

Updated and final report on the London Borough of Barnet Additional Licensing Scheme

1. Introduction

- 1.1 London Borough of Barnet introduced an Additional Licensing (discretionary) scheme for Houses in Multiple Occupation (HMOs) on 5th July 2016. This report provides a review of the scheme 5th July 2016 to 4th July 2021 and considers its impact against the objectives and targets established at the outset of the scheme.
- 1.2 The COVID pandemic has had a significant impact on the latter years of the scheme due to lockdown restrictions reducing the ability to inspect premises prior to licence issue, following up on licence conditions, and identifying non licensed HMOs.

2. Background

- 2.1 Under the Housing Act 2004, there are two types of licensing relating to HMOs available to local authorities:

Mandatory Licensing of certain Houses in Multiple Occupation

- 2.2 Under existing legislation, all local authorities operate a licensing scheme covering Houses in Multiple Occupation that are occupied by five or more people who are not living together as a single household. In October 2018 this mandatory scheme was extended to include smaller HMOs, that would otherwise only have been covered by the Additional Licensing scheme, the details of which are set out in this review.

Additional Licensing of HMOs

- 2.3 Local authorities can introduce (designate) a discretionary additional licensing scheme for other types of HMOs not subject to mandatory licensing in part or whole of the area within its district. This can include what are known as Section 257 HMOs, which are properties that have been converted into self-contained flats, but where the work does not comply with the Building Regulations, meaning for example that fire protection is inadequate.
- 2.4 Unless previously revoked, a designation for an Additional Licensing scheme ceases to have effect at the time that is specified for this purpose in the designation and that time must be no later than five years after the date on which the designation comes into force. A local housing authority must from time to time review the operation of any designation made by them.

3 The Additional Licensing Scheme in Barnet

- 3.1 Following a statutory consultation, Barnet designated a borough wide Additional Licensing scheme, which came into effect on the 5th July 2016 and ended 4th July 2021.

3.2 The scheme required the following types of HMO to be licensed:

1. Any HMO as defined by section 254 of the Housing Act 2004 falling into the following categories:

- a. Any HMO of two or more storeys, occupied by four or more persons in two or more households and where some or all facilities are shared or missing.
- b. Any flat occupied by four or more persons in two or more households and where some or all facilities are shared or missing, where the flat is on the second storey or higher.
- c. Any HMO of two or more storeys, with a resident owner and occupied by four or more other persons in two or more households and where some or all facilities are shared or missing.
- d. Any house of two or more storeys comprised of both self-contained and non-self-contained units of accommodation occupied in aggregate by four or more persons in two or more households (not including a resident owner), some of whom share or lack one or more basic amenities such as a bathroom, toilet or cooking facilities.

2. Any HMO as defined by section 257 of the Housing Act 2004 which consists of: -

- a. Three or more storeys that have been converted into and consist of four or more self-contained flats and where both the building and self-contained flats it contains are owned by the same person (none of the individual flats within the building being under separate ownership).

4 Objectives and Targets

4.1 The outcomes set out that the licensing scheme would achieve were:

- assist the Council in targeting scarce resources on properties of most concern;
- promote better and more widespread engagement with landlords, tenants, businesses and members of the public with an interest in HMOs;
- foster a situation in which poor conditions or detrimental impacts on the health, safety and welfare of the occupants and the local neighbourhood are prevented in the first instance thus reducing the need for the exercise of enforcement powers. These powers are often complicated, costly and time consuming to implement and can involve

considerable cost further down the line for social care and health services;

- allow the Council to develop a comprehensive database of HMOs within the borough and promote a more coordinated approach with partners. This will allow us to share more and better intelligence with them;
- help the Council identify properties in the worst condition and with the poorest standards of management and to enable working with landlords to bring about necessary improvements, as well as to encourage behavioural change;
- enable local residents, occupiers or potential occupiers to inform the Council of any HMOs which they think need a licence but do not have one;
- enable the improvement of the health, safety and welfare of the occupying tenants;
- prevent overcrowding by setting limits as to the number of permitted occupiers;
- reduce any associated detrimental impact upon local neighbourhoods and reduce the number of complaints associated with HMOs and the Council resources used in dealing with those complaints;
- provide opportunities to further promote landlord accreditation and improve landlords knowledge and understanding of the problems and responsibilities related to HMOs of landlords in the Borough;
- ensure that rogue landlords are targeted and dealt with appropriately and to make certain that only those who are proven to be fit and proper persons can have control of an HMO;
- ensure that HMOs can take their proper place among other dwelling types in the housing market, that they are not a choice of last resort and play their part in relieving homelessness;
- the focus would be on enabling and supporting landlords who are or wish to be compliant, whilst targeting those landlords who do not wish to comply with the legislation for enforcement action.

5 Impact of the Scheme

Did we achieve these objectives?

- 5.1 The introduction of the licensing scheme in 2016 enabled the setting up of a dedicated licensing team, funded directly by the licensing fees. As a result, the council were able to provide additional resource to target HMOs, that through the licensing process were identified as presenting the highest risk.
- 5.2 The proposal to introduce the scheme involved a large scale and wide-spread consultation with various stakeholders, bringing to their attention the issues the council were concerned about and highlighting how they were able to help tenants, landlords and others impacted by HMOs. Since the scheme went

live, officers have, through the licensing process, been able to engage directly with tenants and landlords to a greater extent and in more numbers than had ever been previously possible through traditional reactive approaches.

- 5.3 On 1st July 2016 there were 194 licensed HMOs in the borough. At 4th July 2021, there were a total of 555 Additional HMO licences on the register and 663 mandatory licensed HMOs, a total of 1,218 HMOs licensed in the borough.
- 5.4 Across the five years of the scheme, a total of 667 additional HMO licenses were issued and 792 mandatory licences in the same timescale. (The difference from the number in force at the end of the scheme is due to landlords requesting revocations due to a change in property use, property sale etc) 1,459 HMOs in total were licensed under both the mandatory and additional schemes across the 5-year period. 81% of these licences were issued in 3 months or less from validation. In higher risk premises, 86% were issued in 3 months or less. Temporary Exemption Notices are a legal method of allowing the landlord of a licensable property three months to resolve a situation in relation to a licensable property without submitting a licence application for example where the landlord is in the middle of selling a property. 171 First Temporary Exemption, notices were served and 31 second Temporary Exemption Notices. 12 TENS refusals were served.
- 5.5 All licensed HMOs in the borough were inspected and assessed under the Housing Act 2004 (as amended) before a licence was issued (apart from when COVID-19 restrictions were in place). As a result of licensing properties that in many cases had not been previously inspected, and some of which were even unknown to the council, many category 1 hazards (the most serious hazards) were identified. A significant proportion were reduced to a safe level through education and working with landlords, without the need for enforcement action. In total 681 units of accommodation across the borough had serious hazards reduced.
- 5.6 Conditions were applied to licences and where these have been complied with, the health, safety and welfare of the occupiers has been improved and protected.
- 5.7 All properties had limits set on the level of occupation allowed, thus reducing potential for overcrowding of accommodation.
- 5.8 Bad, or rogue landlords were subject to enforcement action, such as service of notices and prosecution or issue of a fixed penalty. Across the scheme 29 Financial Penalty notices were issued with a total value of over £180,000 and landlords were found guilty of 61 offences in court.
- 5.9 HMOs continued to provide an important source of accommodation and so help to reduce homelessness, with landlords continuing to be easily able to let their properties to those in need.

- 5.10 Compliant landlords received support, such as receiving advice and training, although some were subject to enforcement action due to an unwillingness to obtain a licence.
- 5.11 Obtaining applications has been very difficult due to the borough size and the slightly fragmented nature of the scheme definitions. In the first instance landlords voluntarily approached the council for a licence when prompted through publicity but this slowed down rapidly after year 1 of the scheme. After this time direct contact was often required on more than one occasion to prompt a licence application and in some circumstances enforcement action was required.
- 5.12 From March 2020-July 2021 in the final period of the scheme when enforcement activity should have been at its highest, activity was significantly affected by the impact of COVID-19. Lockdown restrictions left officers having to issue licences following desktop assessments of premises and enforcement activity was reactive to the highest risk identified premises rather than proactive.

Is the implementation of Additional Licensing achieving what we set out to do?

- 5.13 In the business case for the introduction of the scheme in 2015/16, a number of proposals and assumptions were made.
- 5.14 The following section provides an analysis of these proposals and assumptions and provides some statistics on the outcomes of the scheme.
1. *The pre-consultation survey showed 18% of properties are HMOs.*
- 5.15 An analysis of data in relation to the profile of the private sector in Barnet in 2021 has indicated that there are now believed to be approximately 3,760 HMOs of all descriptions. Of these a total of 1,218 properties have been licenced across the 5 years, with a total of 632 additional licences and 586 mandatory HMO licences issued. The total private rented sector (PRS) has now been estimated to be 42,203, meaning that HMOs represent 8.9% and not 18% of the PRS. Nevertheless, although this figure was overestimated in 2016, there still remains approximately 2,546 unlicenced HMOs.
2. *We said we would have a more comprehensive database of HMOs.*
- 5.16 We now have a significantly more comprehensive database of HMOs in the borough. The analysis of the PRS has also, as stated above identified a further 2,546 HMOs that will require investigation.
- 5.17 In July 2016 we had only 194 mandatory licensed HMOs. By July 2021, 792 mandatory licenses had been issued.
- 5.18 In July 2021 we had 1,218 licensed HMOs (663 mandatory and 555 additional).

- 5.19 All properties issued with either a mandatory or additional licence were inspected and property specific conditions applied to the licence. Appropriate action was taken in relation to any category 1 hazards identified under the Housing Act 2004.
3. *It was estimated that the additional licensing scheme could apply to around 3,836 properties in the borough.*
- 5.20 As mentioned above, the register at July 2021 had 555 additional licensed properties. The analysis mentioned above suggests there are estimated to be 2,546 unlicensed HMOs (although some of these may be subject to mandatory licensing). The total number of HMOs potentially subject to additional licensing is therefore approximately 3,101, which is some 735 less than previously estimated. However, it should be noted that the definition of HMO in scope of the mandatory scheme changed in 2018 and so a number of properties that may originally have been thought to be subject to additional licensing became licensable under the mandatory scheme. This in part explains the significant increase in the number of mandatory licences issued over the five years.
- 5.21 Identifying and accessing unlicensed HMOs has proven to be difficult, particularly as it is frequently the case that tenants are unwilling to talk to the council. To take enforcement action the Council needs to be able to evidence that a property is a licensable HMO. Without statements from tenants this is often extraordinarily difficult. The COVID-19 pandemic has also significantly curtailed investigation and enforcement of unlicensed HMOs over the period since March 2020 as property access opportunities have been limited.
- 5.22 Table 1 shows the number of potential unlicensed HMOs believed to still require licensing (although, as stated above, some may be mandatory HMOs), to provide a total figure of HMOs likely to be covered by any new replacement scheme, by new ward. There is a minimum of 35 HMOs in High Barnet Ward, up to 316 in Hendon, showing that large numbers of HMOs remaining to be licenced are widespread across the whole borough.

Table 1.

New ward	Number of Potential HMOs
Hendon	316
Colindale South	239
West Hendon	184
East Finchley	164
West Finchley	164
Childs Hill	152
Finchley Church End	151
Burnt Oak	125
Friern Barnet	120

Woodhouse	102
Edgware	93
Golders Green	91
Mill Hill	78
Cricklewood	75
Colindale North	64
Brunswick Park	63
Barnet Vale	61
Totteridge and Woodside	55
East Barnet	52
Garden Suburb	43
Edgwarebury	42
Whetstone	39
Underhill	38
High Barnet	35

5.23 The criteria for the scheme was not straightforward and proved to be quiet difficult to enforce, with some loop holes.

4. *We said we would focus on prioritising properties of most concern:*

5.24 All licence applications resulted in an inspection prior to licence issue. However, prioritisation was applied to:

- follow up on compliance with conditions where category 1 hazards were identified,
- follow up on compliance of poor property conditions or management concerns,
- the larger HMOs with higher occupancy numbers

5.25 Significant enforcement action was targeted against properties causing the greatest issues e.g. residents' complaints, members complaints and anti-social behaviour (ASB).

5. *It was believed that a significant proportion of HMOs were being poorly managed? – e.g.:*

- a. *The survey said 44% had no fire alarm*
- b. *The survey said 43% had no or tenants unaware of gas certificate*

5.26 Table 2 below shows the number and percentage of HMOs that had to have major conditions applied to their licence, such as insufficient automatic fire detection (AFD), means of escape from fire, installation of facilities, etc. both before implementation of the scheme and in March 2020. It can be seen that a significant number of all HMOs inspected (77%) were not being managed to an acceptable standard, requiring the application of major conditions.

Table 2. HMOs with major conditions applied.

	Total number of licences on register	Number with major conditions e.g. insufficient fire precautions
March 2016	191 (Mandatory licenses only)	60 (31.4%)
July 2021		
Mandatory Licences	663*	514 (77.5%)
Additional Licences	555	425 (76.6%)
Total	1,218	939 (77%)

* There is some data recording inaccuracy as some properties may have been additional on application and developed to mandatory and vice versa .

6. *We said the scheme would enable us to better protect the health, safety and welfare of the occupying tenants.*

a. *We said we would inspect all properties subject to licensing:*

5.27 Before the commencement of the scheme there had been 214 application related inspections of HMOs. Since the commencement of the scheme in 2016 to July 2021, we carried out 3,185 inspections.

5.28 Table 3 shows the number of inspections that were completed between 5th July 2016 and 4th July 2021.

Table 3. HMO inspections carried out.

July 16 - July 21	
Inspection type	Number of inspections carried out
Application related inspections	1,565
Licence conditions and complaint related inspections	1,620
Total	3,185

b. *We said the scheme would enable us to remove significant hazards in HMOs:*

5.29 Table 4 shows the no. of category 1 hazards removed compared with before the scheme. There has been an increase of 214 properties incorporating 680 letting units within them to the period before the scheme.

Table 4. Category 1 hazards reduced in HMOs.

Year (April-March)	Number of properties in total with cat 1's reduced	Number of units in total with cat 1's reduced
2012-16	1	1

Year (April-March)	Number of properties in total with cat 1's reduced	Number of units in total with cat 1's reduced
2016-17	56	149
2017-18	27	73
2018-19	41	152
2019-20	61	206
2020-21	26	86
April 21-July 21	4	15
Total	215	681

c. *We said we would apply appropriate conditions to licences to ensure the health, safety and welfare of the occupying tenants:*

5.30 Compliance with major conditions i.e. substantial work requirements, such as automatic fire detection, means of escape from fire, installation of facilities, etc. is fluid, and so some conditions that have not been complied with are still within the time limit set for compliance. Table 5 sets out the position at July 2021 of conditions that have been complied with and those that remained live – i.e. had not yet expired or been complied with. Performance in this area has dipped due to COVID and the reduced ability to inspect premises. However, since some conditions had not expired, the overall compliance with conditions will be higher than shown in the middle column.

Table 5. Major conditions applied.

	Number of live HMO licences with major conditions	Number of live HMO licences with major conditions complied	Number of live HMO licences with major conditions expired and not complied
March 2016 (Mandatory licenses only)	60	48 (80%)	12 (20%)
July 2021			
Mandatory Licences	514	344 (67%)	170 (33%)
Additional Licences	425	242 (57%)	183 (43%)

Total	939	586 (62%)	353 (38%)
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*data run December 2021

d. Where landlords were non-compliant, we undertook to apply the departmental enforcement policy, which resulted in the following enforcement actions:

5.31 Enforcement action against HMOs increased significantly following the implementation of the Additional Licensing scheme. To July 2021:

	Financial Penalty Notices issued	Reason - failure to licence	Reason – contravention of the HMO Management regs	Reason – failure to comply with HMO licence conditions	Total value
2016/17	0	0	0	0	0
2017/18	0	0	0	0	0
2018/19	9	4	5	0	£51,450
2019/20	9	4	3	2	£24,225
2020/21	11	3	5	3	£104,675
2021-July	0	0	0	0	0
Total	29	11	13	5	£180,350

Appeals were received against 19 penalties.

One Rent Repayment Order was made to the value of £5,244.87

In addition the following enforcement activities were undertaken:

- The following Prohibition Orders were served on HMOs:
 - 10 Prohibition Orders
 - 6 Emergency Prohibition Orders
 - 5 Suspended Prohibition Orders
- 11 Improvement notices were served on licensed HMOs
- No Interim Management Orders were made.

The following prosecutions were taken in relation to licensable HMOs:

Year	Number of cases prosecuted	Number of offences successfully prosecuted
2015-16	2	2
2016-17	6	21
2017-18	0	0
2018-19	6	22
2019-20	3	11
2020-21	2	5
2021-July 21	0	0
Total	19	61

5.32 *We said the scheme would reduce the number of complaints associated with HMOs.*

5.33 Table 7 shows the number of HMO related conditions complaints compared to before the introduction of additional licensing. This data excludes enquiries about HMO licensing applications or process. Whilst as detailed there may be some level of data inaccuracy caused by changes to the data management system, property issues and improvements are captured through the HMO licensing scheme.

Table 7. Complaints about HMOs.

	July 2012 – July 2016	July 2016- July 2021
Complaints received about licensed and unlicensed HMOs	326	116

e. We said the scheme would reduce the number of issues detrimentally affecting the neighbourhood such as ASB.

5.34 It is well established that anti-social behaviour can be associated with HMOs. However, it is often more difficult to identify the source of some types of ASB that are affecting an area, as opposed to a specific property. HMO licensing is

one of many complementary activities across a number of partner organisations that contribute to tackling ASB. Data available for the year April 2018 to March 2019 showed that there was a 10.9% reduction in ASB calls to the police and a 12.9% reduction in repeat ASB calls, compared with the previous 12 months. Whilst this cannot all be accredited to HMO licensing, it is acknowledged that it will have made at least some contribution to this reduction. Table 8 shows the numbers of ASB complaints.

Table 8.

New ward	ASB in licenced HMOs	ASB in vicinity of licenced HMO
Barnet Vale	11	122
Brunswick Park	14	92
Burnt Oak	29	327
Childs Hill	123	506
Colindale North	29	123
Colindale South	20	191
Cricklewood	52	271
East Barnet	10	156
East Finchley	25	206
Edgware	39	242
Edgwarebury	3	63
Finchley Church End	46	335
Friern Barnet	38	274
Garden Suburb	2	56
Golders Green	107	417
Hendon	124	519
High Barnet	7	119
Mill Hill	28	229
Totteridge and Woodside	20	103
Underhill	10	99
West Finchley	31	300
West Hendon	76	386
Whetstone	7	58
Woodhouse	19	134
TOTAL	870	5328

f. *Did we focus on landlords that failed to licence?*

5.35 In the early stages of the licensing scheme we concentrated on dealing with applications and inspection of those properties applying for a licence, with a view to seeking out and enforcing against unlicensed landlords in the later stages as resources became available. We did not achieve this as we would have liked and the number of unlicensed HMOs described earlier is an

indication that we did not achieve this. Reasons that this was not achieved are:

- The COVID-19 pandemic led to a loss of enforcement activity for the last 15 months of the scheme.
- Data intelligence has improved significantly over the life of the scheme, and time was wasted in relation to accessing properties that turned out not to be licensable HMOs
- The scheme definition left some gaps which some landlords exploited to avoid licensing

g. We said the scheme would enable us to ensure mandatory licensable HMOs were identified and licensed.

5.36 In 2016 there were 191 properties with a mandatory HMO licence and across the 5-year scheme we identified and issued an additional 792 mandatory HMO licences by 2021. As mentioned previously, this in part will have been due to the extension of the definition of a mandatory HMO.

5.37 The percentage of compliance with major conditions in mandatory licenced properties reduced slightly from 80% to 67% however, the number of properties significantly increased and as a result, many more properties were improved.

5.38 86% of mandatory licences were processed in under 3 months between April 2015 and March 2016, across the 5 years of additional licensing the average was 81%.

h. We said we would work together with the Planning Service and Article 4 Directions to improve poorly converted flats.

5.39 The Planning Service are notified of all planning applications as part of the Fit and Proper person assessment. The planning status is then reviewed at that stage.

5.40 There were 64 planning applications for HMOs since the commencement of the licensing scheme.

5.41 There were 49 planning applications approved with conditions or a legal agreement involving HMOs.

5.42 232 enforcement cases were opened by the Planning Service for standard HMO cases and 350 'beds in sheds' cases.

i. We said we would encourage additional landlords to register with a landlord accreditation scheme.

5.43 In July 2016 there were 599 accredited landlords. By February 2021, this had become 1,196 accredited landlords in the borough, an increase of 99.7%.

j. We said landlords who were identified as not being fit and proper would be refused a licence.

5.44 There were no landlords who applied for a licence that were refused a licence on these grounds.

k. We said that license applications received within 3 months of designation of the scheme would be issued with a 5-year licence.

5.45 Following scheme go-live it was decided that where appropriate and based upon evidence of both satisfactory property management and condition of premises upon inspection, a 5-year licence would be granted, regardless of whether the application was received in the 3-month period.

l. We said we would provide landlords with a paid for assisted licence offer.

5.46 A total of 28 landlords took advantage of the assisted licence process for additional licensing, with 24 doing so for mandatory licences. A lot of advice and assistance was provided to landlords without a fee, especially during the pandemic, to try and obtain additional necessary information to enable licence issue. Without this, licences would not have been issued, with the loss of benefit that this brings.

m. We said we would give advice and assistance to landlords on our adopted standards.

5.47 Between April 2016 and March 2020, 2,037 landlords received advice on HMO licensing which would have included information on the adopted standards. The standards are available on the Council's website and referenced in the licensing documents.

n. We said we would maintain discounted fees for accredited landlords.

5.48 Discounted fees have been maintained throughout the scheme.

o. We said the monthly cost of a 5-year licence would be kept lower than a 1-year licence.

5.49 Part 2 of the fee has been maintained lower for a 5-year licence. Part 1 of the fee, covering the application processing is the same as for a 5-year licence, as the work involved is the same regardless of the licence period. Fees are reviewed on an annual basis.

p. We said we would maintain reduced fees for mandatory licences following 2015/16.

5.50 We maintained a reduction of 10%, although fees have increased over the past 5 years to cover scheme running costs.

- q. We said notice or order fees would be waived for being accredited within 3 months of service.*
- 5.51 We did not waive fees as no landlords met the necessary criteria.
- r. We said we would maintain no licence fee for HMOs used by Barnet Homes.*
- 5.52 No landlords applied for a reduction under this criterion.
- s. We said we would hold a licensing amnesty each year.*
- 5.53 It was decided not to do this, as some landlords told us this was not favoured. It was seen to favour non-compliant and/or less professional landlords.
- t. We said we would provide a guide to fire safety for landlords.*
- 5.54 A fire safety guide was produced and information on our website was updated and improved as was the joint working protocol with the Fire Authority.
- u. We said we would continue to offer empty property grants.*
- 5.55 There have been 44 applications, with 32 grants completed to date. Empty property promotion weeks are held at least annually to promote take up of the scheme
- v. We said decent homes grants would be available for private tenants.*
- 5.56 One private tenant took up the offer of a decent homes grant. Decent Homes Grants are no longer available due to the funding being terminated.
- w. We said the scheme would lead to us working in a coordinated approach with our partners.*
- 5.57 The Planning Service are now consulted on all HMO licensing applications in relation to the applicant being a fit and proper person. The Planning Service now review the register on a monthly basis to inform their work on compliance.
- 5.58 The HMO Register (public information) is sent to the Community Safety Service, Land Registry, the Planning Service, Corporate Anti-Fraud Team and the Revenues and Benefits Service on a monthly basis.
- 5.59 The Private Sector Housing Team work closely with the Community Safety Service and the Environmental Health Public Health and Nuisance and Noise Team in relation to cases causing ASB. A representative of the Private Sector Housing Team attends the Council's Anti Social Behaviour Delivery Group meetings.

- 5.60 A representative of the Private Sector Housing Team attends the Council's Strategic Fly Tipping Working Group to ensure a joined-up approach in relation to fly tipping and other rubbish complaints in relation to HMOs.
- 5.61 A representative of the Private Sector Housing Team attends the Community Safety Multi Agency Risk Assessment Conference (MARAC) and the Joint Task and Action Group (JTAG), where relevant information on HMOs is shared.
- 5.62 A joint working protocol was reviewed and agreed in September 2017 with the Fire Authority. The Fire Authority is consulted as necessary in relation to fire safety issues in HMOs.
- 5.63 We liaise with the Middlesex University Accommodation Office to try and ensure that student accommodation meets minimum standards and students are aware of relevant health and safety issues in shared accommodation.
- 5.64 The Private Sector Housing Team are a member of the Multi Agency Risk Panel that assess complex cases involving vulnerable persons including hoarding cases.

x. We said that the scheme would tie in with the other initiatives in the Housing Strategy.

- 5.65 The Barnet Housing Strategy 2015 to 2025 made specific reference to private sector housing: *“For those in the private rented sector, this means cracking down on the minority of rogue landlords and support to minimise the risk of homelessness.”*
- 5.66 There were six themes of the strategy, of which three are directly applicable to the additional licensing scheme:
- **Increasing housing supply.**
- 5.67 The availability of empty property grants encourages owners of long-term empty properties to bring them back into use, potentially as a licensed HMO.
- **Sustaining quality, particularly in the private rented sector.**
- 5.68 The strategy seeks to *“improve the quality of housing across the borough, and in particular tackling the issue of poor-quality housing in the private rented sector”*.
- 5.69 The council said it will *“update how HMOs are regulated and crack down on rogue landlords and sub-standard properties, working directly with landlords and encouraging them to acquire formal accreditation through the London Landlords Accreditation Scheme.”* The outcomes described above demonstrate how the implementation of the scheme has contributed to this specific theme in the strategy.

- **Preventing and tackling homelessness.**

- 5.70 The strategy says “we will continue to work with private landlords to ensure that there is a good supply of affordable accommodation and work to sustain tenancies and prevent homelessness”.
- 5.71 The additional licensing scheme has enabled us to engage with landlords to highlight this issue and improve HMO properties that are often the first source of accommodation for the homeless.
- y. We set the following benchmarks, key performance indicators and/or other targets to measure the success of the scheme:

Performance monitoring:

Table 9

KPIs	Targets as of end of April 2021	Performance end of June 2021
Compliance with Env. Health Service Standards (all service requests in EH)	95%	96%
HMO compliance with major conditions in mandatory HMOs	70%	66%
Mandatory HMO licences issued in a timely manner	76% issued within 3 months of validation	92% issued within 3 months of validation
Increasing number of accredited landlords	991	1259
Increasing number of mandatory HMOs	500	663

6 Lessons Learned

- 6.1 Whilst the outcomes of the licensing scheme have shown there was a need for the scheme and that it has resulted in the improvement of properties and the standard of management by landlords, there are some key learning points which will be addressed by the proposed new scheme:
- The number of applications received was fewer than the number of HMOs estimated to be in scope. It is believed the estimates of the number of properties that would require licensing prior to designation was around 735 higher than we now believe to be the case. A more detailed and robust method of identifying potential HMOs has been used to support the proposed new scheme and nevertheless, there are still approximately 2,550 properties believed to be HMOs that are not licenced.

- A greater effort is required to continue to proactively publicise the scheme throughout the five years
- The scheme included HMOs occupied by four or more persons who do not form a single household and sharing facilities. We have since realised that HMOs that are occupied by three or more persons frequently present as much risk and can be poorly managed as those with four persons. The new scheme is therefore proposed to address this by including those occupied by three persons who do not form a single household.
- The original scheme criteria were somewhat fragmented with some gaps in them causing confusion for landlords. The revised scheme proposal is more straightforward to enable simpler understanding for landlords as well as for scheme administration
- The online system that was proposed to be used and new data management system was tested and transfer of data investigated fully, but it was not found to be viable so the project was terminated. As such paper applications continued throughout the 5 years. The paper-based licensing system has been reviewed and improvements implemented, but a lot of data inputting is required. An on-line licensing system will be implemented before the new designations are implemented, making the licensing system more efficient both for the applicant and the council.

This review highlights that we have made progress, but our objectives have not been fully achieved and that additional licensing should continue across the borough. Anecdotal information from other London boroughs have indicated that where used in conjunction with Selective Licensing the number of additional and mandatory licence applications increased.

7 Year One Review

7.1 A review of the additional licensing scheme was conducted after one year and was reported to the Housing Committee in October 2017. Below is a summary of the findings of the review contained within the committee report:

7.1.1 Following an extensive consultation exercise, Barnet Council introduced an Additional HMO Licensing Scheme for lower risk HMOs on 5th July 2016. A HMO needs to be licensed under the Additional HMO Licensing Scheme when:

- it has two or more storeys, occupied by four or more persons in two or more households and where some or all facilities are shared or lacking
- It has two or more storeys, with a resident owner and is occupied by four or more other persons in two or more households and where some or all facilities are shared or lacking
- it is a flat occupied by four or more persons in two or more households and where some or all facilities are shared or lacking and where the flat is on the second storey or higher

- It is a building of three or more storeys that has been converted into and consists of four or more self-contained flats where the conversion was not undertaken in accordance with the Building Regulations 1991 (or later) and fails still to so comply; and where both the building and flats it contains are owned by the same person (none of the individual flats within the building being under separate ownership)
- It is a house of two or more storeys comprised of both self-contained and non-self-contained units of accommodation occupied in aggregate by four or more persons in two or more households (not including a resident owner), some of whom share or lack one or more basic amenities such as a bathroom, toilet or cooking facilities.

7.1.2 At the time that the Additional HMO Licensing scheme was approved the government had indicated that mandatory HMO licensing was due to be expanded to cover a wider type of properties. This has not yet been forthcoming although indications are that it is still likely.

7.1.3 From the data collection exercise completed as part of the consultation exercise, indications were that there were 3,836 properties that would fall under the proposed scheme in the borough. Based on previous experience fluctuations in this data were expected due to changes in the mode of occupancy and property sale.

7.1.4 The first 12 months have involved a significant amount of infrastructure work:

- New procedures and systems designed and implemented to streamline the HMO licensing process and ensure uniformity of decisions made by officers
- Full web review and introduction of an [HMO Licensing Tool](#) to assist landlords and agents to understand if their property is licensable or not)
- Team of 4 Enforcement Officers, 4 Technical Support Officers and a Team Leader recruited, trained and inducted.
- Ongoing scheme advertising using a combination of:
 - Borough wide publicity in newspapers and Barnet First
 - Targeted publicity to landlords, agents, solicitors, charities and support agencies
 - Targeted publicity to partners within Re and the Council
 - Regular drop-in sessions at Barnet House
 - Promotional events at estate agents' premises
 - Attendance at Middlesex University events
 - Presentations at landlords' forums
 - Regular reminders to landlords and tenants in relation to the scheme through social media

- Direct communications to premises identified as likely to fall under the HMO licensing scheme (additional and mandatory)
- Action on cases prioritised to ensure that more complex and higher risk cases are dealt with by the more experienced officers
- A close working relationship has continued with the London Fire and Emergency Service (LFEPA). There has been a review of the joint working protocol between Barnet and the LFEPA and a new consultation process developed for HMO Licensing cases. The new process enables lower risk cases meeting the standards detailed in the LACORS Fire Guidance to go through a system of peer checking instead of requiring full LFEPA consultation. This speeds up the processing time for licences and the new paperwork makes all consultations more transparent.
- Officer trained on Fire Risk Assessment. This will be of benefit in relation to:
 - Reviewing and updating as appropriate the current advice to landlords in relation to fire precautions work
 - Refresher training to officers
 - Provision of a new service to provide Fire Risk Assessments for landlords for a fee.

7.2 Actions completed to date with comparisons to previous years.

7.2.1 Comparisons with other boroughs have not been included as these can be misleading. No other borough introduced a scheme at the same time as Barnet and numbers licensed will vary significantly depending on if the Borough also has a Selective Licensing scheme, or has large blocks (including purpose-built student accommodation) or small single HMOs to licence. There is therefore no benefit in comparing data with other boroughs.

7.2.2 The target for year 1 was 200 applications to allow for setting up systems, recruiting staff, scheme launch and promotion. It was noted in the original report that these numbers were dependent upon the number of licences submitted reactively by landlords and will be constantly reviewed.

Table 10.

	2015-16	2016-17	Q1 2017-18	19-20 (added for this review)
Mandatory HMO licence applications received	70	111	24	226

Additional HMO licence applications received	No scheme	227 (July to March)	60	88
Mandatory HMO Licences issued	64	85 (85.9% issued in 3 months or less)	38 (69% issued in 3 months or less)	201
Additional HMO Licences issued	No scheme	128 (July to March) (81.6% issued in 3 months or less)	76 (77.6% issued in 3 months or less)	89
Total number of licensed premises in the borough	149 HMOs in total	371 HMOs in total	474 HMOs in total	1148
Temporary Exemption Notices Served (where landlords have a licensable premises that is reverting to a non- licensable status)	10	35	20	37
Conditions compliance in mandatory HMOs	80%	70%	65% (1/9/17)	73%
Conditions compliance in additional HMOs	No scheme	17%	14.5% (1/9/17)	Unable to run retrospectively
Landlords accredited under the London Landlord Accreditation Scheme	YTD March 2016 592	YTD March 2017 632	YTD June 2017 643	989
Customer satisfaction for landlords		87% (average for	95% (average for	Data not available

		Re services 69%)	Re services 71%)	
Appeals to the First Tier Tribunal received	0	2	1	2
Appeals to the First Tier Tribunal defended	0	2	1	Not heard
Successful prosecutions	10 successful prosecutions since April 2016 for failure to licence and/or contraventions of the Management Regulations and/or failure to comply with a Prohibition Order. Total fines/victim surcharge and costs awarded over £215,000.1 case for failure to licence was used by the tenants to support a Rent Repayment Order leading to a repayment of £5,000 of rent to the tenants.			Reported separately in the report

7.2.3 288 properties are currently being actively targeted by officers for additional HMO licensing applications.

7.2.4 Since the introduction of the scheme, 11 paid for HMO Inspections have been completed by Re to landlords to assist them in understanding their legal obligations and options in relation to their HMOs.

7.3 Scheme Strengths

- 218% increase in the number of licensed HMOs overall in the borough since March 2016. All of these properties have been inspected, had action taken in relation to any category 1 hazards identified or other urgent legal contravention and had a licence issued with property specific conditions.
- 9% increase in the number of accredited landlords, perhaps linked with a reduced fee for an additional and mandatory HMO licence or details about the scheme sent with the HMO application.
- Improved more streamlined service for all licence applicants
- A balance is being maintained in relation to prioritising action against the higher risk mandatory HMO licenced premises whilst still processing additional HMO Licence applications
- High level of customer satisfaction with the HMO licensing process. This is particularly pleasing given that the work flow for licensing is not regular and as such some weeks have a large bulk of applications which require the same level of service as weeks with a more manageable number.

7.3.1 Testimonials from Landlords:

“of all the people I have spoken you have been the most human & understanding & made the effort to give as much help as possible. I hope they promote you to high levels of authority. Many Thanks”

“ It was nice to meet you at xxxx. We appreciate your constructive feedback”

7.4 Scheme Issues identified

7.4.1 Other London boroughs have indicated that they are struggling to licence landlords through additional HMO licensing as it is harder to identify non-compliant cases if the tenants do not want council involvement. Feedback from other boroughs indicates that where boroughs have selective schemes involving all tenanted premises in the borough it is easier to enforce since all that is required to prove that a licence is needed, is that a property is let in the private rented sector.

7.4.2 Below Table 11 highlights issues identified with the additional licensing scheme.

Table 11.

Issue identified	Comment	Action to be taken 2017-18	Actions completed
Lower level of applications than expected for Additional HMO licence	<p>There has been a significant increase in the number of mandatory applications received. This is likely to have arisen as a result of the introduction and promotion of the Additional Scheme and this has been the experience of other boroughs in introducing their schemes.</p> <p>Other boroughs experiences have also indicated that obtaining Additional HMO licensing applications would be difficult.</p> <p>The year one target was exceeded but the year two target of six hundred applications is proving very challenging. It is difficult</p>	<p>On line HMO licensing is being developed in consultation with Lewisham and Bexley to make the application process easier for applicants.</p> <p>Adoption of a policy for civil penalties under the new Housing and Planning Act 2016 as an additional enforcement option for landlords who fail to licence their premises or fail to</p>	<p>On line system found not to be viable, so different system investigated. Issues also identified with this system. New investigations are underway to find a suitable system</p> <p>Civil penalties are issued where appropriate in line with the policy.</p>

	<p>to get landlords to apply for licences proactively. The majority of applications require some level of chasing and/or advice/enforcement action.</p>	<p>comply with their HMO licensing conditions. Publicity of this should act as a deterrent for landlords who continue to flout the law.</p> <p>Recruitment to a new post in the HMO Licensing Team to carry out intelligence focused enforcement work. This post will support and prioritise the work of the existing HMO Licensing Officers.</p> <p>Liaising with CitizensUK and Middlesex University in relation to opportunities to involve students more in identifying non licensed student accommodation.</p>	<p>Post recruited to and improved intelligence. Pilot to be undertaken to try and make better use of online intelligence</p>
<p>Properties identified as being licensable are no longer licensable</p>	<p>The data set used to assess the evidence base for Additional HMO Licensing is now 2 years old.</p>	<p>A new data set is being established based on all available sources of information. This will include new data obtained from the Rent Deposit organisations and the Royal Mail (multiple address) data base.</p> <p>Reviewing the data base should ensure that fewer resources are wasted targeting properties that are not licensable.</p>	<p>Targeting properties that were ultimately not licensable continued to be an issue. With the data set now identified this issue should be significantly reduced.</p>

<p>High turnover of staff</p>	<p>Since the Licensing Team was set up in June 2017, 5 officers have moved onto other opportunities in other organisations for a variety of reasons. Recruiting staff is resource intensive and training them to achieve a high standard of service is time consuming.</p>	<p>The necessary recruitment process is nearing completion.</p> <p>The Private Sector Housing Manager is working closely with Middlesex University in relation to opportunities to strengthen links between Barnet and the Environmental Health BSc and MSc courses. The aim is to build on the success of the current scheme. Of the two students working in Barnet this year, one has just been recruited to a Technical Officer post in the Housing Enforcement Team. We continue to foster good relations with the University by providing occasional lectures.</p>	<p>The team staffing stabilised after this recruitment.</p> <p>Students employed to assist in a borough survey of property addresses identified from data provided by an algorithm</p>
<p>Balancing enforcement action in relation to conditions compliance with enforcement for failure to licence.</p>	<p>Conditions compliance in mandatory HMOs, the highest risk properties have remained at a good level with priority given to re-inspection of these premises.</p> <p>Reduction in Technical Support staff has reduced [the capacity to chase] licensing conditions compliance.</p>	<p>With the re-establishment of staff and systems chasing of conditions compliance can be undertaken on a regular basis. Priority will continue to be given to higher risk premises.</p>	<p>Conditions compliance in higher risk premises continued to be a priority.</p>

Targeted enforcement action	Parts of Barnet still have very poor housing conditions and whilst HMO identification visits were prioritised by post code there has not been any area based enforcement action.	On completion of the revised data set enforcement action will be prioritised based on post code, and property condition. Enforcement action will remain a challenge where the tenants do not want the Council involved, regardless of the risk to themselves or their families.	Enforcement action will remain a challenge where the tenants do not want the Council involved, regardless of the risk to themselves or their families. Targeted work was completed twice of Burnt Oak with the Community Safety Team and other partners.
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8 Conclusions

- 8.1 Additional licensing has enabled us to improve the condition and management of HMOs in the borough.
- 8.2 Additional licensing has enabled us to identify and inspect HMOs we wouldn't otherwise have known about.
- 8.3 Additional licensing has given us the resources to be able to undertake this work, that we otherwise would not have had.
- 8.4 The standard of management in the HMO sector has improved through licensing and accreditation of landlords.
- 8.5 Resources and time (adversely affected by the COVID-19 pandemic) have not allowed us to get around to finding the numbers of unlicensed HMOs and taking enforcement action to see that they are licenced, that we would have liked to do and as a result there are still many more HMOs that remain unlicensed across all parts of the borough.
- 8.6 We have not always strictly followed what we said we would and this is a learning point for future schemes.

8.7 The narrow definition of HMOs included in the scheme of four persons who do not form a single household meant that smaller HMOs that are substandard did not benefit from licensing.

9 Recommendation

9.1 That a borough-wide scheme is renewed for a further 5 years.

9.2 That for any further scheme, dedicated resources are in place for identifying and robustly enforcing against unlicensed properties, to ensure there are not significant numbers of unlicensed HMOs at the end of the scheme.

9.3 That for any further scheme, the scope should include HMOs where three or more persons who do not form a single household.

9.4 Objectives and targets need to be simpler and clearer at the outset with systems to ensure monitoring in place to ensure compliance. In addition for corrective actions to be taken promptly and intelligence used to make appropriate adjustments to targeting, ongoing promotion and resourcing as necessary.