# A Better Place to Rent in Enfield

Additional HMO licensing consultation evidence pack



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## 1. Glossary

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

## 2. Executive summary

Enfield is consistent with the rest of London in that it has a shortage of affordable housing, with house prices remaining out of reach for many. The demand for social housing far outstrips the supply. As a result, privately rented accommodation is increasingly becoming the only viable housing option for many Enfield residents, especially for families with children priced out of owner occupation, and those who are vulnerable and on low incomes. Currently, 29% of Enfield's housing stock is in the PRS¹ - more than 1 in 4 homes is now privately rented - and this is expected to continue to rise in the future.

In September 2020, we implemented a borough-wide additional HMO licensing scheme to ensure safety standards for tenants living in smaller houses in multiple occupation (HMOs) that are occupied by three or four people. This was followed by the introduction of a selective licensing scheme in some areas of the borough in September 2021, aimed at improving the management of properties let to single-family households.

The current additional HMO licensing designation will end in August 2025. While we have seen significant improvements, we believe that a further additional HMO licensing scheme is necessary to continue the work we have achieved and to maintain and improve the management of HMOs in the borough. Enfield is committed to addressing problems associated with HMOs directly and effectively. Property licensing is a way of driving up standards and ensuring safer and better managed HMO accommodation. Therefore, we are consulting on a borough-wide additional HMO licensing scheme that, if approved, would come into force when the current scheme ends.

HMOs present a higher level of risk to occupants, and this is elevated where properties are poorly managed. The current additional HMO licensing scheme has helped us improve the standards and management practices of many HMOs across the borough. However, the evidence shows that there is a significant number of properties that are still substandard and potentially dangerous. Even landlords with good intentions may not always be aware of the latest legal and safety requirements. These HMOs pose a risk to the health, safety, and wellbeing of tenants, cause problems for neighbours, and require a lot of intervention from Council enforcement services that are already under pressure to tackle the issues. It is important that the Council uses all the available tools it has to improve the situation for tenants renting properties in this sector. Licensing is one these tools and plays a key role in this effort.

Our evidence shows that HMOs are dispersed across the whole borough. In all wards, HMOs have been identified to have serious housing hazards and a high proportion are also directly associated with persistent antisocial behaviour (ASB), such as noise, waste and other environmental ASB issues. An additional HMO licensing scheme aims to help combat these issues by:

- helping to improve housing and safety standards, public health and resident welfare
- reducing complaints about poor housing conditions, noise, rubbish, overgrown gardens, and pest infestations
- enforcing against non-compliant landlords
- allowing the Council to direct resources to deal with the most problematic and highest risk properties
- improving waste management and recycling compliance

<sup>&</sup>lt;sup>1</sup> ONS Census data 2021: How life has changed in Enfield: Census 2021 (ons.gov.uk)

- improving communications with landlords giving advice and guidance about required legal standards
- giving confidence to responsible tenants to stay
- ensuring regular compliance inspections by Council officers of licensed HMOs
- creating better regulated and managed privately rented housing overall

Whether you are a private tenant, landlord, managing or letting agent, local resident or business, we want to hear your views on the Council's proposals for additional HMO licensing in Enfield.

#### 3. Introduction

This consultation document provides information about the scale of problems relating to poor housing conditions and ASB in Enfield's HMO sector and the evidence for our proposal to introduce an additional HMO licensing scheme. We also provide details of the proposed licence conditions and licence fees.

We want to know your views on our proposals before we make a final decision about additional HMO licensing in Enfield. We are keen to hear from Enfield residents, especially private tenants, as well as landlords, managing and letting agents who have properties in the borough, and any other stakeholder or organisation with an interest in the private rental sector.

We encourage you to complete our online questionnaire by visiting:

#### www.enfield.gov.uk/hmo-consultation

The consultation will run for 12 weeks from 15 July 2024 until 7 October 2024.

For further information about the proposed additional HMO licensing scheme, or if you need help with filling out the questionnaire, or if you want to request a paper copy of the consultation, please contact:

• Email: <a href="mailto:hmo-consultation@enfield.gov.uk">hmo-consultation@enfield.gov.uk</a>

• **Telephone**: 0203 821 1761

 Post: Private Rented Housing Environment and Communities Directorate, Enfield Council, Civic Centre, Silver Street, Enfield, EN1 3XA

After the consultation has closed, the Council will review the feedback and responses. A full consultation report, including the Council's response to any alternative suggestions, will be published on the Council's website.

## 4. Property licensing schemes

#### 4.1 What is property licensing?

Property licensing is a way for the Council to regulate private rented properties in their area by issuing a licence to the person responsible for the property, usually the landlord. The purpose of these schemes is to improve the private rented market by ensuring that the licence holder is a 'fit and proper person' to hold the licence and that the property meets a minimum standard for a landlord to rent out.

Licences have conditions that relate to the management, use and occupation of the property. Some of these conditions are set by the Government, but the Council can also add its own conditions that are tailored to deal with specific problems in the proposed designation.

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

#### 4.2 Mandatory HMO licensing

The Housing Act 2004 introduced mandatory HMO licensing for certain privately rented houses in multiple occupation (HMOs). These are generally larger HMO properties occupied by five or more people living in two or more households, sharing facilities, such as kitchens and bathrooms. All local authorities in England must operate a mandatory HMO licensing scheme.

For the purpose of this consultation, mandatory HMO licensing is not being considered.

#### 4.3 Additional HMO licensing (discretionary)

For smaller HMOs, local authorities can introduce discretionary licensing schemes, known as Additional HMO Licensing. These smaller HMOs are occupied by three or four people, living in two or more households, and who share facilities, such as kitchens and bathrooms. Additional HMO licensing can be introduced where the evidence demonstrates that a significant proportion of the borough's HMOs are being poorly managed and are giving rise, or are likely to give rise, to problems affecting their occupiers or members of the public.

Additional HMO licensing can also include properties converted into flats known as section 257 HMOs. These are buildings which have been converted into and consist entirely of self-contained flats where less than two thirds of the flats are owner-occupied, and the conversion into flats did not comply with the appropriate building regulations in force at that time.

A proposed additional HMO licensing scheme is the basis of this consultation and the Council welcomes feedback on these proposals.

#### 4.4 Selective licensing (discretionary)

A local authority can implement a selective licensing scheme for all other privately rented properties, not just HMOs, in certain areas or 'designated' areas of the borough. A selective licensing designation can only be made if the designated area has a high proportion of private rented properties and is experiencing one or more of the following criteria:

- low housing demand
- a significant and persistent problem caused by anti-social behaviour
- high levels of crime
- poor housing conditions
- high levels of migration and deprivation.

For the purpose of this consultation, selective licensing is not being considered.

#### 4.5 What are the key benefits of HMO licensing schemes?

HMO licensing schemes provide benefits to landlords, tenants, the wider community and the Council. These include the following:

#### Benefits to tenants

- Licensing requires licence holders to proactively manage and maintain their HMOs to a decent standard through conditions that accompany a licence
- Licensing allows the Council to take a more proactive approach to improve the standard and safety of HMO properties for the tenants and families who live in them
- Licensing encourages good practices by imposing specific obligations on the
  property licence that require a landlord to demonstrate that their properties are safe,
  such as providing fire, gas and electrical safety certificates. Many people who are
  vulnerable, disabled and living on low incomes rely on private renting. Licensing
  helps the Council to protect as many tenants living in private renting as possible
- Through increased communication about licensing, tenants become more aware of their rights and responsibilities, and they also gain a better understanding of and easier access to Council services that can support them

#### Benefits to landlords

- Licensing requires landlords to manage their properties and to take reasonable action to address issues. This ensures higher-quality, safer homes for tenants, which leads to fewer disputes and longer, more sustainable tenancies
- The Council will work with landlords to help support them and build on their professionalism, especially relating to fire safety
- Licensing allows the Council to create a 'level playing field' for responsible landlords by taking a stronger and more robust approach to the few 'rogue' landlords who neglect their properties and fail to comply with regulation and standards.
- Licensing provides clear and consistent property management standards for HMOs

#### Benefits to the community

- Neighbourhoods are affected by poorly managed privately rented HMO properties.
   Licensing ensures landlords manage their properties effectively, including enforcing tenancy conditions to deal with nuisance and ASB caused by their tenants or visitors
- Licensing will reduce antisocial behaviour by requiring landlords to investigate and address complaints of ASB problems in their properties by imposing a requirement on the licence conditions
- Poor waste management and fly tipping has been cited as a major issue in many wards. Property licences contain a condition that the licence holder must provide a sufficient number of bins of an adequate size for the number of occupiers in the HMO
- Overcrowded HMOs often lead to noise complaints. Through licensing the Council is able to limit the number of occupants in an HMO, reducing overcrowding and noise nuisance
- Licensing helps the Council to uncover empty properties and encourage their use back into the housing market

#### Benefits to the Council

- Licensing enables the Council to provide more support and information to both tenants and landlords more effectively
- Licensing makes it easier for the Council to engage with landlords, managing and letting agents, and others involved in the sector
- Licensing improves data quality, enabling a more intelligence-led approach to enforcement
- Licensing helps the Council to discover previously unknown HMOs, some of which will fall under the mandatory HMO licensing scheme

## 5. Planning legislation in relation to HMOs

Certain properties require planning permission to be converted into an HMO. Planning permission defines HMOs as "use classes". You can perform certain types of work without needing to apply for planning permission. These are called "permitted development rights".

A local planning authority can issue an 'Article 4 Direction'. This removes the permitted development rights which allow a change of use from a dwelling house (Class C3) to use as an HMO (Class C4). In 2013, Enfield Council introduced an <u>Article 4 Direction</u> aimed at controlling the spread of HMOs across the borough. This action has removed permitted development rights borough-wide for the change of use of a building from a dwelling house to an HMO. As a result, a house or flat cannot be lawfully converted into an HMO without first going through the formal planning process and getting planning permission.

The introduction of an Article 4 Direction does not mean that all planning applications for a change of use from a dwelling house to a Use Class C4 HMO will be refused. The Direction requires the submission of a planning application for consideration by the local planning authority. Each application will be determined on its own merits but allows the Council to consider the impact of any HMO on the neighbourhood before deciding whether to grant permission. For example, the impact of increased noise and rubbish, the loss of parking spaces, and the loss of family-sized homes.

# If I am granted an additional HMO licence, do I still need to obtain planning permission?

You should have the appropriate planning permission and building control approval before you convert the property into an HMO. However, you should apply for an HMO licence and the Council will initially grant a 2-year HMO licence where we establish there is no planning permission in place for change of use. This will enable the licence holder time to apply and obtain the appropriate planning consents. If a reduced term licence is granted due to a breach of planning control, the landlord should address this within that same period. This will either be by fixing the breach (returning an unauthorised HMO back to single family use) or by getting the necessary planning consent.

The issuing of an HMO licence does not mean the property has the appropriate planning and building permission for this use. It will not have any bearing on the matter should planning or building control consider it necessary to pursue any formal action. The onus is on the applicant to fully consider and address all relevant planning and building control permissions.

# 6. What we have achieved with the current HMO licensing schemes

Enfield implemented a borough-wide additional HMO licensing scheme on 1 September 2020 to improve property and safety standards for tenants living in smaller houses in multiple occupation (HMOs), occupied by three or four unrelated people who share facilities.

The additional HMO licensing scheme applies to most HMOs that are not subject to the national mandatory HMO licensing.

- The current HMO licensing scheme has enabled Council officers to inspect all HMOs before a licence is granted to ensure they meet the minimum property and fire safety standards.
- The licensing scheme has helped provide clarity on the required property and management standards for landlords, enabling them to operate legally.
- Licensing has allowed the Council to enforce standards against non-compliant landlords and against those landlords who evade licensing. We found that landlords who failed to licence also required wider enforcement interventions.
- Licensing has helped the Council to raise awareness of tenants' rights and
  responsibilities and reach out and give advice to the more vulnerable residents living
  in HMOs so they can report any concerns that they have regarding their
  accommodation.
- Licensing has enabled us to improve communication with landlords to provide advice and information by carrying out HMO compliance inspections, providing fire safety advice and guidance, landlord forums, and dedicated landlord webpages on the Council's website.

Since the introduction of the additional licensing scheme, more than 1000 HMO licences have been granted<sup>2</sup>. This means that over 4,100 households are living in safe, secure and functional accommodation.

| Licence type | Applications received | Licences granted so far |
|--------------|-----------------------|-------------------------|
| Mandatory    | 832                   | 780                     |
| Additional   | 414                   | 277                     |
| TOTAL        | 1246                  | 1057                    |

#### 6.1 Improvements in poor property conditions through regulation and enforcement

Through the HMO licensing schemes, the Council has been able to improve standards, often in the most dangerous housing at the lower end of the housing market, where some of the most vulnerable people in society live. All licences have conditions attached which must be complied with, allowing the Council to regulate the PRS, improve housing conditions, and promote better management standards.

<sup>&</sup>lt;sup>2</sup> Enfield Council

Enfield Council uses a range of interventions to improve standards in the HMO tenure, including regulation and enforcement. This includes using the Housing Act 2004 and other public protection legislation to serve statutory notices, impose civil penalties and, in the most serious cases, to take prosecution action. Interventions can be a result of a complaint being made by a tenant about their accommodation or as a result of a proactive inspection by the Council.

Since the start of the additional licensing scheme in 2020, Enfield's Private Rented Housing team has issued more than 300 statutory notices against HMOs encompassing the full scope of Housing and Environmental Health legislation<sup>3</sup>.

One of the options open to local authorities in combatting potentially hazardous property conditions and poor management is the issuing of civil penalties. The aim of the civil penalty regime is to improve property conditions and disrupt the business model of the small criminal element in the private rented sector, without unduly affecting the vast majority of law-abiding responsible landlords<sup>4</sup>. According to a recent NRLA (National Residential Landlords Association) report on Local Authority enforcement, Enfield was ranked 6<sup>th</sup> among all Local Authorities nationally between 2021 and 2023 in its use of civil penalties to tackle issues in HMOs<sup>5</sup>.

This commitment to enforcement and regulation has resulted in much needed improvements and has helped raise standards of poor-quality accommodation in HMOs in the borough. The Council has initiated its first Banning Order application against a landlord who flouted their legal obligations and rented out unlicensed properties. Banning orders are applied to the most serious offenders.

The table below details some of the enforcement activity taken by the Council since the start of the additional HMO licensing scheme.

|  | Mandatory<br>HMO | Additional<br>HMO | Total |
|--|------------------|-------------------|-------|
| Complaints received (Housing & Enviro crime)               | 1046             | 293               | 1339  |
| Housing Act & other Public Health statutory notices served | 237              | 88                | 325   |
| Licence compliance inspections                             | 793              | 373               | 1166  |
| Warning letters  | 316              | 178               | 494   |
| Civil penalties (Intent)                                   | 64               | 5                 | 69    |
| Civil penalties (Final)                                    | 45               | 5                 | 50    |
| Simple caution   | 3                | 0                 | 3     |
| Prosecutions   | 13               | 0                 | 13    |

#### Partnership/Joint Working

Enfield Council continues to work collaboratively with external partners, including the Police, Home Office, London Fire Brigade and Department for Work and Pensions, to create a safer and better community for its residents. Since the start of its property licensing schemes in September 2020, Enfield has carried out eighteen multi-agency operations, targeting suspected unlicensed HMOs and where a range of problems, including criminality, were

<sup>4</sup> Gov.uk Civil penalties under the Housing and Planning Act 2016 (publishing.service.gov.uk)

<sup>&</sup>lt;sup>3</sup> Enfield Council data

<sup>&</sup>lt;sup>5</sup> The Enforcement Lottery: Local authority enforcement 2021-2023 | NRLAhe Enforcement Lottery: Local authority enforcement 2021-2023 | NRLA

suspected. This has included the execution of 14 warrants (four of which were found to be unlicensed HMOs), with six additional warrant applications made since January 2024.

In addition, the Council worked closely on a joint operation with the Department for Work and Pensions (DWP) to help bring to justice organised criminals who were operating large property portfolios including HMOs. A long and complex investigation involving multiple suspects resulted in a number of convictions in May 2024<sup>6</sup>.

The Council also works closely with the Fire Service, employing a Fire Safety Advisor to support officers inspecting HMOs and outbuildings (where often the main dwelling is an HMO). So far, over 350 fire safety inspections have been carried out and regular training and advice is given to officers, landlords and managing agents on fire safety measures, standards and legislative reforms to ensure compliance.

Enfield has been working with Adult Social Care to investigate properties converted from family homes into Supported Living /Exempt accommodation by non-registered providers which do not meet the minimum HMO standards and lack fire safety measures. So far, we have investigated over 80 unregulated Supported Living /Exempt Accommodations that were operating as unlicensed HMOs, thus ensuring the safety of their vulnerable tenants.

The Council has been working in partnership with Safer Renting, an organisation that helps to prevent homelessness, by intervening in tenant harassment and illegal evictions. It has investigated 23 cases of harassment and threatened homelessness. The Council has also made 25 referrals to Justice for Tenants for Rent Repayment Orders (RROs) where the landlord has failed to obtain a licence or comply with a statutory notice.

In January 2024, the Council appointed a part-time Trading Standards Officer to deal with letting agent offences related to non-compliance with the Consumers Right Act 2015 and Client Money Protection, which aim to ensure that landlords and tenants have assurance that their agent is meeting minimum standards and providing the financial protection. This has resulted in seventeen fixed penalty notices, amounting to £106,500 in fines being issued, with further cases in progress.

#### Reduction in anti-social behaviour

Poorly managed privately rented properties have a negative impact on many neighbourhoods. In particular, high levels of noise complaints and accumulations of rubbish can be linked to the failure of private landlords to manage their properties and tenancies effectively.

Poor waste management and fly tipping, particularly in HMOs, has been cited as a major ASB issue in many wards. All HMO licences contain a condition that the licence holder must provide sufficient and adequately sized bins and recycling containers for the number of permitted occupiers in the HMO. They must also display a notice for the occupiers of the property indicating the day of the week rubbish and recycling is collected. Through partnership working and sharing of intelligence, we continue to educate both landlords and tenants on their responsibilities in terms of waste disposal.

When a property is overcrowded, this is often linked to an increase in noise complaints. Through licensing, we have been able to limit the number of occupants in a property,

<sup>&</sup>lt;sup>6</sup> Benefit fraud: how a gang's £50m scheme was uncovered - BBC News

reducing overcrowding and the likelihood of noise nuisance. We have also seen, through licensing, a notable increase in landlords managing their properties more effectively, in order to ensure they do not breach licence conditions. This includes the enforcement of tenancy conditions to prevent ASB by tenants or their visitors.

From March 2023, the Council employed an ASB Coordinator to investigate serious ASB incidents linked to HMOs, including: brothels; cannabis farms; noise and other ASB complaints; and a suspected illegal labour market operation. To continue this good work, the Council has set up an Enfield Partnership Tasking and Enforcement Group bringing together all the relevant Council operational services and regulatory enforcement teams, including Community Safety, Trading Standards and Planning Enforcement and the Police so that the authority has a joined up collaborative and multi-agency enforcement response to crime and antisocial behaviour that is affecting our residents, businesses and visitors.

#### 6.2 Case study 1: Working in partnership to tackle ASB in unlicensed HMOs

#### Background

Council officers targeted a suspected unlicensed HMO following complaints of ASB. A multiagency operation was carried out with the Police and the UK Border Agency where multiple offences were identified including modern day slavery offences.

#### **Council Action**

Having been denied access to the property by the occupiers, Council officers obtained and executed a warrant of entry. On inspection, officers found the property had been converted to create three floors of accommodation including a small room in the loft which was not suitable for residential use. There was also evidence of the garage being converted to residential accommodation. The property was found to be home to eight adults and one child. Each of the occupiers were paying on average £900 per month in rent to the landlords.



#### Hazards identified

The HMO had serious category 1 and 2 hazards. There was no fire protection in the property, and evidence of electrical hazards with the excessive use of extension leads. There were no fire doors, no thumb-turn locks to escape in the event of a fire, and instead, the rooms were secured with a hook and eye latch lock on the outside which could potentially trap an occupier in their room. There were also insufficient kitchen and bathroom facilities for the number of occupants in the property.



#### **Outcome**

The investigation led to a number of other addresses in Enfield being investigated by the Council and partners. The Council prosecuted the landlord and three associated managing agents for HMO licensing and management regulation offences and for failing to provide the Council with information and documents that were necessary to determine the safety of the gas and electrical supplies.

All four defendants were convicted, and each received a fine and costs totalling £13,200. The landlord and agents were also added to the national rogue landlord database so other councils will be aware of the enforcement action taken by Enfield Council.

We shall continue to work with multidisciplinary teams alongside internal and external stakeholders including the Police to hold rogue landlords to account and improve poor living conditions, ASB and substandard property management practices

#### 6.3 Working with and supporting good landlords and agents

We recognise that the majority of landlords in the borough are both responsible and cooperative. Therefore, in the first phase of the scheme implementation, the department took a more educational approach, seeking to work with landlords and bring about compliance through informal means.

We have particularly encouraged landlords to become accredited to increase their professionalism in managing their properties. Through accreditation, landlords are able to achieve a level of knowledge and competence before letting a home, which is key to raising standards in the HMO tenure. Accredited landlords are eligible to receive a £50.00 discount on the licence fee. As of January 2024, Enfield had 1,394 landlords accredited to the London Landlord Accreditation Scheme.

Detailed guidance for landlords on their legal obligations and responsibilities has been produced and made available online.

Through the licensing schemes, a database of more than 500 HMO landlords and agents operating in Enfield has been compiled, supporting better communication and engagement with the sector.

#### 6.4 Supporting private rented sector tenants

In June 2023, the Council, in partnership with Citizens Advice Enfield, held face-to-face tenants' forums in three different venues across the borough. At these forums, the Council sought to outline the rights for tenants in Enfield and how the Council can intervene if things go wrong with their homes and what standards they should expect from rented accommodation. In promoting tenants' rights and responsibilities, tenants' awareness of the minimum standards to be expected in rented accommodation has increased. Tenants have been encouraged to report landlords who do not comply with licensing conditions and are more aware of their own responsibilities towards the property and the wider community.

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

# 6.5 Case study 2: Working collaboratively with a landlord to improve management and property standards across HMO portfolio

#### **Background**

Following complaints from an HMO tenant about substandard property conditions and disrepair, the Council became aware of a large portfolio landlord who managed a mix of HMOs and single-family properties across Enfield.

#### Council action

An initial visit was conducted by Compliance & Enforcement Officers using the Council's powers under the Housing Act 2004, giving the landlord and occupiers notice of the inspection.

#### Hazards identified

On inspection, Council officers found the HMO in a very poor condition, the kitchen and bathroom were in a dilapidated state, and there was no evidence that the HMO was being adequately managed. Officers found electrical issues and defective fire and smoke detection systems. Furthermore, the HMO was also found to be operating without an HMO licence.

#### Outcome

The Council provided the landlord with a detailed schedule of works to be carried out to bring the HMO up to the Council's standard and to be compliant with The Management of HMO (England) Regulations 2006.

Recognising the landlord's lack of expertise in managing his portfolio and the poor standard of management, the landlord accepted responsibility and collaborated with the Council to address these issues. The Council's fire safety advisor provided essential fire safety advice and guidance, and officers assisted the landlord in navigating various legislation to achieve compliance. As a result, the HMO underwent a complete refurbishment, significantly improving the living conditions for the tenants.

Following this collaborative effort, the landlord applied the lessons learned from this HMO to make improvements across his entire portfolio, providing over 50 rooms of decent and safe accommodation.







The Council will continue to work collaboratively with landlords, providing support and guidance to ensure high standards of property management and tenant safety across all HMOs

## 7. Proposals for an additional HMO licensing scheme

Criteria that must be considered before designating an additional HMO licensing scheme

To introduce an additional HMO licensing scheme the Council must be satisfied that:

- a significant proportion of the HMOs are being poorly managed and are giving rise, or likely to give rise, to problems affecting the occupiers or members of the public
- a decision to implement an additional licensing scheme must be consistent with the Council's housing strategy
- it is part of a **coordinated approach** for dealing with homelessness, empty homes and other related policies
- there are no other courses of action that might provide an effective remedy and that introduction of a licensing scheme will significantly assist in dealing with the problem.

The Council should also consider whether the proposed additional HMO scheme includes 'section 257 HMOs'. These are buildings that:

- have been converted into self-contained flats; and
- the conversion did not comply with the relevant Building Regulations in force at that time and still does not comply; and
- less than two-thirds of the flats are owner-occupied

The Council **must consult** with all persons likely to be affected by the designation for a minimum of 10 weeks.

#### What is the Council proposing?

The evidence base demonstrates that the criteria for a borough-wide additional licensing scheme is met in that a significant proportion of the borough's HMOs are being poorly managed and are giving rise, or are likely to give rise, to problems affecting their occupiers or members of the public.

The HMO sector in Enfield is affected by various housing issues. All wards have poor housing conditions and incidences of repeat ASB, which are worsened by other issues such as, poverty, high rents, more private rented property evictions than the London average, fuel poverty and homelessness.

The Council has been evidence-led in proposing a further borough-wide additional HMO licensing scheme. Thorough evidence gathering and research has been carefully carried out to ensure that the most severe problems in each ward can be dealt with.

We are therefore proposing, subject to consultation, to introduce a borough-wide additional HMO licensing scheme that will come into force in September 2025, when the current scheme ends, and will last for five years. The proposed additional licensing scheme will apply to HMOs occupied by 3 or 4 people forming more than 1 household, where tenants share some amenities, such as a kitchen or bathroom. All HMOs in the borough not already subject to the mandatory HMO licensing regime will need to have a licence to be legally let.

After considering the responses from the consultation process, the proposed scheme may be subject to change, and therefore it is important that the Council receives your views and input on the scheme.

#### Why has the Council decided not to include Section 257s in the scheme?

As with the current additional HMO licensing scheme, the proposed scheme will not apply to certain converted flats or blocks (known as section 257 HMOs), although individual privately rented flats within these conversions will, unless otherwise exempt, require the relevant individual property licence. The Council has reviewed and carefully considered the evidence relating to the known and predicted section 257 HMOs and has found that there is insufficient evidence to support their inclusion in an additional licensing designation.

This decision will be subject to review and may change should supporting evidence arise.

#### 7.1 What is the evidence to support an additional HMO licensing scheme?

To obtain a greater understanding of the HMO tenure in Enfield, Metastreet Ltd was commissioned to review the HMO housing stock in the borough and investigate and provide tenure intelligence on the estimates of:

- Current levels of HMO properties and tenure change over time
- Levels of serious hazards that might amount to a category 1 hazard (HHSRS)
- Other housing related stressors, including ASB, service demand, population and deprivation linked to HMOs.

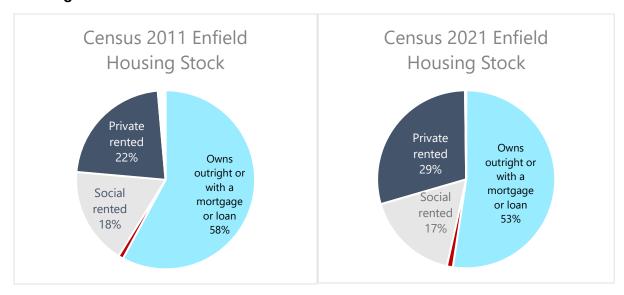
The full report is attached as **Appendix 1**; however, some key findings from the report are detailed below.

#### 7.2 The Private Rented Sector (PRS) in Enfield

In line with long-term trends both nationally and regionally, Enfield's PRS has seen consistent growth since 2011. The 2021 census data reveals that the PRS now makes up 29% of the housing tenure in Enfield, a significant increase from the 22% recorded in 2011. This change signifies a 32% growth in the PRS between 2011 and 2021.<sup>7</sup>

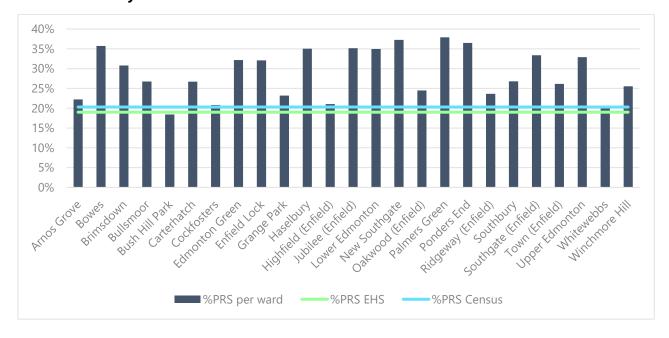
<sup>&</sup>lt;sup>7</sup> ONS Census data 2021: <u>How life has changed in Enfield: Census 2021 (ons.gov.uk)</u>

#### Housing tenure in Enfield 2011 & 2021



The PRS is spread across all 25 wards in Enfield. The percentage of PRS properties in each ward ranges between 38% in Palmers Green and 18% in Bush Hill Park. 24 of Enfield's 25 wards have a higher percentage of PRS than the English Housing Survey national average (England) which is 19%, and 23 have a higher percentage than the Census 2021 national average (England and Wales) which is 20.3%.<sup>8</sup>

#### Enfield %PRS by ward



<sup>8</sup> ONS Census Data 2021

#### Deprivation

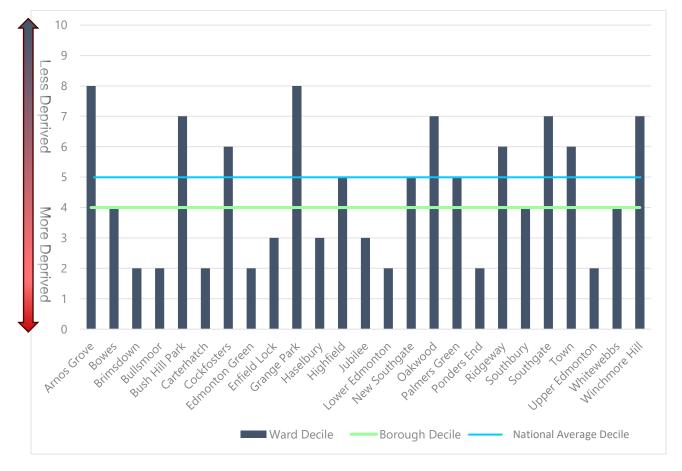
The Indices of Multiple Deprivation (IMD) is a measure of relative deprivation for small areas (Lower Super Output Areas (LSOAs)), based on seven domains of deprivation:

- income
- employment
- education
- health
- crime
- living environment
- · barriers to housing and services.

Enfield ranks as the 74<sup>th</sup> most deprived borough in England out of 317 and is the 9<sup>th</sup> most deprived London borough<sup>9</sup>.

Enfield has a mixture of high and low deprivation wards with 13 out of 25 wards having an aggregated IMD ranking below the national average of 5, and 10 wards falling below the borough average of 4.

#### Enfield weighted IMD deciles by ward<sup>10</sup>

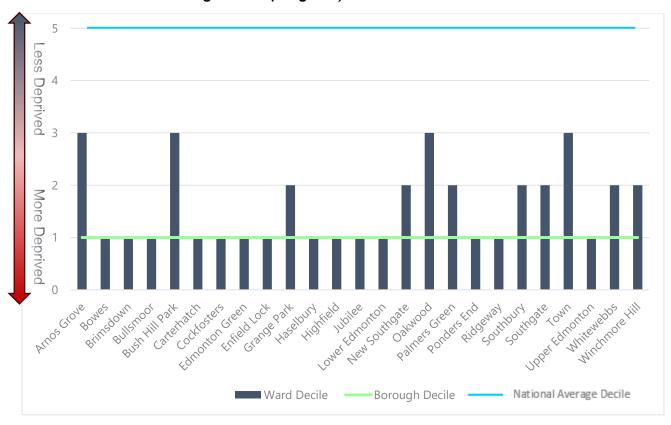


<sup>&</sup>lt;sup>9</sup> Enfield Borough Profile 2023

<sup>10</sup> ONS 2019 https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019

There are also significant challenges within the borough relating to 'Barriers to Housing and Services'. This is one of the domains considered as part of the Indices of Multiple Deprivation and includes indicators such as overcrowding, homelessness and housing affordability. All wards in Enfield are worse than the national average of 5 for Barriers to Housing and Services, and the borough average is the most severe rating of 1<sup>11</sup>.

#### Enfield Barriers to Housing deciles (weighted)



#### 7.3 The HMO tenure in Enfield

Houses in Multiple Occupancy (HMO) are divided into two main categories. The first category is HMOs that share basic amenities (Housing Act 2004, Section 254) that have been licenced under either **Mandatory** or **Additional** licensing powers.

The second category is converted HMO properties with multiple self-contained flats that share common parts which are generally defined as less than two thirds owner-occupied that have the potential to be licensed under section 257, Housing Act 2004, also known as **s257 HMOs**. Currently Enfield Council does not licence s257 HMOs under the additional HMO licensing scheme.

<sup>&</sup>lt;sup>11</sup> ONS 2019 https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019,

#### 7.4 Distribution of HMOs across the borough

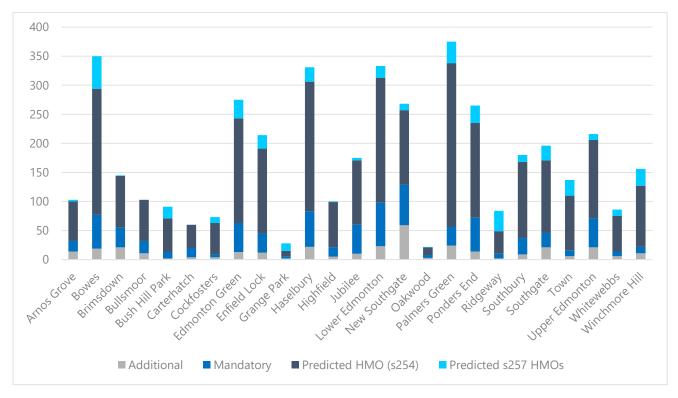
The HMO population in Enfield is divided into three main groups;

- licensed HMOs under the additional and mandatory licensing schemes (1,095)
- predicted hidden HMOs (2,835)
- converted properties with multiple flats that share common parts (s.257s) (436).

The total known and predicted HMO population in Enfield is calculated to be 4,366<sup>12</sup>.

HMOs in Enfield are distributed across all wards. Palmer's Green (375) has the most HMOs, Oakwood has the least (22).

Number of HMOs (additional, mandatory, predicted s.254 & predicted s.257) by ward



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<sup>&</sup>lt;sup>12</sup> Houses in Multiple Occupation: Housing Stock and Stressors Report, Metastreet, 2024

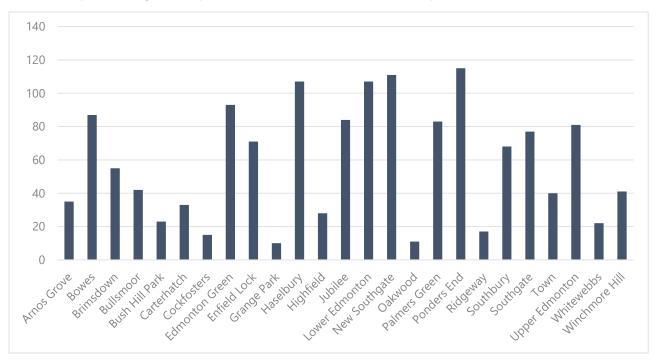
#### 7.5 HMO standards & management

#### Predicted property hazards

The recent review of Enfield's HMO stock has provided insights about the predicted presence and distribution of a range of housing factors in HMOs in the borough<sup>13</sup>. HMOs can exhibit some of the worst housing conditions of any tenure if poorly managed. The main finding was that poor housing conditions are likely to be widespread in HMOs across Enfield. Under the HHSRS, category 1 hazards are the most serious housing hazards and may result in the immediate risk to a person's health and safety. A significant category 2 hazard, although less serious or less urgent, can still be regarded as placing the occupiers' health, safety and welfare at risk.

The evidence shows that serious hazards in Enfield's HMOs are likely to be distributed across the whole borough, with 1456 HMOs predicted to have at least one serious hazard (category 1 and/or high scoring category 2 hazards, HHSRS), representing 37% of Enfield's total HMO population (excluding s.257s), more than double the PRS national average of 12%)<sup>14</sup>.

#### All HMOs (excluding s.257s) with 1 or more serious hazards predicted<sup>15</sup>

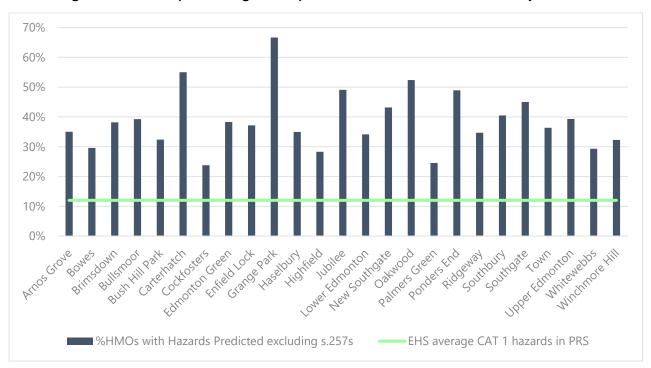


<sup>&</sup>lt;sup>13</sup> Houses in Multiple Occupation: Housing Stock and Stressors Report, Metastreet, 2024

<sup>&</sup>lt;sup>14</sup> English Housing Survey 2022 – 23 Chapter 4: Dwelling condition - GOV.UK (www.gov.uk)

<sup>&</sup>lt;sup>15</sup> Houses in Multiple Occupation: Housing Stock and Stressors Report, Metastreet, 2024

#### Percentage of all HMOs (excluding s.257s) with 1 or more serious hazards predicted

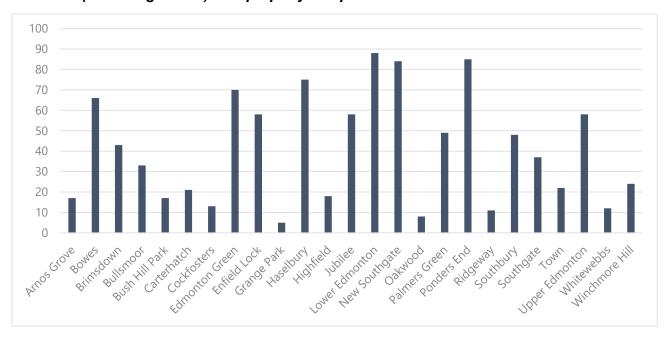


#### Indicators of poor property conditions through complaints

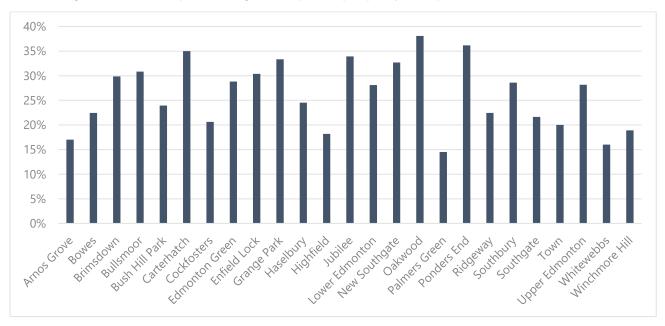
Complaints made by tenants and others to Enfield Council regarding poor property conditions and inadequate property management are a direct indicator of low quality and poorly managed HMOs. Enfield recorded 1,149 HMOs subject to one or more complaints from tenants and others over a five year period (October 2018 – September 2023). HMOs with complaints against them are distributed across all wards in Enfield, with the highest numbers located in Lower Edmonton, Ponders End and New Southgate<sup>16</sup>.

<sup>&</sup>lt;sup>16</sup> Houses in Multiple Occupation: Housing Stock and Stressors Report, Metastreet, 2024

#### All HMOs (excluding s.257s) with property complaints



#### Percentage of all HMOs (excluding s.257s) with property complaints



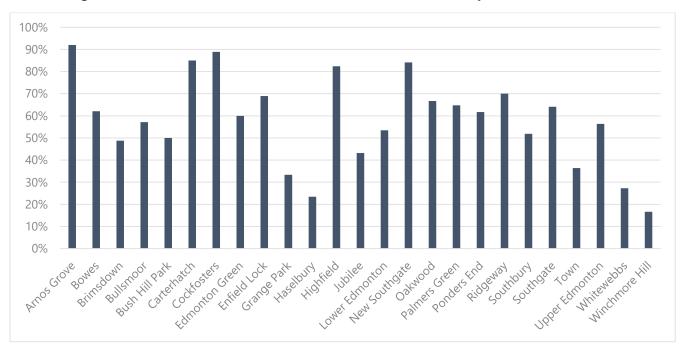
#### Indicators of poor property conditions through inspections

During officer inspections of known HMOs, 920 hazards (category 1 & 2) were identified across 462 properties. Therefore 65% of HMOs inspected were found to have at least 1 serious hazard (category 1 & 2). 15% (103) of inspected HMOs were found to have very serious hazards (category 1) or the property condition was found to be "unsatisfactory" 17.

 $<sup>^{17}</sup>$  Houses in Multiple Occupation: Housing Stock and Stressors Report, Metastreet, 2024

Serious hazards (category 1 & 2) hazards have a physiological or psychological impact on the occupant and may result in medical treatment<sup>18</sup>. Enfield Inspecting Officers identified 18 different hazard types while inspecting known HMOs. Fire (the lack of fire safety measures and adequate means of escape) was by far the most common hazard identified (32%), followed by damp and mould growth (24%), electrical hazards (12%) and excess cold (8%).

#### Percentage of known HMOs with serious hazards identified on inspection<sup>19</sup>



#### Indicators of poor property conditions through enforcement

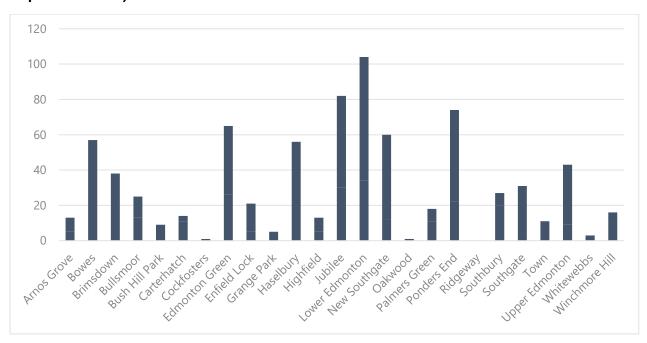
From 2018 to 2023, Enfield Council used its regulation powers to intervene at 334 HMO premises, issuing 731 statutory notices. Over the same period, the Council took 56 enforcement actions relating to 19 HMOs. Lower Edmonton (104) had the highest levels of regulation and enforcement intervention<sup>20</sup>. During this period, the Council's ability to undertake inspections and enforcement of HMOs was affected by Covid restrictions. This had an impact on the level of enforcement interventions carried out.

<sup>&</sup>lt;sup>18</sup> Housing Health and Rating System, Operation Guidance, 2006, <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/15810/142631.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/15810/142631.pdf</a>

<sup>&</sup>lt;sup>19</sup> Enfield Council data

<sup>&</sup>lt;sup>20</sup> Houses in Multiple Occupation: Housing Stock and Stressors Report, Metastreet, 2024

# Regulation and enforcement interventions linked to all HMOs by ward (October 2018 – September 2023)<sup>21</sup>



#### Indicators of poor property management – antisocial behaviour

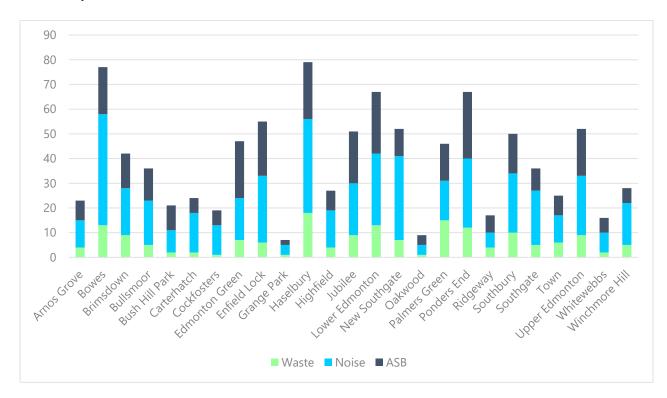
There is a significant level of ASB linked to HMOs across wards in Enfield. Different types of ASB incidents, including ASB and enviro-crime, recorded by the Council over a five year period (October 2018 – September 2023) have been linked to HMO properties and analysed.

Combined, 4376 incidents have been matched to all HMO properties<sup>22</sup>. Recorded ASB investigations have been categorised as follows: waste (rubbish, fly tipping, dirty front gardens, drainage issues); domestic noise and other ASB (general nuisance behaviour i.e. harassment, intimidation, brothels; pests/vermin). The chart below shows the number of HMOs affected by ASB incidents in Enfield over a five year period. Noise is the dominant form of ASB affecting HMO properties and tenants in Enfield.

<sup>&</sup>lt;sup>21</sup> Houses in Multiple Occupation: Housing Stock and Stressors Report, Metastreet, 2024

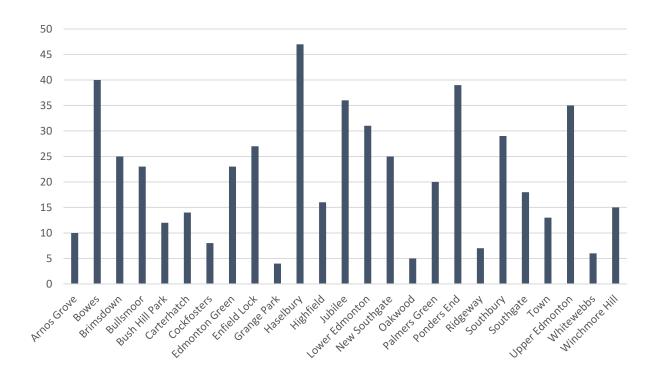
<sup>&</sup>lt;sup>22</sup> Houses in Multiple Occupation: Housing Stock and Stressors Report, Metastreet, 2024

# All HMOs (excluding s.257s) with at least one ASB incident (by category of incident)

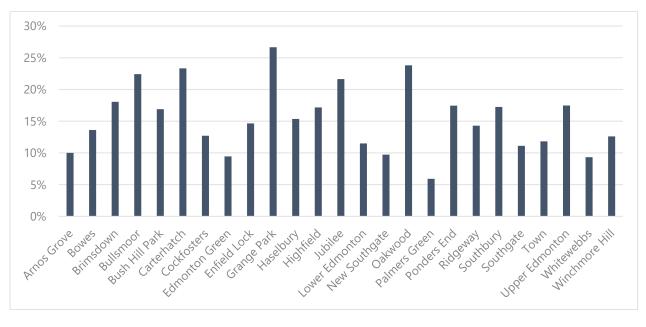


Repeat incidences of ASB in HMOs indicate that a landlord is failing to tackle or adequately address issues of antisocial behaviour as they arise and is a direct indicator of poor management. Repeat ASB in known and predicted HMOs is evident across all wards in Enfield.

#### All HMOs (excluding s.257s) with overall, persistent ASB (2 or more incidents)<sup>23</sup>



# Percentage of all HMOs (excluding s.257s) with overall, persistent ASB (2 or more incidents)



 $<sup>^{23}</sup>$  Houses in Multiple Occupation: Housing Stock and Stressors Report, Metastreet, 2024

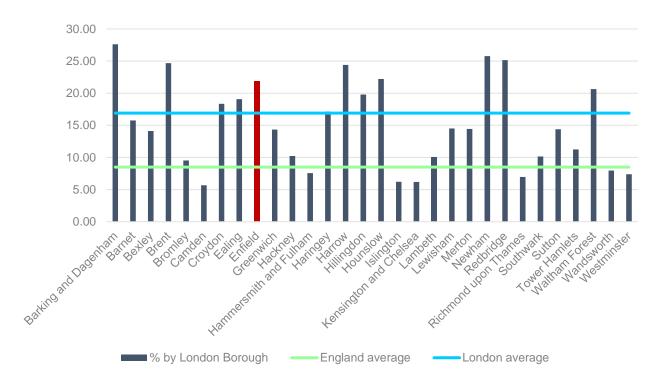
#### 7.6 Other factors impacting poor property management

#### Overcrowding

The proportion of overcrowded households in Enfield's PRS (22%) is far higher than the national average (8.5%) and the London average (17%). Overcrowding exacerbates hazards such as damp and mould due to the increased laundry and cooking activities required to cater to more people in a confined space. Insulation and ventilation can't generally cope with the extra demand. The HHSRS states that 'crowded conditions can result in a moisture burden above that which the dwelling is designed to safely deal with, and this can be a cause of condensation and high humidities, giving rise to associated health risk' <sup>24</sup>.

Evidence indicates that poor housing and overcrowding negatively affect physical and mental health and can also have a major impact on educational achievement<sup>25</sup>. For example, children's education may be affected by overcrowding directly, through a lack of space for homework, as well as indirectly because of school absences caused by illness.

# Percentage of overcrowded households for private rented or lives rent free tenures - Census 2021



#### **Poverty**

With growing pressure on household finances because of increasing energy costs, and wider concerns about the cost of living, there are concerns that households are choosing between "heating or eating" over the winter months. In 2022, the media reported widely on poor conditions caused by damp and mould in social and private rented housing. This was

<sup>&</sup>lt;sup>24</sup> Housing Health and Safety Rating System (HHSRS)

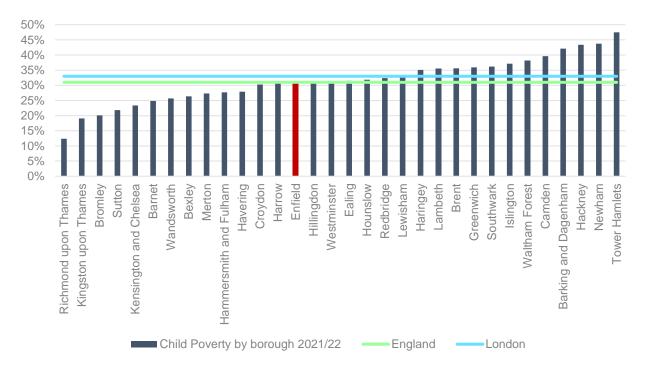
<sup>&</sup>lt;sup>25</sup> The impact of bad housing on children's lives

preceded by reporting on the case of two-year old Awaab Ishak who died in 2020 due to prolonged exposure to mould in his home<sup>26</sup>.

As the cost-of-living crisis continues, it is likely that many households with children will be unable to afford to put the heating on, making homes more susceptible to damp, mould and cold. Children aged 14 years or under are at the greatest risk of ill health caused by damp and mould in their homes<sup>27</sup>.

The proportion of children in poverty in London who live in the private rented sector increased from 16% in 2004/5 to 41% in 2021/22. In Enfield, nearly one in three children experience child poverty after housing costs<sup>28</sup>. Increasingly in Britain, families with young children are living in HMOs, with whole families sometimes renting a single room in an unlicensed property in substandard conditions<sup>29</sup>.

#### Child poverty after housing costs, 2021/2230



<sup>&</sup>lt;sup>26</sup> House of Commons Research Briefing: Health inequalities: Cold or damp homes, February 2023

<sup>&</sup>lt;sup>27</sup> Housing Health and Safety Rating System (HHSRS)

<sup>28</sup> Poverty & Inequality Data Enfield | Trust For London | Trust for London | Trust for London

<sup>&</sup>lt;sup>29</sup> Bedsit Britain: 160,000 people in England crammed into unlicensed housing | Housing | The Guardian

<sup>&</sup>lt;sup>30</sup> Local-indicators-of-child-poverty-after-housing-costs\_Final-Report-3.pdf (endchildpoverty.org.uk)

# 7.7 Case study 3: Using additional HMO licensing to improve ASB and poor management practices

#### **Background**

Council officers received a complaint from a resident about a privately rented property in the EN3 area. The property was reportedly overcrowded, and the occupants were causing noise nuisance and ASB. Initial investigations revealed that the property was operating as an unlicensed HMO.

#### Council Action

Officers attempted to engage with the landlord, who proved to be extremely uncooperative. Both the landlord and tenants refused access to the property despite numerous attempts. Eventually, Council officers obtained a warrant of entry, and it was confirmed that the property was let to three unrelated single adults.

#### Hazards Identified

On inspection, the HMO lacked essential fire safety measures, including an automatic fire detection system and fire doors. All doors had key-operated locks, which could impede tenants' escape in the event of a fire. This risk was further aggravated by tenant items stored on the primary escape route. Officers identified additional category 1 and 2 hazards, including damp and mould due to an unresolved leak, domestic hygiene issues, a rodent infestation, and an overgrown rear garden.

#### <u>Out</u>come

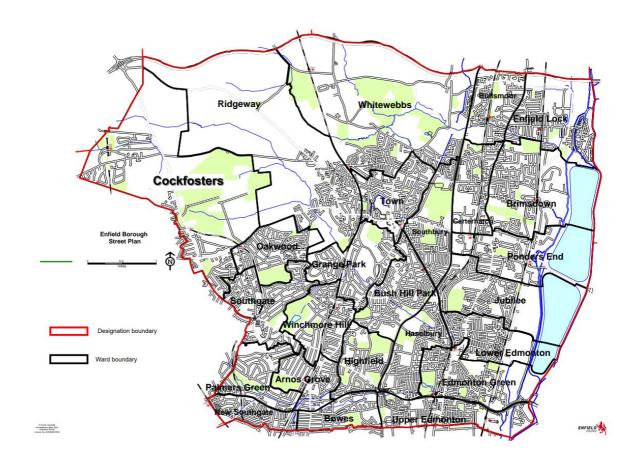
Despite the Council's efforts, the landlord refused to engage and disregarded all correspondence and legal notices. As a result of this non-compliance, the Council successfully prosecuted the landlord for failure to license the property and non-compliance with a legal notice. Following the prosecution, the tenants vacated the premises, and the property reverted back to a single-family dwelling.





The Council is committed to addressing ASB and poor standards of management and will continue to use all available enforcement tools, including prosecution, to ensure that landlords comply with the requirements of the additional HMO licensing scheme

#### 7.8 Map of the proposed additional HMO licence scheme designation



#### 7.9 Addressing poor HMO management through licensing

The designation of a borough-wide additional HMO licensing scheme will allow the Council to bring about improvements in the management of HMO properties within all wards throughout the scheme's duration.

The evidence shows that a high proportion of HMOs in the borough are being managed ineffectively due to the cumulative presence of serious housings hazards and/or significant and persistent ASB. Through the licensing regime and the granting of licences, standard licence conditions will be imposed that require licence holders to manage their properties proactively and to take reasonable action to address issues identified. HMOs identified as 'high risk' will be prioritised for more frequent compliance inspections by officers and to take enforcement action (under Part 1 of the Housing Act), where necessary, to improve poor housing conditions.

Licensing will also give the Council further powers to tackle ASB in HMOs by reducing the instances of repeat ASB linked to licensed properties. Without licensing, the Council are only able to take action against tenants for ASB, as opposed to licensing which places a duty on landlords to manage ASB in their properties. Landlords will receive guidance and advice on managing tenants involved in ASB, particularly in cases of serious ASB requiring formal court action.

The Council expects landlords to resolve property management issues identified during inspections within a reasonable timeframe, depending on the issue's severity. The Council

may issue improvement notices, overcrowding notices, and prohibition orders to enforce property improvements. Landlords failing to license their properties may face civil penalties or prosecution.

The Council will continue collaborating with the local Police, the London Fire Brigade, the UK Border Agency, and other Council departments to identify properties requiring improvement. The Council is committed to working with landlords to address poor property management and assist them in complying with the licence conditions. Information and guidance on managing HMOs will be provided via the Council's website and through forums.

Finally, we will use licensing to empower tenants by educating them on their rights and the standards that they should expect from their rented accommodation, their obligations and responsibilities, and how to access Council services that can support them if needed.

This comprehensive approach ensures that all stakeholders - the Council, landlords, and tenants - work together towards improving the living conditions in HMO properties across the borough.

#### 7.10 Proposed licence conditions

There are two types of conditions that can be applied to an additional licensing scheme: mandatory and discretionary. The mandatory conditions are required by law (Schedule 4 of the Housing Act 2004) and must be included in a licence. These mandatory conditions do not form part of the consultation.

Discretionary conditions are those which the Council can apply for regulating the management, use and occupation of the property and its condition and contents. The proposed discretionary conditions <u>do</u> form part of the consultation and respondents are able to give us their views on these.

In some circumstances, for a particular property, where the Council believes there are specific issues not being covered by the discretionary conditions, additional or more specific conditions can be added.

The proposed additional licence conditions are attached as **Appendix 2**. These licence conditions form part of the consultation, and the Council welcomes any views on them.

#### 7.11 Proposed additional licence fee

Licence applicants will be required to pay a fee for each HMO property that needs a licence. The licence fee must be reasonable and proportionate and will not exceed the cost of the proposed licensing scheme.

The proposed additional HMO licence fee is £1,450 per property.

The Council is required to split the fee into two payments. The initial part of the fee (£800), which is paid when the application is made, is charged to cover the cost of processing and validating the licence application. If the application for a licence is successful, the remainder of the fee (£650) will be charged when the licence is issued. This part of the fee is a contribution to the other costs incurred by the Council in running, administering and enforcing the licensing scheme. Licence fees cannot be used elsewhere in the Council or used to generate a profit.

The fees will be reviewed throughout the scheme and the Council may adjust the fees to reflect changes in costs.

We are also proposing to offer a £50 discount to applicants who are members of a landlords' accreditation scheme and a £100 discount for properties with an EPC rating of band C or above.

The proposed schedule of fees and discounts is attached as **Appendix 3.** The licence fee and discounts form part of the consultation, and the Council welcomes any views on them.

#### 7.12 Additional HMO licensing exemptions

Schedule 14 of the Housing Act 2004 provides details of the statutory exemptions from the requirements of HMO licensing. These include buildings controlled by public sector bodies (for example, housing associations), some buildings occupied by students, and buildings regulated under other legislation, such as care homes. A full list of exemptions can be found at Housing Act 2004 (legislation.gov.uk).

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#### 7.13 Case study 4: Unlicensed HMO brought into compliance

#### Background

As part of a routine tasking day, Compliance and Enforcement Officers targeted a suspected unlicensed HMO. An unannounced visit was carried out to the mid terrace property in Edmonton N18, but access was denied by the occupiers.

#### Council action

Officers secured and executed a warrant of entry to inspect the property. On inspection, officers found the three-bedroom property had been reconfigured to create sleeping accommodation over three floors. A large single-skin brick-wall outbuilding in the rear garden was also suspected of residential use. Officers evidenced that the main house was operating as an HMO and was occupied by four single adult males.



#### Hazards identified

The HMO had serious category 1 and 2 hazards. The repositioned kitchen presented a serious fire hazard as it was located on a fire escape route. There was no fire and smoke detection system or fire doors in the property. One of the bedrooms on the ground floor had no natural light or ventilation. There was excessive use of extension leads and freestanding electric heaters were used in all the rooms. There was significant disrepair throughout the property.





#### **Outcome**

This investigation led to officers serving an improvement notice and comprehensive schedule of works requiring the landlord to address the category 1 and 2 hazards. The landlord complied with the notice and applied for an additional HMO licence.

Additional HMO licensing provides the Council with the necessary regulatory oversight to ensure the safety and wellbeing of HMO occupants. Licensing not only mandates landlords to adhere to stringent safety standards but it also empowers the Council to take swift action against non-compliance leading to improved living conditions in HMOs.

## 8. Alternatives to licensing that have been considered

The Council has adopted a wide range of measures and policies to try to improve management standards and reduce ASB in the private rented sector. However, the evidence demonstrates that these measures alone are not sufficient to effectively address the issues. We believe that additional HMO licensing is the most effective means of tackling poor housing conditions in HMOs in the borough. The licensing scheme will enable the Council to make better use of its existing powers and focus on the most problematic housing in the borough.

We have considered other courses of action, or alternatives, to the additional HMO licensing proposals, but we do not believe that they provide as effective means of tackling poor housing conditions in HMOs in the borough. These are the alternative options we have considered:

| Alternative measure  | Strengths   | Weaknesses   |
|--|---|--|
| Use of Part 1 Housing<br>Act 2004 powers to deal<br>with enforcement of<br>housing standards | Following an investigation, statutory notices can be served that require improvements to be carried out to a property.  | The statutory powers do not place any obligation on landlords to be proactive in ensuring their properties meet minimum health and safety standards and do not allow the Council to regulate the management of properties as licensing schemes do. |
|  | Councils can carry out work in default if a notice is not complied with.  | Formal action is generally slow, with appeal provisions against most types of notices served, which can significantly delay the time period for compliance.  |
|  |   | Work in default can be effective but it is expensive and time consuming to the Council, with the risk that not all costs are recovered.  |
| Rely on prosecutions<br>and civil penalties for<br>housing offences                          | Landlords risk being prosecuted or being issued with a civil penalty if they do not comply with statutory requirements. | Successful prosecutions, or the imposition of civil penalties, do not in themselves secure immediate improvements in property conditions, and the Council's costs in pursuing legal action are not always met in full.                             |
|  | Provides a disincentive to keep properties in poor condition and ineffectively managed                                  | Using licensing conditions, the Council have managed to get issues dealt with by the landlord without having to resort to lengthy enforcement action, reserving enforcement for the worst offenders.   |
|  |   | The absence of licensing significantly reduces the scope of the Council to impose civil penalties in respect of identified housing breaches.   |

| Alternative measure  | Strengths  | Weaknesses   |
|--|--|--|
| Wider promotion of voluntary accreditation schemes to facilitate improvement in management practices and standards | For those landlords who take part, accreditation can increase their knowledge and competence and their ability to effectively manage a property. | This requires voluntary landlord engagement, and rogue operators are unlikely to attend or engage in such accreditation schemes. Currently, only 8% of landlords nationally are members (or previous members) of an accreditation scheme <sup>31</sup> .   |
| Improvement grants to improve substandard properties   | Grants subsidise improvement works, improving standards and giving benefits for landlords and tenants.   | Generally, there are few grants available, and the Council has very limited scope to offer grants through successful external funding bids. In the most part, grant awards would fund improvements that the landlord should be carrying out to meet their legal obligations.  Any grant scheme would be discretionary and would rely on voluntary landlord engagement. |
| ASB powers   | Formal notices can be served at addresses identified as having ASB issues.  This can resolve ASB at the particular address.                      | Action would generally be taken against the tenant in occupation. The powers do not place any obligations on landlords to be proactive in managing their properties to prevent or reduce the likelihood of ASB occurring.  |

Each of the above powers or measures supports the Council in achieving the objectives of additional HMO licensing;

- To improve the quality of living conditions for tenants and residents in HMOs
- To improve the management standards and practices of landlords and agents of HMOs
- To improve the health and safety of occupants of HMOs, and
- To improve the environmental quality and amenity of neighbourhoods

However, the Council considers that the best way to achieve these aims is to introduce a further large scale additional HMO licensing scheme, in combination with our other regulatory and enforcement tools, as none of the alternative powers or measures can effectively address the issues and challenges posed by poorly managed HMOs in the borough.

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<sup>&</sup>lt;sup>31</sup> www.gov.uk/government/statistics/english-private-landlord-survey-2021-main-report

## 9. Proposed scheme objectives

Licensing is a crucial part of the Council's comprehensive strategy to improve the PRS and deliver better standards for private renters. The Council has implemented a range of initiatives and methods to achieve this goal, and licensing is one of them. Licensing places the responsibility on landlords to inform the Council that their property is licensable and to ensure that they meet the required standards with the Council's support. The Council can then prioritise its resources effectively to deal with the properties of most concern and target enforcement actions to those landlords who fail to license their properties and/or breach licence conditions.

The additional HMO licensing scheme will be assessed against the following scheme objectives:

|    | Objective   | Outcome  |
|----|---|--|
| 1. | Improve management standards in HMO properties              | Landlords actively manage their HMO properties or be enforced against  |
|    |   | Absentee landlords, or landlords who are<br>not 'fit and proper', employ an agent to<br>actively manage their properties to<br>ensure compliance |
|    |   | Prevention of overcrowding in HMOs through better management of property occupancy   |
|    |   | Greater number of landlords become accredited improving the professionalism of landlords in the PRS  |
|    |   | Residential letting agents are fully compliant with consumer protection and rights legislation   |
|    |   | Engagement with landlords improved   |
|    |   | Landlords are kept informed of latest legislation and good practice  |
|    |   | Responsible landlords will become more involved in Council licensing schemes and receive information and support                                 |
|    |   | <ul> <li>Irresponsible landlords will be forced to<br/>improve their properties or be enforced<br/>against.</li> </ul>                           |
| 2. | Reduction of ASB and repeat ASB incidents in HMO properties | Reduction of ASB through better management of HMO properties   |
|    |   | Reduction in enviro-crime, ASB and other forms of environmental nuisance   |

|    | Objective   | Outcome  |
|----|---|--|
|    |   | <ul> <li>Reduction of ASB will improve<br/>neighbourhoods making these areas<br/>safer and more desirable places to live<br/>in.</li> </ul>  |
| 3. | Improve housing conditions in HMO properties by eliminating poor property standards   | <ul> <li>Licensed HMO properties are inspected, monitored, and licence conditions robustly enforced and complied with</li> <li>Poor housing conditions in HMOs are improved with category 1 &amp; 2 hazards resolved (including issues such as damp and mould)</li> <li>HMO properties meet a minimum Band E EPC rating (unless an exemption applies)</li> <li>Improved health, safety and welfare of tenants in HMOs</li> <li>The Council will gain increased knowledge of the private rented sector in the borough. This will enable targeted enforcement and support for landlords</li> </ul>   |
| 4. | Increased awareness for tenants of the minimum standards to be expected in rented accommodation and what their obligations and responsibilities are when renting in the PRS | <ul> <li>Information for tenants on the local licensing scheme advertised and third-party support for tenants made available</li> <li>Dedicated tenants' advice section created on web site</li> <li>Officers to provide tenants with information and sign posting to support their housing and wider needs</li> <li>Improved tenants' support through work with third parties</li> <li>Renters know their rights and responsibilities and have greater awareness of and access to Council services that can support them</li> <li>Tenants will see economic benefits such as reduced heating costs, bringing them out of fuel poverty.</li> </ul> |

## 10. Licensing and wider Council strategies

The licensing proposals are set in the context of the Council's wider programmes to tackle housing need, increase sustainability, improve property standards and reduce ASB.

#### 10.1 Council Borough Plan

Enfield's Council Plan, <u>Investing in Enfield</u>, sets out five key priorities for the Council and aims to 'support residents to live happy, healthy and safe lives'.

Its five priorities are to develop, sustain and facilitate:

- Clean and green spaces: Protection and enhancement of public spaces, reduction
  of pollution and waste (through facilitation of low-carbon travel and public buildings,
  recycling)
- . **Strong, healthy and safe communities**: Improved public safety, social care, health services, recreational and cultural facilities
- . **Thriving children and young people**: Improved care for young people with complex needs, enhanced educational and recreational activities
- . **More and better homes**: More (and better) good-quality, affordable homes, higher standards for the PRS, facilitation of well-connected and managed communities, special attention to low-carbon housing initiatives
- An economy that works for everyone: Skills development opportunities, facilitation
  of local businesses and investment, support for low-income residents, development
  of vibrant, healthy and inclusive town centres

An additional HMO licensing scheme will contribute to the Council's vision and assist in achieving its key ambitions to deliver higher standards for private renters and increase public safety. Licensing schemes promote healthier, safer neighbourhoods, sustainability through energy efficiency standards, and equality by ensuring safe, healthy living conditions for all residents, regardless of tenure.

#### 10.2 Housing and growth strategy

The strategy, titled <u>More and better homes for Enfield</u>, is structured around five strategic priorities to achieve 'good homes in well-connected neighbourhoods':

- More affordable homes for local people: Building homes that fit the specific needs
  of Enfield residents, including size, price, location and tenure.
- Invest in and be proud of our Council homes: Investing in existing Council housing infrastructure to ensure safe, secure and long-lasting homes which are managed and maintained to a high standard.
- Quality and variety in private housing: Facilitating private-sector creation of highquality, fair, secure and affordable homes.
- **Inclusive placemaking**: Creating and maintaining connections within the community to design, delivery and maintain homes that are right for the community.
- Accessible housing pathways and homes for everyone: Ensuring that there are high-quality housing options for all residents, regardless of specific needs, helping all achieve their full potential.

Within the extensive 'Quality and variety in private housing' ambition, the strategy identifies that additional and selective licensing schemes, subject to the results of public consultation, will drive up standards in the PRS and reward good practice. Eliminating poor performing private sector landlords throughout the borough remains a priority, and the Council will seek

to implement further licensing measures to drive improvements into this crucial part of the borough's housing offer.

#### 10.3 Homelessness strategy

The plan, entitled **Ending Homelessness in Enfield**, sets out a five-year vision and five key ambitions for preventing and ending homelessness and rough sleeping.

The strategy is self-described as 'ensuring that everyone has a safe, stable place to live. It means supporting residents to make informed choices so that they have a home they can afford, at the right time, which meets their needs. It means that if an individual or family is at risk of homelessness, they receive the support they need to prevent it'.

The strategy sets out five ambitions:

- Make homelessness prevention a priority for everyone
- Treat people with empathy, dignity and respect
- Support people to access the right accommodation
- Support people to plan for their lifetime housing needs
- End rough sleeping in Enfield

The plan states the Council are 'consulting on proposals to implement an additional and selective licensing scheme for private landlords to drive up standards and reward good practice in the sector' as well as makes numerous links between homelessness and the PRS.

Through the implementation of an additional HMO licensing scheme, the Council will be able to enhance its work with landlords, improving their professionalism and understanding of legal obligations. This, along with tenant education on rights and responsibilities, will support tenancy sustainment in the PRS and help in reducing homelessness in the borough.

#### 10.4 Enfield Climate Action Plan

The Enfield Climate Action Plan 2020 outlines the Council's approach to addressing climate change. The overarching goal for the Council is to become a carbon-neutral organisation by 2030 and carbon-neutral borough by 2040, achieved through improvements of Council activities, public spaces and the natural environment, waste removal and disposal (including recycling) and transit options within the borough—and outlines the many initiatives that have been taken since signing the Climate Emergency Pledge in 2019. The plan also sets out actions to investigate setting higher SAP/EPC standards and determining targets for PRS property improvements needed to meet minimum requirements as well as identifying fuel-poor households within the PRS.

The plan recognises the link between fuel-poverty, and energy-consumption and emissions, and that better insulating homes and making them more energy-efficient are key actions in combatting both.

Additional HMO licensing will contribute to achieving Enfield's climate change vision by enforcing energy efficient standards in the PRS, helping to reduce the overall energy consumption and carbon emissions of the borough.

#### 10.5 Empty properties

Enfield Council's <u>Empty Homes Strategy 2021-26</u> is a comprehensive plan aimed at bringing long term empty homes back into use to tackle the housing crisis in the borough. It supports and helps delivery of the wider outcomes and priorities of the Council detailed in the housing and growth strategy. The main objectives of the strategy are to:

- Bring as many privately-owned empty homes as possible back into full and continuous residential occupation
- Minimise the length of time a privately-owned home stands empty
   Ensure that properties brought back into use are available to Enfield residents to meet housing need
- Reduce blight and nuisance caused by empty privately-owned homes
- Enhance our approach to returning empty homes to use by continuing to work and share experiences with other local authorities
- Utilise funding available to bring empty homes back into use and provide affordable housing solutions across the borough for people in housing need.

The strategy also aims to improve the quality of homes and neighbourhoods: As part of our commitment to the Zero Carbon agenda we will seek to retrofit homes being brought back into use.

By working in partnership with the Empty Homes Officer, we will use licensing to help identify vacant homes. The increased level of enforcement activity made possible by an additional HMO licensing scheme, with officers out in the borough on tasking days and inspections, will unearth more empty homes that can potentially be returned to the private rented market. Bringing empty properties up to standard and back into use as decent liveable homes is complementary to the objectives of the proposed additional licensing scheme.

#### 10.6 ASB

As outlined in the homelessness prevention strategy, we are committed to tackling ASB in relation to tenancy sustainment, and the housing and growth strategy aims to prevent ASB by improving interventions with PRS.

The <u>Enfield Council Community Safety Plan 2022-2025</u> also sets out how the Council and partner agencies, led by the Safer and Stronger Communities Board, work together to tackle crime and improve safety. The plan reflects the concerns raised by local people and the resulting priorities are in three main areas:

- Offences that cause direct harm to people
- Theft or damage to property
- The damage done to local neighbourhoods by anti-social behaviour

To tackle ASB problems, we have made it conditional on all private landlords who hold licences under the additional HMO licensing scheme to 'take reasonable and practicable steps to prevent or address problems of anti-social behaviour resulting from the conduct of occupiers or visitors to the HMO'. Section 57(5) of the Housing Act 2004 gives a definition of ASB for the purposes of licensing under Part 3 of the Act. The Council is currently preparing a draft ASB policy, including templates which will help landlords set out and define their aims for preventing ASB in HMOs.

We will use all tools and powers available to support those affected by ASB and to take action, including prosecution, against licence holders who do not take adequate steps to tackle ASB.

#### 11. **Appendices**

| Appendix 1 | Housing Stock and Stressors Report, Metastreet, 2024 |
|------------|--|
| Appendix 2 | Proposed additional HMO licence conditions           |
| Appendix 3 | Proposed schedule of fees, charges and discounts     |