

Property Licensing Schemes, outcomes & learning

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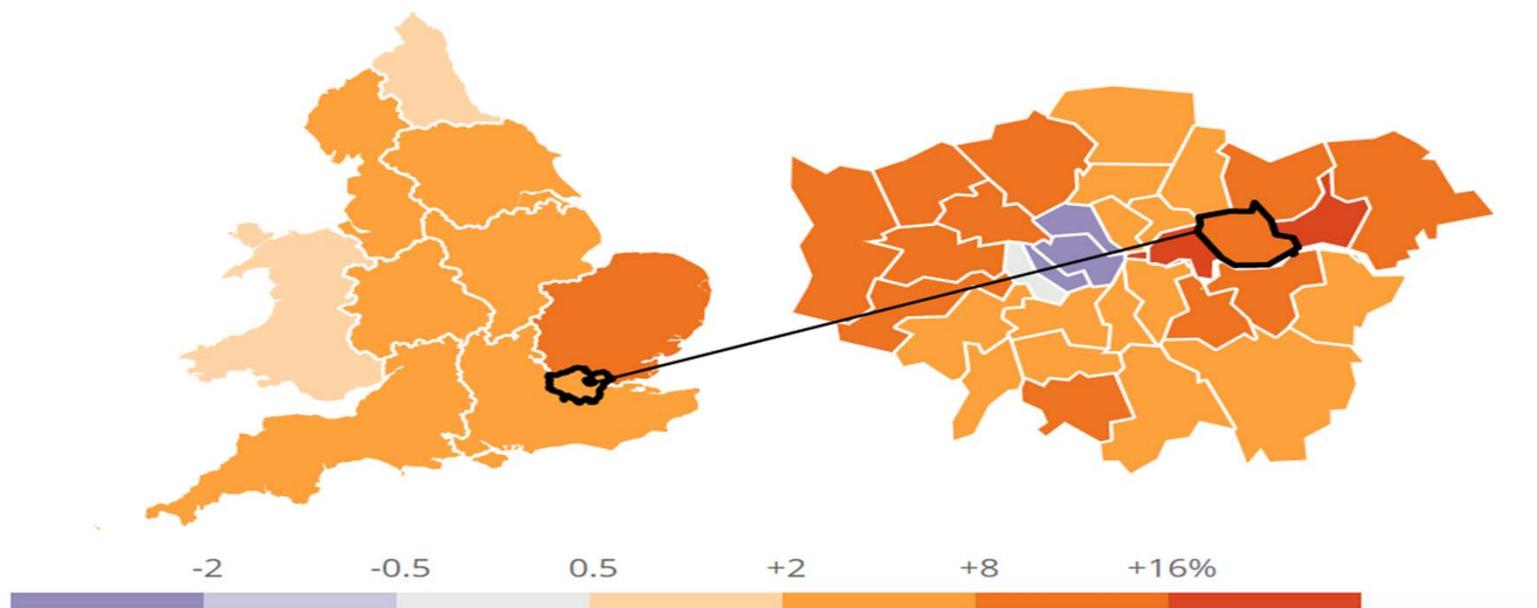
**Cllr Shaban Mohammed- Cabinet lead
member for Housing Services LB
Newham**

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Population growth was higher in Newham than across London

Percentage population change, Newham and surrounding areas, 2011 Census to Census 2021

England ▲ 6.6% London ▲ 7.7% Newham ▲ 14.0%



Source: Office for National Statistics – 2011 Census and Census 2021

Between the last two censuses (held in 2011 and 2021), the population of Newham increased by **14.0%**, from just under 308,000 in 2011 to around **351,000** in 2021.

2012-Olympic borough- linked to regeneration of borough

3. Our challenges



- Newham is also a borough with serious inequalities.
- Although Newham has made great strides in tackling deprivation since 2015, it is still ranked amongst the most deprived in England.
- Over a quarter of our neighbourhoods are in the 20% of most deprived neighbourhoods in the country.
- Over a quarter of our residents are paid below the London Living wage.
- Our residents are the most over-indebted in London.
- Our average rents represent 65% of average wages compared to 30% across the UK.
- We have the highest overall level of homelessness in England.

"There have been lots of times in my life when it's come to the end of the day, week or month and we've not had enough money to pay for essentials like rent or heating."



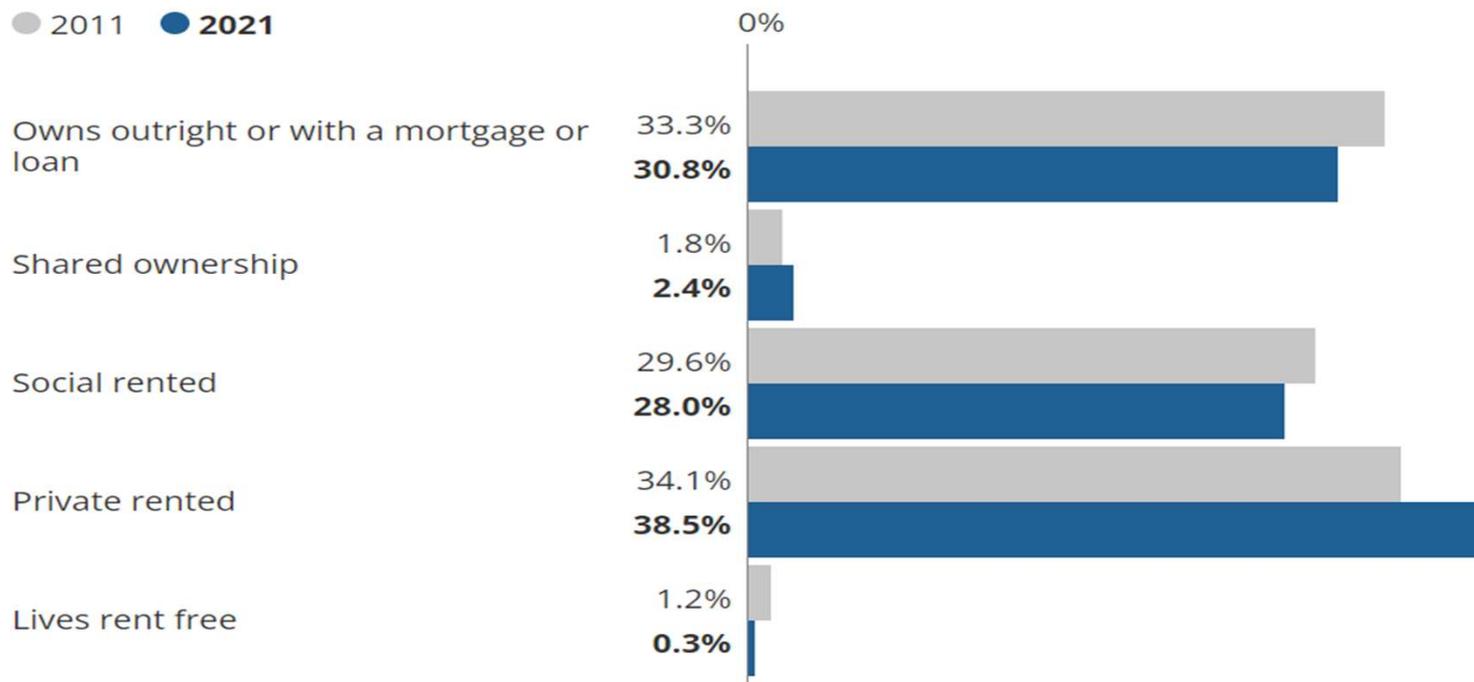
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**People at the Heart
of Everything We Do**

The rate of home ownership in Newham decreased by 2.5 percentage points

Percentage of households by housing tenure, **Newham** ▾

● 2011 ● 2021



Source: Office for National Statistics – 2011 Census and Census 2021

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Our data warehouse research indicates that **52-54%** of our residents are renting privately

Approximately 120k households in LB Newham

History of Property Licensing schemes in LB Newham and approx. size of schemes



- **Started in 2013-2017 –1st property licensing scheme- whole borough for additional & selective after a pilot in one ward.**
- (30k licences)
- **2018-2022- 2nd property licensing schemes**
- **19/20 wards** for additional and selective-
- (42k licences)
- **2023-2028- 3rd Property licensing schemes**
- **For 22/24 wards** for additional and selective
- Includes Nightly Let Temporary Accommodation
- (Estimate 40k licences)

- **First large-scale** property licensing scheme in England in 2013
- Key priority for LB Newham and to **drive out rogue landlords** operating on a large scale in the borough
- **Unprecedented 3rd** Licensing scheme confirmed by SoS (DLUHC) in Dec 22

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Type of licensing in LB Newham	Mandatory HMO licensing	Additional HMO licensing	Selective licensing
Type of property	HMOs larger than 5 people	HMOs larger than 2 people	All PRS properties not covered by other schemes- single family/2 sharers
Who approves the decision?	N/A – it's mandatory for all local authorities	The local authority – provided it meets the criteria every 5 years	The Secretary of State – the local authority must submit an application- every 5 years
Consultation required?	No	Yes	Yes
What criteria must be met?	Government requirement	A large PRS, high levels of antisocial behaviour , which is shown to be linked to the PRS	A large PRS, high levels of antisocial behaviour linked to the PRS, poor property conditions, deprivation, high levels of inward migration
<u>Current scheme update in January 2024 and no. of licensed properties?</u>	Mandatory scheme does not expire- 1,000 registered since Jan 2023	New scheme commenced 1st Jan 2023; 1,500 registered	New scheme commenced mid-June 2024 and approximately 24k registered and licences currently being processed. Approx. 13k licences not yet expired and transferred over.
When does the <u>new</u> scheme start and area covered and fee range?	Covers the whole borough –ongoing 2024 New fees proposed to start at £1650 -(5-9 sharers) plus incremental increase per 10 additional lets	1st Jan 2023: The whole borough except Stratford Olympic Park and Royal Victoria= 22/24 wards. £1250 for standard fee- (Early bird & eligible discounts can reduce to £800)	1st June 2023: The whole borough except Stratford Olympic Park and Royal Victoria= 22/24 wards £750 for standard fee with no discounts. (Early bird & eligible discounts can reduce to £300)
When were the new schemes approved?	Mandatory requirement since October 2018	Cabinet approval on 22nd June 2022 commenced 1st Jan 2023	Cabinet approval on 22nd June 2022 Confirmed by DLUC on 7th Dec 2022

Private Sector Housing Standards-aims



Team breakdown-

(Total of 66 Officer no.s)

- Head of Service-1
- Property Licensing/Admin Team -24
- Private Sector Housing Enforcement (East & West Team)-14
- Compliance Team-13
- Portfolio Landlord & Complex case Team-2
- Building Safety & Empty Property-4
- Energy efficiency- 2
- IT Projects Team-4
- Apprentice EHOs- 2
- (No.s Include 4 Operational Managers)

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What We Do

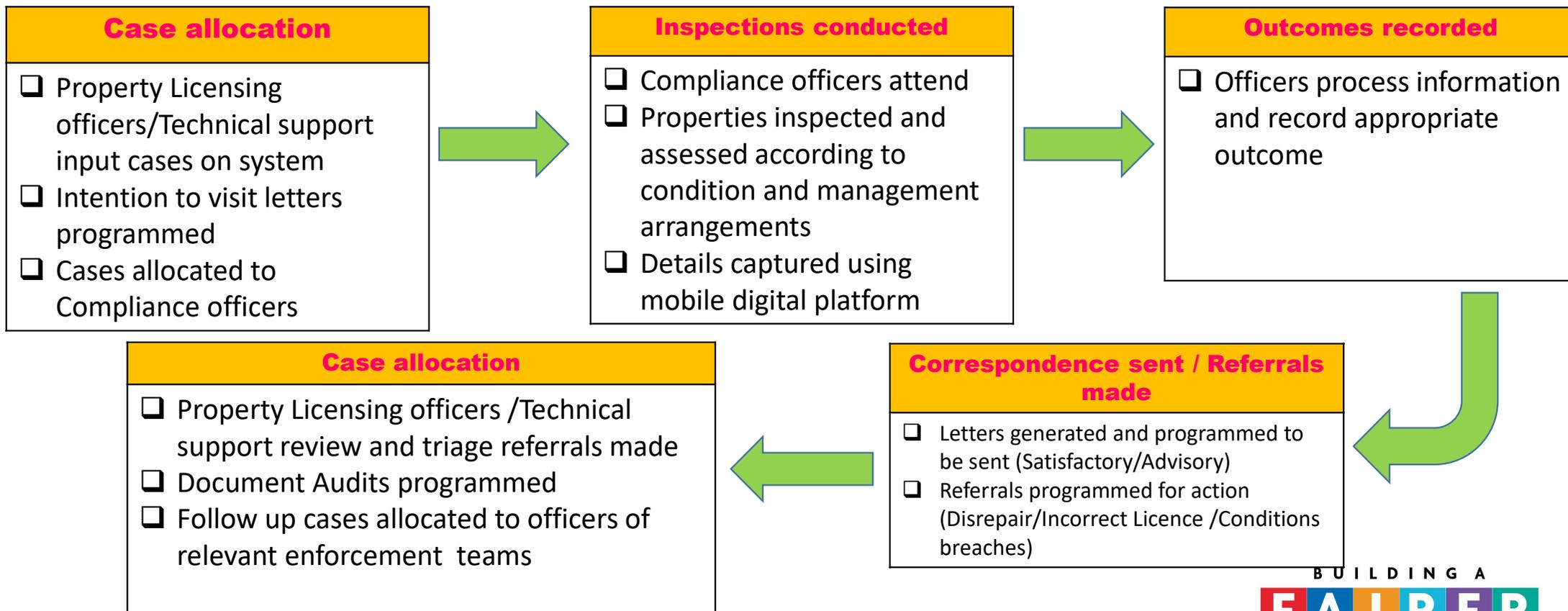
- Inspect the quality of privately rented properties
- Offer **intervention strategies** such as enforcement and **education and advice** to landlords
- Property licensing** of private landlords
- Taking responsibility for **regulating and driving strategic direction** of the PRS e.g.; **cladding**
- Support Newham's **data warehouse** by **collating information & intelligence** on housing

Our Goals

- Improve the quality, safety and choice of residents** across Newham
- Increase the number** of property licenses for private landlord properties
- Raise the housing standards** across Newham by penalising landlords who fail to provide homes of suitable quality and requiring remedial action where necessary
- Successfully work on our corporate priorities; '**empty homes project**' **climate change** agenda etc.



LB Newham PSH Compliance inspections (800 per month) to enforcement referrals process (100 per month)



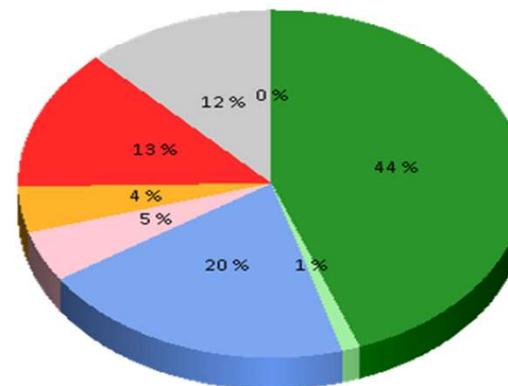
2nd licensing scheme- 2018-2023- circa 30k inspections (for compliance/desk audits & enforcement)



Private Housing Licensing Compliance Team

Visits (Accessed)			
		January	Total (since Dec 2019)
All Officers		<u>760</u>	<u>16,121</u>
Property Licensing Document Audits	13,029 Audits (Including future programmed)		

Case Outcomes



2nd licensing scheme outcomes (2018-22)

In 2018-22:

Newham **banned 84** landlords from running licensing properties;

Launched almost **2,000** 'breach of licence' investigations;

Issued **342 financial penalty final notices;**
6,447 enforcement letters to landlords.

26k licence holders

93 evictions avoided

2023- First year of current licensing; **26k** licence applications received.

£320k income received in property licensing fines

396 enforcement notices against property standards.

The first banning order granted for Newham after working through a number of prosecutions and appeals

Tenancy Liaison officer post- avoided 49 evictions

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Further innovative projects under licensing



'Alarming' increase in the number of fires caused by e-scooter and e-bike batteries

The London Fire Brigade were called to 88 fires caused by privately owned e-bikes last year. Following the enormous surge in incidents, consumers are being warned to only buy a device from reputable retailers.

Letting agents project- to ensure Compliance with consumer protection law-

If an agent fails to display certain information in their office or on their website, then the Council can take enforcement action against them.

The Council can also take enforcement action for charging prohibited tenant fees, as well as failing to join a redress scheme or a client money protection scheme.

79 Letting Agents served with final Fixed Penalty Notices(2022-23)

What works well & lessons learnt



- ❖ High number of inspections
- ❖ Demonstrate local housing authority ability to keep housing conditions in the area under review (HA2004)
- ❖ Reporting capability
- ❖ Mobile solution – Idox Onsite Service Request / Uniform database
- ❖ Streamlined/automated correspondence
- ❖ Proactive targeted use of resources
- ❖ Associated resources to meet demand generated
- ❖ Progression pathways to supplement enforcement teams
- ❖ Develop capacity for enforcement activity
- ❖ Aligned for proposed property portal under Renters Reform Bill

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Team Focus - Summary



- Integral part in the Services proactive strategy to identify and remedy issues
- Collate meaningful data to inform how we use our resources to target enforcement action
- Build capacity in the team to further support our enforcement activity
- Contribute to climate change agenda – supporting energy efficiency work stream (MEES)
- Provide relevant advice to tenants and landlords
- Provide data to support applications for future licensing designations
- Improve housing conditions and ensure healthy housing for occupants by driving up standards and stamping out poor and illegal practices for the benefit of tenants and responsible landlords

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Any questions?

- **All council reports at:**
<https://www.newham.gov.uk/housing-homes-homelessness/property-licensing-consultation>
- **Further queries/clarifications:**
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Types of referrals to enforcement team



- **Disrepair referrals** – faulty, inoperable or lack of smoke detection, broken boiler, lack of heating or hot water, faulty electrical sockets, damaged exposed wiring, damaged flooring, windows or doors, faulty or lack of lighting, enclosed/undersized rooms, damaged roofing, rainwater goods, extensive dampness, pest control issues
- **Conditions breach referrals** – exceeded number of occupants total/per room, additional rooms or fewer rooms than indicated on licence, missing documentation, lack of smoke detection, pest control issues
- **Incorrect licence type referrals** – exceeded number of households ...

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