

Public consultation on new proposals for private rented housing selective licensing scheme

Summary Consultation Document

Introduction

We are in the midst of a severe housing crisis and the need to secure good quality, genuinely affordable homes for our residents has never been greater. Islington Council are committed to standing up for private renters, and all others in our communities, to ensure equity in access to decent, safe and affordable homes.

The private rented sector covers around 30% of housing in Islington and rents account for about 70% of renters' gross earnings. Although many privately rented properties are perfectly satisfactory, a significant amount are not up to standard.

The proposed selective licensing schemes will require all private landlords in three wards to apply for a licence and to meet minimum standards with regards to the management, use and maintenance of privately rented accommodation.

This document summarises the council's proposal to introduce two new selective licensing schemes, covering all privately rented properties within the new ward boundaries of Finsbury Park, Hillrise, and Tollington.

More detailed information on how we have developed the proposals and the evidence to support the selection of the nine wards can be found in the Full Consultation Document and the Frequently Asked Questions (FAQs) on our website.

We would like to know what you think of the new schemes.

We welcome feedback from landlords, agents, tenants, local businesses, regional and national landlord associations, neighbouring local authorities, voluntary organisations and community groups and any other interested stakeholders.

The consultation is open to all residents, as well as people who visit or work in the borough.

We are keen to hear your views on our proposals and encourage you to have your say. You can do this by one of the following methods:

- Complete the property licensing consultation questionnaire online at www.islington.gov.uk/licensingconsultation
- Complete a paper questionnaire –available from property.licensing@islington.gov.uk or by calling 020 7527 3205.
- Attend one of our virtual consultation events for landlords, tenants and residents. If you would like to attend one of these events please complete our online registration form at www.islington.gov.uk/licensingconsultation .

Consultation starts: 23 December 2021

Consultation ends: 27 March 2022

What is a selective licensing scheme?

Selective licensing applies to any privately rented houses or flats in a designated area that are occupied by:

- a single person
- two people sharing (regardless of their relationship to one another)
- any number of persons forming a single household

Selective licensing enables the council to regulate private rented properties by setting standards relating to the management, use and maintenance. Licences are issued to either the landlord or person responsible for the day to day management of the property.

Licence conditions will include safety measures such as those relating to gas, electrical and fire safety, the provision of adequate facilities for heating, refuse and recycling facilities, as well as property maintenance and management of anti-social behaviour and security measures.

Selective licensing is discretionary and can be only implemented where the council is able to demonstrate that specific criteria have been met. Licensing schemes last for up to five years, after which they expire, unless they are renewed, following a further consultation process.

Any selective licensing scheme that covers more than 20% of a boroughs private rented sector will require approval from the Secretary of State for Levelling Up Housing and Communities.

Are Houses in Multiple Occupation covered by selective licensing?

Houses in Multiple Occupation are properties that are occupied by three or more unrelated persons and who share kitchens or bathrooms, for example shared houses and bedsit type accommodation. These properties are outside the scope of selective licensing as they are regulated via separate licensing schemes.

All HMOs occupied by 5 or more people are licenced every 5 years under a mandatory licensing scheme.

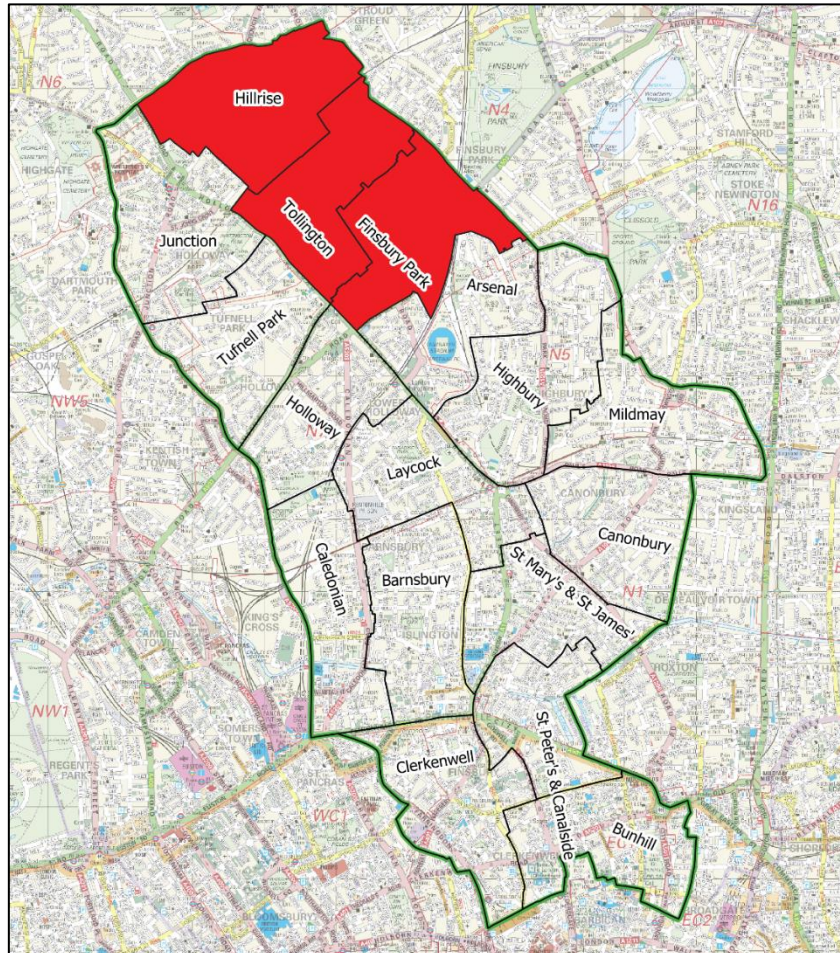
All HMOs in Islington occupied by 3 or more people are required to be licensed under a 5 year discretionary additional licencing scheme that commenced on 1 February 2021

Which wards have been selected for selective licensing?

The council is proposing to use the new ward boundaries that will come into effect on 5 May 2022. Although many residents and landlords are not currently familiar

with the new boundaries these changes will be taking place shortly after the council reviews consultation feedback and formally decides whether to proceed with the selective licensing proposal.

The proposal is to introduce a new five year selective licensing scheme to cover privately rented properties in the new wards of Hillrise, Tollington and Finsbury Park, highlighted red on the map below.



Map 1. Areas covered by the proposed licensing schemes

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What about the existing selective licencing scheme in Finsbury Park?

The existing selective licensing scheme in Finsbury Park was introduced on 1 February 2021. The Local Government Boundary Commission for England has made changes to ward boundaries in Islington which will come into effect on 5 May 2022. These changes will make the existing designation of the Finsbury Park scheme both contradictory to the new ward boundaries and confusing for all concerned.

In order to address this, and to expand the scheme to other adjacent areas that meet the criteria, should the council approve the proposed selective licensing scheme, the recommended course of action will be to revoke the existing scheme for Finsbury Park and redesignate the new Finsbury Park ward.

All existing selective licences will passport to the new scheme so there will be no need for landlords who have already applied and paid for a selective licence to reapply.

What criteria has the council used to selected three wards for inclusion in the licensing scheme?

The regulatory framework for selective licensing is contained in the Housing Act 2004. Before the council can decide to introduce selective licensing, one or more of the following conditions must be met:

- the area is, or is likely to become, an area of low housing demand;
- the area is experiencing a significant and persistent problem caused by anti-social behaviour;
- the area has poor property conditions;
- the area has high levels of migration;
- the area has high levels of deprivation;
- the area has high levels of crime.

This means that the council has to collect and analyse data to demonstrate a link between the private rented sector and issues such as anti-social behaviour, poor property conditions, high levels of migration, high levels of deprivation or high levels of crime.

Poor property conditions in the private rented sector support the proposal to introduce selective licensing in three wards. Evidence also indicates that some of these wards also have higher than average levels of antisocial behaviour, crime and deprivation.

The council intends to take a phased approach to selective licensing, starting with a scheme covering less than 20% of the borough, thus not requiring approval from the secretary of state, before proposing further schemes.

A selective licensing scheme is already in operation in Finsbury Park and in some of Tollington ward. For the new scheme, Finsbury Park, Tollington and Hillrise were chosen to make the scheme as clear and practical as possible, covering a simply defined geographical area (the North East of the borough), including all areas with an existing selective licensing scheme, whilst remaining below the 20% threshold.

For more detailed information on the data and its analysis please go to section 8, Parts E to J of the Full Consultation Document.

What are the benefits of selective licensing?

Selective licensing benefits landlords, tenants and the local community by helping to ensure that all private rented property within the designated areas is managed to a satisfactory standard.

Benefits for landlords

Licensing creates a level playing field for responsible landlords who meet the required standards and it helps landlords to protect the investment in their property.

Licensing enables the council to identify landlords that need to take action to bring their properties up to standard and to take robust enforcement action against the minority of rogue or criminal landlords who fail to invest in their properties and meet their legal obligations.

Benefits for tenants

Many tenants are unaware that they can complain about poor housing conditions and others fear eviction if they complain about their landlords.

Licensing allows the council to adopt a proactive approach to identifying private rented properties and undertaking a risk based approach to tackling poor housing conditions and raising standards in private rented housing.

Licensing requires the landlord to demonstrate good management practices. If a landlord is not able to demonstrate that they are a fit and proper person to manage the accommodation a licence will not be granted.

Benefits for the local community

If privately rented properties are poorly managed, this can have a negative impact on the wider neighbourhood.

Licensing helps landlords to manage their properties effectively, including the implementation of tenancy conditions to combat anti-social behaviour, poor waste management or neighbourhood nuisance caused by their tenants or people visiting their properties.

Our full analysis of why we are introducing these schemes is set out in Section 4 of the Full Consultation Document

How much will a selective licence cost?

The proposed fee for a 5 year licence is £500.

What alternative options have been considered?

These are the alternatives options that we have considered:

- do nothing

- increase enforcement activity
- introduce different area-based schemes to the ones proposed
- encourage more voluntary landlord accreditation
- undertake a programme of renewal.

We do not feel that these options will provide the required level of improvement in housing standards in the private rented sector nor will they provide the required level of protection of the health, safety and welfare of residents.

What happens next?

When the public consultation ends on 27 March 2022 we will undertake a detailed analysis of the responses to help us decide on the next steps. The feedback from the consultation, along with the evidential data detailed in the full consultation document, will be considered by the council and it will decide if it is appropriate to designate the wards identified in the proposal as an area to which selective licensing applies, and to revoke the existing selective licensing scheme that covers the current Finsbury Park ward.

If approved, the designation will not take effect until at least 3 months after the decision has been made.