a property.
- One letting agent said that Additional Licensing is having an impact on housing stock in Tower Hamlets. They said that many landlords on their books were reluctant to rent their properties out to 3-4 friends who wanted to share because they would then have to apply for and pay a licence fee, which they wouldn't need to do for a family or a couple (outside of the selective licensing areas).

## **Wider comments**

- There were a small number of landlords who had applied for a licence and said that their property hadn't been inspected and questioned why there was a need for a new scheme if the Council hadn't yet completed inspections of properties.
- A number of landlords and agents asked about the application process and whether there was any way that could be simplified (due to the amount of paperwork required) and why it was so slow to process licences. One asked whether the details from their previous application could be used for the same property. One agent felt the licence application form itself is off putting to many landlords.
- Another said that information on the council website is extremely hard to find and needs updating.
- There were a number of participants who raised queries specifically about housing association properties and inaction that had happened when they had made complaints about social housing tenants/properties.

- One participant said they felt it was very difficult to get hold of the right person at the Council to make complaints, whilst another said they felt that Tower Hamlets compared to other councils is the 'most reachable' and said that the housing licensing team have always been great.
- One agent asked if there could be a summary of any changes from the existing licensing scheme that landlords would need to comply with for the new scheme, so that landlords would immediately know if they need to do anything differently (as there is a lot of paperwork to check and fill in).
- One landlord said that there are differing standards of compliance between housing association requirements and private landlords, as they were told that an extractor fan that they had installed was not to the standard required, but that was the same extractor fan that a Tower Hamlets Homes property had had installed.
- One participant asked what the income and costs were of running the current scheme.
- Another landlord felt that communication from the Council around the previous scheme designation and rollout was not great and they found out about the scheme going live via a chance encounter with an estate agent. They requested any future communications to be widely communicated.
- One resident questioned the conditions being adequate and joined up in dealing with waste disposal, as HMOs tend to generate larger amounts of waste and waste when tenants leave. They requested that this is incorporated into the inspection process.
- One landlord questioned what support they can be provided with by Tower Hamlets in terms of issues they have with difficult tenants and ASB, as they feel that licensing is very much stacked in favour of supporting tenants but not landlords.
- There were a number of questions across groups around living rooms being used as bedrooms and whether that was permissible.

## 3. Stakeholder views

As part of the consultation, we spoke to eight organisations for comment on the proposals, although invited a wider group to take part. Those that took part in the consultation include:

- Environmental Health (Tower Hamlets Council)
- Justice for Tenants
- Metropolitan Police
- NRLA
- Public Health (Tower Hamlets Council)
- Safeagent
- Shelter
- Trading standards (Tower Hamlets Council).

Other Stakeholders also provided written responses which are included within Appendix C.

Feedback from the stakeholder interviews has been grouped around some key themes, with Stakeholders on the whole feeling that licensing is a tool that the Council can use in its 'toolbox' to help regulate the private rented sector. Clearly there were some differing views depending on whether the organisation was largely on the side of tenants or landlords, or whether they were delivering a public service for people within Tower Hamlets. These differences are highlighted under each theme or as a unique theme where necessary.

### Views overall

Council teams were in favour of Additional Licensing. The police were also in support of any form of regulating the private rented sector to improve conditions. Tenancy groups, such as Justice for Tenants and Shelter were also in favour. Landlord/agent groups such as Safeagent and the NRLA were more concerned about the scope of the scheme and both suggested it would be more beneficial and practical for the council to take a more targeted approach rather than a broad brush approach.

- Tower Hamlet's Environmental Health team have found that the amount of time and manpower dealing with noise complaints has been reduced due to licensing overall, as the licence holder is responsible for ASB issues (such as noise) and therefore needs to deal with their tenants. This has provided the council with way to intervene early on, therefore saving time and money.
- Tower Hamlet's Public Health team felt that Additional Licensing is important to help address both physical health issues (such as fire, damp and mould and other safety issues) and mental health issues (that can result in living in overcrowded, noisy, poor conditions) that are associated with people living in poor property conditions. These issues cause huge costs to the healthcare system alone, so tackling these issues will reduce the burden on the healthcare system.

*“... research suggests that people who live in HMOs are eight times more likely than the general population to suffer from mental health problems. Those issues might arise from poor quality*

*housing and overcrowded housing, which causes stress, anxiety and depression, and can exacerbate existing mental health conditions”.*

- The NRLA believe that all licenced properties should be inspected ideally up front before issuing a licence, and if not then they should be inspected as early as possible to head off any issues. They questioned whether Tower Hamlets have the resources to do this and therefore whether licensing can actually improve standards in the majority of properties:

*“In an ideal world they have to inspect every single licenced property and they have to have a proactive intelligence based approach in identifying the unlicensed ones.”*

- Safeagent were not against the scheme but felt that there were certain things to consider, such as the size of the scheme, how it overlaps with Selective Licensing and what types of HMOs will be included in the scheme, for example around Section 257 HMOs – they felt if the scheme was to go ahead it would need to be extremely clear about what properties would be excluded. They said they were concerned about councils including Section 257 HMOs in schemes as they are more complex.

*“We'd be encouraging the Council, perhaps, to aid to, to reflect on the size of the scheme. Look at how you focus the scheme, whether it needs to be overlap with selective licencing and also the type of properties to be included within the scheme and be really clear on that”.*

- The police felt that licensing should have positives in terms of health and people living in a safer environment. They also felt that having Fit and Proper Person tests in place is essential to ensure landlords are appropriate to rent out properties, sometimes to vulnerable tenants. They felt that regulation should raise standards across housing and have a positive impact on the environment, which helps reduce crime, disorder and ASB.
- Trading standards are supportive of the scheme as they have found it has helped them to identify and take action against individuals/businesses more easily because there has to be a named licence holder for each property who has to pass the Fit and Proper Person tests.
- Shelter support the renewal of the scheme and felt it is important for local authorities to use all the tools and powers available to them to drive up standards and good practice. They also felt that effective enforcement is important as a part of this.

## **Proposed borough wide scheme**

- The NRLA believes that a more targeted approach, particularly in light of recruitment challenges to get qualified team members to inspect properties, is more effective than taking a large scale approach. They were not confident in the Council’s ability to properly inspect the vast number of properties. Alternatively they suggested staggering the scheme, so that it is rolled out area by area in stages, to enable Tower Hamlets to keep on top of applications and inspections.
- This approach was also supported by Safeagent. They felt it would be more beneficial for the Council to focus on particular localities where there may be more intensive issues with poor management rather than a borough wide approach.

*“Safeagent are not opposed to licencing, but we'd just encourage councils to sort of follow the evidence and decide where are the properties where you know licencing needs to be focused to have the most effect”.*

- Council teams, believed that a borough wide scheme makes it easier for everyone to follow and therefore there are no exceptions. This was also supported by Justice for Tenants.
- Both the NRLA and Safeagent were not sure what the business case is for including the selective licensing scheme area and what difference that would make.

*“We seem to be in a position where HMOs are already required to be licenced effectively. So what doesn't come across that strongly is what are the perceived added benefits of extending” (Safeagent)*

- Safeagent felt that with the current situation, landlords within the west of the borough currently have some flexibility in terms of move between a single family let and a shared house. This would cause issues with the proposals as they would need to change the licence from a selective licence to an additional licence. This may not support the needs of the market and tie landlords into one form of licence or another for the duration of the scheme .
- Safeagent also questioned how smaller HMOs within the Selective Licensing area will be dealt with if the proposal goes ahead, as landlords will then be operating with the wrong licence or would need to apply for a new licence and a new set of costs:

*“They [Tower Hamlets Council] effectively would be saying that we're not going to prosecute you for committing an offence. Because it would be. It would be the wrong type of licence and then you'd be committing an offence under Part 2. So the Council just need to look at that quite carefully... The other problem is of course you can't transfer a licence from selective to additional”.*

- The Public Health team support the borough-wide approach, as Additional Licensing focuses more on HMOs and provides more appropriate measures to tackle issues with these properties across the entire borough. They felt that all private rented properties regardless of size and makeup should be regulated.
- The Trading Standards team felt that having a uniform approach across the entire borough, where every part of the borough was required to follow the same legislation would make regulation easier.

## Fees and licence conditions

- Some stakeholders commented on the fees being low, particularly for London. One felt that they were potentially too low for the size of the scheme and therefore the task that the Council is undertaking and the resource required.
- Safeagent suggested keeping the conditions concise and not impose additional legal requirements where they aren't necessary

## Impact of the licensing scheme

- Justice for Tenants said that there has been a vast improvement in dealing with the types of issues that they speak to tenants about since Additional Licensing has been brought. They felt that most issues that tenants face are breaches of the licence, which the licence holder has agreed to adhere to. This means that they either remedy the issue or face another penalty if they are in breach of the licence and are not going to address the problem. Alternatively, if there is no licence in place with

the property that should have a licence, then the Council can penalise them for not having a licence. Therefore, it was felt that having licensing in place is addressing issues that tenants are typically facing that other powers are not able to resolve in such an effective way:

***“You can have a real confidence action will happen because it creates so many avenues for action to happen for the local authority. It gives so many more tools to their toolbox.”***

- The Council Environmental Health team has found that licensing has helped them when dealing with tenant issues around noise issues in particular because the licence conditions make the licence holder responsible for addressing this with their tenants. This has resulted in a general reduction in time and costs that the Council has had to spend in dealing with these issues and repeat offenders, as it is working as an early intervention in issues being dealt with directly between the landlord and their tenants.
- The NRLA felt that Tower Hamlets does not seem to be using its enforcement powers enough for the size of the scheme, from the data provided
- The Public Health team said that it would be extremely useful to look at the impact of the scheme on health and wellbeing of tenants and how licensing may be improving health outcomes for tenants (for example in tackling damp and mould issues, overcrowding etc).
- The Trading standards team have found that they are more easily able to check that letting/managing agents are operating legally, in terms of things like client money protection schemes and whether they are part of the redress scheme, where they are named on the licence.

## Alternatives

- The majority of stakeholders did not feel there were valid alternatives that the Council could consider. Justice for tenants felt that there are no real alternatives that the council can consider that are as effective, including accreditation schemes:

***“If someone's been operating unlawfully and making a lot more money by doing that, they're unlikely to choose to go back to making a lot less money unless the environment is such that they are forced to, that it's in their financial best interest.”***

- The NRLA suggested having an anonymous helpline/email address that can be used to inform them of rogue landlords/poor properties as an alternative to having a broad brush approach through licensing, which gives them an intelligence based approach to tackling poor conditions.
- Justice for tenants suggested it would be good for Tower Hamlets to publicise the actions that they have taken including financial penalties and prosecutions against landlords, so that good landlords who comply with licensing can see the impact that the scheme is having in the borough, rather than it being another financial burden they are being required to bear.
- The NRLA also suggested that the council should be more transparent around the impact that the scheme is having and the actions that they are taking to improve standards via the scheme:

***“I would recommend ... they produce like a yearly or quarterly report of an audit saying ‘We have inspected X amount of properties. We have fined X amount of landlords. We've issued X amount of civil penalties. It's transparency.”***

## Wider comments

- Justice for Tenants felt that tenants are less in fear of complaining about poor conditions if a licensing scheme is in place, as they cannot lawfully be evicted by a Section 21 notice if they live in an unlicensed property. If they do live in a licensed property, they can raise concerns with the Council which will be investigated, as it may be a breach of the licence conditions.
- They also felt that communications from the council around licensing schemes had been good in the main, and many tenants were aware that the scheme is in place.
- Shelter felt that in many cases that they deal with (not specifically in Tower Hamlets), tenants are not aware of their tenancy rights, particularly where English is not their first language, and therefore the clearer the information that can be provided to tenants about their rights and ensuring they have legal tenancies, the better.
- The NRLA suggested that the shortage of EHOs is impacting on most Local Authorities up and down the country, therefore Tower Hamlets could look at having an apprenticeship scheme in place to help them address the shortage, as other local authorities are doing.
- The NRLA also suggested that landlords are going to feel more supportive of a scheme if they can get support on dealing with problem tenants, and potentially offer mediation/support of this nature to help them resolve minor issues. This could be in the form of landlord forums where they could ask questions and get help/signposted to where they could get help.
- Safeagent felt that the Council needs to work collaboratively and pragmatically with landlords and agents and give realistic timeframes for improvements having regard to tenants and not causing too many disruptions for them. They felt that the data from the report suggests that Tower Hamlets were not issuing many penalties, so there may be too low a level of enforcement currently taking place:  
*“... if anything, it looks quite a low level of civil financial penalty usage for the size of the borough and the number of properties. It might be that enforcement is something they need to look at doing a bit more of”.*
- The police felt that there was further scope for a multi-agency approach with the private sector licensing team in terms of finding out more about who the landlord is when they are alerted to criminal activities in a rental property, such as cuckooing, or where the police come across properties that they are concerned about, they can deal with that from a safeguarding perspective, but it would be more beneficial to link in with the licensing team to tackle the property conditions.
- Shelter felt that that national government should provide councils with adequate resources so that proactive enforcement can happen.

## 4. Written responses

We also received written responses from 5 individuals or organisations either via email or letter. The organisations that submitted formal responses are

- London Borough of Tower Hamlets (LBTH) Community Safety
- Propertymark
- London Renters Union
- Safeagent
- Affordable Accommodation for Students Association Limited

These responses are provided in full in Appendix C. The Council will consider and respond to the representations in the written responses in the Council's response to representations, which will be published alongside the final proposal considered by the Council's Cabinet.



# Appendices

**Appendix A: Consultation document**

**Appendix B: Coverage of consultation**

**Appendix C: Written responses**

**Appendix D: Survey**

# Appendix A: Consultation Document



Additional licensing  
consultation document

## Appendix B: Coverage of consultation

### Direct mailouts

The Council wrote to the following individuals and organisations that they have contact details for, to inform them about the consultation and for organisations to pass this onto their members/affected parties

- Landlords
- Agents
- Licensed properties
- Neighbouring Councils
- London Councils
- Members
- Social Members
- Registered Social Landlords
- London Councils Private Rented Sector Group
- Landlord and Letting Agent representative groups
- Renters representative groups.

In total, 17,638 letters were sent to landlords and residents in the borough, and 10,444 emails to Managing Agents in the borough.

Council Officers also had a strapline on their emails promoting the consultation.

### Publicity channels

The consultation was promoted/publicised via the following channels;

- Docklands and East London Advertiser
- Evening Standard
- Metro
- LB of Tower Hamlets Twitter
- LB of Tower Hamlets Facebook
- LB of Tower Hamlets LinkedIn
- LB of Tower Hamlets Members Bulletin

### Social media activity

The following social media activity took place, with engagement metrics provided:

| Date  | Channel | Content   | Engagement  |
|-------|---------|---|---|
| 14/12 | Twitter | 🔔 Our private renting survey has launched and we're seeking your views. We're proposing a new borough-wide licensing scheme, which would require all privately rented | Organic impressions: 771<br>Clicks: 13<br>Shares: 3 |

|      |          |   |  |
|------|----------|---|--|
|      |          | properties with multiple occupiers to be licensed 🏠 Find out more and have your say: <a href="https://orlo.uk/Qsdii">https://orlo.uk/Qsdii</a>  |  |
| 14/2 | Facebook | 📣 Our private renting survey has launched and we're seeking your views. We're proposing a new borough-wide licensing scheme, which would require all privately rented properties with multiple occupiers to be licensed 🏠 Find out more and have your say: <a href="https://orlo.uk/2uyj3">https://orlo.uk/2uyj3</a>  | Organic impressions: 1252<br>Clicks: 18<br>Likes: 6<br>Shares: 1 |
| 4/1  | Twitter  | 📣 Our private renting survey is live and we're seeking your views. We're proposing a new borough-wide licensing scheme, which would require all privately rented properties with multiple occupiers to be licensed 🏠 Find out more and have your say: <a href="https://orlo.uk/0ed94">https://orlo.uk/0ed94</a>   | Organic impressions: 1047<br>Clicks: 14<br>Likes: 1<br>Shares: 1 |
| 4/1  | Facebook | 📣 Our private renting survey is live and we're seeking your views. We're proposing a new borough-wide licensing scheme, which would require all privately rented properties with multiple occupiers to be licensed 🏠 Find out more and have your say: <a href="https://orlo.uk/jxsky">https://orlo.uk/jxsky</a>   | Organic impressions: 870<br>Clicks: 14<br>Likes: 3               |
| 4/1  | LinkedIn | 📣 Our private renting survey is live and we're seeking views from residents, tenants and landlords in Tower Hamlets. We're proposing a new borough-wide licensing scheme, which would require all privately rented properties with multiple occupiers to be licensed 🏠 Find out more and have your say: <a href="https://orlo.uk/QWEiZ">https://orlo.uk/QWEiZ</a> | Organic impressions: 1206<br>Clicks: 13<br>Likes: 4<br>Shares: 1 |
| 24/1 | Twitter  | Have you taken part in our private renters survey yet? We're holding virtual info sessions this week (Thurs & Sat) about the proposals, which would require all privately rented properties with multiple occupiers to be licensed 🏠 Details for how to join: <a href="https://orlo.uk/DQOGW">https://orlo.uk/DQOGW</a>   | Organic impressions: 777<br>Clicks: 8<br>Shares: 1               |
| 7/2  | Twitter  | 📣 Have you taken part in our private renting survey? Have your say about proposals to require all privately rented properties with multiple occupiers in #TowerHamlets to be licensed 🏠 Find out more and share your views: <a href="https://orlo.uk/Zpy4S">https://orlo.uk/Zpy4S</a>   | Organic impressions: 998<br>Clicks: 16<br>Likes: 1<br>Shares: 1  |
| 16/2 | Twitter  | Did you know that over 40% of all properties in #TowerHamlets are privately rented? That is about 53K households! 🏠🏠🏠 Take part in our survey on proposals for all privately rented properties with multiple occupiers to be licensed. Share your views 📣 <a href="https://orlo.uk/WMpSH">https://orlo.uk/WMpSH</a>   | Organic impressions: 949<br>Clicks: 21<br>Shares: 1              |
| 17/2 | Facebook | Did you know that over 40% of all properties in Tower Hamlets are privately rented? That is about 53K households! 🏠🏠🏠 Take part in our survey on proposals for all privately rented properties with multiple occupiers to be licensed. Share your views 📣 <a href="https://orlo.uk/cvRWw">https://orlo.uk/cvRWw</a>   | Organic impressions: 605<br>Clicks: 5<br>Likes: 3                |
| 13/3 | Facebook | Have you taken part in our private renters survey yet? We're holding a virtual info session on Weds about the proposals, which would require all privately rented properties with multiple occupiers to be licensed 🏠 Details for how to join: <a href="https://orlo.uk/lnpaK">https://orlo.uk/lnpaK</a>  | Organic impressions: 647<br>Clicks: 6<br>Likes: 2                |
| 13/3 | Twitter  | Have you taken part in our private renters survey yet? We're holding a virtual info session on Weds about the proposals, which would require all privately rented properties with multiple occupiers to be licensed 🏠 Details for how to join: <a href="https://orlo.uk/kR7ut">https://orlo.uk/kR7ut</a>  | Organic impressions: 1005<br>Clicks: 21<br>Likes: 1<br>Shares: 4 |
| 21/3 | Twitter  | 🕒 Time is running out on our private renting survey! Tell us your opinion before it's too late. We're proposing a new   | Clicks: 16   |

|      |          |   |                                       |
|------|----------|---|---------------------------------------|
|      |          | borough-wide licensing scheme, which would require all privately rented properties with multiple occupiers to be licensed 🏠 More info: <a href="https://orlo.uk/GwDS4">https://orlo.uk/GwDS4</a>  |                                       |
| 21/3 | Facebook | 🔔 Time is running out to have your say on our private renting survey! Your opinion matters, and we want to hear from you before it's too late. We're proposing a new borough-wide licensing scheme, which would require all privately rented properties with multiple occupiers to be licensed 🏠 Find out more and have your say: <a href="https://orlo.uk/d7ySy">https://orlo.uk/d7ySy</a> | Organic impressions: 246<br>Clicks: 6 |
| 29/3 | Twitter  | 🔔 Our private renting survey closes on Friday. Have your say about proposals to require all privately rented properties with multiple occupiers in #TowerHamlets to be licensed 🏠 Find out more and have your say: <a href="https://orlo.uk/8JYR9">https://orlo.uk/8JYR9</a>  |                                       |
| 29/3 | Facebook | 🔔 Our private renting survey closes on Friday. Have your say about proposals to require all privately rented properties with multiple occupiers in #TowerHamlets to be licensed 🏠 Find out more and have your say: <a href="https://orlo.uk/8JYR9">https://orlo.uk/8JYR9</a>  |                                       |
| 31/3 | Twitter  | 🔔 Our private renting survey closes today! Don't miss the chance to share your views about proposals to require all privately rented properties with multiple occupiers in #TowerHamlets to be licensed 🏠 Have your say now: <a href="https://orlo.uk/l8ovm">https://orlo.uk/l8ovm</a>  |                                       |

**NB. Organic impressions – the number of times the post appeared on someone’s screen**

| OTHER CHANNELS |                       |   |  |
|----------------|-----------------------|---|--|
| 23/3           | Resident's newsletter | <p><b>Private renters in Tower Hamlets: Have your say</b></p> <p>Have your say about our proposals to require all privately rented properties with multiple occupiers in the borough to be licensed. Our private renting survey closes on Friday 31 March.</p> <p style="text-align: right;"><a href="#">Have your say &gt;</a></p> | <p>Sent to 85,444 subscribers</p> <p>4<sup>th</sup> item in the newsletter</p> <p>2<sup>nd</sup> most read item</p> <p>349 unique clicks</p> <p>405 total clicks</p> |

# Appendix C: Written responses

## 1. London Borough of Tower Hamlets (LBTH) Community Safety

### Response to HMO Licensing Extension and Expansion Consultation

1. The following services within the Community Safety Division were consulted for this response:

- Drugs and Alcohol Action Team (DAAT)
- Violence Against Women and Girls (VAWG) and Hate Crime
- Civil Protection Unit
- Safer Neighbourhood Operation's Service

2. The overall view of all those consulted was that they supported the extension and expansion to boroughwide of the HMO Licensing Scheme. No disbenefits to those to whom they provide services were identified.

3. The Civil Protection Unit has responsibility for business continuity, emergency planning. Its staff perform a vital role during responses to civil emergencies such as fires, flooding, terror attacks and other matters requiring the local authority to provide support to other services during the response and immediate recovery phases from such incidents.

3.1. It was believed that the additional information about those responsible for and through that information, more information on those resident in premises such as HMOs, will be most useful. HMOs have been subject to emergencies such as fires and flooding and the requirements of licensing being expanded to a wider range of such premises will be of particular advantage in assisting in the response to and initial recovery from incidents.

3.2. The additional emphasis that this proposal will bring to the safety of such premises and it being the responsibility of landlords through licensing conditions will be of particular benefit. This will be reinforced by more premises being subject to safety and other standards by regulatory officers.

4. The DAAT manages the co-ordination of substance misuse provision and also deals with those with such problems and involved in the criminal justice system. The officer's views were that because a large number of those with a range of substance misuse issues are people that the service comes into contact with, better control and management of where they live will be of an advantage to them having the best chance of recovery. Also that again, information on the management of the premises will assist workers in their relationships with clients.

5. VAWG and Hate Crime. Colleagues were very positively in favour of the proposal having been involved in two fairly recent Domestic Homicide Reviews (DHRs) where victims were residents of HMOs. Again it is about the enhancement to conditions that the expanded licensing should bring to the living conditions of residents but also of course the added responsibility of landlords to deal with antisocial behaviour in particular, this often being a precursor to more serious incidents.

6. Safer Neighbourhood Operations. Provides on street enforcement for ASB and environmental crime such as littering, has an intelligence and analytical team, a team that deals with residents in hostels and liaises and works closely operationally with police. Officer's views again were very strongly positive, particularly around the responsibility provided by licensing conditions upon landlords to manage ASB. The ASB team are often dealing with issues within the privately owned and rented sector and this addition plus more information on the management of such premises which will be borough wide if the proposal is progressed, will be of particular advantage in dealing with issues and potentially nipping them in the bud before they escalate.

6.1. There was also a view that enhances and expanded licensing could well be of benefit in the battle against the insidious nature of the impact of modern day slavery with a number of those subject to it often residing in a variety of premises including HMOs that may currently be unlicensed.

Barry Scales (on behalf of LBTH Community Safety)  
31 January 2023

## 2. Propertymark



### Tower Hamlets Council's consultation on their proposal to implement a Borough-wide Additional Licensing Scheme - response from Propertymark January 2023

#### Background

1. Propertymark is the UK's leading professional body of property agents, with over 17,000 members. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry leading training programme and mandatory Continuing Professional Development.

#### Overview

2. The London Borough of Tower Hamlets is consulting on an 'Additional' Licensing scheme for privately rented Houses in Multiple Occupation (HMOs) under the provisions within the Housing Act 2004. This proposed 'Additional' Licensing scheme will cover the whole Borough including the current exempt areas of Spitalfields & Banglatown, Weavers and Whitechapel.
3. The current 'Additional Licensing' scheme is due to end in March 2024. The proposed Additional Licensing scheme for Tower Hamlets will include all multiple let properties with three or more tenants from two different households sharing a bathroom and kitchen amenities irrespective of the property type including all houses, flats and converted houses that does not meet Building Regulations 1991.
4. Thank you for the opportunity to respond to the consultation on the licensing proposals for the borough-wide scheme in Tower Hamlets Council. Propertymark is supportive of efforts made by local authorities to improve housing stock within the private rented sector (PRS). However, we do not believe that licensing is the best method to achieve this aim. Accordingly, we object to your proposal.
5. Propertymark would prefer a regulatory framework, which seeks to educate landlords in improving their stock rather than punitive measures that are difficult to enforce and only punish compliant landlords letting those that require improvements to go undetected. We oppose this proposal on several grounds which are headed below.

#### Licensing structure

6. **Number of properties** – One of our concerns about licensing schemes, especially ones as large as the proposed Tower Hamlets scheme, is that the enforcement of schemes to ensure standards are being met in the PRS is often inadequate resulting in compliant landlords having to pay for the scheme and rogue landlords continuing to operate below standard under the radar.

7. **Clarification needed on Council resources** - The licensing scheme will operate in all 20 Tower Hamlet wards. The PRS is very large in Tower Hamlets, is an important housing tenure and is home to many people living in the London Borough. Mayhew Harper Associates Ltd estimate that the total PRS stock amounts to around 43,000 properties in 2022 and continues to grow.<sup>1</sup> A significant proportion of that stock will be HMO properties eligible for the proposed scheme with over 5,000 additional licences issued by Tower Hamlets since April 2019. This is a very large number of properties to check to ensure that landlords are operating to standard. We would like clarification on how much resources Tower Hamlets will put into enforcement and compliance of the scheme. If insufficient resources are not put into staffing the scheme, then we are concerned the aims of the scheme will not be met and it will result in complaint landlords paying for the scheme with rogue landlords operating under the radar.
  
8. **Identifying non-registered properties** - For a scheme on this scale, we are disappointed that there is no clear strategy on how the council will identify properties that have not been registered within the proposed scheme. Turning back to our concern that complaint landlords will pay for the scheme while rogue landlords will operate under the radar, we advocate using council tax records to identify tenures used by the private rented sector and those landlords in charge of those properties. Unlike discretionary licensing, landlords do not require self-identification, making it harder for criminal landlords to operate under the radar. With this approach, the council would not need to seek permission from the UK Government and would be able to implement it with no difficulty.
  
9. **Fees** – At £600.50 for an additional licence, the fee is high for an additional licence and in line with fees incurred for local authority selective licensing including £650 in Newcastle<sup>2</sup> and £550 in Liverpool.<sup>3</sup> In addition, other local authority schemes have considered ‘early bird’ discounts which given the large number of properties involved in this scheme would be a good incentive to ensure compliance. We also note that other schemes sometimes offer discounts for landlords or agents who belong to an accredited scheme. We are disappointed that no consideration has been given for discounts for members of the London Landlord accreditation scheme to members of landlord and letting agent accreditation schemes such as Propertymark (formally, the Association of Residential Letting Agents – ARLA). Being members of such organisations demonstrates compliance with best practice and high standards and we would encourage the council to consider discounts for this regard.
  
10. **Impact of cost-of-living and landlords** - Regardless of the fee level, we are concerned these charges will come at a time when landlords are impacted by the cost-of-living crisis and the impact fees could have on the ability of landlords to improve standards. Our members have also told us that a common concern from landlords on licensing schemes is that the costs can be extremely high for landlords who own

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1

[1926e7e8563768167ca8ad7f46a0659c\\_Appendix\\_1\\_Review\\_of\\_additional\\_Licensing\\_Scheme\\_for\\_PRS\\_properties\\_in\\_Tower\\_Hamlets.pdf \(amazonaws.com\)](#)

<sup>2</sup> [Fees and Charges.pdf \(newcastle.gov.uk\)](#)

<sup>3</sup> [Fees, discounts and exemptions - Liverpool City Council](#)



several properties within a self-contained unit such as a block of flats. We welcome Merton Council's acknowledgement of the high cost for these landlords who offer discounts for multiple licenses within one unit in their proposed scheme.

11. **Impact on supply of homes** - Exiting the market is especially a concern for smaller landlords who are more likely to sell their properties and further shrink the supply of PRS properties leaving remaining private tenants with higher rents. Our research on the shrinkage of the PRS<sup>4</sup> found 53% of buy to let properties sold in March 2022 left the PRS and that there were 49% less PRS properties to let in March 2022 compared with 2019. In addition to these concerns, those landlords who remain in the market, often have less money to improve conditions from increased costs. If the decision to operate an additional licensing scheme across the whole of Tower Hamlets is approved, then there is a concern that landlords currently operating within Tower Hamlets could invest in neighbouring local authority areas or exit the market altogether. This could result in fewer housing options for people living in Tower Hamlets meaning some people might be forced to find housing options outside the area, change employment or break social ties within the community.
  
12. **Unintended Consequences** – We are pleased to see that Tower Hamlets acknowledge that the PRS is an important and increasingly growing tenure that is home to many people living within the London Borough. Renting in parts of London, including Tower Hamlets, can be very expensive. The median monthly rent for London is £1,750 compared to £2,050 in Tower Hamlets<sup>5</sup>. Some renters living within Tower Hamlets will require cheaper accommodation due to being on a low income and the continued challenges in the cost-of-living crisis. We previously outlined the possibility that further legislation could reduce the housing options of the most vulnerable from landlords exiting the market there could be further implications on the rent level for those landlords who remain. As is the general law of supply and demand, if the supply of PRS property reduces, the cost of rent for the remaining properties is likely to rise. With already high rental prices within the area, there is a very real danger that many low- income families will be priced out of living in the area.
  
13. Given these affordability challenges, some renters living within Tower Hamlets will require cheaper accommodation due to being on a low income and the continued challenges in the cost-of-living crisis. HMOs or shared living is likely to be seen as one of the few viable options for their housing needs. Accordingly, we are concerned the impact an additional license could have on the supply of HMOs as a housing option for some people.
  
14. **HMOs are desirable for some groups** – Some groups of people and sections of a community actively look for HMO properties as a choice of preference. These include not just low-income families, but students and contract workers on short-term project work. And people who desire communal living. The only way they are going to find such properties is via a private landlord. This consultation response has already explored the possible impact proposals could have on supply, but an Additional Licensing Scheme could adversely impact the local economy, employers or sectors such as universities.

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<sup>4</sup> [A shrinking private rented sector | Propertymark](#)

<sup>5</sup> [London rents map | London City Hall](#)

## Improving standards

- 15. Property condition** – Large parts of Tower Hamlets are characterised as including large amounts of terraced housing and older stock. This is particularly the case in the Whitechapel area where there is a high concentration of older stock than in other areas. Areas that have these characteristics are often inner-city communities with large section of pre-1919 built housing. Accordingly, a significant amount of investment is required to improve the condition of stock including the energy efficiency of properties. We would be grateful if Tower Hamlets Council have any proposed grants or funds available for landlords to improve stock.
- 16. Fuel poverty and decarbonisation** – Tower Hamlets have highlighted one of their objectives of the scheme is to ‘complement other housing initiatives that the Council undertakes, such as – fuel poverty, cost of living, to work with landlord and renters’ organisations to promote safe and compliant homes’ improving energy efficiency as one of the key aims of the selective licensing scheme. This is not the purpose of selective licensing schemes. The Department for Business, Energy and Industrial Strategy (BEIS) already have the Minimum Energy Efficiency Standards (MEES) in place to improve the energy efficiency of PRS stock in place. We would be grateful for clarity on what specific support the council are offering tenants in fuel poverty as this could be useful information for local property agents to signpost to landlords and tenants.
- 17. Empty properties** – Tower Hamlets mention in their proposal document that reducing the number of empty properties is a priority of theirs and that there are around 1,500 empty properties in the borough. However, details are vague as to how a licensing scheme could reduce these or strategy in reducing empty homes. There is no mention of previous activity from the council on how empty homes have been tackled in the form of Empty Management Dwelling Orders, loans/grants available to bring these properties back into use or case studies involving empty properties. The council should provide further information into what active steps have been taken to reduce the number of empty properties within the city to aid the high number of people waiting on the housing list for social housing.
- 18. Homelessness** – The consultation document acknowledges that tenants living in HMO properties can be vulnerable and that Tower Hamlets are ‘confident’ that licensing could be used to stop unlawful eviction and sustain tenancies. We would be grateful for clarity on this statement as it is a key point. How will Tower Hamlets support landlords and property agents sustain tenancies for vulnerable tenants? Will they provide support for substance misuse, provide support for tenants with mental health concerns or provide budgeting advice? There is an unlevel playing field between support for vulnerable tenants in the social and private sectors as social housing providers have the means to support such needs and often landlords are not qualified in these specific areas.
- 19. Migration** – Tower Hamlets have highlighted high levels of migration as a reason for an additional licensing scheme. Many diverse communities have made Tower Hamlets their home and this has culturally enriched the community. Guidance on selective licensing suggests that this is a valid reason for implementing a selective license. However, this should be from a population increase of 15% or more

from the last twelve months. The proportion of borough residents born outside the UK rose from 35% in 2001 to 43% in 2011.<sup>6</sup> Office for National Statistics data shows that international migration is the largest reasons for population growth contributing towards more than half of the borough's population growth.<sup>7</sup> However, the scheme does not state what actions they intend to take to ensure the preservation or improvements to the social or economic conditions of the area for migrant groups. More clarity is required on efforts to stop overcrowding especially considering high demand on PRS properties against low alternatives in the social sector.

- 20. Current enforcement** – Tower Hamlets is experienced in the implementation of Additional Licensing Scheme with the current scheme expiring in April 2024. We would be grateful for some clarity on the performance of previous schemes. For example, how many working days did it take for a typical additional licence application to be processed and issued? The council also highlight some of the key statistics on their enforcement activity including warning letters, prosecutions, and civil penalties issues. We would be grateful if this data could be broken down by years and whether the action was within a selective licensing scheme area or from general enforcement. We would also be grateful for clarity on the reasons for issuing civil penalties for example, how many were for over-crowding, banning orders or for simply not obtaining the correct license.

### **Engagement**

- 21. Engagement with landlords and letting agents** - For most cases of substandard accommodation, it is often down to landlord's lack of understanding rather than any intent to provide poor standards. Tower Hamlets have made efforts to engage with landlords in the local area including support of landlord accreditation schemes and engagement via the local authority's landlord forum. However, there is no due regard in encouraging landlords or property agents to be members of an accredited membership scheme such as Propertymark.

To strengthen this engagement, we would be very happy to support the council in engaging with our members and local property agents. A licensing scheme is a very reactive mechanism, and it is far more beneficial to have a programme of education to engage with landlords on helping them improve before a situation gets worse. We would welcome clarity on what training opportunities the council will provide to landlords and agents to help them understand their responsibilities and improve standards. We recognise the council have made strong efforts in this in the past with engagement via the council's Landlord Forum and an accreditation scheme for local landlords. However, engagement is more credible over a longer more embedded period. Propertymark has a network of Regional Executives and a series of Regional Conferences that take place throughout the year.<sup>8</sup> We would be very happy to work with the council to engage with local agents over a virtual roundtable discussion on how standards can be improved.

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<sup>6</sup> [\\*A Profile of the Migrant Population in Tower Hamlets.pdf \(towerhamlets.gov.uk\)](#)

<sup>7</sup> ONS, 2018 Mid Year Population Estimates

22. We note one of the schemes objectives is 'to ensure all residential letting agents are fully compliant with consumer protection and rights legislation.' We would be grateful for more clarity on how the council plan on engaging with property agents and if we can support this work in anyway.

### **Tackling Anti-Social Behaviour (ASB)**

23. The council have also identified reducing levels of anti-social behaviour and support for landlords dealing with anti-social tenants. The consultation document states 'Tackles anti- social behaviour by imposing a requirement on the property licence for landlords/licence holder to investigate problems in their properties, such as noise nuisance and bad behaviour. This has a positive impact on the area as a whole and ensures that HMOs are managed more effectively.'
24. Landlords are not the best equipped to deal with anti-social behaviour and certainly do not have the skills or capacity to deal with some tenants' problems such as mental health or drug and alcohol misuse. As one example, if a landlord or their agent had a tenant that was causing anti-social behaviour, the only tool that the landlord or agent could use would be to seek possession from the tenant under a Section 8 notice. While this would remedy the problem in the short-term, the tenant is likely to still occupy this behaviour and all that has been achieved is that the anti-social behaviour has moved from one part of Tower Hamlets to another.
25. In this context, it should be noted that with regards to reducing anti-social behaviour, landlords and their agents can only tackle behaviour within their properties. Effectively, they are managing a contract and not behaviour. Landlords and their agents are not responsible in any form for anti-social behaviour occurring outside the property. Nevertheless, we would be interested to learn about any partnership work the council are proposing with stakeholders such as the Metropolitan Police in reducing anti-social behaviour within communities.

### **Selective Licensing and Section 21**

26. Propertymark would like clarification on the council's policy concerning helping a landlord when a section 21 notice is served, the property is overcrowded, or the tenant is causing antisocial behaviour, as per the council's consultation. What steps will the council take to support the landlord? It would be useful if the council were to put a guidance document before introducing the scheme to outline its position regarding helping landlords remove tenants who are manifesting antisocial behaviour. The change in section 21 legislation and how tenancies will end will mean landlords will become more risk-averse to taking tenants with a perfect reference and history. We would be willing to work with the council and develop a dispute resolution service with other local authorities.

<sup>8</sup> <https://www.propertymark.co.uk/about-us/board-and-governance.html>

## **Conclusions and alternatives**

27. Propertymark believes that local authorities need a healthy private rented sector to complement the other housing in an area. This provides a variety of housing types that can meet the needs of both residents and landlords in the area. Appropriate regulation and enforcement is essential for improving standards and removing criminals from the sector who exploit landlords and tenants. An active enforcement policy that supports good landlords and letting agents is crucial as it will remove those who exploit others and help create a level playing field. It is essential to understand how the sector operates as landlords and letting agents can often be victims of criminal activity and antisocial behaviour with their properties being exploited
  
28. If the scheme is approved, the council should consider providing an annual summary of outcomes to demonstrate to tenants, landlords and letting agents behaviour improvements and the impact of licensing on the designated area over the scheme's lifetime. This would improve transparency overall. Propertymark has a shared interest with Tower Hamlets Council in ensuring a high-quality private rented sector but strongly disagrees that the introduction of the proposed measures is the most effective approach to achieve this aim both in the short term and long term.
  
29. We would welcome the opportunity to work with Tower Hamlets Council to further engage with our members and property agents in the local area.

### 3. London Renters Union



## Tower Hamlets London Renters Union response to: Additional Licensing Scheme consultation

### 5 steps the council should take right now to protect and empower private renters

According to the National Audit Office (NAO), 13% of privately rented homes in England have serious health and safety hazards, such as chronic damp and mould, faulty wiring, and ongoing cold. The English Housing Survey shows that 20% of private rented homes in London do not meet the Decent Homes Standards. Disrepair reduces the quality of life, leads to serious health issues, and puts people at serious risk. The heartbreaking and avoidable death of two-year-old Awaab Ishak due to damp and mould shows the serious consequences of landlord neglect and unsafe housing.

Tower Hamlets council is responsible for regulating landlords but is failing to protect and empower renters. The NAO has stated that many councils like Tower Hamlets do not properly use their enforcement powers, such as inspections, improvement notices, and fines, to hold landlords accountable. This reluctance to take enforcement action can have tragic consequences. In March 2023, Mizanur Rahman died in a flat fire in Shadwell, where 17 people had been housed in two bedrooms. In August 2022, the council had licensed the private rented flat as a home of multiple occupations for no more than three people and had since received multiple complaints about overcrowding and conditions in the flat.

Our London Renters Union (LRU) branch has been inundated with reports of dampness and mould during the winter. There is dampness in nearly 1 in 10 private rented homes. In London, 1 in 30 rented homes is rated F or G on their Energy Performance Certificate (EPC), despite landlords of these properties being required by law to install efficient heating systems and insulation. The informal approach taken by many councils means it is more profitable for landlords to break the rules than follow them.

LRU branches often experience councils failing to follow up on complaints against landlords and uphold tenants' rights. In Tower Hamlets, renters desperately need the council to take their responsibilities seriously and to hire more frontline staff, including those who support tenants as part of their role. To improve standards in the private rented sector and in temporary accommodation, the Council needs to take a proactive approach to accountability, including fully utilising their enforcement powers. Tower Hamlets council is responsible for showing landlords that breaking the law will lead to enforcement action and would be a bad financial decision.

During the local election campaign last year, [the Mayor of Tower Hamlets Lutfur Rahman, committed to working closely](#) with the Tower Hamlets branch of the LRU to:

- "Fix the landlord registration scheme to ensure it delivers on its purpose of driving up standards in the private rental sector".
- Expand full licensing of rented properties across the borough.
- Take a zero tolerance approach to landlords violating the rights of tenants.

With the former manifesto promises yet to materialise, our consultation response sets the processes and schemes that renters in Tower Hamlets need the council to urgently put in place. This would ensure that landlords are held accountable and that all of us can live in safe, accessible and decent homes where we can flourish.

## Our Recommendations

### 1. Extend licensing schemes and use the extra powers and funding

*“For a long time now, I’ve been threatened with illegal eviction from my landlord, with little support from the council. My landlord has no licence. No action has been taken against them - it makes me feel vulnerable.” – LRU member in East London*

Licensing schemes are an important way that councils can improve standards in the private rented sector. By establishing licensing schemes, councils can charge a fee to landlords to be licenced and get additional powers to enforce standards and issue fines. Licence fees and revenue from fines can help build up revenue to employ enforcement officers. The powers that landlord licensing schemes provide need to be used in full, with councils being clear they are willing to issue fines and revoke or not renew a licence where a landlord has broken the law.

Councils should:

- **Introduce full borough-wide selective licensing** that covers all private rented homes.
- Use new capacity to ensure that landlords meet the licence terms through **regular inspections**.
- **Use licensing schemes to maximise resources available for enforcement** and issue Civil Penalty Notices to landlords that do not respect renters' rights.
- Collaborate with Justice for Tenants, who provide toolkits and training regarding how councils can build their capacity to use their powers to issue Civil Penalty Notices and increase enforcement without over-burdening frontline staff.
- Demonstrate to landlords that not having a license results in immediate enforcement action.

### 2. Hold landlords accountable to drive up standards

*“When I called the council during an illegal eviction, I was told that the council couldn’t do anything. I wasn’t given another number or any other way to get in touch with my issue” – LRU member in East London*

Too often, we have found that Tower Hamlets council has approached its role as a mediator rather than a regulator. As a result, they are often reluctant to escalate from communication with a landlord towards enforcement action, such as issuing an improvement notice or a fine or prosecution. This gives landlords the green light to break the law.

The council should:

- Develop a new enforcement policy using a more proactive approach and the recommendations put forth in our response.
- Develop and publish a strategy on energy efficiency in the private rented sector, and obtain data on non-compliant properties.
- Set targets for the percentage of cases escalated to formal enforcement action, the number of inspections carried out, and improvement notices issued as a proportion to the number of renters in the borough.
- Ensure that enforcement actions are recorded and linked to landlords, not just renters, in order to stay on top of landlords who repeatedly break the law.

### 3. Take a renter-centred approach

*“They told me all they could do was send me an application for homelessness to fill out” – LRU member in West London*

Too often Tower Hamlets council has failed to uphold the rights of renters. Requests for support often go unanswered or in many cases, council workers make things worse. In April 2022, a council in east London went along with a landlord’s false claim that our member was a lodger, leading to our member’s illegal and violent eviction. It is the role of local authorities to uphold the rights of tenants.

All staff that have contact with landlords must be trained to inform them of their legal obligations and the consequences of any breach of the law. Tower Hamlets Council needs to invest in Environmental Health Officers who can carry out investigations and issue improvement notices and fines and in Tenancy Relations Officers (TROs) who can prosecute landlords for criminal offences, such as illegal evictions.

The council should:

- Set targets around responsiveness to issues raised by renters and follow up with open complaints.
- Set and publish targets for increasing frontline staffing levels, including numbers of Tenancy Relations Officers.
- Train staff to inform tenants of their legal rights, ensuring that advice and support is clear and easy to access by the individual through multiple channels (e.g. email, telephone, face-to-face), and inform landlords of their legal obligations and the consequences of any breach of the law.
- Avoid closing cases without speaking to the tenants first and take responsibility for protecting tenants from the consequences of enforcement action, e.g. when a landlord responds to enforcement action by issuing an eviction notice.

#### **4. Make temporary accommodation safe**

Temporary accommodation procured by councils from private landlords is frequently appalling and unsuitable. [According to Shelter](#), three-quarters (75%) of households live in poor conditions, including one in five (21%) with a safety hazard, such as faulty wiring or fire risks. Tower Hamlets council must not allow the temporary accommodation sector to be a way for landlords to avoid meeting the standards set out by private rented sector legislation.

The council should:

- Follow in the footsteps of Newham Council and include temporary accommodation in licensing schemes and ensure that housing rights are enforced to the same standard as in the private rented sector.
- Work together to create a cross-London minimum standard for temporary accommodation and agree to not rent from landlords that provide accommodation below this standard.
- Publish a minimum standard for procurement of temporary accommodation that excludes properties that would require enforcement action were they provided as an assured shorthold tenancy.

#### **5. No borders in housing**

The UK government [encourages](#) councils to see landlord licensing as a way to increase collaboration with the Border Force, ultimately to identify people to deport. Data sharing with agencies involved in the immigration system (such as the Border Force or private contractors) would put migrants at risk. Councils may not be aware of when this is happening.

The council should:

- Commit to ensuring the landlord enforcement system is safe for migrants by prohibiting collaboration with Border Force. The council should publicise this fact to people in the borough.
- Commit to a data 'firewall': a promise that personal information collected by trusted services, including housing enforcement, will not be shared with the Home Office for immigration enforcement, and conduct an audit of data sharing to identify potential data leakage.



## 4. Safeagent



### Proposed Additional Licensing Scheme in the London Borough of Tower Hamlets

#### Safeagent Consultation Response

31 March 2023

#### An Introduction to safeagent

Safeagent is a not for profit accrediting organisation for lettings and management agents in the private rented sector. Safeagent (formerly NALS) provides an overarching quality mark, easily recognised by consumers, with minimum entry requirements for agents. Safeagent operates a government approved client money protection scheme and is a training provider recognised by the Scottish and Welsh governments for agents meeting regulatory requirements in those devolved nations.

Safeagent agents are required to:

- deliver defined standards of customer service
- operate within strict client accounting standards
- maintain a separate client bank account
- be included under a Client Money Protection Scheme

Agents must provide evidence that they continue to meet safeagent criteria on an annual basis to retain their accreditation. The scheme operates UK wide and has 1,700 firms with over 3,000 offices, including agents within the London Borough of Tower Hamlets.

We very much welcome the opportunity to contribute to this consultation exercise.

#### Overview

We understand that Tower Hamlets is seeking to renew the current additional licensing scheme that ends in March 2024. In preparing this consultation response, we have carefully considered the information published on the council's website.

#### Previous licensing scheme

We have studied the independent review of the council's current additional licensing scheme undertaken by Mayhew Harper Associates, dated October 2022.

Whilst containing much general commentary, we found the report lacking in detail on the evaluation of the current scheme. It says take-up (we assume number of applications) is below where it should be but can't be quantified. The evaluation provides limited information on the geographical spread of properties licensed under the additional licensing scheme and no information on the number of properties inspected.

Whilst the report provides some commentary on EPCs, noise complaints, pest control, service requests, warning letters and notices, we could find no data on annual trends and no comparison to baseline data before the scheme was implemented. At best, the data is inconclusive and provides no information about the number of properties improved under the current scheme. Even the summary acknowledges the comparative data on housing complaints split by tenure has limitations as it does not include social housing tenants who contact their landlord or the housing ombudsman.

## **Evidence base**

We note that a summary of the evidence base is merged in with the scheme evaluation by Mayhew Harper, plus a 'Statistics by Ward' document. The latter document was very brief, comprising just four pages.

The statistics by ward document contained three years of data on service requests and noise complaints recorded against properties with an additional licence. There is no commentary to explain what this signifies, and no baseline data to compare it to.

We would urge the council to look again at the supporting evidence base to ensure the legal tests for implementing a new scheme have been met.

What the report doesn't explain is the rationale for extending the additional licensing scheme borough wide. In the west of the borough, small HMOs occupied by three or four people and all single family lets are already licensed under the council's selective licensing scheme. The council renewed that scheme just 18 months ago.

The advantage of the current approach is that selective licences provide flexibility for properties to alternate between single family and HMO use according to the needs of the market without having to apply for a different licence. If the selective licensing scheme is overlaid with additional licensing, that flexibility will be lost.

There is a further complication. If the additional licensing scheme is introduced in the west of the borough, landlords and agents who have correctly obtained a selective licence will find themselves in breach of the law. As licences cannot be transferred, new licence applications will be required to eliminate the risk of enforcement action and rent repayment orders. Our concern is not simply the extra licensing fee, but also the time taken to relicence a portfolio of properties. This seems unfair and unnecessary and will be a confusing message to convey to landlords and agents. We would encourage the council to reflect on these unintended consequences and retain the current licensing scheme boundary.

## **Section 257 HMOs (certain converted blocks of flats)**

The consultation proposal does not explain whether the proposed scheme would include section 257 HMOs.

We have concerns about including such properties within the additional licensing scheme due to the difficulty experienced by letting agents in knowing when a property was converted and whether the conversion satisfies the relevant building standards. It is not something that is reasonable for a letting agent to assess.

In situations where there is a freeholder and separate long leaseholders, the situation is further complicated by the need to determine whether less than two thirds of the flats are owner-occupied. Only the freeholder may possess this information and the tenure of each flat may vary over time.

This would make it extremely difficult for a safeagent letting agent to assess whether a licence is required, despite their best endeavours. For example, it may be that the building did not require a licence when a flat was rented out, but subsequently requires licensing because another leaseholder in the building has rented out their flat. As such, a letting agent could find themselves committing an offence of managing a flat in a licensable building without a licence, simply because another flat had been rented out without their knowledge.

Bringing section 257 HMOs within the additional licensing scheme could also be problematic for long-leasehold owner-occupiers who find their flat is within a licensable building. The licensing fee may push up their service charge and could cause difficulties with their mortgage lender. As the licence would need to be disclosed to a prospective purchaser, some mortgage lenders may be reluctant to lend on a residential mortgage for a flat within a licensed HMO, thus adversely impacting the property's value.

It is also the case that the 2015 general approval to introduce an additional licensing scheme only applies if the council has consulted persons likely to be affected by the scheme designation. Without actively consulting long leaseholder owner occupiers and explaining the implications of licensing section 257 HMOs, the conditions in the general approval would not be met and the additional licensing scheme could not be introduced without Secretary of State approval.

Whilst we are opposed to the idea of including all section 257 HMOs within the additional licensing scheme, we recognise that there are circumstances where a particular type of section 257 HMO may be worthy of more intensive regulation. For example, where a landlord has converted a property into cramped and poorly designed studio flats entirely for private rental without any planning and building regulation approval.

In such circumstances, the additional licensing scheme could be restricted to section 257 HMOs where the whole building and all the individual flats within it are in single ownership or considered to be effectively under the same control. In response to our feedback, several councils have adopted this approach.

Other councils such as Westminster City Council, Newham Council and the Royal Borough of Kensington and Chelsea have listened to our feedback and excluded all section 257 HMOs from their additional licensing schemes.

We would encourage Tower Hamlets Council to give this further thought and either narrow the section 257 HMO licensing criteria or remove them entirely from the scheme.

### **Licensing fees**

We recognise that the council need to charge a reasonable fee to cover the cost of administering and enforcing the licensing scheme. It is important that the council implement an efficient and streamlined licence application processing system. This will help to minimise costs and keep fees at a reasonable level, thereby minimising upward pressure on the rent that is charged to tenants.

We understand the council is intending to charge an additional licensing fee of £600.50 per property. We are pleased the council is proposing to set a fee significantly below the London average. This should help to avoid licensing fees becoming a barrier to new landlords entering the market.

Whilst we appreciate fees are below the London average, we would encourage the council to offer a discount to landlords and managing agents who are members of a professional association or accreditation scheme. We would request the eligibility criteria includes landlords who appoint an accredited safeagent member to act as licence holder or designated manager. This will help to professionalise the lettings industry. As highlighted in the introduction, safeagent is a not for profit accrediting organisation for lettings and management agents. All our members are required to deliver defined standards of customer service, operate within strict client accounting standards, maintain a separate client bank account and be included in a Client Money Protection Scheme. Membership of safeagent can be easily verified by visiting our website: <https://safeagents.co.uk/find-an-agent/> or by contacting us by phone or email.

To ensure landlords and agents have sufficient time to prepare and submit applications, we would request that the application process is launched three months before the scheme comes into force.

### **Licence Conditions**

We have studied the proposed list of standard licence conditions in the consultation report.

We have made some suggestions to help improve and fine tune the wording of the conditions. This in turn will help landlords and agents to understand and comply with the requirements.

As a general comment, we noticed some licence conditions require information to be provided within 21 days and some require information within 7 days. We think 7 days is too short a period except for critical / urgent issues. We think 14 or 21 days is more appropriate. It allows time for the licence holder to liaise with the property manager, collate the information and respond in writing. It also ensures the licence holder does not find themselves in breach of the licence if they take a one week holiday and miss the deadline. We would also request the wording is adjusted to state 'within ## days of a written request'. We don't think this should apply to verbal requests where there could be confusion about exactly what information has been requested and for what purpose. This is also important for GDPR compliance, as it provides an audit trail to show why information has been disclosed.

## Tenancy Management

Condition 1.3. In a small HMO let to sharers on one AST, it can create an institutional feel having formal documents displayed on the wall. Most people would not want this in their home. In addition, neither the landlord nor agent can prevent the tenants removing a document from the wall once the tenancy has started. For this reason, we would encourage the council to allow a copy to be displayed or a copy given at tenancy signup, as many other councils do.

Condition 1.8. This condition is highly unusual if it is being proposed for all rent payments. A written receipt is not appropriate for rent payments made via BACS or direct debit and there is no invoice issued for a rent payment. Rather than an invoice, the contract requiring payment is the signed tenancy agreement. For electronic payments, the written record is the bank statement belonging to both parties. A written receipt or rent book is only appropriate for cash payments and the condition should be adjusted to reflect this, or otherwise removed.

## Property Management

Condition 5.1. For a small three person HMO, we think three-monthly inspections are excessive and will interfere with the tenants' right to quiet enjoyment of the property. Several other councils require a minimum six-monthly inspection and that seems more appropriate. Of course, we acknowledge this is the minimum frequency, and more regular inspections may be appropriate depending on the use, layout and occupancy of the property.

Condition 5.2. Whilst safeagent members will always try to arrange and facilitate any council inspection, we would point out that neither the landlord nor agent has power to enter a property, or parts of the property, if the tenants refuse access. We trust the council appreciate that limitation.

Condition 5.3. We note the council must assess whether a property is reasonably suitable for occupation when the licence is granted. This involves consideration of the kitchen, bathroom and toilet facilities, fire precautions and management arrangements. If the council believe the use, layout or occupancy of the property needs to be adjusted, property specific licence conditions can be added for that purpose. We think this is the most appropriate way to ensure a property is compliant. We do not think it is reasonable, or permitted, to make local HMO guidance an enforceable legal standard as guidance needs to be interpreted and applied flexibly according to the nature of the property. Further, the weblink to 'Minimum HMO standards' links to a webpage which in turn links to over twenty other documents, none of which have that document title. We think it is important that licence conditions are clear and simple to understand and that any requirements for works to be undertaken are added to the licence and a reasonable timescale allowed for those works to be done.

Condition 5.8. It does not state how often the council require a PAT test. We think this should be made clear in the wording of the condition.

Condition 5.10. No EPC is required if an HMO is let by the room with each tenant on a separate tenancy agreement and sharing basic amenities. This is explained on page 21 of the council's accommodation and amenity standards. The council should not insist on an EPC for a property that does not require one.

Condition 5.11. The Regulatory Reform (Fire Safety) Order 2005 does not apply houses or flats occupied by a group of sharers on one AST. A fire risk assessment is not required for this type of accommodation. It is only required for the common parts of buildings containing flats or bedrooms / bedsits let on separate tenancies. The wording should be amended to reflect this.

Condition 5.13. We disagree with the wording of this condition. If the council believe the fire detection system is not appropriate (this information would be provided on the licence application), the council should add a property specific licence condition explaining what work is required and the timescale for completing the work. This is a common approach adopted by many councils. The current wording leaves it completely unclear whether any work is deemed necessary. It also refers to a 2013 LACORS guidance whereas the guidance was published in 2008. The LACORS guidance is risk based and contains no prescriptive standards.

Condition 5.14. We disagree with the wording of this condition. As the council will be aware, fire safety requirements will vary considerably according to the use, layout and occupancy of the property. Further, the council should not seek to apply the case studies in Part D of the LACORS guidance as prescriptive standards as the guidance makes clear the case studies should not be viewed in isolation and are not intended to be interpreted in that way. If

the council believe the fire detection system and means of escape from fire are not appropriate, the council should add a property specific licence condition explaining what work is required and setting a timescale to complete the work. This is a common approach adopted by many councils.

Condition 5.15. The wording does not correctly reflect the mandatory condition that must be applied by virtue of the Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022. For example, the condition should cover all gas appliances except for gas cookers. We would encourage the council to use the correct statutory wording.

Condition 5.17. We would ask the council to delete this condition or consult on a revised form of words. Our members would not know what the council mean by 'adequate thermal insulation' and against what parameters this would be assessed, yet failure to comply is a criminal offence. If the council mean a property cannot be let if the EPC rating is F or G, that is already a legal requirement and provides a simply benchmark to ensure compliance.

Condition 5.18. It seems unlikely that every home in the borough will have an external storage area for refuse and recycling bins, particularly for houses that open directly onto the street. In some boroughs, residents are given refuse sacks to be placed outside the property on bin collection day. We would encourage the council to ensure the wording is appropriate for all property types. We followed the web- link but could not find any further explanation about this licence condition.

Condition 6.4. If a shared house is let on one tenancy agreement with exclusive use, it would not be appropriate to require the licence holder to ensure the garden is kept in a clean condition. That responsibility would rest with the tenants and is something that can be checked on interim inspections.

As the council make clear in the bold statement inserted at the end of the conditions, failure to comply with any condition is a criminal offence. This is why it is so important to get the wording right and ensure every condition makes clear exactly what requirements are being imposed.

### **Accommodation and Amenity Standards for Private Rented Sector Housing**

Appendix 3 accompanying the consultation document contains accommodation standards dated September 2022. It is unclear from the introduction whether this is guidance applicable for all private rented properties that are risk assessed under the Housing Health and Safety Rating System or is intended as guidance on additional requirements for licensed properties.

We would encourage the council to explain in the introduction that each property will be risk assessed and considered on its merits having regard to the use, layout and occupancy of the property. We understand the Upper Tribunal have indicated local guidance should not be viewed as legally enforceable minimum standard as it needs to be interpreted with a degree of flexibility.

### **Delivering effective enforcement**

It is vital that the council have a well-resourced and effective enforcement team to take action against those landlords and agents that seek to evade the licensing scheme.

Without effective enforcement, new regulatory burdens will fall solely on those that apply for a licence whilst the rogue element of the market continue to evade the scheme and operate under the radar. This creates unfair competition for safeagent members who seek to comply with all their legal responsibilities. They are saddled with extra costs associated with the licence application process and compliance, whilst others evade the scheme completely.

## **Recognising the important role of letting agents**

Letting agents have a critical role to play in effective management of the private rented sector. We would encourage the council to explore mechanisms for effective liaison with letting agents and to acknowledge the benefits of encouraging landlords to use regulated letting agents such as safeagent licensed firms.

## **Regulation of letting agents**

To achieve better regulation of the private rented sector and improve consumer protection, it is important the council takes a holistic approach that extends far beyond the proposed licensing scheme.

Since October 2014, it has been a requirement for all letting agents and property managers to belong to a government-approved redress scheme. In May 2015, new legislation required agents to display all relevant fees, the redress scheme they belong to and whether they belong to a client money protection scheme. On 1 April 2019, new legislation required letting agents and property managers that hold client money to be members of a government approved client money protection scheme. At safeagent we operate one of the six government approved client money protection schemes.

To assist councils in regulating the private rented sector and effectively utilising these enforcement powers, we developed an Effective Enforcement Toolkit. Originally published in June 2016, the second edition was published in 2018. The third and most recent edition of the safeagent Effective Enforcement Toolkit, developed in conjunction with London Trading Standards, was published in 2021. It can be downloaded free of charge from our website:

<https://safeagents.co.uk/wp-content/uploads/2021/11/safeagent-Effective-Enforcement-Toolkit-2021.pdf>

We welcome the significant activity by the council's Trading Standards Team to tackle illegal letting fees and agents that do not belong to a redress scheme. We would encourage the council to widen this activity to focus on client money protection requirements and we hope our toolkit will assist in that regard. Should you wish to discuss any aspect of this consultation response, please do not hesitate to contact me. Can you also please confirm the outcome of the consultation exercise in due course.

### **Isobel Thomson Chief Executive**

Safeagent  
Cheltenham Office Park Hatherley Lane  
Cheltenham  
GL51 6SH

Tel: 01242 581712

Email: [Isobel.Thomson@safeagents.co.uk](mailto:Isobel.Thomson@safeagents.co.uk)

Website: <https://safeagents.co.uk>

## 5. Affordable Accommodation for Students Association Limited (via email)

Email submitted 28/03/2023

Can you please submit the trail of emails below as formal evidence to the consultation from our organisation on Tower Hamlets additional and selective licencing scheme. Can you please acknowledge receipt of this email please.

Regards

Allan

Allan Hilton MBA  
Chief Executive

=====  
**Affordable Accommodation for Students Association Limited**  
(formerly Cass and Claredale Halls of Residence Association Limited)  
Well Street Hall, 150 Well Street, London E9 7LQ  
t: +44 (0)20 8533 2529  
w: [www.aa4s.co.uk](http://www.aa4s.co.uk)

A charitable registered society under the Co-operative and  
Community Benefit Societies Act 2014

Registered in England.  
Registered number IP27158R.  
Registered address:  
Claredale House, Claredale Street, London E2 6PE.

=====

xxx,

I have now looked at the relevant legislation, which you referred to in your email.

**See s56 Housing Act 2004 below.**

S56(1) (see below) makes it clear that the local authority has the power to limit the designation to particular types of HMO. Thus (for example) HMOs which are signed up to the ANUK or UUK Code, or which are student halls of residence, or house 3 or fewer people could be excluded from the designation. The designation can only be made if the local authority meets the requirement of section 56. I would argue that the onus is therefore on the local authority to demonstrate that they have met the requirements of s56.

Therefore, can you explain why Claredale House is a significant problem for the local authority and it needs licencing? The act makes it clear that you need to set criteria based on problems, in the Borough. I do not see how this criteria is met in relation to our building. The Local authority is currently taking a blanket approach to licencing HMO's, however it **does** have the power to finesse the designation.

S56(1) (see below) is permissive, not mandatory. The local authority MAY introduce a designation – it does not have to – and it is only allowed to introduce a designation if the requirements of s56 are met.

S56(2) (see below) is mandatory. The authority MUST CONSIDER - What evidence does the local authority have to show that it has been considered, that purpose built student accommodation is a problem and is being managed ineffectively?

What the authority must consider is that a SIGNIFICANT PROPORTION of HMOs are a problem. What proportion is this? Also where is the evidence base to show that a significant proportion of charitable halls of residence covered by the government recognised ANUK code are a problem?

What criteria are used to assess whether properties are being managed ineffectively? What 'particular problems' are arising or likely to arise? What is the **evidence** to show those problems are occurring or are likely to occur at Claredale House or any other PBSA?

S56(3) (see below) is also mandatory. Consultation must be meaningful – or the steps taken cannot be considered to be reasonable. Can I ask which of our residents have been consulted? They are likely to be affected by the designation, so if not consulted, why not?

S56(4) (see below) is permissive. However, it must be read in conjunction with the remainder of the section. The designation may cover all HMOS in the area BUT only if the local authority considers (acting reasonably) that a significant proportion of all HMOs in the area, of all types, are managed ineffectively so as to give rise to particular problems.

I really cannot see what benefit our residents gain from the scheme that will cost them an additional £250 per year to be part of, when we are currently inspected regularly and the type of licencing proposed bears no relevance to running a large PBSA.

If the council wishes to follow through with this for Claredale House, I would contend that the fees should be 'reasonable and proportionate', to the level of work involved, perhaps a discount for multiples in large blocks managed by the same management or a cap on blocks? Currently we have 59 flats in a single block and this could cost us £36,000. The council could of course use its designation to exempt charitable student accommodation as opposed to commercial PBSA?

I would contend that it seems easier for the council to target large PBSA, with huge fees, than actually tackling the problem landlords that the legislation was designed deal with.

In terms of the 'Wednesbury principles' it seems unreasonable in following this policy through. A reasoning or decision is unreasonable (or irrational) that no reasonable person acting reasonably could have made it. A decision cannot be rational and reasonable if all relevant factors have not been taken into account, which I feel I have tried to explain, not just in this email but in the trail of emails below.

Copy of s56 Housing Act 2004 below.

## **56 Designation of areas subject to additional licensing**

(1) A local housing authority may designate either—

- (a) the area of their district, or
- (b) an area in their district,

as subject to additional licensing **in relation to a description of HMOs specified in the designation**, if the requirements of this section are met.

(2) The authority **must** consider that **a significant proportion of the HMOs of that description in the area** are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more **particular problems** either for those occupying the HMOs or for members of the public.

(3) Before making a designation the authority **must**—

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



(4)The power to make a designation under this section may be exercised in such a way that this Part applies to all HMOs in the area in question.

(5)In forming an opinion as to the matter mentioned in subsection (2), the authority must have regard to any information regarding the extent to which any codes of practice approved under section 233 have been complied with by persons managing HMOs in the area in question.

(6)Section 57 applies for the purposes of this section.

#### **57Designations under section 56: further considerations**

(1)This section applies to the power of a local housing authority to make designations under section 56.

(2)The authority must ensure that any exercise of the power is consistent with the authority’s overall housing strategy.

(3)The authority must also seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector, both—

(a)as regards combining licensing under this Part with other courses of action available to them, and

(b)as regards combining such licensing with measures taken by other persons.

(4)The authority must not make a particular designation under section 56 unless—

(a)they have considered whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of dealing with the problem or problems in question, and

(b)they consider that making the designation will significantly assist them to deal with the problem or problems (whether or not they take any other course of action as well).

(5)In this Act “anti-social behaviour” means conduct on the part of occupiers of, or visitors to, residential premises—

(a)which causes or is likely to cause a nuisance or annoyance to persons residing, visiting or otherwise engaged in lawful activities in the vicinity of such premises, or

(b)which involves or is likely to involve the use of such premises for illegal purposes.

Thanks for your help with this I look forward to a response.

Regards  
Allan

Allan Hilton MBA  
Chief Executive

=====  
**Affordable Accommodation for Students Association Limited**  
(formerly Cass and Claredale Halls of Residence Association Limited)  
Well Street Hall, 150 Well Street, London E9 7LQ  
t: +44 (0)20 8533 2529

w: [www.aa4s.co.uk](http://www.aa4s.co.uk)

A charitable registered society under the Co-operative and  
Community Benefit Societies Act 2014

Registered in England.  
Registered number IP27158R.  
Registered address:  
Claredale House, Claredale Street, London E2 6PE.

=====  
**From:** Allan Hilton  
**Sent:** 27 March 2023 11:07 AM  
**To:** xx <[xx@towerhamlets.gov.uk](mailto:xx@towerhamlets.gov.uk)>; xx <[xx@towerhamlets.gov.uk](mailto:xx@towerhamlets.gov.uk)>  
**Subject:** RE: Student accommodation FW: Claredale House, Claredale St, London E2 6PE

xx,

I understand the position in the legislation, but I am aware that some local authorities have exempted purpose  
built student accommodation from this for example Leicester council.

Clearly the legislation is not designed or geared for large purpose built blocks of student accommodation. We have  
central boilers, legionella RA, Fire RA, 5 yearly electrical inspections etc. Claredale is over 11m tall and has to meet  
other regulations because of this, such as the new regulations on quarterly fire door checks.

You stated in your presentation that the fee's should be 'reasonable and proportionate' and that is contained  
within the legislation. I cannot see under any scenario where a bill for £36,000 can meet this criteria. You also  
stated that you may not visit all properties depending upon a risk assessment. As we are regularly visited and  
inspected through the ANUK code, which is government approved. I presume you would take the view we are of  
little risk?

I don't have any problem with you inspection the building but the fee must be 'reasonable and proportionate'  
something you do have a choice of within the legislation.

Regards

Allan

Allan Hilton MBA  
Chief Executive

=====  
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Claredale House, Claredale Street, London E2 6PE.

**From:** xx <xx@towerhamlets.gov.uk>

**Sent:** 24 March 2023 10:48 AM

**To:** xx <xx@towerhamlets.gov.uk>; Allan Hilton <Allan.Hilton@aa4s.co.uk>

**Subject:** Student accommodation FW: Claredale House, Claredale St, London E2 6PE

Dear Allan,

I apologise for my delay in response, due to being called out on an emergency.

Unfortunately, the types of student accommodation you have below do not form part of our proposal for additional licensing to exempt.

The legislation under the Housing Act 2004 is very clear on the exemption criteria being as below and stipulate what exemptions the local authorities can approved.

Exemption from HMO regulations

Certain buildings that meet the criteria to be defined as an HMO under the Housing Act 2004 are exempt from the licensing provisions and the management regulations.

This comprises buildings that are:

- managed or controlled by private registered providers of social housing, a co-operative society, local authorities and other specified public sector bodies
- buildings regulated under other legislation, for example boarding schools, prisons, accommodation centres for asylum seekers and care homes
- occupied by religious communities, unless they are section 257 HMOs
- halls of residence (or other accommodation occupied by students) that are managed or controlled by one of the educational establishments listed in the regulations
- only occupied by an owner/occupier, members of their household and no more than two tenants or licensees. This exemption does not apply to section 257 HMOs
- only occupied by two people who form two households
- properties subject to a **temporary exemption notice** or an **interim management order**

I am sorry this may not be the answer you were hoping for, and we are limited in our decision based on the government guidelines and legislative requirement as above.

If you need further assistance, I have included my colleague, xx xx the principal officer in charge of Additional licensing, who can assist you with any further queries in relation to the matter.

Best Regards,

xx

Health and Housing Team leader  
Environmental Health and Trading Standards  
Place Directorate  
4th Floor Tower Hamlets Town Hall  
160 Whitechapel Road  
London E1 1BJ

**\*\*\*\*\*Housing Licensing Consultation\*\*\*\*\***

We are currently consulting on the smaller HMO property licensing scheme (additional licensing), whether to renew the designation and extend it boroughwide. Please let us have your views at **Additional Licensing Scheme consultation | Let's Talk Tower Hamlets** and complete the questionnaire – Thank you

**From:** Housing Licensing <housinglicensing@towerhamlets.gov.uk>

**Sent:** 15 March 2023 16:38

**To:** xx <xx@towerhamlets.gov.uk>

**Subject:** FW: Claredale House, Claredale St, London E2 6PE

Hi xx,

FYI. Thanks

xx

Housing Intelligence Officer  
Environmental Health and Trading Standards  
Tower Hamlets Town Hall  
160 Whitechapel Road  
London  
E1 1BJ  
Tel: xxx

**Housing Licensing Consultation**

We are currently consulting on the smaller HMO property licensing scheme (additional licensing), whether to renew the designation and extend it boroughwide. Please let us have your views at **Additional Licensing Scheme consultation | Let's Talk Tower Hamlets** and complete the questionnaire – Thank you

**From:** Allan Hilton <Allan.Hilton@aa4s.co.uk>

**Sent:** Wednesday, March 15, 2023 1:39 PM

**To:** xx <xx@towerhamlets.gov.uk>; Tower Hamlets PRS <towerhamletsprs@melresearch.co.uk>; Housing Licensing <housinglicensing@towerhamlets.gov.uk>

**Cc:** Chris Plumley <Chris.Plumley@aa4s.co.uk>; xx@melresearch.co.uk

**Subject:** RE: Claredale House, Claredale St, London E2 6PE

xx/xx/xx

Further to the consultation meeting today.

Below is the trail of emails below that I have been corresponded on previously.

If you could pass on my details to Julie so I can engage.

Happy for the emails below to be fed into the process.

Regards

Allan

Allan Hilton MBA  
Chief Executive

=====

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Registered address:  
Claredale House, Claredale Street, London E2 6PE.  
=====

**From:** Allan Hilton  
**Sent:** 25 November 2021 10:40 AM  
**To:** xx <xx@towerhamlets.gov.uk>  
**Cc:** xx <xx@towerhamlets.gov.uk>; Chris Plumley <Chris.Plumley@aa4s.co.uk>  
**Subject:** RE: Claredale House, Claredale St, London E2 6PE

xx,

Thanks for your email.

I can confirm that Affordable Accommodation for Students Association Limited, under your questions 1&2, are neither a registered social landlord/provider of housing, nor are we a cooperative in the sense of student resident membership/ownership of the Association; we offer rooms to all University students regardless of being a member. We can however have tenant members as shareholders, but not in the way we think you are directing the question.

The Association is a charitable Community Benefit Society, an exempt charity (company number 271598R) and has been in existence since 1991 with the object to help advance education and to help make the current and future lives of students better by providing and developing affordable, good quality, secure accommodation and associated services for undergraduate and postgraduate students studying in London during term-time and for interns, graduates, and visitors during the Summer Vacation period. In doing so we support students in their well-being, living experience, in their personal development and in the acquisition of life skills.

Below is a link to our residential licence agreement.

**<https://aa4s.co.uk/wp-content/uploads/2021/04/2021-2022-AA4S-Term-Licence-Agreement.pdf>**

When you say each HMO we are assuming you do not mean the whole building as a single HMO?

If you mean each flat with 3 rooms or more, we are concerned that additional licencing is a cost for no apparent benefit to the organisation or the residents, as we are inspected already, by a government recognised scheme. We respect and are supportive of additional licencing schemes and the need to ensure accommodation is fit for residents, but as is the nature of such a scheme, it is the good landlords and those that the council can easily target to raise revenue, that get penalised. What we cannot understand is, how the work involved in inspecting our single building could possibly equate to £30,000? Can you answer this question please?

Are you expecting us to make 57 individual applications, as all the building has is a single heating system and hot water system, a single fire alarm system, the same Fire Risk assessments, legionella control procedures, 5 yearly electrical testing. There are onsite, living-in staff and 24 hours staff cover?

When the Government introduced the additional and selective licencing scheme it was envisaged that there would be substantial reduced fee for those already registered with a Government approved scheme, such as the ANUK code. Why have we not been given a reduction? We now may consider removing ourselves from the ANUK code (as there is no legal requirement to be a member) to offset the cost the council is imposing on with additional and selective licencing. Unintended consequences one might say.

Can you also please direct us to how we would appeal against this charge?

Regards

Allan

Allan Hilton MBA  
Chief Executive

=====  
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f: 020 8525 0633  
w: [www.aa4s.co.uk](http://www.aa4s.co.uk)

A charitable registered society under the Co-operative and  
Community Benefit Societies Act 2014

=====  
**From:** xx <[xx@towerhamlets.gov.uk](mailto:xx@towerhamlets.gov.uk)>  
**Sent:** 17 November 2021 2:23 PM  
**To:** Allan Hilton <[Allan.Hilton@aa4s.co.uk](mailto:Allan.Hilton@aa4s.co.uk)>  
**Cc:** xx<[xx@towerhamlets.gov.uk](mailto:xx@towerhamlets.gov.uk)>; Chris Plumley <[Chris.Plumley@aa4s.co.uk](mailto:Chris.Plumley@aa4s.co.uk)>  
**Subject:** FW: Claredale House, Claredale St, London E2 6PE  
**Importance:** High

Dear Mr Allan Hilton

**RE: Housing Act 2004 part II – Licensing of Houses in Multiple occupation & Schedule 14  
Claredale House, Claredale St, London E2 6PE – Student accommodation**

Thank you for your comprehensive email below to my colleague Mr xx xx. My apologies for our delayed response, we sought legal clarification following your email on 9<sup>th</sup> September. As a result, we need to answer a few questions.

The Council acknowledges that you are a not-for-profit, charitable registered society under the Co-operative and Community Benefit Societies Act 2014 (formerly an Industrial & Provident Society). However, this does not exempt your organisation. We need your response to the following questions:

- 1) Is your organisation 'non-profit registered provider of social housing?' Can you give us documented evidence of this status. See 2 (1)(aa) of schedule 14 of the Act;
- 2) Is your organisation a 'registered as a social landlord under Part 1 of the Housing Act 1996 (c. 52)' , See 2 (1)(b) of schedule 14 of the Act
- 3) Are students issued with 'assured short hold tenancy' can you provide a copy of tenancy agreements?
- 4) Are students members of the co-operative society with equal voting rights at the societies meetings?

We also note that the ANUK Code that you refer to also acknowledges and directs its members to apply for the HMO (Mandatory or Additional) and Selective Licences if it applies to where their student accommodations are located.

The Council's Additional HMO scheme covers ALL multiply shared private rented residential properties with three or more occupants. This includes student blocks not managed or controlled by specified educational establishments. We do not offer a reduction in the fees.

If none of the exemptions stated under schedule 14 of the Housing Act 2004 apply, then the expectation of the Council would be for your organisation to apply for the Additional HMO Licence. The current fee us £533.50 for each HMO.

I look forward to your response.

xx

**Principal Environmental Health Officer  
Mandatory HMO and Additional Licensing Team  
Health and Housing  
Environmental Health and Trading Standards**

**London Borough of Tower Hamlets**

2<sup>nd</sup> Floor, Mulberry Place  
5 Clove Crescent  
London E14 2BG

xx

**environmentalhealth@towerhamlets.gov.uk  
www.towerhamlets.gov.uk**

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**From:** xx <xx@towerhamlets.gov.uk>  
**Sent:** 10 September 2021 08:54  
**To:** xx <xx@towerhamlets.gov.uk>  
**Subject:** FW: Claredale House, Claredale St, London E2 6PE

Hi,

Reply below from the CEO of the AFFORDABLE ACCOMMODATION FOR STUDENTS ASSOCIATION LIMITED, the owners of Claredale House.

I have also attached a previous email he sent across, which was sent to us 17 June 2021.

Thanks

xx

**From:** Allan Hilton <Allan.Hilton@aa4s.co.uk>  
**Sent:** 09 September 2021 16:38  
**To:** xx <xx@towerhamlets.gov.uk>  
**Cc:** Chris Plumley <Chris.Plumley@aa4s.co.uk>  
**Subject:** RE: Claredale House, Claredale St, London E2 6PE

xx,

Further to your email below and your letter of the 2<sup>nd</sup> September 2021, I confirm:

We have 61 flats in total, 2 of which are the onsite manager's flats and 2 of the other 59 flats are 2 bedroomed only, total residents 246. Therefore, in terms of your letter, we should be paying  $57 \times £533.50 = £30,409$  over a 5 year period which equates to £6081.50 pa. Or as our student contracts are 39 weeks £22.69 per student per year.

The London Plan has designated that the 'affordable level' for student accommodation for London for 2021/22 is £179.20, our average rent for Claredale House is £160 for a 39-week contract.

The Association is an exempt charity, a not-for-profit, charitable registered society under the Co-operative and Community Benefit Societies Act 2014 (formerly an Industrial & Provident Society) and we exist solely to help advance education and to help make the current and future lives of students better by providing and developing affordable, good quality, secure accommodation and associated services for undergraduate and postgraduate students studying in London during term-time and for interns, graduates, and visitors during the Summer Vacation period. In doing so we support students in their well-being, living experience, in their personal development and in the acquisition of life skills.

We are a member of the ANUK National Code of Standards for Larger Developments for student accommodation not managed and controlled by educational establishments, which is approved by the Government. We are also a member of the National Housing Federation. We currently have to meet the standards of the ANUK code, which is specifically designed for large purpose-built student accommodation, includes an independent complaints procedure and means that we are currently inspected every 3 years: we are a responsible landlord. I have attached our student satisfaction survey results for the last 5 years for both of our buildings.

The nature of the Council's additional licencing scheme is clearly aimed at landlords of single dwellings, as demonstrated by the nature of the questions.

What we are concerned about is that additional licencing is a cost for no apparent benefit to the organisation or the residents. We are supportive of additional licencing schemes, but as is the nature of such a scheme, it is the good landlords and those that the council can easily target to raise revenue, that get penalised. What we cannot understand is how the work involved in inspecting our single building could possibly equate to £30,000?

When the government introduced the scheme it was envisaged that there would be substantial reduced fee for those already registered with a government approved scheme such as the ANUK code.

In September 2005 John Daniels, who was then DCLG's official dealing with the development of the three 'Approved' Codes, stated the following in an email to Martin Blakey, who is Chief Executive of Unipol Student Homes and set up the ANUK code:

"The second ANUK code is The Code for Buildings Not Managed or Controlled by an Educational Establishment – this code is designed specifically for private sector suppliers, many of whom provide accommodation directly to institutions through nominations agreements or through a variety of outsourced provision. Joining this particular Code will not lead to an exception for any providers from the HMO definition and licensing continues to apply. The Government is however 'minded' to approve this Code as an HMO Approved Code of practice and would expect local authorities responsible for licensing to accept that those accredited to it will be complying with a nationally approved standard (and for which compliance will be monitored), and that therefore they should charge a significantly reduced licensing fee for licensing accommodation accredited to this Code."

Claredale House has been offering affordable rents in Tower Hamlets since 1984, well before the proliferation and growth of the Purpose-Built Student Accommodation (PBSA) sector, and we believe we are the only charitable student accommodation provider in Tower Hamlets.

We have seen many thousands of high-end student accommodation rooms come on stream in Tower Hamlets over the last 25 years, that are clearly aimed at maximising income for the companies involved. We are asking for a discount on the fees for this licencing, and while we are conscious that this could set a precedent for the council, we believe that the charitable nature of our organisation sets us apart from the rest and so would not set this precedent.

Please let me know if you need further information or if there is anything we need to do.

We would be happy to meet up onsite.

Regards

Allan



Allan Hilton MBA  
Chief Executive

=====  
**Affordable Accommodation for Students Association Limited**  
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f: 020 8525 0633  
w: [www.aa4s.co.uk](http://www.aa4s.co.uk)

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Community Benefit Societies Act 2014

=====  
**From:** xx <[xx@towerhamlets.gov.uk](mailto:xx@towerhamlets.gov.uk)>  
**Sent:** 08 September 2021 9:51 AM  
**To:** Allan Hilton <[Allan.Hilton@aa4s.co.uk](mailto:Allan.Hilton@aa4s.co.uk)>  
**Subject:** RE: Claredale House, Claredale St, London E2 6PE

Good Morning,

Thank you for your email.  
I have saved copies of this email and the email from 17th June 2021, which I will discuss with the Principal Officer,  
xx xx, along with your forthcoming response.

Kind Regards

**xx**  
**Housing Standards Officer**  
**Mandatory HMO and Additional Licensing Team**  
**Health and Housing**  
**Environmental Health and Trading Standards**

**Place Directorate**  
**London Borough of Tower Hamlets**  
**2nd Floor, Mulberry Place**  
**5 Clove Crescent**  
**London**  
**E14 2BG**

xx  
[environmentalhealth@towerhamlets.gov.uk](mailto:environmentalhealth@towerhamlets.gov.uk)  
[www.towerhamlets.gov.uk](http://www.towerhamlets.gov.uk)

Follow us on:  
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**From:** Allan Hilton <[Allan.Hilton@aa4s.co.uk](mailto:Allan.Hilton@aa4s.co.uk)>  
**Sent:** 07 September 2021 16:11  
**To:** Leighton Jones <[Leighton.Jones@towerhamlets.gov.uk](mailto:Leighton.Jones@towerhamlets.gov.uk)>  
**Subject:** RE: Claredale House, Claredale St, London E2 6PE

xx,

Thanks for the email. I did see the letter today and I will respond in due course.

Just checking you received my email of the 17<sup>th</sup> June 2021, following your letter of the 15<sup>th</sup> June 2021.

Is the council offering discounts for members of government approved schemes, which we are part of, as was recommended by the then DCLG. As you can appreciate what you have laid out is a considerable amount of money for a not for profit organisation, that is offering some of the cheapest rents to students in London.

Regards

Allan

Allan Hilton MBA  
Chief Executive

=====  
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=====

# Appendix D: Survey

\*questions marked with an asterix were only asked in the online survey due to time constraints on the face to face survey

## Additional Licensing Scheme for Houses in Multiple Occupation in the London Borough of Tower Hamlets

### Section 1: About you

The first set of questions looks to understand who is responding to the survey.

**1. If you are a resident in Tower Hamlets, what ward do you live in?** (click here to access a map to look up your postcode) *(please select one only)*

- Island Gardens
- Canary Wharf
- Blackwall and Cubitt Town
- Poplar
- Lansbury
- Limehouse
- Mile End
- Bromley South
- Bromley North
- St. Dunstan's
- Stepney Green
- St. Katherine and Wapping
- Bethnal Green East
- Bethnal Green West
- Bow West
- Bow East
- Shadwell
- Spitalfields and Banglatown
- Weavers
- Whitechapel

**2. Which of the following best describes you?** *(please select all that apply)*

- Owner occupier
  - Private tenant
  - Social housing tenant
  - Landlord
  - Letting or managing agent
  - Business owner in Tower Hamlets
  - Other (please specify below)
- 

**3. How long have you lived in Tower Hamlets?** *(please select one only)*

- Less than 12 months
- Between 1-5 years
- Over 5 years
- Not a resident in Tower Hamlets

**4. If you have lived in Tower Hamlets for less than 12 months, where did you live before you moved?** *(please select one only)*

- Other London Borough
- Other part of the UK
- Outside the UK (overseas)

**5. If you manage any privately let property, which of the following best describes you? (please select one only)**

- Landlord who manages their own property
  - Landlord who uses a managing agent
  - Letting agent
  - Managing agent
  - Not applicable
  - Other interested party (please state below)
- 

**6. If you are a landlord or managing agent, how many properties of the following types do you own/manage in Tower Hamlets? (please select one 'None / 1-5 properties / 6-10 properties / 11-20 properties / More than 20 properties' for each of the following)**

- a. Single occupancy dwellings**
- b. Houses in multiple occupation: 3-4 persons**
- c. Houses in multiple occupation: 5 or more persons**

**7. If you are a landlord or managing agent, are you a member of any of the following? (please select all that apply)**

- National Residential Landlords Association (NRLA)
- Property Mark /ARLA
- **UK Association of Letting Agents - UKALA**
- Safeagent (Formerly - The National Approved Letting Scheme (NALS))
- Other (please specify) .....

**8. Do you own or manage any other properties outside of Tower Hamlets? (please select one only)**

- Yes
- No
- Not applicable

## **Section 2: Additional Licensing proposal**

The council is seeking views on the proposed redesignation of the Additional Licensing scheme for smaller Houses in Multiple Occupation (HMO) that are privately rented with three or more non-related tenants sharing a kitchen or bathroom. The proposal is for the scheme to be borough wide. The scheme would be for up to five years. [For full details of the proposal, please click here to access the Consultation document.](#)

**9. To what extent do you agree or disagree with the general proposal for renewing the additional licensing scheme for Tower Hamlets? (please select one only)**

- Strongly agree
- Tend to Agree
- Neither agree or disagree
- Tend to disagree
- Strongly disagree
- Don't know/not sure

### Proposed inclusion of other wards in the scheme

The proposed borough-wide additional licensing scheme will include the currently exempted areas of Weavers, Whitechapel, Spitalfields and Banglatown.

**10. To what extent do you agree or disagree that the exemption areas should be included?** *(please select one only)*

- Strongly agree
- Tend to Agree
- Neither agree or disagree
- Tend to disagree
- Strongly disagree
- Don't know/not sure

**11. To what extent do you agree or disagree with Additional licensing proposal that licences should be required only for the privately rented properties with three or more non-related tenants sharing a kitchen or bathroom in Tower Hamlets?** *(please select one only)*

- Strongly agree
- Tend to Agree
- Neither agree or disagree
- Tend to disagree
- Strongly disagree
- Don't know/not sure

### Section 257 properties

The proposed additional licensing is to include section 257 HMOs which are converted self-contained flats/dwelling that have been converted prior to Building Regulations 1991.

**12. To what extent do you agree or disagree that including Section 257 HMOs in the scheme will improve the quality of privately rented housing?** *(please select one only)*

- Strongly agree
- Tend to Agree
- Neither agree or disagree
- Tend to disagree
- Strongly disagree
- Don't know/not sure

**13. To what extent do you agree or disagree that the proposed amenity standards will improve the quality and standards of HMOs?** *(please select one only)*

- Strongly agree
- Tend to Agree
- Neither agree or disagree
- Tend to disagree
- Strongly disagree
- Don't know/not sure

**14. How reasonable or unreasonable are the following elements of the proposals around conditions and standards:** *(please select 'Reasonable' / 'Unreasonable' / 'Don't know/not sure' for each of the following)*

- a. Standards on space (such as an appropriate size and shape for kitchens)
- b. Standards on kitchen facilities (such as the layout must be safe, convenient and allow good hygienic practices)

c. Standards on washing and toilet/WC facilities (such as bathrooms must have mechanical ventilation to the outside air)

### **Additional Licence fees**

**The Council needs to charge a fee in order to cover the cost of processing licence application and running the scheme. The proposed fee is £600\* for up to 5 years.**

For more information about the fees, please click [here](#) and visit the section on Fees within the document. (\*In 2024/25 the fee will go up (normally by inflation))

**15. To what extent do you agree or disagree that the proposed licence fee for a 5-year licence (£600) is reasonable?** *(please select one only)*

- Strongly agree
- Tend to Agree
- Neither agree or disagree
- Tend to disagree
- Strongly disagree
- Don't know/not sure

### **SECTION 3: Your views and experiences in Tower Hamlets \***

This set of questions looks to gather your views and experiences of the Private Rented Sector in Tower Hamlets

**16. Thinking about the private rented sector in Tower Hamlets as a whole, to what extent do you agree or disagree with the following statements?** *(please select from 'Agree strongly' / 'Tend to agree' / 'Neither agree nor disagree' / 'Tend to disagree' / 'Disagree strongly' / 'Don't know/not sure' for each of the following) \**

- a. Poorly managed privately let properties are contributing to the decline of some areas in Tower Hamlets
- b. Flats/privately let HMOs are contributing to the decline of some areas in Tower Hamlets
- c. Landlords have a responsibility to manage their properties effectively

**17. Thinking about Tower Hamlets private rented sector, how much of a problem do you consider the following on a scale of 1-5, with 5 being a **significant problem** and 1 being **not a problem at all**?** *(please select from '1 (Not a problem at all)' / '2' / '3' / '4' / '5 (a significant problem)' for each of the following) \**

- a. nuisance neighbours
- b. loud noise
- c. litter/ rubbish dumping
- d. poorly maintained/neglected/run down properties
- e. drug use/dealing/drug related crime
- f. alcohol misuse
- g. petty crime
- h. prostitution

**18. Have you ever experienced or witnessed anti-social behaviour from tenants living in a privately rented HMO/flats HMOs?** *(please select one only) \**

- Yes
- No
- Not applicable

**19. If you are a private tenant living in a flat HMO or HMO, have you experienced any of the following issues?**

*(please select all that apply) \**

- Dampness and/or disrepair
- Inadequate basic amenities (e.g. bath, toilet etc)
- Lack of fire safety measures
- Dirty common areas (staircase, hallways etc)
- Rubbish accumulations or inadequate refuse storage facilities
- Poor letting practices (e.g. lack of tenancy paperwork, poor response to repair requests)
- Harassment and/or illegal eviction
- None of the above
- Not applicable

**20. To what extent do you agree or disagree that landlords in Tower Hamlets maintain their properties to a good**

**standard? (please select one only) \***

- Strongly agree
- Tend to Agree
- Neither agree or disagree
- Tend to disagree
- Strongly disagree
- Don't know/not sure

#### **Section 4: Additional comments and further opportunities for engagement**

**21. Please add below any specific comments that you wish to make about the proposal, or any alternatives that the council could consider:**

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**22. The Council will be holding a number of public meetings to discuss the proposal further. The provisional dates are 26th Jan, 15th March, 27th March and 28th March 2023.**

If you are interested in attending a meeting, please provide your email address below and we will contact you to book a place:

---

**23. Would you like to be kept informed about any decision about the proposal made by the Council? (please select one only)**

- Yes
- No (skip next question)

**24. If you have not already done so, please provide an email address so that you can be sent any updates on the proposals:**

---

#### **Section 5: Your information**

This last section asks you some optional questions about yourself so we can fully understand different people's views and experiences. You can complete as much or as little as you wish. This is being collected to help the

**Council in meeting its public sector equality duty under section 149 of the Equality Act 2010. All information that you provide is used only for the purpose of this survey only.**

**25. What is your month and year of birth?** (please write in the box below)

---

Please add MONTH first, followed by YEAR e.g. June 2001

**26. What is your ethnic group? (please select one only)**

- White: English, Welsh, Scottish, Northern Irish or British
- White: Irish
- White: Gypsy or Irish Traveller
- White: Roma
- White: Any other White background (please write in when prompted) \*
- Mixed or Multiple ethnic groups: White and Black Caribbean
- Mixed or Multiple ethnic groups: White & Black African
- Mixed or Multiple ethnic groups: White and Asian
- Mixed or Multiple ethnic groups: Any other mixed or multiple background (please write in when prompted) \*
- Asian or Asian British: Indian
- Asian or Asian British: Pakistani
- Asian or Asian British: Bangladeshi
- Asian or Asian British: Chinese
- Asian or Asian British: Any other Asian background (please write in when prompted) \*
- Black, Black British, Caribbean or African: Caribbean
- Black, Black British, Caribbean or African: Somali
- Black, Black British, Caribbean or African: Other African
- Black, Black British, Caribbean or African: Any other Black, Black British or Caribbean background (please write in when prompted) \*
- Other ethnic group: Arab
- Other ethnic group: Any other ethnic group (please write in when prompted) \*
- Prefer not to say

**\* If you have selected 'other' please write in your ethnicity below?**

---

**27. Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?** (please select one only) \*

- Yes
- No
- Prefer not to say

**28. Do any of your conditions or illnesses reduce your ability to carry out day-to-day activities?** (please select one only) \*

- Yes, a lot
- Yes, a little
- Not at all

**29. What is your sex?** (please select one only)

- Male
- Female
- Prefer not to say



**30. Is the gender you identify with the same as your sex registered at birth? (please select one only) \***

- Yes
  - No (please write in gender identity)
- 

**31. Are you currently pregnant or did you give birth in the last twelve months? (please select one only) \***

- Yes
- No
- Prefer not to say

**32. What is your legal marital or registered civil partnership status? (please select one only) \***

- Never married and never registered a civil partnership
- Married
- In a registered civil partnership
- Separated, but still legally married
- Separated, but still legally in a civil partnership
- Divorced
- Formerly in a civil partnership which is now legally dissolved
- Widowed
- Surviving partner from a registered civil partnership
- Prefer not to say

**33. What is your religion? (please select one only) \***

- No religion
- Christian
- Buddhist
- Hindu
- Jewish
- Muslim
- Sikh
- Prefer not to say
- Any other religion (please specify)

**34. Which of the following best describes your sexual orientation? (please select one only) \***

- Straight / heterosexual
- Gay man
- Gay woman/lesbian
- Bisexual
- Prefer not to say
- Other sexual orientation (please specify)

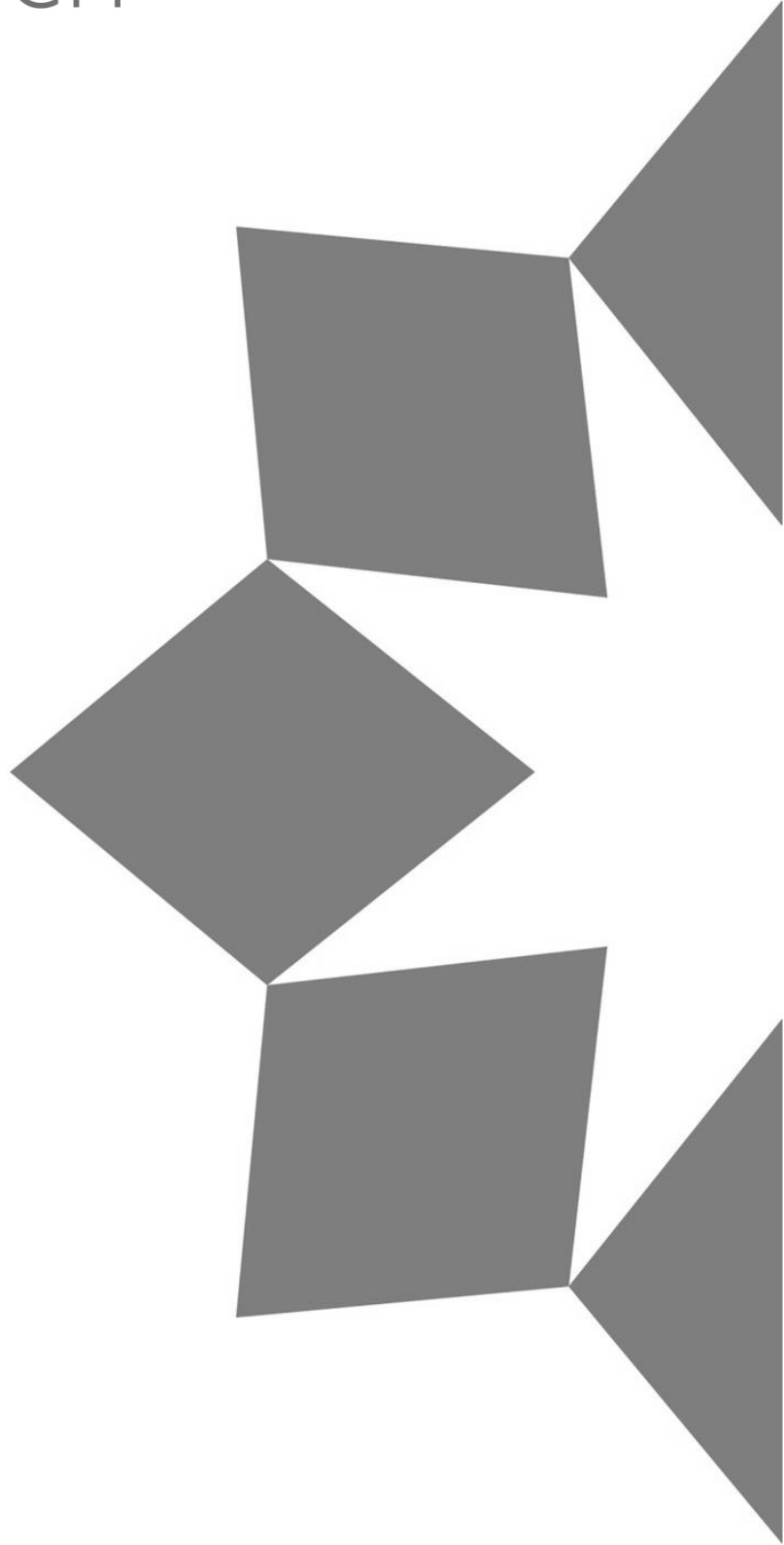
**35. Do you look after, or give any help or support to, anyone because they have long-term physical or mental health conditions or illnesses, or problems related to old age? (please select one only) \***

- No
- Yes, 9 hours a week or less
- Yes, 10 to 19 hours a week

- Yes, 20 to 34 hours a week
- Yes, 35 to 49 hours a week
- Yes, 50 or more hours a week
- Prefer not to say



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research



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## **Appendix Eight: Responses to written comments from the consultation**

### **Service responses to the written consultations.**

In this document, we have responded to the general points made by organisations and individuals that provided a written submission to the consultation.

#### **Resources raised by Propertymark.**

Response: Resourcing qualified and experienced staff to undertake inspections for the Health and Housing Team has been a challenge and is regionally. This was also impacted by the pandemic. There is an ongoing recruitment to secure more staff for the Team. We use various process of permanent staff, fixed term contracts and agency staff to maintain our staffing levels.

It must be noted that enforcement is lengthy, if we rely on the Housing Act 2004 Part 1, which cost significantly more than a licence does, due to the charge imposed when issuing an enforcement notice to the landlord. A landlord may receive multiple notices. Whereas a licence has a flat fee and a prescriptive set of property conditions such as set occupation levels for the size of the property, requirement for gas and electrical certificates to be in place, having adequate fire safety alarm systems, disposal of waste etc. Ensuring the manager and licence holder are aware of what is needed with regards to property conditions.

The licence acts as a preventative measure and gives all licence holders guidance on what the expected standards are to rent out properties. The scheme helps to decrease formal enforcement.

#### **Identifying non- registered properties**

*For a scheme on this scale, we are disappointed that there is no clear strategy on how the council will identify properties that have not been registered within the proposed scheme. Turning back to our concern that complaint landlords will pay for the scheme while rogue landlords will operate under the radar, we advocate using council tax records to identify tenures used by the private rented sector and those landlords in charge of those properties. Unlike discretionary licensing, landlords do not require self-identification, making it harder for criminal landlords to operate under the radar. With this approach, the council would not need to seek permission from the UK Government and would be able to implement it with no difficulty. Propertymark.*

Response: Environmental Health has a clear strategy in place to identify unlicensed residential properties across the scheme. This includes:

1. Engagement with Agents.
2. Engagement with Social Landlords in the Borough to identify and provide a list of leaseholders who are subletting their properties. A number of the RSLs have provided the required data and the identified leaseholders have been written to submit a licence
3. Media publicity campaign in the East End Life newspaper

4. Publicity banners in local parks
5. Advertisements in Idea stores
6. Use of Council Tax data, for any owner who has alternative correspondence address registered with Council tax.
7. Door-step surveys
8. Use of the Rent Repayment Orders to encourage licensing.
9. Use of enforcement processes.
10. Investigation of complaints

**Fees – concerns on the level set.**

Response: The licence fee is set annually through the corporate fee setting process, it is not appropriate to compare our fees to other Authorities in the North of the country as cost the base varies. The fees are set fairly to enable the Council to administer and enforce the scheme ensuring that a burden is not placed on the landlord or renter.

**Impact of cost-of-living and landlords - Propertymark**

Response: The cost of the licence for Tower Hamlets reflects the administration and enforcement of the scheme. The fees are ring fenced to the scheme. Some elements of the scheme will assist in lowering costs for renters.

The cost of living is a national issue to everyone, it will affect everyone at various levels and the licence fee is set at a level to have a minimal impact.

**Impact on supply of homes – Propertymark**

Response: Over the period of operating the current licensing scheme, we have not identified landlords leaving the market. The private rented sector in Tower Hamlets is about 38-40% - 38,000 properties. Other external influences may encourage landlords to leave the market – its unlikely this scheme will.

**Current enforcement**

*Tower Hamlets is experienced in the implementation of Additional Licensing Scheme with the current scheme expiring in April 2024. We would be grateful for some clarity on the performance of previous schemes. For example, how many working days did it take for a typical additional licence application to be processed and issued? The council also highlight some of the key statistics on their enforcement activity including warning letters, prosecutions, and civil penalties issues. We would be grateful if this data could be broken down by years and whether the action was within a selective licensing scheme area or from general enforcement. We would also be grateful for clarity on the reasons for issuing civil penalties for example, how many were for overcrowding, banning orders or for simply not obtaining the correct license. Propertymark*

Response: The analysis carried out by Mayhew Harper Associates includes some of the data regarding processing times. The consultation did include our current enforcement data at the time of the consultation.

We will review whether to publish more details on the enforcement action undertaken on our schemes on the website. However, our intention is not to punish landlords or agents but to encourage compliance to property conditions.

Formal action is published on the Greater London Authority Rogue Landlord Checker.

### **Engagement with landlords and letting agents**

*For most cases of substandard accommodation, it is often down to landlord's lack of understanding rather than any intent to provide poor standards. Tower Hamlets have made efforts to engage with landlords in the local area including support of landlord accreditation schemes and engagement via the local authority's landlord forum. However, there is no due regard in encouraging landlords or property agents to be members of an accredited membership scheme such as Propertymark.*

*To strengthen this engagement, we would be very happy to support the council in engaging with our members and local property agents. A licensing scheme is a very reactive mechanism, and it is far more beneficial to have a programme of education to engage with landlords on helping them improve before a situation gets worse. We would welcome clarity on what training opportunities the council will provide to landlords and agents to help them understand their responsibilities and improve standards. We recognise the council have made strong efforts in this in the past with engagement via the council's Landlord Forum and an accreditation scheme for local landlords. However, engagement is more credible over a longer more embedded period. Propertymark has a network of Regional Executives and a series of Regional Conferences that take place throughout the year.<sup>8</sup> We would be very happy to work with the council to engage with local agents over a virtual roundtable discussion on how standards can be improved. Propertymark.*

Response:the Council would welcome greater education of landlords and Agents operating in the borough. We are willing to review how this can be achieved via the Forums that we hold.

### **Tackling Anti-social behaviour (ASB)**

*Landlords are not the best equipped to deal with anti-social behaviour and certainly do not have the skills or capacity to deal with some tenants' problems such as mental health or drug and alcohol misuse. As one example, if a landlord or their agent had a tenant that was causing anti-social behaviour, the only tool that the landlord or agent could use would be to seek possession from the tenant under a Section 8 notice. While this would remedy the problem in the short-term, the tenant is likely to still occupy this behaviour and all that has been achieved is that the anti-social behaviour has moved from one part of Tower Hamlets to another. Propertymark*

Response: The responsibility to deal with ASB from renters is a shared one between the landlord and local authority. We do not feel that the landlord should abdicate all responsibility. Landlords are required as part of the conditions to obtain a reference

before granting agreements to any tenant. This should reduce the numbers of anti-social tenants occupying HMOs in the borough.

### **Information about the outcomes of the scheme**

*If the scheme is approved, the council should consider providing an annual summary of outcomes to demonstrate to tenants, landlords and letting agents behaviour improvements and the impact of licensing on the designated area over the scheme's lifetime. This would improve transparency overall. Propertymark has a shared interest with Tower Hamlets Council in ensuring a high-quality private rented sector but strongly disagrees that the introduction of the proposed measures is the most effective approach to achieve this aim both in the short term and long term. Propertymark.*

Response: The council aims to demonstrate transparency in all its services and welcome this recommendation. We will work to add data on the numbers inspected per annum, enforcement actions taken for each licence scheme, following the renewal of the scheme.

### **Impact on supply of homes**

*Exiting the market is especially a concern for smaller landlords who are more likely to sell their properties and further shrink the supply of PRS properties leaving remaining private tenants with higher rents. Our research on the shrinkage of the PRS<sup>4</sup> found 53% of buy to let properties sold in March 2022 left the PRS and that there were 49% less PRS properties to let in March 2022 compared with 2019. In addition to these concerns, those landlords who remain in the market, often have less money to improve conditions from increased costs. If the decision to operate an additional licensing scheme across the whole of Tower Hamlets is approved, then there is a concern that landlords currently operating within Tower Hamlets could invest in neighbouring local authority areas or exit the market altogether. This could result in fewer housing options for people living in Tower Hamlets meaning some people might be forced to find housing options outside the area, change employment or break social ties within the community. Propertymark*

Response: We have not recognised that this is an issue – however external factors may have an impact on landlords exiting the market rather than a licensing scheme.

### **Engagement with landlords and letting agents**

*For most cases of substandard accommodation, it is often down to landlord's lack of understanding rather than any intent to provide poor standards. Tower Hamlets have made efforts to engage with landlords in the local area including support of landlord accreditation schemes and engagement via the local authority's landlord forum. However, there is no due regard in encouraging landlords or property agents to be members of an accredited membership scheme such as Propertymark.*

*To strengthen this engagement, we would be very happy to support the council in engaging with our members and local property agents. A licensing scheme is a very reactive mechanism, and it is far more beneficial to have a programme of education*



*to engage with landlords on helping them improve before a situation gets worse. We would welcome clarity on what training opportunities the council will provide to landlords and agents to help them understand their responsibilities and improve standards. We recognise the council have made strong efforts in this in the past with engagement via the council's Landlord Forum and an accreditation scheme for local landlords. However, engagement is more credible over a longer more embedded period. PropertyMark has a network of Regional Executives and a series of Regional Conferences that take place throughout the year.<sup>8</sup> We would be very happy to work with the council to engage with local agents over a virtual roundtable discussion on how standards can be improved. PropertyMark*

Response: The Council would welcome greater education of landlords and agents, we will consider this request, however we would not necessary promote an individual a scheme.

### **Evidence base**

*We note that a summary of the evidence base is merged in with the scheme evaluation by Mayhew Harper, plus a 'Statistics by Ward' document. The latter document was very brief, comprising just four pages.*

*The statistics by ward document contained three years of data on service requests and noise complaints recorded against properties with an additional licence. There is no commentary to explain what this signifies, and no baseline data to compare it to.*

*We would urge the council to look again at the supporting evidence base to ensure the legal tests for implementing a new scheme have been met.*

*What the report doesn't explain is the rationale for extending the additional licensing scheme borough wide. In the west of the borough, small HMOs occupied by three or four people and all single family lets are already licensed under the council's selective licensing scheme. The council renewed that scheme just 18 months ago.*

*The advantage of the current approach is that selective licences provide flexibility for properties to alternate between single family and HMO use according to the needs of the market without having to apply for a different licence. If the selective licensing scheme is overlaid with additional licensing, that flexibility will be lost.*

*There is a further complication. If the additional licensing scheme is introduced in the west of the borough, landlords and agents who have correctly obtained a selective licence will find themselves in breach of the law. As licences cannot be transferred, new licence applications will be required to eliminate the risk of enforcement action and rent repayment orders. Our concern is not simply the extra licensing fee, but also the time taken to relicence a portfolio of properties. This seems unfair and unnecessary and will be a confusing message to convey to landlords and agents. We would encourage the council to reflect on these unintended consequences and retain the current licensing scheme boundary. Safe Agent*

Response: Properties already licensed under selective licence will not be required to re-apply on the renewal of the Additional Licensing HMO scheme, until their current

licence expires. We do not expect properties to hold two licences. If we issue a selective licence to a property that subsequently becomes licensable the additional licensing scheme, the existing licence continues. S.91(3)(b) provides that the licence continues in force for the period for which it is issued unless terminated or revoked. S.91(5) provides that the licence continues even if the house ceases need a selective licence or becomes an HMO to which additional licensing applies. If the scheme is extended the Council will take all reasonable steps to secure that applications are made in respect of HMOs that need to be licensed under the additional licensing scheme or selective licences are reviewed. It is expected that if the selective licence has a considerable term to run i.e. years, a conversion will be made at no extra cost but the new licence will not exceed the length of the current selective licence term.

### **Section 257 HMOs (certain converted blocks of flats)**

*The consultation proposal does not explain whether the proposed scheme would include section 257 HMOs.*

*We have concerns about including such properties within the additional licensing scheme due to the difficulty experienced by letting agents in knowing when a property was converted and whether the conversion satisfies the relevant building standards. It is not something that is reasonable for a letting agent to assess.*

*In situations where there is a freeholder and separate long leaseholders, the situation is further complicated by the need to determine whether less than two thirds of the flats are owner-occupied. Only the freeholder may possess this information and the tenure of each flat may vary over time.*

*This would make it extremely difficult for a safeagent letting agent to assess whether a licence is required, despite their best endeavours. For example, it may be that the building did not require a licence when a flat was rented out, but subsequently requires licensing because another leaseholder in the building has rented out their flat. As such, a letting agent could find themselves committing an offence of managing a flat in a licensable building without a licence, simply because another flat had been rented out without their knowledge.*

*Bringing section 257 HMOs within the additional licensing scheme could also be problematic for long-leasehold owner-occupiers who find their flat is within a licensable building. The licensing fee may push up their service charge and could cause difficulties with their mortgage lender. As the licence would need to be disclosed to a prospective purchaser, some mortgage lenders may be reluctant to lend on a residential mortgage for a flat within a licensed HMO, thus adversely impacting the property's value.*

*It is also the case that the 2015 general approval to introduce an additional licensing scheme only applies if the council has consulted persons likely to be affected by the scheme designation. Without actively consulting long leaseholder owner occupiers and explaining the implications of licensing section 257 HMOs, the conditions in the*

*general approval would not be met and the additional licensing scheme could not be introduced without Secretary of State approval.*

*Whilst we are opposed to the idea of including all section 257 HMOs within the additional licensing scheme, we recognise that there are circumstances where a particular type of section 257 HMO may be worthy of more intensive regulation. For example, where a landlord has converted a property into cramped and poorly designed studio flats entirely for private rental without any planning and building regulation approval.*

*In such circumstances, the additional licensing scheme could be restricted to section 257 HMOs where the whole building and all the individual flats within it are in single ownership or considered to be effectively under the same control. In response to our feedback, several councils have adopted this approach.*

*Other councils such as Westminster City Council, Newham Council and the Royal Borough of Kensington and Chelsea have listened to our feedback and excluded all section 257 HMOs from their additional licensing schemes.*

*We would encourage Tower Hamlets Council to give this further thought and either narrow the section 257 HMO licensing criteria or remove them entirely from the scheme. Safe Agent*

Response: The Housing Act 2004 details the types of properties that fall within the definition of section 257 HMOs. Prior to the introduction of the Additional HMO scheme in April 2019, these types of HMOs would not have required licensing unless they fell within the Councils Selective Wards.

To leave the enforcement of fire containment to part 1 of the Act, is not a positive approach. The composition of these properties consists of multiple flats and in the event of a fire, the fire spread to all because of fire breaks and early detection systems. It is our intention to include these properties, which we expect are low in number.

### **Licence Conditions**

*We have studied the proposed list of standard licence conditions in the consultation report.*

*We have made some suggestions to help improve and fine tune the wording of the conditions. This in turn will help landlords and agents to understand and comply with the requirements.*

*As a general comment, we noticed some licence conditions require information to be provided within 21 days and some require information within 7 days. We think 7 days is too short a period except for critical / urgent issues. We think 14 or 21 days is more appropriate. It allows time for the licence holder to liaise with the property manager, collate the information and respond in writing. It also ensures the licence holder does not find themselves in breach of the licence if they take a one week holiday and miss the deadline. We would also request the wording is adjusted to state 'within ## days of a written request'. We don't think this should apply to verbal requests where there could be confusion about exactly what information has been requested and for what*

*purpose. This is also important for GDPR compliance, as it provides an audit trail to show why information has been disclosed. Safe Agent*

Response: We have reviewed the comments made by Safe Agent with regards to the conditions and have amended them where we feel it is appropriate.

### **Accommodation and Amenity Standards for Private Rented Sector Housing**

*Appendix 3 accompanying the consultation document contains accommodation standards dated September 2022. It is unclear from the introduction whether this is guidance applicable for all private rented properties that are risk assessed under the Housing Health and Safety Rating System or is intended as guidance on additional requirements for licensed properties.*

*We would encourage the council to explain in the introduction that each property will be risk assessed and considered on its merits having regard to the use, layout and occupancy of the property. We understand the Upper Tribunal have indicated local guidance should not be viewed as legally enforceable minimum standard as it needs to be interpreted with a degree of flexibility. Safe Agent*

Response: the accommodation and amenity standards for the private rented sector is guidance to landlords and agents on the standards the Council expects property to maintain. It is recognised that this is a baseline and these will be interpreted on a case by case basis.

### **Student accommodation**

There is a request that certain student accommodation should be exempt from additional licensing. Affordable Accommodation for Student Association Limited.

Response: Legal advice was sought on the application of the exemption to Licensing offered under schedule 14 of the Housing Act 2004 for organisations such as 'Affordable Accommodation for Students Association Limited' who are registered charity or co-operative society under the 2014 Act or its predecessor. The legal advice is that providers such as your organisation, must meet 'All' of the conditions stated in schedule 14 of the Housing Act 2004 in order to be exempted from licensing.

### **London Renters Union**

The comments from the London Renters Union (LRU) concerning the additional licensing scheme were generally positive – they recognised that the scheme can improve standards in the private rented sector, charge a fee to landlords and get additional powers to enforce standards.

However, not all the comments made were relevant to this current consultation.

#### **1. Extend licensing schemes and use the extra powers and funding**

*Councils should:*

- ***Introduce full borough-wide selective licensing that covers all private rented homes.***

- *Use new capacity to ensure that landlords meet the licence terms through regular inspections.*
- *Use licensing schemes to maximise resources available for enforcement and issue Civil Penalty Notices to landlords that do not respect renters' rights.*
- *Collaborate with Justice for Tenants, who provide toolkits and training regarding how councils can build their capacity to use their powers to issue Civil Penalty Notices and increase enforcement without over-burdening frontline staff.*
- *Demonstrate to landlords that not having a license results in immediate enforcement action.*

## **2. Hold landlords accountable to drive up standards**

*The council should:*

- *Develop a new enforcement policy using a more proactive approach and the recommendations put forth in our response.*
- *Develop and publish a strategy on energy efficiency in the private rented sector, and obtain data on non-compliant properties.*
- *Set targets for the percentage of cases escalated to formal enforcement action, the number of inspections carried out, and improvement notices issued as a proportion to the number of renters in the borough.*
- *Ensure that enforcement actions are recorded and linked to landlords, not just renters, in order to stay on top of landlords who repeatedly break the law.*

Response: the proposed extension of the additional licensing scheme will provide additional powers to meet the objectives of the LRU. We do issue Civil Penalty notices, inspect properties and work with Justice for Tenants to support the objectives of the scheme. The current enforcement policy and practice permits escalation to formal action.

We will review what information we can provide on our website with regards to actions we have taken. Formal action is published on the Greater London Authority rogue landlord checker.

We consider the point made above by LRU are valid and we will consider how and when to build them in with the new scheme if it is approved.

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## APPENDIX NINE – Fee Structure

### **Additional HMO Licensing Fee**

The current 23/24 fees are detailed below – this will be set as part of the annual budget setting process

| <b>Application - new and renewal</b>                        | <b>Fee</b>   |
|---|--|
| Online application  | £600.50  |
| Online application (2 parts administration and enforcement) | Split payment fee<br>£280 1st fee<br>£357 2nd fee    |
| Postal application  | £703.50  |
| Postal application (2 parts administration and enforcement) | Split payment fee<br>£320.50 1st fee<br>£420 2nd fee |
| Additional charge for missing documents                     | £71  |

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# Equality Impact Analysis Screening Tool

## Section 1: Introduction

|   |
|---|
| <b>Name of proposal</b><br>For the purpose of this document, 'proposal' refers to a policy, function, strategy or project |
| Additional HMO Licensing Scheme designation   |
| <b>Service area and Directorate responsible</b>   |
| Environmental Health and Trading Standards - Place  |
| <b>Name of completing officer</b>   |
| Julie Liu – Team Leader Health and Housing  |
| <b>Head of Service</b>  |
| David Tolley – Head of Environmental Health and Trading Standards   |

**The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to the need to:**

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between those with 'protected characteristics' and those without them
- Foster good relations between those with 'protected characteristics' and those without them

This Equality Impact Analysis provides evidence for meeting the Council's commitment to equality and the responsibilities outlined above. For more information about the Council's commitment to equality, please visit the Council's [website](#).

## Section 2: Summary of proposal being screened

Describe the proposal including the relevance of proposal to the general equality duties and protected characteristics under the Equality Act 2010

This report considers the outcome of the consultation process undertaken for 14 weeks from 12th December 2022 on the possible continuance and extension of an additional HMO licensing scheme for the private rented sector. Mayor in Cabinet is asked to:

Note the results of the consultation undertaken in relation to the proposed Additional Licensing Scheme as summarised in the report.

Designate all wards in the Borough as subject to Additional Licensing under section 56(1) of the Housing Act 2004 in relation to smaller multiple-occupied premises occupied by three or more persons in two or more households where some or all the facilities are shared. Such designation to take effect from 1<sup>st</sup> April 2024 and to last for five years, however, excluding the current area subject to a Selective Licensing Scheme.

Agree the free structure for the Additional Licensing Scheme as set out in in the report, with the fees being determined during the budget setting process for 24/25. The application fee will be apportioned for administrative and enforcement costs

Agree the Additional Licensing Scheme licence conditions, fit and proper person protocol and private rental property standards as detailed for adoption at the commencement of the new designation. The revised private rental property standards, revised conditions and fit and proper person protocol will also apply as necessary, to the mandatory Houses in Multiple Occupation, current Additional Licensing and Selective Licensing schemes from the 1<sup>st</sup> January 2024

Agree to delegate to the Corporate Director issue the required statutory notifications in relation to the commencement of the Additional Licensing Scheme designation.

To agree that no further exemptions to the scheme should be considered in addition to the statutory exemptions.

## Section 3: Equality Impact Analysis screening

| <p>Is there a risk that the policy, proposal or activity being screened disproportionately adversely impacts (directly or indirectly) on any of the groups of people listed below?</p> <p>Please consider the impact on overall communities, residents, service users and Council employees.</p> <p>This should include people of different:</p> | Yes                      | No                                  | Comments  |
|--|--------------------------|-------------------------------------|---|
| <ul style="list-style-type: none"> <li>▪ Sex</li> </ul>  | <input type="checkbox"/> | <input checked="" type="checkbox"/> | This proposal will improve the management and housing conditions across the PRS. This group will benefit from the proposal. |
| <ul style="list-style-type: none"> <li>▪ Age</li> </ul>  | <input type="checkbox"/> | <input checked="" type="checkbox"/> | This proposal will improve the management and housing conditions  |

|  |                          |                                     |   |
|--|--------------------------|-------------------------------------|---|
|  |                          |                                     | across the PRS. This group will benefit from the proposal.  |
| <ul style="list-style-type: none"> <li>▪ <b>Race</b></li> </ul>  | <input type="checkbox"/> | <input checked="" type="checkbox"/> | This proposal will improve the management and housing conditions across the PRS. This group will benefit from the proposal. |
| <ul style="list-style-type: none"> <li>▪ <b>Religion or Philosophical belief</b></li> </ul>  | <input type="checkbox"/> | <input checked="" type="checkbox"/> | This proposal will improve the management and housing conditions across the PRS. This group will benefit from the proposal. |
| <ul style="list-style-type: none"> <li>▪ <b>Sexual Orientation</b></li> </ul>  | <input type="checkbox"/> | <input checked="" type="checkbox"/> | This proposal will improve the management and housing conditions across the PRS. This group will benefit from the proposal. |
| <ul style="list-style-type: none"> <li>▪ <b>Gender re-assignment status</b></li> </ul>   | <input type="checkbox"/> | <input checked="" type="checkbox"/> | This proposal will improve the management and housing conditions across the PRS. This group will benefit from the proposal. |
| <ul style="list-style-type: none"> <li>▪ People who have a <b>Disability</b> (physical, learning difficulties, mental health and medical conditions)</li> </ul>  | <input type="checkbox"/> | <input checked="" type="checkbox"/> | This proposal will improve the management and housing conditions across the PRS. This group will benefit from the proposal. |
| <ul style="list-style-type: none"> <li>▪ <b>Marriage and Civil Partnerships</b> status</li> </ul>  | <input type="checkbox"/> | <input checked="" type="checkbox"/> | This proposal will improve the management and housing conditions across the PRS. This group will benefit from the proposal. |
| <ul style="list-style-type: none"> <li>▪ People who are <b>Pregnant</b> and on <b>Maternity</b></li> </ul>   | <input type="checkbox"/> | <input checked="" type="checkbox"/> | This proposal will improve the management and housing conditions across the PRS. This group will benefit from the proposal. |
| <p>You should also consider:</p> <ul style="list-style-type: none"> <li>▪ <b>Parents and Carers</b></li> <li>▪ <b>Socio-economic</b> status</li> <li>▪ People with different <b>Gender Identities</b> e.g. Gender fluid, Non-binary etc.</li> <li>▪ Other</li> </ul> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | This proposal will improve the management and housing conditions across the PRS. This group will benefit from the proposal. |

If you have answered **Yes** to one or more of the groups of people listed above, **a full Equality Impact Analysis is required**. The only exception to this is if you can 'justify' the discrimination (Section 4).

## Section 4: Justifying discrimination

| Are all risks of inequalities identified capable of being justified because there is a:                |                          |
|--|--------------------------|
| (i) <i>Genuine Reason</i> for implementation   | <input type="checkbox"/> |
| (ii) The activity represents a <i>Proportionate Means</i> of achieving a <i>Legitimate Council Aim</i> | <input type="checkbox"/> |
| (iii) There is a <i>Genuine Occupational Requirement</i> for the council to implement this activity    | <input type="checkbox"/> |

## Section 5: Conclusion

Before answering the next question, please note that there are generally only two reasons a full Equality Impact Analysis is not required. These are:

- The policy, activity or proposal is likely to have **no or minimal impact** on the groups listed in section three of this document.
- Any discrimination or disadvantage identified is **capable of being justified** for one or more of the reasons detailed in the previous section of this document.

### Conclusion details

Based on your screening does a full Equality Impact Analysis need to be performed?

| Yes                      | No                                  |
|--------------------------|-------------------------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |

If you have answered **YES** to this question, please complete a full Equality Impact Analysis for the proposal

If you have answered **NO** to this question, please detail your reasons in the 'Comments' box below

#### Comments

- The policy, activity or proposal is likely to have **no or minimal impact** on the groups listed in section three of this document.