

EQUALITIES IMPACT ASSESSMENT			
Project	Borough-wide selective licensing scheme		
Author	Ella McCarthy, Data and Housing Policy Analyst / Gemma King, Project Manager	Directorate	Housing Services
Date	03/01/2019	Service	Strategic Housing / Private Sector Housing Agency
<p>1. The project or decision that this assessment is being undertaken for</p> <p>Here you should name the decision or project you are completing the EAA for. You should also provide a brief summary that would enable an uninformed but intelligent person to understand what this decision or project is about.</p> <p>You should also name any reports this will feed into.</p> <p>Borough-wide selective licensing scheme</p> <p>The aim of this project is to gain a thorough understanding of the private rented sector (PRS) (size and areas of need) in Lewisham and use this knowledge to:</p> <ul style="list-style-type: none"> develop an implementation plan for a borough-wide landlord licensing scheme submit a robust application for a borough-wide landlord licensing scheme to the Secretary of State (SoS). <p>There is a requirement to submit substantial evidence and consult residents and landlords prior to introducing a selective licensing scheme. The overall aim of this project is to develop and submit a robust application for a borough-wide licensing scheme in line with corporate strategy. Selective Licensing of Houses (Additional Conditions) Order 2015 states licensing can be used if the area is experiencing one or more of the following:</p> <ul style="list-style-type: none"> Low demand High Anti-Social Behaviour High migration Poor housing conditions High levels of deprivation High level of crime <p>Implementation of the licensing scheme aims to:</p> <ul style="list-style-type: none"> increase the Council's abilities to monitor standards across private rented properties by requiring more / all properties to be licensable; inspect 100% of all licenced properties over the term of the scheme; improve property standards, security and decency generally; help tenants feel safe and secure in their homes through advice, support and effective enforcement; deliver a "level playing field" for all landlords by demanding the same standards of accommodation and management across all landlords. The gap between the poor and good landlords will be radically reduced and professional standards will be raised; support landlords both during but also after the five year scheme, utilising the data and intelligence about the landlord sector so services can be tailored to their needs; deal with rogue landlords assertively. <p>Reports are submitted to Mayor and Cabinet and Housing Select Committee in Spring 2019, ahead of a public consultation commencing May 2019. Following the conclusion of the consultation, a further report will be submitted to Mayor and Cabinet and Housing Select Committee in Autumn 2019 and a submission made to the SoS at MHCLG by December 2019.</p> <p>This Equalities Impact Assessment includes:</p> <ul style="list-style-type: none"> analysis of the potential impact of a borough-wide licensing scheme on groups with protected characteristics consideration of a public consultation on such a scheme. 			
<p>2. The protected characteristics or other equalities factors potentially impacted by this decision</p>			
<input checked="" type="checkbox"/> Age	<input checked="" type="checkbox"/> Ethnicity	<input checked="" type="checkbox"/> Maternity	<input checked="" type="checkbox"/> Language spoken

<input checked="" type="checkbox"/> Gender	<input checked="" type="checkbox"/> Gender identity	<input checked="" type="checkbox"/> Disability	<input checked="" type="checkbox"/> Household type	<input type="checkbox"/> Other, please define:
<input checked="" type="checkbox"/> Religion	<input checked="" type="checkbox"/> Carer status	<input checked="" type="checkbox"/> Sexual orientation	<input checked="" type="checkbox"/> Income	

Here you should include all those that may be relevant – your research may later show they are not all impacted but this is where you evidence consideration of possible impact

You should also explain why you have selected those you have. If you decide none of the characteristics are impacted you must also provide a justification for reaching this decision. It will be important if you need to evidence having paid due regard to the protected characteristics as required by law.

These protected characteristics have been selected because the private rented sector is open to all households and therefore any changes to the way the sector is regulated could potentially have an impact on any of these groups. It is anticipated that any impact will be positive, through better regulation of living conditions and ensuring landlords are fit and proper persons. There could however be a negative impact if landlords pass on the costs they incur to tenants - this will need to be monitored.

It should also be considered that landlords themselves could manifest any of the above protected characteristics.

The public consultation will need to reach as many residents and landlords as possible and therefore a robust communication programme is essential to ensure all are consulted.

Similarly, if a scheme is approved, a robust communications plan will need to be implemented to ensure that landlords and tenants from all backgrounds are informed of the licensing requirements. This will need to consider language and accessibility requirements.

Further evidence as to the spread of the private rented sector across society is included in section 3.

3. The evidence to support the analysis

Here you need to provide relevant information explaining what evidence you have. This may be user records, a recent consultation, etc. Where possible you should include data which you can then use to evidence your findings.

You should then provide a summary of the findings.

The private rented sector

The housing landscape has changed substantially in recent years and continues to do so. Greater numbers of families and single people are now relying on the private rented sector to provide a home, and not just in the short term. This is consistent with the trend across London where the growth in private renting continues.

Between the 2001 census and 2016 the Greater London Authority (GLA) estimates that the number of households in social housing in Lewisham decreased by 14%, the number of owner occupiers increased by 9% and the number of private renters increased by 98%.

This rapid increase in the private rented sector is due in part to the unaffordability of home ownership in Lewisham as a result of rapidly increasing house prices. House prices in Lewisham increased by 45% between January 2014 and January 2019, with the average house price now almost £420,000.

In addition, there are a substantial number of households on the housing waiting list (9,694 households as of January 2019) and a decreasing number of lets available. This combined with the aforementioned increase in the cost of housing in Lewisham means that Lewisham residents are more reliant on the private rented sector than ever before.

Issues with the private rented sector

The stock condition of the private rented sector is also shown to be below that of other sectors. The [2017/18 English Household Survey](#) found that privately rented dwellings were more likely to be older with 35% built before 1919, with a high proportion of converted flats and the highest proportion of non-decent homes. Housing Health and Safety Rating System (HHSRS) hazards are more prevalent in the private rented sector and the sector has the lowest proportion of homes with central heating.

The [Chartered Institute of Housing and the Chartered Institute of Environmental Health](#) carried out joint research of 20 local authorities with selective licensing schemes. It found “numerous examples of inspections leading to very high numbers of serious hazards and defects being identified and addressed in licensed areas”. Licensing is not noted for being a ‘quick win’ but has led to a reduction in anti-social behaviour. For example, one area of Doncaster saw a “reduction of 35% in noise complaints, 44% in nuisance complaints and a 20% fall in reports of unkempt properties. Fly tipping has also reduced”.

Furthermore, extensive research documented in the [2010 Fair Society, Healthy Lives Marmot Review](#) demonstrates that “Bad housing conditions – including homelessness, temporary accommodation, overcrowding, insecurity, and housing in poor physical condition – constitute a risk to health”.

Lewisham’s private rented sector

The above data begins to demonstrate the importance of improving standards across the private rented sector. A significant part of the project is to understand how this relates to Lewisham specifically – how does Lewisham’s private rented sector perform in terms of security, safety and stability? To ascertain this, significant data analysis has taken place:

Over 35 datasets have been matched and analysed to assess the need for borough-wide landlord licensing. Many of these are open source. All data has been collated and stored in line with the agreed Data Protection Impact Assessment. The below datasets have been highlighted here as they have provided insight into which protected characteristics are likely to be impacted. Please note that following data matching, analysis was aggregated. Personally identifiable information did not form part of the analysis.

Census

Council tax including benefits

Housing benefits

Existing case studies

Migration data

Public consultation responses (to be collated in May-August 2019)

Summary of findings

The evidence into the private rented sector clearly demonstrate the problems faced in this sector across the country. Below is consideration of how the project team has been able to evidence this specifically in Lewisham.

The matching and analysis of the above data sources has firstly established a profile of residential properties and corresponding tenures (i.e. owner occupied, socially rented, privately rented). There are estimated to be 32,000 privately rented properties in Lewisham. This is 26% of the borough’s total housing stock and can be considered as a high proportion. MHCLG define a high proportion as more than 19% of the borough’s total housing stock, which is the English average, as reported within the English Household Survey 2017/18.

Further analysis has been completed to establish the likelihood of a privately rented property being a House in Multiple Occupation (HMO) vs a single family dwelling.

The analysis has established the below conclusions:

- There is a positive correlation between privately rented properties and anti-social behaviour (ASB) – i.e. as the proportion of privately rented homes increase, so does ASB.
- Lewisham’s rate of international migration into the borough is higher than the national average for England and Wales.
- There is considerable data available to suggest that poor property conditions occur within the private rented sector in Lewisham
- Deprivation in Lewisham is relatively high; all wards are within the lowest 40% of the country and measure at the London average or lower. Five wards are in the lowest 10% nationally. Levels of deprivation tend to be higher in wards with more privately rented homes.
- There is a positive correlation between privately rented properties and crime – i.e. as the proportion of privately rented homes increases, so does crime.

More specifically, these issues have varying concentrations across the borough as follows:

Ward	Antisocial behaviour	Deprivation	Crime	Migration	Property conditions	Designation
Brockley	✓	✓	✓	✓	✓	1
Lewisham Central	✓	✓	✓	✓	✓	1
New Cross	✓	✓	✓	✓	✓	1
Rushey Green	✓	✓	✓	✓	✓	1
Blackheath		✓	✓	✓	✓	2
Evelyn		✓	✓	✓	✓	2
Bellingham	✓	✓		✓	✓	3
Crofton Park	✓	✓		✓	✓	3
Downham	✓	✓		✓	✓	3
Ladywell	✓	✓		✓	✓	3
Perry Vale	✓	✓		✓	✓	3
Sydenham	✓	✓		✓	✓	3
Telegraph Hill	✓	✓		✓	✓	3
Whitefoot	✓	✓		✓	✓	3
Catford South		✓		✓	✓	4
Forest Hill		✓		✓	✓	4
Grove Park		✓		✓	✓	4
Lee Green		✓		✓	✓	4

More detail on this data analysis is available in the [Housing Select Committee report from 6 March 2019](#), and will be expanded on further in a Mayor & Cabinet report for 24 April 2019.

- **The analysis**

Here you should provide an explanation for the findings. Identify what it tells you along with what it doesn't. If you feel like you can't necessarily account for some of the findings, try to explain why and what would help in the future.

The analysis you undertake should address the characteristics you identified in the **step 2** and the possible impacts of the decision or project identified in **step 1**, using the findings of **step 3**.

Findings relating to the size of the private rented sector

As identified in section 3, the private rented sector is an integral part of the housing landscape, and provides housing for increasing numbers of households. In Lewisham, the private rented sector makes up more than a quarter of the borough's housing stock.

Findings relating to the issues in the private rented sector

The data analysis undertaken as part of the project (as explained in section 3) has provided significant findings when considering evidence for a borough-wide selective licensing scheme in Lewisham, as identified in section 3. The particular points of interest are:

- International migrants are more likely to live in the private rented sector than other sectors and therefore likely to be affected by any decisions linked to the private rented sector
- Levels of deprivation tend to be higher in wards with more privately rented homes and therefore people on lower incomes are likely to be affected by any decisions linked to the private sector

Impact of project on protected characteristics based on findings

Based on the above findings, it is rational to consider all protected characteristics when considering a borough-wide licensing scheme as it would affect all tenants and landlords, who could display any number of protected characteristics. In particular, positive impacts can be expected for those living in the private rented sector. Private tenants will come from all sections of community; above findings placing particular focus on international migrants and those on low incomes.

The below positive effects are expected to apply to all groups with protected characteristics:

- Additional monitoring of landlords will prevent unlawful practice in the form of discrimination on the grounds of age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership and pregnancy and maternity.
- Additional monitoring of landlords will provide the Council with greater control over poor landlord practice such as not tackling anti-social behaviour. As a result instances of ASB, discrimination and hate crime are expected to be reduced.
- Licensing will improve the standards of privately rented homes resulting in better accommodation, thereby reducing negative impacts on health – particularly by reducing instances of HHSRS hazards.
- Licensing will improve security of tenure for tenants, as landlords will not be able to evict good tenants as easily as they can in unlicensed properties. As a consequence tenant turnover may be reduced resulting in better opportunities for increased community cohesion.

The below negative effects are expected to apply to all groups with protected characteristics:

- If scheme approved, landlords will be obliged to pay license fees. This may negatively impact their ability to rent out their properties.
- There is a risk that licensing will discourage private renting which would reduce the supply of property for private renters.
- There is also a risk that landlords will divert fees to tenants via the rent, affecting tenants' ability to afford their rent.

An impact summary for each characteristic is included under section 5.

4. Impact summary

Here you should provide a summary of the above, stating what the impact is on each characteristics (positive, negative, mixed or neutral). You should consider the cumulative impact of your proposal where there is any related service change that is taking place in other areas of the Council's work which might compound any negative impacts.

Age

The following should be considered:

- Ease of responding to consultation for elderly stakeholders
- If scheme approved - ease of applying for a license for elderly landlords
- If scheme approved and landlords divert fees to tenants via the rent, this may affect elderly tenants' affordability - they may be less able than others to find resources to cover the increased rent.
- Licensing will increase landlords' knowledge of legal requirements, positively impacting vulnerable tenants such as the elderly.
- As per the aforementioned [Marmot Review](#), a child's physical and mental health and education attainment is negatively impacted by poor accommodation standards. Licensing will improve the standards of privately rented homes, positively impacting pregnant women, mothers and their children.
- Similarly, improved accommodation will positively impact the health of elderly people.

Ethnicity

The following should be considered:

- Residents with non-British ethnicity may be international migrants. High international migration suggests a level of transience in the borough's residents and therefore a high demand for privately rented properties. This is corroborated by the rapid increase in the private rented sector between the 2001 census and today. There is a risk that licensing will discourage private renting which would reduce the supply of property required.
- Conversely, data analysis shows that international migrants are more likely to live in private rented homes. Improved standards in this sector will therefore positively impact international migrants relying on the private rented sector.

Maternity

The following should be considered:

- If scheme approved and landlords divert fees to tenants via the rent, this may affect tenants' affordability if their income is affected by a period of maternity leave - they may be less able than others to find resources to cover the increased rent.
- Licensing will improve the standards of privately rented homes, positively impacting the health of pregnant women, mothers and their children.

Language spoken

The following should be considered:

- When writing up consultation documents, the needs of stakeholders where English is not their first language need to be considered.
- If scheme approved – when providing information regarding the requirement to licence, the needs of landlords where English is not their first language need to be considered.
- As demonstrated in the data analysis, there is a relatively high proportion of international migration into Lewisham. Unfortunately there are rogue landlords who exploit foreign tenants who may not know their rights and/or obligations as tenants and who may struggle to understand these if they are not fluent in English. Selective licensing would increase the Council's ability to address these landlords and ensure a safe and secure home for Lewisham's private tenants.
- Licensing will improve the standards of privately rented homes resulting in better accommodation and security of tenure for tenants. As a consequence tenant turnover may be reduced resulting in increased community cohesion.
- Residents where English is not their first language may be international migrants. High international migration suggests a level of transience in the borough's residents and therefore a high demand for privately rented properties. This is corroborated by the rapid increase in the private rented sector between the 2001 census and today. There is a risk that licensing will discourage private renting which would reduce the supply of property required.
- Conversely, we know from data analysis that international migrants are more likely to live in private rented homes. Improved standards in this sector will therefore positively impact international migrants relying on the private rented sector.

Gender

Proposed licensing and the associated consultation have no specific gender-related impact, however additional monitoring of landlords will provide the Council with greater control over poor landlord practice such as not tackling ASB. As a result instances of ASB, discrimination and hate crime will be reduced.

Gender identity

Proposed licensing and the associated consultation have no specific gender identity-related impact, however additional monitoring of landlords will provide the Council with greater control over poor landlord practice such as not tackling ASB. As a result instances of ASB, discrimination and hate crime will be reduced.

Disability

The following should be considered:

- When writing up consultation documents, the needs of stakeholders with disabilities need to be considered.
- If scheme approved – when providing information regarding the requirement to licence, the needs of landlords with disabilities need to be considered.
- The negative health impacts of poor standards of accommodation are well documented. As part of licensing the Council will be working closer with landlords in order to support them in providing decent homes for their tenants. This has the potential to positively impact tenants with disabilities, for example licensing will help to ensure that properties are up to standard and therefore not having an adverse effect on the health and lifestyle of tenants with disabilities.
- Licensing will increase Landlords' knowledge of legal requirements positively impacting vulnerable tenants.

Household type

Two schemes to license landlords are being proposed:

1 – extending additional licensing to cover all HMOs in the borough

2 – borough-wide selective licensing scheme which would apply to all privately rented homes in the borough except for HMOs which would be licensed under the existing mandatory scheme and the above-mentioned additional scheme.

The following should be considered:

- Fee structures for the different schemes are likely to be different in order to reflect the poorer conditions in HMOs and amount of work required by the Private Sector Housing Agency to monitor and enforce these properties. Therefore tenants residing in HMOs may be more adversely affected if landlords divert fees to tenants.
- Additionally, if fees for HMOs are deemed to be prohibitive there is a risk that licensing will discourage private renting which would reduce the supply of property required.
- Conversely, the proposed licensing schemes will give the Council greater control to bring private rented homes to required standards and crack down on rogue landlords – thereby improving safety and security for all household types.
- The extension of additional HMO licensing does not require approval from the SoS and is therefore more likely to be implemented than a borough-wide selective licensing scheme. If the selective licensing scheme is rejected, the above benefits will only apply to those households living in HMOs.

Religion

Proposed licensing has no specific religion-related impact. However licensing will improve the standards of privately rented homes resulting in better accommodation and security of tenure for tenants. As a consequence tenant turnover may be reduced resulting in increased community cohesion.

Carer status

The following should be considered:

- If a carer resides with the person they are caring for in a privately rented home, both tenants may be adversely affected if scheme is approved and landlords divert fees to tenants via the rent. Both a full time carer and the cared-for person are likely to have relatively low incomes so may be less able than others to find resources to cover the increased rent.
- Conversely licensing will help to ensure that properties are up to standard and therefore not having an adverse effect on the health and lifestyle of tenants with care needs. Subsequent positive impacts on type and amount of support needed from their carer(s) can be expected.

Sexual orientation

Proposed licensing has no specific sexual orientation-related impact, however additional monitoring of landlords will provide the Council with greater control over poor landlord practice such as not tackling ASB. As a result instances of ASB, discrimination and hate crime will be reduced.

Income

The following should be considered:

- If scheme approved and landlords divert fees to tenants via the rent, this may affect tenants' affordability depending on their income.
- If scheme approved, landlords with lower incomes may be less able than other landlords to find resources to cover the fees. Again this may increase the chance of them passing on the fees to tenants, or discourage private renting.

5. Mitigation

Here you need to propose action to mitigate against any negative impacts identified. This action should be reasonable and proportionate, and should consider the displacement of the service user to other services or crisis points arising from changes you have proposed.

This will be especially important when justifying your decision to the public and may be called on if the Council faces a judicial review (legal challenge) on the basis of your decision.

The main issues arising from the above impact summary are:

1. Ease of responding to consultation (adaptability and language concerns)

2. Understanding of requirement to license and ease of application process (adaptability and language concerns)
3. Diversion of fees to tenants and the impact on tenants
4. Discouragement of private renting, thereby reducing property supply in the private rented sector.

Mitigation actions considered:

1. Consultation questions and information guides will be written in plain English without jargon / acronyms. There will be a dedicated contact email in case of questions / concerns. Drop-in information events to be held during the consultation so that people can approach the Council with questions about the consultation and implications of the scheme. Consider translation into other languages if requested.
2. If the scheme is approved, the requirements to license will be advertised across numerous forums and media, including local news, via leaflets, local publications, landlord resources, mailing lists, etc. A detailed communications plan will be developed in order to ensure that landlords from all sections of the community are aware of their obligations.

The application process will be kept as simple as possible and the Private Sector Housing Agency will support landlords where required. Information provided online and elsewhere will be written in plain English without jargon / acronyms.

3. Licenses will last for five years, making the monthly liability small. Fees are still being finalised but the highest payable under a selective licensing scheme is likely to be around £750, which equates to £12.50 per month over the five years.

Reduced fees will also be offered to landlords who license their properties in a prescribed 'early-bird' period.

4. The proposed schemes are part of wider actions to work with decent landlords and support them in providing a decent private rental sector for Lewisham's residents. Plans include best practice guides, landlord forums and advice on dealing with issues affecting the private rented sector. This work will continue after the scheme has ended, providing a lasting legacy and ensuring long term help for landlords beyond the period of the scheme.

Licensing will also encourage landlords to take advantage of the financial support available for their licensed properties, for example grants for:

- bringing homes up to decent homes standard
- resolving category 1 or 2 hazards
- providing adequate facilities and amenities in HMOs
- providing adequate insulation
- bringing empty properties back into use (non-HMOs)
- converting properties into self-contained flats / maisonettes (non-HMOs)

This work is anticipated to improve our network of decent landlords, develop mutually beneficial partnerships with them and increase the supply of safe, warm and decent housing accommodation in the private rented sector.

6. Service user journey that this decision or project impacts

Please indicate the potential contact points a service user will have – including where they might complain, where they might be displaced to or how they might try to access further information.

This document should be shared with those services to enable them to serve the resident should the resident question this, be displaced etc. It is important to remember that residents do not see the Council as a collection of services, but rather as a single organisation responsible for their wellbeing.

This section should also inform the assessment of the cumulative impact of Council savings proposals.

Consultation:

- Residents and landlords will receive information online and via various media on how to respond to the consultation. A robust communications plan is being developed to ensure that we reach as many sections of the community as possible.
- The consultation questions will be accompanied by an information guide to explain the reasons for the proposals.
- Residents and landlords will be able to contact a dedicated email address with questions and concerns. They will also be able to take advantage of public drop-in events to ask questions / raise concerns.

If schemes approved:

- Landlords will be informed about the requirements to licence via a variety of media as part of a robust communications plan. This will include the prescribed manner as defined by national authorities as per the Housing Act.
- Landlords can apply for their license online. If applications are made during the prescribed 'early-bird' period, reduced fees will apply.
- Landlords can contact the Private Sector Housing Agency for support / concerns.
- Tenants can contact the Private Sector Housing Agency for support / concerns about their landlord's license and health and safety concerns.

Savings proposals:

- These proposals are not part of a savings proposal.
- The scheme will wholly cover the costs of licensing and enforcement and will not make a profit.
- However, the anticipated reduction in issues linked to the private rented sector (e.g. relevant crimes and ASB) will deliver long-term savings and improvement in safety and security for our residents. The licensing schemes will be part of a wider strategy to work closer with partners such as the police to ensure that the schemes are delivering the anticipated improvements.
- Improvements in housing conditions will also deliver savings in the long term as the enforcement burden on the Council will reduce. Again, this ties in with a wider partnership strategy to work with partners such as London Fire Brigade and registered housing providers to ensure that privately rented homes are safe, secure and decent for Lewisham's residents.

Moving forward

The Council plans to submit an application for a borough-wide selective licensing scheme to MHCLG in November 2019, with a view to introducing the scheme in May 2020.

Furthermore as a result of the data analysis, the Council is proposing that additional licensing is extended to cover all Houses in Multiple Occupation (HMOs) in the borough (currently this scheme only covers properties above commercial premises).

Before these schemes are considered further, a public consultation will be held between May – August 2019.

**Signature of Head
of Service**



For further information please see the full [Corporate Equality Policy](#).

