

Cabinet 28 th April 2021	 TOWER HAMLETS
Report of Ann Sutcliffe, Corporate Director Place	Classification: Unrestricted
Future of the Private Rented Sector Housing Selective Licensing Designation	

Lead Member	Councillor Eve McQuillan, Lead Member for Planning and Social Inclusion
Originating Officer(s)	David Tolley, Head of Environmental Health & Trading Standards
Wards affected	Weavers, Whitechapel, Spitalfields and Banglatown
Key Decision?	Yes
Reason for Key Decision	Significant impact on wards
Forward Plan Notice Published	5 February 2021
Strategic Plan Priority / Outcome	A borough that our residents are proud of and love to live in: <ul style="list-style-type: none"> • People live in a borough that is clean and green. • People live in good quality affordable homes and well-designed neighbourhoods. • People feel safer in their neighbourhoods and anti-social behaviour is tackled. • People feel they are part of a cohesive and vibrant community.

Executive Summary

This report considers the future of the current Selective Property Licensing Scheme within the pre 2014 wards of Weavers, Whitechapel, Spitalfields and Banglatown considering its achievements to date, an independent review of the Scheme and the subsequent wide-ranging consultation with stakeholders.

Following the Mayoral approval on 7th June 2020 to undertake consultation with the relevant stakeholders, an extensive consultation was launched on the 28th August 2020 which ran until 13th December 2020. A consultation with the relevant stakeholders is a legal requirement for introducing or renewing such property licensing schemes under the Housing Act 2004.

The report details the views, comments and suggestions expressed throughout the consultation process. This included a bespoke short survey questionnaire to obtain the range of views that exist in relation to the scheme. We also ran three virtual consultation sessions that were delivered by an independent external facilitator.

The report also details the outcome of reviews undertaken by an independent expert (Mayhew Harper Associates Ltd) The report provides details of overall achievements and its impact to date (just over 4 years into a 5-year Scheme) to further inform the decision-making process.

The report in consideration with result of the consultation, the evidence base presented by the independent review and its achievements to date; present the Mayor and Cabinet Members with options and recommendations on the future of the current Scheme which is due to end in September 2021.

The report in line with the requirement of the Housing Act 2004, details the steps taken and evidence gathered to recommend considering a renewal of the Scheme.

Recommendations:

The Cabinet is recommended to:

1. Agree the option to renew (redesignate) the current Licensing Scheme in operation within; Weavers, Whitechapel and Spitalfields and Banglatown area (pre 2014 ward boundaries) that is due to come to an end on 30th September 2021 for a further five years.
2. Agree to exclude the Students Accommodation Blocks that are regulated by the Accreditation Network UK (ANUK) which are currently included within the scope of the current scheme.
3. Agree to delegate to the Head of the Environmental Health and Trading Standards to make minor administrative and delivery adjustments as and when required.
4. Agree to approve/endorse the revised Licensing conditions/fees and amenities / accommodation standards to achieve consistency and transparency as may be required on a case by case basis.

1 REASONS FOR THE DECISIONS

- 1.1 Following the Mayoral approval in June 2020 to undertake the required Statutory Consultation in respect of the future of the current Selective Licensing; this report details the result of consultation, sets out the subsequent proposal, options and recommendations for the Mayor and Cabinet to consider.
- 1.2 The current Selective Licensing Scheme (under Part 3 of the Housing Act

2004) has been in operation within Weavers, Whitechapel, Spitalfields and Banglatown since October 2016 has licensed about 8,000 properties. The scheme has put a legal duty on landlords, or the person responsible of privately rented properties to apply for a licence. The scheme has achieved notable success in improving the overall management of privately rented properties in these areas. This has been achieved by requiring good and effective management of rented properties to prevent and tackle anti-social behaviour (ASB) emanating from the Private Rented Sector (PRS). This in turn, results in an overall improvement of property conditions and the neighbourhoods.

- 1.3 Considering that we are in the last few months of the current designation, a decision is required as to whether to cease the Scheme at the end of its five years life cycle or to renew it with or without some minor changes.

2 ALTERNATIVE OPTIONS

- 2.1 The Council consulted with stakeholders on the bases of the following principles or options:
- Renew the scheme as it is for a further five years
 - Natural ceasing of the scheme at the end of the five-year period
 - Renew the scheme with some amendment(s)
 - Expand the scheme to the rest or to other parts of the borough
- 2.2 The above options were discussed in detail at all the consultation's virtual sessions which is detailed in consultation report.
- 2.3 Taking into account the consultation feedback, evidence base provided by the independent review, and achievements of the Scheme to date, it is recommended to renew the Scheme with minor changes to its scope. This is to exclude the Student Accommodation Blocks that are currently regulated or accredited by ANUK.

3 DETAILS OF THE REPORT

- 3.1 The current Selective Licensing Scheme (under Part 3 of the Housing Act 2004) has been in operation within Weavers, Whitechapel, Spitalfields and Banglatown since October 2016 and will come to an end on the 30th September 2021 if the scheme is not renewed (re-designated). The scheme has put a legal duty on landlords, or the person responsible of privately rented properties, to apply for a licence. The scheme has achieved notable success in improving the overall management of privately rented properties in these areas. This has been achieved by requiring good and effective a(ASB) emanating from the Private Rented Sector (PRS). This in turn, results in an overall improvement of property conditions and the neighbourhoods.

Legal context and statutory requirement

- 3.2 Before making a selective licensing designation or renewing an existing Scheme, the Council must ensure the conditions detailed below are met. To renew the Scheme, in addition to these conditions the Council must carry out a full review of the Scheme and its effectiveness before carrying out a fresh Statutory Consultation. The conditions are as follows:
- A significant and persistent problem caused by anti-social behaviour or poor housing conditions.
 - Consider whether there are any other courses of action available to them in achieving the objectives that the designation would be intended to achieve.
 - Consider that the making of the designation when combined with other measures taken by the authority will significantly assist them to resolve the problem identified
 - For the Scheme renewal carry out a review of the existing scheme and its effectiveness

- Have taken reasonable steps to consult persons who are likely to be affected by the designations and consider any representations made.

3.1 As the current and proposed selective area identified makes up less than 20% of privately rented homes in Tower Hamlets Borough and covers less than 20% of the borough's geographical area, the scheme can be introduced without confirmation from the Secretary of State. However, to renew the scheme the Council must meet the conditions detailed above.

Review of the current Scheme

- 3.4 To review the impact of the Scheme and the evidence base in general; Mayhew Harper Associates Ltd were commissioned to carry out a review. Mayhew Harper Associates looked at the actual data from the implementation and analysed the data that the Council holds on anti-social behaviour and the link that it has with the private rented sector. Mayhew Harper Associates have produced their report in April 2020 which is provided as **Appendix 1** to this report.
- 3.5 For example, the analysis of the data ranked wards based on Council reported ASB which have slightly improved between 2015 and 2019 based on old ward boundaries. Spitalfields and Banglatown improved two places from 7 to 9 (rank 1=highest ASB); Weavers from 1 to 2; Whitechapel unchanged at 5. However, overall levels of ASB were noted to have increased.
- 3.6 Mayhew Harper Associates provided the summary analysis by ASB category as defined by the Government Guidance to Local Authorities on selective licensing. DCLG guidance advises that ASB is deemed to occur when it falls into one of three categories¹:
- **Crime:** Tenants not respecting the property in which they live, including vandalism, criminal damage, and robbery/theft or car crime
 - **Nuisance neighbours:** Noise, nuisance behavior, animal-related problems, vehicle-related nuisance etc.
 - **Environmental crime:** Graffiti, fly-posting, fly-tipping, litter around a property
- 3.7 Police reported ASB levels across the borough are, on the other hand, slightly down (although crime is up) but rankings in the three designated wards have slightly worsened from 3 to 2, 5 to 4 and 4 to 1 respectively (Spitalfields, Weavers and Whitechapel). Noise complaints across the borough are significantly down and two of the Selectively Licensed wards have substantially improved their rankings. The report concludes that "*Taking into account all the evidence available to us, our main conclusion is that the scheme should be rolled over at the end of this cycle in 2021*".
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3.8 As part of the review and after careful consideration, we are proposing to exclude the Student Accommodation regulated by ANUK from the scope of the Scheme should members decide to approve the renewal. This is based on the following key factors:

- These accommodations proved to be well managed, are of a very high standard, well maintained and benefit from an onsite 24hrs concierge service. In addition, the students are required to sign individual contracts that holds them accountable to a clear and strict rule around their responsibilities and behaviours. These also set out the accommodation providers obligation and responsibilities in respect of maintenance and standard of accommodation and cleaning of common parts. As mentioned earlier the accommodations are of a very high standard studio type rooms with exclusive access to the use of washing and WC facilities and a good ratio of well-equipped kitchen facilities. Considering the very high standard of the accommodation, the very good level of onsite management combined with the uncertainty the pandemic has created ; we believe there is no benefit to include these types of establishments within the scope of Scheme which primarily is to reduce ASB and improve conditions for occupants.
- Secondly, including these within the scope of the Scheme will increase the proportion of the number of PRS under the Selective Licencing to over 20% threshold for designating it locally (by the Council). As explained in point 3.2 above, if the proportion of the total number of PRS or areas covered by the proposed Selective Licensing designation goes over 20%, the Council would be required to make an application to the Secretary of the State. This is a lengthy process at the best of times but under the current circumstances it will almost be an indeterminate length of time before they would consider any application. Therefore, taking certain type of students' accommodation out of the scope of the proposed renewal of the Scheme, it will allow the Council to make the decision to renew or not.

3.9 It must be clarified that; this will only apply to those accommodation (blocks) that are:

- Solely occupied by students through those providers that are ANUK registered.
- Are not in a mixed use setting
- The providers are endorsed by universities

Consultation

3.10 Based on Mayhew Harper Associate's report and further review of the Scheme's achievements and upon the Mayor's approval in June 2020, the consultation on the future of the Scheme was launched, **Appendix 2** provides the summary of consultation results. The full details of the online survey and

detailed feedback from the stakeholders who attended the three virtual consultation sessions are also provided as **Appendix 3** and **4**. respectively.

- 3.11 The consultation began with the launch of a dedicated consultation page on “Talk Tower Hamlets” on 28th August 2020. This was followed with a press release and range of Social Media activities.
- 3.12 These were then followed by extensive and unprecedented levels of direct communication through emails and letters to the relevant stakeholders. **Table 1** below illustrates the extent of the efforts in engaging with as many of the relevant groups.

Table 1 - Selective Licensing Renewal Consultation engagement record

Stakeholder	Correspondence (i.e. letter/e-mail)	Date/s Sent	Number Sent
License Holders	First batch, email = 7065 Second batch, email = 2994	29/09/20 06/11/20	10,059
Tenants	Letters	15/10/2020	5700
Notice in 6 East & South London Newspaper including Metro	Notice / Advert	23/10/2020	
Association of Residential Letting Agents & National Registered Landlord Association , Safeagent	E-mails	21/9/2020 23/9/2020 25/9/2020 19/11/2020 2/12/2020	10
Members Bulletin	Weekly Members Bulletin		
Met. Police	Letter & email	9/10/2020 19/11/2020	2
Fire Brigade	Letter & email	06/10/2020 19/11/2020	2
Student Acc. Providers	Emails	29/9/2020 6/10/2020 9/11/2020	To all known organisation
Neighbouring Boroughs	Emails	6/10/2020	24 recipients
Tower Hamlets Private Sector Forum- volunteer sector, tenants' groups, CAB, Agents, Toynbee Hall ETC	Emails	16/10/2020 27/11/2020	35 recipients

Stakeholder	Correspondence (i.e. letter/e-mail)	Date/s Sent	Number Sent
Solicitors	E-mails = 86	24/09/2020 & 27/10/20	86

Summary of consultation on the future of the Scheme survey results

- 3.13 The overall level of participation with the online consultation has exceeded all expectation and indeed it is well above average for similar consultation. Although a total of 375 individuals fully participated and completed the survey questionnaire as well 22 attended the virtual consultation session, 2797 appeared to have visited the site at least once and 1595 of them were classed as being 'informed'. This means they downloaded information and documentation.
- 3.14 The headline and breakdown of 379 stakeholders who completed the survey are as follows:
- 287 Landlords / Agents completed the Survey questionnaire 85% of whom did not support the renewal but 15% do support the renewal of the Scheme
 - 84 residents / tenants took part, more than 71.2% of whom support the renewal, 10% felt they need more information and 18.8% did not support the renewal
 - 7 participants from the local business completed the survey of whom 4 supported the renewal, 1 did not support the renewal and 2 commented they need more info.
- 3.15 The feedback from the three virtual consultation sessions which were attended by the cross section of stakeholders detailed in a report written by an independent facilitator who ran the sessions. This is provided as **Appendix 4**
- 3.16 As expected, participants expressed a range of views but there was an overall agreement with the principle and objective of the licensing which is to identify and drive out the rogue landlords. However, the efficacy of the Scheme in identifying rogue landlords was either unclear to participants or, based on the figures presented at the event, seemed low compared to the budget generated by the fees.
- 3.17 Some participants supported the scheme, but commented that specific aspects should be reviewed including:
- not licensing new builds that have been designed to meet property and safety standards
 - standard minimum room sizes and occupancy limits seen by some as unhelpful to people struggling to afford London accommodation prices
 - providing different license lengths e.g. 2-3 years or refunds for short term landlords

- continuing/increasing communication of the scheme: do not assume that there is widespread awareness of the scheme, increase efforts to communicate it to those who believe that only multiple household properties need a license
- exploring alternative areas to target the scheme, from extending the Scheme to cover all of Tower Hamlets to targeting based on complaints or areas with older/lower standard properties
- Others supported the Scheme for its role in introducing a fit and proper test for landlords and mandating tenancy agreements and property standards.

3.18 This culminated in the overall support for renewal of the Scheme. This includes the local police force support which states *“we support the continuation and expansion of the initiative in order to provide more regulation in this field and specifically to help us tackle ASB which is the number one priority in Tower Hamlets”*

3.19 Although some concerns were raised around why the Council is not extending the Scheme if it has proved successful and the overall value that Landlords and Agents receive from the Scheme. As it was as expected a large majority of the landlords and agents who have completed the survey do not support the renewal of the Scheme whilst tenants, residents and tenants support groups are strongly supportive of the renewal of the scheme.

3.20 The Council’s detailed response to concerns, comments and suggestions raised at the consultation virtual sessions or directly sent to the team is provided in **Appendix 5**.

3.21 **The key aims of property licensing are to:**

- Professionalise the sector so that the person responsible learns or make efforts to meet their legal responsibility to reduce anti-social behaviour.
- Make those rogue and unprofessional elements within the sector conspicuous by their absence from the scheme and drive them out of the sector
- Create a level playing field for good landlords/ agents who comply with rules but are operating at the same level or market with those who have no regard for the law and operate in shadows
- Empowers the tenants by requirement of the licence conditions that the person responsible (license holder) is obliged to display their contact details including an emergency number with the copy of the licence so that they could be contacted as required.
- Similarly, in relation to licensed properties this will mean that the Council holds accurate and up to date contact details for the person responsible so that it can intervene efficiently and effectively if required. There are numerous examples of overseas or long-distance landlords being contacted by the Council officer via emails which resulted in addressing the issues on the same day or as promptly as it was possible. Without

licensing this would not be possible, and it would require a lengthy and complex process to establish contact if at all.

- Deliver on Council's Strategic Objectives and prioritise

3.22 Although housing is the fundamental determinant of health, wellbeing, and social mobility, it remains the only business without proper regulation. It is a lottery as to whether a local Council becomes aware of a rented property, and often only after contact from a tenant raising related issues. Considering the rapid growth of Private Rented Sector (PRS) in recent years and the limits on current legislation, no Council would be able to allocate the level of funding required to address issues in the sector. It is estimated that around, 41% of housing stock in Tower Hamlets is in the PRS.

3.23 The licensing regime enables the council to scale up its intervention by putting the responsibility back onto business owners and drive landlords/agents into making improvements and complying with required conditions and amenity/accommodation standards. This in turn empowers tenants to demand conditions are met – otherwise they can instigate an action to apply for refunds of rent. At the same time, the Council can issue the offending person with penalty notices – this can amount to £5,000 per item. **Appendix 6 and 7** are copies of the Licence condition and amenities standards.

3.24 The renewal of the scheme will therefore enable the Council to:

- Consolidate the improvement and build on the success achieved by the scheme. It has helped incidental landlords (those who are landlords alongside their other work or businesses) to better understand their responsibilities; better protect their assets and contribute to the private rented sector and to the society as a whole.
- Build on the physical improvements achieved within some areas by reducing ASB through better management of rented properties. A summary of the Scheme's achievements is detailed in **table 2** below.
- Bring on board all the landlords and agents in the area, particularly those who are still avoiding their responsibilities to licence their properties.
- Achieve large scale improvement given the continuous and incremental increase of the PRS. This is currently over 41 % of the total housing stock in Tower Hamlets, whereas the national average is 19%. This is the way the Council can protect many families who are often vulnerable, by ensuring the homes they are living in are safe. This is also the most effective way of tackling the increasing number of agents and landlords who operate in a "shadow" and are hiding behind a web of secrecy.
- Use the learnings and experience gained from the implementation of the first scheme.
- Ensure rogue landlords are caught and driven out of the sector

Table 2 – Summary of the Scheme achievements to date

Breakdown of Selective Licensing delivery: 2016 – 2020	
Properties licensed	7404
Enforcement Notices served	311
Property conditions improved	842
No. of tenants assisted or in the process of being assisted to recover their rent through Rent Repayment Orders	95 Clients £280K estimated claim
Civil Penalty Notice fines for failure to license	£74,875
Prosecutions for failure to license	5
Prosecution for Management Regs	3
Visits undertaken: 2016 – 2020	2745

Strategic context - Tower Hamlets Strategic Plan 2020-23

3.25 Priority 2 of Tower Hamlets Strategic plan is the Council’s commitment to its residents to improve the Housing and neighbourhood through a clear objective and action plan

Priority 2- A borough that our residents are proud of and love to live in:

- People live in a borough that is clean and green.
- People live in good quality affordable homes and well-designed neighbourhoods.
- People feel safer in their neighbourhoods and anti-social behaviour is tackled.
- People feel they are part of a cohesive and vibrant community

How does this feed into Tower Hamlets Strategic Context?

3.26 Decent housing is the foundation of people’s lives. This in turn creates a strong and cohesive local community. A more stable and high quality private rented sector will lead to stronger communities. Every resident in the Borough has the right to live in a home that meets a decent standard and is managed effectively – this is the overarching aim of the Housing Strategy. The standard of homes and management varies considerably in the borough and the Council wants to see all social sector housing and private rented housing,

private housing occupied by vulnerable sector households raised to decent homes standards and wants all landlords delivering a good management service. It is expected that selective licencing will continue to contribute to this aim. The Housing Strategy 2016 – 2021 supports the use of licensing to achieve its objectives.

- 3.27 The Public Health Outcome Framework has established a wider determinant of health under four domains. Three out of the four domains are linked to housing and the impact of poor housing on the occupiers. Any steps that improve housing conditions would directly benefit the health and wellbeing of individuals, thus society as a whole.
- 3.28 Department of Health and Social Care publication: “Improving outcomes and supporting transparency “entitled” Part 1A: A public health outcome framework for England, 2013-2016 has recognised housing as a key determinant of health. This document and subsequent policy directives compel Local Housing Authorities to improve health and wellbeing through better housing. There is a consensus that through better housing, significant savings will be achieved in health and social care. The tragic and devastating consequence of health inequality which is directly linked with deprivation (housing being a fundamental element of it) has yet again been exposed by the current Covid 19 pandemic in three of the most deprived boroughs in London.
- 3.29 With a large PRS there needs to be an effective way of regulating this sector. Although most landlords provide decent accommodation, as the numbers of PRS rise, so does the proportion of the PRS that requires regulation.
- 3.30 In addition, ASB remains the single most negative impact on local communities and is the key issue that local residents are most concerned about. The summary data and graphs within Mayhew and Harper Associates report clearly demonstrate the extent of ASB and its prevalence. There is a clear link between the PRS including Houses in Multiple Occupations (HMO), which is mainly due to poor management and the transient nature of this population within the sector. Selective Licensing is aimed at primarily tackling anti-social behaviour related to private renting, but it will not operate in isolation and is part of wider strategies to improve standards and conditions including local neighbourhood problems. A considerable growth in the private sector has been identified and associated issues are a high priority, but the Council also recognises that a quality, well managed rental market is an essential resource.
- 3.31 Examples of common ASB issues related to PRS are: accumulation of rubbish in front gardens/yards or fly-tipping in communal areas, overflowing domestic bins, abandoned mattresses and noise. Licensing these properties can help deal with these types of issues by requiring property managers to take an active role in reducing these nuisances.

3.32 In line with the Government's recently published report on review of Selective Licensing and the local Strategic priorities (Tower Hamlets Strategic Plan 2020-2023) , Selective Licensing can only be successful in its objectives when it is used as part of a holistic jointed up approach together with other intervention. The Environmental Health and Trading Standards has been developing a wide network with internal and voluntary sector to optimise the benefit of the licensing. If the Scheme is renewed, we intend to build on our joined up working which has proved successful but needs to be built upon. Below are some examples of working together with internal partners / colleagues.:

- The Trading Standards Team - to tackle Sham tenancy (licences) Rent to Rent issues, protection of the tenant's deposits
- The Environmental Protection Team - to engage with Landlords / Agents at the onset of ASB and tackle the issue before it becomes established. The licence requires the licence holder to put an anti-social behaviour plan in place where renters may cause a problem. The property owner therefore becomes responsible, along with other stakeholders in managing any anti-social behaviour issues.
- Housing Options Team - to prevent unlawful eviction, harassment and prevent homelessness, if landlords are aware that licences can be withdrawn for breaches of the Housing legislation, it assists with ensuring appropriate legal frameworks are followed. In addition, properties that are licensed provide freeholder, leaseholder, property manager details to relevant enforcement agencies.
- The Environmental Services Team - to tackle fly tipping and street care identify repeat offender and joint action where required
- Overall improving housing conditions and through information sharing such as identification of long term empty properties
- As a means of improving the quality of private rented housing across the borough, the council wants to improve the quality and professionalism of private landlords. The council is committed to supporting the London Landlord Accreditation Scheme. The Scheme awards accreditation to reputable landlords who undergo training and comply with a code of conduct. It was set up in 2004 as a partnership of landlord organisations, educational organisations and 33 London boroughs. The Selective Licensing scheme assists with promoting this accreditation.
- Regeneration- the above levers, regulation, advice and guidance to both landlords and renters assists in providing a stable private rented sector that provides a basis for regeneration of areas – assisting neighbourhoods to be safe and secure areas to live.

3.33 There is an undoubted housing need in the Borough and there are properties in the Borough that are vacant, which could provide much needed

accommodation. The selective licensing scheme would assist in identifying owners and encouraging them to bring properties back into use.

- 3.34 The Government's review of Selective Licensing and our experience has shown how a designation assists with providing a stable private rented sector and having an impact on anti-social behaviour, which will be built on in the next five years if the designation is approved. The scheme will build on partnerships formed within the voluntary sector and with landlords, agents and renters to come to a common understanding on how the sector moves forward. The current programme of engagement will continue with all the stakeholders in the sector to enhance the scheme's aims.
- 3.35 The Private Rented Sector in the Borough has increased, and we have not seen any reduction on the availability of rented property within the selective designation. There has not been the displacement of landlords from the area and property prices continue to increase despite the uncertainty of the pandemic. As the neighbouring Boroughs have similar schemes there is little risk of the likelihood of possible displacement of unprofessional landlords to other Boroughs or within our Borough due to the additional licensing scheme.
- 3.36 The provision of a continued selective licensing designation in the proposed wards alongside the other initiatives that the Council is undertaking i.e. Tenants Charter, Landlord and Tenants Forums along with the actions detailed in paragraph 3.32 support the objectives of the designation. Housing Licensing is not a stand-alone tool but works in coordination with other initiatives. The programmes detailed previously support landlords, agents, and tenants.

Financial implication

- 3.37 There are no financial implications of the proposed renewal or indeed ending of the scheme at the end of its life cycle, as property licensing must be cost neutral to the Council. The costs of running a Licensing Scheme must be met by charging an appropriate and reasonable application fee. Equally, it is against the law to make any profits from the licencing fee or to use fee income for anything but works and costs relating to the licensing and/or delivery of the licensing objective(s).
- 3.38 Based on this, the fee structure in table 3 below set out the current and proposed licensing fee structure. The fee for existing licences has been further reduced because of further streamlining the renewal application.

Table 3 details breakdown of license fee

Application types	Part A Charge	Part B Charge	Proposed Fee Structure £Charge
New application	£245.00	£350.00	£595.00
Renewal of Existing licence property	£200.00	£295.00	£495.00

Proposed Implementation Plan

- 3.39 Should the renewal proposal be approved by Cabinet; the renewed Scheme will be implemented immediately as the existing Scheme expires. Therefore, the Scheme will continue without a break from 1st October 2021. This will mean that all current and in-date licences will remain valid until their original expiry date. In essence, all licensed properties with a remaining period of the licence will be transferred into the renewed scheme without needing to take any action. They will however need to make a renewal application before their licences expire.
- 3.40 We also intended to create a hybrid implementation process and team structure for the implementation of the renewed Scheme. For example, in years one and two we may need more Administrative staff whilst from year two and beyond more Technical staff may be needed in order to carry out more inspection and enforcement.

Conclusion

- 3.41 Taking into account the consultation feedback, what has been achieved so far and is indeed projected to achieve; and considering the sheer number / proportion of PRS in Tower Hamlets (currently over 41% of the housing stock is in PRS), it is recommended to renew the Scheme. This will mean re-designation of the current Selective Licensing area for a further 5 years.
- 3.42 Although we made good strides towards improving the sector in the area through a better and more professional management approach, there is still a considerable proportion of Landlords or Agents who are not providing the required level of management and some are still operating in the shadows .

4 EQUALITIES IMPLICATIONS

4.1 Section 149 of the Equality Act 2010 created the public sector equality duty. Section 149 states that a public authority must, in the exercise of its functions, have due regard to the need to:-

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

4.1 The relevant protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnerships.

4.2 The Equality Duty ensures that public bodies consider the needs of all individuals in their day to day work, particularly any potential impact on protected groups – in shaping policy, in delivering services, and in relation to their own employees.

4.3 An equalities impact assessment was re-evaluated after the consultation which is provided in **Appendix 8**.

4.4 The proposals in this report tend to have a positive effect on those with a protected characteristic if they were a tenant or a resident. However, it is thought they will have a negative effect on Landlords who also have a protected characteristic. It is likely that there are more tenants with a protected characteristic than landlords.

4.5 The renewal of selective and additional licensing will have a positive impact on living conditions of residents in the private rented sector by ensuring the landlords, estate agents, developers, etc. meet their legal obligations in providing safe and decent homes for which they charge rent.

4.6 The proposed schemes are only formalising and consolidating landlord obligations, which they should be complying with in any case. The purpose of introducing this licensing is to better and more effectively protect private tenants, who may be subject to unsatisfactory housing conditions and poor tenancy management

5 OTHER STATUTORY IMPLICATIONS

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration.

- Best Value Implications, this is cost neutral to the Council as the licence fees covers the costs.
- Consultations, carried out a full 12 weeks statutory consultation
- Environmental (including air quality), Improved thermal efficiency of rented properties contribute to reduction of CO2 emissions,
- Risk Management, this is to reduce the risk to private rented tenants
- Crime Reduction, the main objective is to reduce ASB and improve community cohesion
- Safeguarding, better management of rented property improves the safeguarding for a large proportion of residents as it is designed to deal with substandard rented properties and tackle the hidden (shadow) PRS
- Data Protection / Privacy Impact Assessment. The Scheme and data collected is compliant with the GDPR and the statutory list of licensed properties is only released on individual request to enable an audit trail.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 There are no financial implications emanating from this report which seeks approval to renew the current selective property licensing scheme within the Weavers, Whitechapel & Spitalfields and Banglatown area following a consultation exercise with key stakeholders.
- 6.2 The financial implications of renewing the selective licensing scheme and excluding Students Accommodation Blocks that are regulated by the Accreditation Network UK (ANUK) from the scope of the Scheme, are cost neutral.
- 6.3 The total costs of running the scheme must be met by the license fee, and the total license fee income cannot exceed the related expenditure, over the five year duration of the scheme. The proposed fee structure is set out in paragraph 3.38. Annual variances will be ringfenced to offset shortfalls in the later years of the scheme.
- 6.4 The cost of the scheme being covered by license income is c£3m over the life of the licenses.

7 COMMENTS OF LEGAL SERVICES

- 7.1 Under the Licensing Act 2004, local authorities have powers to introduce the selective licensing of privately rented homes to address problems in their area, or any part of them, caused by low housing demand and/or significant anti-social behaviour. Local residents, landlords and tenants (and any other person likely to be affected by the selective licensing designation) must be consulted prior to the introduction of a licensing scheme. Under section 80 of the Act, a local housing authority can designate the whole or any parts of its area as subject to selective licensing. Section 80(9) states that when considering designating an area, the council must take reasonable steps to consult persons who are likely to be affected by the designation and consider any

representations made in accordance with the consultation. Landlords who rent out properties in an area that is subject to selective licensing are required to obtain a licence for each of their properties.

7.2 Part 3 of the Housing Act 2004 (the Act) sets out the scheme for licensing private rented properties in a local housing authority area.. Where a selective licensing designation is made, it applies to privately rented property in the area. Subject to certain exemptions specified in the Selective licensing of Houses (Specified Exemptions) (England) Order 2006, all properties in the private rented sector which are let or occupied under a licence are required to be licensed by a local housing authority unless the property is a House in Multiple Occupation and is required to be licensed under Part 2 of the Act.

7.3 As the scheme which is the subject of this report covers less than 20% of the council's geographical coverage and affects less than 20% of privately rented homes in the council's area, an application for confirmation of the scheme to the Secretary of State for Communities and Local Government is not required. There is a proviso however that the council must have consulted on the proposed designation for at least 10 weeks.

7.4 Selective licensing is not a tool that can be used in isolation. The council must show how such a designation will be part of the overall strategic borough wide approach and how it complements existing policies on Homelessness, Empty Homes, Regeneration and Anti-social behaviour associated with privately renting tenants.

7.5 Section 84(2) of the Act provides that a designation may be made for up to 5 years.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

Appendix One: Selective Licensing in Tower Hamlets: To consider redesignation of scheme (Mayhew harper Associates Ltd)

Appendix Two: Executive Summary of the online consultation and written submissions.

Appendix Three: On-Line Consultation 'Let's Talk'

Appendix Four: Selective Licensing consultation report on 'consultation events'

Appendix Five: Tower Hamlets response to questions, comments, suggestions on the consultation events

Appendix Six: Draft Selective Licence conditions

Appendix Seven: Tower Hamlets Housing Standards

Appendix Eight: Equalities Impact Assessment

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE

Officer contact details for documents:

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