

Driving Up Standards for the Private Rented Sector

Phase 1 Licensing Pilot Results

Appendix 8

6 December 2022

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Review of LB Southwark's pilot selective licensing scheme (Phase 1)

November 2022

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Aim of Review

Southwark has adopted a strategic approach to private sector licensing across the borough, with a borough-wide additional HMO licensing scheme and an initial selective licensing scheme covering five wards in order to tackle some of the worst PRS related ASB and poor property conditions in the borough. The selective licensing scheme began on 1 March 2022 and the first six months of this five year scheme was intended to act as a pilot.

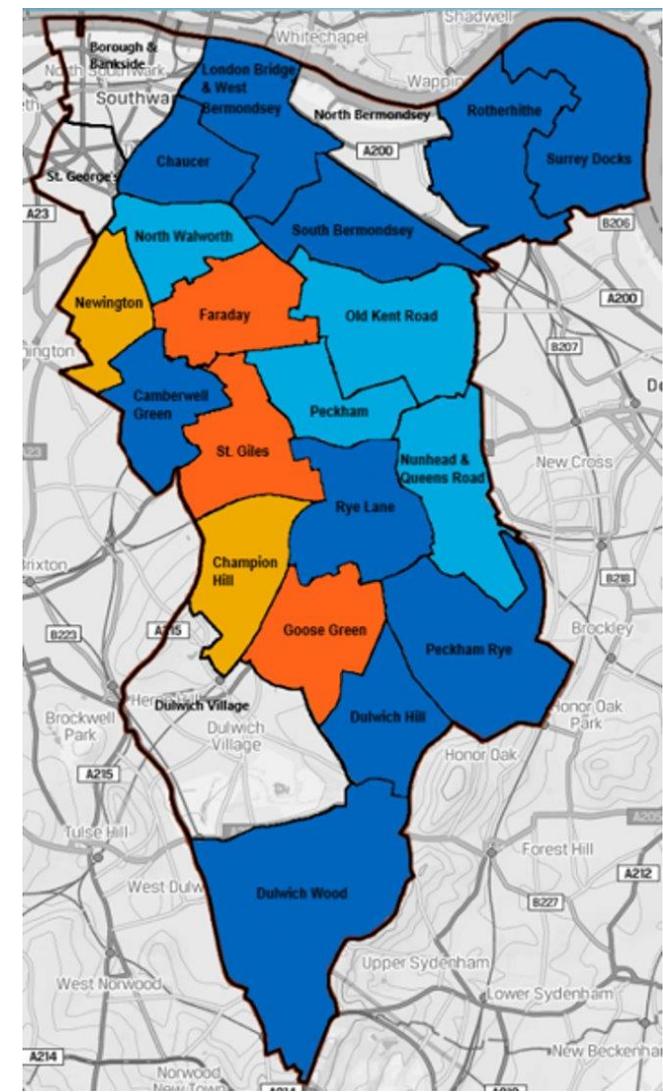
The aim of this review is to:

- Assess the effectiveness of Designations 1 and 2 against the objectives for each designation, during the pilot period.
- Confirm whether a ward based approach (as opposed to street based approach) to selective licensing is justified.
- Enable senior stakeholders to decide whether to seek confirmation from DLUHC for selective licensing designations 3 and 4.

Selective licensing designations

- Phase 1 (pilot) - Two small designations (1 and 2) covering five wards.
- Phase 2 - Two further designations (3 and 4) covering fourteen wards needing DLUHC approval.

PHASE 1: 2022		PHASE 2: 2022/23	
Designation 1: Very high, repeat ASB	Designation 2: Poor property conditions	Designation 3: Deprivation & poor property conditions	Designation 4: Poor property conditions
Wards: Newington Champion Hill	Wards: Faraday Goose Green St. Giles	Wards: North Walworth Nunhead & Queens Road Old Kent Road Peckham	Wards: Camberwell Green Chaucer Dulwich Hill Dulwich Wood London Bridge & West Bermondsey Peckham Rye Rotherhithe Rye Lane South Bermondsey Surrey Docks



Licensing scheme objectives

Objective	Measure	Designation
Reduction of ASB and repeat ASB incidents in PRS properties	Reduction of repeat incidences of ASB in the PRS and over all borough	1
Improve property conditions in single family dwellings	Reduction in housing hazards (cat 1) Resolution of Cat 2 hazards Number of enforcement activities carried out Number of properties inspected annually Increase in landlords with inspection programme/insurance/ service repair contracts	2
Improve property conditions in HMOs	Reduction of Category 1 hazards in HMOs by 25% over 5 years (in designated areas) Check compliance with licence conditions in 100% of properties and improve property standards in at least 75% of properties where improvements are required Inspect 100% of properties over 5 years Ensure that at least 80% of licensable properties are licensed over the 5 years	HMOs (Mandatory & Additional)
Ensure that the maximum number of licensable properties are licensed	Increase in licence applications and licences issued Monitor compliance against predicted number of licensable addresses 80% of licensable properties licensed over 5 years	All
Improve the professionalism of landlords	Number of landlords signed up to the Gold/ Platinum Standard Landlord forum programme developed and promoted (50% increase) All licenced Landlords invited to sign up for the newsletter during the 5 years	All

Effectiveness of Designations 1 and 2 against scheme objectives



Pilot Phase Key findings

1. During the pilot phase a total of **1695 selective licence applications** were received and **1070 selective licences granted**.
2. **25%** of applications expected within the five-year scheme period were received within the first 6 months of the scheme going live.
3. **1167** desktop audits have been undertaken and where necessary statutory notices have been served, bringing about much needed improvements and raising the standards of poor accommodation across the borough.
4. Through the licensing scheme the council has been able to regulate the private rented sector (PRS), improve housing conditions and promote better standards of management. Conditions are attached to all licences and landlords must proactively manage their properties and take reasonable action to address any identified problems so that they comply with licence conditions.
5. Designation 1 licences contain specific conditions which clearly state the responsibilities of landlords to prevent and also deal with any ASB that arises. Guidance has also been provided to landlords on how to manage tenants who are causing ASB. PSHE Officers work closely with colleagues from the noise & nuisance, waste management, environmental protection and the ASB service to investigate and find solutions for any ASB issues emanating from PRS properties. External mediation services being used to resolve the more difficult ASB cases.
6. A level of 'self-regulation' has been imposed as landlords will not be granted a licence unless they are able to demonstrate at the point of application that they are a 'fit and proper person' to hold a licence and that satisfactory management arrangements are in place.

Pilot Phase Key findings

7. An **educational approach** has been taken to dealing with licensing non-compliance. Seeking in the first instance to work with landlords and bring about compliance through informal means. The council recognises that the majority of landlords in the borough are both responsible and cooperative.
8. Inspections are carried out in accordance with property/licence risk assessments. Those properties with the highest risk factors being inspected first. This Ensures scarce resources are directed to bring the minority of landlords who are deliberately failing to comply with the law into compliance.
8. An effective licensing scheme relies on robust enforcement and by using intelligence gathered via licence applications and service requests, the council has been able to better target enforcement action towards the minority of landlords who fail to invest in their properties or meet their legal obligations. Southwark is currently ranked 4th out of the top 10 LA's with the highest level of enforcement.
9. The team is joint working with the Fuel Poverty Partnership Group which will also contribute to improvements in general housing conditions and a reduction in deprivation.
10. Accreditation is key to raising levels of professionalism and standards in the private rented sector. Although as yet, there has not been a significant uptake of the Gold Charter, as of September 2022, Southwark had 1201 landlords accredited to the London Landlord Accreditation Scheme (LLAS).
11. Engagement with tenants and landlords has increased with articles in the monthly resident newsletters and boroughwide quarterly magazine. 2064 landlords and agents have signed up to receive invites to the council's landlord forum and regular bulletins.

Key findings

12. As part of the council's communications and engagement campaign, google AdWords were utilised. This resulted in 40,859 impressions (number of digital views or engagements) and 6,122 clicks on ads (15% click through rate). The success of the digital marketing campaign has helped to improve landlord and tenant engagement and education with large numbers visiting the council's licensing webpages to learn more about the licensing schemes.
13. The Council has implemented a new IT system for end-to-end application processing and workflow management. Five licence processing officers have been appointed on temporary contracts, ensuring all applications are managed in a timely manner and there are no significant delays in the collection of part B fees. Projected revenue has been achieved.
14. Enforcement capability is being scaled up and four new Enforcement Officers have been appointed on temporary contracts. A recruitment campaign for qualified and experienced environmental health/housing enforcement professionals is ongoing.

How have the objectives been met?

Objective	Achievements	Designation
Reduction of ASB and repeat ASB incidents in PRS properties	<p>Designation 1 licences contain specific conditions which clearly state the responsibilities of landlords to prevent and also deal with any ASB that arises.</p> <p>Where the ASB is more related to envirocrime, a new project has been set up to increase the liaison between the Waste team, the waste contractors, and the PSHE&L team. Properties with waste issues that are suspected of being privately rented will be referred to the licensing team. Tenants will receive information on the correct disposal of waste and the correct way to recycle, but landlords will also be contacted to inform them of the actions of their tenants and that they are in breach of their licence conditions if they do not do something to deal with this type of ASB.</p> <p>Due to the limited pilot period (6 months) it is too early to measure a trend and to determine whether there has been a reduction in repeat ASB incidents in PRS properties.</p>	1
Improve property conditions in single family dwellings	<p>1167 desktop audits carried out</p> <p>38 service requests received and responded to</p> <p>14 Statutory Housing Act and Public Health Notices served</p> <p>45 referrals made to Groundwork Green Doctor on identification of poor EPC</p> <p>Fuel poverty partnership group established</p> <p>Referral process in place with Justice for Tenants organisation</p>	2

How have the objectives been met?

Objective	Achievements	Designation
<p>Improve property conditions in HMOs</p>	<p>1207 desktop audits carried out 241 service requests received and responded to 29 licence compliance inspections completed 46 Statutory Housing Act and Public Health Notices served 94 referrals made to Groundwork Green Doctor on identification of poor EPC Fuel poverty partnership group established Referral process in place with Justice for Tenants organisation Signed up to Setting the Standard and notified of all Cat 1 hazards in temporary accommodation</p>	<p>HMOs (Mandatory & Additional)</p>
<p>Ensure that the maximum number of licensable properties are licensed</p>	<p><u>Selectives</u> 1695 selective licence applications received. Equates to 25% of 5 year target within first 6 months of scheme (base level:6700) 1070 selective licences granted 213 warning letters sent</p> <p><u>Additional HMOs</u> 1477 additional HMO licence applications received. Equates to 33% of 5 year target within first 6 months of scheme (base Level: 4500) 957 additional HMO licences granted 268 warning letters sent 5 civil penalty notices issued 1 prosecution case complete (4 offences) 7 prosecution cases in process (multiple offences)</p>	<p>All</p>

How have the objectives been met?

Objective	Achievements	Designation
<p>Improve the professionalism of landlords</p>	<p>1201 landlords accredited to the London Landlords Accreditation Scheme (LLAS) 2,064 landlords and agents signed up to receive invites to the council's landlord forum and bulletins 24 Applications received for Gold Charter 4 applications for Gold Charter accepted 9 applications for Gold Charter rejected Comms messaging in Southwark Life Quarterly Magazine (Spring and Autumn 2022 issues)</p>	<p>All</p>

Enforcement & Compliance

- Through intelligence gathered via service requests or licence applications LBS are able to target inspections to both identifying unlicensed properties and also to those properties that are deemed to be high risk priority properties. This in turn ensures robust interventions are taken and improvements are achieved.

- Kamma data shows that **Southwark is ranked 4th** out of the Top 10 LA's with the highest level of enforcement.
[Licensing Update Agents October 2022.pdf \(kammadata.com\)](#)

- The team continues to work with colleagues who share the same objectives to improve property conditions. Successful enforcement activity has also been achieved by Planning Enforcement colleagues with a £230K Proceeds of Crime confiscation award (May 2022) – Cllr quote: *'This court result serves as warning that planning control breaches will not be tolerated and supports the council in cracking down on those who try to benefit from renting illegal and sub-standard properties in Southwark'*
<https://www.landlordzone.co.uk/news/latest-landlord-to-pay-230000-confiscation-order-after-squashing-flats-into-site-without-permission/>

Engagement with landlords and tenants

- Through the schemes LBS have been able to engage more effectively with both landlords and tenants.
- 2,064 landlords and agents have signed up to receive invites to the council's landlord forum and bulletins.
- Accreditation enables landlords to achieve a level of knowledge and competence before letting a home, which is key to raising levels of professionalism and improving standards and safety in the private rented sector. Although LBS has not seen significant uptake of its Gold Charter, as of September 2022, Southwark had 1201 landlords accredited to the London Landlord Accreditation Scheme (LLAS).
- LBS has worked with partners to deliver a tenants forum and conference. These events have helped tenants to become more aware of their rights. Such as where a property is unlicensed, they may be protected from illegal evictions or may be able to seek a Rent Repayment Order (RRO).

Activity	Number
Landlords registered to receive bulletins	2064
Accredited Landlords (LLAS) as of September 2022	1201
Applications received for Gold Charter	24
Applications accepted for Gold Charter	4
Applications rejected for Gold Charter	9
Tenants Forum (11/4/22)	1
Renter's support conference (04/10/22)	1
Articles in My Southwark monthly resident newsletter	12672 recipients
Articles in Southwark Life Quarterly Magazine (Spring and Autumn 2022 issues)	delivered to all households/businesses in borough
Referrals made to Groundwork Green Doctor on identification of poor EPC.	139

Summary of key outcomes for all licensing schemes

ACTIVITY	SELECTIVE	HMOs	TOTAL
Applications Received	1695	1477	3172
Licences Granted	1070	1022	2092
Desktop Audits	1167	1207	2374
LLAS Accredited Landlords			1201
Service Requests Responded To	38	241	279
Licence Compliance Inspections		19	19
Statutory Notices Served	14	46	60
Warning Letters Sent	213	268	481
Civil Penalties		5	5
Prosecutions		1	1

The evidence demonstrates the significant progress made during the 6 month pilot period in meeting the licensing scheme objectives.

Conclusions

1. Southwark Council has made significant progress during the pilot period in meeting its licensing scheme objectives. The pilot has allowed the council to confirm the predicted levels of PRS and that a ward based approach to licensing is justified. It has also enabled a gradual building up of licensing administration capacity and enforcement capability.
2. Through its marketing and engagement strategies landlords and agents have been made aware of the scheme which has resulted in an extremely high 'uptake' of licences within the first 6 months of the scheme. The PSHE&L team have introduced new administration processes to ensure licences are granted within a reasonable period of time and fees are collected without delay.
3. During the pilot period the council has adopted an educational approach to licensing however where necessary the council has not hesitated in using all enforcement tools to bring about compliance. As the licensing schemes progress the council will move from an educational phase into its compliance phase which will result in an increase in enforcement activity.
4. Although the pilot period has been too short to measure a trend and to determine a reduction in repeat ASB incidences, new ways of working and protocols have been developed to ensure that this objective is achieved in the long term.
5. The pilot scheme has however been able to demonstrate that through licensing, the council is able to regulate the private rented sector, improve housing conditions and promote better standards of management.

Appendices



Licensing overview

Licence Type		Applications Received	Licences Granted	Licences Refused	Estimated Number of licensable properties	Percentage applications received
Selective Licensing Designation 1	Newington	224	173		6779	25%
	Champion Hill	220	162			
Selective Licensing Designation 2	Faraday	468	121			
	Goose Green	555	439			
	St Giles	228	175			
TOTAL SELECTIVES		1695	1070	0		
Mandatory HMOs		117	65	0		
Additional HMOs		1360	957	7	3624	38%
TOTAL HMOs		1477	1022	7	3624	38%
OVERALL TOTAL		3172	2092	7		

Council interventions

Licence Type		Service Requests Received and Responded to	Housing Act Stat Notices Served	Other Public Health Notices Served
Selective Licensing Designation 1	Newington	7		
	Champion Hill	4		
Selective Licensing Designation 2	Faraday	5		
	Goose Green	4		
	St Giles	18	10	4
TOTAL SELECTIVES		38	10	4
TOTAL HMOs		241	29	17
OVERALL TOTAL		279	39	21

Compliance and Enforcement

Licence Type		Desktop Audits	Licence Compliance Inspections	Warning letters	Civil Penalties (Intent & Final)	Prosecutions (complete)	Prosecutions (in progress)
Selective Licensing Designation 1	Newington	192		32			
	Champion Hill	180		21			
Selective Licensing Designation 2	Faraday	130		62			
	Goose Green	474		65			
	St Giles	191		33			
TOTAL SELECTIVES		1167		213			
TOTAL HMOs		1207	19	268	5	1	7
OVERALL TOTAL		2374	19	481	5	1	7

Example of comms messaging during pilot phase



Southwark
Life
Summer 2022

Summer Fun
From parks to plays we've got all your summer entertainment right here

You voted
Meet your new councillors and Cabinet

A change at the top
We speak to the council's new Chief Executive to hear her plans for the future

PLUS News from the Citizens
vision to tackle the climate emergency

Landlord licensing

The new licensing schemes will further improve the living conditions for tenants within Southwark. Licences are now required for different types of privately rented properties in Southwark. If you're a landlord or managing agent for a licensable property and you do not apply for a licence, you can be prosecuted. You can apply for your property licence online at www.southwark.gov.uk/propertylicensing

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Southwark
Life
Spring 2022

Better connected
Getting better broadband for Southwark

Waste not, want not
Tasty recipes to prevent food waste

High Street recovery
Helping our local businesses recover from the pandemic

PLUS getting out and about
A look at our beautiful parks and green spaces

Does your private rented property have a licence?

From 1 March 2022 many private rented properties within the borough require a property licence. Landlords need to apply for a licence under the new additional licensing schemes if the property is a house in multiple occupation (HMO) let to four or fewer people with shared amenities. A selective licence is required if the property is not an HMO and falls in one of the following wards: Newington, Champion Hill, Faraday, St Giles and Goose Green. If you know or suspect a property in Southwark that is licensable but does not have a licence, report it to us online at www.southwark.gov.uk/propertylicensing

Your magazine from Southwark Council

