

ASSEMBLY

19 February 2014

Title: Private Rented Property Licensing Scheme	
Report of the Cabinet Member for Crime, Justice and Communities	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Accountable Director:	Darren Henaghan Corporate Director of Housing and Environment
Summary <p>This report presents proposals to introduce Selective and Additional Licensing schemes by using discretionary powers under the Housing Act 2004, subject to meeting the necessary requirements laid down by Central Government. If agreed this will mean that all private rented sector housing in the borough will be covered by compulsory licensing. If adopted the borough wide Selective Licensing scheme and borough wide Additional Licensing scheme would be known collectively as the Barking and Dagenham Private Rented Property Licensing Scheme.</p> <p>A Private Rented Property Licensing scheme will allow much greater interaction between the Council and landlords and seek to increase responsibility of landlords to deal with issues such as anti social behaviour through conditions attached to a licence, as well as to improve the conditions for private tenants.</p> <p>The two designations include an additional licensing scheme targeting landlords of all houses in multiple occupation (HMOs) occupied by three or more non related occupiers sharing facilities or amenities, and a selective licensing scheme for all private landlords of other residential accommodation which fall outside the definition of HMO.</p> <p>The Cabinet is to consider this report at its meeting on 18 February 2014. Any proposed changes arising from the Cabinet's consideration will be reported at the meeting.</p>	
Recommendation(s) <p>The Assembly is recommended to:</p> <ul style="list-style-type: none">(i) Consider the representations received in response to the consultation on the proposed introduction of additional licensing of houses in multiple occupation (HMOs) and selective licensing of other private rented property;	

- (ii) Resolve:
- (a) To designate a selective licensing area of the district of the London Borough of Barking and Dagenham as delineated and edged red on the map at Appendix 1A to the report;
 - (b) To designate an additional licensing area of the district of the London Borough of Barking and Dagenham as delineated and edged red on the map at Appendix 1B to the report;
 - (c) That the selective licensing scheme shall be cited as the London Borough of Barking and Dagenham Designation for an Area for Selective Licensing No 1, 2014;
 - (d) That the selective licensing designation shall come into force on 1 September 2014;
 - (e) That the additional licensing scheme shall be cited as the London Borough of Barking and Dagenham Designation for an Area for Additional Licensing of Houses in Multiple Occupation No 2, 2014;
 - (f) That the additional licensing designation shall come into force on 1 September 2014;
 - (g) That the schemes be known collectively as the Barking and Dagenham Private Rented Property Licensing Scheme;
 - (h) To adopt the Private Rented Property Licensing Scheme Conditions as set out in Appendix 2 to the report;
 - (i) That the fees and charges set out in Appendix 3 to the report be applied to the Private Rented Property Licensing scheme;
 - (j) To delegate authority to the Corporate Director of Housing and Environment to make changes to the proposed implementation where necessary and ensure that all statutory notifications are carried out in the prescribed manner for each designation; and
 - (k) To delegate authority to the Corporate Director of Housing and Environment to grant licences under the Council's Private Rented Property Licensing Scheme.

Reason(s)

The area of the London Borough of Barking and Dagenham suffers from significant and persistent anti social behaviour related to the private rented housing stock together with poor tenancy and property management.

Parts 2 and 3 of the Housing Act 2004 provides powers for local housing authorities to designate areas, or the whole of the area of its district, as subject to discretionary licensing in respect of private rented accommodation.

In the case of Part 2 designations, the authority must consider that the ineffective management of a significant number of Houses in Multiple Occupation (HMOs) is likely to give rise to problems for occupants or members of the public.

In the case of Part 3 designations, the authority must consider that amongst other criteria, the area is experiencing significant problems caused by anti social behaviour (ASB) which the private sector landlords are failing to tackle.

The two-stage independent public consultation undertaken by M.E.L identified differences across residents, stakeholders, private rented sector (PRS) tenants, landlords and lettings agents. The outcomes were that 80% of residents and 73% of private tenants support borough-wide selective licensing and 85% of residents and 76% of tenants support borough wide additional licensing.

It was also found that 75% of landlords disagree with Selective Licensing and 46% agree with additional licensing for smaller houses with three or more non related tenants. PRS tenants all support both selective and borough wide licensing. Most landlords (83%) thought the fees proposed were too high although 29% supported a structure of varied fees. Some support the need to tackle ASB in the borough but only 26% believe the proposal will make the borough more attractive to residents.

Officers have considered the representations received in response to the consultation and their findings and conclusions are set out in this report and appendices.

These designations fall within a description of designations in relation to which the Secretary of State has issued a General Approval dated 30 March 2010.

1. Introduction and Background

- 1.1. In May 2012 the Living and Working Select Committee (LWSC) issued their report into 'The Emerging Private Rented Sector' in LBD. This report included the recommendation that 'the Council gives consideration to a scheme for targeted, area based, mandatory licensing'. This recommendation is incorporated into the London Borough of Barking and Dagenham Housing Strategy 2013-17, but has been widened to allow for consideration of a scheme up to and including full borough wide licensing.
- 1.2. This report sets out the outcomes of work undertaken to establish whether a business case exists for adoption of discretionary powers to adopt a compulsory full or partial scheme for licensing private rented sector properties in the borough.
- 1.3. There is a growing perception that poorly managed privately rented properties are having a negative effect on neighbourhoods. Anti social behaviour, noise nuisance, and accumulations of refuse are just three issues which have been linked to the failure of private landlords to manage properties in an effective way.
- 1.4. The recent national concern over "beds in sheds" has not only highlighted an unacceptable element of private renting but also the difficulties of dealing with those rogue landlords determined to evade their legal responsibilities. This is part of a larger problem of illegal planning activities thought to be driven by the demand for private rented accommodation.

- 1.5. The private rented sector (PRS) in Barking and Dagenham is now estimated to comprise 15,000 dwellings. It now almost equates to the social rented sector in the borough and has almost doubled in size in the last five years and provides 20% of all housing in Barking and Dagenham. Compared to 16% nationally and is the only accessible housing option for many households on modest incomes.
- 1.6. The PRS is diverse in its makeup with an estimated 4,000+ landlords in the borough and nearly 80% of all private tenants receiving support through the benefits system. Growth of the PRS has been largely through the activities of 'buy to let' investors and these new landlords have replaced owner occupiers in many of our streets and neighbourhoods.

2. Proposal and Issues

- 2.1 This proposal is to introduce a borough wide Private Rented Property Licensing Scheme in addition to the Councils existing duty under the Housing Act 2004 to license some types of houses in multiple occupation (Mandatory HMO Licensing) to improve the quality and impact of the private rented sector in the borough.

Mandatory Licensing and Discretionary Licensing Powers

- 2.2 Mandatory Licensing for Houses in Multiple Occupation (HMO) was introduced in 2006 and includes all such properties of three or more storeys. The Council has a duty to require landlords to license these properties. In 2011 the housing stock profile in LBBDD suggested that the number of mandatory HMOs is low at around 200 with a total number of HMOs both mandatory and shared houses at 400. Actual licensing figures show that significantly less have registered, meaning that in terms of impact such licensing has had very limited effect on improving the privately rented stock in this borough.
- 2.3 There are two designations of licensing that are discretionary adoptive powers for local authorities for all other types of private rented properties. These cover smaller HMOs (Additional Licensing) and all other single occupation private rented sector accommodation (Selective Licensing). For each designation different considerations apply (see Appendix 1A and 1B).
- 2.4 For the Council to introduce a borough wide **Selective** licensing scheme applying to non HMOs it has to be satisfied it is an area which is experiencing a significant and persistent problem caused by anti social behaviour (ASB). In addition it must show that some or all of the private sector landlords who have let premises in the area (whether under leases or licences) are failing to take action to combat the problem that it would be appropriate for them to take. If these tests are met it must then demonstrate that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, lead to a reduction in, or the elimination of, the problem.
- 2.5 In order for the Council to introduce a borough wide **Additional** licensing scheme, it must consider and then decide that a significant proportion of HMOs in the area are being managed sufficiently ineffectively as to give rise or be likely to give rise to problems for those occupying them or for members of the public.

- 2.6 In addition for both designations the Council needs to be satisfied that some or all of the private sector landlords are failing to take action to combat problems of ASB and or issues arising from poor management in their premises.
- 2.7 Further, the Council should not make a designation under either Part of the Act unless it has considered other courses of action that might provide an effective remedy for achieving the objective or objectives of the proposed designation and that the making of the designation will significantly assist the Council to deal with the problem or problems, whether or not it takes any other course of action as well.

Review of Evidence

- 2.8 Assuming the Council accepts that there is an evidence base to justify a full or partial scheme, the first effective date needs to allow a standstill period within which any legal objections can be considered. The proposal here is to set an effective day of 1 September 2014 for implementation of the scheme.
- 2.9 The Council has collected evidence from a number of sources:
- We have physically surveyed nearly 500 private rented sector properties and questioned tenants.
 - We have consulted widely through an independent agency (M.E.L) on both the issues of concern and need for extended licensing, as well as on a proposal for a specific scheme for the borough.
 - We have analysed existing evidence of crime and anti social behaviour and cross referenced these to premises known to be in private rented sector.
 - We have sought a risk assessment of the private rented sector based on anti social behaviour.
- 2.10 Some headline findings from the evidence collected is summarised below.

Selective Licensing

- 2.11 **Review of Anti Social Behaviour**_ Having regard to the definition of ASB under the Act the average percentage proportion of PRS dwellings with one or more incidences of ASB in the last three years is 16.13%. This can be considered significant given the size of the PRS in Barking and Dagenham. A full report of this analysis of LBBD ASB & PRS research findings can be found with background papers to this report.
- 2.12 Our risk assessment further concludes that while anti social behaviour is not confined to any one housing sector, there is an elevated risk of anti social behaviour in the private rented sector of the single family type.
- 2.13 Members will be aware that we have considered and taken action on many initiatives to tackle problems related to ASB for the borough and specifically in the stock we manage. This includes the adoption of recommendations arising from the Safer Stronger Communities Committee Review on How the Council's Housing Service manages Anti Social Behaviour, March 2013. This review estimated that the total HRA staffing costs for time spent dealing with ASB (including housing Officers and managers) comes to £266,348 per year. Additionally ASB services

provided by other Council departments dealing with ASB on housing estates total £248,400.

Additional Licensing

- 2.14 A condition survey in 2013 identified significant poor property and tenancy management in HMOs. Specifically,
- The average number of occupants was 5.2 with two properties having 10 and 11 residents respectively.
 - 50% were flats
 - 41% demonstrated one or more Category 1 Hazards
 - No tenants had seen an energy performance certificate, and
 - only 7.5% had seen a gas certificate
- 2.15 A full report of this analysis of LBBD ASB & PRS research findings can be found with background papers to this report.
- 2.16 Whilst our survey estimated that there was a growth in small HMOs in the borough at 7% of the total, our risk assessment estimated that small HMOs represent nearly 53% of the private rented stock.
- 2.17 **Consultation and Findings** – we consulted through various methods including, one to one interviews, open forum events, our landlord forum and online. Over 300 landlords, 252 private sector tenants, and 1071 residents took part. Results are contained in background papers – M.E.L reports on Private rented Property Licensing consultation for Barking and Dagenham

3 Service Delivery and Performance

- 3.1 The Council needs to be satisfied that it has sufficient resources available if it is decided to make both designations on a borough wide basis. The Environmental Services Division has taken a number of steps to ensure that adequate resources are available over the five year period.
- 3.2 **Fees** - An on-line licence application and payment system will be available which will be integrated with the Council's current data systems and fully functional by June 2014. This has required upgrades to the existing Flare system and will allow applications to be made and paid for on line.
- 3.3 The proposal is to allow for an early application discount so that Landlords that come forward within the 3 months prior to the effective date (1 September 2014) will be able to obtain a licence for five years for only £180. To qualify applications will need to be complete, the Landlord must not be a person of concern (with a history of poor management practice) and compliant with the terms and conditions of the licence at the time of application. Proposed standard conditions are provided as Appendix 2.
- 3.4 Where a Landlord applies at a discounted rate but their application is incomplete or there are concerns regarding their history of management, or ability to meet licence conditions then no discount will be permitted (see Appendix 3).

- 3.5 Applications made after the 31 August 2014 will be charged at £500 for up to five years (or the period outstanding in the five year scheme). This will include applications rejected above. Applications here will be subject to more intensive compliance checks and screening.
- 3.6 Applications which are the result of investigation or where there is breach of conditions, will be charged at £500 per year for the remaining period of the scheme, and will be subjected to annual inspection. Fees set here will reflect the amount of additional activity we will use to monitor and deliver the scheme at those affected properties.
- 3.7 In all cases any enforcement costs that arise will be dealt with where appropriate through charges for notices and the recovery of costs through court or formal caution procedures.
- 3.8 Appendix 3 sets out the full fee charging proposed. It is proposed to review the scheme and charges in year 3 and at that time propose whether fees for new applicants is at the published rates, or reduced for new entrants. This review will also include a need to establish whether the scheme is delivering expected outcomes and should be extended for a further five year period.
- 3.9 **Communications and Enforcement** - a publicity campaign will be launched from 1 June 2014 to encourage applications. We will seek to offer additional support to landlords where required to assist with applications, but this will be charged to provide full cost recovery.
- 3.10 From 1 September 2014 we will begin to contact those properties known to us and to advertise more broadly the consequences of not licensing. Those found to be operating and not submitting an application before 1 September will be inspected formally and enforced.
- 3.11 **Staffing** - Additional staff teams will be recruited to cover the three key areas of the project; (a) applicant support; (b) compliance inspection / regulation activities and (c) enforcement/legal activities required from September 2014 onward. Except for the enforcement activity the remaining areas will be financially supported through the proposed fee income over five years.
- 3.12 It should be noted that the Provision of Service Regulations 2009 and a decision of the Administrative Court dated 16 May 2012 prevent the Council from including costs that are not directly related to the delivery of the licensing scheme, for example for costs.
- 3.13 **Project modelling** - each key area of the project has been mapped out and service actions priorities and demands have been modelled to anticipate application numbers and follow up activity including enforcement over the life of the designations.
- ## 4 Options Appraisal
- 4.1 **Option 1: Do nothing** – This option will not address the issues relating to anti social behaviour and conditions identified in the private rented sector and will not assist with improving the management of rented properties.

- 4.2 **Option 2:** Adopt a Selective Licensing scheme only – there is a risk that this will lead to an increase in the conversion of rented properties to small HMOs increasing risk to occupiers from potential overcrowding and inadequate levels of basic amenities impacting on the health of occupants.
- 4.3 **Option 3:** Adopt an Additional Licensing scheme only – The majority of the rented sector is in single household accommodation. To exclude this sector means that the council will not have the additional powers and will not be able to apply conditions to rented properties and properties will not be improved. There would be no requirement for landlords to manage anti social behaviour by their tenants and the visual amenity of the borough will not improve,
- 4.4 **Option 4:** Adopt both a Selective and an Additional Licensing scheme in a designated area of the borough – This option will allow the council to control through conditions attached to all licenses requirements for all landlords to effectively manage their properties and will improve the quality of the private rented sector; reduce anti social behaviour and improve the visual amenity within a defined area only. Evidence confirms that the impacts of the private rented sector are not restricted to defined areas of the borough.
- 4.5 **Option 5:** Adopt either a Selective Licensing scheme or an Additional Licensing scheme borough wide – Evidence confirms the private rented sector is present across all Wards and that anti social behaviour is prevalent arising from the sector across all Wards. Small HMO's are also evident across all Wards.
- 4.6 **Option 6:** Adopt both a Selective and an Additional Licensing scheme for the whole borough – This option would provide an equal and fair impact on all landlords and will address all parts of the private rented sector. **This is the preferred option.**
- 4.7 Officers have duly considered these options and the impacts and having regard to the impacts on landlords, tenants and residents are of the opinion that both a Selective and an Additional Licensing scheme borough wide will provide the necessary controls through requirements to licence and to adhere to the conditions attached will have the greatest impact on the health and welfare of tenants, will be the fairest option available to all landlords and will significantly impact on reducing anti social behaviour across the borough as a whole.

5 Consultation

- 5.1 In 2012 the Living and Working Select Committee (LWSC) commissioned a study into the private rented sector. The LWCS's report "The Emerging Private Rented Sector" was presented to the Assembly on 16 May 2012).
- 5.2 The LWSC made the following recommendation which was supported by the Assembly:

Recommendation 4:
The LWSC recommends that the Council gives consideration to a scheme for targeted, area based, mandatory licensing and continues to promote accreditation for private landlords.

- 5.3 As part of establishing the need and views of residents, formal consultation on the proposals was carried out by independent consultants on behalf of the council. In addition consultation has taken place with key portfolio holders and Members attended the formal consultation open events.
- 5.4 Consultation ran from 11 November 2013 until 18 January 2014 with a second stage consultation running for two weeks from 24 January to 7 February 2014 with landlords, residents and tenants (a total of 12 weeks) and was carried out by M.E.L Research who designed, managed and conducted the survey.
- 5.5 The consultation focused on :
- General principle of a PRS licensing scheme
 - An Additional Licensing proposal – widening the definition of licensable Houses in Multiple Occupation (HMOs) to include properties occupied by three or more non-related occupiers sharing basic facilities or amenities such as kitchens and bathrooms
 - A Selective Licensing proposal – to require all private landlords to have a licence in order to let any residential property (falling outside the HMO definition).
 - The approximate proposed licence fee.
 - Occupancy conditions
 - Tenancy management conditions
 - Property management conditions
- 5.6 The consultation was carried out by:
- Open access consultation on the council's website
 - Postal survey of known PRS landlords with properties in the borough
 - Postal surveys to identified PRS tenants
 - Door to door interviews with residents and PRS tenants in representative locations across the borough
 - Two open consultation meetings with landlords, tenants and interested residents on 12 December 2013 and 8 January 2014.
- 5.7 In total 1071 residents, 252 tenants and 300 landlords responded to the consultation. The results have been weighted by age, gender and ward and are represented of the borough. The overall outcomes were:
- Residents and tenants are strongly in support of both Selective (80% and 73%) and Additional (85% and 76%) licensing schemes borough wide.
 - Landlords taken as a group oppose Selective licensing (75%) but are even minded about Additional Licensing (46% of HMOs)
 - Residents and tenants agreed with the proposed fees (66% and 63%). However 83% of landlords felt the fees were too high. There were 32% of landlords that supported the fee structure.
 - License conditions are widely supported by tenants (82%) and residents (88%) also 27% of landlords agreed with the conditions.
 - 69% of residents agreed that schemes would have a positive effect on the borough as a whole.

- 87% of residents agree that landlords and letting agents should take firmer action against nuisance and ASB tenants

6 Financial Implications

Implications completed by: Carl Tomlinson, Finance Group Manager

- 6.1 The scheme is intended to be cost neutral with administration and compliance being financed via fee generation over a five year period. Costs per license include administration and compliance but do not include any additional enforcement.
- 6.2 Licenses are proposed to be set at a standard cost of £500 subject to final review and approval and to last for up to five years. Any scheme would be monitored and fully reviewed at years 3 and 5 include an option to declare a further five year scheme.
- 6.3 There will be a reduced fee at the start of the scheme for a defined period. Applications received after the defined period would be subject to the full five year fee irrespective of the year in which an application may be made.
- 6.4 There may be an additional fee for assisting landlords with making a correct application.
- 6.5 It is proposed that Licensing fees will be:

Applicants who apply before the commencement date of the licensing designations	£180 for a five year licence
Applicants who apply after the commencement date of the licensing designations	£500 for a five year licence
Applicants who apply after the commencement date and receive two warning letters or landlords with previous management contraventions and are of concern	£500 for a one year licence

- 6.6 Analysis of anticipated fee income for a borough wide scheme against resource requirements has been conducted assuming 60% of applications at £180, 15% at £500 for the five year period and 25% at an annual rate of £500.
- 6.7 Income will vary depending on the numbers of applications received voluntarily and those where it is necessary to identify and ensure compliance. It is estimated that the total income for the five year period on this basis is £7.620m. This assumes 100% of Landlords comply by the end of the scheme.
- 6.8 As actual income collection and resource requirements are dependent on the mix of licence fee paid, assumptions will be reviewed in line with actual uptake and the financial position updated. Flexibility within the staffing structure is necessary in order to align with resource requirements over the five year period.
- 6.9 Potential legal action poses a financial risk, however, some provision is made within the estimates

7 Legal Implications

Implications completed by: Alison Stuart, Principal Solicitor

- 7.1 Before a designation for Selective or Additional Licensing can be introduced the Council must comply with the statutory framework of the Housing Act 2004.
- 7.2 Designations for Selective Licensing can be considered and introduced for an area, or areas, in the borough, or the whole area of the borough, where a local housing authority is satisfied that either an area is, or is likely to become, an area of low housing demand and that the making of the designation, when combined with other measures, will contribute to the improvement of the social and economic conditions in the area.
- 7.3 Alternatively, designations for Selective Licensing can be considered where the local housing authorities consider that the area is suffering from anti social behaviour and the following criteria are satisfied:
 - the area is experiencing a significant and persistent problem caused by anti social behaviour;
 - that some or all of the private sector landlords who have let premises in the area (whether under leases or licences) are failing to take action to combat the problem that it would be appropriate for them to take and;
 - that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, lead to a reduction in, or the elimination of, the problem.
- 7.4 The definition of “Private sector landlord” does not include a non-profit registered provider of social housing or a registered social landlord.
- 7.5 Additional matters that the Council must consider before a selective licensing designation is made are specified in sections 81 and 82 of the Housing Act 2004 and in particular that the exercise of the power is consistent with its overall housing strategy and the Council must adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti social behaviour. Further, the Council should not make a designation unless it has considered other courses of action that might provide an effective remedy for achieving the objective or objectives of the proposed designation and that the making of the designation will significantly assist the Council to achieve the objective or objectives, whether or not it takes any other course of action as well.
- 7.6 Designations for Additional HMO licensing can be considered and introduced for an area or areas in the borough or the whole area of the borough where the local housing authority considers that a significant proportion of HMOs in the area are being managed sufficiently ineffectively as to give rise or be likely to give rise to problems for those occupying them or for members of the public. The Council must also consider before an Additional Licensing designation is made the requirements of section 57 of the Housing Act 2004 and in particular that the exercise of the power is consistent with its overall housing strategy and the Council must adopt a co-ordinated approach in connection in dealing with homelessness, empty properties and anti social behaviour. Further, the Council should not make a

designation unless it has considered other courses of action that might provide an effective remedy for achieving the objective or objectives of the proposed designation and that the making of the designation will significantly assist the Council to deal with the problem or problems, whether or not it takes any other course of action as well.

- 7.7 Where the statutory conditions for introducing a designation are satisfied the Council must undertake a prescribed process of consultation before a designation is made, including consideration of all representations received to the consultation. The Council must have taken reasonable steps to consult persons who are likely to be affected by the designation. Public notice of a designation must be given once it is made. The designation cannot come into force until the elapse of three months after the date it is made. The proposed designations in respect of Selective or Additional licensing will not require confirmation from the appropriate National Authority as the designations will be covered by a General Approval dated 30 March 2010, issued by the Department of Communities and Local Government.
- 7.8 The General Approval requires a minimum period of 10 weeks for the statutory consultation. Once made, the operation of the designations must be reviewed from time to time and if appropriate the designation may be revoked. Members should consider when the designation should be reviewed.
- 7.9 The designations may be challenged by judicial review as has been the experience of other local housing authorities. The time for seeking judicial review is three months of the date the designation is made.
- 7.10 The Provision of Service Regulations 2009 and a recent decision of the Administrative Court, prevent the Council from including the costs of enforcement of the designations within the licence fees. This means the Council will have to fund enforcement from the General Fund. The decision is the subject of an appeal to the Court of Appeal.
- 7.11 Under the Equality Act 2010 section 149, the Council must in the exercise of its functions have due regard to the need to:
- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
 - Having due regard to the need to advance equality of opportunity as set out above involves having due regard in particular to the need to:
 - Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
 - Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

7.12 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- Tackle prejudice; and
- Promote understanding

7.13 The relevant protected characteristics are

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

7.14 The Council must take note of its obligations as set out above when making a decision.

8 Other Implications

8.1 Risk Management

8.2 Budgets – the service has worked closely with finance to project the levels of costs and income associated with different levels of licence application/demand. We have benchmarked the experiences of other Councils and the discount rate is one of the ways we have used to ensure that the budget does not operate at a deficit.

8.3 IT systems in place – we have developed our existing FLARE database to include this project. This system will be operational before the effective date and will have been fully tested before it goes live. As from June 2014 we will have three months to have received all applications.

8.4 The need for enforcement will exceed the levels historically delivered in the borough. To ensure existing resources are not under undue pressure the proposal is designed to maximise compliance through the licensing process and establish clear communications and support to ensure the majority of Landlords that want to be compliant can reach required standards without enforcement. Additional enforcement costs are not included in the scheme but can be recovered through other formal actions taken.

8.5 It is possible that the scheme would lead to a reduction in available private rented properties. There is no evidence to indicate that the comparatively low levels of charge associated will discourage legitimate landlords operating in the borough. This will be reviewed in year 3.

8.6 Legal challenge in the form of Judicial Review – we have worked closely with the London Borough of Newham to ensure our processes and evidence achieves the same standard that has proven successful there.

- 8.7 **Contractual Issues** – There are no direct contractual issues associated with the proposals.
- 8.8 **Staffing Issues** – LBBD has a very small existing PRS team and one of the challenges will be to recruit a competent team before June 2014. If adopted recruitment will commence immediately and we will use a combination of short contracts, permanent recruitment and agency staff to meet the levels of activity required. This also provides an opportunity to generate new career opportunities and we will be looking at opportunities to recruit and train those interested in this area of work.
- 8.9 **Corporate Policy and Customer Impact** – The proposal aligns with corporate priorities and the Council's vision is to encourage growth and unlock the potential of Barking and Dagenham and its residents. Introducing a Private Rented Property Licensing Scheme will seek to address Priority 2 Reduced crime and fear of crime by tackling poor management including nuisance and anti social behaviour by requiring Landlords to address nuisance issues directly with their tenants.
- 8.10 Improved private rented sector homes will also significantly contribute to Priorities 1, 3 and 4, every child matters, improving the health and wellbeing of residents and contributing to thriving and sustainable communities.
- 8.11 The proposal aligns with the priority themes established by the Health and Wellbeing Board within the framework of the Children and Young People's Plan and are contained within Priority 2 Protection and Safeguarding. Specifically Theme 2 includes protection from threats to health of people via the enablers of the built environment and housing stock.
- 8.12 The proposal is contained with the Council's Housing Strategy 2012-17.
- 8.13 A full Equalities Impact Assessment (EqIA) has been completed taking into account the potential impacts in relation to race, gender, disability, sexuality, faith, age and community cohesion, and the actions to be taken to mitigate these impacts, where appropriate.
- 8.14 **Safeguarding Children** - A full EqIA has been completed taking into account how this proposal will improve the wellbeing of children in the borough, reduce inequalities and ensure children's facilities are provided in an integrated manner, having regard to guidance issued under the Children Act 2006 in relation to the provision of services to children, parents, prospective parents and young people.
- 8.15 A PRS licensing scheme would increase opportunities to highlight and refer children and vulnerable people at risk at an earlier stage.
- 8.16 **Health Issues** - A full EqIA has been completed taking into account the potential impacts in relation to health issues including steps to be taken to mitigate the negative effects.
- 8.17 **Crime and Disorder Issues** - A full EqIA has been completed taking into account the considerations given to the planning, implementing and monitoring of the proposal around identified crime and disorder reduction priorities in line with the Community Safety Partnership Action Plan.

- 8.18 We have consulted with the police and built in recommendation for making properties more secure from burglary and break in into our standard licence conditions.
- 8.19 Section 17 of the Crime and Disorder Act requires the Council to have regard to crime reduction and prevention in its service delivery and design. The level and spread of ASB in the private rented sector highlights the level of anti social behaviour which emanates from private rented properties and it is anticipated that a licensing scheme will have a positive impact on this.
- 8.20 If Borough wide licensing is not introduced a useful enforcement tool to control housing conditions in HMOs and reduce anti social behaviour in the private rented sector will not be available to the service area. This will reduce the potential impact of the activities of the service area.
- 8.21 **Property / Asset Issues** – The council’s accommodation plan is being applied to facilitate the required staffing to implement the proposals. There is no proposal to purchase, lease or sell property/assets and any other matter which is, or is planned to be, incorporated in the Council’s Capital Programme. The development of the team to deliver this scheme will need to be accommodated in accordance with our existing accommodation strategy.

Public Background Papers Used in the Preparation of the Report:

- M.E.L reports on Private Rented Property Licensing consultation for the London Borough of Barking and Dagenham January 2014 (available at <http://authoring/Housing/Pages/PrivateRentedLicenceReportBackgroundPapers.aspx>)
- Anti Social Behaviour and Private Rented Sector Evidence Report January 2014 (<http://authoring/Housing/Pages/PrivateRentedLicenceReportBackgroundPapers.aspx>)
- Equalities Impact Assessment Private Rented Property Licensing January 2014 (<http://authoring/Housing/Pages/PrivateRentedLicenceReportBackgroundPapers.aspx>)

List of appendices:

- Appendix 1A - Designation and Map for Selective Licensing
- Appendix 1B - Designation and Map for Additional Licensing
- Appendix 2 - Private rented property licensing conditions
- Appendix 3 - Private rented property licensing fees structure