

Private Rented Property Licensing Schemes

Housing and Environment Scrutiny Panel

07 March 2024

≈ 150,000 dwellings in the Borough

≈ 40% Owner occupied

≈ 40% Privately Rented

≈ 20% Registered Provider Housing (inc Council)

≈ 55,000 properties in the private rented sector.

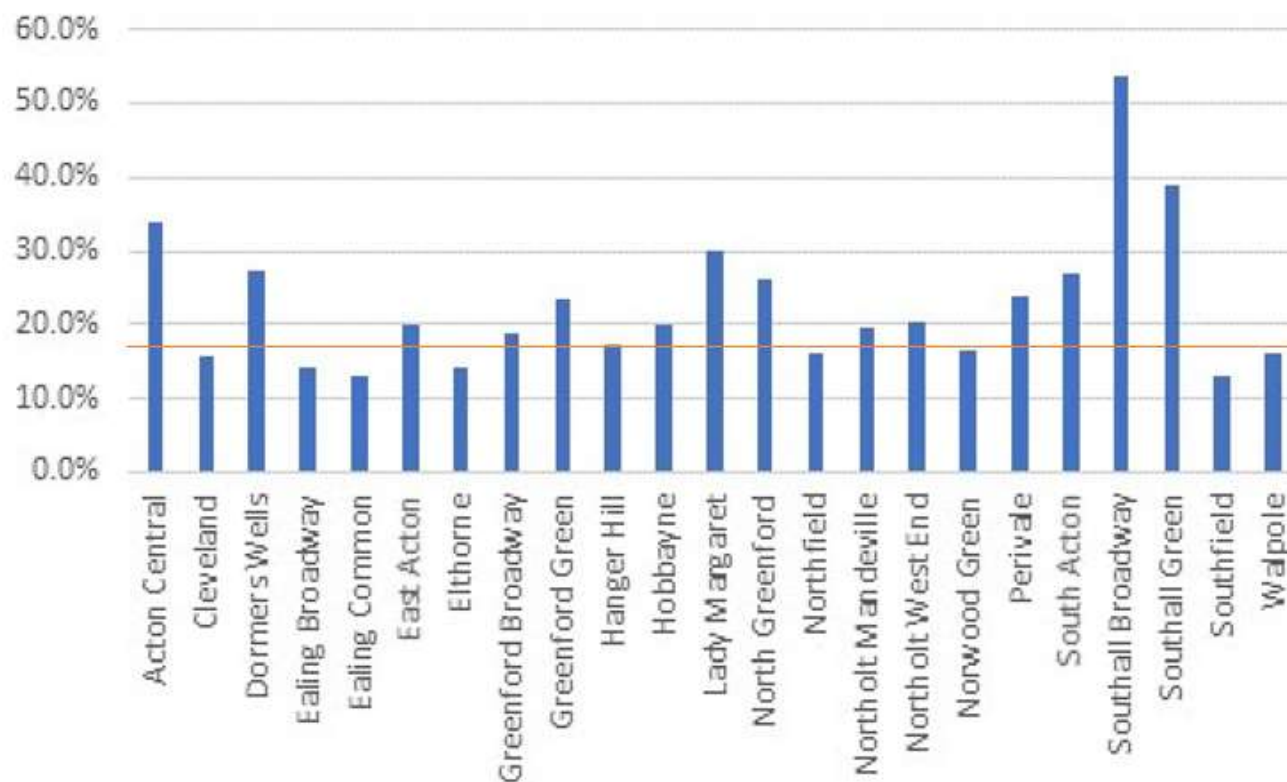
Incidence of Category 1 hazards in private rented properties:

England = 13%

LB Ealing = 22%*

*Significant variance between wards


% private rented properties with one or more Category 1 hazards by ward (pre-May 2022)



SOURCE: Private Rented Sector Stock Condition Modelling 2021

Property Licensing as a Mechanism to Improve the Private Rented Sector

- Requires landlords to approach the Council, identify themselves and obtain a licence
- Enables the Council to set clear standards for management and physical conditions via licence conditions
- Section 21 “Eviction Notices” are not valid when issued in respect of an unlicensed property
- Rent Repayment Orders – tenants’ may apply for repayment of up to 12 months’ rent if their home is not licensed
- Civil penalties for non-compliance such as failure to licence or contravening licence conditions



Housing Act 2004
Part 3 – Selective licensing of other residential accommodation
(Section 90 and schedule 4)

SELECTIVE LICENCE CONDITIONS
Schedule 1
Standard Licence Conditions

1. Permitted Occupation

A new resident must not be permitted to occupy the property or any part of the property if that occupation:

- Exceeds the maximum permitted number of persons:
- Exceeds the maximum permitted number of households for the property

A new resident means a person who was not an occupier of the property at the date the licence was granted.

No account shall be taken of a child under the age of one (they would count as 0 in the total permitted number below)

Maximum Permitted Number of Persons for the property	
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Comments - Occupation is determined at the point of application by room sizes.

2. Tenancy management

2.1 The licence holder shall supply the occupiers of the property with a written statement of the terms on which they occupy the property and details of the arrangements in place to deal with repair issues and emergency issues. Copies of the written statement of terms must be provided to the Council for inspection within 7 days upon demand.

2.2 The licence holder shall obtain references from persons who wish to occupy a letting in the property before entering into any tenancy, licence or other

Property Licensing Schemes

“Mandatory” HMO Licensing

Five or more people in two or more households that share amenity.

Statutory nationwide licensing requirement.



“Additional” HMO Licensing

Three or four people in two or more households that share amenity and certain converted blocks of flats.

Optional implementation.



“Selective” Licensing

Properties occupied by single families or two unrelated people.

Optional implementation

Large schemes require government approval.



Landlord engagement & publicity for Selective #2

Wide ranging media campaign including digital billboards, vehicle billboards, inside and outside the borough, radio adverts and direct and targeted mailing.

Raft of licence fee discounts for early adopters, accredited landlords and energy efficient properties

Free licence application training for landlords, Youtube video talking through the application process and answers to over a hundred frequently asked property licence questions

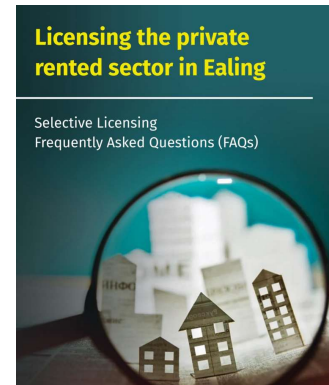
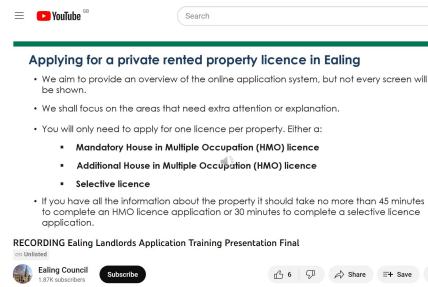
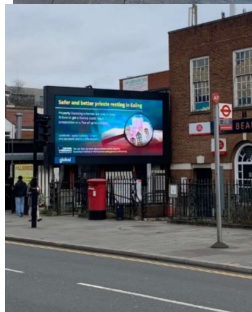
£750 selective licence (up to five years) = £12.50 per month

Discounts for compliant landlords:

25% off - Early applications

£75 off - Energy efficient properties (EPC A-C)

£50 off - Membership of recognised landlord accreditation scheme



West London's largest private rented property licensing scheme rolls out in Ealing

Maximum Estimates of Numbers of Potentially Licensable Properties

Mandatory HMO

- 3,247

Additional HMO boroughwide commenced 1 April 2022

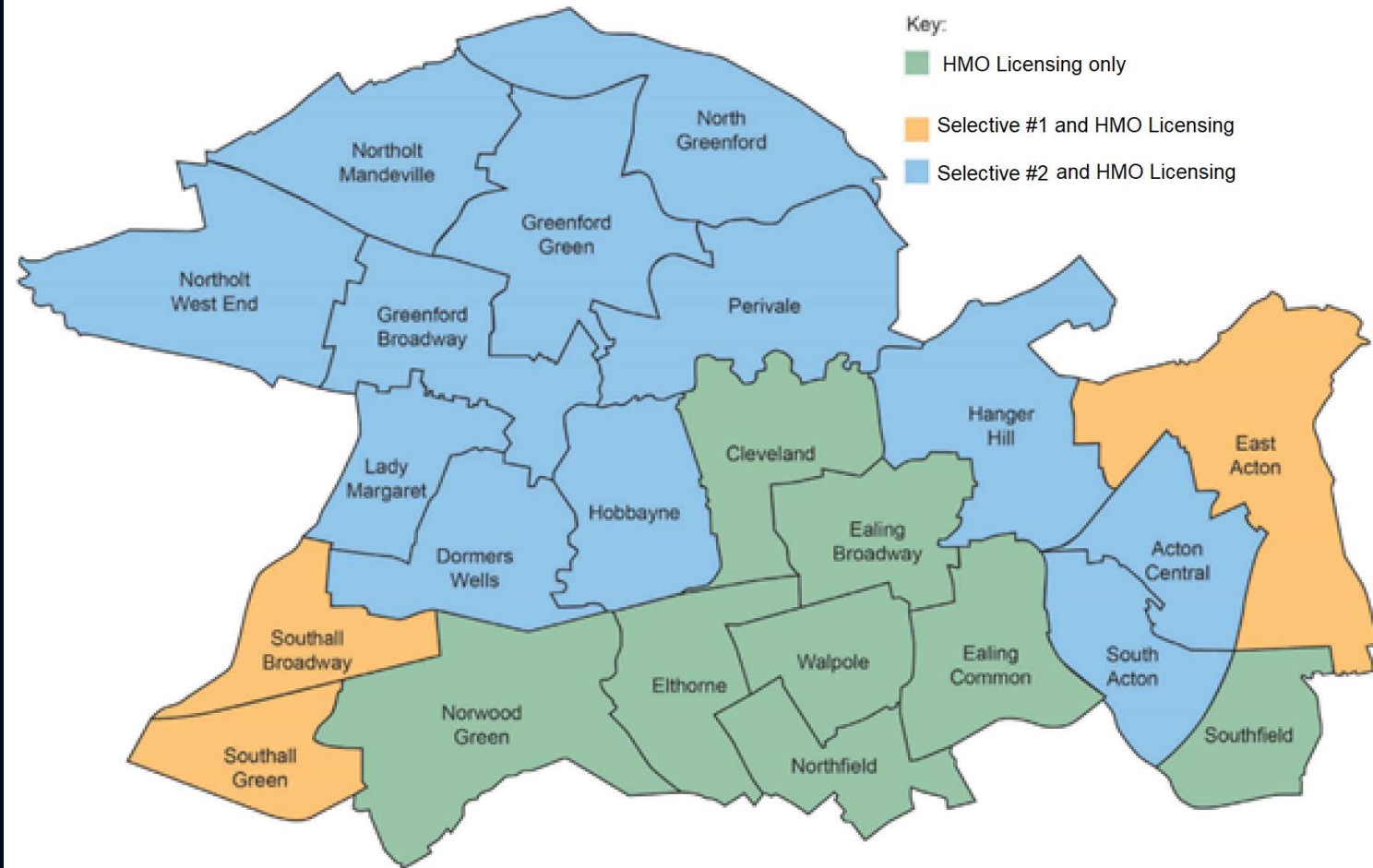
- 5,113

Selective Designation "1" commenced 1 April 2022 (Orange)

- 10,065

Selective Designation "2" commenced on 3 January 2023 (Blue) - 12 additional wards

- 22,648



41,073 potentially licensable properties forecast in total (top estimate) = two thirds of the private rented sector

PROPERTY LICENSING

Licensing Schemes Life Cycles

Each scheme is “live” for five years and each licence can last for five years so in total the scheme will exist for up to 10 years.

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
2017 Additional HMO Licensing	Licences will exist under this scheme until 31 December 2026											
2017 Selective Licensing	Licences will exist under this scheme until 31 December 2026											
2022 Additional HMO Licensing	Live 01 April 2022 – 31 March 2027					Licences will exist under this scheme until 31 March 2032						
2022 Selective Licensing Designation 1	Live 01 April 2022 – 31 March 2027					Licences will exist under this scheme until 31 March 2032						
2023 Selective Licensing Designation 2		Live 03 January 2023 – 02 January 2028					Licences will exist under this scheme until 02 January 2033					
Mandatory HMO Licensing	Continual requirement											

PROPERTY LICENSING

Phases of enforcement & intervention

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Mandatory HMO Licensing	Continual requirement											
Enforcement & Compliance	Encourage to licence											
				Enforcement to secure licensing								
				Proactive Inspection of licensed properties								
	Reactive Interventions – response to complaints and allegations including breaches of conditions and unlicensed properties											
	Secure Improvement in Conditions –via enforcement where appropriate											
	Enforcement – prosecutions and civil penalties for criminal landlords											

PROPERTY LICENSING

Year 1 data

Applications

Investigation

Inspection

Hazard spotting

Enforcement

2022-23 – first year of Selective #1 and Additional HMO licensing and first quarter of Selective #2:

Application and licences

- 15,268 applications made and licences granted - **37%** of maximum estimate of potentially licensable properties - by 01 April 2023
- 17,052 by first anniversary (January 2023) of the large Selective scheme commencement – **42%**

Enforcement & Compliance

Inspections

- 433 properties inspected.

Investigations

- 286 Unlicensed property investigations.
- 154 Licensed property compliance investigations.

Housing hazards

- 464 Hazards identified (can be multiples in a single property).
- 132 Category 1 Hazards identified (enforcement obligatory).

Enforcement Actions

- 150 enforcement notices served including Improvement Notices. (requiring specific works to achieve compliance) and Prohibition Orders (restricting use of the property as a dwelling until certain criteria met).

PROPERTY LICENSING

Property Licence Applications Processing Overview

16,696 applications made and licences granted

- 6,966 licensed properties
- 9,730 applications yet to be determined

1,672 Mandatory HMO

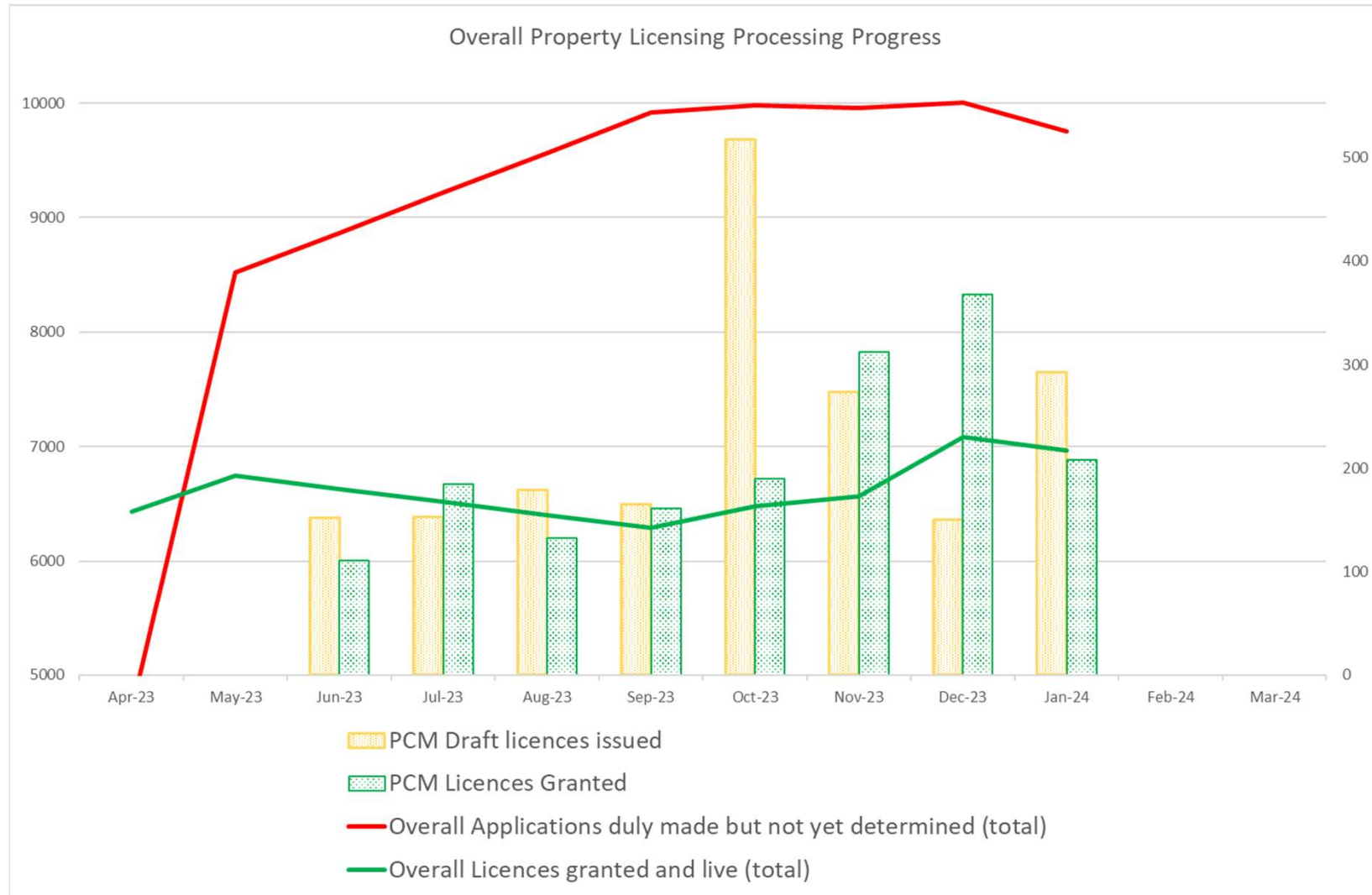
- 1,248 licensed
- 424 processing

1,017 Additional HMO

- 444 licensed
- 573 processing

14,007 Selective

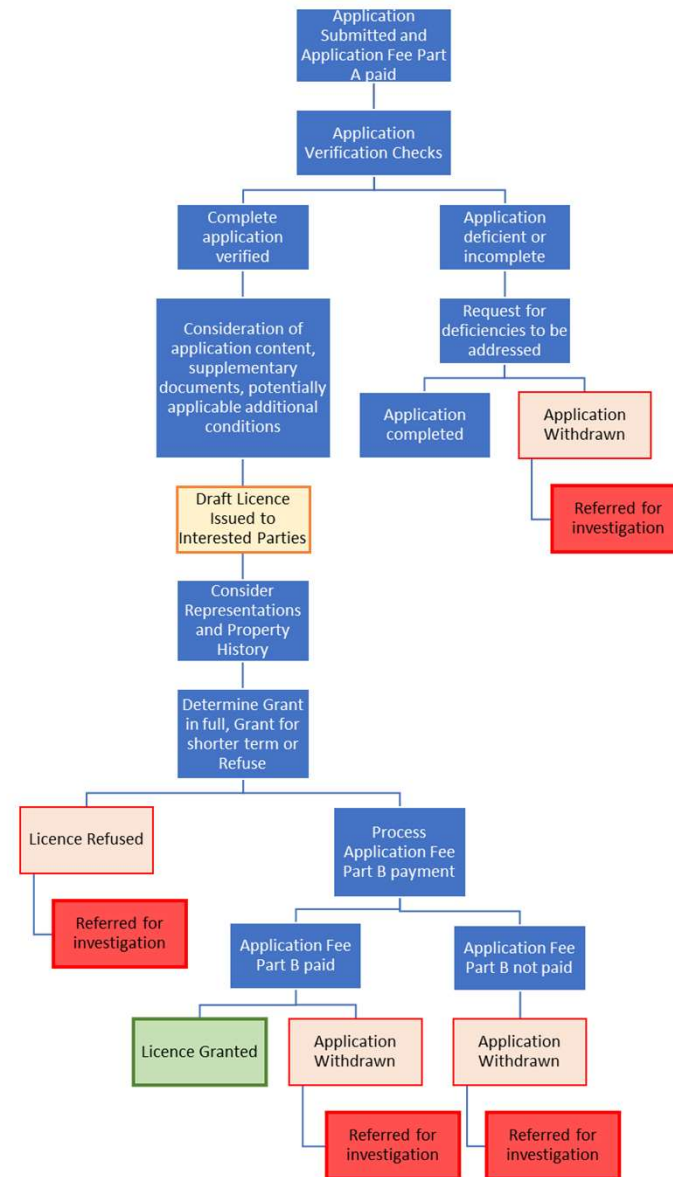
- 5,274 licensed
- 8,733 processing



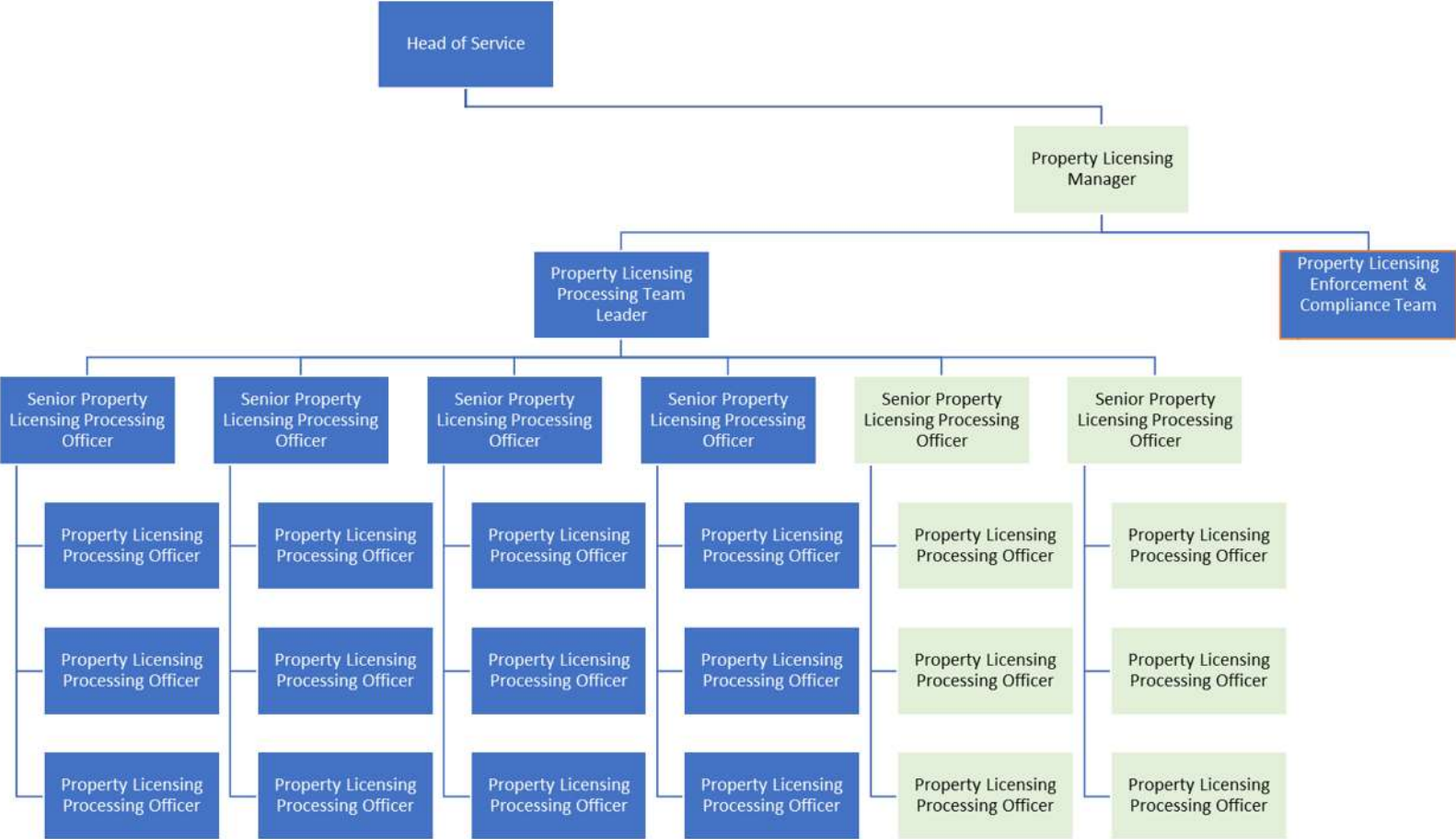
PROPERTY LICENSING

Processing Flow Chart

- **Application Made**
 - Applicable documents submitted including floor plans, Gas Safety certificates etc
- **Application Considered**
 - Verification of documentation and that application complete and applicable
- **Draft Licence Issued**
 - 14 day consultation
- **Representations Considered**
 - Prescribed Interested Parties only
- **Determination**
 - **Grant** up to five years, may be shorter term if issues e.g. planning breaches
or
 - **Refuse**



PROPERTY LICENSING – RECRUITMENT



PROPERTY LICENSING

Looking ahead - Operational Objectives 2024-25

- Reduce the number of applications yet to be determined
- Implement a comprehensive enforcement and compliance action plan:
 - Search & Licence
 - Inspect & Enforce
- Explore the concept of dual authorised property licensing / anti-social behaviour officer(s) to fully utilise the licensing framework to reduce ASB in HMO's

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