

# Selective Licensing Scheme

Private Sector Housing Agency

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- **The presentation will summarise:**
  - the results of data analysis work showing the relationships between the private rented sector (PRS) and deprivation, anti-social behaviour (ASB), crime migration and poor housing conditions;
  - the designations and basis for our SoS application;
  - the broad timetable;
  - the outline “operationalisation” proposals;

**A more detailed report will be presented to Committee in the autumn.**

## Key principles under-pinning the borough-wide licencing scheme:

- inspect 100% of all licenced properties over the term of the scheme;
- improve property standards, security and decency generally through robust licensing conditions and follow up;
- help tenants feel safe and secure in their homes through advice, support and effective enforcement;
- deliver a “level playing field” by demanding the same standards of accommodation and management across all landlords
- deal with rogue landlords swiftly and assertively

## **Selective Licensing of Houses requires evidence of:**

- High Anti-Social Behaviour
- High migration
- Poor housing conditions
- High levels of deprivation
- High level of crime

Selective licensing: Secretary of State approval

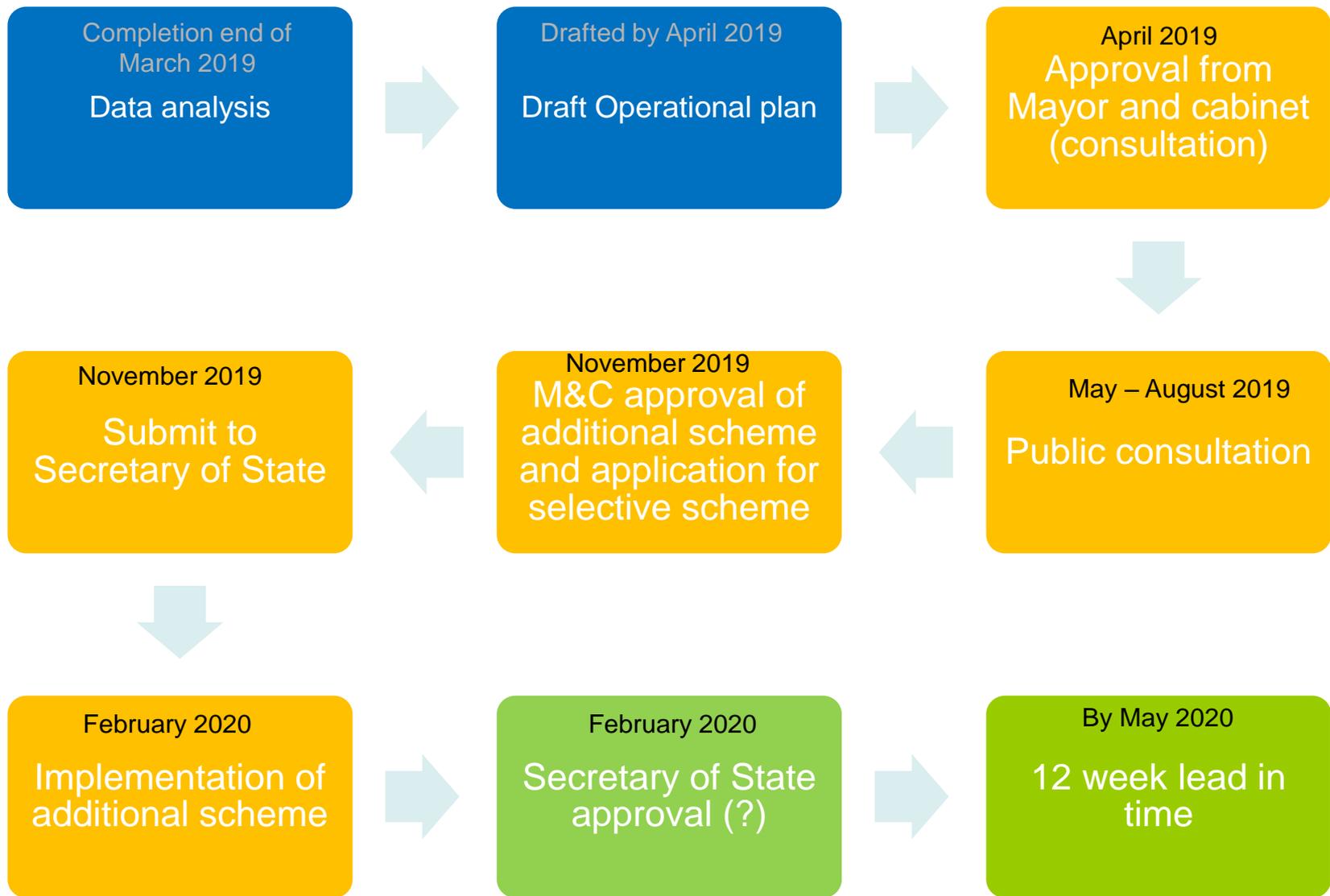


## The application must:

- show how licensing will impact on problems within the private rented sector (PRS)
- form part of the council's housing strategies, including homelessness, regeneration, ASB and empty homes
- set out the role that the Police and Social Services will play
- consider alternative courses of action that might provide an effective remedy

Selective licensing: Secretary of State approval





# Programme milestones

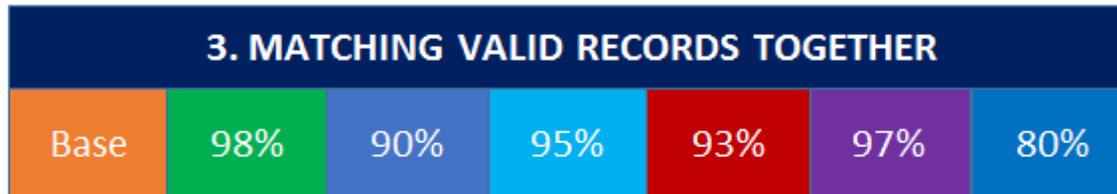
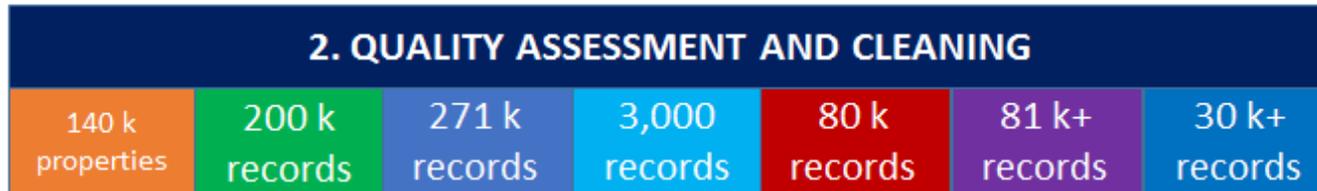
# **Review of other boroughs with large licensing schemes & consultation with MHCLG has informed analysis process:**

## **1. Establish up-to-date numbers of PRS properties**

- bringing together 35+ datasets
- applying predictive analytics techniques
- validating results through street surveys

## **2. Investigate relationship of PRS with issues specified in the guidance**

- Deprivation, ASB, Crime, Migration and Property Conditions



**4. MATRIX of 50+ variables used to create a RISK PROFILE of each residential property and establish likely TENURE**

**=> % PRS properties**

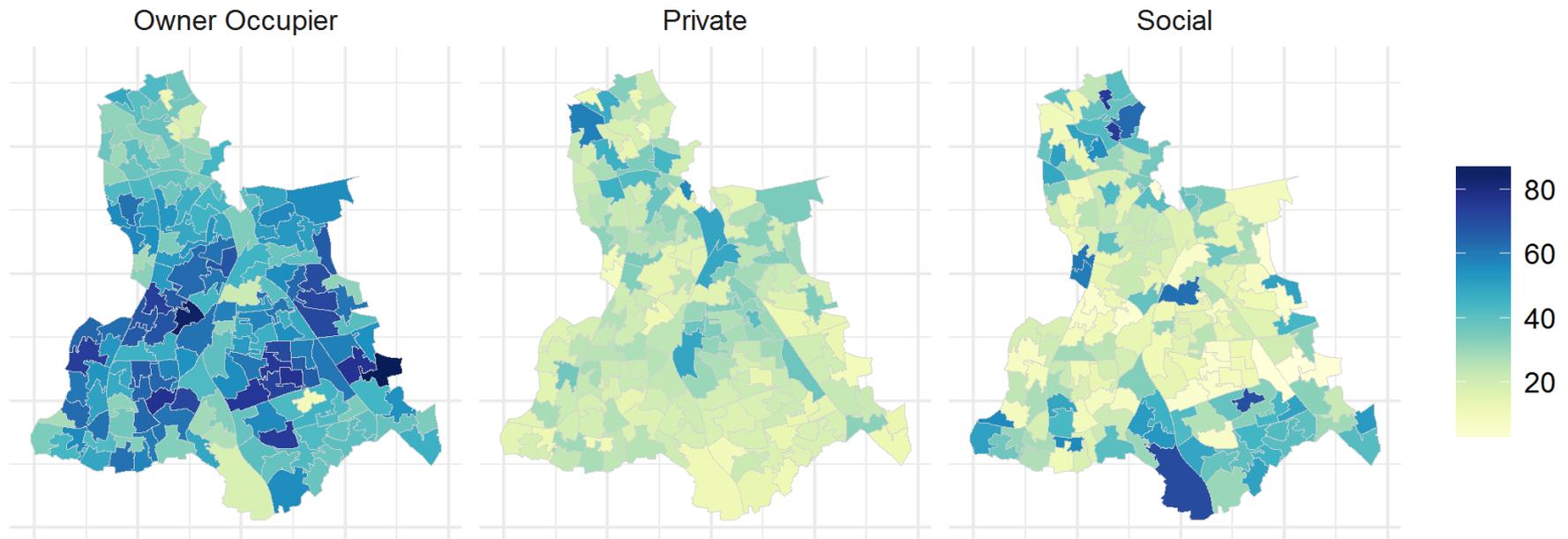
Continuous Improvement: Reiterating through each stage to optimise results

Establishing the size of the PRS



Owner Occupier	Private Rented	Social Rented
63k	<b>32k</b>	34k
49%	<b>26%</b>	26%

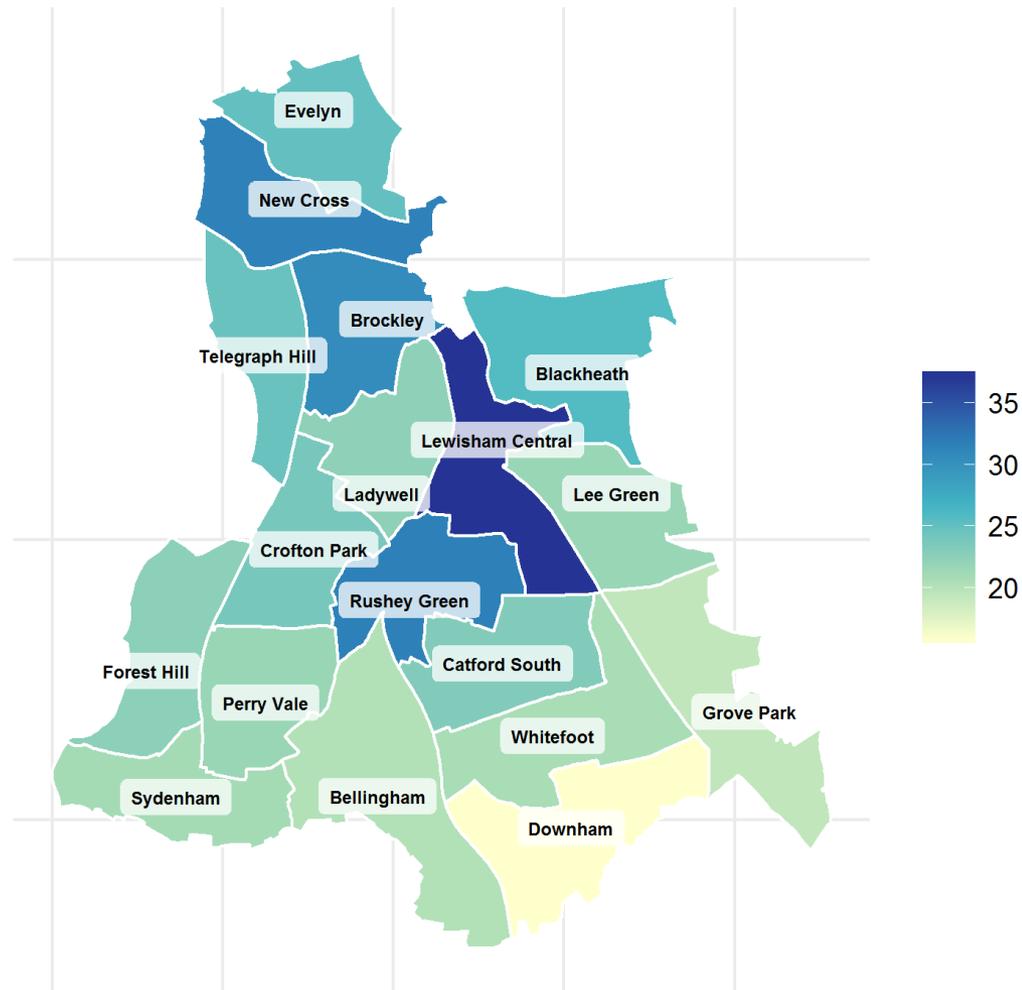
## Tenure of Properties per LSOA (%)



Source: Housing Insight

# Establishing the size of the PRS

## Private Rented Properties per Ward (%)



Source: Housing Insight

# Establishing the size of the PRS

A designation can be made if :

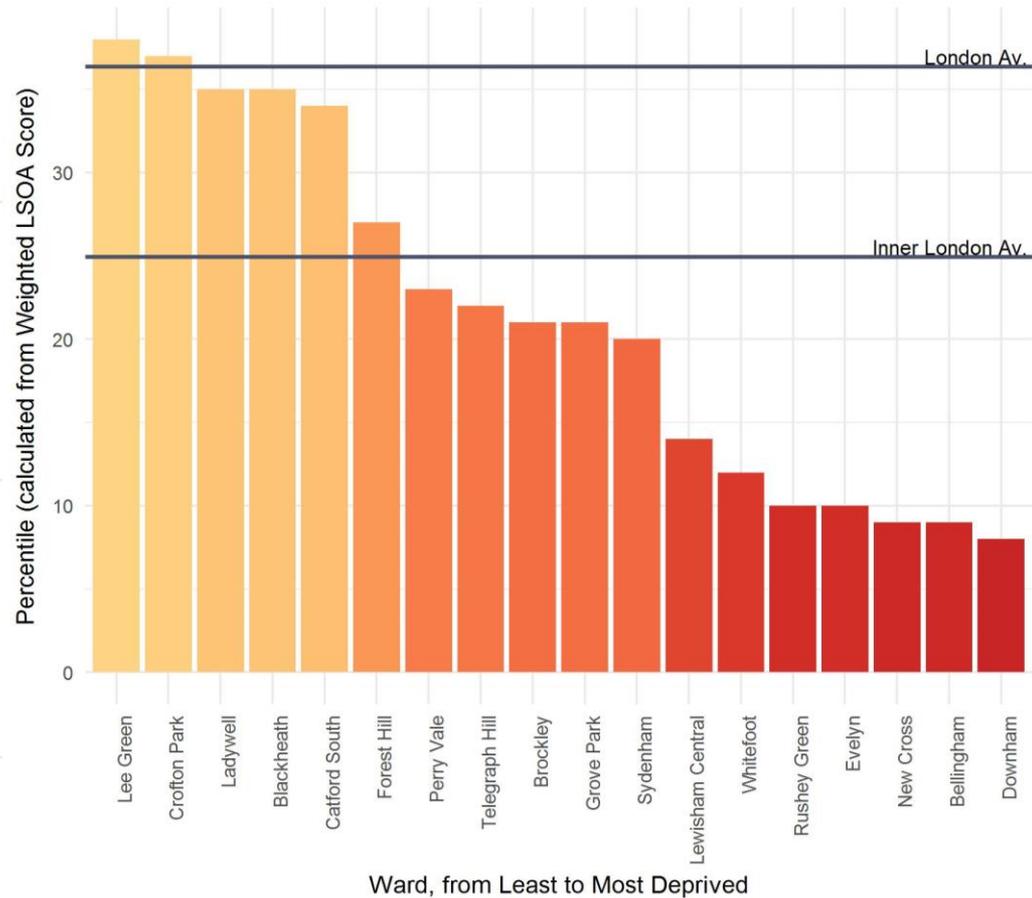
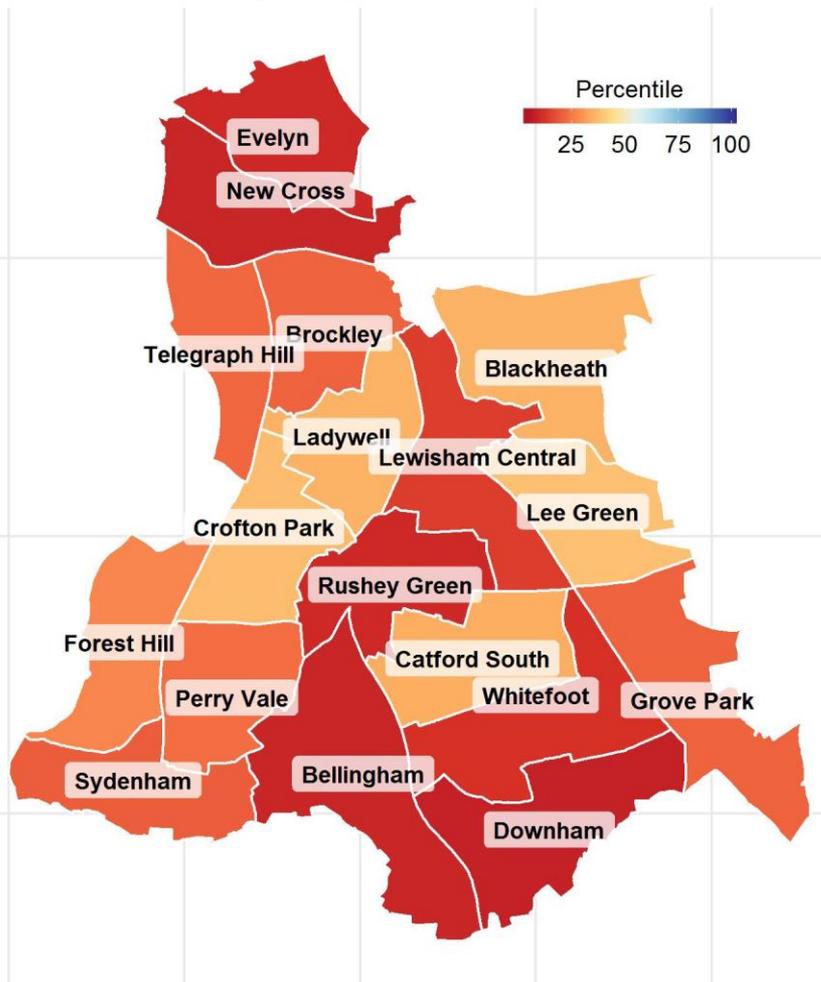
- High levels of deprivation compared to region
- High proportion of housing is in the private rented sector

Deprivation factors to consider:

- the **employment** status of adults,
- the **average income** of households,
- the **health** of households,
- the availability and ease of access to **education**, training and other services for households,
- **housing** conditions,
- the physical **environment** and
- levels of **crime**.

# Indices of Deprivation for Lewisham

## Overall Index of Multiple Deprivation



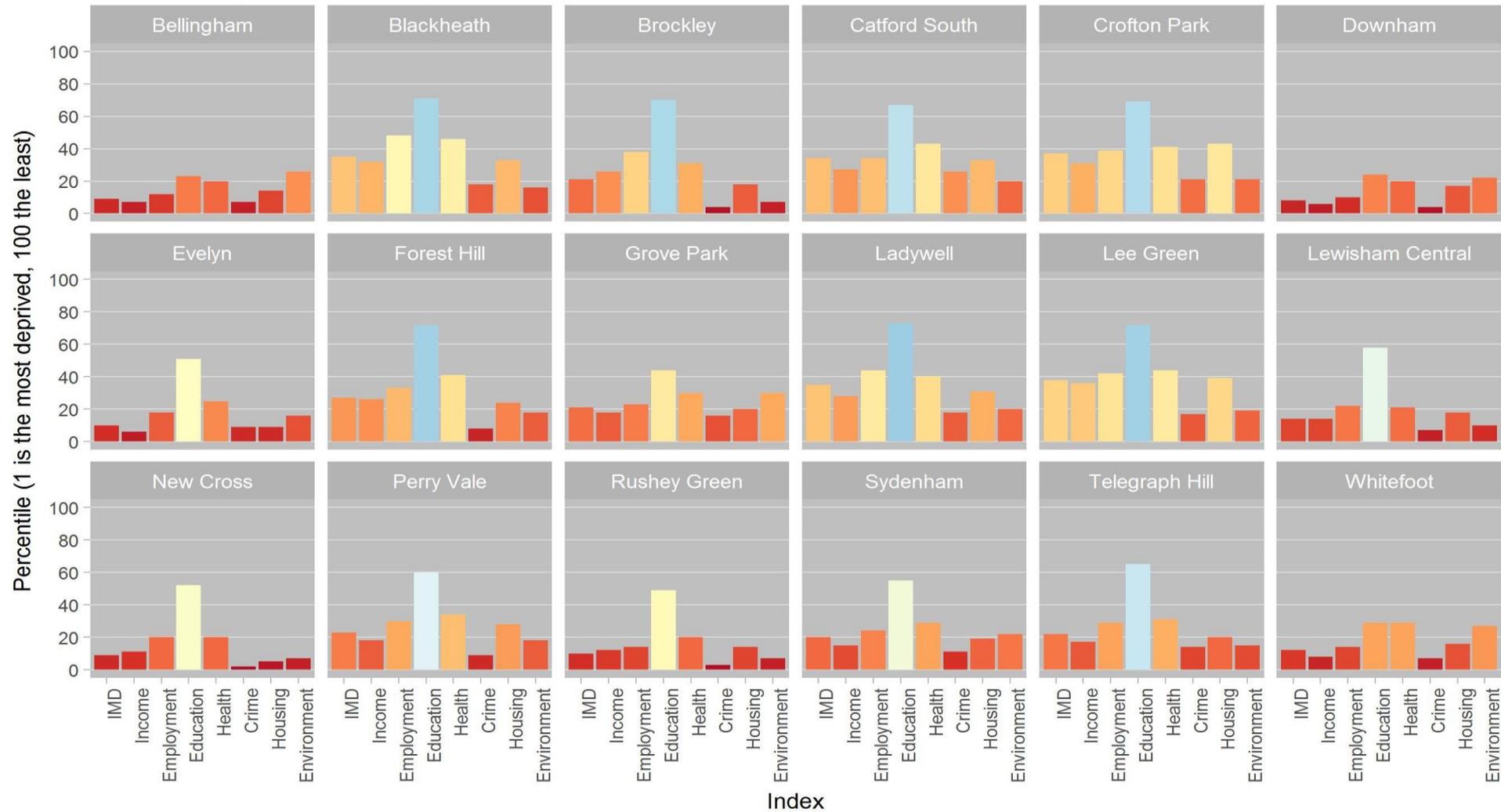
Source: UK Government English Indices of Deprivation 2015

# Indices of Multiple Deprivation



# Indices of Deprivation by Ward

Ward data aggregated from weighted LSOA Score



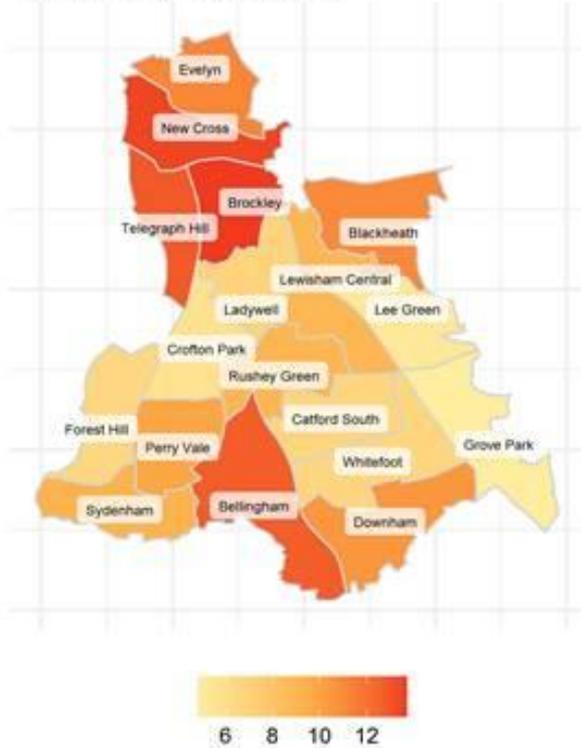
Source: UK Government English Indices of Deprivation 2015

# Indices of Multiple Deprivation – breakdown by Index and Ward

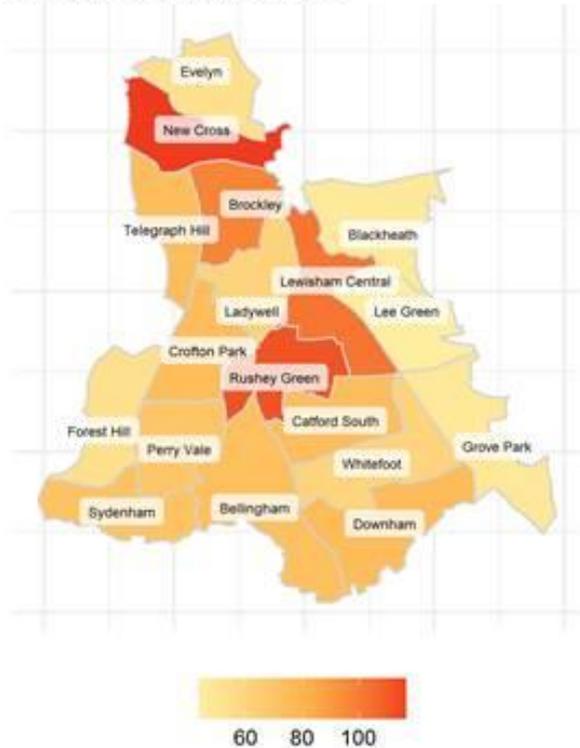


- A designation can be made if significant and persistent anti-social behaviour (ASB) occurring within the immediate vicinity of a property
- Includes intimidation or harassment, noise, rowdy and nuisance behaviour, animal and vehicle related nuisance, anti-social drinking, drug taking or dealing, graffiti and fly posting, and litter and waste

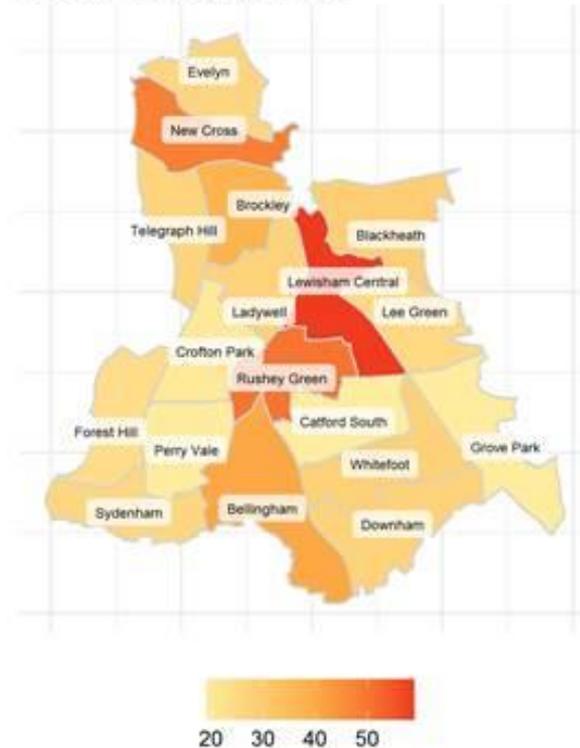
Complaints ASB (includes Noise & Nuisance)  
Rates per 1000 population in 2018



Environment Services (includes Graffiti & Fly-tipping)  
Rates per 1000 population in 2018



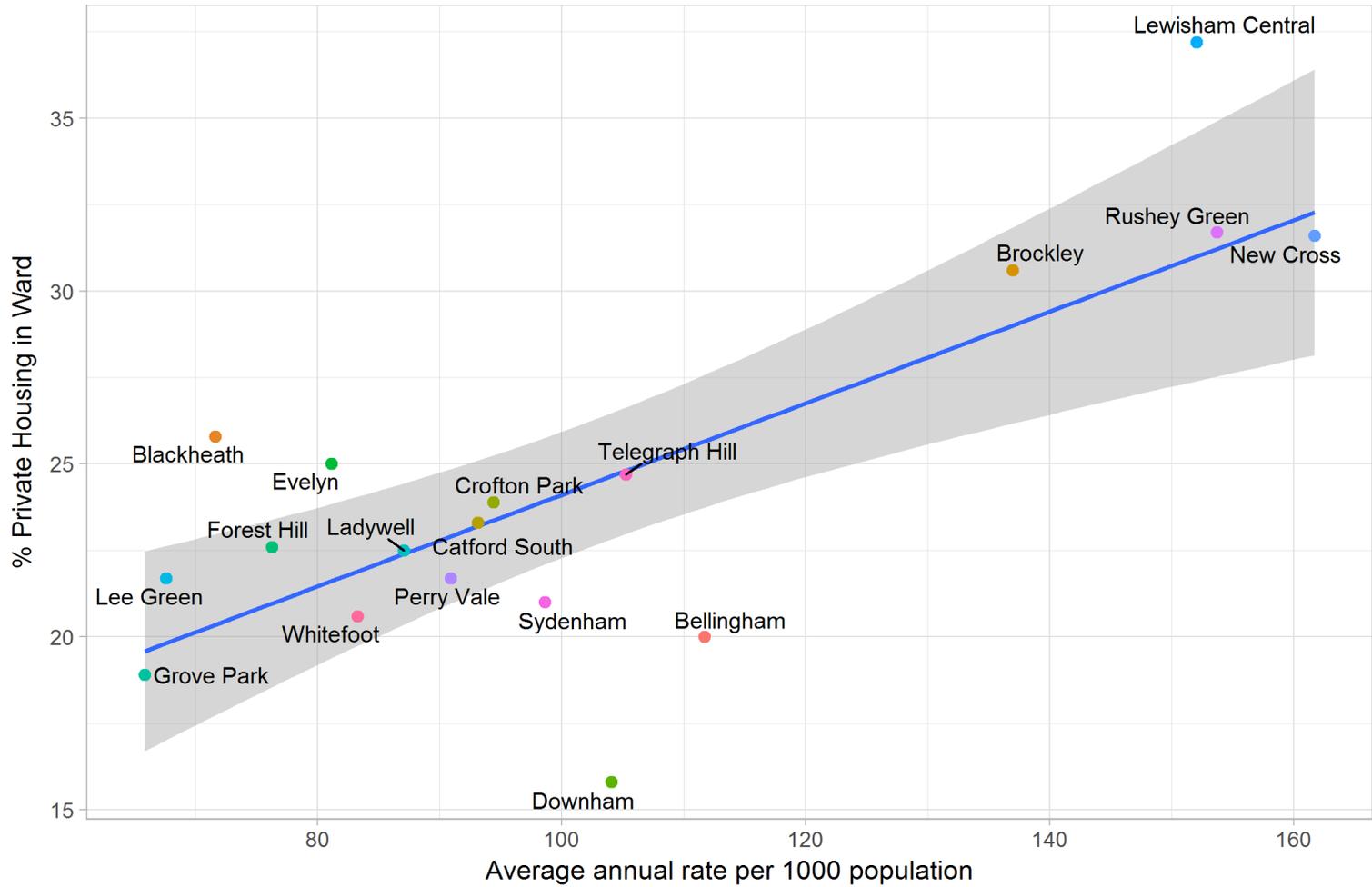
Police ASB (includes Public Order & Drugs)  
Rates per 1000 population in 2018



# Anti-social behaviour patterns

# Relationship Between Private Rented Housing & Relevant Anti-Social Behaviour

Incidents reported in 2018.  $R_{sq} = 0.56$



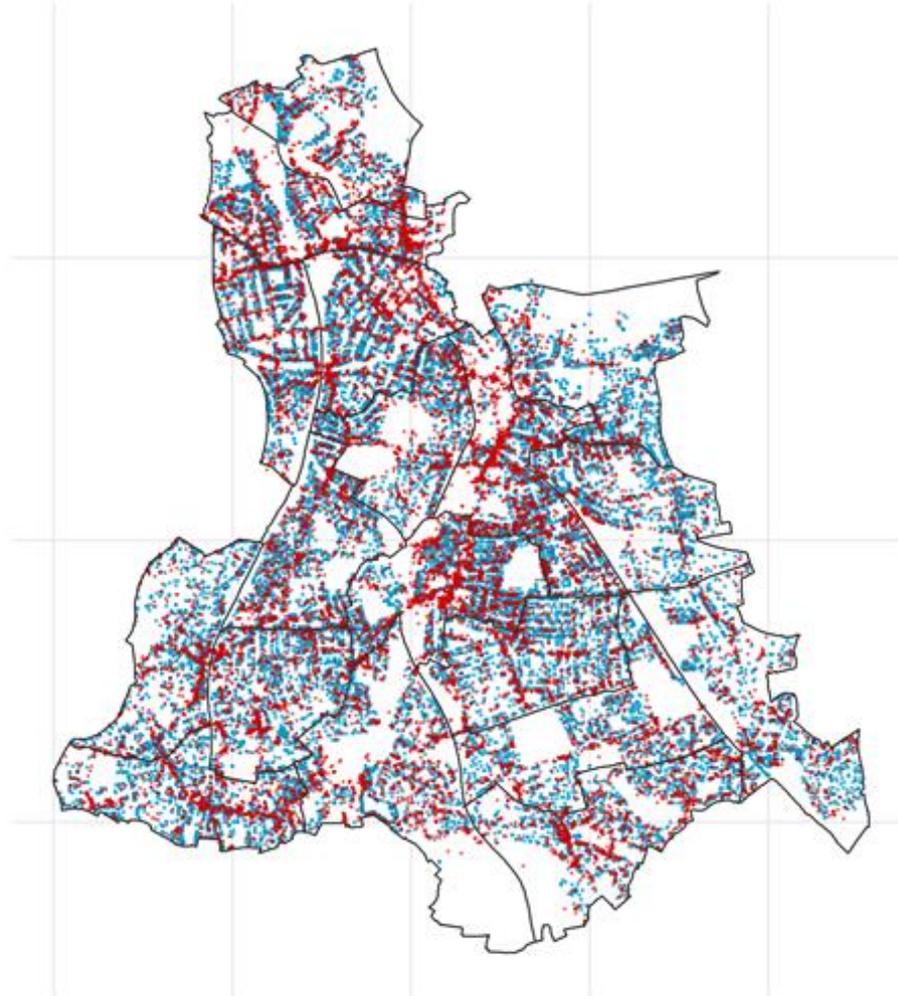
Source: Council complaints, Environment Services records and data.police.uk

## Anti-social behaviour and PRS



## Location of ASB incidents and Private Rented Properties

ASB incidents shown in red; properties in blue; shades represent density



Source: Environment Services

15% of PR properties have an ASB incident recorded within 10 m

28% of PR properties have an ASB incident recorded within 25 m

Both %s higher than other tenures

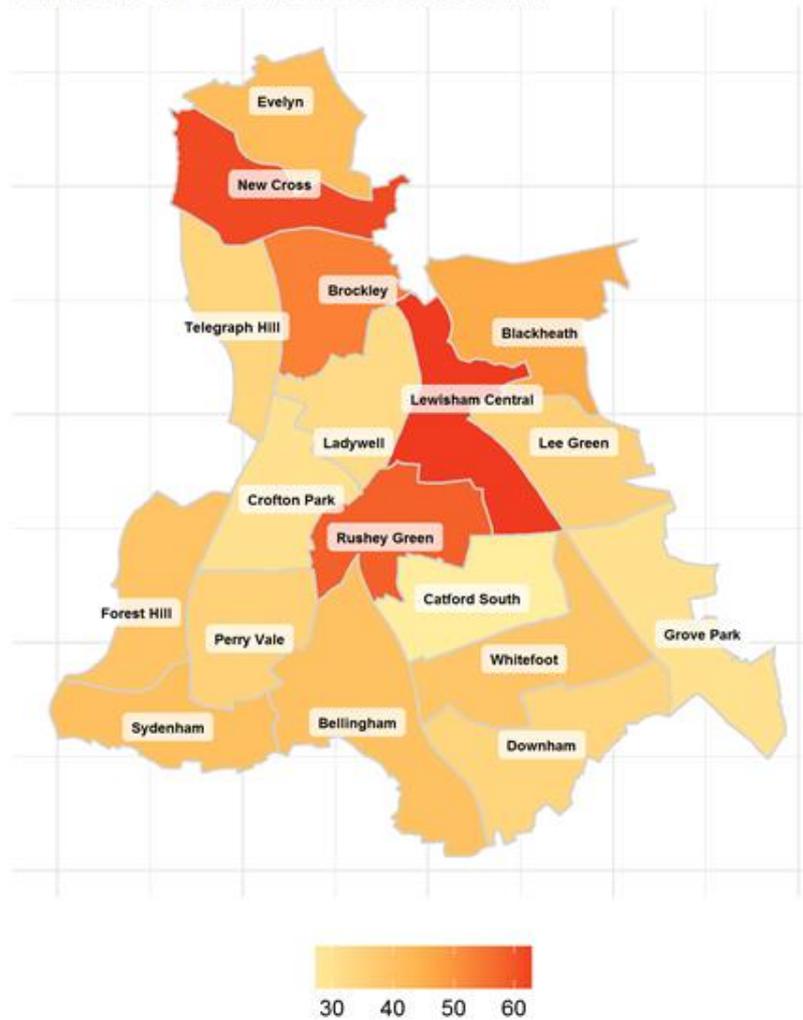
Multiple incidents also more likely to affect PR properties

# Anti-social behaviour and PRS

- Crime can be considered as a designation reason if there has been:
  - a recent increase in the levels of crime,
  - whether the crime rate is higher than other areas or
  - if the crime rate is higher than the national average.
- Can only be used if a high proportion of housing in areas with high levels of crime is in the private rented sector
- Consider the nature of the criminal activity (e.g. theft, burglary, arson, criminal damage, graffiti)

## Police Reported Crime

Annual crime rate calculated from 2016 to 2018 data

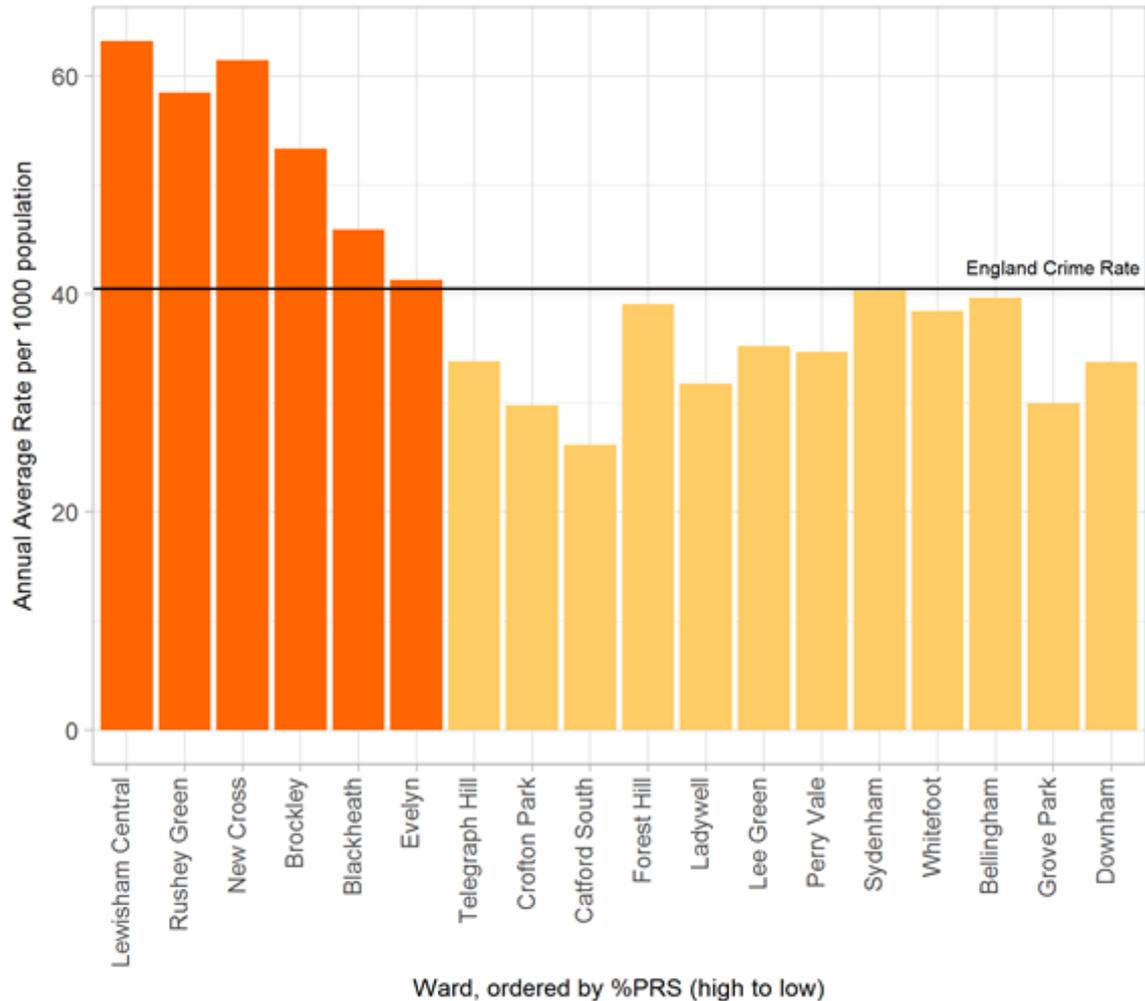


Source: data.police.uk

# Crime Patterns

## Average annual crime rates compared with national crime rates

National crime rate from year ending September 2018



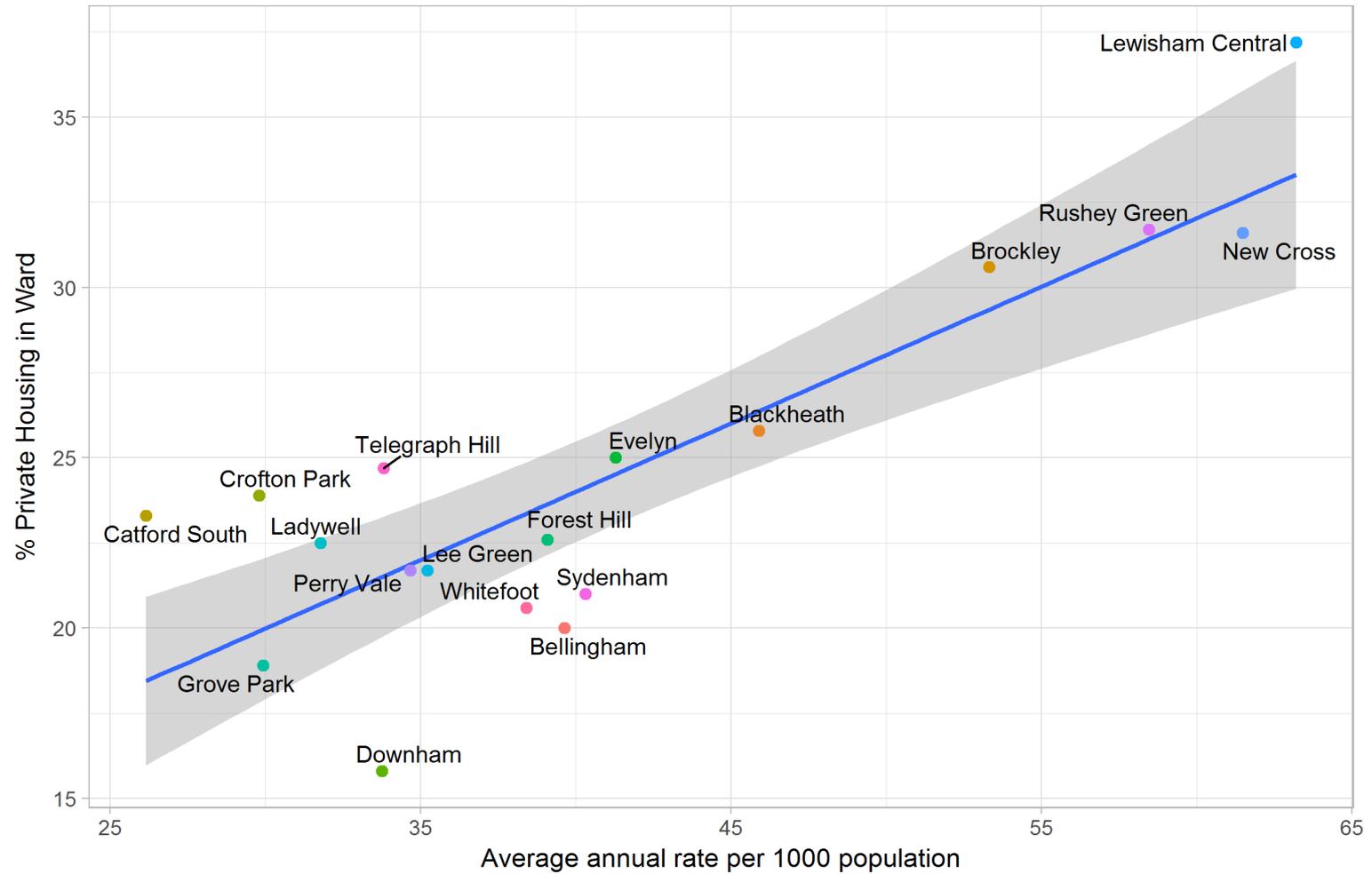
Source: data.police.uk & ONS

# Crime Comparison with National Rate



# Relationship Between Private Rented Housing and Relevant Crimes

Crimes reported in 2016 to 2018.  $Rsq = 0.71$



Source: data.police.uk

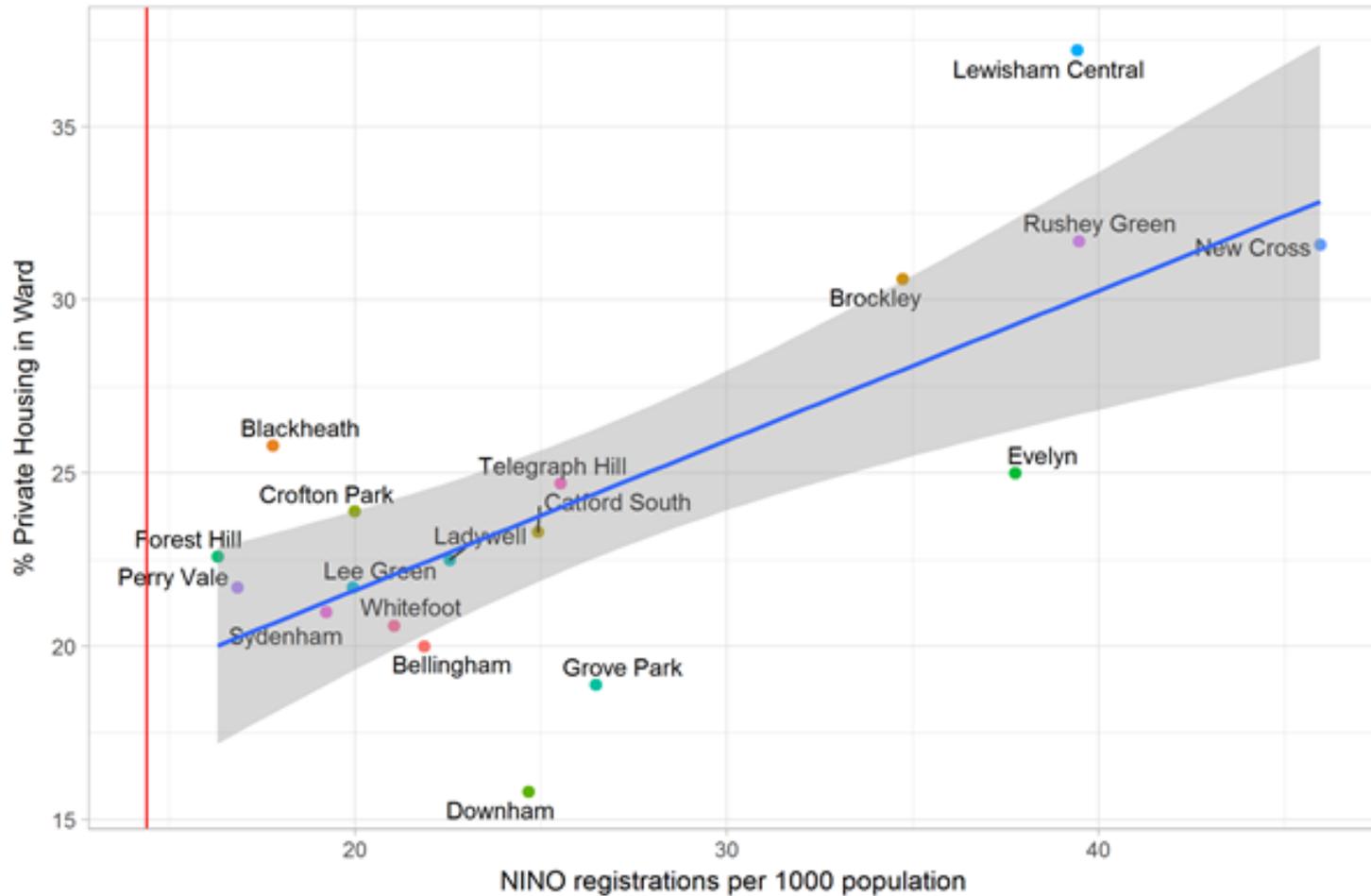
## Crime and PRS



- Considered a designation reason if an area has experienced a relatively large increase in the size of the population over a relatively short period of time
- Net migration not significantly high however the movement of people in and out of the borough (churn) is high:
  - 19.7% the population
  - 27<sup>th</sup> highest of the 326 Local Authorities in England
- Research suggests those moving into the borough are more likely to be in the PRS. This is supported by analysis of overseas NINo registrations

# Relationship between Private Rented housing and overseas national NINO registration rate

Data from FY2017/18. R-squared = 0.54 . Red line = England and Wales average rate.



Source: DWP Stat-Explore

# Migration



- Can be used as a designation reason if:
  - a high proportion are in the private rented sector and
  - a significant proportion are believed to be in poor condition
- Most recent stock condition survey (2010) showed:
  - 37.8% private rented homes were categorised as ‘non-decent’.
  - 18.4% of PRS properties demonstrated a category 1 hazard and 38% demonstrated a category 2 hazard
  - These hazards include issues such as excess cold, risks of falls, fire risks, hygiene risks, mould / damp, electrical hazards and risk of structural collapse
  - Rates of disrepair in Lewisham were found to be above the national average (7.3%), and the rates for the private rented sector were higher still, at 11.4%

- Other supporting evidence supplied by indicators within the Deprivation data
- Poor property conditions:
  - Two thirds of wards are within the worst half of the country
- Housing without Central Heating:
  - All wards are within the worst half of the country for Central Heating, including four wards in the worst 20% of the country (Brockley, Lewisham Central, New Cross and Rushey Green)

Ward	PRS %	ASB	Crime	High Deprivation	Property Conditions	Migration	Designation
Brockley	Y	Y	Y	Y	Y	Y	1
Lewisham Central	Y	Y	Y	Y	Y	Y	1
New Cross	Y	Y	Y	Y	Y	Y	1
Rushey Green	Y	Y	Y	Y	Y	Y	1
Blackheath	Y		Y	Y	Y	Y	2
Evelyn	Y		Y	Y	Y	Y	2
Bellingham	Y	Y		Y	Y	Y	3
Crofton Park	Y	Y		Y	Y	Y	3
Ladywell	Y	Y		Y	Y	Y	3
Perry Vale	Y	Y		Y	Y	Y	3
Sydenham	Y	Y		Y	Y	Y	3
Telegraph Hill	Y	Y		Y	Y	Y	3
Whitefoot	Y	Y		Y	Y	Y	3
Downham		Y		Y	Y	Y	3
Catford South	Y			Y	Y	Y	4
Forest Hill	Y			Y	Y	Y	4
Grove Park	Y			Y	Y	Y	4
Lee Green	Y			Y	Y	Y	4

# Summary and Designations

- Selective Scheme (26,000 properties)
- HMO Scheme (6,000 Properties)
  - To ensure full coverage of the borough for all HMOs
  - HMOs are the highest risk premises and require more robust inspection and enforcement
  - Administrative cost is greater and the fee must reflect this
  - A different set of conditions that reflect the nature of the premises
  - Helps stage the implementation of the wider scheme
  - Reduces illegal evictions because of occupancy levels

- The full team is expected to consist of a total of around 68 officers in year 1 reducing to largely business as usual between years 6 – 10.

Staff	Year 1	2-5	6-10
Service Group Manager	0.3	0.3	0.3
Service Manager	1	1	1
Team Managers/Team leaders	5	4	3
Admin Officers (Coordinators)	19.5	9	3
Inspectors	25	25	9
Lawyer	1	1	1
Project Manager	1	1	0
Project officers	4	4	0
ASB officer	1	1	0
Data Analyst	1	1	0
Apprentices	7	21	0
Empty Home Officer	1	1	1
Data intelligence and Project Coordinator	1	1	1

- The overall cost for a full borough licensing scheme over 10 years is estimated at £27M

## Management – Selective scheme

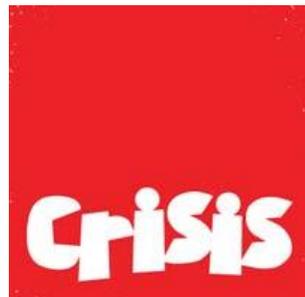
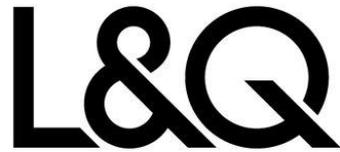
- Proposed fees

Band	Percentage of properties in Lewisham	Proposed Fee
A	6.10%	£575.00
B	27.43%	£600.00
C	35.25%	£625.00
D	21.48%	£650.00
E	6.13%	£675.00
F	2.34%	£700.00
G	1.11%	£725.00
H	0.15%	£750.00
HMO	Per Lettable Unit	£500

- Projected income over 10 years is £24.2 M
- The current core budget will provide a further £4.55m over 10 years

- The licence fee must be based on the cost to administer a licence
- Separate enforcement fee can be charged at issue of licence

Council	Selective Fee	HMO Fee
Brent	£540	£840
Croydon	£750	£250 per room
Ealing	£500	£1100 + £30 per room
Hackney	£500	£950
Hammersmith and Fulham	£500	£1400 average
Havering	£550	Up to £1788
Newham	£1050	£1250
Redbridge	£500	Up to £1864
Southwark	£500	£262.65 per room
Tower Hamlets	£520	Up to £660



Support and input from partners



- MHCLG – Positive relationship established; they are keen to guide us to a successful outcome
- To maximise chance of success we will submit multiple designations:
  - One for borough-wide
  - One broken down to ward-level to allow partial success if borough-wide is declined
- Estimated 8-12 week turnaround but our developing relationship with the MHCLG advisors could shorten this
- 3 months statutory minimum before we can implement scheme

- Well established **project programme & board** meetings in operation;
- **Kevin Sheehan** - Jan/Feb/March briefed @ monthly progress meetings;
- **Cllr Paul Bell** – March briefing – supported report to HSC;
- **Housing Select Committee** – outline scheme presented March 2019 - positively received;
- **EMT** – 1<sup>st</sup> April 2019;
- **Cabinet Briefing** – 2<sup>nd</sup> April 2019;
- **M&C** – 24<sup>th</sup> April 2019 – approval received for consultation
- **Licensing Supplementary Committee** – 20<sup>th</sup> June 2019 initial scheme presentation;
- **HSC – autumn 2019** – results of the consultation
- **M&C – autumn 2019** - results of the consultation and seek approval to submit application.
- **Licensing Supplementary Committee** – autumn 2019

Executive and political sign off and governance: