

# Have your say & help improve private rented homes

Property Licensing Consultation:  
Evidence Report

February 2024



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## FOREWORD

We firmly believe that every resident in the London Borough of Barking and Dagenham deserves a safe and decent home. Our commitment extends to eradicating rough sleeping and supporting those experiencing homelessness. In our pursuit to improve the rented sector and create a community that benefits everyone, property licensing is a powerful tool at our disposal.

We will use our influence to stand up for private renters and all others in our communities to ensure that everyone can access decent, safe, and affordable homes. The shortage of affordable housing continues to be a real concern for residents, as the nationwide housing crisis is being acutely felt across London. We know that this means far too many residents accessing the private rented sector fall victim to rogue landlords. At a time when the demand for low-cost accommodation is high, it falls to the local authority to work with landlords to ensure that the accommodation is safe, not overcrowded, and that it does not impact negatively upon the health and wellbeing of those who live in it. The accommodation should also not have an adverse impact upon the neighbourhood in which it is located, through unsightly visual impact caused by poor management, or the anti-social behaviour of those living in or visiting the accommodation.



Through active engagement with landlords, our proposed new licensing schemes strive to create a rented sector that meets the needs of our community and is a fair and thriving rental market that enhances the well-being of our borough's residents.

A handwritten signature in black ink, appearing to read "S. Ghani".

**Councillor Syed Ghani**

**Cabinet Member for Enforcement & Community Safety**

# ABOUT THIS CONSULTATION

## What is the aim of this consultation?

We are consulting on the future of property licensing in Barking and Dagenham and a range of supporting initiatives. Through the proposals in this consultation, we aim to help set standards, tackle poor management, and improve the quality of private rented homes.

## Where will these proposals apply to?

The proposals outlined in this paper will apply to the London Borough of Barking & Dagenham only.

## Who do we want to hear from?

We want to hear from anyone interested in private renting in Barking & Dagenham, based either in the borough or the surrounding areas. This includes, but is not limited to:

- Tenants
- Landlords
- Managing agents
- Residents
- Business owners
- Community organisations

Your views and experiences will help us make sure every renter can take pride in their home.

## How long will this consultation last for?

This consultation was issued on Friday 16 February 2024 and will run for **ten weeks**. Please share your views by Friday 26 April 2024.

## How to share your views?

**Primary response method:** To help us analyse the responses, please share your views using our One Borough One Voice digital platform wherever possible.

**Visit our consultation webpage to take part:**

<https://oneboroughvoice.lbbd.gov.uk/property-licensing-2024>

**Other ways to respond:** If, you are unable to use the online questionnaire, for example, because you use specialist accessibility software that is not compatible with the system, you may request and complete a Microsoft Word document version of the survey.

By email: [prplconsultation@lbbd.gov.uk](mailto:prplconsultation@lbbd.gov.uk)

Or in writing to:

**Property Licensing Consultation 2024**  
**London Borough of Barking & Dagenham**  
**Barking Town Hall**  
**1 Town Square**  
**IG11 7LU**

## Enquires

If you have any questions about this consultation, please get in touch with us by phone at **020 8724 8898** or by email at [prplconsultation@lbbd.gov.uk](mailto:prplconsultation@lbbd.gov.uk).

You can also contact us if you have any translation or accessibility requests.

## EXECUTIVE SUMMARY

The private rented sector (PRS) in Barking & Dagenham has rapidly grown by over a third since 2011, becoming a long-term housing solution for many of our most deprived and vulnerable residents. Expensive rents, insecure short-term tenancies, and poor conditions are acute problems in the PRS. Fuelled by escalating house prices and limited social housing, this tenure now accounts for 30% of properties in this borough. Alongside this growth, we have seen poor management, substandard conditions, and incidents of harassment and evictions in the PRS.

Our Corporate Plan prioritises raising standards in the PRS, and we are determined to do everything we can so all residents of Barking & Dagenham, regardless of tenure, live in good housing and avoid becoming homeless.

Over the past decade, we have implemented a series of discretionary property licensing schemes for 5-year terms to increase our regulation of the PRS. The current borough-wide selective licensing scheme comes to an end on 31st August 2024. These time-bound interventions have been run in conjunction with the national mandatory Houses in Multiple Occupation (HMO) licensing scheme for homes let to 5 or more unrelated sharers.

To build on the successes of our current licensing schemes, the council is consulting on proposals to designate the borough, or a large part of it, to a new 'selective' licensing scheme for single-household private rented properties, and a boroughwide 'additional' HMO licensing scheme to ensure safety standards for tenants living in small houses in multiple occupation (HMO's) for a further period of up to five years.

The evidence presented in this document highlights the scale of problems relating to the private rented sector in this borough. It explains how a new selective licensing scheme and additional HMO licensing scheme would see resources used to improve these problems.

We have looked thoroughly and objectively and believe that there is sufficient evidence to make this proposal. We have produced the results of our detailed analysis which are contained in this report, and we are committed to listening carefully to the results of the consultation before making any decision about how to proceed.

If the Council's Cabinet decide, as a result of the evidence and the consultation responses, that a new selective licensing scheme would be desirable, an application would then be made to the Department for Levelling Up, Housing and Communities (DLUHC). The UK Government would then either support or refuse an application, based on all the evidence presented. If supported, it is proposed that the selective licensing scheme would come into effect in early 2025. If Cabinet decide, as a result of the evidence and the consultation responses, that an additional HMO licensing scheme would be desirable, it can be implemented without DLUHC approval and may come into effect in late Summer 2024.

The current selective licensing scheme has been successful in that it has given the council a stronger ability to tackle poor property conditions, non-compliant landlords, and poor management. Licensing provides clear guidance for landlords on the expected standards for property conditions and

management. It has also provided a much better understanding of the borough's growing private rented sector and enabled us to carry out proactive inspections of thousands of privately rented properties every year.

Whilst not completely eradicating the issue, selective licensing provides greater protection to tenants from one of the biggest causes of eviction. Landlords cannot use Section 21 of the Housing Act 1988, a so-called "no-fault eviction notice", to evict tenants from a property that is subject to licensing but has not been licensed.

However, there remains a concerning number of properties that are sub-standard and dangerous so there is still much scope for improvement. Even well-meaning landlords may not always be up to date with the latest legal and safety requirements, and new landlords enter the market not knowing their responsibilities. These properties not only endanger the health, safety, and wellbeing of tenants, but cause issues with neighbours and end up requiring many interventions from already stretched council teams.

The council proposes that property licensing is the most effective means of regulating and improving the condition, management, and occupation of privately rented properties. We invite your views that large-scale property licensing will help us build on the success of the current scheme in addressing poor housing conditions and a range of other issues associated with private rented housing.

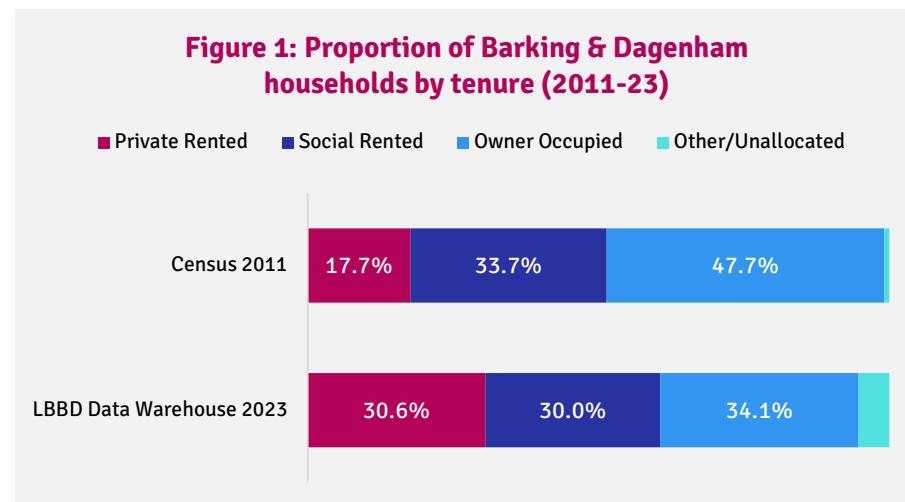
Our questionnaire seeks your opinion about these proposals, our objectives, our proposed licence conditions, our proposed licencing fees, and the alternatives that you think we should consider. Whether you are a private tenant, landlord, managing or letting agent, local resident, or business, we want to hear your views on the councils' proposals for private property licensing in Barking & Dagenham.

## THE PRIVATE RENTED SECTOR IN BARKING AND DAGENHAM

### How many residents rent privately?

The Private Rented Sector (PRS) is the fastest-growing tenure in Barking & Dagenham, crucially serving many of our residents' fundamental right to a place to call home.

The PRS now accounts for 30.6% of households in the borough, compared to 17.7% in 2011. This represents a staggering 83.9% increase in the number of PRS homes over the past 12 years; higher than the trend observed nationally.



There is a total of 74,019 households in Barking & Dagenham, of which 22,669 are privately rented.

**Table 1: Number of dwellings by tenure (2011-23)**

Tenure	Census 2011	LBBD 2023
Private rented	12328	22669
Social rented	23459	22218
Owner occupied	33230	25207
Lives rent free	664	No data held
Unallocated	0	3925
<b>Total households</b>	<b>69681</b>	<b>74019</b>

Note: Dwellings without an allocated tenure in the LBBD Data Warehouse are most likely owner occupied or rent free

### The changing role of the PRS

Alongside this growth, the role of the PRS in Barking & Dagenham has changed significantly, fuelled by the needs of its increasingly diverse renters. The typical profile of a private tenant is no longer the student or young person who values the sector's flexibility and short-term tenancy conditions<sup>1</sup>.

<sup>1</sup> [London Assembly | At Home With Renting | 2016](#)

Since the millennium, house prices in Barking & Dagenham have risen faster than wages. This has led to a sharp drop in affordability. Full-time workers in the borough can now expect to spend around 10.9 times their annual earnings when buying a home<sup>2</sup>.

At the same time, demand for social housing continues to exceed supply. Barking & Dagenham are proudly delivering one of the country's most ambitious housing programmes. Our development partner, Be First, is the largest council home builder in London. While

**Table 2: Demographic profile of Barking & Dagenham's private renters based on Census 2021 primary respondent's characteristics**

62.3% of private renters are experiencing deprivation.

Nearly half of private renters are aged 35 to 49 years.

1 in 10 private renters are disabled under the Equality Act 2010.

59.8% of private renters have dependent children.

84.1% of private renters are from an ethnic minority background.

1 in 10 private renters felt they could not speak English well.

each new home is helping to close the gap, 4,337 people remain on our housing register<sup>3</sup>.

With no other options, the PRS has become a long-term housing solution for many residents. There are more families and vulnerable and deprived residents privately renting than ever before. 62.3% of private renters in the borough are experiencing deprivation; the 3<sup>rd</sup>-highest proportion in London and the 14<sup>th</sup>-highest proportion of all English & Welsh local authorities.

#### **A rise in 'accidental' landlords and a landscape of mixed compliance**

Over the past decade, the profile of a private landlord has evolved. Most notably, there has been an increase in inexperienced or 'accidental' landlords entering the sector. The 2021 English Private Landlord Survey found that 43% of landlords had first become landlords 'accidentally'. 35% originally bought their property to live in themselves, and 8% had either inherited or received it as a gift<sup>4</sup>.

The legal requirements for letting out a property can be complex and hard to understand for many landlords. This learning curve is often steeper for inexperienced and 'accidental' landlords operating without a managing agent. Currently, 45% of private rented homes registered in the borough are let directly by a landlord.

<sup>2</sup> [ONS | Housing affordability in England and Wales 2022 | 2023](#)

<sup>3</sup> [DLUHC | Live tables on rents, lettings and tenancies | 2024](#)

<sup>4</sup> [DLUHC | English Private Landlord Survey 2021: main report | 2022](#)

Only 30% of landlords nationally are likely to comply with both the legislation and good practice indicators for letting their properties. Most landlords (59%) report either mixed compliance with legislation and good practice indicators (24%) or compliance with most legislation with limited compliance of good practice indicators (35%)<sup>5</sup>.

### Mounting housing insecurity amidst the cost-of-living crisis

The ongoing cost of living crisis is putting many residents under increased financial pressure and, with it, at greater risk of losing their homes. Food and energy prices, particularly gas, have risen markedly since 2022, partly in response to the conflict in Ukraine. This situation has been further exacerbated by the global recovery from the Coronavirus (COVID-19) pandemic.

At the peak of the crisis, in the year to October 2022, prices of consumer goods and services rose by 9.6% – the fastest rate in four decades<sup>6</sup>.

Nearly half of children in the borough (42.1%) were in poverty after housing costs in 2021/22. This was the 4th-highest rate in London and the 13th-highest in England and Wales<sup>7</sup>.

Our residents privately renting face added precarity, as they are more likely to have an insecure, short-term tenancy.

We experience one of the country's highest rates of private landlord possession action. Between July and September 2023, there were 117.4 repossession claims per 100,000 households owned by a private landlord. This was the 7<sup>th</sup> highest rate nationally and 3<sup>rd</sup> highest in London<sup>8</sup>.

**Figure 2: Total private landlord repossession claims in Barking & Dagenham (2019-23)**



### Record-breaking mortgage interest rates

Landlords also face increased financial pressures as inflation and record-breaking mortgage interest rates squeeze profit margins. The Bank Rate, the single most important interest rate in the UK, is currently at 5.25%, its highest level in 15 years<sup>9</sup>.

<sup>5</sup> [DLUHC | A fairer private rented sector | 2022](#)

<sup>6</sup> [ONS | Cost of living latest insights | 2024](#)

<sup>7</sup> [End Child Poverty | Child poverty in your area | 2022](#)

<sup>8</sup> [Ministry of Justice | Mortgage and Landlord Possession Statistics | 2021](#)

<sup>9</sup> [Bank of England | Interest rates and Bank Rate | 2024](#)

Most landlords with mortgages have interest-only mortgages and are, therefore, very exposed to changes in interest rates<sup>10</sup>. Landlords with low rental incomes feel the most substantial impact because there is less headroom between operating costs and income.

### **Our role in supporting the PRS to thrive**

Local councils are responsible for enforcing relevant regulations and working with their local PRS; usually to intervene in poor conditions, poor management, or unlawful evictions. We also have a duty to prevent and relieve homelessness, including by helping families to sustain their tenancies or access new properties<sup>11</sup>.

Working closely with our delivery partners, we take a broad, cross-cutting approach to raising standards across the PRS using a mixture of formal and informal measures and the enforcement tools available to us under various legislation.

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<sup>10</sup> [Trust for London | Supply of Private Rented Sector Accommodation in London | 2023](#)

<sup>11</sup> [DLUHC | Local authority enforcement in the private rented sector: headline report | 2022](#)

## WHAT IS PROPERTY LICENSING?

### What is property licensing?

Property licensing allows the council to improve the condition and management of privately rented properties. This helps to make renting in the private rented sector safer and fairer for tenants.

There are three types of property licensing schemes operating in England:

### Mandatory HMO licensing

Mandatory licensing of certain larger Houses in Multiple Occupation (HMOs) came into force on 1 April 2006 under Part II of the Housing Act 2004. The licensing scheme applies throughout England and Wales. The definition of an HMO is contained in section 254 of the act.

Mandatory licensing applies to an HMO that:

- is three or more storeys high;
- contains five or more people in two or more households; and
- contains shared facilities such as a kitchen, bathroom, or toilet.

There are statutory exemptions in Schedule 14 to the act and in the Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006. Notable exemptions include properties controlled by certain public sector bodies, those occupied by religious communities, and owner-occupied properties with no more than two lodgers. Each local authority has responsibility for administering and enforcing the mandatory HMO licensing scheme.

### Additional HMO licensing

Part II of the Housing Act 2004 gives councils the power to implement an additional licensing scheme for HMOs that fall outside the mandatory HMO licensing scheme. It is subject to the same exemptions as above. An additional licensing scheme can only be introduced if a council is 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 scheme can apply to all or part of a borough and can relate to all HMOs or be restricted to certain types, such as smaller ones prevalent in a given area.

### Selective licensing

Part III of the Housing Act 2004 gives councils the power to implement a selective licensing scheme for properties within a defined geographical area. The Selective Licensing of Houses (Additional Conditions) (England) Order 2015 states that councils can implement a scheme to address problems stemming from a high proportion of private properties, alongside one of the following criteria: poor property conditions; large amounts of inward migration; a high level of deprivation; or high levels of crime.

Local authorities are required to obtain confirmation from the Secretary of State for any selective licensing scheme which would cover more than 20% of the total geographic area of the authority, or would affect more than 20% of privately rented homes in the local authority area.

There are statutory exemptions in the Selective Licensing of Houses (Specified Exemptions) (England) Order 2006, such as properties

controlled by certain public sector bodies, holiday homes, and occupants living with resident landlords where the accommodation is shared.

### **Benefits of licensing scheme to residents, tenants, and landlords**

- The ability to refuse a licence where the landlord has a criminal conviction or is otherwise found not to be fit and proper.
- Provides a level playing field for all landlords/licence holders in the borough running legitimate businesses.
- Protection for private tenants to ensure that they have proper tenancies with legal tenancy agreements.
- Reduces the high level of “churn” that can be the result of illegal tenancy arrangements.
- Assists to provide oversight and proper regulation for the significant amount of taxpayer’s funded private rented accommodation.
- Protects vulnerable households, including those from ethnically diverse communities, who are disproportionately represented in the private rented sector.
- The ability to ensure rented homes are safe by requiring current gas and electrical safety certificates as a licence condition.
- A requirement that a landlord/licence holder provides 24/7 contact details to ensure consistent property management to assist both tenants and the Council to solve problems such as emergency rehousing after fires or floods.
- Provide specific powers to control overcrowding in all licenced rented homes.

- Tackles anti-social behaviour by imposing a requirement on the property licence for landlords/licence holders to investigate problems in their properties, such as noise nuisance and bad behaviour, instead of leaving it solely for the Council to resolve.
- Provides a whole toolbox of enforcement powers for the Private Sector Housing Enforcement Team to use to tackle rented housing conditions, including Financial Penalty Notices and prosecutions.
- Imposes specific obligations on the property licence requiring landlords/licence holders to prevent fly tipping and illegal dumping.
- Enables the Council to contact all licence holders with offers of training and other support services.
- The licensing framework, with its penalties and obligations, largely prevents criminal landlords from operating on any scale.
- Has a positive impact in addressing critical issues within the borough's private rented sector. For example, the information gathered through licensing helps inform joint operations with the Police and other agencies to crack down on crime – helping to mitigate deprivation in the borough.

## PROPERTY LICENSING IN BARKING AND DAGENHAM

In September 2014, we adopted two discretionary property licensing schemes which ran for 5 years; a selective licensing scheme focused on reducing ASB in homes let to single households or two unrelated sharers, and an additional HMO licensing scheme aimed at improving the management of small HMOs not covered by the mandatory Houses in Multiple Occupation (HMO) licensing scheme.

By the end of the schemes in August 2019, addressing high levels of deprivation and supporting the surge in migration to the PRS emerged as our top priority areas of concern. A replacement borough-wide selective licensing scheme was introduced in September 2019 to help us address both issues.

We are currently carrying out around 160 licence inspections a month, inspecting each property within 2-4 weeks of a complete application being received. We would not be aware of these properties without a licensing scheme unless the tenants contacted us with a complaint. The inspections enable us to carry out a proactive visit, and enable us to check every gas safety certificate, electrical installation condition report, and energy performance certificate for each privately rented property.

Over the many years of landlord licensing, we have learnt a considerable amount about private renting in Barking and Dagenham. We know that many landlords are not property professionals and need information, guidance, and support if they are to look after their

tenants and manage their properties effectively without having a negative impact on neighbourhoods.

Utilising the data from our Licensing Statutory Register, we have introduced a digital newsletter to update licensed landlords with information on legal issues and property management, as well as our partnership with the London Landlord Accreditation Scheme who hold regular training in the Town Hall, and our promotion of bodies such as the National Residential Landlords Association.

We have also been trying to provide more support and assistance for the increasing number of private tenants. We have employed a tenancy sustainment officer for their expertise in supporting and assisting private tenants suffering harassment and illegal evictions. We have investigated or provided advice regarding 591 cases relating to alleged harassment or illegal eviction in the last two years.

We work hard to prevent homelessness and illegal evictions, as well as providing mediation for landlords and tenants. However, we have found that approximately 80% of the complaints we receive from tenants about illegal eviction are in unlicensed properties. Tenants of unlicensed properties have not been afforded the same level of protection as the tenants of landlords who have complied with the requirement to licence their properties. Had a licence been applied for, it would have set out conditions to ensure there is adequate management of the property.

An unlicensed project team was established to further investigate these suspected cases in 2022. As a result of that team, 496 landlords

have applied for a licence and we have inspected each property. The team have also issued 46 Civil Penalty Notices.

We also work closely with our Trading Standards colleagues to ensure that Barking and Dagenham Residential Letting Agents are operating fairly regarding tenancy deposits and other consumer rights issues. This will benefit both private tenants looking for a home and landlords using agents to manage their properties.

The scale of properties that fail to meet housing standards on our first inspection has been extensive. We have continued to invest in robust enforcement against those landlords who fail to licence, rent out sub-standard properties and put tenants' safety at risk, cause anti-social behaviour, or profit from overcrowding.

Since 1<sup>st</sup> September 2019 the Council has recorded the following private sector housing enforcement activities:

- 4,501 Housing Act Notices of Entry have been served on landlords.
- 17,556 selective licences and 345 mandatory HMO licences have been issued.
- 1,388 licences were issued for a reduced term.
- 595 licences were revoked.
- 64 prosecutions against criminal landlords.
- We have dealt with over 7903 requests and contacts from private landlords/tenants.
- Carried out 8,032 licence inspections.
- Served 509 notices on landlords relating to property standards.

- Imposed 203 Financial Penalty Notices on non-compliant landlords.

## **Case Study 1: Using Selective Property Licensing Powers to Deal with a Rogue Landlord Demonstrating Unscrupulous Practices Found by Our Tenancy Sustainment Officer**

### ***Context***

Legally, landlords are obliged to have sufficient management arrangements in place including protecting deposits and having a tenancy agreement in place.

### ***Summary***

Our Tenancy Sustainment Officer was contacted by two tenants who had received a Notice for Possession in four weeks. The tenants did not have a written tenancy agreement, but they had occupied the property and been paying rent for two years giving them rights to reside there. They were advised by the Council that as the property was unlicensed, the notice for possession served under Section 21 of the Housing Act 1988 wasn't valid. The landlord attempted to change the locks on the property to prevent them gaining access to their home, but our officer intervened to ensure they were provided the new keys and could re-enter the property. One tenant left a few days later, but the other remained, and again the landlord changed the locks, and again our officer intervened.

The landlord was sent a letter advising them to make a licence application, which was duly made. A full inspection was carried out to ensure the property was safe. The landlord is now aware of the legal process to gain possession, and that if they collect rent that is a tenancy agreement. Without this service, an illegal eviction would have taken place, and the tenants would have been without a home and unable to collect their possessions.

### ***How licensing helped?***

Requiring the landlord to apply for a property licence enabled us to enter the property for a full compliance inspection to ensure that it was safe. The licence sets out the *conditions to ensure there is adequate management and that the landlord is fit and proper*. In this instance, we issued a reduced term licence of one year due to our management concerns, but it has enabled us to have contact details, tenancy agreements, safety documents, evidence of deposit protection, evidence of tenancy management, etc. making the expectations we have of a landlord clear.

# THE CASE FOR MORE PROPERTY LICENSING IN BARKING & DAGENHAM

## Requirements for New Schemes

### A data-driven approach

Our property licensing schemes have had a tremendous impact on improving the quality and health of many residents' lives by helping us ensure their homes are safe and decent. However, amidst the ongoing recovery from the COVID-19 pandemic, housing and cost of living crises, our local private rental sector faces numerous social and economic pressures. High levels of deprivation persist, anti-social behaviour is on the rise, and mounting concerns remain about property conditions and the management of smaller shared homes. There is a clear need for further action.

To maintain the progress in raising standards within the PRS, we must adequately equip ourselves to continue to address existing and emerging challenges. Implementing a third-round of discretionary property licensing schemes will be crucial to our mission to make sure every resident has a home they can take pride in. These schemes offer the unique benefit of proactive interventions and enable us to enhance engagement with landlords.

Our Insights and Innovation Hub has conducted a comprehensive and robust feasibility study utilising council intelligence, stakeholder input, and national and regional data. This study has informed the development of our proposed replacement selective licensing scheme and new additional (HMO) licensing scheme. In this chapter, we will outline our findings.

## Government criteria

### Selective Licensing

Under Part 3 of the 2004 Housing Act, a local authority can designate the whole or any part of its area as subject to Selective Licensing, per Section 80 of the 2004 Housing Act under The Selective Licensing of Houses (Additional Conditions) (England) Order 2015.

Selective licensing can be deployed as an additional tool to help tackle a range of social and physical factors affecting a local area linked to the PRS. All factors can be used as grounds for making a designation.

The Government has set clear criteria for satisfying each condition, as the table below summarises.

**Table 3: Overview of conditions for Selective Licensing**

Social or physical factor/condition	Specific Criteria	High Proportion of PRS properties.
Low housing demand	High turnover of residential premises; high number of long-term unoccupied residential premises available to buy or rent; and a lower-than-expected value of residential premises in the area.	No
Significant and persistent anti-social behaviour	Significant number of one or more ASB incidents linked to the PRS <b>AND</b> a significant number of multiple ASB incidents linked to the PRS.	No
Poor housing conditions	Significant number of properties suspected to contain category 1 or 2 hazards in comparison to national average.	Yes
High levels of migration	Population increases of 10% or more over a 5-year period.	Yes
High levels of deprivation	High levels of deprivation in comparison to national (preferred) or regional averages.	Yes
High levels of crime	Significant rise in crime over the previous 12 months linked to high levels of PRS <b>AND</b> higher than local authority or national average.	Yes

Some conditions also require evidence that the proposed area to be covered by a designation has a high proportion of privately rented properties above the national average. A selective licensing scheme can be formed of multiple designations targeting different conditions. The positive impact of each designation on addressing its grounding conditions must be demonstrated.

#### **Additional HMO Licensing**

Under Part 2 of the Housing Act 2004, a local authority can designate a whole or part of its area to be subject to Additional (HMO) Licensing, applicable to smaller HMOs housing 3 or 4 people.

Additional (HMO) licensing can be introduced when it is believed that a significant number of smaller HMOs in the proposed area are being poorly managed, leading to issues for residents. The rationale behind such concerns must be substantiated with evidence.

## Evidence for Selective Licensing

### A High Proportion of Private Rented Properties

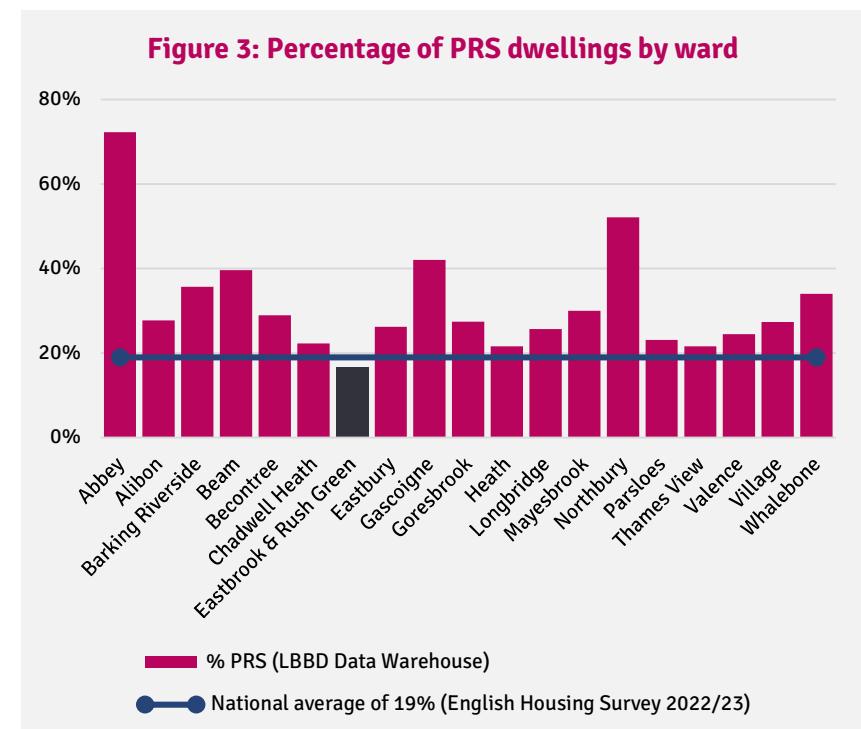
The local PRS is spread across all the borough's 19 wards. The percentage of PRS properties in each ward ranges between 72.3% in Abbey and 16.6% in Eastbrook & Rush Green.

Nationally, the PRS currently makes up 19% of the total housing stock in England<sup>12</sup>. If the proportion of PRS stock in an area is above this figure, it can be considered to have a high proportion of privately rented properties. 18 out of 19 wards in Barking and Dagenham have a higher percentage of PRS dwellings than the national average.

The usual form of tenancy for private renters is an Assured Shorthold Tenancy (AST).

Since introducing our existing borough-wide Selective licensing scheme, the makeup of the borough's electoral wards has changed significantly. The Local Government Boundary Commission for England recently reviewed our electoral and boundary arrangements to ensure they were fair.<sup>13</sup> As a result, ward boundaries were redrawn, and the total number of wards in the borough increased from 17 to 19. This was effective from the May 2022 local elections.

One of the new wards to emerge from these changes was Eastbrook & Rush Green. It is now the first ward in the borough to have a lower proportion of PRS properties than the national average in 5 years.



<sup>12</sup> [DLUHC | English Housing Survey 2022 to 2023: headline report | 2023](#)

<sup>13</sup> [LGBCE | Barking and Dagenham | 2021](#)

## Poor Property Conditions

### Prevalence of hazards

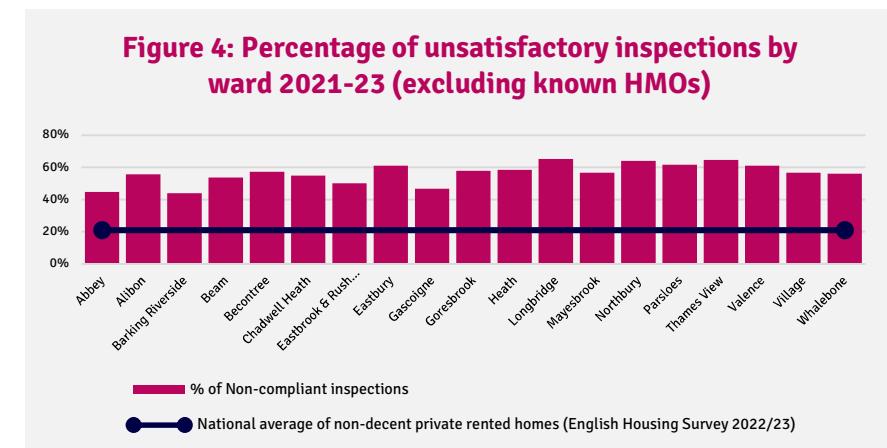
As part of our feasibility study, we reviewed our compliance inspection data to determine whether a significant number of homes in the PRS were in poor condition and adversely affecting residents' health and safety.

Between 2021 and 2023, over 6,500 inspections of privately rented homes were carried out across the borough to assess the management and safety of the premises. Upon completion, inspections were graded on a pass-or-fail basis per the criteria outlined below:

- **Satisfactory (Pass):** No hazards present
- **Unsatisfactory (Fail):** Presence of one or more Category 1 or Category 2 hazards as defined by the Housing Health and Safety Rating System.

Over half (57%) of properties inspected contained one or more Category 1 or 2 hazards. This was more than double the national average for non-decent private rented homes, which is currently 21%.

Licensing inspections have given us a great insight into property conditions in the PRS across the borough. The evidence reliably shows an exceptionally high failure rate, and therefore to ensure tenant safety, we believe it is crucial for us to seek to inspect all licensable PRS properties.



### Other contributing factors

#### Damp homes

Condensation and damp in homes can lead to mould growth, which seriously threatens health. Black mould produces spores to reproduce and grow. Inhaling or touching mould spores can cause an allergic reaction, developing or worsening asthma, respiratory infections, coughs, wheezing, and shortness of breath. Left untreated, the effects of black mould can even be deadly. The tragic death of two-year-old Awaab Iwshak, who died in 2020 due to prolonged exposure to mould in his home, is a stark and sombre reminder of this threat.

Damp problems are more prevalent in the PRS. According to the English Housing Survey, 9% of private renters had a problem with damp in 2022, compared to 5% of social renters and just 2% of owner occupiers.

Locally, analysis of recent inspection data found that 18% of privately rented homes inspected in 2023 suffered from damp & mould, ranging from minor to severe. This is double the national average.

### Energy efficiency

The English Housing Survey says there is a “strong relationship between the energy efficiency of the home and its overall housing quality”<sup>14</sup>.

An EPC rating is an assessment of a property’s energy efficiency. It is primarily used by buyers or renters of residential properties to assess the energy costs associated with heating a house or flat. The rating is from A to G. A indicates a highly efficient property; G indicates low efficiency.

An energy efficient property is less likely to be affected by condensation, one cause of damp and mould, provided it is adequately ventilated. A recent government survey on ‘thermal comfort, ventilation, and damp and mould’ found that households with an EPC E rating (36%) and F or G rating (40%) were more likely to report damp and/or mould problems compared with those in the A, B, and C bands (21%)<sup>15</sup>.

The statistical evidence also shows that there is a continuous relationship between indoor temperature and vulnerability to cold-related deaths<sup>16</sup>. The colder the dwelling, the greater the risk. The

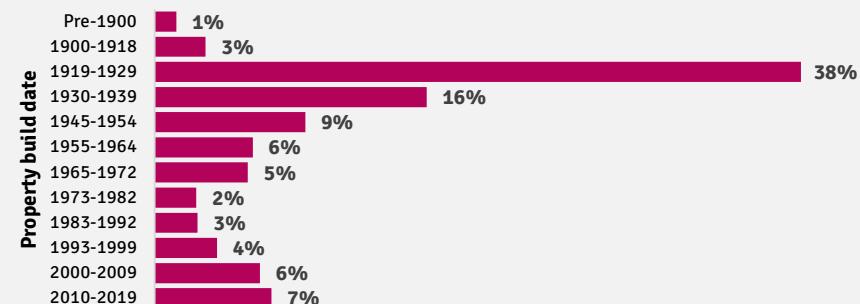
percentage rise in deaths in winter is greater in dwellings with low energy efficiency ratings.

Currently in Barking & Dagenham, 44% of the PRS homes have a D or worse rating, which means these properties are at higher risk of experiencing condensation and excess cold.

### Age of properties

More than half (58%) of properties in the borough were built before the 2<sup>nd</sup> world war. Older homes are more likely to have damp or an excess cold hazard.<sup>15</sup>

**Figure 5: Age of properties in Barking & Dagenham**



<sup>14</sup> [DLUHC | English Housing Survey 2021 to 2022: housing quality and condition | 2023](#)

<sup>15</sup> [DBEIS | Energy Follow Up Survey | 2021](#)

<sup>16</sup> [Office of the Deputy Prime Minister | Housing Health and Safety Rating System | 2006](#)

## Child poverty

Households on low incomes are also more likely to live in homes with damp. 7% of households classified as in poverty were living with damp, compared with 3.5% of households not in poverty<sup>17</sup>.

Nearly half of children in the borough (42.1%) were in poverty after housing costs in 2021/22. This was the 4<sup>th</sup> highest rate in London and the 13<sup>th</sup> highest in England and Wales.

## Overcrowding

On Census Day, 27.6% of Barking & Dagenham households living in a private sector dwelling did not have enough bedrooms. This was the highest proportion of overcrowded PRS households in England & Wales.

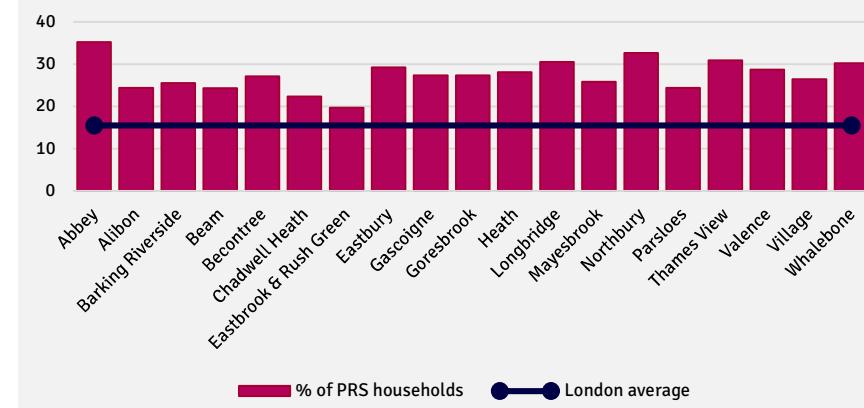
Overcrowding exacerbates hazards such as damp and mould due to the increased laundry and cooking activities required to cater to more people in a confined space. Insulation and ventilation cannot generally cope with the extra demand. The Housing Health and Safety Rating System states that 'crowded' conditions 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 risks<sup>18</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>19</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.

Every Barking & Dagenham ward has a higher proportion of private rented sector households living in a dwelling without enough bedrooms compared to the average London ward.

**Figure 6: Percentage of PRS households living in dwelling without enough bedrooms (Census 2021)**



<sup>17</sup> [House of Commons | Health inequalities: Cold or damp homes | 2023](#)

<sup>18</sup> [Housing Health and Safety Rating System | 2006](#)

<sup>19</sup> [Shelter | Chance of a lifetime | 2006](#)

## How can licensing help to deal with poor property conditions in impacted neighbourhoods?

### Summary of impacted wards:

Our feasibility study concluded that 18 of 19 wards currently meet the requirements for enacting poor property conditions as a ground for designating them to be subject to Selective Licensing:

**Alibon, Abbey, Barking Riverside, Beam, Becontree, Chadwell Heath, Eastbury, Gascoigne, Goresbrook, Heath, Longbridge Mayesbrook, Northbury, Parsloes, Thames View, Valence, Village, and Whalebone.**

These wards have a high proportion of PRS homes occupied under assured tenancies and a suspected high level of Category 1 and 2 hazards.

### What can be done?

The worryingly high inspection failure rates for non-HMO PRS homes across the borough indicate that many PRS homes are experiencing disrepair and require intervention to protect residents' health and wellbeing.

Selective licensing will allow us to conduct the vital exercise of proactively inspecting every PRS home in the impacted areas to accurately identify the type and severity of Category 1 or 2 hazards present. We will require landlords to resolve any issues identified during an inspection within a reasonable period, as per their severity.

Where necessary, we will take enforcement action under Part 1 of the Housing Act 2004 to improve the condition of these homes. Such

measures can include Improvement Notices, Overcrowding Notices, and Prohibition Orders. We will charge the landlord if a formal notice is issued.

Prospective licence holders will be issued a short guide to ensuring their rental property passes the inspection criteria upon submission of a licence application. This guide will act as a helpful prompt to identify any existing disrepair within the property, remind landlords of their statutory duties, and address them.

We will set licence conditions to ensure the continued adequate management of licensed privately rented homes and compliance with statutory standards to prevent deterioration. For example, licence holders must conduct 6-monthly inspections of the rented home to identify any problems relating to its condition and management and take prompt action to investigate complaints relating to disrepair or pest infestation.

Licence conditions will support our efforts to prevent overcrowding by setting occupancy permissions for all licensed PRS homes; one of the key problems facing the local PRS.

Tenants and residents will be encouraged to report any suspected breaches of a property's licence conditions to trigger an investigation and possible re-inspection by the Private Sector Housing team. There will also be a single point of contact for professionals to notify us of any concerns for tenants' health related to unsafe living conditions and share appropriate information.

We will continue to take a rigorous, data-driven approach to identifying and pursuing unlicensed premises. Landlords who fail to licence their properties could receive a civil penalty or be prosecuted. We will also continue to work with the local Police, the London Fire

Brigade, the Home Office, and other council departments to identify properties that need improvement and unlicensed premises.

We firmly believe that prevention is better than cure. We will continue to leverage licensing to further our engagement with landlords in helping them understand their duties and strengthen their property management skills. In partnership with our delivery partners, we will achieve this through the continued publication of the quarterly landlord newsletter, the production and publication of guidance and resources for landlords, and participation in landlord forums (both in person and online). We will also continue our drive to encourage more landlords to become accredited by leveraging our licensing database.

A particular focus will be placed on advising landlords to prevent damp and mould in homes. Per the government's guidance for best practice for addressing dampness and mould, we will make it clear that tenants should not be blamed for damp and mould. Damp and mould in the home are not the result of 'lifestyle choices', and we will ensure landlords take responsibility for identifying and addressing the underlying causes of the problem, such as structural issues or inadequate ventilation.<sup>20</sup>

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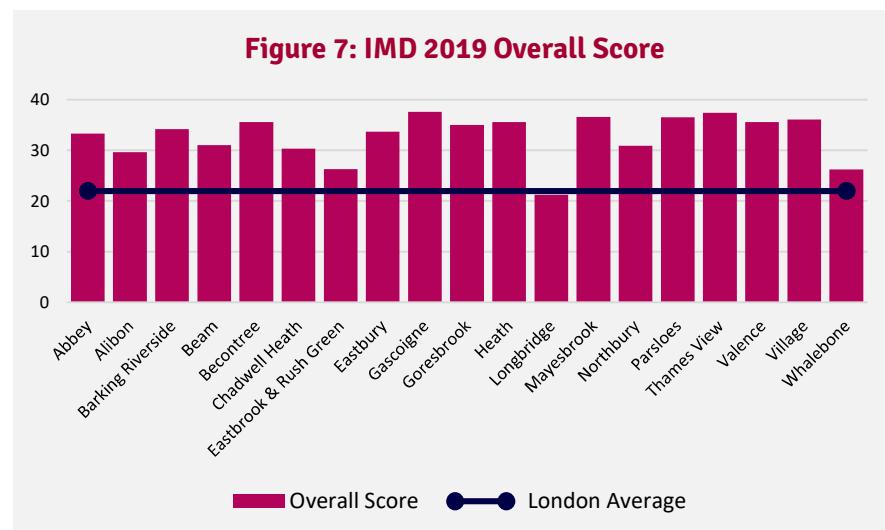
<sup>20</sup> [GOV.UK | Understanding and addressing the health risks of damp and mould in the home | 2023](#)

## Deprivation

### Indices of Multiple Deprivation

The Indices of Multiple Deprivation (IMD) is a Government measure of deprivation based on a number of social and other factors including income, employment, health, housing, and crime. In 2019, the IMD found that Barking & Dagenham was the most deprived local authority in London and the 21<sup>st</sup> most deprived local authority area in the country.

On a ward level, 5 wards are amongst the 10% most deprived wards in England, and 11 wards are amongst the 20% most deprived.



### 2021 Census results

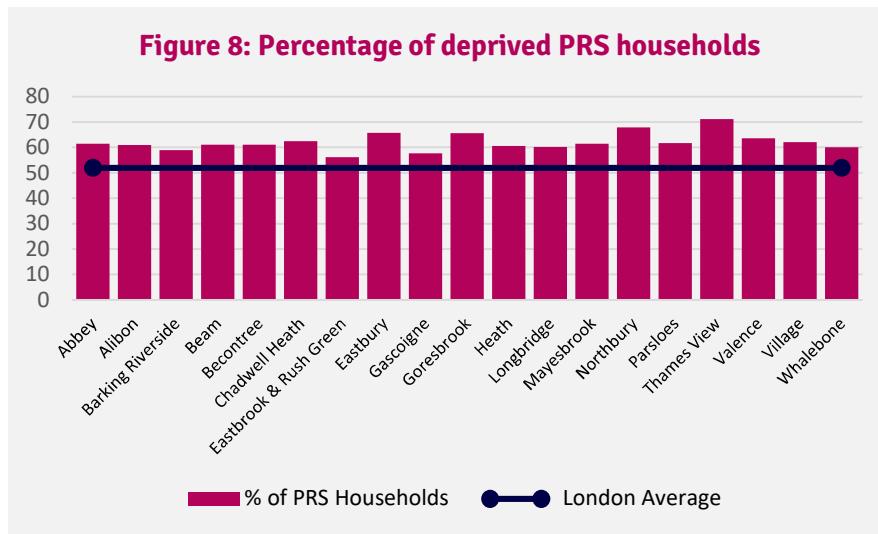
Since the 2019 IMD rankings were published, our residents have faced increased challenges, including the biggest cost-of-living crisis in over 30 years and the residual effects of the COVID-19 pandemic.

The household deprivation measure from the 2021 Census provides granular insight into deprivation challenges in individual households by four dimensions: education, employment, health, and housing.

62.4% of households in Barking & Dagenham were deprived in at least one dimension; the highest proportion in England & Wales.

Of those renting privately, just over 3 in 5 households were deprived (62.3%). This was the 14<sup>th</sup> highest proportion of all English and Welsh local authorities and the 3<sup>rd</sup> highest proportion in London.

Every Barking & Dagenham ward has a higher proportion of deprived private rented sector households compared to the average London ward.



### Fuel poverty

Fuel poverty relates to households that must spend a high proportion of their household income to keep their home at a reasonable temperature. It is affected by three key factors: a household's income, fuel costs, and energy consumption (which in turn is impacted by the energy efficiency of the dwelling).<sup>21</sup>

Fuel poverty leads to cold homes, which can have adverse effects on both mental and physical health, contributing directly to excess winter deaths<sup>22</sup>. Health consequences of cold homes include a heightened risk of heart attack or stroke, respiratory illnesses, inadequate diet due to "heat or eat" decisions, mental health issues, and exacerbated or

<sup>21</sup> [House of Commons | Fuel poverty in the UK | 2023](#)

<sup>22</sup> [Committee on Fuel Poverty | Annual Report | 2018](#)

prolonged recovery from existing conditions. Vulnerable groups most susceptible to health issues resulting from fuel poverty include children, older people, and individuals with long-term illnesses or disabilities.<sup>23</sup>

With energy prices rapidly increasing since late 2021, coupled with the broader cost of living pressures, fuel poverty levels throughout the UK have reached epidemic proportions.

Fuel poverty represents a significant challenge in Barking and Dagenham. In England, fuel poverty is assessed using the Low-Income Low Energy Efficiency (LILEE) indicator. According to the fuel poverty score generated by the Department for Business, Energy & Industrial Strategy (BEIS) using 2019 data and published in 2021, Barking & Dagenham has the highest proportion of households in fuel poverty in England (22.5%).<sup>24</sup> This percentage significantly exceeds the national average (13.4%) and the London average (15.2%).

<sup>23</sup> [Public Health England | Cold Weather Plan for England | 2014](#)

<sup>24</sup> [Department for Energy Security and Net Zero | Fuel poverty statistics | 2024](#)

## How will licensing help to improve factors contributing to deprivation in impacted neighbourhoods?

### Summary of impacted wards:

18 out of 19 wards met the criteria to address factors contributing to deprivation as grounds for their designation.

All these wards have a high proportion of PRS homes and are experiencing elevated levels of deprivation. These wards are:

**Alibon, Abbey, Barking Riverside, Beam, Becontree, Chadwell Heath, Eastbury, Gascoigne, Goresbrook, Heath, Longbridge Mayesbrook, Northbury, Parsloes, Thames View, Valence, Village, and Whalebone.**

### What can be done?

Poor housing conditions are a significant driver of deprivation. Selective licensing will enable us to address subpar housing through the interventions described when discussing poor property conditions in Barking & Dagenham.

Conducting inspections on all licensable properties will have a tremendous impact on uncovering tenant welfare issues such as addiction, depression, alcoholism, mental health issues, unemployment, and modern slavery. Our Compliance Officers will receive regular training to adequately refer vulnerable tenants to local community groups and external agencies, including our Cost-of-Living Alliance member organisations. The mission of the Alliance is to assist people in hardship or crisis promptly and work towards addressing long-term poverty.

All referrals will be logged for monitoring purposes to inform the development and improvement of support for vulnerable tenants by the council and our partners.

Many residents are resorting to 'self-disconnecting' and drastically reducing their energy usage as Barking and Dagenham continues to be one of the hardest-hit areas by fuel poverty nationally.

Since April 2020, landlords can no longer let or continue to let properties covered by the Domestic Minimum Energy Efficiency Standard (MEES) Regulations if they have an EPC rating below E, unless they have a valid exemption. All applicants will be required submit a valid Energy Performance Certificate for their properties as part of the licensing application process, allowing us to detect non-compliance.

Failure to meet MEES obligations, such as letting properties with F or G ratings, may result in us serving compliance notices and financial penalties using our powers under the MEES regulations.

Through the licensing scheme, we will be able to reach private renters experiencing financial hardship and encourage self-referrals to our recently relaunched Cosy Homes Scheme. This award-winning scheme, delivered in partnership with E.ON, offers free cavity, external wall, and loft insulation to improve the energy efficiency of homes. Some homes may also qualify for renewable energy technologies like solar PV and air-source heat pumps.

We will provide guidance to all landlords to help them refer tenants who are struggling to keep their properties warm to organisations that can support them.

Unaffordable housing has a detrimental impact on health. According to a recent poll by Shelter, one in five renters (21%) in England stated that the constant struggle to pay rent adversely affected their mental and physical well-being<sup>25</sup>. The stress levels associated with falling into arrears on housing payments are comparable to those experienced during unemployment. Additionally, the possibility of eviction without cause with just two months' notice, under the so-called 'no-fault' Section 21 evictions, often leaves tenants feeling anxious and hesitant to challenge substandard living conditions<sup>26</sup>.

Licensing data will enable us to target private renters better and raise awareness of their rights and responsibilities, including protection from unlawful rent rises and evictions. Our dedicated PRS Tenancy Sustainability Officers will continue to support tenants and landlords in resolving tenancy disputes. All suspected breaches of licence conditions and unlicensed properties will be referred to our enforcement team for further investigation.

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<sup>25</sup> [Shelter | Health of one in five renters harmed by their home | 2021](#)

<sup>26</sup> [DLUHC | A fairer private rented sector | 2022](#)

## **Case Study 2: Using Selective Property Licensing Powers to Deal with the Presence of Hazards to Health**

### ***Context***

Licence conditions audits are a main tool that allows the Council to assess a licence holder's general level of compliance with property management and safety requirements. These are either issued as part of a proactive programme or as part of a response to reactive complaints that are received by the Council.

### ***Summary***

A licensing compliance inspection was carried out at a property in Dagenham where a mother and her 5 children, including a baby, resided. The inspection highlighted hazards including high levels of damp and mould in all bedrooms caused by defective guttering. The staircase was a fall hazard due to a missing spindle, the bathroom had the incorrect light fitting, and there was an untested gas fireplace with an active gas supply in a child's bedroom.

The officer issued the landlord with a schedule of works to be carried out within 14 days, instructing them to have all remedial works completed by a qualified contractor and to meet the outlined specifications. This included treating the mould growth with specialist damp removal products or removing and replacing the affected areas and redecorating.

The tenant had been living with these hazards for over two years without contacting the local authority. As a direct result of the licensing inspection, the landlord carried out the works to avoid enforcement action, leaving the mother and her children to live in a home free of hazards; particularly damp and mould which can result in significant health problems after 2 years of consistent exposure.

### ***How licensing helped?***

Without a licensing scheme the resident may have never contacted the council for help, perhaps through fear of being evicted or a lack of knowledge, and she would have had to raise her children in a highly unsafe property. An inspection was booked after the licence application was received, and we could immediately identify the proposed licence holder as the responsible person and provide them with the schedule of works. Works were carried out swiftly which prevented the service of an enforcement notice and the costs in so doing being charged to the landlord.

## Anti-Social Behaviour

### Prevalence of ASB incidents

Despite often being described as 'low-level crime', existing evidence suggests anti-social behaviour (ASB) can result in a range of negative emotional, behavioural, social, health, and financial impacts. These include negative mental health effects, avoidance behaviours, and decreased economic productivity.

During our feasibility study, we examined whether significant and persistent levels of ASB were occurring within the boundary or immediate vicinity of privately rented homes in the borough. ASB-related issues can include intimidation or harassment, noise disturbances, rowdy and nuisance behaviour, vehicle-related nuisances, anti-social drinking, drug-related activities, graffiti, fly-posting, littering, and waste disposal.

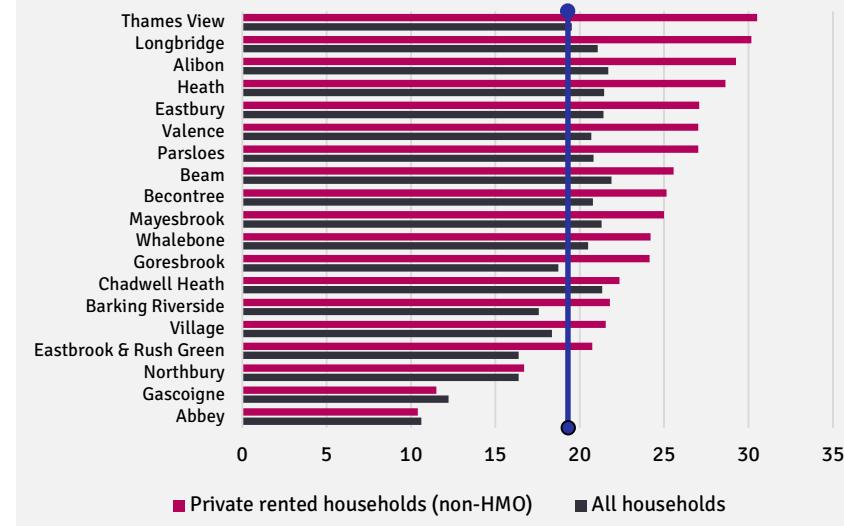
Since September 2019, many neighbourhoods with a high number of privately rented homes reported higher rates of ASB linked to PRS homes than for all households. However, three wards deviated from this trend: Abbey, Gascoigne, and Northbury.

There is a possibility that ASB may be generally underreported in these three areas, which are among the most deprived in the borough. Recent research commissioned by the Home Office has highlighted a paradox concerning ASB reports in more deprived areas. While ASB

tends to be more prevalent in these areas, fewer incidents are reported to relevant agencies and organizations. Conversely, more affluent communities are perceived to be less tolerant of ASB, while more deprived communities may accept a higher level of ASB.<sup>27</sup>

In 16 of 19 wards, reports of ASB incidents per 100 properties were significantly higher in the private rented sector than all households and exceeded the borough average of 19.3 incidents per 100 households.

**Figure 9: Any ASB report per 100 properties**

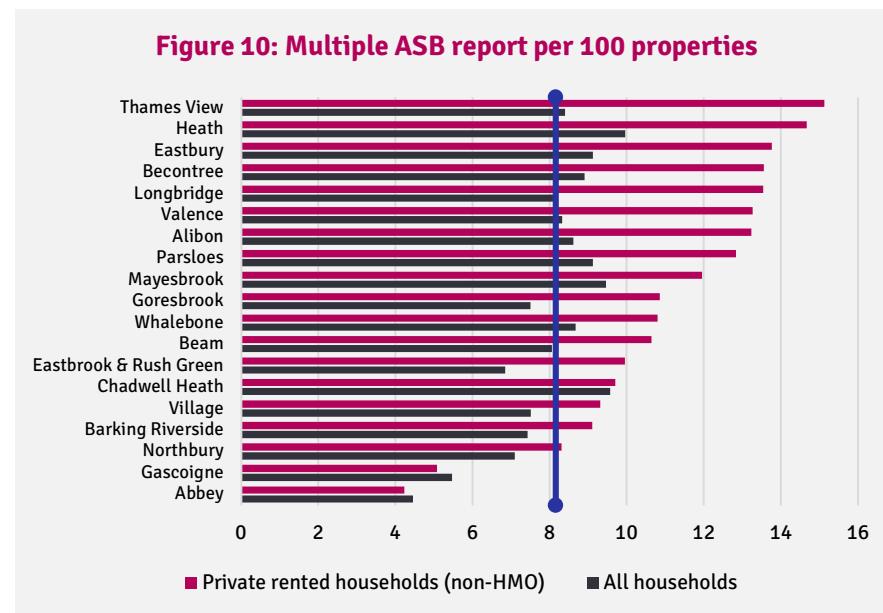


<sup>27</sup> [Home Office | Anti-social behaviour: impacts on individuals and local communities | 2023](#)

## Prevalence of persistent ASB incidents

For the purpose of this analysis, ASB is classified as persistent if a property experiences two or more incidents of ASB. Persistent ASB data shows that some landlords are failing to take the appropriate action to deal with ASB in their properties when it first occurs.

16 of 19 wards experienced higher rates of persistent ASB incidents in the private rented sector than all households, surpassing the borough average of 8.2 incidents per every 100 households.



## How will licensing help to improve ASB in impacted neighbourhoods?

### Summary of impacted wards:

16 of 19 wards met the requirement to address tackling ASB as a ground for their designation. These wards are:

**Alibon, Barking Riverside, Beam, Becontree, Chadwell Heath, Eastbrook & Rush Green, Eastbury, Goresbrook, Heath, Longbridge, Mayesbrook, Parsloes, Thames View, Valence, Village, and Whalebone.**

### What can be done?

The prevalence of ASB and recurring reports indicate that some PRS landlords are not effectively managing tenancies to address ASB promptly. Designating ASB as a ground for selective licensing in the impacted wards will provide us with greater information and authority to proactively work with landlords to address properties causing issues for neighbours and the community, ultimately reducing the problem.

In addition to standard licence conditions promoting good management practices in PRS homes, we will impose enhanced licence conditions on landlords in wards affected by significant and persistent ASB to outline their responsibilities in preventing and addressing ASB incidents.

Failure to comply with a licence condition without reasonable excuse is a criminal offence. In cases of alleged ASB, an ASB warning letter will be issued to landlords, getting them to promptly investigate in line with their obligations under relevant licence conditions and report their findings and actions to the Council. We intend to allocate funding for new ASB Officer positions dedicated to addressing severe and

persistent ASB issues in the PRS to enhance our enforcement capacity. These positions will sit within the Anti-Social Behaviour team.

Complex or severe ASB complaints will be escalated to one of two primary multi-agency forums, as appropriate.

- 1) **Community Safety Task & Finish Group:** This operational sub-group of the Community Safety Partnership Board brings together Regulatory Enforcement teams from the Council, including CCTV, Environmental Enforcement, Licensing, Housing Providers, Landlord Services, Trading Standards, Planning Enforcement, and the Metropolitan Police, to address cross cutting complaints about ASB, tackle crime hotspots, and monitor emerging crime trends. The group meets fortnightly to share intelligence and collaborate to resolve Community Safety issues. On average, 10 multi-agency taskings are seen through to resolution each fortnight.
- 2) **Community Multi-Agency Risk Assessment Conference (CMARAC):** The Barking and Dagenham CMARAC is a forum for information to be shared on the complex and challenging ASB cases in the borough. It looks at repeat perpetrators and repeat victims. At the heart of a CMARAC is the working assumption that no single agency or department/service can work independently to find a resolution. The CMARAC has a core membership of the ASB Team, Landlord Services, Social Housing Providers, Youth Offending, Adults and Children's Services, Early Help, the Metropolitan Police, Tenancy Sustainment, Mental Health Services, and Substance Misuse Services with other agencies invited to attend when this directly impacts on specific cases being discussed.

We will also provide Landlords with guidance and support on managing tenants who cause ASB, particularly in severe cases that require formal court action.

## Summary of Findings

<b>Table 4</b>	<b>Size of PRS</b>	<b>Poor property conditions:</b>	<b>Deprivation:</b>		<b>Anti-social behaviour:</b>	
	Percentage of PRS dwellings higher than national average 19% (English Housing Survey 2022-23)	At least 21% of PRS properties at high risk of Cat 1 or 2 hazards (non-decent), based on selective licensing inspection failure rate 2021-23	Ward in the top 40% most deprived nationally (IMD 2019)	% PRS households deprived in at least 1 dimension in comparison to London average 52% (Census 2021)	Proportion of PRS properties reporting at least ONE ASB incident higher than borough average for all households 19.3	Proportion of PRS properties reporting MULTIPLE ASB incidents higher than borough average for all households 8.2
Abbey	✓	✓	✓	✓	x	x
Alibon	✓	✓	✓	✓	✓	✓
Barking Riverside	✓	✓	✓	✓	✓	✓
Beam	✓	✓	✓	✓	✓	✓
Becontree	✓	✓	✓	✓	✓	✓
Chadwell Heath	✓	✓	✓	✓	✓	✓
Eastbrook & Rush Green	x	-	-	-	✓	✓
Eastbury	✓	✓	✓	✓	✓	✓
Gascoigne	✓	✓	✓	✓	x	x
Goresbrook	✓	✓	✓	✓	✓	✓
Heath	✓	✓	✓	✓	✓	✓
Longbridge	✓	✓	✓	✓	✓	✓
Mayesbrook	✓	✓	✓	✓	✓	✓
Northbury	✓	✓	✓	✓	x	x
Parsloes	✓	✓	✓	✓	✓	✓
Thames View	✓	✓	✓	✓	✓	✓
Valence	✓	✓	✓	✓	✓	✓
Village	✓	✓	✓	✓	✓	✓
Whalebone	✓	✓	✓	✓	✓	✓

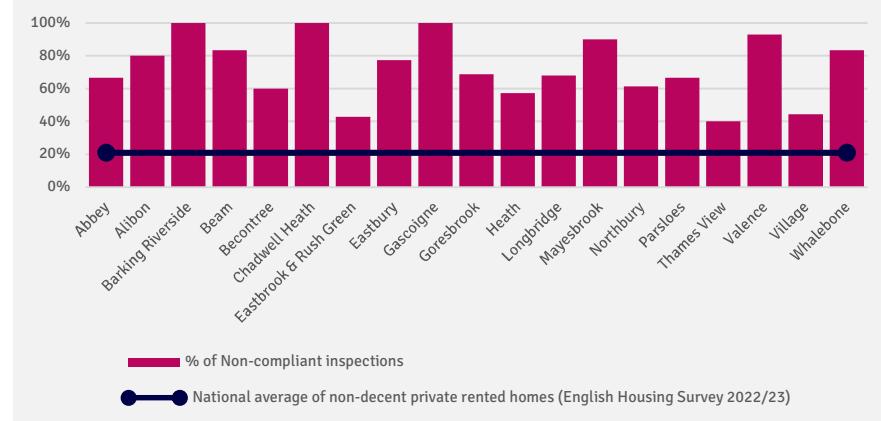
**KEY:** (✓) met criteria | (-) does not qualify for criteria based on % of PRS homes | (x) did not meet criteria

## Evidence for Additional HMO Licensing

### Prevalence of Hazards

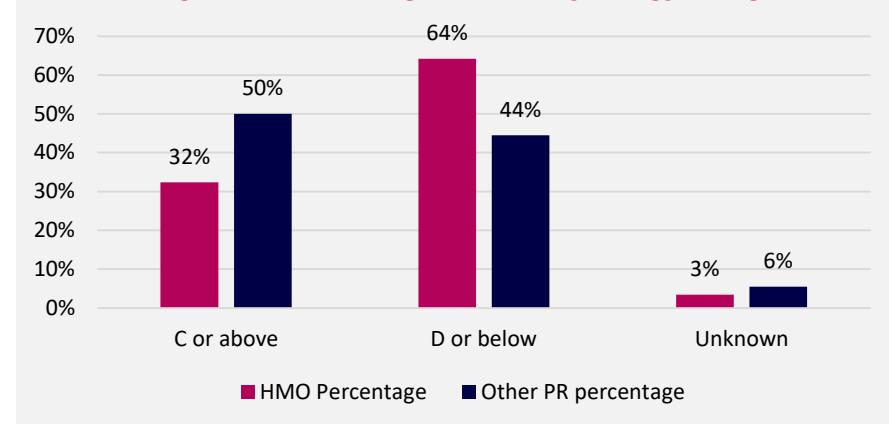
Under the Mandatory HMO licensing scheme, we inspect all larger shared homes rented to 5 or more people. Our feasibility study revealed that HMOs are more prone to experiencing category 1 or 2 hazards than other PRS homes. A staggering 72% of mandatory HMO inspections since 2021 have received a non-compliant rating due to hazard detection. Considering this and their current exclusion from our property licensing schemes, we strongly suspect that a large proportion of smaller HMOs in the borough have a high presence of hazards requiring intervention. Such homes will thus pose increased risks to the health, safety, and welfare of their tenants.

**Figure 12: Percentage of unsatisfactory HMO inspections by ward 2021-23**



### Energy Efficiency

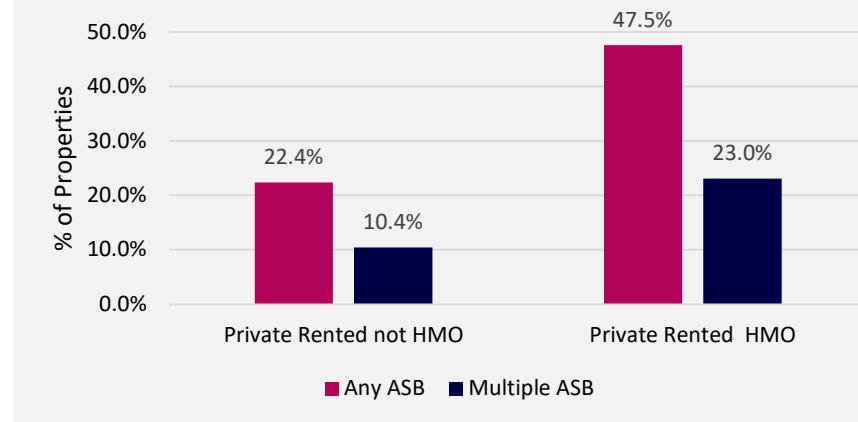
**Figure 13: Percentage of HMOs by energy rating**



As previously discussed, properties with low energy efficiency ratings are a greater health risk to residents as they are more susceptible to excess cold, dampness, and mould. HMOs in Barking and Dagenham are 20% more likely to have an energy efficiency rating of D or below.

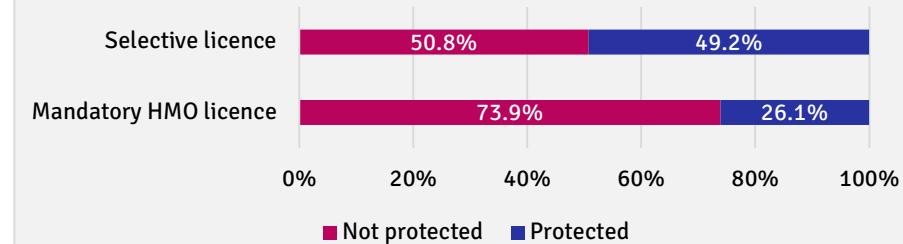
### ASB

Since 2019, the total ASB and persistent ASB reports per 100 households are more than double those received for other PRS homes. For every hundred properties, 22.4 non-HMOs had at least one report of ASB compared to 47.5 for mandatory HMOs. Moreover, 10.4 non-HMOs had multiple reports of ASB compared to 23 for mandatory HMOs.

**Figure 14: ASB for private rented properties split by type**

### Tenancy Deposits

Landlords are required to hold tenants' deposits in a government-approved tenancy deposit scheme (TDP) if they rent their home on an assured shorthold tenancy that began after 6 April 2007. Nationally, it is estimated that TDP schemes cover between 59% to 77% of households in the PRS.<sup>28</sup> However, analysis of tenancy deposit protection data from the three national TDP schemes found that only 26.1% of landlords in the borough with a mandatory HMO licence had protected their tenants' deposits. We believe this is indicative of poor awareness from HMO landlords of their property management responsibilities, which will likely lead to other forms of non-compliance.

**Figure 15: Percentage of licensed properties with protected tenancy deposits by licence type**

### Location of Smaller Shared Homes

Using council records and data from external partners, including TDP schemes, we have identified 323 smaller shared homes occupied under assured shorthold tenancies eligible for potential inclusion in an Additional HMO licensing scheme.<sup>29</sup> These homes are dispersed across the borough.

### Summary of Findings

While we have made significant progress in identifying and improving large HMOs licensable under the Mandatory HMO scheme, HMOs continue to pose a higher risk to the health and well-being of our residents. They are more likely to report ASB, disrepair, and poor management. It is imperative to reintroduce licensing for smaller HMOs to ensure that all shared homes are effectively managed and maintained to decent standards.

<sup>28</sup> [DLUHC | English Private Landlord Survey 2021: main report | 2022](#)

<sup>29</sup> Appendix 1 – Supplementary Data

### **Case Study 3: Using Property Licensing Powers to Help Deal with the Presence of a Severe Fire Safety Hazard in an HMO**

#### ***Context***

People who live in HMOs are at more risk than those who occupy a property as a family unit, and HMOs that are poorly managed and badly maintained can put an extra burden on council services and have a negative impact on the area. As highlighted by the evidence, the likelihood of fires and ASB is much higher in HMO's making these an area of concern.

#### ***Summary***

The Private Sector Housing team received a complaint regarding a Dagenham property with an eyesore garden and six sharers. The property was unlicensed and a visit by an Environmental Health Officer highlighted significant fire issues. This included no fire detection throughout, no fire blanket in the kitchen, no door between the lounge and kitchen and only a glass door between the kitchen and ground floor bedroom. Additionally, there was only one electrical socket in each of the sleeping rooms leading to excessive use of extension leads, and a removable key was used to lock the front door.

As the property had more than five tenants, the landlord was notified of his requirement to obtain a mandatory licence and was provided with a schedule of works to address the fire hazards in the property. If there was ever a fire, there would have been no warning alarm for the tenants to leave and no secure fire route for them to depart from. The works were to be conducted by a qualified person and a satisfactory installation or test certificate provided on completion.

All works were completed as requested and this resulted in a safer home for the tenants and the property was licensed for five people.

#### ***How licensing helped?***

Having a licensing scheme means every HMO will be inspected to check fire precautions, means of escape, the facilities, that they are properly managed, and will state the permitted number of households and occupants to prevent overcrowding. We check every fire risk assessment, gas safety certificate, electrical installation condition report, and details of fire doors and alarm systems to ensure they are safe for residents. The licensing inspection enabled us to gather evidence of the eyesore garden and refer this to Environmental Enforcement who promptly resolved that matter.

## OUR PROPOSED NEW SCHEMES: A FIRMER & FAIRER APPROACH

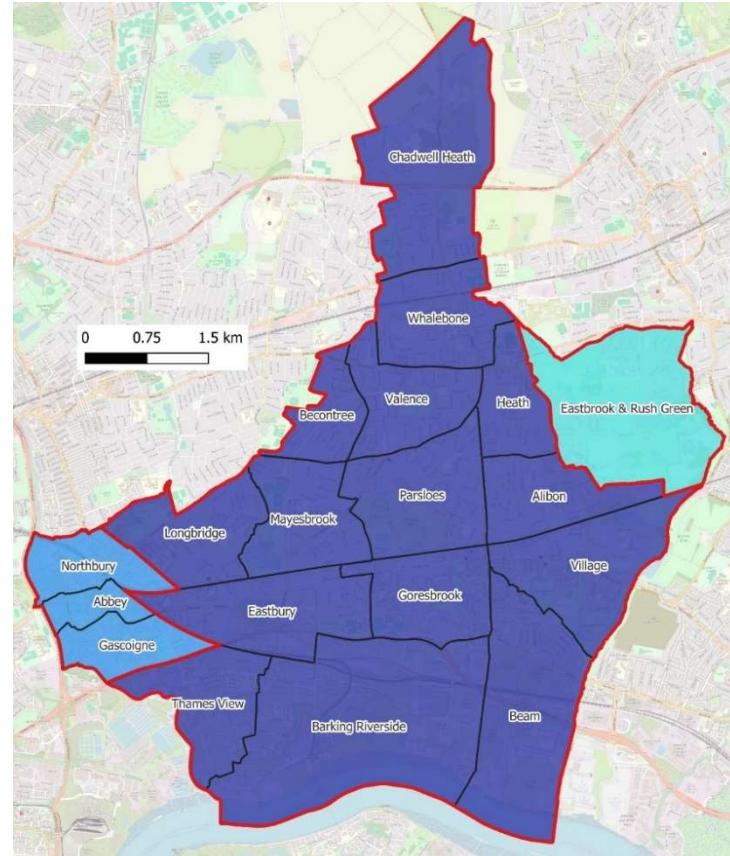
### Selective Licensing Scheme 2024-2029

The findings from our data-driven feasibility study highlight the pressing need for a third round of selective licensing in Barking & Dagenham. As our local PRS landscape continues to shift and evolve rapidly, we must stay ahead of the curve to support the ever-growing complexities faced by tenants and landlords alike.

Our borough is diverse, with each neighbourhood presenting challenges and opportunities. We are proposing a fresh, more targeted multi-designation approach to selective licensing from late 2024 onwards.

By grouping neighbourhoods based on their pertinent issues, we can effectively deploy our resources to tackle the varying levels of antisocial behaviour, poor housing conditions, and deprivation across our borough.

Together, the three proposed designations will ensure tailored Selective Licensing protection for all private renters in Barking & Dagenham, reinforcing our ethos of 'one borough, one community; no one left behind.'



**Table 5: Selective Licensing**

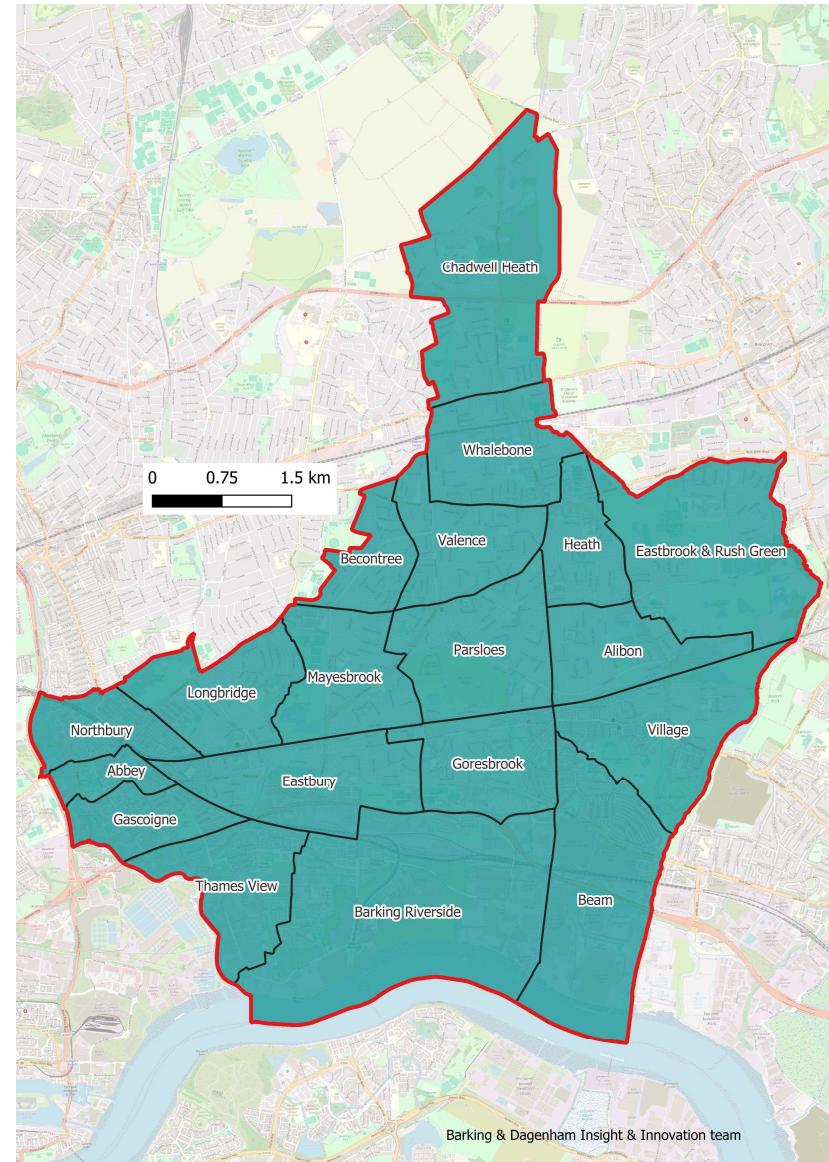
Designation 1: Deprivation, Poor Property Conditions & ASB	Designation 2: Deprivation & Poor Property Conditions	Designation 3: ASB
Alibon, Barking Riverside, Beam, Becontree, Chadwell Heath, Eastbury, Goesbrook, Heath, Longbridge, Mayesbrook Parsloes, Thames View Valence, Village, Whalebone.	Abbey, Gascoigne, Northbury.	Eastbrook & Rush Green.

## Additional HMO Licensing Scheme 2024-2029

We're also proposing the introduction of a new five-year borough-wide additional HMO licensing scheme. This supplementary scheme will cover all HMOs currently not under the Government's Mandatory HMO licensing scheme, including smaller properties housing three or four unrelated individuals who share amenities like kitchens or bathrooms. It will include certain converted blocks of flats known as section 257 HMOs. In turn, this will plug the current gaps in protection for renters in smaller shared homes and support for landlords.

Our feasibility study has revealed that all HMOs across the borough are experiencing higher instances of disrepair and poor management. Additionally, these properties pose higher fire risks, leading to enhanced fire safety requirements compared to regular PRS homes.

Given the dispersed nature of the borough's estimated 300 smaller shared homes, we believe a borough-wide approach is essential for fairness and consistency. Through the new scheme, we will proactively inspect all shared homes to ensure they are safe and decent.



## Scheme Objectives

Property licensing is a key part of the Council's overall approach to help improve the private rented sector and it will work alongside other initiatives and enforcement tools. Below are proposed objectives for the new licensing schemes. This will be applied to each designation based on their relevance. We will review and monitor our performance on an ongoing basis.

Licensing Scheme	Applicable objectives				
	1	2	3	4	5
Selective	Designation 1	X	X	X	X
	Designation 2	-	X	X	X
	Designation 3	X	-	-	X
Additional HMO		X	X	X	X
Mandatory HMO		X	X	X	X

Objective	What will success look like?	How will we know?
1 <b>Improving the safety and desirability of our neighbourhoods by tackling ASB connected to PRS homes</b>	<ul style="list-style-type: none"> <li>Reduced in ASB connected to PRS homes.</li> <li>Coordinated and regular partnership working to proactively target nuisance areas to reduce ASB in the PRS and resolve severe cases.</li> <li>Increased guidance and support to help landlords act efficiently to tackle antisocial behaviour.</li> </ul>	<ul style="list-style-type: none"> <li>A reduction in the disparity in the occurrence rate of ASB incidents in PRS homes compared to the borough-wide average for all households.</li> <li>A reduction in the disparity in the occurrence rate of repeat ASB incidents in PRS homes compared to the borough-wide average for all households.</li> <li>Landlord, tenant, and resident feedback.</li> </ul>
2 <b>Improving housing conditions in PRS homes</b>	<ul style="list-style-type: none"> <li>Tenants feel their homes are safe and decent.</li> <li>Increased guidance and support to help landlords act efficiently to maintain the conditions of their properties.</li> </ul>	<ul style="list-style-type: none"> <li>A reduction in compliance audit inspection failures.</li> <li>A reduction in complaints relating to property conditions.</li> <li>Landlord, tenant, and resident feedback.</li> </ul>
3 <b>Reducing factors that contribute to deprivation connected to PRS homes</b>	<ul style="list-style-type: none"> <li>Tenants experience economic benefits such as reduced heating costs, bringing them out of fuel poverty.</li> <li>Tenants feel confident in raising concerns with landlords relating to property management and conditions.</li> <li>Landlords feel confident in signposting vulnerable tenants to support services.</li> <li>Strong engagement with tenant support services.</li> </ul>	<ul style="list-style-type: none"> <li>Landlord engagement and sign-ups to improvement initiatives to target fuel poverty and climate emergency/carbon reduction.</li> <li>Number of tenant referrals to support services through property licensing, in particularly those for energy support.</li> <li>A reduction in cases of suspected and attempted illegal evictions.</li> <li>An active enforcement programme for investigating allegations of harassment and illegal evictions.</li> <li>Landlord, tenant, and resident feedback.</li> </ul>
4 <b>Raising the quality of management of PRS homes</b>	<ul style="list-style-type: none"> <li>All licensable private rented homes are inspected within 6 months of an application being made, and prompt enforcement action is taken if they do not provide a safe and healthy environment for any potential occupier or visitor.</li> <li>Strong working relationships with landlords, including regular two-way engagement.</li> <li>Strong tenant voice.</li> </ul>	<ul style="list-style-type: none"> <li>Monthly compliance audit inspection performance metrics.</li> <li>A reduction in general complaints relating to private rented properties.</li> <li>Regular quarterly landlord newsletters.</li> <li>An increase in the number of accredited landlords in the borough.</li> <li>An increase in landlord attendance to training programmes.</li> <li>Regular engagement with private tenants to understand and respond to their concerns.</li> </ul>
5 <b>Reducing the number of non-compliant, unlicensed, and criminal landlords operating in the borough.</b>	<ul style="list-style-type: none"> <li>Unlicensed and criminal landlords are proactively identified, and robust and prompt enforcement action is taken.</li> </ul>	<ul style="list-style-type: none"> <li>Monthly performance figures for the unlicensed property team.</li> <li>Referrals from the general public.</li> </ul>

## Service Improvements

If these licensing schemes are adopted, we intend to have an adequately resourced and robust service to carry out the following improvements:

- To proactively inspect every licensable property across the borough.
- To clearly set out the standards we expect in privately rented properties, and to communicate those standards to landlords in advance of inspections.
- To monitor licence processes, striving to reduce processing times as much as possible, and to issue licences from the date of application.
- To continue hosting landlord accreditation courses, and to promote this and other recognised accreditation courses.
- To use discounts on fees as a driver for change.
- To produce a tenant information pack so they understand their rights and responsibilities, and to signpost other services. To provide this pack for landlords to include in their communication to tenants, which, for example, will include information on refuse disposal, and how to heat and ventilate the property to reduce the likelihood of condensation and mould.
- To produce a landlord information pack with compliance advice and helpful tips for addressing common issues.
- To collaborate with tenant representative bodies to establish a private tenant forum.
- To work with neighbouring boroughs and landlord organisations, to proactively seek more two-way engagement opportunities with local landlords (in-person and online) and strengthen communication.
- To improve our collaboration with partners to tackle ASB and environmental nuisances that affect the street scene.
- To continue, and improve, our landlord newsletter, working with partners to create content that is useful and informative to the landlord community.
- To regularly review our enforcement policy to ensure we have a clear and up to date framework for enforcement.
- To actively use legislative powers to enforce licence conditions against criminal and exploitative landlords.
- To employ another member of staff to investigate allegations of harassment and illegal eviction.
- To improve education around the causes and remediation of damp and mould. To analyse cases of damp and mould to see if there are common themes to enable us to have a targeted campaign to reduce this hazard that blights so many homes in the colder months.
- To work with our Trading Standards partners to ensure all residential letting agents in Barking and Dagenham are fully compliant with consumer protection and rights legislation.

## Our Proposed Licence Conditions

Under the Housing Act 2004, all licences must include certain management conditions. Local authorities also have the power to set discretionary conditions to help combat the specific grounds for introducing a licensing designation.

Licence conditions provide the framework for the expectations the Council has of landlords. They set out requirements around tenancy management to help landlords and tenants know their responsibilities.

They also set out the clear requirements around responses to complaints, tenancy agreements, tenant references, occupancy levels, refuse disposal, safety of gas and electrics, nuisance and pest control, smoke and carbon monoxide alarms, and regularity of inspections. As such, enabling the Council to intervene early if there are problems.

Barking and Dagenham is proposing to include further conditions for our proposed designations for tackling the issues that are negatively impacting the private rented sector in the borough, such as:

- Overcrowding of substandard living accommodation.
- Anti-social behaviour (ASB) – by requiring landlords to take reasonable and practical steps to prevent or reduce ASB.
- Inadequate standards of property management.

While most management-related licence conditions are the same across the proposed three Selective licensing designations, some conditions are specific to issues each designation seeks to address such as ASB.

The licence conditions in respect of homes for Selective licensing are attached in Appendix 2, 3 & 4, and for Additional and Mandatory HMO licensing see Appendix 5.

In addition, there are some specific licence conditions for individual licence holders, for example, if required the Council can request copies of all inspection reports carried out (being once every 3 months for HMOs and once every 6 months for single household properties).

This places the responsibility correctly on the licence holder to ensure that their property is being managed and maintained properly, as opposed to waiting for their tenants or neighbours to complain, then requiring intervention from the Council.

## Proposed Fees, Charges and Discounts

### Fees

The Council has the legal power to charge fees for property licence applications which are levied in two parts as a split fee structure.

- Part A of the fee is for the application for a licence and covers the costs of processing, administration and validation of the application, and the inspection of the property.
- Part B of the fee is payable after the licence has been approved and covers the administration cost of issuing the final licence, and the management and enforcement costs required to meet the scheme's objectives.

More detailed information on fees and charges can be found in Appendix 6 – Proposed schedule of fees, charges and discounts.

As the fees are a cost to the landlord community, the Council wishes to keep the fees as low as practicable. Investments in IT, regular reviews of business processes, investment in staff training, and improvements to the licensing process have kept costs to a minimum.

The Council want to make these schemes as successful as possible to meet the objectives. To do this, the proposal is to inspect every property in all licensing schemes, to make our engagement with landlords equal across the board but it is offset considerably due to the efficiencies we have made.

The Council is aware that HMO licences are more costly to administer due to more complex compliance inspections which involve assessing fire precautions and means of escape, and ensuring the amenities are suitable for the number of households. This is reflected in the higher

level of fee proposed for additional HMO licences which is similarly reflected across other London Boroughs. We recently reviewed our fees for Mandatory HMO licences and we have found we need to increase those to reflect the considerable higher costs associated with management and enforcement of those properties that come with a well proven higher associated risk. The proposed fee for additional HMO licences will be in line with the new mandatory HMO licence fees.

In the event that we decide to refuse a licence application, only the Part A fee will be payable. Licences are not transferable. If a person wants to become the new licence holder for a property, they must apply for a new licence, and pay a new licence fee. Full payment must be received and cleared before a licence is issued. For all licences issued under the current scheme with expiry dates between 2024 and 2029, landlords won't need to seek a new licence until their current licence expires.

### Discounts

The discounts set out in Appendix 6 are intended to act as an incentive for landlords to keep their properties in good condition, and for them to become fully engaged with landlord organisations, which in turn can help drive up the standard of management and professionalism within the landlord community.

It is likely that many landlords may eventually end up paying less in fees than for the current selective scheme if they are eligible for either the silver or gold compliance award. Likewise, applicants could pay less for an additional HMO licence than the lowest current fee for a mandatory HMO licence if they are eligible for a discount.

## How we calculated the fees

The proposed fees have been calculated on the basis that the schemes will be cost neutral to the Council, with licence fees covering our costs of administering the schemes and meeting the scheme objectives. A significant proportion of the licence fee income will meet the necessary staffing costs over the 5-year period to deliver the scheme outcomes, with deductions for matters not directly related to administering, managing, and enforcing the scheme, and applying that against the anticipated number of privately rented properties which will fall within the scheme. The fees will also meet other running costs, such as IT expenditure, with appropriate allowances made for inflationary increases during the life of the scheme. The proposed fees are underpinned by assumptions about the level of income the fees will generate, based upon the number of properties that we expect to be licensed during the life of the schemes and the numbers of those properties that we expect to be eligible for the discounts. These fees form part of the consultation, and the Council welcomes any views on them.

## Selective and Additional licensing exemptions

Selective licensing applies to all privately rented properties, unless they are licensable HMOs or exempt by law. Such exemptions include tenancies granted by public bodies (for example housing associations), holiday homes and some business tenancies. A full list of exemptions for Selective Licensing can be found at [The Selective Licensing of Houses \(Specified Exemptions\) \(England\) Order 2006 \(legislation.gov.uk\)](#).

Schedule 14 of the Housing Act provides an exemption from HMO licensing law for some types of buildings. These include buildings

controlled by public sector bodies (for example, housing associations), some buildings occupied by students, and some owner-occupied buildings. A full list of exemptions can be found at [Housing Act 2004 \(legislation.gov.uk\)](#).

## ASSESSING THE POTENTIAL RISKS OF THE NEW SCHEMES

It is important to consider some of the possible effects or risks of making a designation.

- **Some may argue that it penalises good landlords** – We have listened to our landlord customer base over the years and propose a discount for landlords who have properties that meet our standards on our first inspection. We have responded to requests from landlords for more information and advice, and we are in the process of developing a landlord digital advice pack. We will clearly set out criteria for the standards we expect.
- **There may be inspection delays** - We aim to inspect every property after a licence application is received. The aim is to do so within 6 months, although the wait for an inspection is expected to reduce significantly after the initial surge in applications, to closer to the current time of 2-4 weeks. Licences will be issued from the date of application.
- **Landlords may sell, leave the market, or move to other areas** - The borough of Barking and Dagenham is bordered by the London boroughs of Redbridge, Havering and Newham. All three boroughs have selective and additional property licensing schemes: Redbridge has a borough wide additional scheme and a selective scheme in two wards which is being extended to a further 15 wards in April 2024, Havering has had an additional scheme covering all of the borough but in two

separate schemes and it has a selective scheme in two wards, and Newham has an additional and selective licensing scheme in all but two wards.

- **Landlords may pass on the costs to tenants** - We have had a borough wide selective scheme for over 9 years and a mandatory HMO licensing scheme for 18 years, therefore the fees are in place already. The pandemic, cost of living crisis, and move to a period of relatively low economic growth have affected supply and demand in the market. Demand for private rented homes is believed to have increased due to a growing number of would-be first-time buyers who are unable to buy due to rising costs and deposit requirements, and due to rising numbers of low-income or vulnerable households unable to access social housing. With all the other influencing factors, the cost of the licence spread over the period of 5 years is not likely to be a determining factor in the rent level.

## THE WIDER STRATEGIC ALIGNMENT OF THE NEW SCHEMES

The Borough Manifesto provides a long-term vision for Barking and Dagenham, and the Council's approach to realising this long-term vision is translated into medium-term priorities and programmes of activity in the Corporate Plan. Given its proven impact, property licensing remains a crucial tool for supporting our broader efforts to elevate standards within the PRS and fulfilling our strategic objective of "ensuring the provision of quality housing and preventing homelessness" for our residents as outlined in the Corporate Plan. The Corporate Plan also states that "Private Rented Property Licensing is driving up quality and standards of housing in the private rented sector".

### [LBBD Corporate Plan 2023-2026](#)

The implementation of property licensing schemes directly supports a number of other key Barking and Dagenham strategies and policies including the following:

### **Together Borough Manifesto: [Together Borough Manifesto](#)**

In 2015, an Independent Growth Commission set out a blueprint for the future of the Borough. This resulted in the development of a long-term vision for Barking and Dagenham which 3,000 residents helped to define through long term targets for the Borough to be achieved over the next 20 years.

### **Inclusive Growth: [Inclusive Growth Strategy 2022 to 2026](#)**

The Inclusive Growth strategy aims to remove social and economic barriers to ensure that all residents benefit from growth in the borough. Poverty, homelessness and housing issues, the environment and unemployment are barriers which have a negative impact on residents and families. The strategy looks to create stronger employment and skills pathways, better transport links, cultural heritage sites to attract more tourism and boost the local economy, and partnerships with key industries. Strategy around new homes aims to have a positive impact on homeless and overcrowded households and help to manage the ongoing demand for local housing options. Net zero carbon ambitions will help steer us towards cleaner air, more green spaces, and more active travel routes which will offer health benefits to all residents.

**Community Safety Partnership Plan:** [Community Safety Partnership Plan 2023 to 2026](#)

**Antisocial Behaviour Policy:** [ASB Policy and Procedure](#)

The LBBD ASB policy defines Antisocial behaviour and maps out how it will be investigated by the local authority. The Council's policy is to tackle Anti-Social Behaviour (ASB) through a triple-track approach of early intervention and prevention, non-negotiable support, and strong enforcement action when necessary. The Private Sector Housing selective licencing scheme has a series of conditions designed to prevent ASB that landlords need to comply with. Landlords are required to actively work to prevent and stop ASB, whether that is from tenants or visitors. Where the ASB team identify serious issues or where landlords have ignored ASB or failed to take action, the Private Sector Housing Team will revoke the property licence. The threat of revoking a property licence usually results in the landlord evicting tenants who persistently cause ASB. If they refuse to do so, and the

licence is revoked, a new licence holder would have to be appointed to apply for a new licence and take over all management of the property. The Metropolitan Police may also investigate reports of ASB across all tenures, particularly when there is an allegation that a crime has been committed. The Council will work in partnership with the Metropolitan Police to investigate and tackle ASB in our communities.

#### **Health and Wellbeing Strategy:** [Health and Wellbeing Strategy 2023 to 2028](#)

The Council's Health and Wellbeing strategy sets out a renewed vision for improving health and wellbeing of residents and communities and reducing inequalities by 2028. One of the key priorities and methods to achieve this is to address poor housing.

#### **Homelessness Strategy:** [Homelessness Strategy 2019-23](#)

The Homelessness Strategy connects to the Council's overall vision of 'no one left behind'. This vision aims to drive inclusive growth, empower citizens, and by definition, design services that address the root cause of the problems Barking and Dagenham residents face, including homelessness. It cites the significance of private rented housing to the borough and the importance of the private rented sector in the Council's focus on preventing homelessness.

*Please note that an updated strategy is currently in development.*

#### **LBBD Enforcement and Regulatory Services Enforcement Policy:** [LBBD Enforcement Policy](#)

#### **Empty Homes Policy**

This policy is currently in development. The policy aims to bring empty homes back into use to ensure a diverse range of housing choices to

meet local need. The Council has made a commitment to tackle empty homes to specifically target long term or derelict properties as these often generate wider community issues such as ASB. Bringing empty properties up to standard and back into use as decent liveable homes is complimentary to the objectives of the proposed licensing schemes.

#### **Cosy Homes:** [Cosy Homes Barking & Dagenham](#)

The 'Cosy Homes' programme delivered the highest uptake of free installations under the ECO3 scheme London, winning London region's best largest retrofit and insulation scheme at the 2021 Energy Efficiency Awards. In the last two years, we have delivered installations to 2,000 low-income households.

#### **Housing Delivery Test Action Plan** - [Housing Delivery Test Action Plan](#)

The Housing Delivery Test (HDT) is an annual measurement of housing delivery within a local planning authority introduced by the Central Government. Under the 2019 rules, if delivery falls below 95%, the respective authority must publish an action plan to describe how they will increase housing delivery going forward. The London Borough of Barking and Dagenham (LBBD) have created a HDT Action Plan that identifies barriers to housing delivery over the last 3 years and lists actions that the local authority has been and will continue to take to improve housing delivery in the borough.

## WHAT ARE THE ALTERNATIVES

As this is a consultation exercise, the Council is interested in hearing your views regarding alternatives to having further extensive property licensing schemes. Any alternative, however, needs to be able to ensure that housing in the private rented sector is well managed, tenants are protected, and that residents are not burdened with further problems caused by absentee landlords and irresponsible letting practices. Other options could include:

### **Voluntary landlord accreditation to seek improvements in private**

**rented management:** The Council has been encouraging training and accreditation for Barking and Dagenham landlords but currently it is estimated that fewer than 2% of Barking and Dagenham landlords are members of any scheme, so this is not considered to be a significant viable alternative to licensing at present.

**Use of current Housing powers to regulate landlords:** There are significant limitations in practice as Part 1 of the Housing Act 2004 Act neither allows the Council to regulate the management of privately rented properties, nor requires landlords to proactively ensure that their properties meet minimum health and safety standards. The ability to deal with hazards in the home under Part 1 of the Housing Act 2004 (known as Category 1 & 2 hazards depending on severity) is a complex, time-consuming process and is currently under review as it is widely recognised that this legislation requires updating. Only a very small proportion of rented homes can be regulated with this option. Where formal action is taken, the Council prosecution costs are often not fully recovered. It is acknowledged that these powers alone would be

insufficient to tackle the scale of the problems in the private rented sector in Barking and Dagenham. HMOs carry higher risk due the nature of how they are occupied, but the difficulty in dealing with smaller HMO's is significant compared the effective action we can take for large HMOs that already require a licence under the Mandatory HMO scheme, despite the similar risk level.

**Use of current ASB powers and formal notices to remedy ASB:** Action would generally be taken against the tenant in occupation but does not place any obligation on landlords/licence holders to be proactive in managing their properties to prevent or reduce the likelihood of ASB occurring.

**Discretionary Additional (HMO) licensing scheme only:** This is a less extensive licensing option for borough wide regulation of shared properties with Council approval. This would cover properties with three or four occupants, not in the same household, sharing kitchens/bathrooms. We have estimated approximately 320 licensable additional HMOs across the borough. While the total numbers are relatively low, evidence suggests a high proportion of these properties suffer from poor management. Given their widespread dispersal, we deem it necessary to implement a borough-wide approach. Moreover, we anticipate discovering more properties as the proposed scheme progresses.

**A reduced selective property licensing scheme without further government approval:** With Council approval this can apply to less than 20% of the borough which would only be a few of our 19 Barking and Dagenham wards, for single-family homes. However, this would leave approximately 80% of Barking and Dagenham's private renters without licensing protection and only require a minority of Barking and

Dagenham landlords who rent properties in the poorest neighbourhoods to be licensed, which could be unfair and unjust to the landlord community as a whole.

**Government planned housing reforms:** The government has announced that they want to provide more protection for private tenants and national registration for landlords. However, the details of any legal reforms affecting private rented housing are still unknown and without a clear timetable.

**Grants to improve sub-standard properties:** Generally, there are few government grants available. Barking & Dagenham Council has limited scope to offer landlords grants through successful external funding such as energy efficiency green home grants. Any grant scheme would be discretionary, would rely on voluntary property owner engagement, and is unlikely to be substantial enough to have a notable impact on property conditions.

Therefore, having regard to the options outlined above, the Council believes there is a need to continue with large scale property licensing schemes when used alongside, and in conjunction with, other regulatory and enforcement powers.

## PUBLIC SECTOR EQUALITY DUTY

At Barking & Dagenham, we are committed to putting equality and diversity at the heart of everything we do.

In developing the proposals discussed in this report, under the Equality Act 2010, we must ensure that we are taking steps to:

- eliminate discrimination,
- advance equality of opportunity, and
- foster good relations between different people when carrying out our activities.

We are interested in hearing your views on the potential impacts of any of the proposals in this consultation document on persons with a protected characteristic(s). Protected characteristics, as defined by the Equality Act 2010, are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

We have conducted an initial assessment of the potential equality implications of the current proposals, which is provided at Appendix 10.

Please share any feedback where relevant in your survey response.

## CONCLUSION

The Council recognises that for many households renting privately is their only option, so we want to use all the tools available to improve standards, reduce overcrowding, and to prevent adverse impacts on the community from poorly managed properties. We do not want our residents to suffer at the hands of non-compliant landlords by living in unsafe or overcrowded conditions.

While the Council has improved a large number of privately rented homes, the vast increase in the private rented sector means that our work is not done. We believe that in the current London housing market, licensing will enable us to continue to support and protect our residents who rent privately.

The licensing proposals will put into practice and contribute towards many elements found in the Borough Manifesto, the Corporate Plan, and Council strategies to elevate standards within the private rented sector and ensure the provision of quality housing and prevention of homelessness. We want to improve housing quality across all tenures, by working with partners, landlords, and other agencies.

Whether you are a tenant, landlord, managing or letting agent, business, service provider, local authority, voluntary organisation, local resident, or another key stakeholder, this is your chance to have your say on private rented property licensing in Barking and Dagenham.

Due to the size of the proposed selective licensing designation, if the scheme is agreed by our Council's Cabinet Committee, it will need

confirmation by the Secretary of State at the Department for Levelling Up, Housing and Communities (DLUHC).

## GLOSSARY OF KEY TERMS

**Assured Shorthold Tenancy (AST):** The most common type of agreement used by landlords to let residential properties to private tenants. Most new tenancies are automatically this type. A tenancy can be an AST if all of the following apply: it is let by a private landlord or housing association; the tenancy started on or after 15 January 1989; the property is a tenants' main accommodation; a landlord does not live in the property. A landlord can end a tenancy of this type with either a section 8 notice and possession ground, or a section 21 notice and does not have to provide a reason.

**Assured Tenancy (AT):** These are tenancies agreed under the Housing Act 1988, which offer more security than ASTs. A landlord can end with section 8 notice and possession ground. Currently most commonly offered to tenants of private registered providers of social housing.

**Banning Order:** An order by the First-tier Tribunal that prohibits landlords and agents who have committed relevant offences from letting or managing residential properties.

**Category 1 Hazard:** see Housing Health and Safety Rating System (HHSRS)

**Category 2 Hazard:** see Housing Health and Safety Rating System (HHSRS)

**Civil Penalty:** A financial penalty imposed by a local housing authority on an individual or organisation as an alternative to prosecution.

**Client Money Protection (CMP) scheme:** Compensates landlords and tenants if property agents cannot repay their money, for example if the agent goes into administration. Membership of a CMP scheme has been a legal requirement since 1 April 2019.

**Database of Rogue Landlords and Property Agents:** A database in which local councils must make an entry when a landlord or property agent has received a Banning Order.

**Decent Home:** A property that meets 4 criteria: (1) it meets the current statutory minimum standard for housing (2) it is in a reasonable state of repair (3) it has reasonably modern facilities and services and (4) it provides a reasonable degree of thermal comfort.

**Decent Homes Standard:** The government's definition of what is a decent home. See Decent Home

**Discretionary Housing Payment:** Financial support awarded by a local council to those in receipt of Housing Benefit or Universal Credit Housing Element to help with rent or housing costs.

**English Housing Survey (EHS):** A national survey commissioned by the Department for Levelling Up, Housing and Communities. Collects information about people's housing circumstances and the condition and energy efficiency of housing in England.

**English Private Landlord Survey (EPLS):** A national survey of landlords and letting agents who own and/or manage privately rented properties in England. Commissioned by the Department for Levelling Up, Housing and Communities. Informs government understanding of the characteristics and experiences of landlords and how they acquire, let, manage, and maintain privately rented accommodation.

**Energy efficiency:** The measurement of energy-expenditure required to achieve a benefit.

**Energy Performance Certificate (EPC):** Contains information about a property's energy use with a rating from A to G and typical energy costs as well as recommendations about how to reduce energy use and save money. They are needed whenever a property is built, sold, or rented.

**House in multiple occupation (HMO):** A property rented out to at least 3 people who are not from 1 'household' (for example a family) but share facilities such as the bathroom and kitchen.

**Housing Health and Safety Rating System (HHSRS):** A risk assessment tool used to assess hazards in all residential accommodation and specifically by councils to enforce standards in the Private Rented Sector. A hazard can be rated as Category 1 (the most serious, posing an imminent risk to a person's health) or Category 2 (a hazard that is less serious or less urgent).

**Local Housing Allowance (LHA):** Determines the maximum amount of housing support available to claimants in the Private Rented Sector. A claimant's LHA rate depends on where they live and the number of bedrooms their household is deemed to need, up to a maximum of 4 bedrooms.

**Mortgage guarantee scheme:** A scheme which helps to increase the supply of 5% deposit mortgages for credit-worthy households by supporting lenders to offer these products through a government backed guarantee on new 95% mortgages until 31 December 2022.

**'No fault' eviction:** Also known as a Section 21 eviction.

**Pre-action protocol:** Explains the conduct and sets out the steps a court would normally expect parties to take before commencing proceedings for particular types of civil claim.

**Private Rented Sector:** Homes for rent that are owned and managed by private landlords.

**Property Ombudsman:** A scheme that provides a free, fair, and independent service to resolve disputes between consumers and property agents.

**Redress scheme:** Allows a consumer to escalate a complaint they have against a member of the scheme.

**Renter:** Refers to a person who is either a tenant or a licensee. This includes Park Home Residents, Property Guardians, Lodgers, HMO tenants, and students in the Private Rented Sector.

**Rent Repayment Order (RRO):** An order made by the First-tier Tribunal requiring a landlord to repay a specified amount of rent.

**Rogue Landlord Database:** See Database of Rogue Landlords and Property Agents.

**Rent-to-Rent Scheme:** An arrangement where one landlord (superior landlord) lets their property to another landlord (intermediary landlord) who lets it out to a tenant. The intermediary landlord generally manages the day to day relationship with the tenant.

**Section 8:** Refers to Section 8 of the Housing Act 1988. A Section 8 notice is served to end a tenancy agreement for 1 (or more) of the grounds for repossession.

**Section 21:** Refers to Section 21 of the Housing Act 1988. A Section 21 notice is served to end a tenancy agreement, so that the landlord can regain possession. No reason is required.

**Selective licensing:** A licensing regime for privately rented properties that applies to a specified area designated by the relevant local council.

**Shared Ownership scheme:** A scheme which enables home buyers to purchase a share of their home of between 10% and 75% of the home's value and pay rent on the remaining share. The owner can then buy more shares in their property later on, should they wish to, with a minimum 1% gradual staircasing.

**Supported housing:** Accommodation where support, supervision or care is provided to help people live as independently as possible in the community.

**Tenant:** A person who rents a property from a landlord and has exclusive occupation of that property. Usually has an Assured Shorthold Tenancy.

**Tenant Deposit Protection (TDP):** Regulations and services that protect a tenant's deposit for the duration of the tenancy.

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