

Cabinet

Tuesday 21 July 2015

4.30 pm

Ground Floor Meeting Room GO2A, 160 Tooley Street, London
SE1 2QH

Appendices

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ASSET PERFORMANCE EVALUATION

FINANCIAL AND SUSTAINABILITY ANALYSIS

POSITION STATEMENT

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1. Executive Summary

- 1.1 This report sets out the findings from the asset modelling that has been carried out on Southwark Council's housing stock. The work was completed in February 2015 and reflects the position at that time.
- 1.2 The modelling is intended to inform an investment strategy based on an active asset management approach where the Council seeks to make investment decisions that are informed by an understanding of the financial performance of the stock, and the extent to which it delivers the Council's social housing objectives. In this way decisions can strengthen the Business Plan and contribute to meeting the Council's policy objectives.
- 1.3 The analysis focuses on 50,409 units (tenanted including general needs, sheltered and hostels and leasehold). It excludes properties where decisions about future asset management have already been made (e.g. Aylesbury).
- 1.4 For the purposes of analysis, the stock is broken down by block using the Council's coding system and then grouped by estate. The Council's coding system for estates includes street properties.
- 1.5 The asset management model produces the following key results:
 - The 30-year net present value (NPV) of the income and expenditure associated with a tenanted housing stock of 36,301 units stands at £457.3m or £12,597 per unit. This reflects a range of NPV levels across the stock.
 - 11.5% of the stock (4,167 units) has an NPV which is negative, below £0 per unit.
 - 27% of the stock (9,771 units) has a marginal NPV of between £0 and +£10,000 per unit.
 - The poorly performing and marginal stock is balanced by 61.5% of the stock (22,363 units) with strong NPVs of over £10,000 per unit.
 - Leaseholder units are assumed to have a neutral NPV.
- 1.6 The key messages from these headline initial results are as follows:
 - Overall the portfolio has a positive NPV, which will be further impacted through the investment under the Warm, Dry, Safe programme
 - The overall positive NPV also reflects the fact that over the long term, rental income is sufficient to meet operating costs associated with the assets.
 - The proportion of stock with a negative NPV includes estates where work is already underway to deliver improvements and therefore there is potential to improve the values of cashflows in the future

- The initial analysis confirms the fact that Southwark does not need to consider further plans for large scale regeneration although it presents opportunities for areas where Southwark can focus on maximising investment and value for money
- 1.7 The analysis is based on data held on the Council's housing management and asset management databases. This includes income from rents, rent lost from voids, day to day management, day to day maintenance and future investment needs of the stock. Savills has worked closely with Southwark officers to extract information from Southwark's systems and to agree its treatment in the model. All data has been signed off by head of service before being used in the model. Savills has not carried out any independent validation of data.
- 1.8 The estimated future investment need of the stock, based on current data held by the Council, is assessed at £2bn over 30 years (excluding inflation) which represents an average investment of £55,942 per tenanted unit.
- 1.9 Work has been undertaken to assess the risk of major structural repairs and this has been flagged in the model. Where these risks materialise, then additional costs would need to be added to the model which would reduce the NPV of the asset group concerned.
- 1.10 The process has highlighted improvements required in the data quality to develop the model further and improve the robustness of the outputs. We understand that a data improvement project is being undertaken as part of a project to upgrade Southwark's asset management system that will improve the robustness of outputs.
- 1.11 Community sustainability modelling has identified the socio economic context of each asset group. The analysis has used a series of indicators agreed with Southwark that are designed to reflect the Council's objectives as a social landlord. This includes indicators around
- income deprivation and fuel poverty,
 - resident satisfaction and popularity of different areas,
 - housing management issues impacting on people's lives (e.g. rates of crime and anti social behaviour), and
 - wider socio economic issues such as transport accessibility and health deprivation.
- 1.12 Data has been gathered from a range of internal and external sources and used to provide evidence of social sustainability across the portfolio. The model is designed to allow Southwark Council to change indicators and update data as its objectives change over time.
- 1.13 The combination of the sustainability analysis and financial assessment is useful as a comprehensive assessment of overall performance. Priority in terms of action, and the shape of the asset management intervention in each area, will differ depending on the combination of these factors
- Stock that shows strong financial performance and strong social sustainability can be the focus of regular investment, delivered efficiently, to maintain values and maintain resident satisfaction

- Where stock shows weak financial performance and strong social sustainability this may mean that while the area is popular and thriving, the physical quality of the buildings is the key issue and options can be explored with residents as to whether a small scale redevelopment or regeneration scheme may deliver better outcomes than direct refurbishment in existing buildings
- Where stock shows strong financial performance, but weak social sustainability this indicates that there may be other community initiatives required, along side asset investment, to ensure that the impact of that investment genuinely improves outcomes for residents
- Where stock shows weak financial performance and weak social sustainability the Council will want to prioritise these properties in order to work with local residents on exploring the widest range of options possible to improve outcomes..

1.14 The results can be used to inform the development of an overarching business plan which

- Moves from a technical assessment of investment need, to an agreed investment plan
- Enables competing priorities for resources to be balanced between existing stock and the delivery of new homes.
- Demonstrates the strength of cashflows associated with the majority of current assets

1.15 This work will feed into a revised HRA model and can be used to inform the future asset management strategy.

1.16 In summary the results from this asset and sustainability analysis can be used to develop an asset management strategy including

- A 5 year investment strategy for the stock, based on a transparent investment standard which prioritises investment decisions based on the performance of the assets and business plan affordability
- The production of a 30 year investment profile that manages critical points in the business plan cash flow
- Identification of candidate asset groups for more detailed options appraisal to be carried out in consultation with residents.
- The establishment of links between the performance of homes, estates and regeneration potential in order to identify opportunities that could be explored in the Council's plans to deliver new homes.

2. Project Overview

- 2.1 This report sets out our initial findings in respect of the financial performance of Southwark's housing stock. Further work is ongoing to refine the modelling, testing and sense checking all inputs and outputs. A full position statement will be finalised once this work is complete. This report and the associated financial model will then provide the evidence basis on which stock investment and other strategic decisions can be taken.
- 2.2 The modelling is intended to inform an investment strategy based on an active asset management approach where the Council seeks to make investment decisions that are informed by an understanding of the financial performance of the stock, and the extent to which it delivers the Council's social housing objectives. In this way decisions can strengthen the Business Plan and contribute to meeting the Council's policy objectives.
- 2.3 The objective of the financial exercise is to produce income and expenditure projections for each block and estate over a defined investment period. From this it is possible to identify the stronger and weaker performing assets within the stock. When combined with data on the external housing market, and data on the socio economic context, the results of this work can also advise on where best to target other initiatives, such as small scale regeneration, disposals or re-development.
- 2.4 The properties covered in this report include 50,409 units, which excludes 2,308 dwellings where decisions have already been made about future options (e.g. Aylesbury, Lakanal).
- 2.5 The following paragraphs set out the key stages of works associated with the financial modelling process.

STAGE 1: Financial Model: Categorisation of Properties

- 2.6 For the purposes of financial analysis, the model groups the stock into 406 high level 'asset groups'. The data is loaded into the model at block level using Southwark's "SBK" coding system and grouped for analysis by estate using Southwark's "SES" coding system. It should be noted that this coding system includes both estate and non estate based (e.g. street) properties. The model includes tenanted and leasehold properties. The model assumes costs from leaseholders for capital investment are fully recovered over time.
- 2.7 The estates or asset groups are of varying sizes. However the breakdown should be designed to ensure that the assets comprising the groups perform similarly from a financial perspective and can be identified easily to aid further detailed analysis. The stock breakdown by asset group is shown in Appendix 1.

STAGE 2: Financial Model: Information Collected

- 2.8 The financial model has drawn upon data supplied by Southwark. The information we have collected for our financial model can be broken down as follows:

- Stock data (including addresses, dwelling types, age, house types, use).
- 2014/15 rent levels.
- Historic void periods (over three financial years, setting out rent loss days in each year) for the tenanted stock.
- Day to day repair and management costs including planned/cyclical, response and void maintenance as well as servicing costs from the Council's HRA budgets.
- Stock condition costs from the Council's asset management database, APEX, which provides a 30-year cost profile for programmed repair costs, along with other data held by Southwark outside of the APEX system for example on Mechanical and Electrical installations and Fire Risk.
- Rents are assumed to rise with CPI + 1% to reflect the social housing rent standard and costs are assumed to rise with RPI to reflect current rent assumptions.

2.9 The data provided, as well as the underlying modelling assumptions has been designed to fit with those used in the Council's HRA business plan. It should be noted that stock condition costs are based on the technical assessment of investment need captured on Southwark's asset management databases, reflecting the figures presented in capital bids. They have not been adjusted to reflect current budget allowance in the Council's business plan.

2.10 Savills has worked closely with Southwark officers to identify current costs, and agree how they are apportioned across the stock. All inputs were signed off by the relevant head of service at Southwark. A schedule of data sources and contacts for data review and sign off by Southwark is attached at Appendix 2. Working papers have been shared with Southwark and will be handed over to facilitate future updates by Southwark, and to enable appropriate challenge to be made to source data to test outputs before they are relied on for decision making.

Capital costs - Future stock investment need

2.11 The investment needs are based on the standard that Southwark identifies as being required to maintain the Council's housing assets. The costs have not been independently validated by Savills. The model is designed to enable the Council to upload any new information on stock condition, or any changes to the investment standard as it becomes available. This will be particularly important to update results following completion of current programmes of Warm, Dry, Safe in order to test the impact of this on the value of future cashflows.

2.12 An allowance for additional costs such as professional fees and administration has been added to some elements at 15% to reflect assumptions agreed with Southwark. No uplift has been applied to costs for external decorations, kitchens and bathrooms as Southwark has advised the costs are inclusive of professional fees and admin.

2.13 An allowance for external decorations has been included based on a 7 year cycle. This compares to a more limited budget provision currently in place.

2.14 Costs for future investment in district heating reflect the cost of maintaining and replacing existing systems. There may be alternative options that can be explored to reduce costs.

- 2.15 The treatment of capital costs has been agreed with Southwark to avoid double counting with revenue budgets (for example on fire risk works).
- 2.16 No allowance has been included for concrete structural repairs. The risks associated with defects in particular property types have been assessed separately by ARUP and where available the risk rating will be recorded in the model. Costs for these repairs can be included in future model updates, once investment need is confirmed. This may change the relative performance of different blocks and estates.
- 2.10 The projected investment needs reach a total of £2bn over a 30 year period at an average rate of £55,942 per tenanted unit.
- 2.11 The asset model looks at the cost of works to tenanted properties, and apports them at an individual block level. It assumes that leaseholder costs for capital works are fully recovered by leaseholder charges over time. The HRA business plan will need to consider an allowance for non recovery based on a local assessment of risk.
- 2.12 The graph below demonstrates the investment needs of the stock in five year bands included in the asset model. This shows a backlog of investment needed in the short term which represents works beyond the current warm, dry, safe programme. It should be stressed that this cost profile reflects a technical assessment of investment need, as reflected in Southwark's asset management data. The results of the modelling can then be used as part of the investment planning process to arrive at a final agreed programme of works.

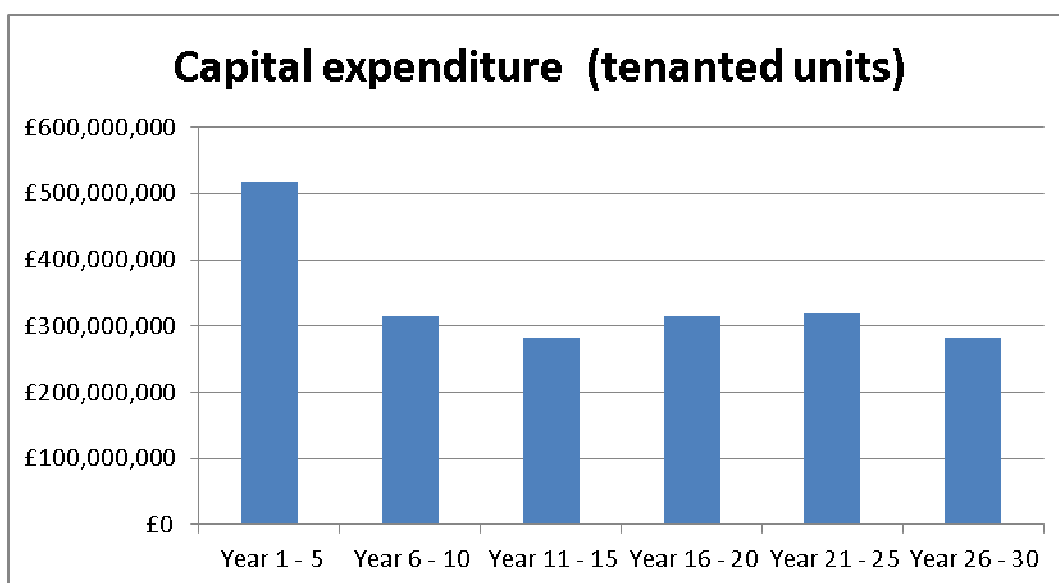


Figure 1 Total investment requirement tenanted stock (asset model)

- 2.13 We have compared stock investment costs generated by Southwark to average costs prepared by other local authorities and housing associations where we have modelled stock in the last 3 years. This shows an average of £32,200 per unit, split between £42,900 for local authority stock and £28,700 for housing association stock. If the early years backlog of additional expenditure in the Southwark data is excluded from comparative figures, the long term average would be closer to £49,000 per tenanted unit. Southwark will need to consider whether more detailed benchmarking or validation of costs is required to provide robust data to support decision making and to inform the discussion on future investment standard.

- 2.14 Savills has not been asked to carry out any health check on the stock investment figures produced. However it should be noted that future investment costs for hostel properties appear low compared with data for other properties held on Southwark's systems. The average 30 year investment cost for hostel units is £11,556. This may mean costs are understated for these properties.
- 2.15 Costs reflect future investment need recorded on Southwark's asset management databases rather than current agreed programmes. Where major programmes of work are being undertaken, beyond the scope of the works recorded on the asset management databases (e.g. High Investment Need Estates), then the future investment needs of these blocks will need to be reviewed following completion of these programmes.

Revenue costs – day to day management and maintenance

- 2.16 Management costs are taken from the Council's budgets. Service charge income from tenants and leaseholders, and other income from non dwelling assets such as garages and commercial properties has been netted off management costs to produce a net cost to the Council. The accounts show some differentiation between the costs of directly managed properties, and those managed by TMOs. However, this appears to indicate higher management costs to TMOs, which officers felt did not reflect reality and therefore this differentiation should not be used for modelling purposes. Therefore a single management cost per dwelling has been used which produces an average management cost per dwelling of £1,152 per unit per annum (p.u.p.a.).
- 2.17 Revenue repair costs (responsive, void and cyclical) are taken from the Council's budgets. In order to differentiate repair costs associated with different types of property, responsive repair costs were weighted based on historic expenditure patterns. Other property specific costs were apportioned to particular properties, e.g. door entry and lift servicing. Income from leaseholder service charges is netted off costs for these units. The result is a range of costs with an average of £1,334 p.u.p.a.
- 2.18 High responsive repair costs in particular blocks are driven by
- Servicing costs for district and individual heating systems
 - Fire risk work directed at particular blocks
 - Apparent lack of full recovery of revenue costs from leasehold units.
- 2.19 While there can be a high degree of confidence that overall costs match current budgets, we would recommend that Southwark reviews the cost apportionment, particularly the assumptions around recovery of leaseholder costs to ensure current budget coding systems accurately reflect the reality of cost and income distribution.

Voids

- 2.20 Assumptions about future rent lost from voids have been based on historic void performance over the last 3 years. This has been analysed by estate/asset group. The average % rent lost from voids for the entire portfolio is 0.55% and it varies by estate 0% to 3.91%.

STAGE 3: Financial Model: Cash flow Modelling

- 2.21 The asset model shows the original data on investment need, in order to provide as complete a picture as possible of future assessment of need. The asset model can then be used to determine how the smoothing of the investment profile is implemented across different asset groups and any adjustment made for business plan affordability.
- 2.22 All the data identified above, both current and historic, is allocated to individual block references (SBK codes) and the corresponding asset groups (SES codes).
- 2.23 The data is input at block level into the asset model. The asset model is run to produce a 30 year cash flows' with annual surplus/deficit for each asset group and to calculate the Net Present Value of the cash flows.
- 2.24 The outputs are then collected and analysed to identify strengths, weaknesses and trends within the stock, in order to show the relative financial performance of different asset groups.

Key Financial Modelling Issues

- 2.25 The asset performance evaluation model focuses exclusively on the income and expenditure associated directly with properties, the operating cash flow. The model does not account for the Council's capital structure and therefore the additional costs of debt servicing. Nor does the model take additional subsidies into consideration, such as backlog funding for decent homes works or other funding from the affordable housing fund.

Results of Asset Performance Evaluation

- 2.26 The results can be used for assessing the profile of stock performance and identifying any correlations between financial inputs and outputs. Strong performers can be confirmed and weaker performing stock identified for further review and option appraisals. Analysis of the different input factors can help to understand the drivers of poor performance and inform an options appraisal to consider how performance can be improved.

3. Data Inputs and Limitations

- 3.1 There are a number of limitations associated with the inputs used within the modelling exercise.

Asset Groups and Statistical Significance

- 3.2 The size of asset groups varies from 2 to 2,016 units. 98 asset groups contain less than 10 dwellings.
- 3.3 Where an asset group contains large numbers of properties, data is effectively 'smoothed' across the assets, which may mask specific issues (e.g. exceptionally high or low costs for some properties within the group).
- 3.4 Where an asset group contains very small numbers of properties, any input assumptions may not reflect an accurate picture at a very local level. This is particularly relevant in the context of stock condition (or major repair) costs, which may have been derived on the basis of a sample survey across the stock, adjusted over time to reflect capital works since the survey and additional need identified since the survey. Therefore it may be the case that smaller asset groups may be allocated costs which contain a level of cloned data which may not be fully representative at a very local level. The investment cost data associated with the smaller asset groups must therefore be treated with caution. A 'sense-check' will need to be made of the results as the asset management strategy develops.
- 3.5 In some cases (predominantly hostels) the SBK coding system is not used. This presented difficulty matching data from different sources which Savills has attempted to address by applying a common referencing system between working papers. In other cases data was provided without any reference system. Savills has attempted to match data electronically where possible and applied some manual matching where this was possible within the time frames for this project. The issues with referencing systems, and the complexity of budget coding systems, means that it will be important for Southwark to test model inputs and outputs and refine cost matching at block level as data quality improves over time.

4. Financial Modelling Results

- 4.1 This section sets out the results of the modelling process.
- 4.2 The 30-year NPV of Southwark's tenanted housing stock of 36,301 tenanted units stands at £457.3m or £12,597 per unit.
- 4.3 The results reflect a range of NPV levels across the stock. This is demonstrated in the graph below, with Asset Groups (represented as blue columns) ordered according to their value. The lower NPVs are shown to the bottom increasing gradually to the highest NPVs at the top

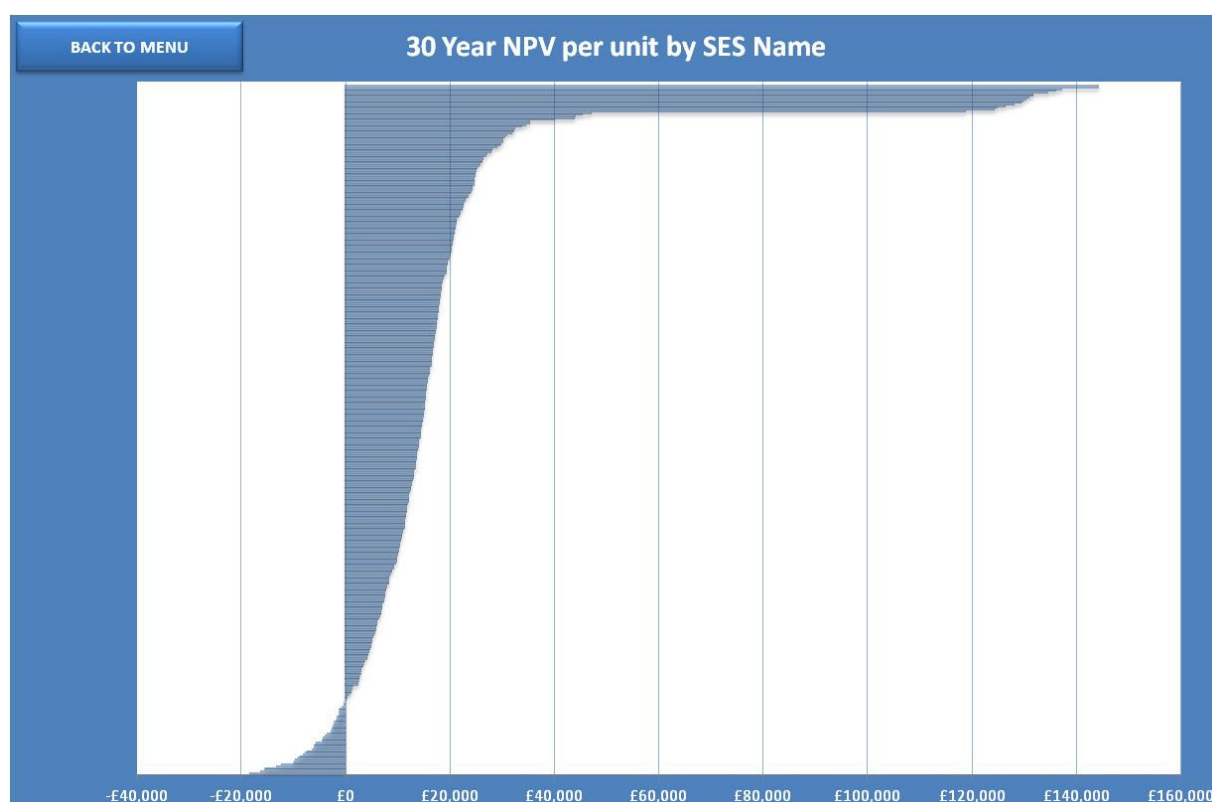


Figure 2 – NPV per unit

- 4.4 11.5% of the stock (4,167 units) has an NPV which is negative, below £0 per unit.
- 4.5 The majority of these units are receiving investment through the Warm, Dry and Safe programme that was a previous commitment.
- 4.6 27% of the stock (9,771 units) has a marginal NPV of between £0 and +£10,000 per unit.
- 4.7 The poorly performing and marginal stock is balanced by 61.5% of the stock (22,363 units) with strong NPVs of over £10,000 per unit.
- 4.8 Leaseholder units are assumed to have a neutral NPV.

- 4.9 It should be noted that very high NPVs at the top of the chart are largely driven by very low stock condition costs on hostel units. We would recommend that the future investment needs of these units is reviewed to ensure all costs are fully captured. At present there is a risk that these NPVs are overstated.
- 4.10 NPVs have been produced based on a real discount rate of 6.5%. This reflects the assumptions used in the development appraisal process along with an additional risk factor reflecting the complexity of assessing future cashflows for existing stock.
- 4.11 On the basis of the above NPV profile, we have determined the following financial; performance bands, for which we also provide unit numbers:

30 yr NPV pu	No. Of units	% units	Total 30 yr NPV	NPV per unit
Below £0	4,167	11.48%	-£14,785,163	- £3,548
£0 - £10,000	9,771	26.92%	£42,559,205	£4,356
Above £10,000	22,363	61.60%	£429,508,358	£19,206
Total	36,301		£457,282,401	£12,597

Table 1 - Performance bands for asset groups

- 4.12 The key messages from these headline initial results are as follows:
- Overall the portfolio has a positive NPV, which will be further impacted through the investment under the Warm, Dry, Safe programme
 - The overall positive NPV also reflects the fact that over the long term, rental income is sufficient to meet operating costs associated with the assets
 - The proportion of stock with a negative NPV includes estates where work is already underway to deliver improvements and therefore there is potential to improve the values of cashflows in the future
 - The initial analysis confirms the fact that Southwark does not need to consider further plans for large scale regeneration although it presents opportunities for areas where Southwark can focus on maximising investment and value for money
- 4.13 The model includes charts setting out the financial performance of Southwark's stock for the all asset groups at the point in time at which the data was supplied. This includes the key performance drivers including levels of capital expenditure, rent, voids and management and maintenance costs shaded according to their impact on the results (with greener shading showing above average performance for the stock and red showing below average).

- 4.14 This shows, for example, the specific issues with high levels of investment needed in properties at some estates, low rents, particularly in sheltered properties combined with high investment need, and high revenue maintenance costs. The results reflect high investment need already being addressed through current programmes (e.g. Gilesmead and Portland) and will need to be updated on completion of these programmes.
- 4.15 Above all it should be stressed that the model does not mean that investment should not proceed in estates where there is poor financial return. It provides an evidence base that can be used to explore the business case for investment at a local level to ensure that investment decisions improve value for money.
- 4.16 Improvement in business plan capacity could be delivered through a range of strategies including
- Alternative investment strategies to adjust the investment standard and/or profile
 - Exploring alternative options for poorly performing stock such as small scale regeneration or redevelopment – linked to the development strategy
 - Management initiatives – for example, efficiencies in management costs or reductions in underlying maintenance or repair expenditure, reduction of voids, increases in income subject to the Council's policies on rents and service charges and current plans to explore devolved management.
 - Options to improve the underlying use of capital, linked to the local housing market such as market rent and disposals, to generate subsidy to fund investment in assets where value for money can be demonstrated.
 - Access to additional funding to increase income either across the stock or for specific property types (e.g. backlog decent homes funding, energy efficiency grants).

Net Income

- 4.17 In order to understand NPV, it is important to understand the future cash flow profiles for each asset group in terms of surpluses and deficits. Deficits in the early years may be capable of being sustained by surpluses made elsewhere in the stock if there are longer term surpluses to be generated further down the line. Figure 3 below shows the overall asset cash flow position over 30 years. This is an operating cash flow of the existing stock before any corporate liabilities such as debt financing are taken into consideration.



Figure 3 - Total Annual Net Cash flow, All Tenanted Stock

- 4.18 Figure 4 below shows the total investment requirement of the stock, compared with its capacity to generate income from rents.

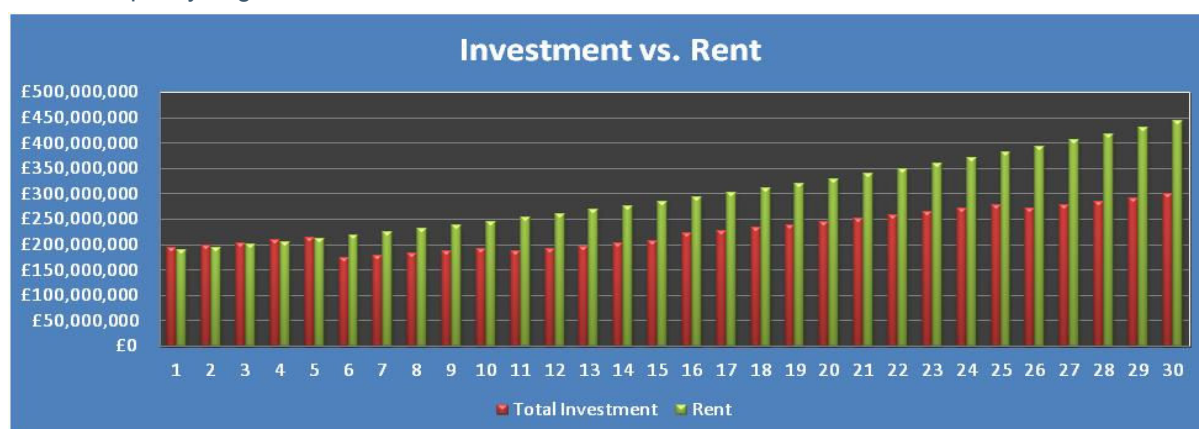


Figure 4 - Total annual investment v rent, All Tenanted Stock

- 4.19 The graphs show pinch points in the early years, which reflect the position of many councils in the years immediately following self financing where surpluses build up in later years due to the fact that rents are assumed to increase at a rate higher than costs.
- 4.20 The asset management strategy will need to consider how this position can be managed to produce a balanced cash flow in early years. It needs to be recognised that within the overall picture there will be cash flows for asset groups which do not show a surplus over 30 years and appraisals of alternative options for these assets could enable limited resources to be targeted effectively.
- 4.21 The Council will need to consider whether to adjust the investment profile in the early years to defer items of expenditure in order to manage business plan cashflows within prudent limits, and/or whether to increase borrowing within the limits of the HRA debt cap in order to provide additional funds to enable expenditure in the early years. This additional early years expenditure would be repaid by cash surpluses forecast to build up in later years. There will be competing priorities for resources and decisions will need to be taken within the context of the overall business plan. The model can be used to assist in this prioritisation.
- 4.22 The cash flow position can be analysed at individual asset group/estate level in order to highlight those asset groups whose cash flow is more marginal or negative over the 30 years. Combined with an analysis of NPV, these can be used to generate candidate lists for further analysis and options appraisal. An example is set out below. In some cases, early years deficits lead to strong longer term cash flows. In other cases, the costs of future renewals results in mid and longer term pinch points which threaten long term viability.

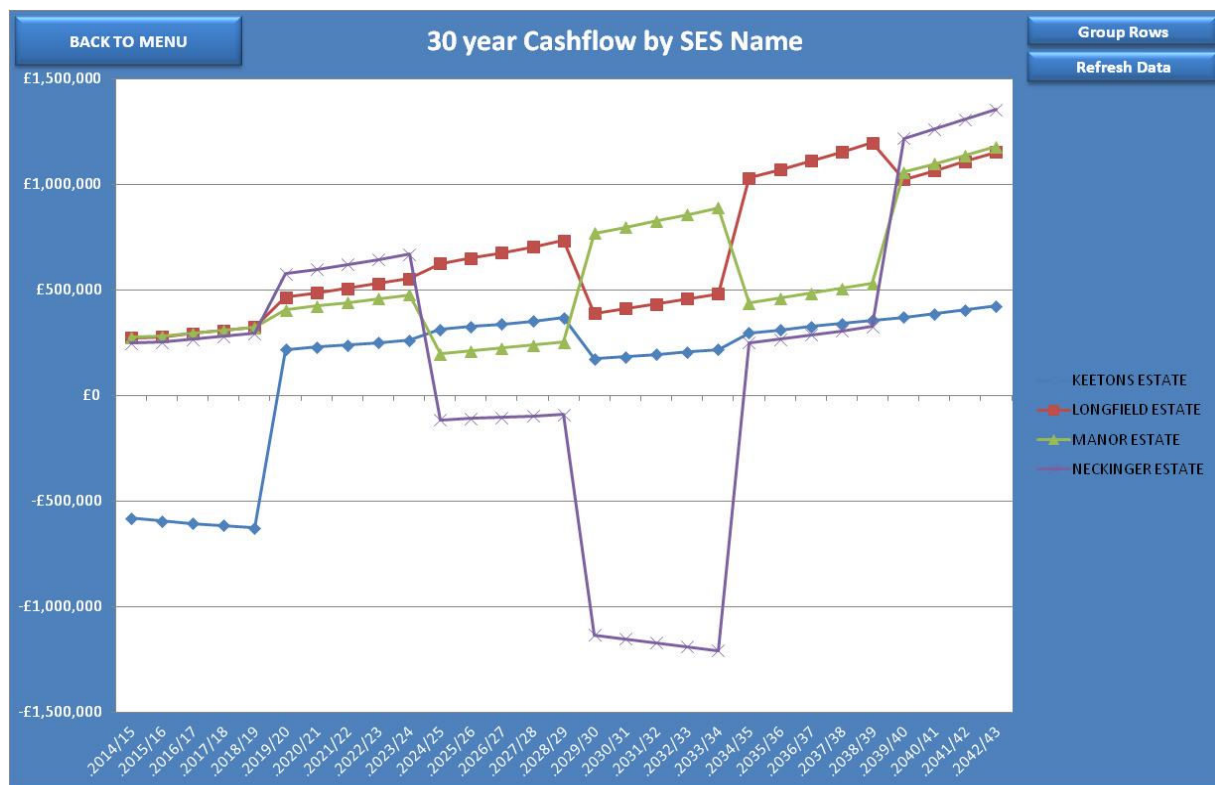


Figure 5 - Total annual net cash flow of sample of asset groups

Future NPVs

- 4.1 Part of the asset performance evaluation measures the projected future NPVs of the Asset Groups based on the investment assumptions contained within the model.
- 4.2 The graph demonstrates that the Southwark stock becomes increasingly viable through time. The value of the cashflows associated with the existing stock is anticipated to increase due to a number of key factors, of which we believe the level of stock condition costs after year 5, the current rent levels and the rent growth profiles are key.

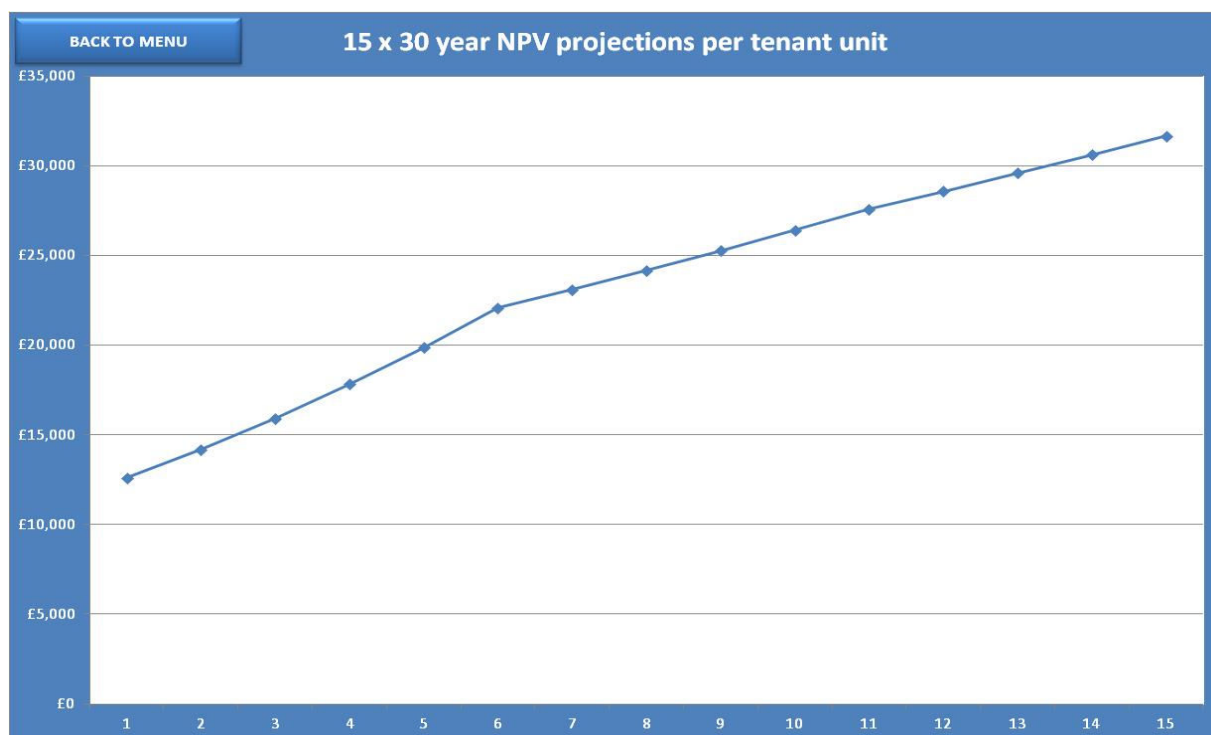


Figure 6 - Estimates of Future NPV per unit, all tenanted housing stock

- 4.3 The estimate for NPV growth per unit on average across the whole stock is 6.87% per annum over the 15-year period.

Using the model to inform options appraisals

- 4.23 An analysis of the capital expenditure currently targeted at the worst performing asset groups gives an indication of the impact of alternative investment strategies where it is possible to remove business plan liabilities through alternative options.
- 4.24 Asset groups with negative NPVs in the current model indicates a business plan requirement for capital investment in the short term. Where alternative options can be found that reduce or remove this business plan liability, this will improve business plan capacity.
- 4.25 There are a number of potential policy instruments to address the problems associated with poor asset performance. These range from the improvement of an existing asset to explorations of alternative funding or investment strategies. These could include small scale regeneration or asset disposals on the open market where alternative use of resources can deliver new and better housing. The results do not indicate the need for large scale regeneration. Prior to any decisions on any of Southwark's units, it is necessary to appraise each estate at block or individual property level to determine what potential option will deliver the best outcomes for the Council and for residents. This process would normally include intensive resident consultation.
- 4.26 Key potential options for identified poorly performing stock are set out below. Clearly, in considering these options, a number of key practical issues may have to be considered,

which could result in a number of properties being excluded from and / or included in the process:

- Remodelling / environmental investment in existing stock
- Review of rent and service charge policies
- Management initiatives potentially including the impact of efficiencies delivered through devolved management
- Diversification such as change of use, sub-market renting and market-renting or low cost home ownership to improve financial performance
- Transfer to another housing provider to ensure continued use as affordable housing where this is supported by residents
- Disposal of non-viable properties to remove onerous liabilities from Southwark's balance sheet
- Small scale regeneration including redevelopment (with or without additional subsidy from the business plan)

4.27 The financial impact of the above options can be modelled on an Asset Group by Asset Group basis. The key underlying assumption within the appraisal is that the low NPV associated with the Asset Group represents a base case which can be improved on. The appraisal enables the Council to compare the extent to which the alternative options could improve the NPV associated with the Asset Group.

5. Sustainability

- 5.1 We have supplemented the financial performance data by undertaking a sustainability analysis which takes into account the socio economic performance of the neighbourhoods in which the asset groups are located.
- 5.2 Savills has worked closely with Southwark staff to develop a set of indicators that reflects as far as possible the elements of the Council's social housing objectives for which data is available to assess performance across the stock.
- 5.3 Indicators were then grouped into key themes or measures as illustrated below.

Measure	Indicator (internal data in yellow)
Income	Income deprivation IMD
	Households affected by welfare reform
	Employment rate
	% Households in Fuel Poverty
Housing Management	Anti Social Behaviour
	Crime deprivation IMD
	Level of TMO/TRA activity
Demand	No. bids per property
	Levels of turnover
	Resident satisfaction with place/Neighbourhood
Wider social / economic influences	Health Deprivation IMD
	Overcrowding
	Transport accessibility PTAL rating
	Educational attainment Census 2011

Table 4: sustainability indicators

- 5.4 Data was collected from a range of internal and external sources. Data was split into ranges at asset group level and scored on the basis of 1 being very poor and 10 being very good. Weightings were then applied to each score as set out below

Measure (Weighting)	Indicator	Indicator weighting
Income 20%	Income deprivation IMD	5.0%
	Households affected by welfare reform	5.0%
	Employment rate	5.0%
	% Households in Fuel Poverty	5.0%
Housing Management 30%	Anti Social Behaviour	10%
	Crime deprivation IMD	10%
	Level of TMO/TRA activity	10%
Demand 20%	No. bids per property	6.7%
	Levels of turnover	6.7%
	Resident satisfaction with place/Neighbourhood	6.7%
Wider social / economic influences 30%	Health Deprivation IMD	7.5%
	Overcrowding	7.5%
	Transport accessibility PTAL rating	7.5%
	Educational attainment Census 2011	7.5%

Table 5: Agreed weightings

Combining the Financial and Sustainability Analysis

- 5.5 The combination of the sustainability analysis and financial assessment is useful as a comprehensive assessment of overall performance. Priority in terms of action, and the shape of the asset management intervention in each area, will differ depending on whether financially poorly performing stock is located within a sustainable or unsustainable location.
- 5.6 At a simplistic level, a sustainable location will in theory continue to be in demand from prospective occupiers in the future, whereas a less sustainable area may be at risk from decreasing popularity leading to a cycle of decline that can accelerate fast. Therefore, actions (in terms of options appraisals) often need to be considered in respect of poorly performing stock in less sustainable areas. Even in high demand areas, low sustainability scores can

indicate risks of increased costs from management and maintenance and bad debts that may have consequences on future financial viability.

- 5.7 Where asset groups actually perform well in a financial sense, but are located in less sustainable areas, potential policy options will differ – the problem will be less a housing issue, but one relating to the factors underlying general sustainability.

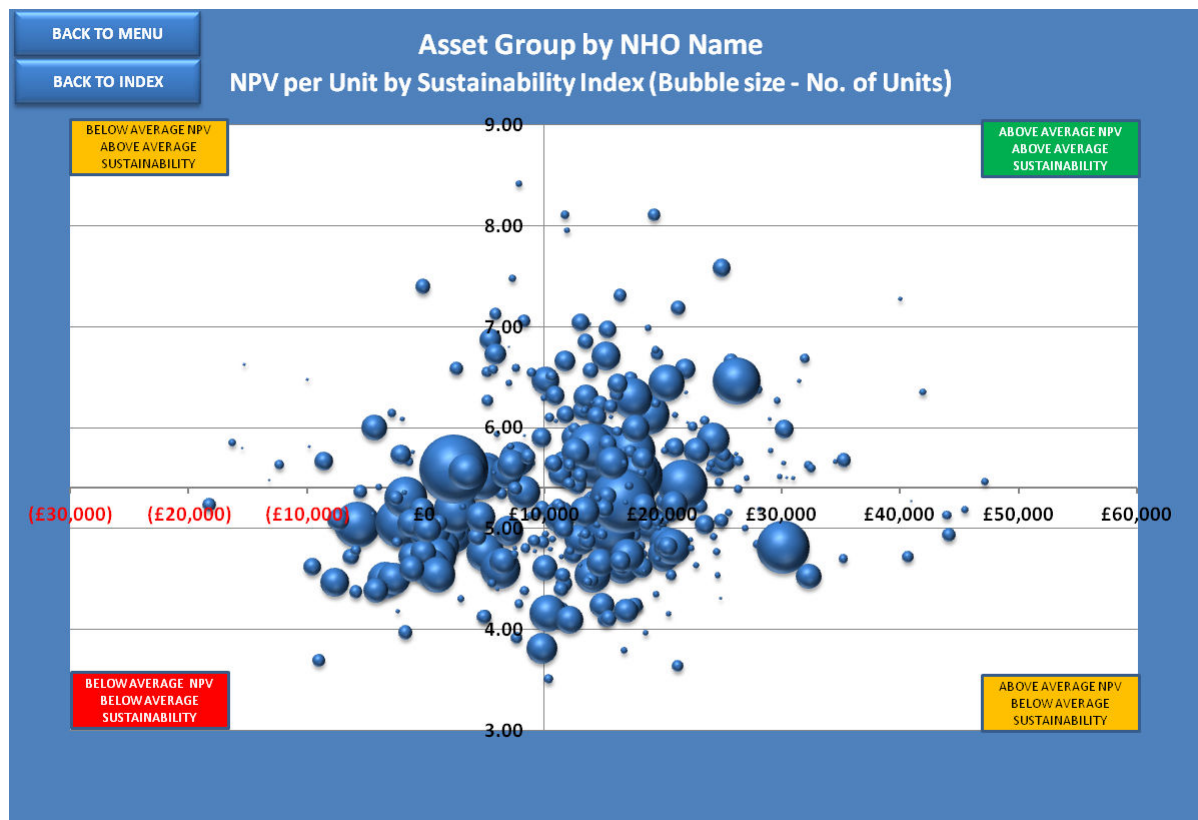


Figure.7 - Combined financial and sustainability analysis

- 5.8 The graph at figure 7 above shows the overall results of the exercise. Each 'bubble' on the graph represents an asset group, with the size of the bubble determined by the amount of stock in the asset group that has been included in the model. The x-axis sets out the 30 Year NPV pu of the asset groups, the y-axis the 'sustainability rank' of the asset group. The 'sustainability index' is scored by measuring the extent to which the sustainability score for the asset group differs from the average across the whole stock. Results can be filtered at a neighbourhood housing office (NHO) level.
- 5.9 The NPV and combined sustainability score as well as the quadrant in the bubble chart of each estate are shown in Appendix 1.
- 5.10 The combination of the sustainability analysis and financial assessment is useful as a comprehensive assessment of overall performance. Priority in terms of action, and the shape of the asset management intervention in each area, will differ depending on the combination of these factors

- Stock that shows strong financial performance and strong social sustainability can be the focus of regular investment, delivered efficiently, to maintain values and maintain resident satisfaction
- Where stock shows weak financial performance and strong social sustainability this may mean that while the area is popular and thriving, the physical quality of the buildings is the key issue and options can be explored with residents as to whether a small scale redevelopment or regeneration scheme may deliver better outcomes than direct refurbishment in existing buildings
- Where stock shows strong financial performance, but weak social sustainability this indicates that there may be other community initiatives required, along side asset investment, to ensure that the impact of that investment genuinely improves outcomes for residents
- Where stock shows weak financial performance and weak social sustainability the Council will want to prioritise these properties in order to work with local residents on exploring the widest range of options possible to improve things.

6. Conclusion and Application of Position Statement Results

- 6.1 This report focuses on a current-day financial analysis of the stock at a high level and at a point in time prior to the completion of the Warm, Dry and Safe programme. The work sets a framework for future investment decisions within an active asset management strategy.
- 6.2 The model can be refined over time by Southwark and key actions would include
- Identify outliers and anomalies to challenge source data and understand issues
 - Ongoing programme of data improvement including
 - Referencing systems between different data sources
 - Ensure full investment captured for all properties
 - Sense check apportionment of budgets to particular stock types
 - Training and hand over of working papers and models
 - Add additional data – e.g. open market values and market rents, updated stock condition information following completion of warm, dry safe.
 - Regular review of data on an ongoing basis and full model review c3-5 years
- 6.3 The results can be used to inform the development of an overarching business plan which
- Moves from a technical assessment of investment need, to an agreed investment plan
 - Enables competing priorities for resources to be balanced between existing stock and the delivery of new homes
 - Demonstrates the strength of cashflows associated with the majority of current assets
- 6.4 The asset analysis work can be used to increase business plan capacity in future in order to:
- Address the short term financial pressures in the Council's HRA business plan by setting long term plans for the improvement and repair of high quality, affordable homes by demonstrating an approach to asset management that represents value for money
 - Improve communication between Southwark and tenants and leaseholders about investment strategies by demonstrating the reasons for investment decisions
 - Deliver a good return on social housing assets, where investment delivers an increase in social and financial value over time

- Ensure any further small scale regeneration is accurately targeted to improve the sustainability of neighbourhoods and the strength of the future business plan.

6.5 Issues to consider in understanding the outputs from the results include

- The opportunities available under HRA self financing, to set long term plans for investment in existing and new homes, and Southwark's role in leading this activity.
- Improving net present values of existing asset cashflows through procurement and efficiency savings to reduce the amount spent on stock investment costs
- Land use and development potential within asset groups which may present opportunities for additional affordable housing.

6.6 Focus in the short term on those asset groups identified as performing at below average for the stock, either on the basis of NPV or cash flow or sustainability or all three will highlight areas where further appraisal may be of benefit in order to consider options for investment in these areas. This will ensure that limited resources are allocated in a way that represents value for money and delivers maximum resident satisfaction.

7. Section 7 - Appendices

Appendix 1 – Asset groups

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
ABBEYFIELD ESTATE	183	20	5.05	Below Average NPV and Below Average Sustainability
ACORN ESTATE	174	38	4.72	Below Average NPV and Below Average Sustainability
ADAMS GARDENS ESTATE	74	28	5.64	Above Average NPV and Above Average Sustainability
ADDY HOUSE	79	17	5.43	Above Average NPV and Above Average Sustainability
ADYS ROAD 001-011(O)	2	4	6.05	Above Average NPV and Above Average Sustainability
AINSTY ESTATE	85	40	6.32	Above Average NPV and Above Average Sustainability
ALBERT BARNES HOUSE	71	28	4.62	Below Average NPV and Below Average Sustainability
ALBERTA ESTATE	211	97	5.11	Below Average NPV and Below Average Sustainability
ALBION ESTATE	51	18	5.52	Above Average NPV and Above Average Sustainability
ALDER HOUSE ESTATE	50	6	5.13	Above Average NPV and Below Average Sustainability
ALVEY ESTATE	139	50	4.24	Above Average NPV and Below Average Sustainability
AMERY HOUSE	42	16	4.09	Above Average NPV and Below Average Sustainability
AMIGO HOUSE	20	10	5.46	Above Average NPV and Above Average Sustainability
APPLEGARTH HOUSE 157-209(C) & 159A	39	14	6.49	Above Average NPV and Above Average Sustainability
ARNOLD DOBSON HOUSE	3	3	5.73	Above Average NPV and Above Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
ARNOLD ESTATE	243	81	5.60	Above Average NPV and Above Average Sustainability
ASTLEY ESTATE	240	74	5.22	Above Average NPV and Below Average Sustainability
ATHENLAY ROAD	8	8	5.73	Below Average NPV and Above Average Sustainability
ATWELL ESTATE	44	20	4.61	Above Average NPV and Below Average Sustainability
AVONDALE ESTATE	9	9	5.00	Above Average NPV and Below Average Sustainability
AYLTON ESTATE	64	20	5.75	Above Average NPV and Above Average Sustainability
AYLWIN ESTATE	18	10	5.53	Above Average NPV and Above Average Sustainability
AYRES STREET 011-029(O)	7	3	5.20	Above Average NPV and Below Average Sustainability
BALMAN HOUSE	44	9	4.83	Above Average NPV and Below Average Sustainability
BARLOW ESTATE	134	63	4.38	Below Average NPV and Below Average Sustainability
BARSET ESTATE	223	80	5.55	Below Average NPV and Above Average Sustainability
BARTON CLOSE & BEER AND WINE TRADE HOMES	36	11	4.24	Above Average NPV and Below Average Sustainability
BEACON HOUSE	9	1	4.56	Above Average NPV and Below Average Sustainability
BELLS GARDENS ESTATE	327	82	4.75	Below Average NPV and Below Average Sustainability
BERMONDSEY EAST	190	56	5.55	Above Average NPV and Above Average Sustainability
BERMONDSEY STREET 223-233(O)	3	3	7.02	Above Average NPV and Above Average Sustainability
BERMONDSEY WALL EAST	14	5	5.63	Above Average NPV and Above Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
BERMONDSEY WEST - NON-ESTATE RESIDENTIAL	8		6.08	Below Average NPV and Above Average Sustainability
BEVINGTON STREET	6	5	5.51	Above Average NPV and Above Average Sustainability
BLICK HOUSE	19	11	5.55	Above Average NPV and Above Average Sustainability
BONAMY ESTATE	252	58	5.88	Above Average NPV and Above Average Sustainability
BONSOR STREET 12-17(C); RAINBOW ST 1-...	5	7	4.80	Below Average NPV and Below Average Sustainability
BOROUGH & BANKSIDE - NON-EST RESIDENTIAL	146	44	4.52	Above Average NPV and Below Average Sustainability
BOROUGH ROAD ESTATE	40	18	4.86	Below Average NPV and Below Average Sustainability
BOWEN DRIVE	30	4	5.75	Above Average NPV and Above Average Sustainability
BRADLEY HOUSE	58	19	5.05	Below Average NPV and Below Average Sustainability
BRAGANZA STREET ESTATE	6	1	5.77	Above Average NPV and Above Average Sustainability
BRANDON ESTATE	1387	629	5.59	Below Average NPV and Above Average Sustainability
BRAYARDS ESTATE	54	12	5.14	Above Average NPV and Below Average Sustainability
BRAYARDS ROAD 075-081(O), 079A-081A(O)	5	1	5.10	Above Average NPV and Below Average Sustainability
BRECHLEY GARDENS	44	39	6.55	Below Average NPV and Above Average Sustainability
BRIMMINGTON ESTATE	359	115	4.71	Below Average NPV and Below Average Sustainability
BROMAR ROAD 014-022(E) & 022A	4	2	5.18	Above Average NPV and Below Average Sustainability
BROOK DRIVE 071-089(O)	38		4.13	Below Average NPV and Below Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
BROOKSTONE COURT	44	21	5.39	Below Average NPV and Below Average Sustainability
BROWNING ESTATE	304	129	5.56	Below Average NPV and Above Average Sustainability
BRUNEL ROAD 001-031(O)	7	6	5.74	Below Average NPV and Above Average Sustainability
BRUNSWICK PARK 012-018(E)	8	4	5.58	Above Average NPV and Above Average Sustainability
BURTON HOUSE AND MORRIS HOUSE ESTATE	39	17	5.28	Above Average NPV and Below Average Sustainability
CALYPSO CRESCENT	18	6	4.70	Above Average NPV and Below Average Sustainability
CAMBERWELL EAST	559	278	5.77	Above Average NPV and Above Average Sustainability
CAMBERWELL ESTATE HOSTEL	3		5.37	Above Average NPV and Below Average Sustainability
CAMBERWELL GROVE	4	10	5.14	Below Average NPV and Below Average Sustainability
CAMBERWELL GROVE ESTATE	30	22	6.26	Below Average NPV and Above Average Sustainability
CAMBERWELL ROAD HOSTEL	26		5.58	Above Average NPV and Above Average Sustainability
CAMBERWELL WEST - NON-ESTATE RESIDENTIAL	176	82	5.99	Above Average NPV and Above Average Sustainability
CANADA ESTATE	199	54	5.63	Below Average NPV and Above Average Sustainability
CARLTON GROVE	56	16	4.72	Below Average NPV and Below Average Sustainability
CAROLINE GARDENS	171	3	4.60	Below Average NPV and Below Average Sustainability
CARTER STREET	72	33	5.19	Above Average NPV and Below Average Sustainability
CARTERSCROFT HOUSE & CASSINGHURST HOUSE	15	6	5.41	Above Average NPV and Above Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
CASTLEMEAD	155	31	4.96	Below Average NPV and Below Average Sustainability
CATHAY HOUSE	12	12	6.17	Above Average NPV and Above Average Sustainability
CATOR STREET 200-232(E);HASLAM ST 2-8(E)	18	1	5.13	Above Average NPV and Below Average Sustainability
CAULFIELD ROAD 010-028(E)	3	2	5.15	Above Average NPV and Below Average Sustainability
CHAMPION HILL 031	3	5	5.76	Below Average NPV and Above Average Sustainability
CHAMPION HILL ESTATE	105	64	5.66	Above Average NPV and Above Average Sustainability
CHAMPION PARK ESTATE	32	17	6.72	Above Average NPV and Above Average Sustainability
CHANDLER WAY 56-58(E);DORTON CLOSE 1-8(C)	17	1	4.84	Above Average NPV and Below Average Sustainability
CHANDLER WAY 69-73(O); SAVANNAH CLOSE 1	10	2	5.18	Above Average NPV and Below Average Sustainability
CHARLES COVENEY ROAD 018	7	1	4.97	Above Average NPV and Below Average Sustainability
CHARLES MACKENZIE ESTATE	35	10	4.99	Above Average NPV and Below Average Sustainability
CHATHAM STREET	42	18	5.05	Above Average NPV and Below Average Sustainability
CHELTENHAM ROAD 051-057(O)	4		5.73	Above Average NPV and Above Average Sustainability
CHERRY GARDEN HOUSE	9	8	5.64	Below Average NPV and Above Average Sustainability
CHERRY GARDEN STREET	48	39	5.20	Below Average NPV and Below Average Sustainability
CLEVE HALL ESTATE	90	76	6.17	Above Average NPV and Above Average Sustainability
CLIFTON CRESCENT	21	11	5.21	Above Average NPV and Below Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
CLIFTON ESTATE	215	82	3.81	Below Average NPV and Below Average Sustainability
CLUNY ESTATE	50	18	6.66	Above Average NPV and Above Average Sustainability
COLEGROVE ESTATE	18	5	5.60	Above Average NPV and Above Average Sustainability
COLEGROVE ROAD 054-064(E)	2		5.50	Above Average NPV and Above Average Sustainability
COLLEGE ROAD ESTATE	23	22	5.96	Above Average NPV and Above Average Sustainability
COMBER ESTATE	464	116	5.16	Below Average NPV and Below Average Sustainability
COMMERCIAL WAY 60A; KELLY AVENUE 1-3(O)	9	2	5.31	Above Average NPV and Below Average Sustainability
COMUS HOUSE	59	13	4.11	Above Average NPV and Below Average Sustainability
CONGREVE ESTATE	178	88	4.09	Above Average NPV and Below Average Sustainability
CONSORT ESTATE	370	97	4.60	Below Average NPV and Below Average Sustainability
CONSORT ROAD 098-102(E), 098A-102A(E)	4	2	4.93	Above Average NPV and Below Average Sustainability
COOKS ROAD 141-143(O)	5	7	5.26	Above Average NPV and Below Average Sustainability
COOPER CLOSE	15	47	6.14	Below Average NPV and Above Average Sustainability
COOPERS ROAD ESTATE	39	1	4.94	Above Average NPV and Below Average Sustainability
COPELAND ROAD HOSTEL	19		5.32	Above Average NPV and Below Average Sustainability
COSSALL ESTATE	302	89	4.48	Below Average NPV and Below Average Sustainability
COTHAM STREET	5	4	5.12	Above Average NPV and Below Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
COUNTISBURY HOUSE	24	18	5.65	Above Average NPV and Above Average Sustainability
COURTHOPE HOUSE	12	12	5.73	Above Average NPV and Above Average Sustainability
COXSON WAY	18	5	6.37	Above Average NPV and Above Average Sustainability
CRANBOURNE HOUSE	20	6	4.70	Above Average NPV and Below Average Sustainability
CRANE STREET	7	4	5.36	Above Average NPV and Below Average Sustainability
CRAWFORD ESTATE	292	112	4.63	Above Average NPV and Below Average Sustainability
CRAWFORD ROAD 025-055(O)	10	6	4.94	Above Average NPV and Below Average Sustainability
CRAWTHEW GROVE 045-055(O)	5	1	5.00	Above Average NPV and Below Average Sustainability
CREASY ESTATE	34	8	5.23	Above Average NPV and Below Average Sustainability
CROFTON ROAD	12	1	4.63	Above Average NPV and Below Average Sustainability
CROSBY ROW 012-082(E)	19	17	6.10	Above Average NPV and Above Average Sustainability
CROXTED ROAD ESTATE	70	102	7.04	Above Average NPV and Above Average Sustainability
CRYSTAL PALACE ROAD 146-172(E)	8	10	6.12	Above Average NPV and Above Average Sustainability
DARWIN STREET 3A-53A(O);MASON STREET ...	24	20	4.78	Below Average NPV and Below Average Sustainability
DATE STREET 004-008(E)	2	1	4.31	Above Average NPV and Below Average Sustainability
DECIMA STREET 046-066(E)	9	2	6.99	Above Average NPV and Above Average Sustainability
DELAFFORD ROAD 001-043(O)	16	4	4.74	Above Average NPV and Below Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
DELAUYK CRESCENT ESTATE	51	60	8.11	Above Average NPV and Above Average Sustainability
DENMARK HILL ESTATE	373	222	6.29	Above Average NPV and Above Average Sustainability
DEVON MANSIONS	173	166	6.47	Above Average NPV and Above Average Sustainability
D'EYNSFORD ESTATE	256	104	4.93	Below Average NPV and Below Average Sustainability
DICKENS ESTATE	494	267	5.66	Above Average NPV and Above Average Sustainability
DODDINGTON GROVE ESTATE	247	93	5.64	Above Average NPV and Above Average Sustainability
DODSON ESTATE	84	42	5.80	Above Average NPV and Above Average Sustainability
DOWNTOWN ESTATE NORTH	75	40	5.32	Above Average NPV and Below Average Sustainability
DOWNTOWN ESTATE SOUTH	112	47	5.69	Above Average NPV and Above Average Sustainability
DRAGON ROAD	46	18	5.71	Above Average NPV and Above Average Sustainability
DRAPER ESTATE	177	53	4.66	Above Average NPV and Below Average Sustainability
DULWICH - NON-ESTATE	519	255	6.46	Above Average NPV and Above Average Sustainability
EAST DULWICH ESTATE	584	161	5.43	Above Average NPV and Above Average Sustainability
EAST DULWICH GROVE 047-057(O)	7	5	5.64	Below Average NPV and Above Average Sustainability
EAST DULWICH GROVE ESTATE	70	57	6.97	Above Average NPV and Above Average Sustainability
EAST DULWICH ROAD	50	16	4.48	Above Average NPV and Below Average Sustainability
EDISON HOUSE	15	5	4.74	Below Average NPV and Below Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
ELDRIDGE COURT	26	12	5.48	Above Average NPV and Above Average Sustainability
ELIM ESTATE	97	28	6.58	Above Average NPV and Above Average Sustainability
ELIZABETH ESTATE	161	50	5.21	Above Average NPV and Below Average Sustainability
ELMINGTON ESTATE	803	196	5.52	Above Average NPV and Above Average Sustainability
ELMINGTON ROAD 110-116(E)	11	5	5.16	Above Average NPV and Below Average Sustainability
ELMWOOD ROAD 076-108(E)	9	8	6.18	Above Average NPV and Above Average Sustainability
ELSTED STREET	5	1	4.72	Above Average NPV and Below Average Sustainability
ESMERALDA ROAD ESTATE	43	19	5.68	Above Average NPV and Above Average Sustainability
EVELINA ROAD	6	6	5.35	Below Average NPV and Below Average Sustainability
EVELINE LOWE ESTATE	51	27	5.22	Above Average NPV and Below Average Sustainability
FAIR STREET ESTATE	9	9	5.41	Below Average NPV and Below Average Sustainability
FALCON POINT	48	62	7.40	Below Average NPV and Above Average Sustainability
FARNCOMBE STREET 050-060(E)	5	1	5.66	Above Average NPV and Above Average Sustainability
FENNER CLOSE	21	6	5.57	Above Average NPV and Above Average Sustainability
FENWICK ROAD 055-077(O)	8	4	5.93	Below Average NPV and Above Average Sustainability
FOUNTAIN GREEN SQUARE	5	9	5.19	Above Average NPV and Below Average Sustainability
FOUNTAIN HOUSE	2	8	5.81	Below Average NPV and Above Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
FRANKLAND CLOSE ESTATE	37	18	5.18	Above Average NPV and Below Average Sustainability
FRIARY ESTATE	615	202	4.98	Above Average NPV and Below Average Sustainability
FRIARY ROAD 069-073(O), 069A-073A(O)	4	2	5.76	Above Average NPV and Above Average Sustainability
FRIERN ESTATE	86	45	6.11	Above Average NPV and Above Average Sustainability
GATEWAY ESTATE	99	37	4.67	Above Average NPV and Below Average Sustainability
GATONBY STREET 1-3(O);KELLY AVENUE 39,41	11	1	5.05	Above Average NPV and Below Average Sustainability
GAUTREY ROAD	26	16	4.53	Above Average NPV and Below Average Sustainability
GAYWOOD ESTATE	146	91	4.61	Above Average NPV and Below Average Sustainability
GERVASE STREET ESTATE	38		3.69	Below Average NPV and Below Average Sustainability
GIBBINGS HOUSE	11	4	4.30	Below Average NPV and Below Average Sustainability
GILESMEAD	13	27	5.85	Below Average NPV and Above Average Sustainability
GILLIES COURT	13	11	6.77	Above Average NPV and Above Average Sustainability
GLEBE ESTATE	245	83	5.36	Below Average NPV and Below Average Sustainability
GLOUCESTER GROVE ESTATE	303	59	5.59	Below Average NPV and Above Average Sustainability
GOMM ROAD ESTATE	24	10	5.67	Above Average NPV and Above Average Sustainability
GOSCHEN ESTATE	118	48	5.54	Above Average NPV and Above Average Sustainability
GOWLETT ROAD 047-055(O) & 055A	6		5.68	Above Average NPV and Above Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
GRACES ROAD 015-023(O) & 023A	1	5	5.80	Below Average NPV and Above Average Sustainability
GRANGE HOUSE	27	5	5.81	Above Average NPV and Above Average Sustainability
GREEN DALE CLOSE	3	5	6.25	Above Average NPV and Above Average Sustainability
GROSVENOR PARK	55	15	5.17	Below Average NPV and Below Average Sustainability
GROSVENOR TERRACE	33	19	5.08	Above Average NPV and Below Average Sustainability
GROVE LANE	14	18	4.77	Below Average NPV and Below Average Sustainability
GROVE LANE HOSTEL	16		5.22	Above Average NPV and Below Average Sustainability
HADDONFIELD ESTATE	61	28	4.87	Above Average NPV and Below Average Sustainability
HADDONHALL ESTATE	104	56	6.87	Below Average NPV and Above Average Sustainability
HALLIWELL COURT	18	12	6.07	Above Average NPV and Above Average Sustainability
HAMILTON SQUARE	24	17	5.66	Above Average NPV and Above Average Sustainability
HAMPTON HOUSE	7	1	3.96	Above Average NPV and Below Average Sustainability
HANOVER PARK	11	1	3.79	Above Average NPV and Below Average Sustainability
HARBORD HOUSE	4	6	5.05	Below Average NPV and Below Average Sustainability
HARFIELD GARDENS	33	20	7.13	Below Average NPV and Above Average Sustainability
HAROLD ESTATE	71	17	5.61	Above Average NPV and Above Average Sustainability
HARTLAND HOUSE	1	4	5.47	Below Average NPV and Above Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
HAVIL STREET ESTATE	114	46	4.96	Below Average NPV and Below Average Sustainability
HAWKSLADE ROAD	7	5	5.58	Below Average NPV and Above Average Sustainability
HAWKSTONE ESTATE WEST	248	61	4.73	Above Average NPV and Below Average Sustainability
HAYLES BUILDINGS	58	26	4.45	Above Average NPV and Below Average Sustainability
HAYMERLE ROAD	3	1	5.50	Above Average NPV and Above Average Sustainability
HEATON HOUSE	30	4	5.03	Above Average NPV and Below Average Sustainability
HENDRE HOUSE	8	2	4.53	Above Average NPV and Below Average Sustainability
HENLEY CLOSE	9	3	5.21	Below Average NPV and Below Average Sustainability
HERNE HILL ESTATE	22	18	6.01	Above Average NPV and Above Average Sustainability
HERNE HILL HOSTEL	11		6.40	Above Average NPV and Above Average Sustainability
HILLBECK CLOSE	29	3	3.92	Below Average NPV and Below Average Sustainability
HILLCREST	29	16	5.34	Below Average NPV and Below Average Sustainability
HILLSBORO ROAD 001-041(O)	10	5	6.26	Above Average NPV and Above Average Sustainability
HINDMANS ROAD 082-092(E)	3	3	6.35	Above Average NPV and Above Average Sustainability
HOLLYDALE ROAD 164-174(E)	6		4.15	Above Average NPV and Below Average Sustainability
HOLME HOUSE ESTATE	11	7	4.89	Above Average NPV and Below Average Sustainability
HONITON GARDENS	21	8	4.80	Below Average NPV and Below Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
HONOR OAK RISE ESTATE	14	14	5.81	Below Average NPV and Above Average Sustainability
HOWLANDS ESTATE	32	22	5.44	Above Average NPV and Above Average Sustainability
IRWELL ESTATE	49	18	5.71	Below Average NPV and Above Average Sustainability
JACK JONES HOUSE	38		4.37	Below Average NPV and Below Average Sustainability
JUNIPER HOUSE	42	33	4.91	Below Average NPV and Below Average Sustainability
KAREN COURT	19	7	5.66	Below Average NPV and Above Average Sustainability
KEETONS ESTATE	148	107	6.00	Below Average NPV and Above Average Sustainability
KELLOW HOUSE	7	9	5.56	Below Average NPV and Above Average Sustainability
KENNEDY WALK	10	2	4.63	Above Average NPV and Below Average Sustainability
KENNINGTON PARK HOUSE	21	19	6.57	Below Average NPV and Above Average Sustainability
KENNINGTON PARK ROAD 067-073(O)	10	1	5.29	Above Average NPV and Below Average Sustainability
KENYON HOUSE	6	6	5.07	Above Average NPV and Below Average Sustainability
KEYWORTH STREET HOSTEL	35		4.72	Above Average NPV and Below Average Sustainability
KING CHARLES COURT	38		5.23	Below Average NPV and Below Average Sustainability
KINGLAKE ESTATE	316	92	4.16	Above Average NPV and Below Average Sustainability
KINGS GROVE 056-060 & 060A	3	1	4.77	Below Average NPV and Below Average Sustainability
KINGSTON ESTATE	73	15	4.92	Below Average NPV and Below Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
KINGSWOOD ESTATE	490	173	5.81	Above Average NPV and Above Average Sustainability
KIPLING ESTATE	192	77	6.71	Above Average NPV and Above Average Sustainability
KIRBY ESTATE	90	27	4.82	Above Average NPV and Below Average Sustainability
KIRKWOOD ROAD	13	5	5.03	Above Average NPV and Below Average Sustainability
LAKE AND LEY HOUSE ESTATE	18	12	5.63	Above Average NPV and Above Average Sustainability
LANCASTER ESTATE	66	27	4.18	Above Average NPV and Below Average Sustainability
LANT ESTATE	48	27	5.61	Above Average NPV and Above Average Sustainability
LAURIE HOUSE	5	12	4.52	Below Average NPV and Below Average Sustainability
LAWSON ESTATE	309	133	6.44	Above Average NPV and Above Average Sustainability
LEDBURY ESTATE	301	95	4.81	Above Average NPV and Below Average Sustainability
LEFROY HOUSE ESTATE	11	8	4.77	Above Average NPV and Below Average Sustainability
LETTSON ESTATE	315	121	5.46	Below Average NPV and Above Average Sustainability
LEW EVANS HOUSE	40		5.36	Below Average NPV and Below Average Sustainability
LEWES HOUSE	18	14	6.24	Above Average NPV and Above Average Sustainability
LIDGATE ROAD 001	6	2	5.28	Above Average NPV and Below Average Sustainability
LIMES WALK	20	20	5.63	Below Average NPV and Above Average Sustainability
LINDEN GROVE 040	5	1	5.65	Above Average NPV and Above Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
LINDEN GROVE DEVELOPMENT	42	3	5.08	Above Average NPV and Below Average Sustainability
LINDEN GROVE ESTATE	23	1	4.86	Below Average NPV and Below Average Sustainability
LINDEN GROVE HOSTEL	9		5.96	Above Average NPV and Above Average Sustainability
LINDEN GROVE HOSTEL (66)	20		5.77	Above Average NPV and Above Average Sustainability
LINDLEY ESTATE	246	58	4.73	Above Average NPV and Below Average Sustainability
LOCKYER ESTATE	50	23	5.73	Above Average NPV and Above Average Sustainability
LONGFIELD ESTATE	304	97	5.05	Above Average NPV and Below Average Sustainability
LORDSHIP LANE 524	9	7	6.29	Above Average NPV and Above Average Sustainability
LORDSHIP LANE ESTATE	166	67	5.64	Above Average NPV and Above Average Sustainability
LORRIMORE ROAD	17	20	5.21	Above Average NPV and Below Average Sustainability
LUGARD ROAD	23	7	5.01	Above Average NPV and Below Average Sustainability
LYALL AVENUE 021; SEELEY DRIVE 053	2		5.92	Below Average NPV and Above Average Sustainability
LYNTON ESTATE	34	11	4.93	Above Average NPV and Below Average Sustainability
LYTCOTT GROVE ESTATE	40	22	6.33	Above Average NPV and Above Average Sustainability
MAGDALENE CLOSE	33	15	4.88	Below Average NPV and Below Average Sustainability
MANCHESTER HOUSE	21	4	4.71	Above Average NPV and Below Average Sustainability
MANOR ESTATE	233	93	4.85	Above Average NPV and Below Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
MARDYKE ESTATE	45	19	4.40	Above Average NPV and Below Average Sustainability
MARIGOLD STREET 2; POTTERY STREET 7-8...	3	1	5.62	Above Average NPV and Above Average Sustainability
MARSHALSEA ESTATE	42	32	5.11	Above Average NPV and Below Average Sustainability
MASON HOUSE	13	7	4.85	Above Average NPV and Below Average Sustainability
MAWBEY ESTATE	75	30	4.74	Above Average NPV and Below Average Sustainability
MAXDEN COURT	15	6	4.45	Below Average NPV and Below Average Sustainability
MEAKIN ESTATE	98	25	6.66	Above Average NPV and Above Average Sustainability
MEETING HOUSE LANE 18-22(E), 18A-22A(E)	0	6	4.77	Below Average NPV and Below Average Sustainability
MELFORD COURT	27	23	6.51	Above Average NPV and Above Average Sustainability
MILLPOND ESTATE	45	31	5.67	Below Average NPV and Above Average Sustainability
MINNOW WALK ESTATE	19	5	4.47	Above Average NPV and Below Average Sustainability
MONCRIEFF ESTATE	28	15	3.63	Above Average NPV and Below Average Sustainability
MONTEAGLE WAY	28	14	4.93	Above Average NPV and Below Average Sustainability
MONTPELIER ROAD 076-078(E)	5	2	4.61	Below Average NPV and Below Average Sustainability
MOODY ROAD 019-031(O)	11	6	5.73	Above Average NPV and Above Average Sustainability
MUNDANIA ROAD	13	15	6.59	Below Average NPV and Above Average Sustainability
NAYLOR HOUSE	18	6	4.38	Below Average NPV and Below Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
NAYLOR ROAD	12	4	4.22	Above Average NPV and Below Average Sustainability
NECKINGER ESTATE	276	79	5.68	Below Average NPV and Above Average Sustainability
NELSON ESTATE	164	64	4.67	Below Average NPV and Below Average Sustainability
NELSON SQUARE GARDEN	144	75	5.90	Above Average NPV and Above Average Sustainability
NEW CHURCH ROAD 040-048(E)	5	1	5.63	Above Average NPV and Above Average Sustainability
NEW JAMES COURT	33	17	4.78	Above Average NPV and Below Average Sustainability
NEW PLACE ESTATE	485	204	5.04	Below Average NPV and Below Average Sustainability
NEWINGTON ESTATE	286	143	4.54	Below Average NPV and Below Average Sustainability
NORTH PECKHAM ESTATE	444	157	5.50	Below Average NPV and Above Average Sustainability
NUNHEAD & PECKHAM RYE - NON-ESTATE MI...	20	2	6.35	Above Average NPV and Above Average Sustainability
NUNHEAD & PECKHAM RYE - NON-ESTATE RE...	987	295	5.27	Above Average NPV and Below Average Sustainability
NUNHEAD ESTATE	103	38	4.61	Above Average NPV and Below Average Sustainability
NUNHEAD GREEN	9	2	4.81	Above Average NPV and Below Average Sustainability
NURSERY ROW 26-36(E);ORB STREET 12-16(E)	4	5	5.55	Below Average NPV and Above Average Sustainability
OAKHILL COURT	9	16	6.44	Below Average NPV and Above Average Sustainability
OLIVER GOLDSMITH ESTATE	344	98	4.54	Above Average NPV and Below Average Sustainability
ONDINE ROAD 042-052(E)	2	6	6.47	Below Average NPV and Above Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
OSPREY ESTATE	99	39	5.38	Below Average NPV and Below Average Sustainability
PARK STREET ESTATE	119	22	5.22	Above Average NPV and Below Average Sustainability
PASLEY ESTATE	148	65	4.60	Below Average NPV and Below Average Sustainability
PECKHAM - NON-ESTATE RESIDENTIAL	652	153	4.81	Above Average NPV and Below Average Sustainability
PECKHAM ROAD 087	9	2	5.35	Above Average NPV and Below Average Sustainability
PECKHAM RYE	24	4	4.82	Above Average NPV and Below Average Sustainability
PEDWORTH ESTATE	129	61	4.97	Below Average NPV and Below Average Sustainability
PELICAN ESTATE	203	42	4.97	Below Average NPV and Below Average Sustainability
PELIER ESTATE	205	70	5.17	Above Average NPV and Below Average Sustainability
PENNACK ROAD ESTATE	75	17	5.66	Below Average NPV and Above Average Sustainability
PENROSE HOUSE	99	51	4.67	Above Average NPV and Below Average Sustainability
PETER BUTLER HOUSE	29	6	5.94	Above Average NPV and Above Average Sustainability
PEVERIL HOUSE	37	3	7.06	Below Average NPV and Above Average Sustainability
PLOUGH ESTATE	88	54	5.00	Above Average NPV and Below Average Sustainability
POMEROY ESTATE	140	82	5.18	Below Average NPV and Below Average Sustainability
PORTLAND ESTATE	189	27	4.47	Below Average NPV and Below Average Sustainability
PRIORY COURT	47	25	5.30	Below Average NPV and Below Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
PRITER ROAD Hostel	36		5.30	Above Average NPV and Below Average Sustainability
PULLENS ESTATE	171	179	4.99	Below Average NPV and Below Average Sustainability
PURBROOK ESTATE	88	43	5.90	Below Average NPV and Above Average Sustainability
PYNFOLDS ESTATE	66	37	5.64	Above Average NPV and Above Average Sustainability
QUEENS ROAD ESTATE	57	21	4.23	Above Average NPV and Below Average Sustainability
QUEENS ROAD Hostel	13		5.15	Above Average NPV and Below Average Sustainability
QUENTIN HOUSE	30	23	5.99	Above Average NPV and Above Average Sustainability
RADNOR ESTATE	7	2	5.50	Above Average NPV and Above Average Sustainability
RAUL ROAD	18	6	3.51	Above Average NPV and Below Average Sustainability
REDMAN HOUSE	74	36	5.34	Below Average NPV and Below Average Sustainability
REEDHAM STREET 025-037(O)	9		4.34	Above Average NPV and Below Average Sustainability
RENFORTH STREET	23	5	4.94	Above Average NPV and Below Average Sustainability
RENNIE ESTATE	233	68	5.12	Above Average NPV and Below Average Sustainability
REPHIDIM STREET 036-048(E)	4	3	7.02	Above Average NPV and Above Average Sustainability
RISDON HOUSE	5	4	4.79	Above Average NPV and Below Average Sustainability
ROCHESTER ESTATE	21	4	6.68	Above Average NPV and Above Average Sustainability
ROCKELLS PLACE 006-017(C)	1	1	6.80	Below Average NPV and Above Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
ROCKINGHAM ESTATE	631	333	5.22	Above Average NPV and Below Average Sustainability
ROCKINGHAM STREET 056-108(E)	14	13	5.39	Above Average NPV and Below Average Sustainability
RODNEY ESTATE	134	51	4.18	Above Average NPV and Below Average Sustainability
ROTHERHITHE - NON-ESTATE	83	1	5.98	Above Average NPV and Above Average Sustainability
ROTHERHITHE NEW ROAD 209-219(O)	4		4.17	Below Average NPV and Below Average Sustainability
ROUEL ROAD ESTATE	570	215	5.05	Below Average NPV and Below Average Sustainability
RUSHWORTH STREET ESTATE	22	2	5.15	Below Average NPV and Below Average Sustainability
RUSKIN PARK HOUSE	4		7.27	Above Average NPV and Above Average Sustainability
RUSSELL COURT	44		4.12	Below Average NPV and Below Average Sustainability
RYE HILL ESTATE	334	83	5.56	Above Average NPV and Above Average Sustainability
SALISBURY ESTATE	154	69	4.75	Below Average NPV and Below Average Sustainability
SAMUEL STREET 043-046(C)	12		5.46	Above Average NPV and Above Average Sustainability
SASSOON HOUSE	15	5	4.77	Above Average NPV and Below Average Sustainability
SCEAUX GARDENS	260	45	4.82	Below Average NPV and Below Average Sustainability
SCOVELL ESTATE	88	28	5.73	Below Average NPV and Above Average Sustainability
SCYLLA ROAD 069-089(O)	9	1	4.69	Above Average NPV and Below Average Sustainability
SEDGMOOR HOSTEL	15		5.52	Above Average NPV and Above Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
SETCHELL ESTATE	230	81	4.69	Below Average NPV and Below Average Sustainability
SHARSTED STREET 024-026(E)	9	3	5.64	Above Average NPV and Above Average Sustainability
SILVERLOCK ESTATE	239	58	4.50	Below Average NPV and Below Average Sustainability
SILWOOD ESTATE	86	33	5.20	Above Average NPV and Below Average Sustainability
SLIPPERS PLACE ESTATE	171	75	5.76	Above Average NPV and Above Average Sustainability
SMEATON COURT	43	11	3.97	Below Average NPV and Below Average Sustainability
SNOWSFIELDS 008-020(C)	5	4	6.10	Above Average NPV and Above Average Sustainability
SOLOMONS PASSAGE	22	15	5.06	Above Average NPV and Below Average Sustainability
SOUTHAMPTON WAY 243	7	1	5.15	Above Average NPV and Below Average Sustainability
SOUTHAMPTON WAY ESTATE	228	78	4.89	Above Average NPV and Below Average Sustainability
SOUTHAMPTON WAY HOSTEL	12		5.10	Above Average NPV and Below Average Sustainability
SOUTHWARK PARK ESTATE	54	13	5.54	Above Average NPV and Above Average Sustainability
SPRINGHILL CLOSE	4	6	6.06	Above Average NPV and Above Average Sustainability
ST CRISPINS ESTATE	69	20	5.26	Above Average NPV and Below Average Sustainability
ST DAVIDS MANSIONS	4	4	6.10	Above Average NPV and Above Average Sustainability
ST JOHNS ESTATE	58	22	6.23	Above Average NPV and Above Average Sustainability
ST MARYS ESTATE	30	8	5.63	Above Average NPV and Above Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
ST MARYS ROAD 019-035(O), 019A-035A(O)	11	7	4.92	Above Average NPV and Below Average Sustainability
ST OLAVES ESTATE	40	21	6.21	Above Average NPV and Above Average Sustainability
ST SAVIOURS ESTATE	362	184	6.12	Above Average NPV and Above Average Sustainability
STUART ROAD 031-041(O)	3	3	4.93	Above Average NPV and Below Average Sustainability
STYLES HOUSE	36	20	6.58	Below Average NPV and Above Average Sustainability
SUMNER ROAD	27	8	5.62	Above Average NPV and Above Average Sustainability
SUNRAY ESTATE EAST	37	32	7.31	Above Average NPV and Above Average Sustainability
SUNRAY ESTATE WEST	96	96	6.42	Above Average NPV and Above Average Sustainability
SURREY ROAD 061-065(O) & 063A	3	1	5.70	Above Average NPV and Above Average Sustainability
SURREY SQUARE 028-030(E)	3	5	4.40	Below Average NPV and Below Average Sustainability
SWAN MEAD	27	11	5.64	Above Average NPV and Above Average Sustainability
SWAN ROAD ESTATE	71	64	5.83	Above Average NPV and Above Average Sustainability
SYDENHAM HILL ESTATE	105	101	6.73	Below Average NPV and Above Average Sustainability
TABARD GARDENS ESTATE	937	490	5.72	Above Average NPV and Above Average Sustainability
TADWORTH HOUSE	17	10	4.96	Below Average NPV and Below Average Sustainability
TANNER HOUSE	12	13	7.48	Below Average NPV and Above Average Sustainability
TAPPESFIELD ESTATE	69	27	5.36	Below Average NPV and Below Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
THE BIRCHES AND THE LIMES	10	4	5.12	Below Average NPV and Below Average Sustainability
THERAPIA ROAD 018-022(E)	2	6	6.62	Below Average NPV and Above Average Sustainability
THORBURN SQUARE	55	42	5.56	Above Average NPV and Above Average Sustainability
TISDALL PLACE 017-019(O)	1	1	4.90	Above Average NPV and Below Average Sustainability
TISSINGTON COURT	107	27	5.08	Below Average NPV and Below Average Sustainability
TOWER BRIDGE BUILDINGS	9	15	8.42	Below Average NPV and Above Average Sustainability
TOWER MILL ROAD 083	5	1	4.88	Above Average NPV and Below Average Sustainability
TOWNSEND HOUSE	26	11	4.60	Above Average NPV and Below Average Sustainability
TRAFALGAR AVENUE HOSTEL	20		4.85	Above Average NPV and Below Average Sustainability
TRINITY STREET	7	5	7.95	Above Average NPV and Above Average Sustainability
TUSTIN ESTATE	346	78	4.61	Below Average NPV and Below Average Sustainability
TWO TOWERS-CASBY HOUSE	54	29	6.86	Above Average NPV and Above Average Sustainability
TWO TOWERS-LUPIN POINT	51	32	6.56	Above Average NPV and Above Average Sustainability
TYERS ESTATE	46	24	7.18	Above Average NPV and Above Average Sustainability
ULLSWATER HOSTEL	47		5.20	Above Average NPV and Below Average Sustainability
UNWIN ESTATE	102	42	5.66	Above Average NPV and Above Average Sustainability
VAUBAN ESTATE	78	24	5.61	Above Average NPV and Above Average Sustainability

SES Estate	No. Tenanted Units	No. Leasehold/ Freehold Units	Combined sustainability score	Comments
WALWORTH CENTRAL - NON-ESTATE	169	23	5.23	Above Average NPV and Below Average Sustainability
WALWORTH EAST - NON-ESTATE RESIDENTIAL	87	15	5.03	Above Average NPV and Below Average Sustainability
WALWORTH WEST - NON-ESTATE	155	48	5.77	Above Average NPV and Above Average Sustainability
WEBBER ROW ESTATE	73	37	6.12	Above Average NPV and Above Average Sustainability
WESTFIELD HOUSE	17	4	4.25	Below Average NPV and Below Average Sustainability
WHISTLER MEWS	17	3	5.46	Above Average NPV and Above Average Sustainability
WHITES GROUNDS ESTATE	72	43	7.58	Above Average NPV and Above Average Sustainability
WHORLTON ROAD 015-025(O)	4	2	4.57	Above Average NPV and Below Average Sustainability
WILLOW HOUSE	0	6	4.87	Below Average NPV and Below Average Sustainability
WILLOWBROOK ESTATE	141	39	6.30	Above Average NPV and Above Average Sustainability
WILSON GROVE	7		5.62	Above Average NPV and Above Average Sustainability
WILSON ROAD 026	5	1	5.11	Below Average NPV and Below Average Sustainability
WOODLAND ROAD ESTATE	36	19	5.76	Above Average NPV and Above Average Sustainability
WOODVALE HOSTEL	15		6.50	Above Average NPV and Above Average Sustainability
WREN ROAD HOSTEL	20		4.27	Above Average NPV and Below Average Sustainability
WYNDHAM ESTATE	417	72	5.30	Below Average NPV and Below Average Sustainability
YORK HOUSE 001-005(C)	2	3	5.67	Above Average NPV and Above Average Sustainability
Grand Total	36301	14108	5.41	

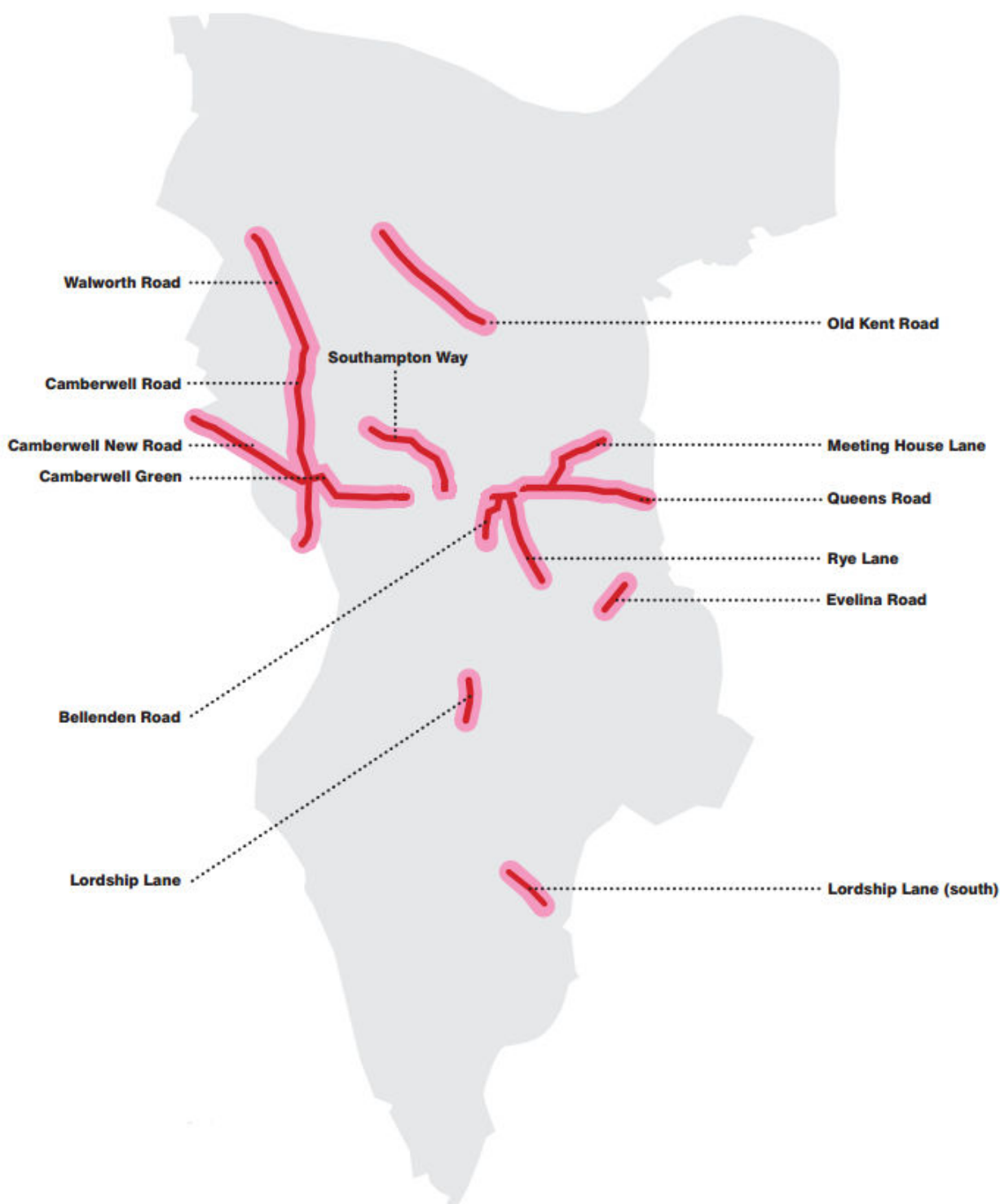
Appendix 2 – Data sources and contacts for data review and sign off by Southwark

Data area	Task	Contact	Signed off
Base stock list	Agree tenanted stock list - general needs	MF	DM
	Agree tenanted stock list - sheltered		
	Agree treatment of leasehold units		
	Archetype and tenure data for asset groups		
	Agree asset groups		
Stock condition data			
Apex	Prepare APEX cost report by UPRN	MF	DM
Non Apex costs	Fire risk - total cost and 30 yr profile	TH	DM
	Fire risk - property apportionment	TH	DM
	District Heating - total cost and 30 yr profile	CB; GD	DM
	District Heating - property apportionment	CB; GD	DM
	Landlord electrics - total cost and 30 yr profile	MF	DM
	Landlord electrics - property apportionment	MF	DM
	Lifts - total cost and 30 yr profile	CB; GD	DM
	Lifts - property apportionment	CB; GD	DM
	Asbestos - total cost and 30 yr profile	CB; GD	DM
	Asbestos -property apportionment	CB; GD	DM
	Water tanks and drainage - total cost and 30 yr profile	CB; GD	DM
	Water tanks and drainage - property apportionment	CB; GD	DM
	Reconciliation of total back to business plan	GD	GD; DL
	Professional fees and other uplift %	MF	DM
	External Decorations	MF	DM
Other data			
	Revenue repairs - from HRA business plan	GD, JP	DL
	Management costs - from HRA business plan	AM	IY
	Rents and void history	PF	As per housing management system
	Future rent and cost increases	AM	As per Business plan
	Discount rate	Appraisal model	DM

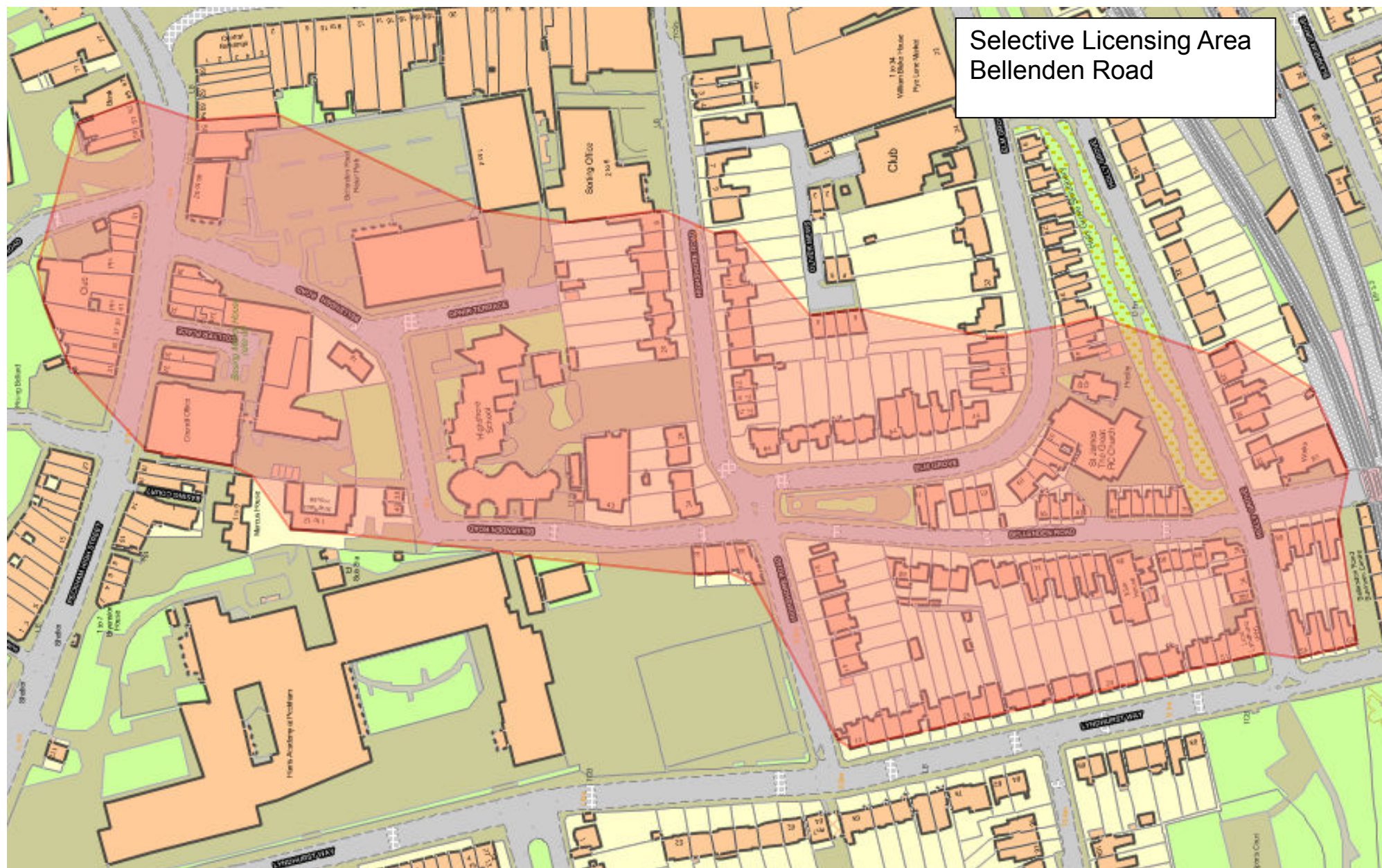
AM	Andrew Murray
CB	Chris Baxter
DL	David Lewis
DM	David Markham
GD	Gavin Duncumb
IY	Ian Young
JP	Jane Pocock
MF	Martin Fillmore
MW	Mary Ward
PF	Patrick Fallon
TH	Tony Hunter

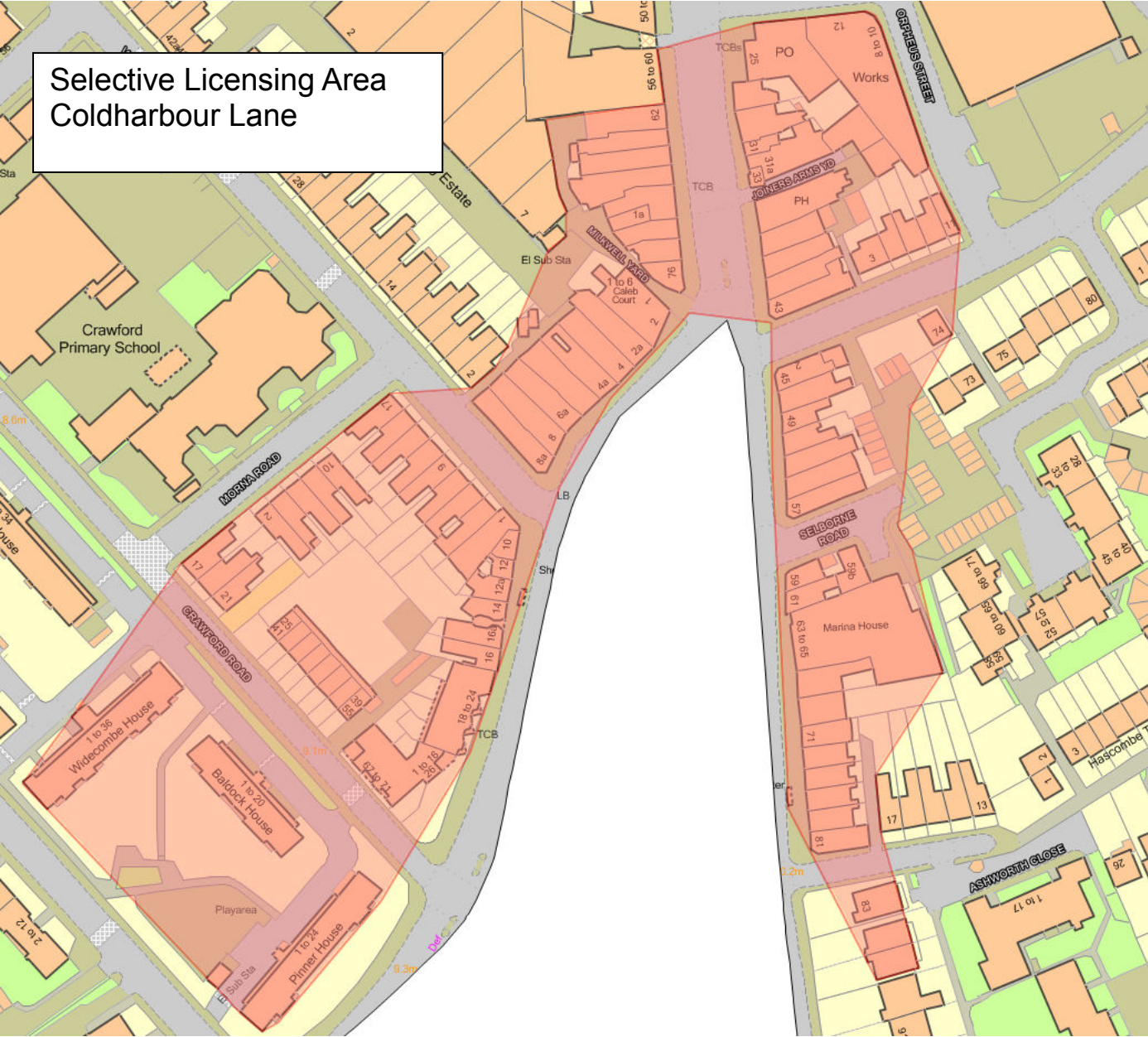
Map of Selective Licensing Areas

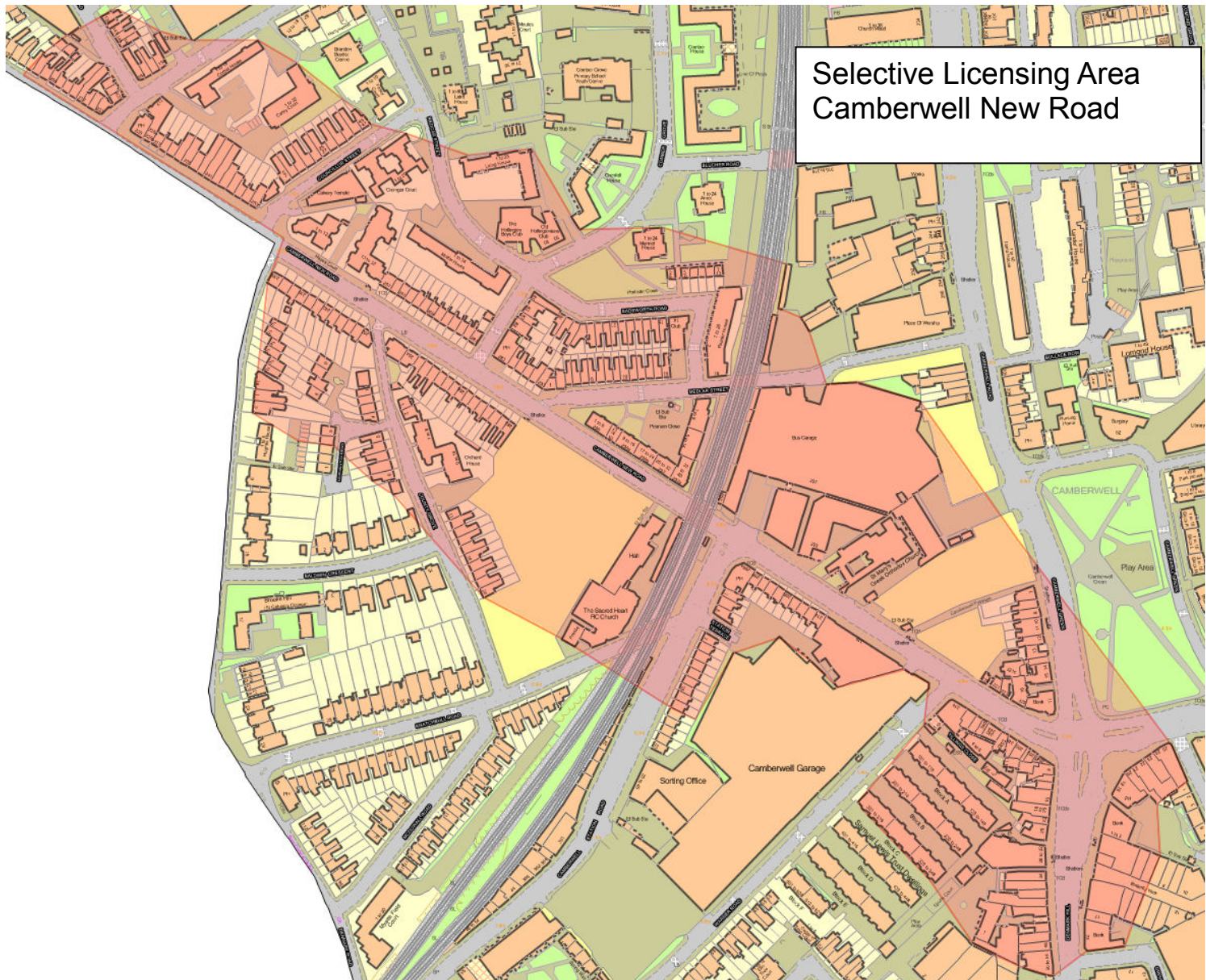
The licensed area would be the highlighted areas (pink and red viewable on the council's website)





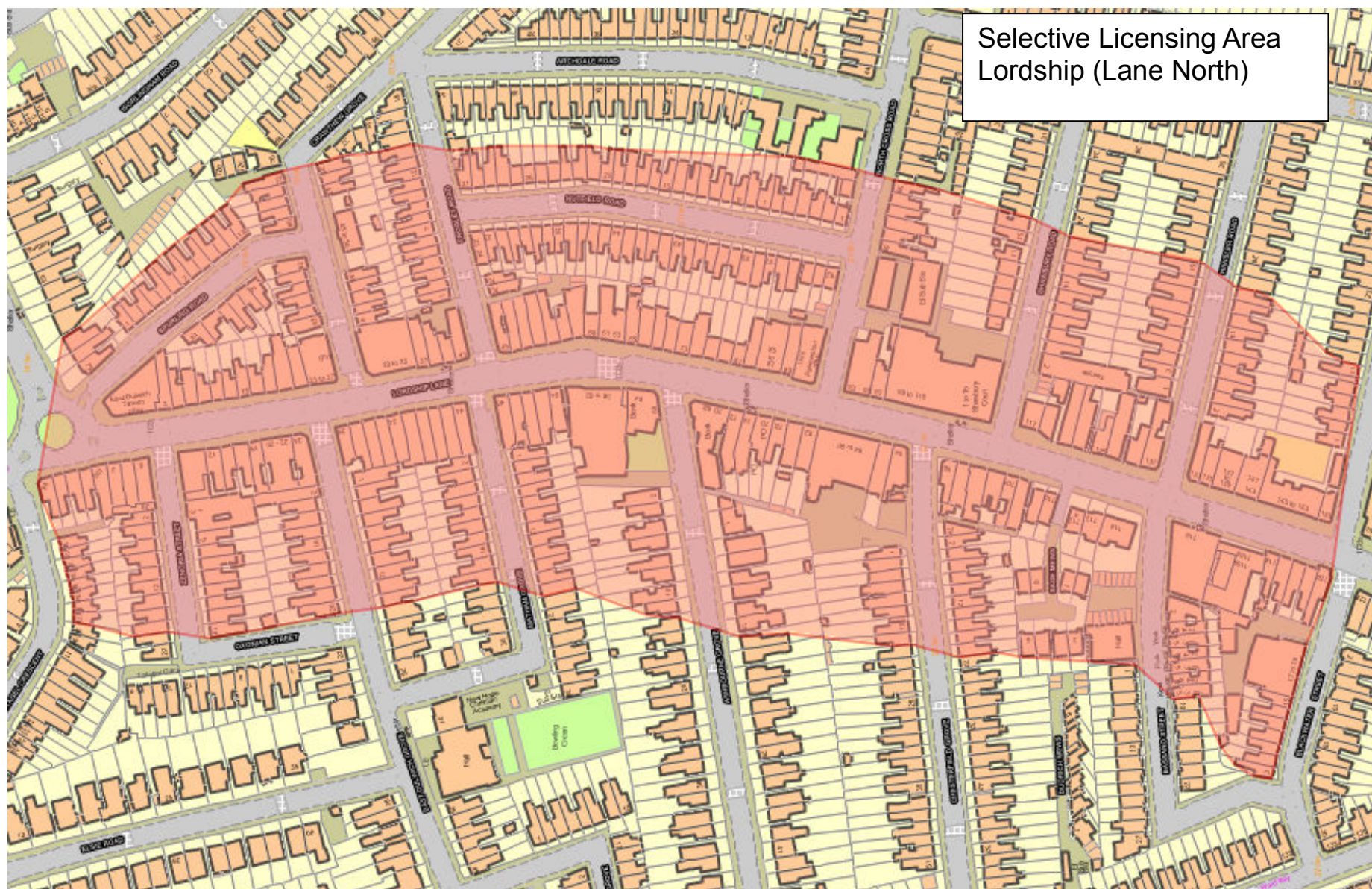


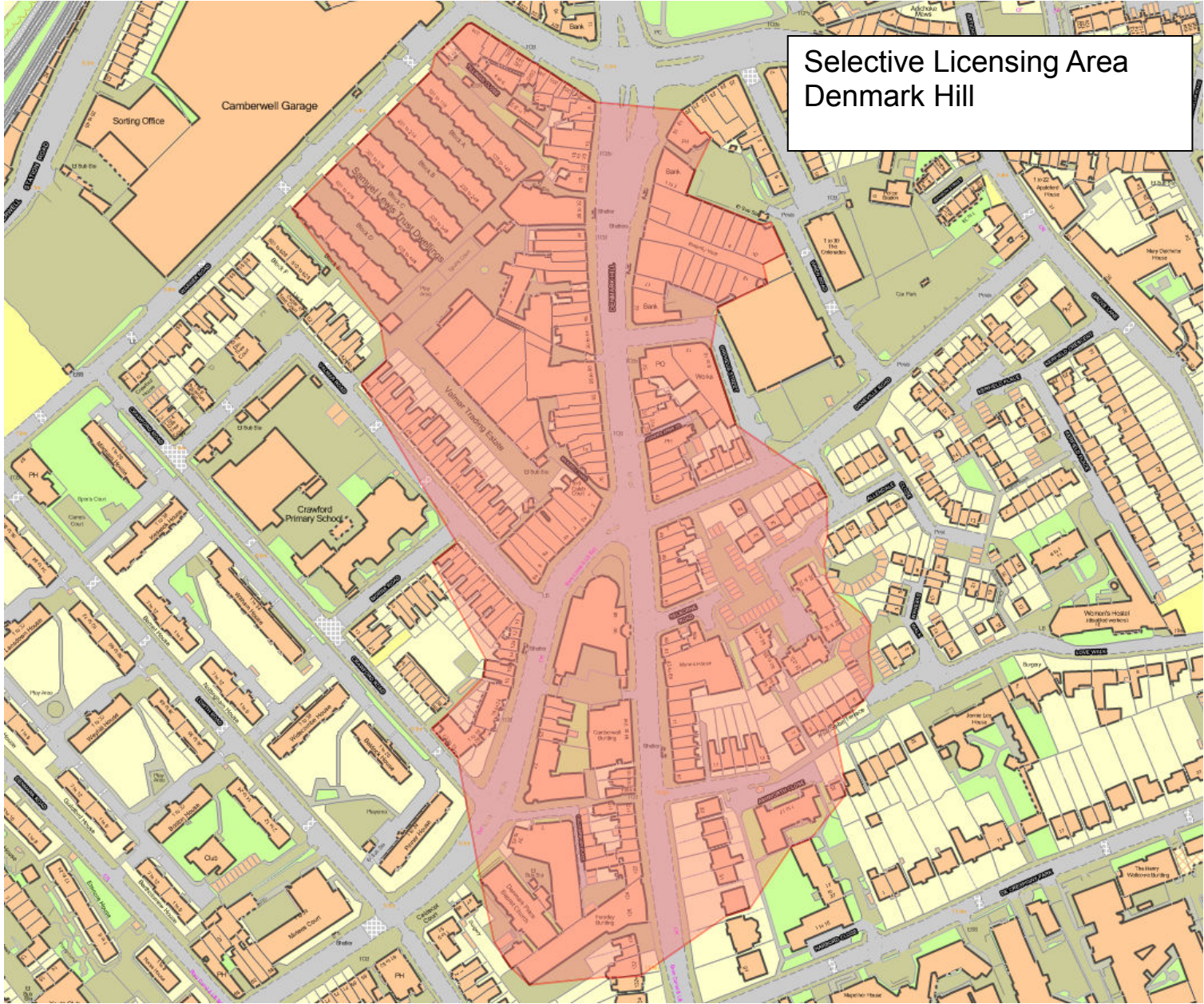


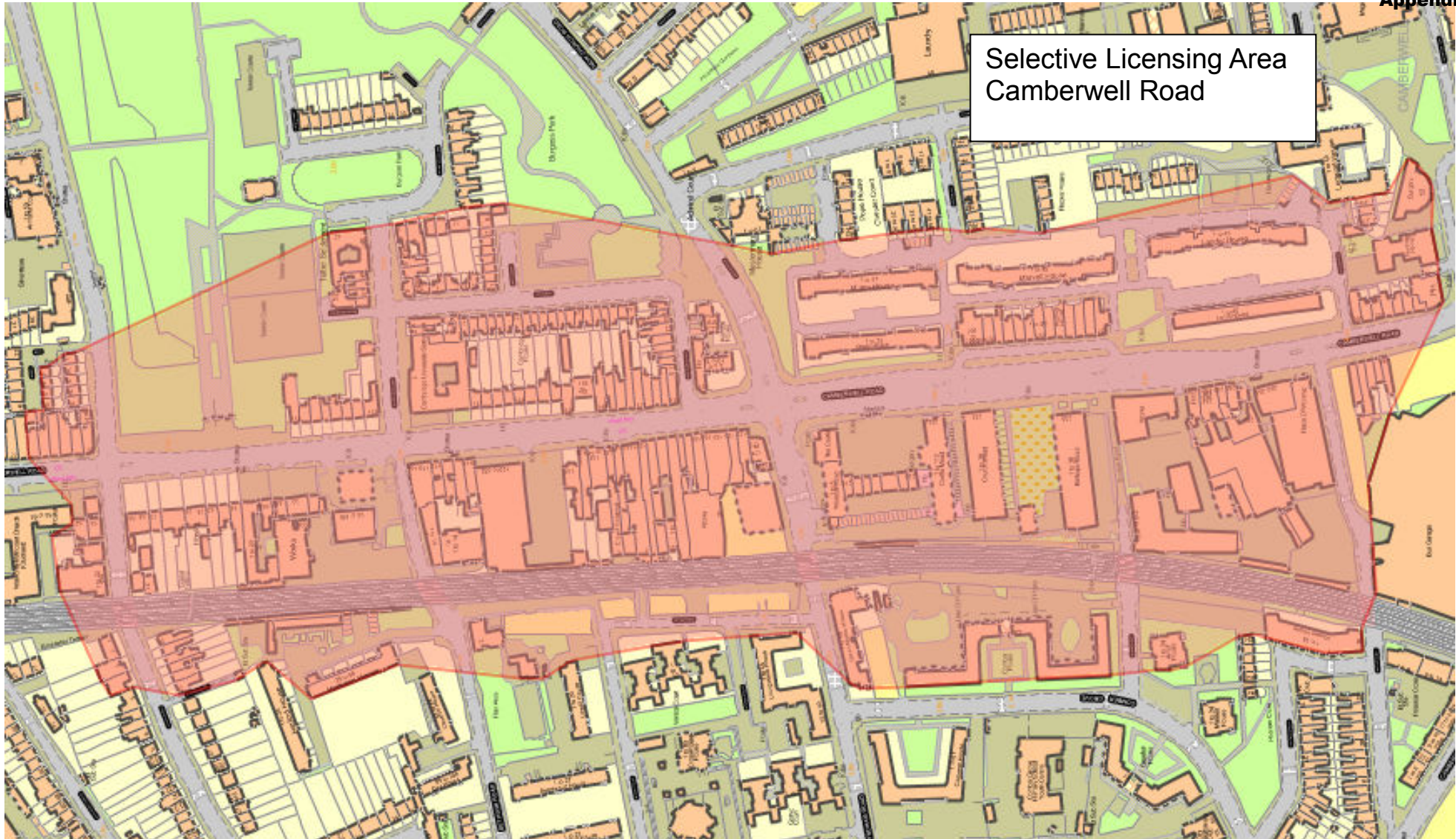


Selective Licensing Area
Camberwell New Road

**Selective Licensing Area
Camberwell Green**



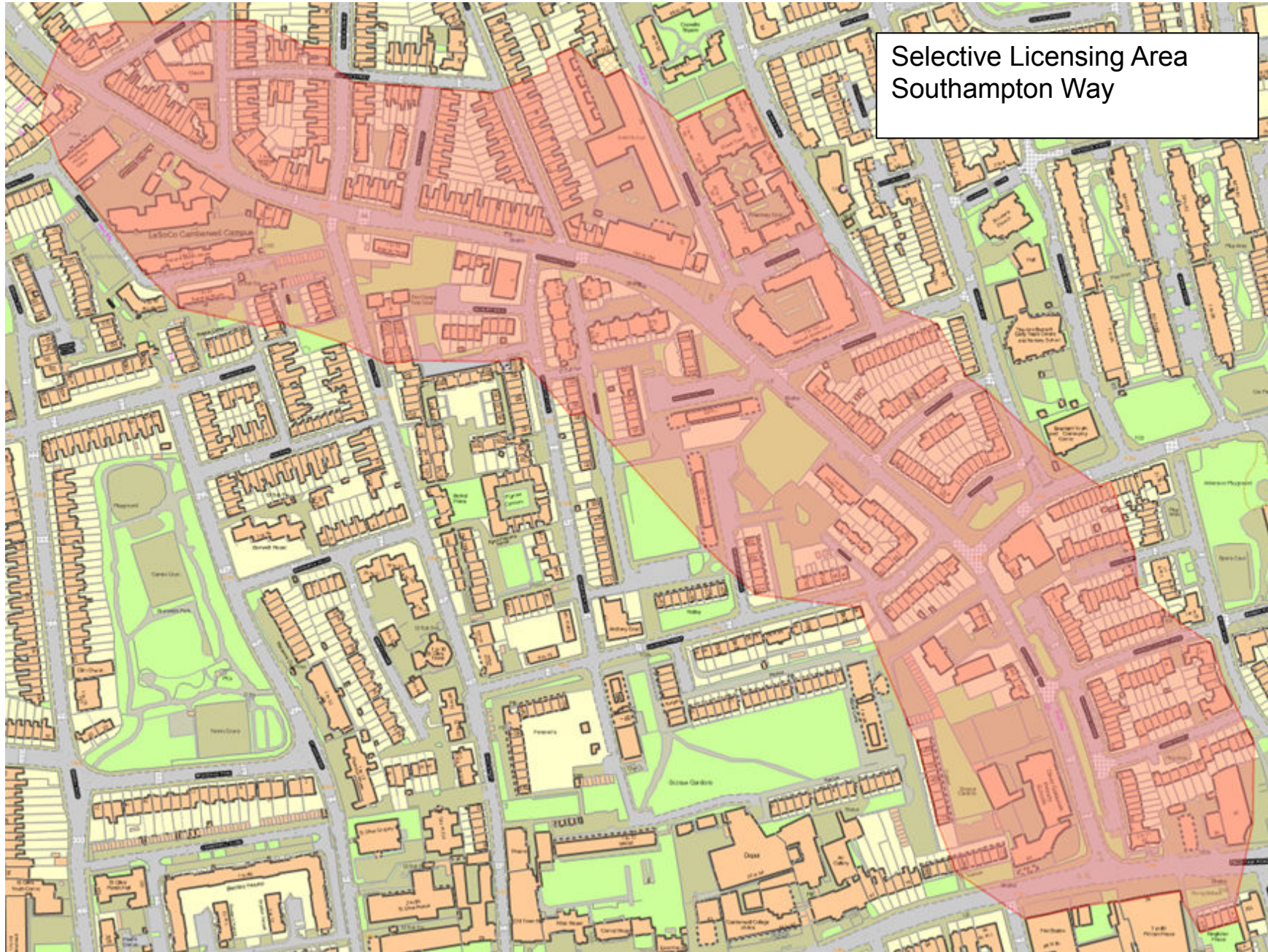


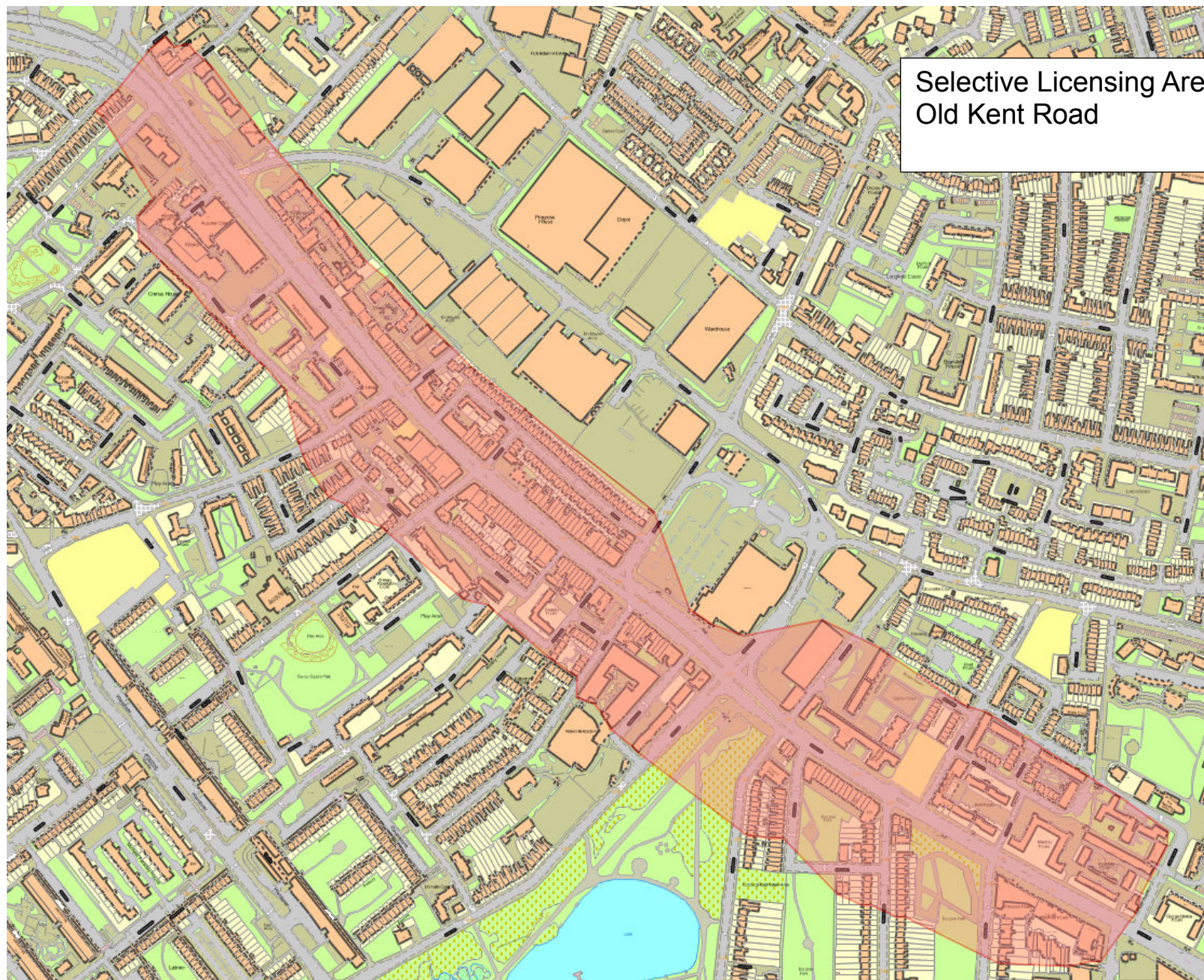


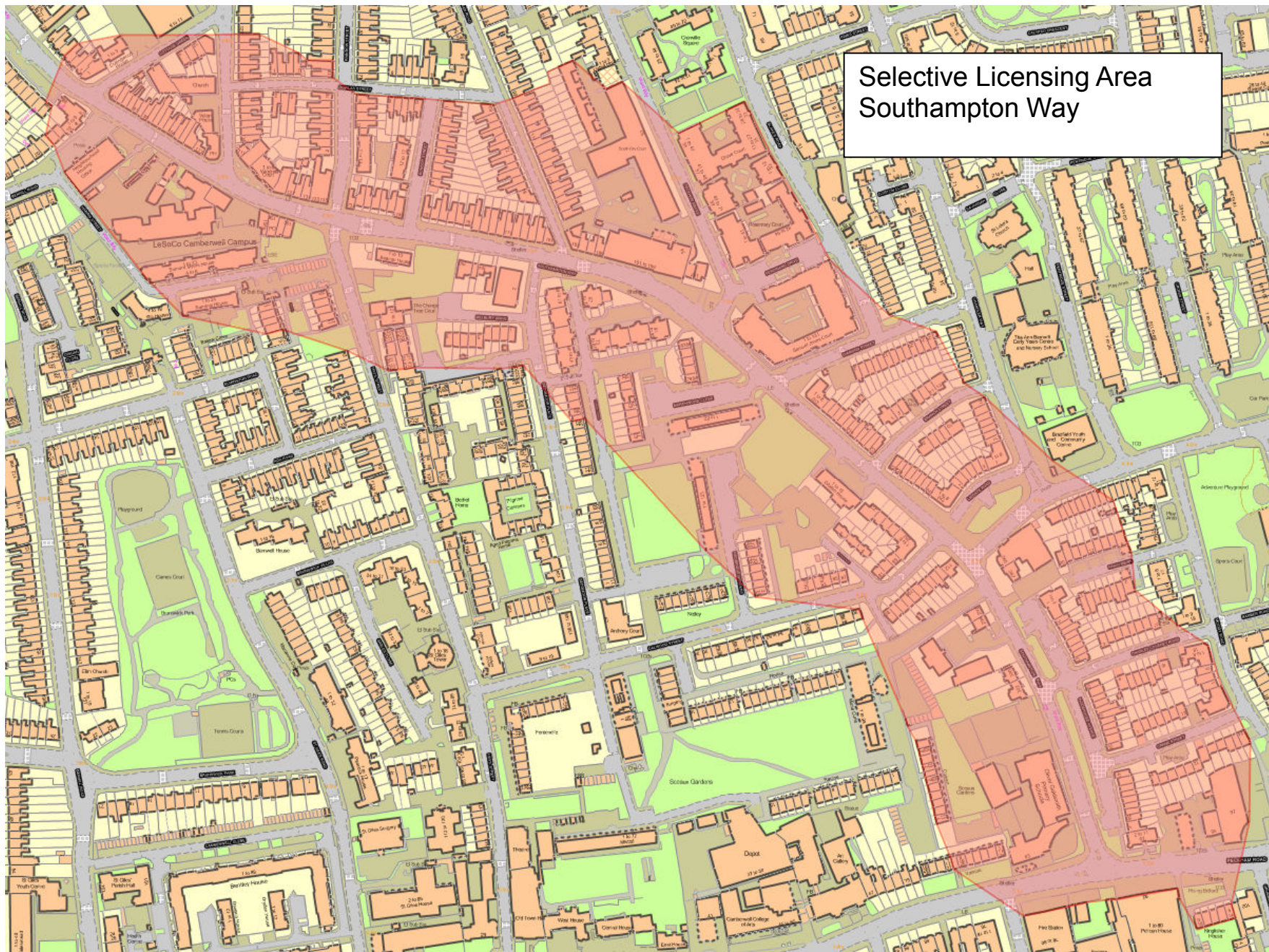


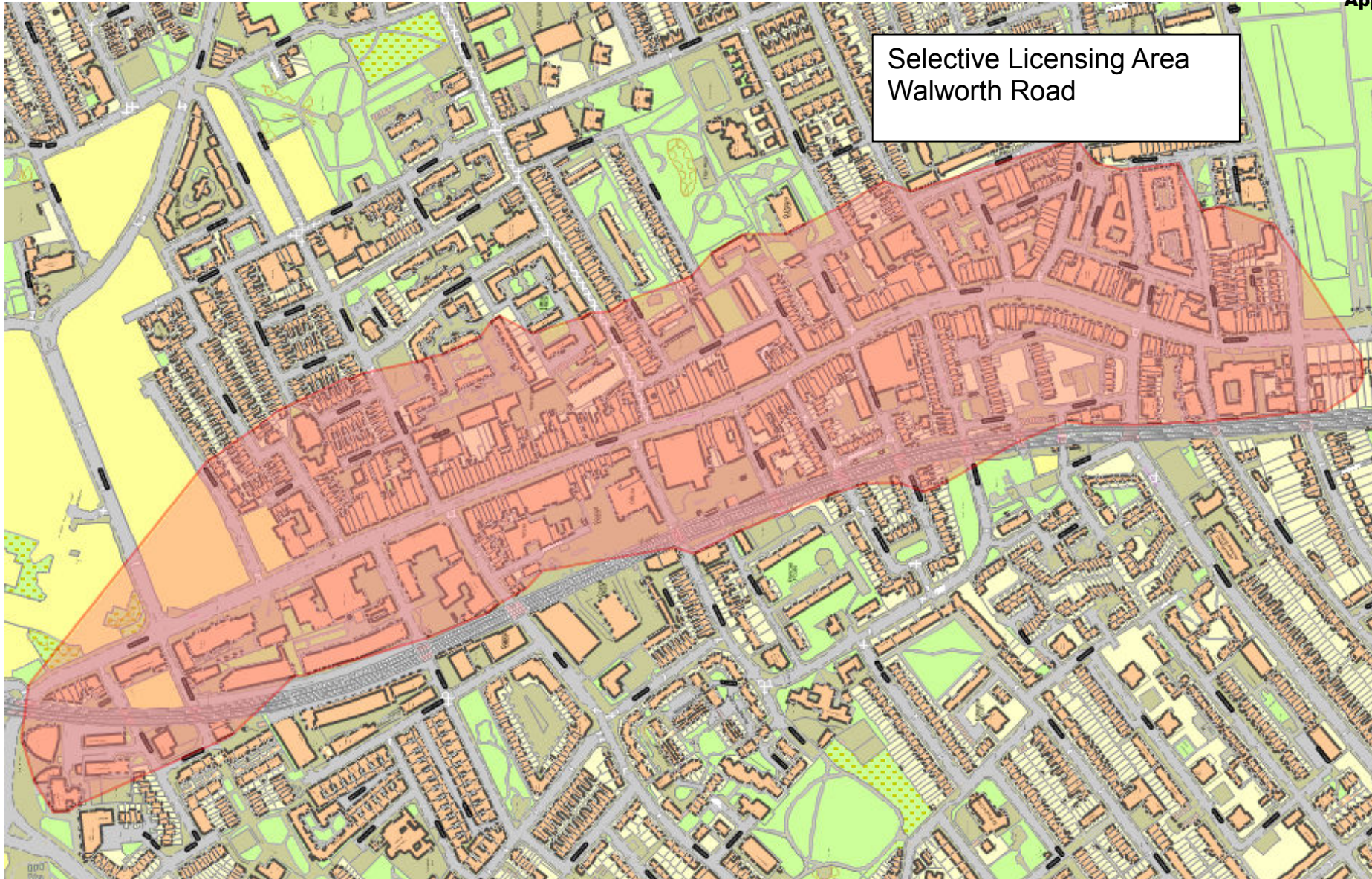






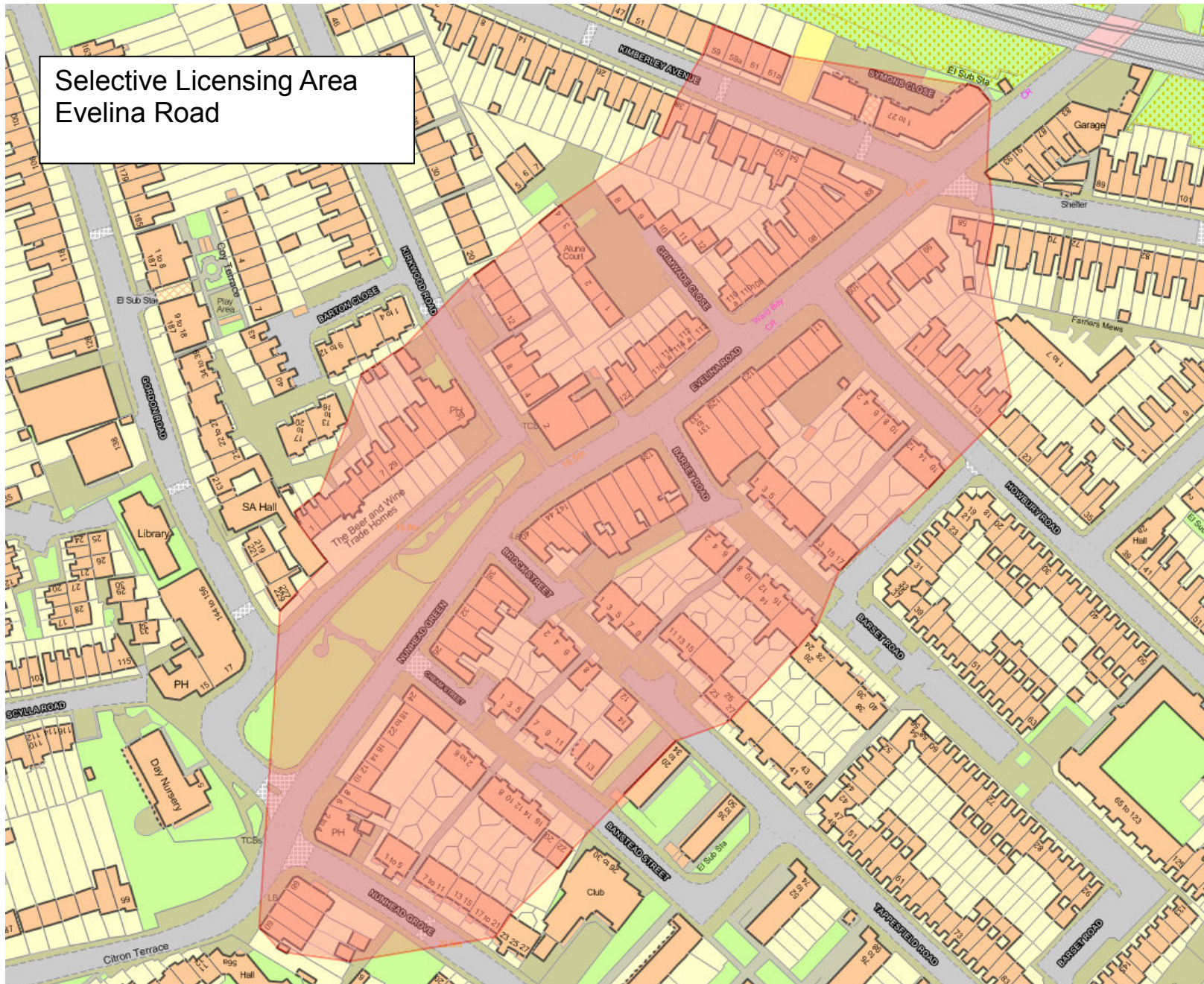






Selective Licensing Area
Rye Lane





APPENDIX 2

List of dwellings that are within the Selective Licensing Areas

ADDINGTON SQUARE	NUMBER 1, FLATS 1-14 NUMBER 1C, FLATS 1-14 NUMBERS, 2-11 (plus flats ABCD), 48-53
ALBANY MEWS	NUMBERS 1-5, 6-11 AND 1A-5A,
ALPHA STREET	NUMBER 16, FLATS 1-6
ARNSIDE STREET	BLOCK NAME: ARNSIDE HOUSE, NUMBERS 1-12
	BLOCK NAME: WELLINGTON HOUSE, NUMBERS 1-9
ARTICHOKE PLACE	NUMBERS: 1-5
ASHBOURNE GROVE	NUMBERS 2-18 EVENS
	NUMBERS 1-15
ASHWORTH CLOSE	NUMBERS: 1-17
ASYLUM ROAD	NUMBERS, 79-84, 85-90, 91-96, 97-102, 126, 126a
	BLOCK NAME: CAROLINE GARDENS, NUMBERS 1-176
	BLOCK NAME: APARTMENT, LETTERS A-R
	EVEN NUMBERS: 20-38, 44-64
ATWELL ROAD	NUMBERS 2-6 EVENS
BADWORTH ROAD	NUMBERS: 2-7, 8-13, 14-28
BASING COURT	BLOCK NAME: BRYANSTON HOUSE, NUMBERS 1-7
BAWDALE ROAD	ODD: 1-47 EVEN: 2-50
BELLENDEN ROAD	ODD: 43, 55-61, 67-79, 89, 91, 109, 113, 121, 131, 135, 139, 143, 151, 159-165, 177, 189, 201, 213, 221-231, 245, 249, 251, 255, 269, 273, 275, 277, 279, EVEN: 18, 38, 40, 52-58, 60-62, 64-66, 68-70, 72-84, 86, 90-96, 98-106, 146, 156, 166, 168, 176, 196, 200, 210, 214, 228, 240, 242, 264-268, 290, 292
	NUMBER 86, BLOCK NAME: ELIM HOUSE
	BLOCK NAME: SHEFFIELD HOUSE, NUMBERS 1-12
BEWICK MEWS	NUMBERS: 1-10
BLACKWATER STREET	NUMBERS 3-19 ODDS
	NUMBERS 2-16 EVENS
BLENHEIM GROVE	EVEN: 2, 4, 8, 10, 23, 34, 38, 40, 44, 63, 66, 68, ODD: 1A, 3A, 7, 9, 11, 11A, 13, 33, 43, 47, 53, 59,
BONSOR STREET	NUMBERS 1-11, 12-17
BOUNDARY LANE	BLOCK NAME: ROFFO COURT, NUMBERS 77-131
BOURNEMOUTH ROAD	NUMBER 3 FLATS 1 TO 28
	NUMBER 5 FLATS 1 TO 34
BOYSON ROAD	BLOCK NAME: HITARD COURT
	BLOCK NAME: ROFFO COURT, NUMBERS 6-16
BRANCH STREET	NUMBERS 1-13 ODDS
	NUMBERS 2-10 EVENS
BULLACE ROW	NUMBERS 4-9
BURCHELL ROAD	ODD NUMBERS: 1-57 EVEN NUMBERS: 2, 4, 36, 42, 40, 42, 14-22
CADIZ STREET	NUMBERS: 4, 6, 8, 10, 12, 16, 18, 20, 22, 24

APPENDIX 2

List of dwellings that are within the Selective Licensing Areas

CAMBERWELL CHURCH STREET	EVEN NUMBERS: 2-28, 30-58A, 60-78 and 80-86 ODD NUMBERS: 3-23, 25-33, 35-53, 55-75
	BLOCK NAME: MAYWARD HOUSE, NUMBERS 1-23, 24-25 and 26-38
	BLOCK NAME: GILESMEAD, NUMBERS 1-40
	BLOCK NAME: LONGLIEGH HOUSE, NUMBERS 1-55
	BLOCK NAME: DAWSON HOUSE, NUMBERS 1-12
	BLOCK NAME: DRYDEN HOUSE, NUMBERS 1-12
	BLOCK NAME: BENTLEY HOUSE, NUMBERS 1-89
	BLOCK NAME: FAIRWELL HOUSE, NUMBERS 1-59
	BLOCK NAME: SANDBY HOUSE, NUMBERS, 1-17
	BLOCK NAME: BODENEY HOUSE, NUMBERS, 1-44
CAMBERWELL GREEN	NUMBERS: 1-8 and 7-15
	BLOCK NAME: PARK HOUSE, NUMBERS 1-8
	BLOCK NAME: BRIGHTON HOUSE, NUMBERS 1-8
	BLOCK NAME: PEABODY BUILDINGS • BLOCK A: 1-14 • BLOCK B: 1-14 • BLOCK C: 1-14 • BLOCK D: 1-15 • BLOCK E: 1-15 • BLOCK F: 1-15 • BLOCK G: 1-15 • BLOCK H: 1-20 • BLOCK J: 1-20 • BLOCK K: 1-10 • BLOCK L: 1-10 • BLOCK M: 2-10 • BLOCK N: 1-10 • BLOCK O: 1-10 • BLOCK P: 1-10
CAMBERWELL NEW ROAD	Even: 184-282, 296a-316 and 334-354 Odd: 203-281, 283-293, 295-297a, 299-303 and 319-325
	BLOCK NAME: HAYES COURT, NUMBERS 1-12 and 13-32
CAMBERWELL ROAD	ODD: 81-91, 115-129, 141-157, 159-161, 163-179, 305-319 EVEN: 62, 64, 66-94, 96-106, 108-118, 120-132, 134-176, 188, 216-226, 242-252, 254-260, 276-284
	NUMBER 215, BLOCK NAME: KIPLING HOUSE, NUMBERS 1-20
	BLOCK NAME: WESSON MEAD, NUMBERS 1-5
	NUMBER 232, BLOCK NAME: CASTLEMEAD, NUMBERS 1-112
	NUMBER 234, BLOCK NAME: CHURCH MEAD, NUMBERS 1-38

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List of dwellings that are within the Selective Licensing Areas

	BLOCK NAME: KEATS HOUSE, NUMBERS 1-32
	BLOCK NAME: MILTON HOUSE, NUMBERS, 1-31
	BLOCK NAME: MARVELL HOUSE, NUMBERS 1-45
	NUMBER 256, BLOCK NAME: BISHOPSMEAD, NUMBERS 1-38
	BLOCK NAME: LANDOR HOUSE, NUMBERS 1-43
	BLOCK NAME: LAMB HOUSE, NUMBERS 1-40
CARLTON GROVE	2a-2c
	BLOCK NAME: ASHDENE ACORN ESTATE, NUMBERS 1-27, ODD:13, 17, 19, 21,23, 25, 27, 29, 31, 33, 35,37, 39, 41,43, 47, 53, 54
CARTER PLACE	BLOCK NAME: OLD STATION HOUSE, NUMBERS 1-24
CERISE ROAD	NUMBERS: 1-11
CHARLES COVENEY ROAD	NUMBERS: 3-17, 1-9, 19, 1-8, 18, 2, 4-16
CHESTERFIELD GROVE	NUMBERS ODD:1-51 NUMBERS EVEN: 2A, 2-62
COBOURG ROAD	NUMBERS: 1-33, 47-93, 103
COLDHARBOUR LANE	ODD: 39-45 EVEN: 10, 12A, 12, 14, 16A, 16, 18-24
	NUMBER 26, FLATS 1-16
	BLOCK NAME: PINNER HOUSE, NUMBERS 1-24
COLLEYER PLACE	NUMBERS: FLAT 1, 4, BLOCK NAME: FLAT 1, 2 COLLERER PLACE- FLAT 4
COLWORTH GROVE	NUMBERS: 1-7
	BLOCK NAME: ARNOT HOUSE, NUMBERS 1-24
CONGREVE STREET	BLOCK NAME: CULAND HOUSE, NUMBERS 1-26
COOPERS ROAD	BLOCK NAME: STAFFORD HOUSE, NUMBERS 1-12
	BLOCK NAME: SUCCESS HOUSE, NUMBERS 1-44
COTTAGE GREEN	ODD: 1-3, 9-11, 29 EVEN: 2,8, 12
COUNCILLOR STREET	NUMBERS: 5-47
	BLOCK NAME: Grainger Court – 1-20
COUNTY GROVE	Numbers: 11-20
	BLOCK NAME: Orchard House – 1-8 and 9-16
CRANE STREET	ODD: 1-13 EVEN: 2-24
CROWN STREET	BLOCK NAME: CROWN BUILDINGS, NUMBERS 1-3
DANEVILLE ROAD	NUMBERS: 3-11
DATCHELOR PLACE	NUMBERS: 1, 2, 4
DAYTON GROVE	NUMBERS: 1a,1-10, 11A-B, 12A-B, 13-15, 16A-B, 17-31
DENMARK HILL	ODD: 17, 25-33, 35-43, 45-57, 59-61,67-81, 83-93 EVEN: 8-26, 28-32, 34-54, 56-76, 94-104, 106A, 106, 108, 110-122, 128-132
	NUMBER: 63-65, BLOCK NAME: MARINE HOUSE
	NUMBERS: 124-126, BLOCK NAME: FARADAY BUILDING

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List of dwellings that are within the Selective Licensing Areas

	BLOCK NAME: BUTTERFLY WALK, NUMBERS, 1-18
D'EYNSFORD ROAD	NUMBERS: FLAT 1, 2 DEYNSFORD COURT- FLAT 2, 3 TOP FLOOR FLAT, CAMBERWELL GREEN COURT
DIAMOND STREET	BLOCK NAME: SAMUEL JONES COURT, NUMBERS 111-132
DOWLAS STREET	ODD: 1-7, 9-19, EVEN: 2-6, 8-16
ELM GROVE	ODD: 37-41, 43-45, 51-59, 63-67, 69-71 EVEN: 36-42, 44-64
EMPRESS STREET	NUMBERS: 1-25, 27-51, 53-77, 231
ETHEL STREET	NUMBERS ODD: 1-5 NUMBERS EVEN: 2-8
EVAN COOK CLOSE	BLOCK 1, 1-3, 2-8, 10-13 BLOCK 9, 1-57
EVELINA ROAD	NUMBERS: 88-108, 99-109, 110A, 110, 112A, 112, 114A, 114, 116-122, 111-129, 131-133, 135-147
FIELDING STREET	NUMBERS ODD: 1-25 NUMBERS EVEN: 2-38
FINCH MEWS	NUMBERS ODD: 3-17 NUMBERS EVEN: 4-20
FROGLEY ROAD	1-18, 23-26
GATEWAY	NUMBERS: 5-24, 25-44
GELDART ROAD	NUMBERS ODD: 1-23 NUMBERS EVEN: 2-32
GRIMWADE CLOSE	NUMBERS 8-12
HAMPTON STREET	BLOCK NAME: WOLLASTON CLOSE, NUMBERS 1-33
	BLOCK NAME: HAMPTON HOUSE, NUMBERS 1-8
HANSLER ROAD	ODD: 1-35 EVEN: 2-48
HENDRE ROAD	BLOCK NAME: HENDRE HOUSE, NUMBERS 1-10
	BLOCK NAME: VICTORIA COURT, NUMBERS 1-10
HIGHSHORE ROAD	ODD: 13-25, 27A, 27B, 27, 31-41 EVEN: 8-20, 28-34
HOLLY GROVE	ODD: 33, 37-41, 43-45 EVEN: 26-32
HORSLEY STREET	BLOCK NAME: ST EDMUND HOUSE, NUMBERS 1-8
	BLOCK NAME: BAILLIE HOUSE, NUMBERS 1-4
	BLOCK NAME: STRATHCONA HOUSE, NUMBERS 1-4
HOWBURY ROAD	NUMBERS ODD: 1, 3, 23, 35, 39, 41, 51, 63 NUMBERS EVEN: 2, 4, 6, 8, 10, 12, 14, 16, 18, 20, 30, 40, 50, 52
IVY CHURCH LANE	NUMBERS ODD: 3, 5, 7, 13, 15, 17, NUMBERS EVEN: 2, 8, 10, 12,
JEPHSON STREET	ODD: 1-31 EVEN: 2-24

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List of dwellings that are within the Selective Licensing Areas

KIMBERLEY AVENUE	ODD: 1, 13, 25, 31, 47, 51, 59, 59A, 61, 61A EVEN: 2, 8, 14, 26, 38, 52, 54
KINCAID ROAD	EVEN: 2 - 42 ODD: 1 - 37
KITSON ROAD	ODD: 1-5 (plus 5a) EVEN: 2-40
	BLOCK NAME: KITSON VILLA
LIDGATE ROAD	NUMBERS 1-8, 1, 2, 7
LIVERPOOL GROVE	BLOCK NAME: MALVERN HOUSE, NUMBERS 1-9
LORDSHIP LANE	ODD: 3-15, 25-27, 29-35, 37-43, 58-63, 73-81, 85-89, 133-155, 157-171, 173-183, 185-211, 213-263, 265-267, 265a-267a, 471, 471a, 475-479, 481-487, 489-515, 535-537, 545-549, EVEN: 2-6, 12-14, 26-34, 46-54, 68-82, 84-94, 98-110, 112B-114, 116-126, 128-146, 150-182, 184-210, 218-226, 496, 522-524,
	BLOCK NAME: SAGE MEWS, NUMBERS 1-5
	BLOCK NAME: GLOUCESTER COURT, NUMBERS 1-26, 27-52
	BLOCK NAME: SHAWBURY COURT, NUMBERS 1-15
	BLOCK NAME: CAMPBELL COURT, NUMBERS 1-72
	BLOCK NAME: BEW COURT, NUMBERS 1-62
	BLOCK NAME: NORMAN COURT, NUMBERS 1-8, 9-12, 14-25
	BLOCK NAME: RUBENS GARDENS, NUMBERS 1-6
	BLOCK NAME: SUNDERLAND COURT, NUMBERS 1-10
	BLOCK NAME: BYRON COURT, NUMBERS 1-28
	BLOCK NAME: MORNA COURT, NUMBERS 1-24
	BLOCK NAME: SHERWOOD COURT
	BLOCK NAME: GLENNIE COURT, NUMBERS 1-24
	(473) BLOCK NAME: SUNDERLAND COURT, NUMBERS 1-10
	(517-533) BLOCK NAME: STREAMLINE COURT, NUMBERS 1-14
	BLOCK NAME: DUKES COURT, NUMBERS 18-, 9-14
	(524) NUMBERS,
MACLEOD STREET	BLOCK NAME: LATVIA COURT, NUMBERS 1-11
	BLOCK NAME: ABBEY COURT, NUMBERS 1-21
MADRON STREET	BLOCK NAME: LEYSDOWN HOUSE, NUMBER 1-49
	BLOCK NAME: IFIELD HOUSE, NUMBERS 1-12
MARCHWOOD CLOSE	NUMBERS: 1-62, 63, 67, 70, 71, 75, 78, 79, 84
MARICA ROAD	ODD : 3A, 3C, 11, 23, 35, 47, 59, 75, 79, EVEN: 2A, 10, 18, 28, 40, 52, 64,
MASSINGER STREET	BLOCK NAME: BOARLEY HOUSE, NUMBERS 1-20
MEDLAR STREET	NUMBERS: 1-15

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List of dwellings that are within the Selective Licensing Areas

	BLOCK NAME: READER HOUSE, NUMBERS 1-26
MEETING HOUSE LANE	BLOCK NAME: 40 ACORN PARADE 1-6, NUMBERS: 2-10A, 4, 6, 7, 9, 3-8, 1-17, 9-13, 14-23, 19-35, 12, 10, 24, 25, 26, 27, 12-36, 59, 61, 64, 53-69, 70, 72, 74-90, 89-75 92-106, 110, 112, 131-149, 136, 147-131, 149, 151, 153, 155, 91-129, 92-112, 155-157,
MELBURY DRIVE	NUMBERS, 1-9
MELFORD ROAD	NUMBERS, 2-10
	BLOCK NAME: MELFORD COURT, NUMBERS 1-8, 35-42, 43-50
MELON ROAD	BLOCK NAME: FRANK HOUSE, NUMBERS 1-4
MILKWELL YARD	NUMBERS: 1-8 AND 1A-8A
	BLOCK NAME: CALEB COURT, NUMBERS 1-6
MISSION PLACE	NUMBERS 2-6 EVENS
MORNA ROAD	NUMBERS 2-10 (FLATS A,B, C)
MORNINGTON MEWS	NUMBERS: 4-5
MOUNT ADON PARK	ODD: 1, 1A, 13, 15, 17, 23-27, 29-33, 35, 37-41, 43-47, 49 EVEN: 2-12, 20
MUSCATEL PLACE	NUMBERS 2-6 EVENS
NIGEL ROAD	ODD NUMBERS: 1, 9, 17, 19, 31, 43, 53, EVEN: 2, 10, 16, 18, 20, 34, 46
NUTFIELD ROAD	ODD: 1-31 EVEN: 33-62
OAKLEY PLACE	NUMBERS: 2, 2A, 3, 3A, 4, 4A, 6, 11, 18
OCCUPATION ROAD	NUMBERS: 1A, 2-6, 7-12
OLD KENT ROAD	BLOCK NAME: AUGUSTUS COURT, NUMBERS 1-70
	BLOCK NAME: BAMATT HOUSE, NUMBERS 1-8
	BLOCK NAME: CHARLOTTE COURT, NUMBERS 1-30
	BLOCK NAME: KINGSLEY FLATS, NUMBERS 1-106
	BLOCK NAME: DOVER FLATS, NUMBERS 1-92
	BLOCK NAME: KENT HOUSE, NUMBERS 1-29
	BLOCK NAME: MAWBAY HOUSE, NUMBERS 1-73
	BLOCK NAME: WESSEX HOUSE, NUMBERS 1-68
	BLOCK NAME: WALERAN FLATS, NUMBERS 1-99
	BLOCK NAME: YALDHAM HOUSE, NUMBERS 1-10
	BLOCK NAME: AVINGTON COURT, NUMBERS 12-28
	BLOCK NAME: MILESTONE HOUSE, NUMBERS 1-49
PARKSTONE ROAD	NUMBERS : 5, 5A, 7, 9, 11, 13, 15, 17
PECKHAM HIGH STREET	ODD: 31-51, EVEN: 28, 30, 32a, 32-38, 46-52, 56
	BLOCK NAME: MARCUS HOUSE, NUMBERS 1-9
	BLOCK NAME: DUNSTALL HOUSE, NUMBERS 1-24
	BLOCK NAME: ROMAN HOUSE, NUMBERS 1-9
	BLOCK NAME: BUN HOUSE, NUMBERS 1-2
PECKHAM ROAD	BLOCK NAME: BENTLEY HOUSE, NUMBERS 1-99

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List of dwellings that are within the Selective Licensing Areas

	BLOCK NAME: LEAF HOUSE, NUMBERS 1-8
	BLOCK NAME: FAIRWELL HOUSE
	BLOCK NAME: BODENEY HOUSE, NUMBERS 1-45
	BLOCK NAME: BARRINGTON HOUSE, NUMBERS 1-8
	BLOCK NAME: GOSCHEN HOUSE, NUMBERS 1-8
PENNETHORNE ROAD	NUMBERS ODD:1, 1A-45, NUMBERS EVEN:2-70
PENRY STREET	NUMBERS ODD:1, 3A, 5, NUMBERS EVEN: 2, 4, 4B, 4C, 6
PRESTON CLOSE	BLOCK NAME: PRESTON HOUSE, NUMBERS 1-20
QUANTOCK MEWS	NUMBERS 1-10
QUEENS ROAD	ODD: 91-99, 115-131, 133-137, 139 (flats 1-12), 151-155, 165-171, 173, 177-193, 195-199, 201, 203, 205 (flats a-e), 209 (flats a-h), 213 (flats a-d), 219-221, 223-235, 239 (a-c), 241 (a-e), 243 (a-c), 245, 247, 249 (a&b), 251 (a&b), 253 (a&b), 255 (a&b) EVEN: 36-52, 54-56 (flats 1-11), 60 (flats 1-17) 62 (flats 18- 45), 76-80, 90 (flats 1-24), 142-148, 152-158, 160-162, 164 (a-e), 168, 172-174, 176-176a, 178-178a, 180-180a, 182- 182a, 184-192
	BLOCK NAME: SONESTA APARTMENTS, NUMBERS 1-32
	(107) BLOCK NAME: DEXTER APARTMENTS, NUMBERS 1-31
	(100) JOE RICHARDS HOUSE
RAINBOW STREET	NUMBERS: ODD 21, 43, 53 NUMBERS EVEN: 18, 30, 42,
RED LION CLOSE	BLOCK NAME: HITARD C:OURT, NUMBERS 25-52
	BLOCK NAME: ROFFO COURT, NUMBERS, 1-5
REDBRIDGE GARDENS	NUMBERS: 2, 10, 12, 14, 22, 24, 26, 34, 36, 1-123
REDCAR STREET	BLOCK NAME: LAING HOUSE, NUMBERS 1-35
	BLOCK NAME: MOFFAT HOUSE, NUMBERS 1-34
ROWCROSS STREET	BLOCK NAME: ASTLEY HOUSE, NUMBERS 1-90
RUST SQUARE	NUMBERS 1-8
RYE LANE	BLOCK NAME: SEDNEM COURT, NUMBERS 1-8
	BLOCK NAME: CENTRAL BUILDINGS, LETTERS A-D
	BLOCK NAME: ZANIB COURT, NUMBERS 1-6
SAGE MEWS	NUMBERS 1-8
SHAWBURY ROAD	BLOCK NAME: 1-15 SHAWBURY COURT, 1-11, 15-31
SOUTHAMPTON WAY	NUMBERS, 1-8
	BLOCK NAME: BEACON HOUSE, NUMBERS 1-10
	BLOCK NAME: CLAREMONT VILLAS, NUMBERS 1-6
	BLOCK NAME: SAMUEL JONES COURT, NUMBERS 1-54
	BLOCK NAME: WINDMILL COURT, NUMBERS 127, 131, 133, 135
SPRINGALL STREET	NUMBERS: 2A, 2B, 3, 4A, 4B, 5, 6, 7, 7A, 8, 9,

APPENDIX 2

List of dwellings that are within the Selective Licensing Areas

	FLAT 1- 1 ST FLOOR, FLAT1 –GROUND FLOOR
SPURLING ROAD	NUMBERS, 1-13
STAFFORDSHIRE STREET	BLOCK NAME: GAUMONT HOUSE, NUMBERS 1-26
STANFORD PLACE	NUMBERS: 1-5, 6-15
STATION TERRACE	NUMBERS 1-23 ODD
SUTHERLAND SQUARE	NUMBERS ODD: 35, 51, 51A, 51C, 55, 55A NUMBERS EVEN: 34, 36, 40, 48, 50, 50A, 54
SYMONS CLOSE	NUMBERS: 1-27
TOWNSEND STREET	BLOCK NAME: LAUREL APARTMENTS, NUMBERS 1-46
URLWIN STREET	NUMBERS 1-4, 31-36
VESTRY ROAD	BLOCK NAME: THE MAISONETTES, NUMBERS 1-7
VICARAGE GROVE	NUMBERS: 1-12, 25, 31, 37, 42
WALWORTH PLACE	BLOCK NAME: PEARLEC HOUSE, NUMBERS 1-5
	BLOCK NAME: JAMES STROUD HOUSE, NUMBERS 1-24
WALWORTH ROAD	BLOCK NAME: JULIAN MARKHAM HOUSE, NUMBERS 101-107, 201-207, 301-307, 401-407, 501-507, 601-607 AND 701-708
	BLOCK NAME: DASHWOOD STUDIOS, NUMBERS 101- 716
	BLOCK NAME: STANHOPE HOUSE
	BLOCK NAME: LIME TREE COURT, NUMBERS 1-9
WANSEY STREET	BLOCK NAME: GARLAND COURT, NUMBERS 1-31
WODEHOUSE AVENUE	NUMBERS: 19 - 39
WREN ROAD	NUMBERS: 1-7 and 10-14
	NUMBER 8, BLOCK NAME: THE COLONADES, NUMBERS1-30
YORK GROVE	ODD NUMBERS: 1, 3, 7, 9,13A-C, 15, 19, 21A-B, 23, 35, 37A-B, 39, 45 EVEN NUMBERS: 2-10, 12A-B, 14A-B, 16A-C, 18, 20, 24
ZENORIA STREET	NUMBERS: 2A, 2-22

APPENDIX 3

Southwark Council – Licensing Consultation Case Studies

2 storey non-licensable bedsit HMO occupied by 5 people.

Most of the tenants found accommodation on this house through an organisation that helps homeless people with employment, housing etc. They also have some level of dependency on either alcohol and/or drugs. The landlord lives in Northern Ireland and the house is very poorly managed.



The Council has had to have regular involvement to deal with the various issues with ASB at the property. We receive regular complaints from tenants and neighbouring properties.

The ASB within the house includes theft and assault amongst tenants. The Police are regularly called but there is never enough evidence to take the matter further. The landlord refuses to get involved in trying to prevent or deal with any of the issues.



The complaints from the neighbours include the tenants not disposing of refuse correctly and the bins are then not collected by Council refuse services. This causes piles of rubbish in front yard of house and people start fly tipping and adding to the problem. Anything that cannot reasonably be disposed of in the bins is thrown out into the rear garden.

Arguments in the property sometimes spill out onto the street. The Police cannot take any action as neighbours and tenants are unwilling to provide witness statements about ASB affecting the community and inside the house.

Self contained flats

4 storey property converted into 8 flats without planning permission and building control approval. The property was converted over 4 years ago and the owner had proved established use of the property in its current layout and occupation. There is no sound insulation between the units which are well below the minimum sizes for flats under Southwark's own planning guidelines. There are no door bells so neighbours have complained of noise issues resulting from tenants/friends of tenants calling up from the street to gain access.

Because the property is occupied by 8 households there are issues with refuse causing problems to the front of the house, with some refuse over spilling from the bins onto the pavement encouraging fly-tipping from passers by. The front gardens to the houses are very small and neighboring properties that are occupied by a single family only have enough room to keep their single set of wheelie bins.

The 8 households require several sets of wheelie bins to accommodate their refuse but there isn't enough space at the front of the property to store an adequate number of bins. Additional problems with refuse disposal are a result of tenants not speaking English and therefore struggle to understand how recycling works. There is also an issue with bins not being emptied because the waste has been contaminated by non-recyclable refuse.

Because the property is very poorly managed and each unit is small and cramped there is also a high turnover of tenants. One set of tenants is briefed by the council on how to recycle but then they move on and the Council needs to start again with the new set of tenants. The landlord refuses to take responsibility for these issues and without licensing Council is powerless to take action.

There is a larger number of people living in the property than the house was designed for, resulting in domestic noise affecting adjoining flats and adjacent properties. There also allegations of noise nuisance arising from parties. There are regular complaints of children, who live at the house, playing in the street as there is nowhere suitable for them to play and no access to a garden. The adults also regularly socialise out at the front of the property as there is little space for them to socialise inside.

Example of the difference a responsible landlord makes to ASB when working in conjunction with the council

A well managed HMO which provides decent accommodation for students. Neighbours have complained to local Councillor about noise from the students such as talking in the street late at night when coming home from parties, 'intimate noises' from tenants who leave windows open in summer, cigarette butts being left on pavement from students smoking at front of property as they are not permitted to smoke inside. At the request of the council the landlord has provided a rear area for smoking. Had the landlord been irresponsible and without the provision of licensing conditions the council would have had little action they could have taken to resolve these issues.

An example of noise nuisance being caused within an HMO

Complaints were made to us about noise (parties/loud music) coming from one of the bedrooms at the front of the house - the tenant of the room regularly had friends round. Noise was affecting the other tenants in the house but it could not be deemed a nuisance within the same house or from the street. The council's noise team is unable to take action against the occupier causing the noise nuisance as it is disturbing someone living in the same premises. The current legislation does not allow them to deal with it. For them to be able to take action for noise nuisance a complaint would need to come from a neighbouring property. No complaints were made other than from residents within the property.

Notorious HMO and landlord

The property consists of 3 storeys but because Officers could not find evidence of 5 tenants occupying the property it was not subject to Mandatory licensing. There were numerous issues regarding poor management, harassment of the occupiers, noise nuisance, burglaries, refuse problems and fly tipping. None of which were taken seriously by the landlord. Neighbours would regularly complain about the condition of the property, the noise and the refuse.



5 HMO's in a terrace

These properties were referred to us by the council's Waste Management team due to dumped refuse/over spilling bins to the small front yards of the houses. Further investigations revealed that the houses were HMOs. The occupiers had dumped their rubbish and belongings they no longer wanted when their tenancies had ended and the landlord had taken no action to prevent the problem or resolve it afterwards.



A case of overcrowding and anti-social behaviour

This property was brought to our attention by neighbours as the occupants were routinely clambering up balconies to get access to their flat in the early hours of the morning as they did not all have keys. It was a two bedroom, 2nd floor leasehold flat. The tenant had sublet the flat to two additional households in order to help pay the rent.

The tenant shared the living room with her husband and three young daughters. The main bedroom was shared by another family, a couple and their three children, a girl of 16, and two boys aged 12 & 4. The smaller bedroom was occupied by a single male.

When the overcrowding notice was served, the tenant asked her lodgers to leave, this caused several arguments, the Police were called on several occasions due to the noise and the lodgers refusing to go. The landlord said he was unaware of the occupation of the property, as he let it to the tenant and her family as a single family let and had taken no responsibility to check that his property was not causing issues to the neighbours or being used inappropriately. As long as he received his rent the landlord made no contact after the tenant moved in to the property.

The occupation of this property as a bedsit HMO had exposed these families to a number of hazards including overcrowding and, not only a higher risk of a fire starting but an unsafe means of escape in case of fire. The lodgers were put into temporary accommodation with the help of Private Tenancy Team and the tenant was eventually evicted.

Licensing, HMOs and fire protection

The three storey, semi-detached HMO had 6 occupied bedsits and had already been licensed under the mandatory licensing scheme.

In May 2014, we received a notifiable fire report from the Fire Brigade regarding a serious fire at the property.

The fire in the property was detected by the fire alarm system and an occupier alerted the fire brigade who attended the property.

The Council became aware of the property due to the licensing process and had been able to ensure that fire protection was installed in the property. The fire doors ensured that the fire was contained within the room and the fire alarm system ensured that the occupiers were made aware of the fire and were able to vacate the building and call the fire brigade. No one was injured in the fire and damage to the property was contained within one room due to the presence of the fire protection.



HMOs which are not subject to mandatory licensing also pose a risk to occupiers in the event of a fire. Licensing these properties would ensure that owners are responsible for informing the Council of all HMOs. The Council can then require appropriate fire safety measures in these properties.

Self contained flats in multiple occupation

A large four storey property with a ground floor commercial premises is occupied as 3 self contained flats in multiple occupation. The property is occupied by 16 people. Due to the size, layout and the presence of the commercial premises on the ground floor the property is high risk. The landlord has been subject to extensive enforcement action as the property did not comply with the requirements for a HMO.

Whilst this case was known to the Council for other reasons it was not subject to the mandatory licensing scheme. The owner of this and similar properties would not be required to inform the Council of their existence and will remain unregulated and unprotected. If subject to a licensing scheme the owner would be required to notify the Council of the property's occupation. Appropriate enforcement action would then be taken to ensure the safety of the occupiers.



APPENDIX 4

Introduction

What is Discretionary Licensing?

1. The Housing Act 2004 granted powers to local authorities to designate all or part of their area subject to discretionary licensing where landlords could be compelled to register and licence their rented residential property.
2. Initially licensing schemes required the approval of the Department for Communities and Local Government (DCLG).
3. In March 2010 a general consent was issued to allow Local Authorities to introduce discretionary licensing without DCLG approval subject to conditions.
4. In March 2015, Brandon Lewis MP as Minister of State for Housing and Planning varied the general consent to limit selective licensing schemes to 20% of the number of Private Rented Sector (PRS) letting or 20% of the local authority area. Any larger proposal will have to be referred to DCLG for approval.

The reasons for proposing these schemes?

5. The Council believes that a borough wide additional licensing scheme and targeted selective licensing scheme will help improve the quality of accommodation and the management of private rented properties in Southwark. It will help to:-
 - Provide greater confidence in the operation of Southwark's private rental market for both tenants and landlords;
 - Work closely with both landlords and tenants to address anti-social behaviour in specific areas where the behaviour links to the private rented sector;
 - To identify and take action regarding our increasing concerns about small HMOs where overcrowding, poor quality conversions and subdivision are increasing;
 - Drive up standards of tenancy management;

- Ensure that there is a consistent level of responsible property management among private landlords and take action against those landlords who persist in providing a poor standard of accommodation or whose tenants are causing persistent anti-social behaviour;
- Create a level playing field and promote an understanding among tenants about what they can reasonably expect from their landlord so they can make an informed choice.

What was the Council consulting on?

The Council consulted on three proposals relating to private sector housing. These were contained within the consultation documentation which can be found by following this link - <http://www.southwark.gov.uk/talkrent>

The proposals were:-

- The introduction of a borough wide additional licensing scheme. Additional licensing relates to all properties of less than three storeys which are let to three or more households. For example a two bedroom flat with a sitting room which is let as three separate rooms and the occupants share the kitchen and bathroom.
- The introduction of selective licensing in specific areas. Selective licensing relates to properties which are let as single family or single person dwellings. For example, a two bedroom flat let to a family.
- The revision of the current standards which the council sets for all HMOs in Southwark to improve the quality of all privately let properties. This also includes HMOs which are three storeys or more and require a mandatory licence.

Why did the Council have to consult?

6. The Housing Act 2004 and the general consent require the Council to consult people who might be interested in the proposal or affected if it is approved.
7. By section 56(3) (of the Housing Act 2004) (additional licensing) and section 80(9) (selective licensing) consultation with specified groups must be undertaken by the local authority before any designation may be made. Section 56(3) provides: -

"(3) Before making a designation the authority must-

- take reasonable steps to consult persons who are likely to be affected by the designation; and
- consider any representations made in accordance with the consultation and not withdrawn"

So far as its material, section 80(9) is in identical terms.

8. In addition, in February 2010, the Secretary of State also issued Guidance on the steps to be taken by authorities prior to making designations. The guidance (Approval steps for additional and selective licensing designation in England) states that consultation should

"...also include local residents and those who operate businesses or provide services in the surrounding area outside of the proposed designation who will be affected".

9. On 1 April 2010, the Secretary of State issued a general approval (the "General Approval") to all local housing authorities in England which includes at paragraph 4 a requirement for the consultation to last for at least 10 weeks.

What is required from the consultation?

10. Consultation is intended to be a way for the Council to find out what people think about its proposals. It is not a referendum or a voting process and the intention is not just to gauge support or opposition to a particular proposal.
11. The Council was also keen to hear what people think of its proposals, what changes they would like to see in the proposals and if there are any better solutions to the problem officers are seeking to address.
12. After consultation the Council analysed and considered the responses and this paper is a part of that process. From this, officers will decide whether to go forward with the original proposal, modify it or decide not to proceed. The paper explains what was decided and why.

What is this consultation report?

13. This report is intended to record the views we received from all the different consultation activities.
14. Officers collected views in a variety of ways. Consequently, the report will show results in the different formats to help the reader understand the views presented and give some context to how the consultation was captured.

The process of consultation

Who was consulted, when and how?

15. In order to comply with the requirements of 7 and 8 above officers planned a consultation intended to reach as many people who might be affected by the proposals as possible. In addition, officers identified a long list of organisations and individuals who could be expected to have an interest in the PRS or represent and champion the interests of those who are involved with rented homes.
16. The initial plan was to consult from the 29th September to the 19th December 2014. However on the 11th December 2014 the case of Regas V Enfield was heard in the High Court. It was held that the duty to consult parties likely to be affected by the proposal included those who may live or trade beyond the boundaries of the borough proposing the scheme.
17. Following on from 16 above, officers reviewed the consultation plan and decided that the judgement established new guidance which applied to Southwark's proposal. As a result the consultation was extended to the 14th of March 2015 and the area of consultation extended to include all London boroughs and those landlords and letting agents that officers knew operated across London.

18. Officers used a wide range of methods for consultation all of which led people to the core consultation pages on the Council website where all the papers, maps, evidence and appendices were available.
19. The responses and views were compiled from the following sources:-
 - An eform linked to the main consultation webpage
 - A prepaid response card which was handed out at a variety of events (listed below);
 - A prepaid response card which was posted to the residents in and around the selective licensing area;
 - A prepaid response card sent to addresses which were indicated by our data to be occupied by residents with a profile that matched those in private rented property;
 - A prepaid response card for students which was distributed at local higher education establishments;
 - Community meetings and events in Southwark, including community councils, area housing forums, street consultation events and focus groups for some minority groups;
 - Landlord representative events, including Landlords Forum, Landlords focus group and Southwark's Homeowners Forum for Leaseholders;
 - Emails to a wide range of national, regional and local stakeholders;
 - Advertising in local publications, street adverts on buses and bus shelters and electronic media;
 - A dedicated email address for responses;
 - Publicity on a landlord information website.

Summary of responses from the consultation

Public and Community Meetings

Community Councils

20. Southwark conducted a wide range of consultative, information and local decision making meetings. Community Councils represent an opportunity for local people to hear what the Council and other community organisations are doing, be informed on new proposals and issues and make decisions. These are regular public open meetings with considerable numbers attending.
21. We made presentations on licensing at 5 community councils and had an information stand at a sixth. Each community council was attended by local councillors, residents, business operators, local business and community leaders. Most meetings attract an audience of between 50 to 100 people. The presentations on licensing were well received by local residents who were concerned with the problems they see arising from private rented property. The issues mentioned included noise, waste disposal, generally inconsiderate behaviour and overcrowding.
22. There were a range of questions about the scheme, these focussed on how ASB would be identified and dealt with, how the scheme would be funded and how the Council would measure the effects of the scheme.

Area Housing Forums

23. Area Housing Forums are smaller meetings with local representatives who focus on housing issues. The meetings have a focus on Council owned property and estates including leasehold and sublet properties.
24. The representatives were keen to get into the detail on the proposals asking a wide selection of questions.
25. The concerns raised most often were ASB, poor management, poor quality conversion of dwellings to HMO's and overcrowding. There was strong support for increased intervention in this market largely by helping landlords to understand what they need to do to become good landlords and for the Council to be more robust with landlords who do not take their role seriously.

Public Events

26. Officers set up information stands at a number of locations during the consultation period. These were staffed by Council Officers who work in the environmental health teams who currently regulate the PRS.
27. The main events were:-
 - Peckham Square Consultation Event
 - Tenant Conference
 - Chinese Community Focus Group
 - Latin American Community Event
28. The events allowed people to speak to officers informally about the PRS and personal issues came up quite frequently.
29. Officers took the opportunity at all events mentioned in this section to distribute prepaid response cards and signpost those interested to the main consultation pages on the Council website.

Meetings with stakeholder groups

Landlords Focus Group

30. The meeting was part of a regular series of meetings facilitated by the temporary accommodation manager in the Housing Dept. It is usually attended by about 20 local landlords and property managers including a representative from the National Landlord Association (NLA).
31. Views were mixed but some landlords were quite positive about the proposal, particularly from the viewpoint of bearing down on the worst landlords who undercut and undermine legitimate landlords.

Landlords Forum

32. The meeting was attended by approximately 80 people. Of these the majority were private landlords or letting agents. These meetings are part of a regular series of annual or biannual events facilitated by the temporary accommodation manager. The invitation list of around 250 landlords and agents includes those responsible for a substantial number of PRS lettings. An agenda is produced and all invitees are advised of the matters to be discussed.
33. Landlords (at this meeting were of a similar view to those at the focus group 31 above) were not particularly positive about the proposals, however, they supported the need for increased regulation of poor landlords. They also accepted the proposal was carefully drafted and clearly linked to the problems of the PRS in Southwark.
34. Key objections related to the burden of regulation on good landlords and of the cost, both of which were considered to be unfair.

Meeting with stakeholder representatives

35. These meetings arose from specific invitations to organisations that represent various stakeholder groups.
 - NLA - acknowledged the care and time taken in drafting the Scheme, however, they oppose the fees and additional licensing on the grounds it will affect good landlords as well as bad.
 - ARLA – ARLA Board member who attended was very supportive of the proposal in all regards.
 - Meeting with student housing reps:-
 - London University - generally positive, some concerns about costs being passed on. Keen on increasing attention devoted to letting agents' bad practices.
 - Crisis - very positive
 - St Mungo's – very positive
 - Shelter – strongly supportive of the proposals
 - Generation Rent – expressed strong support for proposals and signed up for a guest blog on their website.
 - Stall in students union to target students.
 - South Bank University
 - Camberwell College

Web site eform

36. This is the most detailed and complete set of responses in that we asked a series of questions based on the whole proposal.
37. The Council received 489 responses, 2 of which were tests conducted by officers to ensure the recording was functioning.
 - 385 responses gave a tenure type, 221 private tenants (57.5%), 129 owner occupiers (33.5%) and 35 Council tenants (9%). 66 responses came from private landlords (17%).
 - 285 (58%) responses supported selective licensing and 177 (36%) were against.

- 219 (45%) supported selective licensing the larger pink area and 92 (19%) the smaller red area. 36% did not express a view
 - 287 (58.5%) supported additional licensing, 144 (29%) were against and 49 (10%) didn't know.
 - When asked if their support would continue if licensing resulted in a rent increase, 147 (30%) agreed, 248 (50%) would not support and 72 (15%) didn't know.
38. When asked what rent increase the respondent would be prepared to accept to have the benefits of licensing (of those who answered 217), 114 (52%) said £1, 62 (28.5%) said £5 and 41 (19%) said £10.
39. The narrative opinions expressed ranged from criticism that officers had not proposed a scheme that covered every PRS property in the borough to opposition to the proposal. The clear majority of comments were positive but opposition was not limited to landlords and there were clear concerns about the effectiveness of licensing and the danger of landlords passing on costs to tenants.

Selective Licensing Prepaid response cards

- We received 150 responses to this card out of 17 329 sent out
 - Of these 86 (57%) were in favour and 48 (32%) against selective licensing
 - 66 (40%) responses supported the pink zone and 14 both, so of those who answered this question 80 (53%) supported the larger area. 10 responses favoured the smaller red zone.
 - 57 (38%) were private tenants, 10 (6%) were landlords and 63 (44%) 'other'.
 - Of the landlords half were in favour of the selective proposal.
40. Respondents were approximately 2:1 in favour of selective licensing. A clear majority were in favour of the larger pink area to be included in selective licensing. Landlords were split on the issue.

Community prepaid response card

- There 434 responses out of 38 132 cards sent out.
 - 282 (65%) agreed with the proposal, 53 (11%) disagreed and 85 (19%) were not sure.
 - 298 (69%) were private tenants, 27 (6%) were landlords and 87 (20%) 'other'
 - Of the landlords, 12 (44%) agreed with the proposal.
41. It is not possible to carry out a summation of all responses received as the questions asked were different. It is, however, clear that the majority of respondents supported the proposal to introduce additional and selective licensing. Of those who responded there was a majority who supported the wider pink area for selective licensing.
42. There was a wide range of comment in the narrative responses. When asked what the issues were for private tenants the responses could be grouped into several themes:
- Rents

The majority of comments were about high rents and fees charged. Several people thought rents are exploitative.

- Management of tenancies and rental service

There were a number of comments about poor management, lack of response and the perception that a number of landlords and managing agents took advantage of the imbalance between demand and supply.

- There were requests for the Council to intervene and take a role in levelling the playing field for tenants.
- Poor property condition and lack of maintenance

A substantial number of responses mentioned poor standards of repair in rental properties.

- Some respondents mentioned that terms of PRS tenancies were unfair, with uncertain tenancy length and lack of security as key comments.

43. When we asked what the Council could do to improve renting in Southwark the key themes were as follows-

- Market intervention

Most responses expressed a desire for the Council to take action to resolve the problems listed above. There was clear support for rent control and interventions that made the market fairer.

- Increase supply

A number of respondents saw the Council as having a role in increasing the supply of rented property, either directly in the construction of new council houses or facilitating new rental property.

- Intervention and regulation

Several respondents wanted the Council to take a role in resolving problems by direct intervention including licensing, addressing maintenance and condition issues, regulating landlords and letting agents and helping renters resolve tenancy issues.

Student prepaid response card

44. Responses were as follows:-

- There were 59 responses collected from two events conducted at local university sites.
- 50 (85%) agreed with our proposal, 3 (5%) were against and 6 (10%) were not sure,
- The narrative questions were the same as in paragraph 42 above except from a student perspective.

- The responses very much followed the same themes of high rents, poor services and maintenance. A number of students felt that the rental relationship was only about the rent passing from the landlord's viewpoint I don't understand what this sentence means.
- When asked what we could do to improve things, students supported reduced rents, intervention, inspection and licensing.

Landlord response card

45. Responses were as follows:-

- This was only used at one event, the Landlords Forum, which had approximately 80 people in attendance. The majority of attendees were landlords or letting agents.
 - 9 responses were collected at the end of the event and though some cards were taken away none were subsequently posted in
 - Of the responses, 3 agreed with the proposal, though one response only supported additional licensing. 4 were against all types of discretionary licensing. 2 landlords were not sure,
 - Of the 9 respondents, 6 let property in Southwark.
46. The narrative responses gave a variety of opinion, mostly concerned with the need for licensing and the costs. Some sought greater support and facilitation from the council for improving services. One commented that they would seek better regulation for bad landlords and another would like more effective intervention from regulatory teams.

Response emails and attached papers.

47. The Council received 17 responses as emails or papers. They were from representative groups like Crisis and the landlords' organisations, RLA and NLA. The remainder were from landlords and focussed on both the licensing proposal and our draft HMO standards.
48. Crisis are in support of the proposals for licensing and our draft HMO standards. They recognise that the growth of the sector, changing demographics and poor condition were factors in the problems with standards and management.
49. The Residential Landlords Association (RLA) provided a paper detailing their view. The paper covered a wide range of issues and was, in general, opposed to the proposals. However there was a desire to work with the Council to develop responses other than licensing.
50. In terms of specific comments on Southwark's proposed scheme the issues raised by the RLA were as follows:-
- The extent of the scheme;
 - The fee structure and compliance with the Hemmings v Westminster ruling;
 - The effectiveness of licensing in addressing ASB;
 - Denigration of licensed areas and tackling low demand;
 - Measurement of outcomes;
 - Monitoring;

- Displacement effects;
- Use of decent homes data.

In addition there were concerns relating to additional licensing:-

- Sustainable neighbourhoods;
- Impact of scheme on landlords and tenants;
- Effectiveness of licensing schemes.

51. The NLA's response covered a similar range of issues and indicated a clear willingness to work with the Council to refine and develop our proposals. The concerns raised were as follows:-

- Passing of costs onto tenants;
- Reduction in supply of rented property;
- Limited evidence on the effectiveness of licensing;
- Resources;
- Concerns about the assistance the Council will give to landlords facing ASB issues;
- Relationship between planning and enforcement functions;
- Administrative burdens;
- Landlord/tenant tensions regarding waste disposal.

52. A large portfolio landlord operating in the borough made a written submission. Officers met with the management team during the consultation and visited a representative sample of their stock to give advice and guidance about our proposals. Their response raised several concerns:-

- Effective and responsible landlords feel that the scheme is unnecessary and is an administrative and financial burden;
- Accredited landlords should be exempt or if not, be offered fee discounts. It is unfair to expect good landlords to pay fees to improve the regulation of poor property managers.
- Some landlords will pass the fees on to tenants;
- There were some procedural questions about how we would structure and fund the various elements of the scheme.

53. The Homeowners Council (HOC) is a representative group sponsored by the Council which provides a forum for leaseholders of Council property to represent their views and be briefed on issues regarding leasehold property. This group includes a substantial number of leaseholders who have sublet their properties and are now private landlords. HOC offered support to the proposal for the following:-

- Addressing anti social behaviour;
- Dealing with 'Rogue' landlords;
- Improving property condition;

- Improving management of rented properties;
- Support for education and training;
- Supporting people in housing need and those in danger of homelessness;
- Dealing with the small number of landlords have a disproportionate effect on their residents and local communities;
- Substantial penalties for contravention of licensing legislation.

There were a number of concerns expressed:-

- The proposal is expensive and regressive;
- The new ASB powers introduced recently should be used to address the issue of ASB;
- Licensing would lead to a reduction in supply;
- Licensing inspections are intrusive and an invasion of residents privacy;
- The Council already has powers to inspect property;
- Most privately rented homes are decent and well maintained and most residents have at least reasonable satisfaction with their tenancy;
- Standards in the PRS are good and improving;
- The Council should use existing resources and powers to address the issues;
- 'Criminal landlords' will not apply to license;
- The proposal may stigmatise certain areas and streets;
- Mortgage lenders would decline funding applications in licensed areas, RBS and Nat West were quoted;
- The primary motivation for the Scheme is to secure a high profile flagship housing "policy" that shows them to be actively intervening in the private rental sector (in the same way as some East London councils, e.g. Newham, have recently done).

54. The HOC made a number of counter proposals:-

- Abandon licensing and adopt other more modest proposals;
- Streamline the reporting of PRS and ASB problems;
- Improve communication and co-operation between Council departments and other agencies;
- Provide more information to PRS tenants and provide training to Landlords;
- Increase the discretionary element to the revised HMO standards;
- Improve relationships with landlords;
- Provide a voluntary approved landlords scheme;

55. In conclusion the HOC were against the proposal citing that:-

- The case for licensing had not been made in their view;
- The requirements of consultation had not been complied with as in their view most landlords, leaseholders and tenants have no knowledge of the proposals;
- That the scheme is too complex, expensive and arbitrary;

56. A Council leaseholder and landlord, who sits on HOC as the representative of non resident leaseholders e-mailed I a response and a paper on behalf of non resident leaseholders.
57. The response echoed the HOC paper in that there was strong support for action to address the issues described in the proposals. However the non resident group opposes the proposals. For the following reasons:-
- Consultation with leaseholders has been insufficient;
 - Committing offences against licensing legislation results in fines and/or a criminal record and that a collaborative approach is preferred;
 - The Council already has powers to address ASB and landlords have little or no powers to address ASB in the properties they manage;
 - The scheme will reduce availability and increase costs to tenants;
 - The Council already has powers to address the issues and it is not right that tenants should be forced to allow access for inspections;
 - Most properties are well maintained and of a decent standard and most tenants are satisfied with their rental property;
 - Housing enforcement data indicates that enforcement action is relatively low and decreasing;
 - The scheme will divert attention from regulation of criminal landlords who will not licence in any case;
 - Other Councils have decided not to adopt discretionary licensing;
 - Licensed areas will be stigmatised and landlords will have increased lending or insurance costs. RBS and Nat West were mentioned as lenders who decline to lend in areas where there are selective licensing schemes;
 - The suggestions and summary followed the HOC paper in content;
58. LAS2000 (Leaseholders Association of Southwark 2000) an independent membership body representing Southwark Lease holders. LAS 2000 opposes the proposal for the following reasons:-
- There has been insufficient consultation with leaseholders;
 - The Council already has the powers required to control ASB;
 - The grounds of low demand for selective licensing are not relevant;
 - Property inspections will be intrusive and costs will be passed on to residents;
 - The proposal may not be self funding;
 - That RBS and Nat West do not offer mortgages in selective licensing areas;
 - That the scheme is not necessary and will have negative repercussions for the selective areas to be licensed;
 - That the proposals are over reaching and cumbersome;
59. An owner occupier who responded welcomed the proposal and makes the following comments:-

- The scheme seems focussed on addressing ASB and could have more focus on safety and risk in PRS property;
 - The registration process should provide proof that a gas safety certificate is in place for the property;
 - Applicants should be expected to prove that they have appropriate fire safety provision within the property. Landlords failing to provide the information should be prioritised for inspection;
 - Resources may be insufficient to properly manage the scheme particularly in the early stages and that the charges might insufficient to resource the required inputs;
 - The charging structure be considered to allow a larger upfront fee and early bird discounts;
 - To consider lower fees for properties at lower rents or higher fees for large properties;
 - Introduction should be phased;
 - The Council undertake street surveys to identify unlicensed properties and charge landlords who have not registered voluntarily;
60. A resident provided two responses on his own behalf. In his responses he raised the following concerns:-
- The evidence of ASB is insufficient to indicate a significant problem;
 - Made a comparison to discretionary licensing in Blackpool;
 - The proposal would stigmatise areas on the borough and discourage investment, citing that many lenders would be disinclined to offer finance for licensed areas;
 - There are already sufficient powers to deal with the issues.
61. A PRS tenant made the following observations:-
- He questions the relationship between ASB and HMOs and observes that the higher ASB areas are also those with higher population density;
 - The reduction in the number of regulatory notices indicates that regulation is doing a good job of controlling the sector;
 - New HMO standards requiring storage space, work surfaces and similar non-essential things will reduce supply and increase rental costs;
 - The proposal will increase homelessness and increase pressure on Council housing resources;
 - The Council should increase and expand the current regulatory team and use the existing powers to resolve issues;
62. A PRS landlord responded on her own behalf. Her objections to the proposal were as follows:-
- The proposal is burdensome and intrusive;
 - The costs will harm the poorer residents of the borough;

- The scheme is contrary to the intentions of the Housing Act 2004 and contrary to DCLG guidance;
 - The landlord suggested that the Council should address the issues by using existing powers, improving liaison between departments of the Council and by engaging with landlords and tenants.
63. A PRS tenant and property manager is opposed to the proposal for the following reasons:-
- In his experience landlords are motivated to provide good accommodation and this is achieved by careful selection of tenants;
 - The key issue with ASB is attributed to the behaviour of tenants and the inconsistent responses to issues from the Homelessness services of the Council;
 - He proposes the employment of Landlord Relation Officers to assist landlords deal with issues raised by tenants;
 - In addition the Council has sufficient powers and the scheme will increase rents and restrict supply.
64. Response from 2 residents asked some questions about the terms of the proposed scheme. The questions were about, costs and details about how the scheme will affect ASB. We responded with some advice on where the main website provided all the main consultation documents.
65. A landlord of HMO made a number of observations arising from his experience of managing HMOs.
66. Another respondent opposed the scheme on the following grounds :-
- The powers provided under licensing legislation are already available to the Council;
 - Good landlords would be inclined to agree to a registration scheme run by landlords associations rather than licensing;
 - The costs of licensing will be passed on to tenants;
 - The balance between good and bad landlords was questioned and the lack of evidence commented on;
 - The use of license fees was questioned.

The Council's Response to the issues raised

68. Our consultation told us that in general the community of Southwark tenants, students and their advocacy groups were strong supporters of the proposal. Landlords and their advocacy groups and professional associations were against, though there was a general theme that landlords supported our core objectives and were keen to see increased regulation of bad landlords. The landlords did not think licensing was a solution but could produce little in the way of evidence to support their position.

69. A key element of the landlord's position was that it was unreasonable and unfair to subject good landlords to the expense and burdens of licensing when it was only needed for bad landlords. No respondent was able to suggest any method for the local authority to reliably differentiate between good and bad landlords.
70. We have thought in detail about the comments we received in consultation. Consequently, we have changed some elements of our original proposal to make the scheme easier to deal with from the landlord's viewpoint.
71. We intend to revise the approach of the scheme from regulation to compliance. We consider that our objectives will be far better achieved by working with landlords, giving advice, guidance and support.
72. The scheme will be operated with the intention of addressing non compliance, by helping landlords meet the standards, improving the condition of properties by providing achievable plans and improving management skills by mentoring and advice.
73. There will still be a place for regulation and landlords who are unwilling to work with the Council to provide suitable, safe and well managed accommodation can expect much more regulatory attention than has been the case until now.

Other changes to the original proposal are to:-

- Reduce the cost of licenses and the amount of time involved in administration particularly for portfolio landlords and letting agents. The format of inspection visits will also change and for most landlords property inspections will be limited to short compliance visits. Full property inspections will only be scheduled when we find serious issues in terms of condition or safety at initial visits.
- Change the 3 year licence proposal to one and five year licenses. One year licenses will be issued to landlords who have contravened the law, operate lettings that do not comply with the licence conditions, or refuse to take action on management issues when requested. This addresses one of the key concerns that bad landlords should receive far more active regulatory action than good landlords
- Further simplify the proposed HMO standard and increase the amount of advice and guidance that we provide in order to help landlords achieve compliance.
- Allow more flexibility in the application of the HMO standard.
- Remove the prescriptions on fire safety in the HMO standard and simply require compliance with fire safety legislation and Lacors guidance.
- Appoint lead officers to work with portfolio landlords for approach this suggests we haven't been consistent perhaps – ease of dealing with the Council and to agree action plans for compliance issues.

Community perspective

74. As stated above officers met members of the public at a range of events and meetings held around the Borough. The proposal to introduce discretionary licensing was well received.
75. At most events the questions were about 'how will licensing affect:-

- Overcrowding.
 - Noisy and disruptive neighbors.
 - Careless waste disposal.
 - Poor or indifferent management of lettings.
 - Badly maintained lettings.
 - Personal experience of unfair or bad treatment by landlords or letting agents.
76. These issues were echoed in the Eform survey and response cards. There is a fairly wide perception that there are problems in the PRS and that the Council is supported in taking action to improve the situation.
77. The public were concerned:-
- That the scheme would be under resourced and have limited effect.
 - That landlords would not address the low level ASB that adversely affected neighbours and the local area.
 - The costs were not borne by the community through Council Tax.

Tenants' viewpoint

78. Responses from tenants to our scheme were predominantly on the e-form and prepaid cards. A clear majority of tenants supported the licensing proposal though there were clear concerns about what would happen if we went ahead. There were also a number of responses that indicated that tenants were perfectly happy with the services provided by their landlords.

The key concerns of tenants were:-

- **Rents and Costs**
79. The highest number of responses mentioned rents and costs in PRS lettings. PRS rents in Southwark are increasing and it is increasingly difficult to find affordable accommodation in the lower end of the market.
80. There were comments about charges levied by landlords and agents which were not properly explained, notified or justified.
81. With the general upward trend of rents across London it is impossible to predict what effect licensing may have on rents and there is no evidence to draw any conclusions either way. It is likely that some landlords will pass on the costs of compliance. If the full cost was passed on then in a standard HMO we calculate the likely increase in a tenants rent would be £1/week.
82. Respondents were specifically asked if they were prepared to accept a small increase in rent in order to have better standards and improved regulation. A little over a third of respondents said they would be prepared to accept a small increase. When asked how much they would accept, out of 489 responses, 117 said £1 a week would be acceptable, 62 said £5 and 41 said £10.
- **Security of Tenure**

83. Tenants' comments about security of tenure indicated that the PRS is not a tenure of choice for many residents of Southwark, it is the only choice. Many residents complain that their ability to make settled lives in an area is compromised by having to move regularly and this has adverse effects on employment, personal community, healthcare and children's education
84. There were also comments about letting agents who have adopted the business practice of recycling assured shorthold tenancies with fixed terms rather than allowing the tenancy to become periodic as the legislation intended. Given that this practice is solely intended to generate fees and acts against the interests of both landlords and tenants it is the cause of some concern.

- **Willingness of landlords to undertake repairs**

85. A substantial number of responses indicated difficulty in getting repairs and servicing done by landlords. This was linked to a fear that tenants would be harassed or evicted if they pursued landlords too actively for repairs.

- **Landlords compliance with housing legislation**

86. There were a number of comments about health and safety issues, poor condition, limited access to landlords and long waiting times for responses. Whilst there are undoubtedly landlords who deliberately contravene the law, there is a much larger number who, by inaction or inattention do not comply with standards.

- **Effectiveness of licensing**

87. There were some comments questioning whether licensing would have the effect we are seeking.

Landlords concerns

88. Considerable effort has been made to gather the views of landlords on the proposal. The Council does not hold records on who is letting in Southwark and whilst there are sources of data that are indicative of PRS occupation there is no definitive source of contacts. Therefore in addition to the broader publicity for the consultation we concentrated specifically on engaging with bodies that represent the views of landlords.
89. Taken as a whole the responses represent a good snapshot of the views of landlords. These views are in general against licensing citing a number of objections. However opposition was not universal and there is a group of landlords who admit to being prepared to accept licensing provided it is used as a tool to regulate bad landlords. These are seen as compromising the reputations of good landlords and provide them with an unfair advantage over landlords who are compliant.
90. The landlords as a group made a series of observations/objections which though expressed in differing terms can be summarised into some key areas.
- **Intrusion or interference in the PRS market where the problems are overstated.**
91. Officers comment in the licensing proposal that the majority of all PRS tenants are happy with the services provided by the landlord and the Council recognises this by

proposing to introduce Selective Licensing in discrete areas within the Borough. Only about 16% of all the PRS properties in Southwark will be subject to Selective Licensing.

92. Landlords frequently quote the statistic that 82% of PRS tenants are satisfied with their accommodation. However the results of the consultation indicate that only 41.2 % of respondents were only fairly satisfied¹. A further 10.1 % were dissatisfied with their accommodation.
93. The 2013-14 report² indicates that the PRS as a tenure has the lowest compliance with the decent homes standard with 30% non compliance. This is higher than the owner occupied sector at 19% and the social sector at 15%. 16% of these dwellings fail on HHSRS grounds and most of these are hazards arising from thermal efficiency and damp and related problems.
94. In view of this, the increase in regulatory activity and deteriorating conditions witnessed by officers do not agree with the conclusion made by some landlords that the problems are minor and do not warrant intervention.
95. For many residents of Southwark the PRS is the only tenure choice available for accommodation. The lower end of the market is substantially tilted in favour of landlords and letting agents some of whom are fully aware of the power of their position and use it to avoid or delay complying with their legal obligations.
96. The borough is experiencing strong demand for all types of accommodation and for a substantial number of residents this means poor services and poor value.

- **Effectiveness of discretionary licensing.**

97. Discretionary licensing is a power that has been increasingly used by local authorities. It has been adopted in very different housing markets to address problems of poor management, overcrowding, inadequate conditions and ASB.
98. Some landlords commented about the schemes adopted by other authorities citing them as evidence that licensing was ineffective in achieving its aims. In drafting the proposals in the Southwark scheme officers have been very careful to assess the problems experienced in the Borough and the scheme is therefore clearly intended to address local issues. Landlord groups have commented that it was a well written and detailed proposal.
99. In looking at the effectiveness of other licensing schemes our proposal uses Newham as an example. It is a borough which, whilst not being the same as Southwark in terms of the PRS market, has had a scheme that has been in existence for 3 years and therefore its impact is worth reviewing.
100. Newham is working hard to measure and assess the effects of licensing and is producing reports that are relevant to licensing in a metropolitan context. In a recent report³ Newham state the following:-
 - 18 landlords banned from managing property, bringing 150 properties into professional management;

¹ English Housing Survey Households report, 2012-13

² English Housing Survey Headline Report 2013-14

³ Private rented property licensing in Newham – Successes of the scheme 2014

- 802 landlords receiving increased regulatory pressure through 1 year licences;
- 346 prosecutions, 162 cautions, 35 Rent Repayment Orders;
- £3110 average fine and £30k as the highest fine;
- An additional £600k in Council tax collected and it is estimated that an additional £1.3m will be collected from HMO's in 2015/16;
- PRS rents continue to compare consistently with other boroughs and the residential property market remains buoyant;
- Tenant satisfaction has doubled in licensed properties;
- Unlicensed properties have lower tenant satisfaction, higher levels of ASB, more complaints about waste disposal and fewer tenants have their deposits protected under statutory schemes.

101. The above provides compelling evidence that licensing does have the effect Southwark is seeking.

- **Administrative burden**

102. Some landlords state that licensing will provide an extra administrative burden. Southwark's proposed scheme allows registration, renewal and termination of licenses online. The site will be accessed through a personal account so there will be as little duplication of data entry as possible. Landlords will be able to licence and manage properties without repeated entry of personal data.
103. Officers have tried to streamline and reduce processes as much as possible but the objective to issue a conditional license to most landlords on initial application requires the Council to gather key data prior to payment. The intention is to be able to issue the conditional licence, in place for five years, to most landlords who do not have a history of regulatory issues.
104. All landlords holding licences will have a compliance visit during the period of the licence. Advice and guidance will be given on any minor issues and the full license will be issued. 105. If there are more serious problems a subsequent visit will be arranged and more formal action may be taken including the service of legal notices.
106. If the landlord does not address the issues or makes it difficult to achieve resolution he/she will have the license period reduced to one year.

- **Costs / Fees**

107. The change in approach allows the Council to reduce the resources required to process each individual licence application and substantially reduce licence fees. It is our objective to have consistent fees across all types and duration of license. Mandatory, selective and additional licenses will have the same charging scheme and licenses will cost the same regardless of duration.
108. Both landlords and tenants expressed concern about charges and who would meet the cost of licensing fees and compliance costs. The Council shares those concerns and has revised the proposed fees to reduce costs.

109. HMRC confirmed that license fees are a business expense that can be claimed against tax.

- **The Council already has sufficient powers to regulate the market**

110. In general the powers available to the local authority at present are of limited effect because the more serious regulatory notices and prosecutions are resource intensive to pursue. They also have a limited effect in changing the behaviour of bad landlords. Court fines are generally low and consequently are no deterrent to the bad landlords.

111. One of the key differences with licensing is that the consequences of failing to license or persistently failing to comply with license conditions are far simpler to prove and prosecute. Additionally a key deterrent is that a landlord convicted of a wide variety of offences is disqualified from holding a licence by failing the 'fit and proper' test forcing the management to be passed on to someone capable of holding a license.

112. In Newham this has been proven to have a positive effect because the worst landlords own or control numerous properties which are all badly managed. Disqualifying the worst landlords improves living conditions for a lot of people.

- **Bad landlords will avoid licensing the property**

113. Within the Council officers have access to their own regulatory records, council tax, housing benefit and leaseholder data. Officers use Experian Mosaic which uses financial profiling to identify residents in Southwark whose financial profile matches that of a PRS tenant. Using these data sources officers are confident they can identify all the PRS letting addresses within the Additional and Selective licensing areas.

The Council's Evidence

ASB

114. Some respondents challenged the data produced for the incidence of ASB. However none of the respondents could produce any alternative data or indicate how the data did not show the incidence of property related ASB. The Council's evidence showed that where the density of the PRS is highest (70%) there were hotspots and higher levels of ASB. These areas were along the main high streets of the borough.

Density

115. Some respondents claimed that the ASB incidence coincided with the highest population density. Officers checked this with census data and whilst some of the areas proposed for selective licensing are also the most densely populated there were others that have lower housing density. These areas have a predominance of private rented dwellings with higher levels of ASB. The Council followed the evidence and made its proposals based on this. Results clearly indicated that where there was a high incidence of ASB, there was also a high density of PRS dwellings.

Enforcement data

116. Some landlords challenged the enforcement data some even claiming that the enforcement data represented an improving picture of the PRS in Southwark. We have attempted to show that:-

- The number of cases being dealt with continues to increase;

- The seriousness of individual cases is increasing and more children and other vulnerable people are involved;
 - The Council increased the resources of the regulatory team. However, even though regulatory activity increased, officers were unable to keep pace with the scale of the problems presented by conditions within the PRS and the activities of Rogue Landlords.
 - Prosecution in the courts is increasingly required to address poor conditions and this is extremely resource intensive whilst having a negligible deterrent effect.
117. Officers believe that the reactive approach, dependent on complaints, conceals problems due to residents being frightened of illegal or retaliatory eviction or intimidation.

Damaging the PRS market, including the stigmatisation of licensable areas.

118. There is no evidence that licensing has a damaging effect on property markets that are otherwise buoyant and rising. Rents in Southwark are increasing and predicted to continue to increase⁴. Officers strongly believe that other economic and market factors influence prices and rents and the effects of licensing are completely obscured by these larger factors

Effect on mortgage finance availability

119. There were a number of responses that asserted that licensing schemes have a negative effect on the availability of finance for the purchase of letting properties. Both the RLA and NLA mentioned this as did the Homeowners Council.
120. Lenders were mentioned specifically. Officers contacted these lenders' 'buy to let' teams and they denied there was such a policy. We asked Landlord groups specifically to provide evidence and no response was received.
121. Officers took this matter very seriously and contacted the Council of Mortgage Lenders and in their response they confirmed that no mainstream lender had a policy of restricting lending in areas with licensing schemes.

Effect on ASB

122. Some respondents challenged the role of landlords in managing ASB in their properties. The One Landlords' group particularly stated that landlords have no powers to deal with ASB in the let property. Officers take the view that this is an unsupportable position and believe that the legislative tools are in place for landlords to deal with disruptive tenants. ASB in let properties has hugely negative effects on other residents and the surrounding community. Disruptive behaviour was a consistent theme of public consultation meetings. Noise in particular affected the lives of neighbours, particularly in settled communities.
123. Landlords cannot abdicate responsibility for managing the behaviour of their residents. Social landlords and local authorities have made huge progress in dealing with these

⁴ Housing Market Trends Bulletin SELHP No.21 - Southwark No.47. 4th Quarter 2014/15 (Jan – Mar) April 2015
www.selondonhousing.org.

issues and officers believe that effective PRS landlords are capable of managing ASB and do so without any help or support.

124. Officers readily accept that for many inexperienced landlords these are difficult issues and as part of the licensing scheme the Council will make training, guidance and support available for landlords.
125. The Council is in a position to link ASB data with licensing records and help landlords identify when a problem is developing at a letting. This allows a landlord to intervene early and remind tenants of their responsibilities under their letting agreement. In more serious cases officers can assist with helping the landlord escalate the matter in a reasonable and appropriate way.

Support from the Council in increasing standards and dealing with issues.

126. Southwark has supported the London Landlord Accreditation Scheme and is a funder of the scheme. Southwark also support and encourage landlords to join representative organisations particularly where they offer accreditation or training for their members.
127. The Council has provided resources to address property management and condition, tenancy sustainment and ASB. There was a clear request from some consultees for the Council to extend its activities in relation to the PRS. However this request does not take into account the realities of local authority funding and the reduction in budgets that will have an effect in restricting new activities and may ultimately restrict existing roles.
128. Licensing is intended to be self financing and as a result is an activity that will not be affected by future budget issues. Officers therefore regard it as a way to ensure that the Council can continue to have a positive effect on the PRS market in Southwark

Insufficient consultation

129. The initial consultation period was intended to end in December 2014. Just before the end of the consultation the judgment in the case of Regas V Enfield was announced. After a review it was decided to extend the consultation to the 14th March 2015. Officers also extended our consultation beyond the boundaries of Southwark to include announcements in local press in all our neighboring boroughs. All our representative stakeholders, including landlords' representatives and letting agents were advised of the extension of our consultation.

Other local authorities are not pursuing licensing

130. Whilst the Council accept that some local authorities have not proceeded with licensing, officers are obliged to consider this from the perspective of Southwark, its neighbouring boroughs and the larger London rental market.

Licensing will use resources better applied to regulation

131. Licensing is part of the Council's response to the problems seen in the local PRS market. There will always be an additional role for traditional regulation with landlords who are prepared to break the law and not engage with officers to resolve problems.

Consistency of approach in licensing by Council Officers and liaison between departments

132. The Council accepts that the change in approach that has been proposed will require a change in outlook and development of skills by a range of officers. Officers are committed to making that happen. Officers will be assigned work specifically with portfolio landlords to make dealing with the Council easier. They will agree plans of action where property managers need to schedule of works over the medium term.

Summary of results

133. The licensing proposal is planned to address the key issues of ASB, poor condition and ineffective management within the private rented sector. The consultation showed broad support for licensing from the community in general and from most tenants. Several organisations who act as champions or advocates of tenants expressed clear support for licensing.
134. In public meetings many Southwark residents were aware that badly managed and maintained PRS property has a negative effect on local communities, particularly from HMO's housing far more people than the original property was intended to house.
135. Landlords in general opposed the proposals and did not think our proposal achieve the aims of the scheme.
136. There were a group of landlords who recognized the impact of bad landlords on the market and the unfair advantage they gain through bad practice and placing people at risk. The landlords who were aware of this were more receptive to a licensing scheme provided the Council adopts a robust stance against non compliant landlords.
137. The objections raised by landlords were predominately based on opinion and very little actual evidence was provided to rebut the case we have put forward. Issues such as licensing affecting mortgage finance were put forward by several respondents but turned out in the end to have no basis as confirmed by the Council of Mortgage Lenders.

APPENDIX 5

Licensing Scheme - Structure

This document contains details of the structure of the additional and selective licensing schemes.

Licensing Process

Application

1. The applicant will have one account for licensing all their properties. The details of the applicant will be stored and will only need to be entered once. Renewals and variations will also be linked to this account.
2. The application will be made online using an electronic form. The fee will be payable online by credit/debit card. Documents which must be provided as part of the application can be uploaded online, emailed or posted.
3. Landlords will be required to declare that all the information supplied is correct and that they are not disqualified from holding a licence because they are not 'fit and proper' under the terms of the Housing Act 2004.
4. When all the relevant data, documents and payment have been supplied, a draft licence will be issued for the applicant. The draft licensing conditions will be attached. The draft licence will be sufficient for the landlord to comply with the initial requirement to license. Where verification of the information or documents is required a draft licence will be issued at a later date. The draft licence will be sent to all interested parties.
5. Following the issue of the draft licence there will be a 14 day period for the applicant and any interested parties to make representations to the Council on the licence conditions.
6. For applicants licensing more than 10 properties the Council will consider any written request made by the applicant for a rolling programme of applications.
7. Applicants who are unfamiliar with online processes can obtain assistance from a member of staff. There will be an additional cost of £100 to cover the staff resources for this service.
8. Licence applications must be made within 6 months of the start date of the scheme.

9. Following this initial period applicants taking control of a new licensable property will be required to make an application within 6 weeks from the date of taking control. Failure to apply will constitute an offence.

Licence Holder

10. The licence holder will usually be the person who exercises practical control of the property including the collection of rent, arranging repairs & management.
11. The licence holder may be the owner or manager of the property. The owner is responsible for ensuring that an appropriate person is appointed to be the licence holder.
12. If the licence holder decides they will no longer hold the licence the owner must ensure that a new licence holder is appointed and a new application is made. The existing licence cannot be varied to the new licence holder.
13. If a licensed property is sold the licence is not transferable to the new owner. If the property remains a licensable property the new owner is responsible for appointing a licence holder and making a new application within 12 weeks of taking control the property.

Fit and Proper Person

14. The applicant must declare on the application form whether they have any of the convictions listed below. The applicant must also state, to the best of their knowledge whether any separate manager has convictions listed below.
 - any previous convictions relating to violence, sexual offences, drugs and fraud;
 - any convictions relating to housing or landlord and tenant issues;
 - been found guilty of unlawful discrimination;
 - Contravened relevant legislation in any HMOs they have managed.
15. The Council may decide that the applicant cannot be considered a fit and proper person and refuse a licence on that basis. The Council will take into account:
 - what the conviction was for;
 - the date of the conviction and whether it is spent ;
 - whether the conviction will affect the person's ability to be a good landlord;

Licensing Charges

16. Mandatory & additional licence

1-10 bedrooms	£250 per bedroom
11+ bedrooms	£150 per bedroom

17. Selective licence renewals

All properties	£500 per letting
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Discounts

18. Landlords who apply for a licence within six months of the start of the scheme will be offered a discount of 20% against their licensing fees.

19. A discount of 20% will be given to landlords who are members of any GLA approved accreditation scheme or the Southwark accreditation scheme.

Issue of the Full Licence

20. Following the representation period a verification visit will be carried out. This will:

- confirm that the contents of the application and draft licence are correct;
- enable assessment of the condition of and any risk associated with the property;

21. The full licence will then be issued with a requirement to comply with the licence conditions within 6 months.

22. The property will be inspected again to ensure compliance with the licence conditions.

23. The Council may issue 1 year licences where there is concern about the condition of the property or the applicant's suitability to manage HMOs. This will be reviewed on the expiry of the licence. The charges will be the same for a one year or five year licence.

Licence conditions

24. The first licence condition is that all Licensees will have to comply with the Southwark Private Rental Standard which summarise the requirements of the various legislation and provides guidance for landlords for HMOs only will be compliance with the HMO Standards.

25. The second licence condition is that Licencees of HMO's will have to comply with the borough's HMO standard, which covers space, safety and amenity requirements for this type of accommodation.
26. The third licence condition is for all licensable properties is that the licence holder must take all reasonable and practical steps to reduce or prevent anti-social behaviour by persons occupying or visiting the house and the use of premises for illegal purposes.
27. The fourth licence condition is that all Licencees will have to ensure that the permitted number of households and individual for the HMO is not exceeded. The permitted number will be calculated using the Council's HMO standards.
28. The fifth licence condition all HMOs will be compliant with the LACORS (Local Authorities Coordinators of Regulatory Services) Fire guidance

Renewal

29. If the property is still licensable the licence holder will be required to renew the licence when it expires.
30. Licence holders issued with one year licences will have the licence length reviewed on reapplication.
31. As part of the renewal process licence holders will be required to update their details, details of the occupiers, condition of the property and declare if any changes have been made to the property.
32. Mandatory & additional licence renewals

1-10 bedrooms	£150 per bedroom
11+ bedrooms	£70 per bedroom

33. Selective licence renewals

All properties	£250 per letting
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Revocation

34. A licence may be revoked under the following circumstances:

- on conviction for relevant offences;
- the licence holder or manager can no longer be considered fit & proper;
- the property ceases to be a licensable HMO
- there is a change to the property which would result in a licence not being granted on reapplication

35. The Council will serve notice of their intention to revoke a licence to all interested parties. A representation period applies.

36. Interested parties may appeal against the revocation of a licence.

37. If a licence is revoked no refund will be made for the remaining term.

Variations

38. A licence may be varied if there are changes to the property which do not meet the current licence conditions. The licence holder should consult with the Council prior to making any changes and all changes must comply with the HMO Standards.

39. The Council will serve notice of their intention to vary a licence to all interested parties. A representation period applies.

40. The Council may refuse to vary a licence if changes are made without approval. Interested parties may appeal against this decision.

Representations & Appeals

41. After the issue of a draft licence, a notice of intention to revoke or vary the licence will be served. The licence holder and all interested parties will have the opportunity to make a written representation to the Council's Licensing Review Panel. The panel will consist of 3 managers who will make a decision based on the facts of the case. The decision will be issued in writing and a full licence will be issued.

42. The licence holder and all interested parties have a right of appeal against the licence, revocation of the licence or variation of the licence. The appeal is to the Residential Property Tribunal. Details of how to appeal will be included in the decision letter from the panel.

Failure to License/Penalties

43. A landlord who fails to apply for a licence will be informed in writing that a licence application must be completed within 14 days. If an application is not made within that time the case will be referred for legal proceedings for failure to apply for a licence.

44. The licence holder will be responsible for ensuring compliance with the licence conditions. If the licence conditions are not complied with the case will be referred for legal proceedings for failure to comply with the conditions. Any enforcement action taken for a failure to comply with licence conditions will be taken against the licence holder



Private Sector Housing Licensing Proposal Equality Analysis

June 2015

Guidance notes

Things to remember:

Under the Public Sector Equality Duty (PSED) public authorities are required to have due regard to the aims of the general equality duty when making decisions and when setting policies. Understanding the affect of the council's policies and practices on people with different protected characteristics is an important part of complying with the general equality duty. Under the PSED the council must ensure that:

- Decision-makers are aware of the general equality duty's requirements.
- The general equality duty is complied with before and at the time a particular policy is under consideration and when a decision is taken.
- They consciously consider the need to do the things set out in the aims of the general equality duty as an integral part of the decision-making process.
- They have sufficient information to understand the effects of the policy, or the way a function is carried out, on the aims set out in the general equality duty.
- They review policies or decisions, for example, if the make-up of service users changes, as the general equality duty is a continuing duty.
- They take responsibility for complying with the general equality duty in relation to all their relevant functions. Responsibility cannot be delegated to external organisations that are carrying out public functions on their behalf.
- They consciously consider the need to do the things set out in the aims of the general equality duty not only when a policy is developed and decided upon, but when it is being implemented.

Best practice guidance from the Equality and Human Rights Commission recommends that public bodies:

- Consider all the [protected characteristics](#) and all aims of the general equality duty (apart from in relation to marriage and civil partnership, where only the discrimination aim applies).
- Use equality analysis to inform policy as it develops to avoid unnecessary additional activity.
- Focus on the understanding the effects of a policy on equality and any actions needed as a result, not the production of a document.
- Consider how the time and effort involved should relate to the importance of the policy to equality.
- Think about steps to advance equality and good relations as well as eliminate discrimination.
- Use good evidence. Where it isn't available, take steps to gather it (where practical and proportionate).
- Use insights from engagement with employees, service users and others can help provide evidence for equality analysis.

Equality analysis should be referenced in community impact statements in Council reports. Community impact statements are a corporate requirement in all reports to the following meetings: the cabinet, individual decision makers, scrutiny, regulatory committees and community councils. Community impact statements enable decision makers to identify more easily how a decision might affect different communities in Southwark and to consider any implications for equality and diversity.

The public will be able to view and scrutinise any equality analysis undertaken. Equality analysis should therefore be written in a clear and transparent way using plain English. Equality analysis may be published under the council's publishing of equality information, or if part of a business plan, requested by the public under the council's Publications Scheme.

Equality analysis should be reviewed after a sensible period of time to see if the effects that were expected have occurred. If not then you will need to consider amending your policy accordingly. This does not mean repeating the equality analysis, but using the experience gained through implementation to check the findings and to make any necessary adjustments.

Engagement with the community is recommended as part of the development of equality analysis. The council's Community Engagement Division and critical friend, the Forum for Equality and Human Rights in Southwark can assist with this (see section below on community engagement and www.southwarkadvice.org.uk).

Section 1: Equality analysis details

Proposed policy/decision/business plan to which this equality analysis relates		Southwark Private Rental Sector Licensing			
Equality analysis author		John Daley, Private Sector Housing Licensing Manager			
Strategic Director:		Deborah Collins			
Department		Environmental Health and Private Sector Housing	Division	Environment & Leisure	
Period analysis undertaken		Jan – July 2014			
Date of review (if applicable)		May 2015			
Sign-off		Position		Date	

Section 2: Brief description of policy/decision/business plan

1.1 Brief description of policy/decision/business plan

The Council has a duty to licence larger HMOs. (Mandatory Licensing). The Council has powers under the Housing Act 2004 to introduce Additional and Selective Licensing for the private rented sector. This is known as Discretionary Licensing. Additional Licensing applies to smaller Houses in Multiple Occupation. Selective Licensing applies to private sector dwellings. Both schemes can be applied Borough-wide or within discrete areas. In order to adopt the Additional Licensing schemes the Council has to be satisfied that there is a problem with condition and management within the HMO sector. To adopt the Selective Licensing scheme the Council must be satisfied that there is a problem with regard to anti-social behaviour linked to the incidence of private sector Housing.

Southwark Council proposes to introduce an Additional Licensing Scheme borough wide and Selective Licensing Schemes along the main thorough-fares and high streets within the Borough.

Southwark's Housing Strategy 2015-2043 commits the Council to examine the opportunity to introduce discretionary licensing schemes as a vehicle to drive up standards in the private rented sector.

Southwark's Anti-social Strategy 2011-2015, currently being re-drafted commits the Council to take a zero tolerance approach towards tackling anti-social behaviour. Discretionary Licensing supports this strategic aim.

The PRS is large, with over 28 000 properties recorded in the 2011 census and growing strongly but also highly fragmented with a majority of property owners having one or two properties. Most landlords are competent and the sector is valued for the provision of flexible accommodation across a wide range of cost and quality. Southwark supports the development of the PRS recognises the value of the investment by landlords and seeks to improve both the reputation and the standards of property in the market.

Officers have been researching the PRS for almost a year and it is clear that whilst a majority of landlords offer services that meet with the satisfaction of tenants there are an increasing number of properties that are badly managed, in poor physical condition or have been badly converted into HMOs from family lettings

In general the sectors most serious problems are manifested in the lowest quartile of rental bands and this is, in part, because some landlords do not see property letting as a their core business and have failed to develop sufficient competence as a result.

The demographics of the sector are changing and restrictions in the supply of social housing and constraints of owner occupation are manifesting as more vulnerable people occupying PRS, more families occupying rented property for longer and most concerning the pressure of demand causing the normal operation of the market to become suspended as a resident can be found for virtually any residential property. This is having a negative effect on an increasing number of residents in our community and having an increasing effect from a public health viewpoint.

Evidence from regulatory teams and tenancy relations teams suggests that there is also a core of landlords who operate substantially outside the law, refuse to apply reasonable standards, do not respond to regulatory interventions and actively harass and intimidate

tenants who ask for reasonable services or for repairs.

It is the Council's view that extending licensing to all the HMO's and some other let properties is a reasonable, proportionate and justifiable regulatory response to the issues witnessed.

Section 3: Overview of service users and key stakeholders consulted

2. Service users and stakeholders	
Key users of the department or service	The PRS provides accommodation for roughly one quarter of the residents of Southwark. It is increasingly a tenure of residents who cannot obtain sufficient priority for social housing or move into the owner occupied sector. Over 28,000 residents live in a privately rented dwelling. The demographic of the sector is changing and now includes more families with young children and those who have a wide range of vulnerabilities It is estimated that there are over 5,000 private sector landlords operating in Southwark. These are important recipients of our services. There is a willingness on the parts of most landlords to comply with health and safety requirements. However, lack of knowledge and the unavailability of easy to find information means that they are often unaware of their responsibilities.
Key stakeholders were/are involved in this policy/decision/business plan	The Council undertook an extensive consultation exercise. The consultation commenced on 18th September 2014 and concluded on 15th March 2015. Consultation was undertaken using a variety of methods that included:- • An eform linked to the main consultation webpage • A prepaid response card for the community in general which was used at a variety of events below. • A prepaid response card for the residents in and around the selective licensing area which was posted out. • A prepaid response card sent to addresses which were indicated by our data to be occupied by residents with a profile that matched those in private rented property. • A prepaid response card for students which was distributed at local higher education establishments • Community meetings and events in Southwark, including community councils, area housing forums, street consultation events and focus groups for some minority groups. • Landlord representative events, including Landlords Forum and the Landlords focus group, Southwark's Homeowners Forum for Leaseholders. • Emails to a wide range of national regional and local stakeholders. • Advertising in local publications, street adverts on buses and bus shelters and using electronic media. • A dedicated email address for responses. • Publicity on a landlord information website, • Advertisements on various platforms Over 1,000 responses were received.

Section 4: Pre-implementation equality analysis

This section considers the potential impacts (positive and negative) on groups with 'protected characteristics', the equality information on which this analysis is based and any mitigating actions to be taken.

Age - Where this is referred to, it refers to a person belonging to a particular age (e.g. 32 year olds) or range of ages (e.g. 18 - 30 year olds).

Potential impacts (positive and negative) of proposed policy/decision/business plan

The Additional and Selective licensing will have a positive effect on a wide range of age groups as it will improve the management and repair of PRS properties. It will also result in a reduction in anti-social behaviour in and around the private rented sector. The sector houses the full range of age groups but statistics indicate that there are fewer children and older people housed in the PRS than other tenures though this is now changing. Families with small children and older people who reside in PRS properties tend to have low incomes and other disadvantages, for example education and language barriers so their ability to mitigate problems are more limited.

The PRS houses the majority of students and is the first home for most young people.

Also lower rental PRS properties in the main are less well maintained and suffer disproportionately badly from poor energy efficiency. Therefore work to improve PRS accommodation standards and condition will have a strongly positive effect on those who live in affected homes.

Negative impacts of Additional and Selective licensing might be that Landlords decide not to let properties which in turn would increase demand further. However this impact was not observed in other similar schemes introduced in and around London. Furthermore as the Southwark Scheme focuses on compliance rather than enforcement, it is likely to have less of an impact on Landlords. It should also help responsible landlords by providing a differential between them and the Rogue and irresponsible landlords that have a real negative impact on the sector.

It has been predicted that introduction of Additional and Selective Licencing will result in the fees being passed onto the tenants. Thereby having a detrimental impact on tenants' budgets. The fees have been benchmarked and are favourable compared with other schemes nation-wide. They have been set so that the worst possible scenario is a potential rent increase of £1/week.

Equality information on which above analysis is based

DCLG Reports, Rugg Report, British Housing Condition Survey Data

Mitigating actions to be taken
Extending Licensing will have a positive effect on these problems as Landlords will be required to comply with a clear set of standards. They will be helped to understand our expectations and tenants will be able to more clearly express their requirements from a letting contract with our support.

Disability - A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.
Possible impacts (positive and negative) of proposed policy/decision/business plan
Poor condition standards in PRS properties will have an adverse effect on health in general and specifically in particular medical conditions, for example cold homes on people with cardio-vascular disease.. There is clear evidence that homes that are difficult to heat cause excess winter morbidity. There are also landlords who can be reluctant to make adjustment or adaptations for ambulatory disability. Licensing will clarify what is required in terms of condition and management and the process of inspection will over time have substantial effect on improving the property that is in the worst condition. This will contribute positively to the management of a wide range of physical medical conditions and mental health problems.
Equality information on which above analysis is based
British Housing Condition Data. Research on the effect of cold homes on excess winter deaths.
Mitigating actions to be taken
Licensing will have a positive effect on these problems as Landlords are required to comply with their licensing conditions. This will ensure dwellings are safe, warm and dry. It will also ensure that landlords will take positive steps to tackle anti-social behaviour. The process of inspection will identify non compliant properties and under the threat of license withdrawal non complaint landlords will be forced to action improvements.

Gender reassignment - The process of transitioning from one gender to another.

Possible impacts (positive and negative) of proposed policy/decision/business plan
It is difficult to assess how housing tenure could affect this group specifically and there is no research or statistics available on this. The Schemes puts emphasis on Landlords tackling anti-social behaviour. If a tenant is being harassed because of their protected characteristic then through the scheme the Council can require the landlord to take steps to deal with the Anti-Social behaviour. The Southwark Rental Standard reinforces our opposition to discrimination in the PRS Tackling Anti-social behaviour is one of the conditions that can be applied to the Licence.
Equality information on which above analysis is based.
Anecdotal evidence
Mitigating actions to be taken
The Southwark Rental Standard reinforces our opposition to discrimination in the PRS Tackling Anti-social behaviour is one of the conditions that can be applied to the Licence.

Marriage and civil partnership - Marriage is defined as a 'union between a man and a woman'. Same-sex couples can have their relationships legally recognised as 'civil partnerships'. Civil partners must be treated the same as married couples on a wide range of legal matters. (Only to be considered in respect to the need to eliminate discrimination.)
Possible impacts (positive and negative) of proposed policy/decision/business plan
The demographics of the PRS are changing and more people are spending a longer time in private rented property, therefore more families are affected by the issues identified above. It is therefore reasonable to assume that the percentage of married and civil partnership residents residing in the sector is increasing. In broad terms the sector is very diverse and it is difficult to identify a specific detriment to any type of relationship though the improvements intended in management and condition will benefit a substantial number of residents in lower rental properties The Southwark Rental Standard reinforces our opposition to discrimination in the PRS

The Schemes but emphasis on Landlords tackling anti-social behaviour. If a tenant is being harassed because of their protected characteristic then through the scheme the Council can require the landlord to take steps to deal with the Anti-Social behaviour. Tackling Anti-social behaviour is one of the conditions that can be applied to the Licence.
Equality information on which above analysis is based
2001 and 2011 Census data
Mitigating actions to be taken
Licensing will have a positive effect on these problems as Landlords are required to comply with their licensing conditions. This will ensure dwellings are safe, warm and dry. It will also ensure that landlords will take positive steps to tackle anti-social behaviour. The process of inspection will identify non compliant properties and under the threat of license withdrawal non complaint landlords will be forced to action improvements. The Southwark Rental Standard reinforces our opposition to discrimination in the PRS Tackling Anti-social behaviour is one of the conditions that can be applied to the Licence.

Pregnancy and maternity - Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.
Possible impacts (positive and negative) of proposed policy/decision/business plan
In general more people are raising their families in the PRS as the supply of social housing is restricted and property ownership becomes less affordable. Therefore more children are being affected by PRS issues. Licensing will have a positive effect as it seeks to improve management and maintenance. The Southwark Rental Standard reinforces our opposition to discrimination in the PRS The Schemes puts emphasis on Landlords tackling anti-social behaviour. If a tenant is being harassed because of their protected characteristic then through the scheme the Council can require the landlord to take steps to deal with the Anti-Social behaviour. Tackling Anti-social behaviour is one of the conditions that can be applied to the Licence.

Equality information on which above analysis is based
DCLG data, Anecdotal evidence
Mitigating actions to be taken
Tackling Anti-social behaviour is one of the conditions that can be applied to the Licence.

Race - Refers to the protected characteristic of Race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.
Possible impacts (positive and negative) of proposed policy/decision/business plan
There are reported problems with ethnicity and access to PRS lettings. It is also the case that new communities form in Southwark over time. These communities are often exposed to the poorest accommodation as they seek to gain a foothold in the wider community. The Licensing proposal adopts the Southwark Rental Standard as a condition of gaining and maintaining a license. The Standard follows current legislation and forbids discrimination with prospective and existing tenants. Failure to comply with the terms of the Standard could be used as a basis for complaint to the local authority prompting investigation and regulatory action. The Schemes puts emphasis on Landlords tackling anti-social behaviour. If a tenant is being harassed because of their protected characteristic then through the scheme the Council can require the landlord to take steps to deal with the Anti-Social behaviour. Tackling Anti-social behaviour is one of the conditions that can be applied to the Licence.
Equality information on which above analysis is based
Media reporting. Anecdotal evidence
Mitigating actions to be taken

The Southwark Rental Standard reinforces our opposition to discrimination in the PRS

Tackling Anti-social behaviour is one of the conditions that can be applied to the Licence.

Religion and belief - Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.

Possible impacts (positive and negative) of proposed policy/decision/business plan

It is difficult to assess how religion will have an impact on PRS lettings though it is linked in some ways with the section on race above.

The Scheme puts emphasis on Landlords tackling anti-social behaviour. If a tenant is being harassed because of their protected characteristic then through the scheme the Council can require the landlord to take steps to deal with the Anti-Social behaviour.

Equality information on which above analysis is based

Mitigating actions to be taken

The Southwark Rental Standard reinforces our opposition to discrimination in the PRS

Tackling Anti-social behaviour is one of the conditions that can be applied to the Licence.

Sex - A man or a woman.

Possible impacts (positive and negative) of proposed policy/decision/business plan

The Licensing proposal adopts the Southwark Rental Standard as a condition of gaining and maintaining a license. The Standard follows current legislation and forbids discrimination with prospective and existing tenants. Failure to comply with the terms of the Standard could be used as a basis for complaint to the local authority prompting investigation and regulatory action.

The Schemes puts emphasis on Landlords tackling anti-social behaviour. If a tenant is being harassed because of their protected characteristic then through the scheme the Council can require the landlord to take steps to deal with the Anti-Social behaviour.
Equality information on which above analysis is based
Mitigating actions to be taken
The Schemes puts emphasis on Landlords tackling anti-social behaviour. If a tenant is being harassed because of their protected characteristic then through the scheme the Council can require the landlord to take steps to deal with the Anti-Social behaviour. Tackling Anti-social behaviour is one of the conditions that can be applied to the Licence.

Sexual orientation - Whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes
Possible impacts (positive and negative) of proposed policy/decision/business plan
There is no available evidence of disadvantage arising from sexual orientation in the PRS though the Southwark Rental Standard forbids discrimination on this basis
Equality information on which above analysis is based
Mitigating actions to be taken
The Schemes puts emphasis on Landlords tackling anti-social behaviour. If a tenant is being harassed because of their protected characteristic then through the scheme the Council can require the landlord to take steps to deal with the Anti-Social behaviour. Tackling Anti-social behaviour is one of the conditions that can be applied to the

Licence.

Human Rights

There are 16 rights in the Human Rights Act. Each one is called an Article. They are all taken from the European Convention on Human Rights. The Articles are The right to life, Freedom from torture, inhuman and degrading treatment, Freedom from forced labour, Right to Liberty, Fair trial, Retrospective penalties, Privacy, Freedom of conscience, Freedom of expression, Freedom of assembly, Marriage and family, Freedom from discrimination and the First Protocol

Possible impacts (positive and negative) of proposed policy/decision/business plan

Licensing will support the Human Rights of members of the Community of Southwark at a number of levels. Improved property conditions support improved public health, reduction in fear harassment and uncertainty in the domestic environment.

The application of the Rental Standard as a licensing condition supports a number of the core elements of the Human Rights Act. Our focus on safety, security, privacy and improving management and maintenance all contribute to the resident of a PRS property realising the intended benefits of the legislation.

Information on which above analysis is based

Mitigating actions to be taken

The Schemes puts emphasis on Landlords tackling anti-social behaviour. If a tenant is being harassed because of their protected characteristic then through the scheme the Council can require the landlord to take steps to deal with the Anti-Social behaviour.

Tackling Anti-social behaviour is one of the conditions that can be applied to the Licence.

Section 5: Further actions and objectives

5. Further actions			
Based on the initial analysis above, please detail the key areas identified as requiring more detailed analysis or key mitigating actions.			
Number	Description of Issue	Action	Timeframe
1	Development of further policy and plans for PRS	Emma Trott	April 2016
2	Clarifying good practice for landlords and letting agents	Emma Trott	November 2015
3	Review the effectiveness and impact of Additional and Selective Licensing		
4			
5			
6			
7			

5. Equality objectives (for business plans)				
Based on the initial analysis above, please detail any equality objectives that you will set for your department/service.				
			Targets	
Objective	Lead officer	Current performance (baseline)	2013/14	2014/15

HMO Standards

for bedsit type accommodation and shared houses

www.southwark.gov.uk

PHOTOS OF DECENT HMO'S

Introduction

Definition of HMO

A house in multiple occupation is a property occupied by 3 or more unrelated people in 2 or more households. A full definition of house in multiple occupation can be found in section 254 of the Housing Act 2004. Details of what relationships constitute single family can be found in section 258 of the Housing Act 2004. The Act also gives the Council powers to deal with poor living conditions in houses in multiple occupation, (HMO's).

The Standards and their application

These standards cover the most common types of HMO's found in the borough, which are usually described as shared houses and bedsits. If the property you are letting is a different type of HMO, for example a hostel or temporary accommodation, a different standard would need to be applied and you will need to contact us for further information. Contact details are given at the bottom of this page.

This document sets out a standard for management, overcrowding, room sizes, bathroom & WC facilities, kitchen facilities and references standards for means of escape from fire. The Council are also required to assess properties under the Housing Health & Safety Rating System.

An HMO is required to be licensed with the Local Authority if it is three or more storeys in height and is occupied by 5 or more tenants, of which at least 2 households share one or more basic amenities including kitchen, bathroom or WC. It is the landlord/manager's responsibility to apply to the Council to license a property.

The standards set out in this document are the minimum standards adopted by the Council and should not be seen as the ideal. However, in some circumstances minor alterations, in some areas of these standards, may be applied, by the manager of the Private Sector Housing Enforcement Team, via a case officer, and will be agreed in writing. The alterations in the applied standard may be made for an individual property only in exceptional circumstances and will depend on the condition, occupation, facilities and layout of the property as a whole. The decision will be based on evidence of a reduced risk that negates the need to adhere rigidly to the standard and will not form the basis of a future standard to be applied to any other property in the borough. Each property will be assessed on its own merit.

Private Rental Standard

All properties within the private rented sector in this borough are expected to meet Southwark's Private Rental Standard. This standard can be found in the attached documentation or on Southwark's website here: http://www.southwark.gov.uk/downloads/download/3701/southwark_private_rental_standard

Where a property is let as a House in Multiple Occupation, this HMO Standard takes precedence over the Private Rental Standard. Reference to the Private Rental Standard should be made for any areas not covered by this HMO Standard.

Planning Provision

It is not intended that occupiers be provided with all amenities on an exclusive basis (notwithstanding the provision for children in HMO's). This would in effect constitute self-containment in Planning terms and would be contrary to the council's policy under the current Unitary Development Plan which seeks to retain more affordable accommodation. Any creation of a letting in which all basic amenities are available for the exclusive use of its occupants would require Planning Permission. Permission cannot be guaranteed by the Private Sector Housing Enforcement team, or by compliance with these standards. HMO's with more than 6 occupiers are also required to have planning permission.

Enquiries can be made at

www.southwark.gov.uk/info/485/planning_applications/686/do_i_need_planning_permission or by calling 020 7525 5403.

If you require any additional advice on the standards required you can contact your case officer if you have one, or register a general query by emailing us at:

resi@southwark.gov.uk or call us on 0207 525 3114.

Space Standards

In calculating floor areas the Council will discount space occupied by:

- kitchens
- bathrooms/shower rooms
- toilet compartments
- corridors
- chimney breasts etc.
- ceiling height - Rooms should have a minimum height of 2.3 metres over at least half of the habitable floor area. Any floor area where the ceiling height is less than 1.5 metres will not count towards the habitable floor space.¹.

Rooms where there are kitchen facilities in a separate room, whether this is shared or a kitchen for exclusive use.

Space standard – Room with separate kitchen		Minimum area
Single room	1 person	10 square metres
Double room	2 people cohabiting as a couple	14 square metres
Twin room	2 individuals	If you intend to let a room to 2 individuals who are not living together as cohabiting as a couple you should contact the team for further advice. (see page 1 for contact details)
Kitchen		5.5 square metres plus 1 square metre for each additional person sharing the kitchen.
	3 people	7.5 square metres
	4 people	8.5 square metres
	5 people	9.5 square metres

Rooms containing their own kitchen facilities within the letting room

Space standard – Room with kitchen facilities in the room		Minimum area
Single room	1 person	14 square metres
Double room	2 people cohabiting as a couple	18.5 square metres

¹ 'Relevant matters affecting likelihood and harm outcome: low beams and ceilings – well under 1.9 metres'. Page 164, HHSRS Operating Guidance Collision & Entrapment
Southwark Council Residential design Standards 2011
http://www.southwark.gov.uk/info/200151/supplementary_planning_documents_and_guidance/1253/residential_design_standards_spd

Rooms where there are separate kitchen facilities and lounge/living room

These standards will only be applied in properties where there is evidence that the occupiers are living more like a single household and are comfortable using shared communal space, rather than individuals

who have very little interaction with each other. Examples of this type of occupation are shared houses where the occupiers came together as a group or have a common shared interest i.e. students or employees from the same college or employer. Typically they would cook and eat meals together and would choose to spend time together in a dining area or lounge.

Space standard, separate shared kitchen and lounge		Minimum area
Single room	1 person	8 square metres
Double room	2 people cohabiting as a couple	12 square metres
Twin room	2 individuals	If you intend to let a room to 2 individuals who are cohabiting as a couple you should contact the team for further advice. (see page 1 for contact details)
Kitchen		5.5 square metres plus 1 square metre for each additional person sharing the kitchen.
	3 people	7.5 square metres
	4 people	8.5 square metres
	5 people	9.5 square metres
Lounge/living room	1-3 people	8.5 square metres
	4-6 people	11 square metres (or plus 1 square metre for each additional person sharing the lounge)

Living rooms must be fully furnished as such and would need to have adequate comfortable seating, such as sofas and armchairs to accommodate all of the occupiers at any one time (to avoid incidences where some occupiers are unable to make use of the communal living room at certain times) and would usually have a television and coffee table.

Both kitchens and bathrooms can be shared by a maximum of 5 people.

Facilities for the storage, preparation and cooking of food

Where exclusive kitchen facilities cannot be provided, one set of kitchen facilities shall be provided for every 5 occupants.

A set of kitchen facilities for up to 5 people shall include: ²

Kitchen facility	Standard	Minimum size
Cooker	1 cooker for every 5 people	Minimum of 4 burners, oven and grill. A microwave is not a suitable alternative to an oven. A minimum area of 5000mm x 600mm worktop must be provided adjacent to the cooker.
Sink and drainer on a base unit	Provided with a constant supply of hot and cold water and properly connected to the drainage system. The cold water supply shall be direct from the mains supply	1000mm x 600mm
Fixed worktop	Made of an impervious material	2000mm x 600mm (shared kitchen) 1000mm x 600mm (single use kitchen)
Storage cupboard	One cupboard for each tenant, the cupboard below the sink cannot be used for food storage. The cupboard can be located in the bedsit where there is sufficient space	One standard 500mm wide wall cupboard per person
	Separate storage space shall be provided for shared cooking equipment such as pans	One standard 1000mm wide base unit (The cupboard space below the sink is not suitable for storing cooking equipment)
A refrigerator	1 refrigerator for every 5 people	245 litres for 5 people. This can be smaller if individual fridges are provided in the rooms, this should be discussed with the case officer
A freezer	1 freezer for every 5 people	85 litres for up to 5 people
A washing machine	A washing machine with an adequate exclusive power source, water supply and drainage properly plumbed in.	Where there are more than 10 people occupying an HMO there must be at least 2 washing machines
Electrical power sockets	4 double 13 amp sockets provided within the food preparation area, at least 2 shall be above worktop level. 1 extra socket shall be provided for each major appliance (fridge, freezer, washing machine). The cooker shall be connected to a separate cooker spur	The sockets should be spaced as evenly as possible around the kitchen and suitable for use with electrical appliances on the kitchen worktop.

It is preferable for a kitchen to contain only one set of facilities, however, if a kitchen is large enough, 2 sets of facilities may be installed in the same kitchen for up to a maximum of 10 users. A kitchen for 10 users shall be a minimum of 14.5 square metres in area.

The kitchen should preferably be not more than one floor from any letting room that it serves but cannot be more than 2 floors from any letting room.

The kitchen size and layout must enable the practical, safe & hygienic use of the kitchen for storage, preparation and cooking of food.

The wall, floor and ceiling surfaces shall be smooth, impervious and capable of being easily cleaned.

The lighting shall be suitable to enable the practical, safe & hygienic use of the kitchen facilities.

² Schedule 3 – the Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions)(England) Regulations 2006

Suitable and sufficient provision shall be made for refuse storage and disposal both within the unit of accommodation and outside.

Consideration should be given to clothes drying facilities preferably both inside and outside the property.³

³ There should also be clothes drying facilities, preferably both outside and internally'. Page 119, HHSRS Operating Guidance Personal Hygiene, Sanitation & Drainage

Personal Hygiene^{4 5}

Bathroom/shower room fittings	Minimum size
Baths	1700mm x 700mm
Shower cubicles	800mm x 800mm
Wash hand basins	500mm x 400mm
Splashbacks	300 mm high

Where exclusive bathroom/shower room & toilet facilities cannot be provided, one bathroom or shower room, one toilet and one wash hand basin shall be provided for every 5 occupants.

Baths, showers, toilets and wash hand basins shall be provided in a separate room of adequate size. There should be adequate space for drying & dressing and somewhere to hang clothes and towels.

The room shall be accessible directly from the common areas and within one floor of each letting.

A wash hand basin shall be provided within each toilet compartment and within each bathroom/shower room.

Each bath, shower and wash hand basin shall be provided with a constant supply of hot and cold water.

The doors to bathrooms, shower rooms and WCs shall be capable of giving privacy and should be lockable from the inside.

Where light switches are located within the bathroom, shower room or WC compartment they must be pull cord switches.

The wall, floor and ceiling surfaces shall be smooth, impervious and capable of being easily cleaned.

The lighting shall be suitable to enable the practical, safe & hygienic use of the facilities.

⁴ Schedule 3 – The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions)(England) Regulations 2006

⁵ Pages 118-121, HHSRS Operating Guidance Personal Hygiene, Sanitation & Drainage

Means of escape from fire and fire fighting equipment^{6 7}

All HMO's are subject to an assessment under the Housing Health & Safety Rating System⁷, and must comply with the Regulatory Reform Order and Lacors Fire Guidance⁶.

The Regulatory Reform (Fire Safety) Order 2005 is enforced by the fire brigade and requires that the 'responsible person' carry out and regularly review a fire risk assessment of the premises. This will identify what you need to do to prevent fire and keep people safe. If you don't have the expertise or time to do the fire risk assessment yourself you'll need to appoint a 'competent person' to help, eg a professional risk assessor. If you're not sure if your risk assessment has been carried out properly your local fire and rescue authority might be able to give you advice although they can't carry out risk assessments for you. Further information can be obtained from <https://www.gov.uk/workplace-fire-safety-your-responsibilities/fire-risk-assessments>

You are advised to seek our advice prior to installation.

Any variations in these standards must be agreed by the case officer.

⁶ LACORS Housing – Fire Safety, Guidance on fire safety provisions for certain types of existing housing

⁷ Pages 150-155, HHSRS Operating Guidance Fire

HMOs occupied by children⁸

NOTE: Planning permission must be sought before any of the following standards are complied with. If planning permission is refused the premises is deemed unsuitable for occupation by children.

When calculating room sizes a child is counted as one person irrespective of age⁹.

Where there are children living in a HMO the letting they occupy must consist of at least 2 rooms. The rooms must be self contained and interconnecting.

A bed shall be provided for exclusive use by the child.

Any child over the age of 8 years shall not have to share a bedroom with their parents or a child of the opposite sex.¹⁰

The letting must have its own kitchen and bathroom for exclusive use of that letting. The kitchen and bathroom must be directly accessible from the letting.¹¹

The bathroom must have a bath rather than just a shower.

Ideally, a play space and a desk shall be provided. Where there is a garden or other outside space associated with the dwelling, it shall be child friendly, safely & easily accessible to the children.¹² Balconies must have guarding to a height of at least 1100mm. Guarding should be designed to discourage children from climbing on it and should be strong enough to support the weight of people leaning against it. There shall be no gaps greater than 100mm in width.¹³

Window sills (to windows on the first floor upwards) less than 1100mm shall be fitted with window restrictors. It shall be possible to override the window restrictors for escape purposes.¹⁴

Landlords are advised to seek advice from this department wherever there are children living in a HMO.

⁸ 'Do my kids have to live like this forever?' The lives of homeless children and families in London 2005, Barnardos
Crowded House, Cramped Living in England's Housing 2004, Shelter
Against the Odds 2006, Shelter

Full House? How overcrowded Housing Affects Families 2005, Shelter

⁹ 'Small children need at least as much space as an adult. The need for privacy begins to develop from the age of eight and will be fully formed during puberty'. Page 92, HHSRS Operating Guidance Crowding & Space

¹⁰ 'Small children need at least as much space as an adult. The need for privacy begins to develop from the age of eight and will be fully formed during puberty'. Page 92, HHSRS Operating Guidance Crowding & Space

¹¹ LB Islington, Standards for Houses in Multiple Occupation

¹² 'Lack of space and overcrowded conditions have been linked to a number of health outcomes including psychological distress and mental disorders, especially those associated with a lack of privacy and childhood development'. Indoor and outdoor play and recreation space is necessary in accommodation housing children'. Page 92, HHSRS Operating Guidance Crowding & Space

¹³ 'Guarding (e.g. balustrading) should be provided to balconies and landings to prevent falls. It should be at least 1100mm high and designed and constructed so as to discourage children climbing and strong enough to support the weight of people leaning against it. There should be no openings to the guarding which would allow a 100mm sphere to pass through'. Page 144, HHSRS Operating Guidance Falls Between Levels

¹⁴ 'In multi-storey buildings there is a need for increased safety precautions to upper storey windows, because the increased risk posed by the more severe harms resulting from distance of fall. In such buildings, and preferably from the second floor upwards, glazing below 1100mm from the floor level should be guarded with a safety rail'. Page 144, HHSRS Operating Guidance Falls Between Levels

Electrical Appliances and Installations

All works to the electrical installation shall be carried out by a properly qualified engineer and must comply with the following:

The Electrical Equipment (Safety) Regulations 1994

These regulations apply to the supply of electrical equipment with a working voltage of between 50 and 1000 volts A.C. or between 75 and 1500 volts D.C. This imposes a duty on you as the supplier that they are 'safe' as defined by section 19 of the Act, so that there is no risk of injury or death to humans or pets or risk of damage to the property.

These regulations cover all mains voltage household electric goods including cookers, kettles, toasters, electric blankets, washing machines, immersion heaters etc. The Act also requires that if any equipment is supplied with any particular characteristic, suitable information or instruction booklets should be provided.

Plugs & Sockets (Safety) Regulations 1994

These regulations require that where any plug, socket or adaptor supplied for intended domestic use, that it complies with the appropriate current standard and specifically that:

- The live and neutral pins on the plugs are part insulated so as to prevent shocks when removing plugs from sockets; and
- All plugs are pre-wired.

Electricity at Work Regulations 1989

These regulations require the testing of portable appliances (PAT testing) provided within the common areas of the property, e.g. kettles, toasters etc.

Gas Supply and Appliances

All works to the gas installation and gas appliances shall be carried out by an engineer registered on the Gas Safe Register.

All gas pipe work, appliances and flues must be tested by a registered Gas Safe Engineer every 12 months. You must keep a copy of the Gas Safety Certificate for 2 years and issue a copy to each existing tenant within 28 days of the check being completed and issue a copy to any new tenants before they move in. A copy of the Gas Safety Certificate can be provided within the common areas.¹⁵ Audible, mains fed, carbon monoxide detectors, complying with BS EN 50297-1:2010, must be fitted into all rooms with gas appliances.

Loft Rooms/Spaces

Loft spaces and cellars are unsuitable for use as living accommodation unless proper Building Control & Planning Permission have been obtained. These spaces may require extra works in order to comply with these standards and the Housing Act 2004.

Attic rooms and loft rooms should have a minimum room height of 2.3 metres over at least half of the habitable floor area. Any floor area where the ceiling height is less than 1.5 metres will not count towards the habitable floor space.¹⁶

¹⁵ Gas Safety (Installation and Use) Regulations 1998

¹⁶ 'Relevant matters affecting likelihood and harm outcome: low beams and ceilings – well under 1.9 metres'. Page 164, HHSRS Operating Guidance Collision & Entrapment

Southwark Council Residential design Standards 2011

http://www.southwark.gov.uk/info/200151/supplementary_planning_documents_and_guidance/1253/residential_design_standards_spd

Furnished Lettings

All furniture provided in connection with the letting shall comply with The Furniture & Furnishings (Fire) (Safety) Regulations 1988.

Management

The Management of Houses in Multiple Occupation (England) Regulations 2006 places the following duties on the manager of the HMO.

Regulation 3 - Duty to inform the occupier of contact details including name, address and telephone number and to display this information in a prominent place in the HMO. If a landlord is regularly out of the country or away for long periods of time, a local manager should be appointed who can act on behalf of the landlord, contact details for this person should also be displayed.

Regulation 4 - Duty of the manager to take safety measures in relation to providing and maintaining the means of escape from fire & fire fighting equipment and to reasonably protect the occupiers of the HMO from injury.

Regulation 5 - Duty of the manager to maintain water supply & drainage. Water rates should be registered in the name of the landlord/manager who is responsible for paying the bills.

Regulation 6 - Duty of the manager to supply & maintain gas & electricity, including the provision of the latest gas safety certificate to the local authority when requested and the uninterrupted supply of gas and electricity. Utility bills should be registered in the name of the landlord/manager who is responsible for paying the bills. Key meters are not acceptable.

Regulation 7 - Duty of the manager to maintain common parts, fixtures, fittings and appliances including stairs, banisters, floor coverings, windows, lighting, shared appliances, yards, gardens and boundaries. Common parts must be kept free from obstruction, clean and in good order & repair.

Regulation 8 - Duty of the manager to maintain living accommodation and any furniture, fittings and appliances provided by the landlord.

Regulation 9 - Duty to provide waste disposal facilities suitable for the number of people occupying the HMO.

Regulation 10 - Duties of occupiers to reasonably cooperate with, not to hinder or frustrate the manager in performance of his duties; to provide information reasonably requested by the manager for the purpose of carrying out his duties; take reasonable care to avoid causing damage; properly dispose of rubbish; and comply with reasonable instructions regarding the means of escape from fire, prevention of fire and the use of fire equipment.

APPENDIX 2

**THIS TABLE SUMMERISES THE CHANGES FROM THE EXISTING STANDARDS
TO THE PROPOSED REVISED STANDARDS**

	Existing Standard	Proposed Standard
Application	4 types of HMO were included: bedsit type, shared house, short stay hostels and hotels and, group homes and long stay hostels	This document focusses on Bedsit Type and Shared Houses as they are the most common types of HMO in the borough. Standards for the other types of HMO's are covered in separate documents (for example "Setting the Standard" covers short stay hostels)
Rooms sizes	10 square metre room size with no distinction between standard HMO's and ones with communal living spaces.	A reduced room size standard, to 8 square metres for houses where there is adequate shared communal living space and evidence that the occupiers are using the space comfortably. (The concern is that some landlords will provide a living room to establish smaller room sizes but will not ensure that the house is occupied by tenants who are "comfortable" socialising with each other.
Shared living spaces	No standard or minimum room sizes for shared living accommodation	Minimum sizes for living rooms where the 8 square metre, individual's room size above, is being applied and an indication of appropriate furniture provision.
Kitchen facilities	No requirement to provide a washing machine and clothes drying facilities 2 double electrical sockets Requirement to provide fixed worktop A storage cupboard Kitchen to be no more than one floor away from any letting room No more than 5 people sharing one	A requirement for a single washing machine to be provided and consideration to be given to provision for indoor and/or outdoor clothes drying facilities 4 double electrical sockets plus 1 extra socket for each major appliance (fridge, freezer and washing machine) Requirement to provide a minimum size of worktop ie 2000mm x 600mm (shared kitchen) & 1000mm x 600mm (single use kitchen) One standard 500mm wide wall cupboard per person plus one 1000mm wide storage cupboard for shared cooking equipment etc A preference for kitchens to be no more than 2 floors away (as one floor is impractical in town houses found in areas like Bermondsey which did not have a proliferation of HMO's as it does today). Allowance for a double set of kitchen

	Existing Standard	Proposed Standard
	kitchen regardless of the amount of facilities.	facilities in one kitchen in properties where there are more than 5 occupiers, and up to a maximum of 10 occupiers, where the kitchen is at least 14.5 square metres.
Bathroom facilities		No changes other than the requirement for a bath instead of a shower where children occupy the HMO.
Ceiling height	No direct advice	Standard in Line with Southwark's Residential Design Standards 2011, in that attic/loft rooms should have a minimum room height of 2.3 metres over at least half of the habitable floor area. Any floor area where the ceiling height is less than 1.5 metres will not count towards the habitable floor space.
Children in HMO's	No two persons being 12 years old or more, of opposite sexes, be required to sleep together in the same room, unless they are co-habitees. The existing standard makes no other reference to special provisions for children living in HMO's except for hostel type accommodation. The requirements in that case were still outdated and inadequate.	Age reduced to 8 years old in line with more recent guidance. Children are counted as one person when calculating room sizes. The child having a separate sleeping room to the parents and for that room to connect directly with the main letting room. Exclusive kitchen and bathroom for that letting, to prevent the child having to share spaces with strangers. There must be a bath rather than just a shower available. Consideration for play space and a desk for studying. Specific safety features such as adequate guard rails on balconies and window restrictors.

APPENDIX 3

Comparison of room size standards with other Local Authorities (Updated 11 May 2015 by ELT from individual authority's website information)

All measurements are shown in square metres

Unless otherwise stated all standards with separate room sizes for shared houses require additional living space such as a shared living room.

NB: All London authorities have a minimum of 5 people sharing 1 set of kitchen and bathroom facilities. Some authorities require additional separate wc's and wash basins in rooms over and above this standard.

	Bedsits (separate shared kitchen facilities) Single	Bedsits (separate shared kitchen facilities) Double	Bedsits (kitchen facilities in the room) Single	Bedsits (kitchen facilities in the room) Double	Shared House Single	Shared House Double	Comments
CIEH (1994)	10	15	13	No standard	10	15	Without shared living space
					6.5	10	With a shared living room no less than 8.5 square metres for 1-3 people and 11 square metres for 4 to 6 persons

South London "Inner" Area

	Bedsits (separate shared kitchen facilities) Single	Bedsits (separate shared kitchen facilities) Double	Bedsits (kitchen facilities in the room) Single	Bedsits (kitchen facilities in the room) Double	Shared House Single	Shared House Double	Comments
Southwark	10	14	14	18.5	10 (unofficially 8 where there is good	14 (unofficially 12 where there is good	Standards refer to flexibility depending on situation

	Bedsits (separate shared kitchen facilities) Single	Bedsits (separate shared kitchen facilities) Double	Bedsits (kitchen facilities in the room) Single	Bedsits (kitchen facilities in the room) Double	Shared House Single	Shared House Double	Comments
					shared living accom and good management)	shared living accom and good management)	
Lewisham	10	15	13	18.5	6.5	10	Shared House standard where there is a shared living room only
Wandsworth	10	15	13	19	6.5	10	Shared House standard where there is a shared living room only
Lambeth	Not on their website but unofficially it is 9						HHSRS assessment only – no standards on their website

South London “Outer” Area

	Bedsits (separate shared kitchen facilities) Single	Bedsits (separate shared kitchen facilities) Double	Bedsits (kitchen facilities in the room) Single	Bedsits (kitchen facilities in the room) Double	Shared House Single	Shared House Double	Comments
Bromley	10	15	13	18.5	6.5	10	Shared House standard where there is a shared living room only
Greenwich	Not on their website						
Bexley	Not on their website						
Merton	-	-	-	-	-	-	HHSRS assessment only – no standards on their website

	Bedsits (separate shared kitchen facilities) Single	Bedsits (separate shared kitchen facilities) Double	Bedsits (kitchen facilities in the room) Single	Bedsits (kitchen facilities in the room) Double	Shared House Single	Shared House Double	Comments
Richmond	10	15	13	18	10	15	Shared House standard where there is a shared living room only room
Croydon	10	15	13	20.5	6.5	10	Shared House standard where there is a separate kitchen/diner of 11m2 and a separate living room of 11m2 for up to 5 individuals
Sutton	Not on their website						
Kingston	10	15	13	18	-	-	Standard applies to bedsits and shared house although it alludes to a reduction in the standards if it is a shared house with no more than 5 individuals.

North London "Inner/Central" Area

	Bedsits (separate shared kitchen facilities) Single	Bedsits (separate shared kitchen facilities) Double	Bedsits (kitchen facilities in the room) Single	Bedsits (kitchen facilities in the room) Double	Shared House Single	Shared House Double	Comments
Westminster	8	11	11	14	6.5	9.5	Shared house standard is for flats in multiple occupation and is only applied where there is an

	Bedsits (separate shared kitchen facilities) Single	Bedsits (separate shared kitchen facilities) Double	Bedsits (kitchen facilities in the room) Single	Bedsits (kitchen facilities in the room) Double	Shared House Single	Shared House Double	Comments
							adequately sized lounge (10m2 for a 1 bedroom). It also stipulates that lounges cannot be used for sleeping accommodation in Flats
Islington	9	Not acceptable	12	15	8	11	Shared House standard where there is a shared living room only
Camden	9	11	12	14			No difference between shared and bedsit
Tower Hamlets	8.5	13	13	18	-	-	Some smaller room sizes are acceptable if there is adequate communal living space and the property is a shared house. However, to accept smaller room sizes a living room should be at least 13sqm for 3 people, plus 1sqm for every additional person. If dining facilities are combined with the living room, the room should be at least 14 sq m.
Hackney	8.4	11.1	11.1	13.9			
Hammersmith & Fulham	Not on the website						
RBKensington & Chelsea	9.5	12	11	14	8.5	11	Shared House standard where there is a shared living room only room

North London "Outer" Area

	Bedsits (separate shared kitchen facilities) Single	Bedsits (separate shared kitchen facilities) Double	Bedsits (kitchen facilities in the room) Single	Bedsits (kitchen facilities in the room) Double	Shared House Single	Shared House Double	Comments
Barnet	10.2	14	13	17	-	-	Do not have different standards for shared houses
Haringey	10	15	13	20	-	-	Do not have different standards for shared houses
Enfield							HHSRS assessment only – no standards
Harrow	Not on the website						
Hillingdon	Refers to the HA85 statutory standard but says that account must be taken of the use and shape of the room.						
Hounslow	6.5	9.5	10.2	13.2			Do not have different standards for shared houses
Ealing	6.5	10.2	10.2	13.2			Do not have different standards for shared houses
Brent							
Barking & Dagenham, Havering,	8.5	13	13	18	-	-	Some smaller room sizes are acceptable if there is adequate communal living

	Bedsits (separate shared kitchen facilities) Single	Bedsits (separate shared kitchen facilities) Double	Bedsits (kitchen facilities in the room) Single	Bedsits (kitchen facilities in the room) Double	Shared House Single	Shared House Double	Comments
Newham, Redbridge, Waltham Forest							space and the property is a shared house. However, to accept smaller room sizes a living room should be at least 13sqm for 3 people, plus 1sqm for every additional person. If dining facilities are combined with the living room, the room should be at least 14 sq m for 3 people, plus 1 sq m for every additional person.

Private Sector Houses in Multiple Occupation Standards Equality Analysis

June 2015

Appendix 4

Guidance notes

Things to remember:

Under the Public Sector Equality Duty (PSED) public authorities are required to have due regard to the aims of the general equality duty when making decisions and when setting policies. Understanding the affect of the council's policies and practices on people with different protected characteristics is an important part of complying with the general equality duty. Under the PSED the council must ensure that:

- Decision-makers are aware of the general equality duty's requirements.
- The general equality duty is complied with before and at the time a particular policy is under consideration and when a decision is taken.
- They consciously consider the need to do the things set out in the aims of the general equality duty as an integral part of the decision-making process.
- They have sufficient information to understand the effects of the policy, or the way a function is carried out, on the aims set out in the general equality duty.
- They review policies or decisions, for example, if the make-up of service users changes, as the general equality duty is a continuing duty.
- They take responsibility for complying with the general equality duty in relation to all their relevant functions. Responsibility cannot be delegated to external organisations that are carrying out public functions on their behalf.
- They consciously consider the need to do the things set out in the aims of the general equality duty not only when a policy is developed and decided upon, but when it is being implemented.

Best practice guidance from the Equality and Human Rights Commission recommends that public bodies:

- Consider all the [protected characteristics](#) and all aims of the general equality duty (apart from in relation to marriage and civil partnership, where only the discrimination aim applies).
- Use equality analysis to inform policy as it develops to avoid unnecessary additional activity.
- Focus on the understanding the effects of a policy on equality and any actions needed

as a result, not the production of a document.

- Consider how the time and effort involved should relate to the importance of the policy to equality.
- Think about steps to advance equality and good relations as well as eliminate discrimination.
- Use good evidence. Where it isn't available, take steps to gather it (where practical and proportionate).
- Use insights from engagement with employees, service users and others can help provide evidence for equality analysis.

Equality analysis should be referenced in community impact statements in Council reports. Community impact statements are a corporate requirement in all reports to the following meetings: the cabinet, individual decision makers, scrutiny, regulatory committees and community councils. Community impact statements enable decision makers to identify more easily how a decision might affect different communities in Southwark and to consider any implications for equality and diversity.

The public will be able to view and scrutinise any equality analysis undertaken. Equality analysis should therefore be written in a clear and transparent way using plain English. Equality analysis may be published under the council's publishing of equality information, or if part of a business plan, requested by the public under the council's Publications Scheme.

Equality analysis should be reviewed after a sensible period of time to see if the effects that were expected have occurred. If not then you will need to consider amending your policy accordingly. This does not mean repeating the equality analysis, but using the experience gained through implementation to check the findings and to make any necessary adjustments.

Engagement with the community is recommended as part of the development of equality analysis. The council's Community Engagement Division and critical friend, the Forum for Equality and Human Rights in Southwark can assist with this (see section below on community engagement and www.southwarkadvice.org.uk).

Section 1: Equality analysis details

Proposed policy/decision/business plan to which this equality analysis relates		Southwark Private Rental Sector HMO Standards			
Equality analysis author		Emma Trott, Private Sector Housing Licensing & Enforcement Manager			
Strategic Director:		Deborah Collins			
Department		Environment & Leisure	Division		Community Safety & Enforcement
Period analysis undertaken		Jan – July 2014			
Date of review (if applicable)		June 2015			
Sign-off		Position		Date	

Section 2: Brief description of policy/decision/business plan

1.1 Brief description of policy/decision/business plan

The Council has powers to deal with poor living conditions within HMO's under the Housing Act 2004. The Council adopted for HMO's in 1989. The Standards have not been fully reviewed until 2014/15.

The PRS is large, with over 28 000 properties recorded in the 2011 census. We estimate that a third of the homes provided within this sector are in houses let in multiple occupation. Whilst HMO's can provide valuable accommodation to students and single young professionals there is a significant percentage of the sector that provide some of the poorest accommodation to the most vulnerable in our communities.

Southwark's Housing Strategy 2015-2043 commits the Council to drive up standards in the private rented sector. Southwark Council proposes to introduce a new HMO Standard that addresses the specific concerns found in houses let in multiple occupation in the private rented sector today. Concerns that were either unheard of when the original standards were drafted or are rapidly becoming more common.

There is a wealth of guidance documents and research into what constitutes an adequate living standard and this new HMO Standard delivers what we consider to be an acceptable, but basic living standard, just above the statutory minimum.

These HMO Standards will work as a stand alone document, as guidance and advice, and as an enforcement tool referred to in the conditions attached to mandatory and additional licenses.

Section 3: Overview of service users and key stakeholders consulted

2. Service users and stakeholders	
Key users of the department or service	The PRS provides accommodation for roughly one quarter of the residents of Southwark. Over 28,000 residents live in privately rented dwellings. Approximately a third of these residents live in houses let to more than one household where often common parts and facilities, such as kitchens, living rooms and bathrooms are shared. The types of tenants who occupy HMO's can range from the poorest and most vulnerable in our society to students and young professionals. The sector has deteriorated within the last decade and families with young children are found to be living in HMO's as well as people who have a wide range of vulnerabilities. It is estimated that there are over 5,000 private sector landlords operating in Southwark. These are important recipients of our services. There is a willingness on the parts of most landlords to comply with health and safety requirements. However, lack of knowledge and out of date information given in complex documents, such as the existing HMO Standards, means that they are often unaware of their responsibilities.
Key stakeholders were/are involved in this policy/decision/business plan	The Council undertook an extensive consultation exercise for additional and selective licensing. This included consultation on the proposed HMO Standards. The consultation commenced on 18th September 2014 and concluded on 15th March 2015. Consultation was undertaken using a variety of methods that included:- • An eform linked to the main consultation webpage • A prepaid response card for the community in general which was used at a variety of events below. • A prepaid response card for the residents in and around the selective licensing area which was posted out. • A prepaid response card sent to addresses which were indicated by our data to be occupied by residents with a profile that matched those in private rented property. • A prepaid response card for students which was distributed at local higher education establishments • Community meetings and events in Southwark, including community councils, area housing forums, street consultation events and focus groups for some minority groups. • Landlord representative events, including Landlords Forum and the Landlords focus group, Southwark's Homeowners Forum for Leaseholders. • Emails to a wide range of national regional and local stakeholders. • Advertising in local publications, street adverts on buses and bus shelters and using electronic media. • A dedicated email address for responses.

	• Publicity on a landlord information website, • Advertisements on various platforms Over 1,000 responses were received. Some, but not all of these related to the consultation of the HMO Standards.
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Section 4: Pre-implementation equality analysis

This section considers the potential impacts (positive and negative) on groups with 'protected characteristics', the equality information on which this analysis is based and any mitigating actions to be taken.

Age - Where this is referred to, it refers to a person belonging to a particular age (e.g. 32 year olds) or range of ages (e.g. 18 - 30 year olds).

Potential impacts (positive and negative) of proposed policy/decision/business plan

The new HMO Standards will have a positive effect on a wide range of age groups as it will address the management, overcrowding and level of facilities in HMO's in the PRS.

The sector houses the full range of age groups but statistics indicate that there are fewer children and older people housed in HMO's in the PRS than other tenures though we have seen an increase in these age groups in HMO's in the borough. Families with small children and older people who reside in HMO's tend to have very low incomes and other disadvantages, for example education and language barriers so their ability to mitigate problems is more limited. They would not choose to live in this type of accommodation, but their financial or personal circumstances have forced them to live in, what can be, the very lowest end of the rental market.

The particular issues for children living in HMO's are privacy, safeguarding and overcrowding.

Small children need at least as much space as an adult but are not catered for at all in most HMO's. The need for privacy begins to develop from the age of eight and will be fully formed during puberty and often children and teenagers are found in HMO's sharing sleeping rooms, and sometimes beds, with their parents, as there is nowhere else for them to sleep. A child sharing bathrooms and kitchens with other households, and often strangers, increases the safeguarding risk to that child. It can also stifle development as a child may not feel safe enough to learn to use the bathroom independently for example.

Equality information on which above analysis is based
DCLG Reports, Rugg Report, British Housing Condition Survey Data, Lacors crowding and space guidance, HHSRS - Crowding and Space
Mitigating actions to be taken
Replacing the existing Standards with the proposed ones will have a positive effect on these problems as Landlords will be required to comply with a clearer, more concise set of standards that address issues such as suitability of accommodation for children.. Tenants and landlords alike will be helped to understand the Council's expectations. The addition of references to relevant guidance within the document, will provide additional information and advice to landlords and tenants

Disability - A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.
Possible impacts (positive and negative) of proposed policy/decision/business plan
Poor conditions in PRS HMO's will have an adverse effect on health in general and can exacerbate medical conditions. Lack of space and overcrowded conditions have been linked to a number of health outcomes, including psychological distress and mental disorders, especially those associated with a lack of privacy. Overcrowding can result in an increase in heart rate, increased perspiration, reduction of tolerance, and a reduction in the ability to concentrate. Crowded conditions are also linked with increased hygiene risks, an increased risk of accidents, and spread of contagious disease. These issues are important factors to recognise generally but will have an increased affect on those with pre existing medical problems. Dampness is also more likely to occur in houses that are overcrowded and the prevalence of indoor damp in low-income communities can be substantially higher than the national average. The risk of domestic accidents is greater where there is insufficient space for the occupants. Small kitchens or those shared with a number of other households also increase the risk of accidents. Where people and their belongings and

furniture are crowded together, it may not be possible to keep circulation space or functional space around appliances clear. A lack of adequate and appropriate facilities or overcrowding, will have a marked effect on people who have mobility issues.
Equality information on which above analysis is based
DCLG Reports, Rugg Report, British Housing Condition Survey Data, Lacors crowding and space guidance, Housing Act 2004 HHSRS - Crowding and Space
Mitigating actions to be taken
The HMO Standards will clarify what is required in terms of condition and management Application of the standards via licensing will over time have substantial effect on improving the property that is in the worst condition. This will contribute positively to the management of a wide range of physical medical conditions and mental health problems. This in turn will drive up standards in the private rented sector.

Gender reassignment - The process of transitioning from one gender to another.
Possible impacts (positive and negative) of proposed policy/decision/business plan
It is difficult to assess how housing tenure could affect this group specifically and there is no research or statistics available on this.
Equality information on which above analysis is based.
n/a
Mitigating actions to be taken
The HMO Standards require a basic level of amenities and space. The standard will be used by tenants to inform them of the acceptable standard for conditions in their home. They will then be able to refer the matter on to The Council to take appropriate action. Compliance with the standard and would be required under mandatory and additional licensing.

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Marriage and civil partnership - Marriage is defined as a 'union between a man and a woman'. Same-sex couples can have their relationships legally recognised as 'civil partnerships'. Civil partners must be treated the same as married couples on a wide range of legal matters. **(Only to be considered in respect to the need to eliminate discrimination).**

Possible impacts (positive and negative) of proposed policy/decision/business plan

The demographics of the PRS are changing and more people are spending a longer time in private rented property, therefore more families are affected by the issues identified above. It is therefore reasonable to assume that the percentage of married and civil partnership residents residing in the sector is increasing.

In broad terms the sector is very diverse and it is difficult to identify a specific detriment to any type of relationship though the improvements intended in management and condition will benefit a substantial number of residents in lower rental properties.

Equality information on which above analysis is based

2001 and 2011 Census data

Mitigating actions to be taken

The HMO Standards require a basic level of amenities and space. The standard will be used by tenants to inform them of the acceptable standard for conditions in their home.

They will then be able to refer the matter on to The Council to take appropriate action. Compliance with the standard and would be required under mandatory and additional licensing.

Pregnancy and maternity - Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.

Possible impacts (positive and negative) of proposed policy/decision/business plan
In general more people are raising their families in the PRS as the supply of social housing is restricted and property ownership becomes less affordable. Therefore more children are being affected by PRS issues. More and more of these families are living in HMO's. The proposed HMO Standards will have a positive effect as it seeks to improve basic living standards and specific provision for children and ensuring the safety of the children living in the HMO.
Equality information on which above analysis is based
DCLG data, Anecdotal evidence
Mitigating actions to be taken
The HMO Standards require a basic level of amenities and space. The standard will be used by tenants to inform them of the acceptable standard for conditions in their home. They will then be able to refer the matter on to the Council to take appropriate action. Compliance with the standard and would be required under mandatory and additional licensing.

Race - Refers to the protected characteristic of Race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.
Possible impacts (positive and negative) of proposed policy/decision/business plan
There are reported problems with ethnicity and access to PRS lettings. It is also the case that new communities form in Southwark over time. These communities are often exposed to the poorest accommodation as they seek to gain a foothold in the wider community.
Equality information on which above analysis is based

Mitigating actions to be taken
The HMO Standards require a basic level of amenities and space. The standard will be used by tenants to inform them of the acceptable standard for conditions in their home. They will then be able to refer the matter on to The Council to take appropriate action. Compliance with the standard and would be required under mandatory and additional licensing.

Religion and belief - Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.
Possible impacts (positive and negative) of proposed policy/decision/business plan
There is no available evidence of disadvantage arising from religion and belief in HMO's in the PRS.
Equality information on which above analysis is based
Mitigating actions to be taken
The HMO Standards require a basic level of amenities and space. The standard will be used by tenants to inform them of the acceptable standard for conditions in their home. They will then be able to refer the matter on to the Council to take appropriate action. Compliance with the standard and would be required under mandatory and additional licensing.

Sex - A man or a woman.
Possible impacts (positive and negative) of proposed policy/decision/business plan
There is no available evidence of disadvantage arising from a persons sex in HMO's in the PRS.

Equality information on which above analysis is based
Mitigating actions to be taken
The HMO Standards require a basic level of amenities and space. The standard will be used by tenants to inform them of the acceptable standard for conditions in their home. They will then be able to refer the matter on to the Council to take appropriate action. Compliance with the standard and would be required under mandatory and additional licensing.

Sexual orientation - Whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes
Possible impacts (positive and negative) of proposed policy/decision/business plan
There is no available evidence of disadvantage arising from sexual orientation in HMO's in the PRS.
Equality information on which above analysis is based
Mitigating actions to be taken
The HMO Standards require a basic level of amenities and space. The standard will be used by tenants to inform them of the acceptable standard for conditions in their home. They will then be able to refer the matter on to the Council to take appropriate action. Compliance with the standard and would be required under mandatory and additional licensing.

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Human Rights

There are 16 rights in the Human Rights Act. Each one is called an Article. They are all taken from the European Convention on Human Rights. The Articles are The right to life, Freedom from torture, inhuman and degrading treatment, Freedom from forced labour, Right to Liberty, Fair trial, Retrospective penalties, Privacy, Freedom of conscience, Freedom of expression, Freedom of assembly, Marriage and family, Freedom from discrimination and the First Protocol

Possible impacts (positive and negative) of proposed policy/decision/business plan

The proposed HMO Standards will support the Human Rights of members of the Community of Southwark at a number of levels. Improved property conditions support improved public health, reduction in fear harassment and uncertainty in the domestic environment.

The application of the HMO Standards as a licensing condition supports a number of the core elements of the Human Rights Act. Our focus on basic facilities, overcrowding, child safeguarding, safety, security, privacy and improving management and maintenance all contribute to the resident of a PRS property realising the intended benefits of the legislation and in particular the right to life.

Information on which above analysis is based

The Human Rights Act, Housing Act 2004 HHSRS

Mitigating actions to be taken

The HMO Standard puts emphasis on Landlords improving the basic living standards in HMO's. No tenant should suffer a real and imminent threat of injury or death from poor standard of accommodation because of their protected characteristic.

Section 5: Further actions and objectives

5. Further actions			
Based on the initial analysis above, please detail the key areas identified as requiring more detailed analysis or key mitigating actions.			
Number	Description of Issue	Action	Timeframe
1	Development of further policy and plans for PRS	Emma Trott	April 2016
2	Review and Improve the Southwark Rental Standards	Emma Trott	November 2015
3	Review the effectiveness of the New HMO Standards	Emma Trott	Sept – Nov 2017

5. Equality objectives (for business plans)				
Based on the initial analysis above, please detail any equality objectives that you will set for your department/service.				
Objective	Lead officer	Current performance (baseline)	Targets	
			2013/14	2014/15

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