

Delivering better standards for private renters

Selective licensing proposals

Evidence for consultation 2023



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1. Glossary

Term	Meaning
Private Rented Sector (PRS)	The portion of housing in the borough that is rented from private landlords.
Privately rented	Homes rented from a private landlord.
Socially rented	Homes rented from the council or a housing association.
Selective licensing	A local scheme which requires landlords to have a licence to legally let their property to a family or two sharers.
Additional Houses in Multiple Occupation (HMO) Licensing	A local scheme which requires landlords to have a licence to legally let their property to three or four unrelated persons living in two or more separate households sharing one or more basic amenity
Mandatory Houses in Multiple Occupation (HMO) Licensing	A national scheme which requires landlords to have a licence to legally let their property to five or more unrelated persons living in two or more separate households sharing one or more basic amenity
Designation	A geographical area chosen for licensing based on evidence.
Housing Health and Safety Rating System (HHSRS)	A government prescribed system that rates housing hazards based on their risk to occupiers' health, safety, and welfare.
Category 1 hazard (Cat 1)	The most serious hazards under the HHSRS, which include immediate risk to a person's health and safety.
Category 2 hazard (Cat 2)	Less serious hazards under the HHSRS. Whilst considered less serious they can still be regarded as placing the occupiers' health and safety at risk.
Statutory notice	A legal document issued by the council that requires the recipient to complete specified actions within a specified timeframe.
Antisocial behaviour (ASB)	Conduct or behaviour that is considered unreasonable, disruptive and causes nuisance and annoyance to other persons particularly in relation to their property.
Deprivation	Living on low income and not having the money to pay for some basic requirements.
Indices of Multiple Deprivation	A dataset produced by the government to give a relative value to how deprived an area is, compared to the rest of the country.
Barriers to housing and services	One of the government's measures of deprivation. It combines measures relating to housing affordability, overcrowding and homelessness.
Minimum Energy Efficiency Standard (MEES)	Regulations that set a minimum energy efficiency standard (EPC rating of E) that applies to privately rented properties.
Energy Performance Certificate (EPC)	EPCs rate how energy efficient properties are using grades from A to G (with 'A' the most efficient grade).
Accreditation	Schemes overseen by various organisations, including local authorities and landlord associations, to provide training and encourage good practice by private landlords.

2. Executive summary

Lambeth Council is consulting on new licensing proposals for the private rented sector (PRS) in the borough. Property licensing is a way of ensuring safer and better standards in private rented properties.

Lambeth is consistent with the rest of London in that it has a shortage of affordable housing, with house prices remaining out of reach for many. The demand for social housing far outstrips the supply. As a result, private rented property is increasingly becoming the only viable option for many Lambeth residents, including those who are vulnerable and on low incomes. Currently, 34% of Lambeth's housing stock is in the PRS, and this is expected to continue to rise in the future.

While the majority of properties in the PRS are well maintained and safe, there is a growing number of properties that are substandard and potentially dangerous. Even landlords with good intentions may not always be aware of the latest legal and safety requirements. These properties pose a risk to the health, safety, and wellbeing of tenants, cause issues with neighbours, and require numerous interventions from council teams that are already under pressure. It is crucial for the council to utilise all available tools to improve the situation for tenants renting properties in this sector. Licensing plays a key role in this effort.

In 2021, we implemented a boroughwide additional HMO licensing scheme to ensure safety standards for tenants living in small houses in multiple occupation (HMO). However, poor housing conditions are not limited to HMOs and are prevalent across the PRS. It is predicted that 19% of Lambeth's PRS properties have serious housing hazards, many of which are not currently licensable.

We are now proposing, subject to consultation that all types of privately rented homes (not just HMOs) should be licensed in the 23 wards with the highest levels of properties in poor condition. This would be introduced in two phases. This is known as selective licensing.

The phased approach to implementation will allow the council to scale up resources to administer and enforce a larger designation. The first phase (designation 1) would cover a total of four wards and would allow the council to deal with the worst housing conditions as soon as possible. As this covers less than 20% of the geographical area of Lambeth and less than 20% of its privately rented housing, this can be approved by the council's Cabinet. This designation could be implemented in late 2024.

The second phase (designation 2) would extend to a further 19 wards, also on the basis of poor housing conditions. Due to its size, this designation would need confirmation by the Department of Levelling up Housing and Communities (DLUHC). If approved, designation 2 could be introduced by early 2025; however, this will be dependent upon DLUHC.

Whether you are a private tenant, landlord, managing or letting agent, local resident or business, we want to hear your views on the council's proposals for private property licensing in Lambeth.

3. Introduction

This consultation document provides information about the scale of problems relating to poor housing conditions in Lambeth's PRS and the evidence to support the council's proposal to introduce a selective licensing scheme. It also provides a detailed description of the proposed new licence conditions and proposed fees.

We want to know your views on our proposals before any final decision is made about PRS licensing in Lambeth. We are keen to hear from all Lambeth residents, especially private tenants, as well as landlords and managing agents with properties in the borough, and anyone or any organisation with an interest in the PRS.

We encourage you to complete our online survey by visiting:
www.lambeth.gov.uk/propertylicensing

The consultation will run for 12 weeks from **11 December 2023 until 4 March 2024**.

For further information about the proposed new licensing schemes, assistance with completing the questionnaire or to request a paper copy of the consultation please contact:

- **Email:** PRSlicensing@lambeth.gov.uk
- **Telephone:** 020 7926 8591
- **Post:** Private Sector Enforcement and Regulations Service, Lambeth Council, PO Box 80771, London, SW2 9QQ

Once the consultation has closed, the council will review the replies. A full consultation report, including the council's response to any alternatives suggested, will be published on the [property licensing pages](#) of the web site.

4. The private rented sector in Lambeth

In order to obtain a greater understanding of the PRS in Lambeth, Metastreet Ltd was commissioned to review the housing stock in the borough and investigate and provide accurate estimates of:

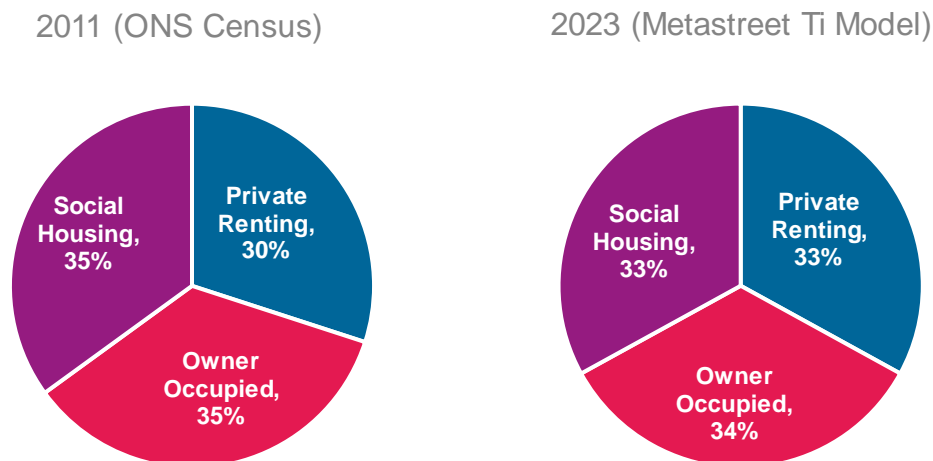
- Current levels of PRS properties and tenure change over time
- Levels of serious hazards that might amount to a Category 1 hazard (HHSRS)
- Other housing related stressors, including antisocial behaviour (ASB), service demand, population and deprivation linked to the PRS.

The full report is attached as **Appendix 1**; however, some key findings from the report are detailed below.

Housing tenure

Consistent with the long term nationwide and regional trend, the PRS in Lambeth has grown steadily since 2011. Based on tenure modelling (2023) the PRS is calculated to be 33.6% compared to 30% in 2011. This represents a 12% increase over the last 12 years. There are a total of 144,985 residential dwellings in Lambeth, 48,695 of which are privately rented.¹

Housing tenure in Lambeth 2011 & 2023

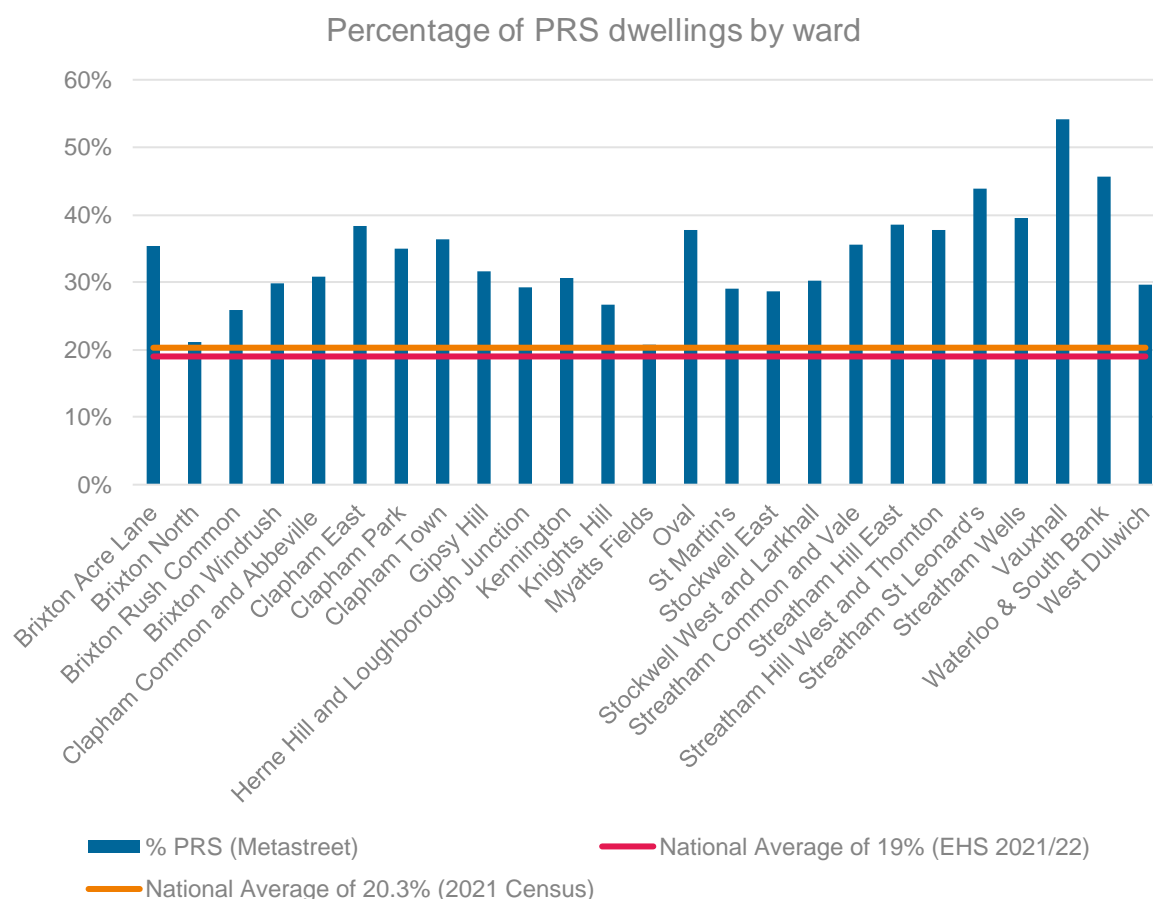


¹ Housing Stock and Stressors Report, Metastreet, 2023

Number of dwellings by tenure 2011, 2021 & 2023 ²

Tenure	2011 (Census)	2021 (Census)	2023 (Ti)
Social Housing	45,619	45,243	47,266
Owner Occupier	44,872	47,116	49,024
Private Renting	39,526	42,329	48,695
Total	130,017	134,682	144,985

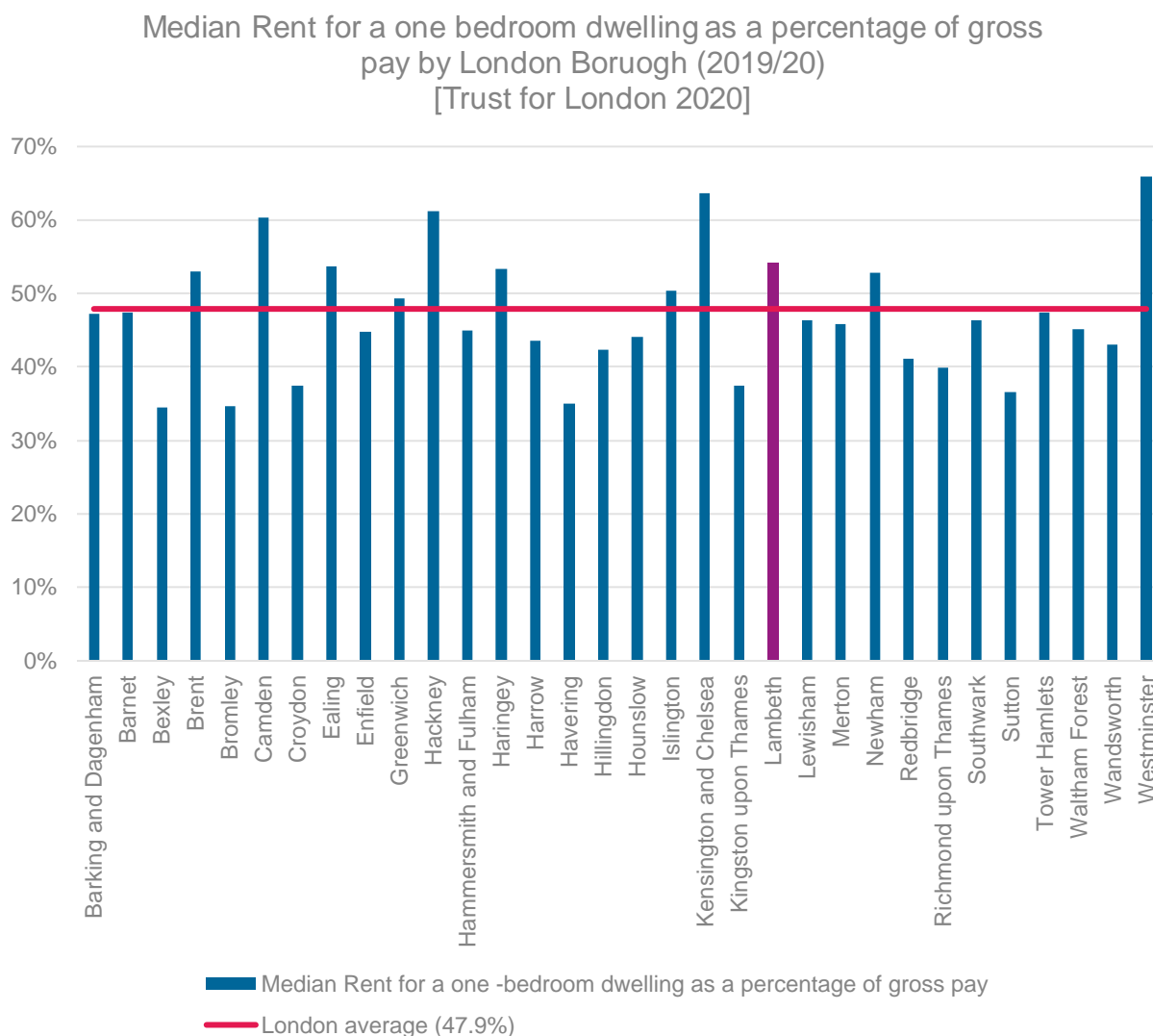
The PRS is spread across all 25 wards in Lambeth. The percentage of PRS properties in each ward ranges between 54% in Vauxhall and 21% in Myatt's Field. All of Lambeth's wards have a higher percentage of PRS than the English Housing Survey national average (England) which is 19%, and the Census 2021 national average (England and Wales) which is 20.3%. The average rate of PRS across all wards is 33.7%.



² ONS & Housing Stock and Stressors Report, Metastreet, 2023

Rent and affordability

Over the past two decades, a significant change in the PRS has been the increase in rental prices. This escalation has posed challenges for residents in securing affordable, good quality housing. Lambeth has above average rents for London, with 54.2% of median earnings used to pay rent³. The London average is 47.9%.



Deprivation

The Indices of Multiple Deprivation (IMD) is a measure of relative deprivation for small areas (Lower Super Output Areas (LSOAs)), based on seven domains of deprivation:

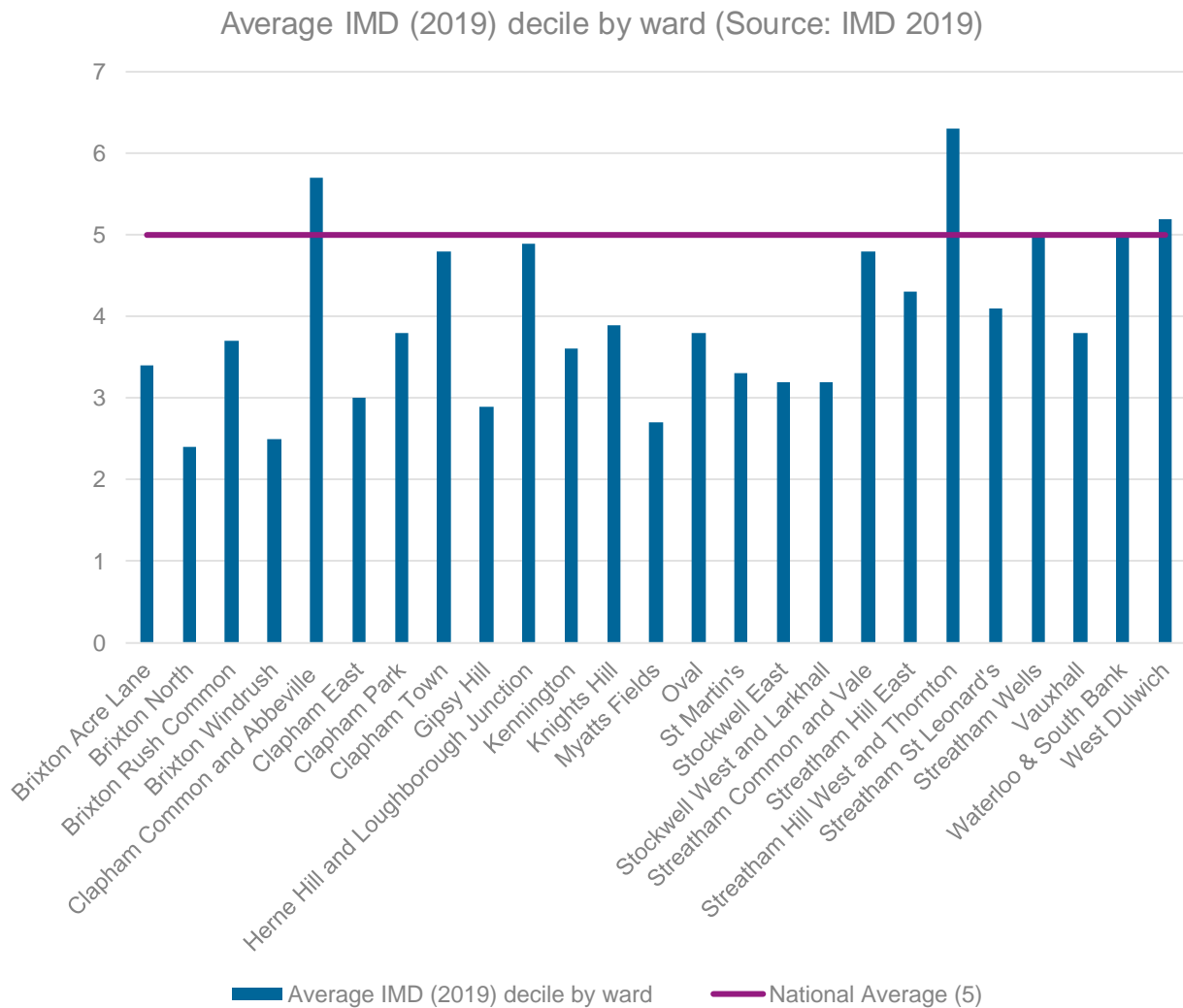
- income
- employment,
- education

³ Trust for London, 2020

- health
- crime
- living environment
- barriers to housing and services.

Lambeth ranks as the 42nd most deprived borough in England out of 317.⁴

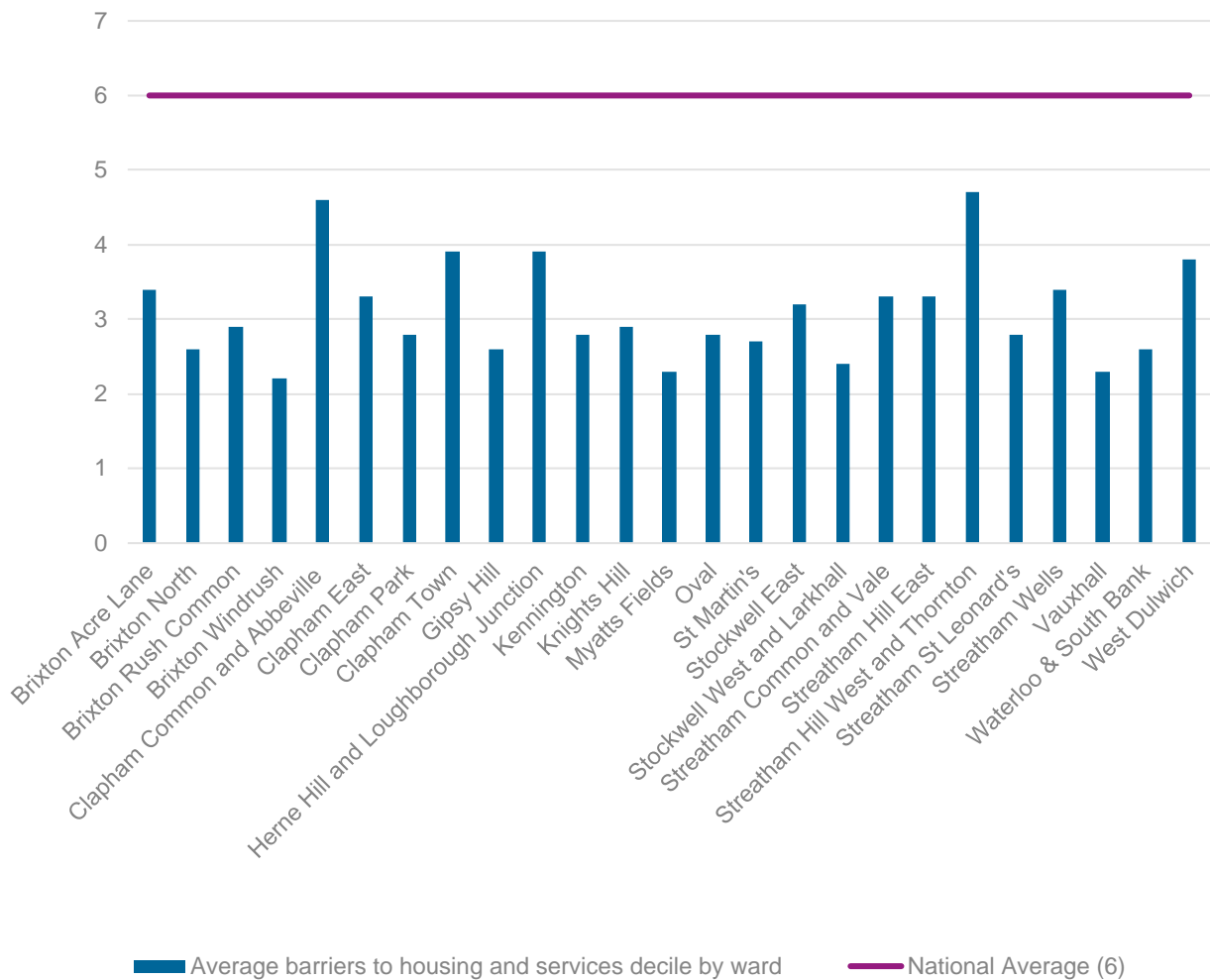
Lambeth has a mixture of high and low deprivation wards with 20 out of 25 wards having an aggregated IMD ranking below the national average.



There are also significant challenges within the borough relating to 'Barriers to Housing and Services'. This is one of the domains considered as part of the Indices of Multiple Deprivation and includes indicators such as overcrowding, homelessness and housing affordability. All wards in Lambeth are worse than the National average (6) for Barriers to Housing and Services.

⁴ ONS 2019 <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>.

Average barriers to housing and services decile by ward (IMD 2019)



Fuel Poverty

With the acute energy price increases during much of 2022/2023, the number of households in fuel poverty is set to significantly rise. In general, fuel poverty relates to households that must spend a high proportion of their household income to keep their home at a reasonable temperature.

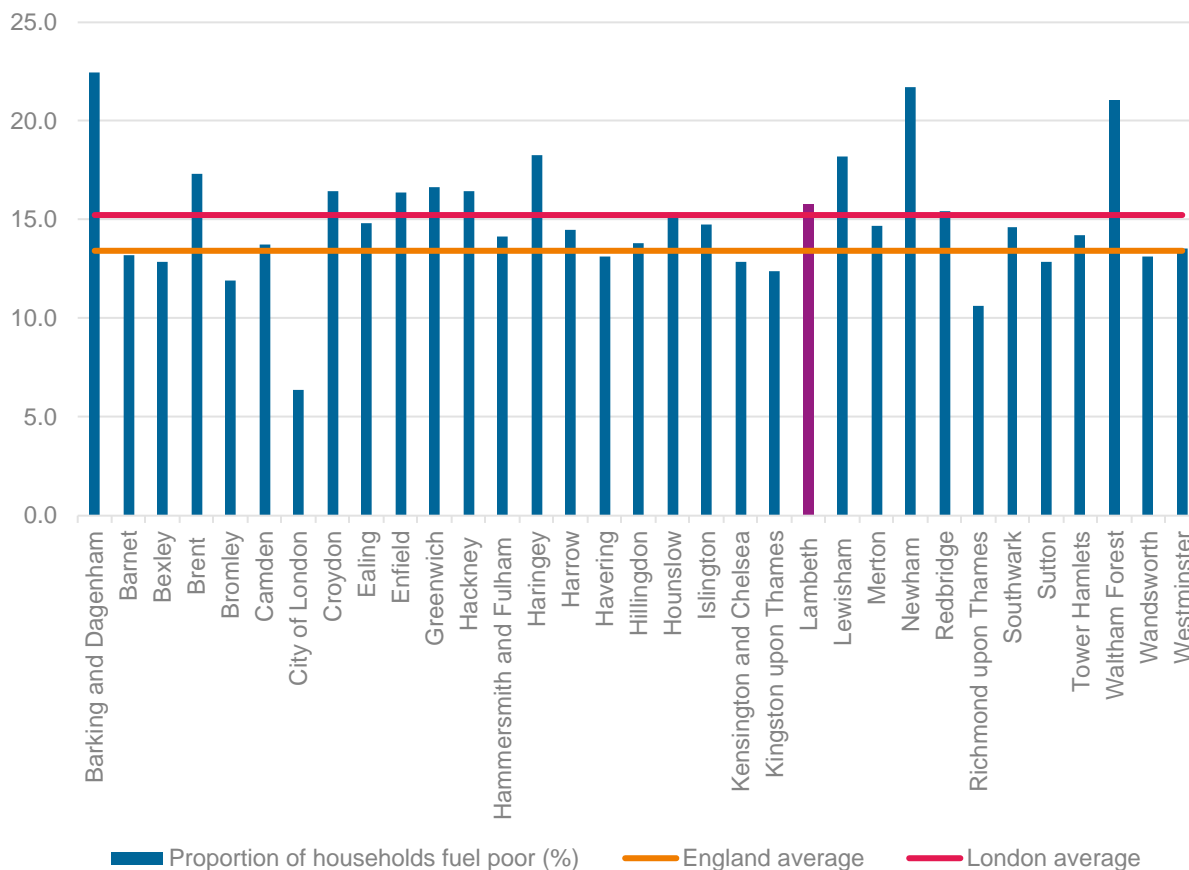
Fuel poverty is affected by three key factors:

- a household's income
- fuel costs
- energy consumption (which in turn is affected by the energy efficiency of the property).

The fuel poverty score produced by the Department for Business, Energy & Industrial Strategy (BEIS) using 2019 data and published in 2021 shows that currently, Lambeth has a higher proportion in fuel poverty (15.8%) than the national

average (13.4%) and the London average (15.2%).⁵ These figures are likely to significantly change as a result of the recent acute fuel price increases.

Proportion of households in fuel poverty (%) by London boroughs [BEIS 2021]



Housing conditions

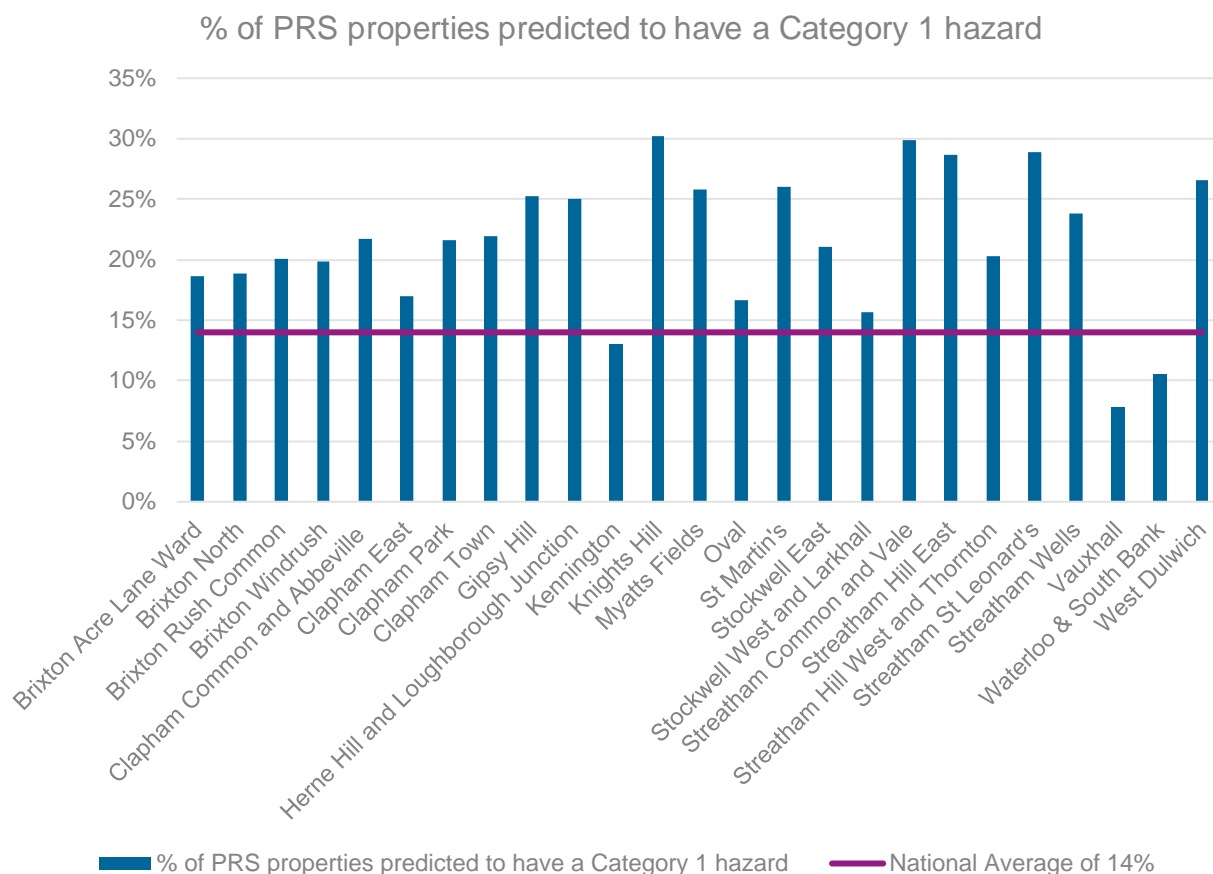
The recent review of Lambeth’s housing stock has provided insights about the predicted presence and distribution of a range of housing factors in the borough⁶. The main finding was that poor housing conditions are likely to be widespread in the PRS. Under the Housing Health and Safety Rating System (HHSRS), category 1 hazards are the most serious housing hazards and may result in the immediate risk to a person's health and safety. A significant category 2 hazard, although less serious or less urgent, can still be regarded as placing the occupiers’ health, safety and welfare at risk.

Our evidence shows that category 1 hazards in Lambeth’s PRS are likely to be distributed across the whole borough, with nearly 9,500 private rented properties

⁵ Department for Business, Energy & Industrial Strategy 2021 <https://www.gov.uk/government/statistics/sub-regional-fuel-poverty-data-2021>

⁶ Housing Stock and Stressors Report, Metastreet, 2022

predicted to have at least one category 1 hazard, representing 19% of Lambeth's PRS (excl. known HMOs). 22 of 25 wards have predicted rates of category 1 hazards above the national average (14%).



An EPC rating is an assessment of a property's energy efficiency. It is primarily used by buyers or renters of residential properties to assess the energy costs associated with heating a house or flat. The rating is from A to G. A indicates a highly efficient property; G indicates low efficiency.

Under the current Minimum Energy Efficiency Standard (MEES), properties must have an Energy Performance Certificate (EPC) rating of E and above before they can be let out. Currently in Lambeth, 1.2% of the PRS have an F and G rating, which means approximately 585 PRS properties are likely to fail the MEES statutory requirement.

The statistical evidence shows that there is a continuous relationship between indoor temperature and vulnerability to cold-related deaths⁷. The colder the dwelling, the greater the risk. The percentage rise in deaths in winter is greater in dwellings with low energy efficiency ratings. Children in cold homes are twice as likely to suffer from

⁷ Housing Health and Rating System, Operation Guidance, 2006
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/15810/142631.pdf

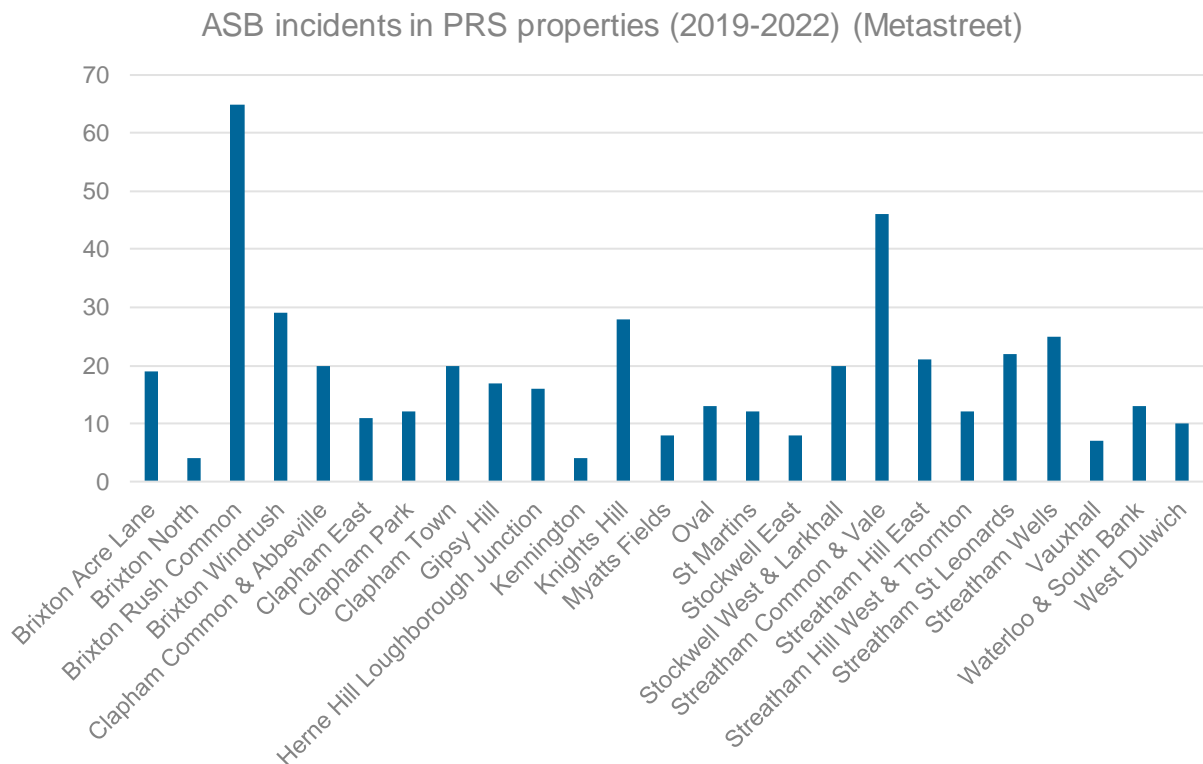
a variety of respiratory problems ⁸. Therefore, the F and G properties present a serious risk to the occupants' health, particularly if over the age of 65.

There is also a gradient of risk with the age of the property, the risk being greatest in dwellings built before 1900, and lowest in the more energy efficient dwellings built after 1980⁹. Lambeth has a high proportion of residential properties built pre-1900. Wards with a majority of older properties tend to have more hazards such as excess cold, fire & electrical issues, and damp and mould.

Antisocial Behaviour

There is a significant level of ASB linked to private rented properties across wards in Lambeth. Recorded ASB investigations in the PRS are managed in two categories: domestic noise (89%) and other ASB (11%). Other ASB consists of verbal abuse, harassment, intimidation, nuisance animals, nuisance vehicles, substance misuse, prostitution, rubbish and fly tipping.

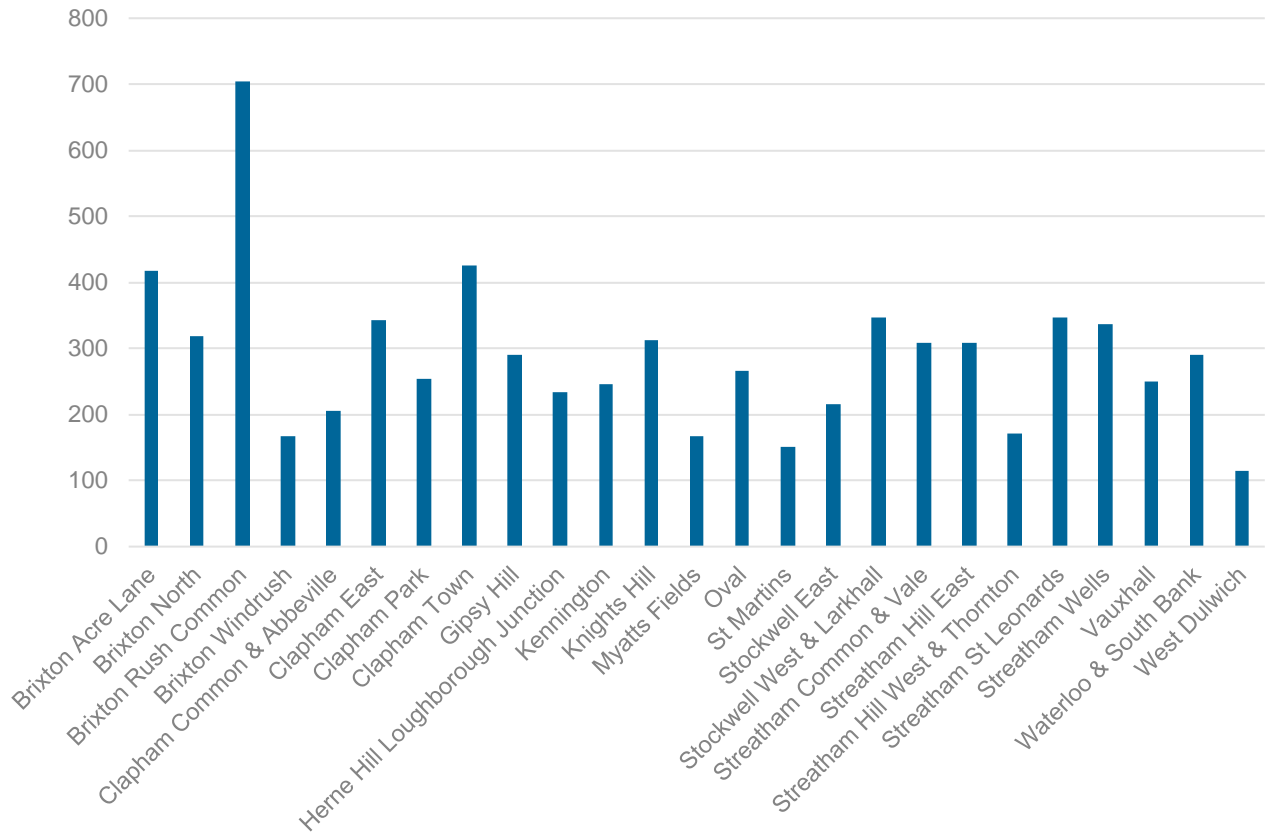
Over a three year period (2019-2022) 6,721 noise incidents and 415 other ASB incidents have been recorded across the borough. Brixton Rush Common has the highest levels of both noise incidents (670) and general ASB (64).



⁸ Health Equity in England: The Marmot Review 10 Years On, 2020 <https://www.health.org.uk/publications/reports/the-marmot-review-10-years-on>

⁹ Housing Health and Rating System, Operation Guidance, 2006

Noise incidents in PRS properties (2019-2022) (Metastreet)



There are also numerous PRS properties in all wards that have had two or more ASB and/or noise incidents, showing that some landlords are failing to take the appropriate action to deal with ASB in their properties when it first occurs.

5. Property licensing schemes

Private property licensing schemes require all landlords in a designated area to have a licence to rent out a privately-rented property. The aim of such schemes is to improve the private rented market by ensuring that the licence holder is a 'fit and proper' person to hold the licence and also that the property is of a decent standard for a landlord to rent out.

Licences come with conditions that relate to the use and management of the property. Some of these conditions are mandated by Government, however the Council has scope to add its own conditions that are tailored to dealing with specific problems in the designation relating to the private rented sector.

There are three types of property licensing schemes operating in England:

1. Mandatory HMO licensing

Mandatory HMO licensing operates across England and generally applies to all larger HMOs occupied by five or more persons in two or more households. It applies to shared amenities HMOs and does not include converted buildings. All local authorities in England must operate mandatory HMO licensing.

2. Additional HMO licensing

Additional HMO licensing is discretionary and applies to smaller HMOs and converted building HMOs which are not covered by mandatory licensing. Local authorities can opt to implement additional licensing should specific legal criteria be met. Additional licensing schemes last for up to five years, after which they expire.

3. Selective licensing

Selective licensing of other residential accommodation applies to all private rented properties and not just HMOs. Like with additional licensing, it is discretionary and can be implemented should specific legal criteria be met. Selective licensing schemes also can last for up to five years, after which they expire.

6. Property licensing schemes in Lambeth

In addition to the national mandatory HMO licensing scheme, in December 2021 Lambeth implemented a boroughwide additional HMO licensing scheme to ensure safety standards for tenants living in small houses in multiple occupation (HMOs).

The designation applies to most HMOs that do not fall within the scope of mandatory HMO licensing, including all properties shared by three or more people who are not all related and share facilities.

Since the introduction of the licensing schemes at the end of 2021, more than 2000 licences have been granted.

Licence type	Applications received	Licences granted
Mandatory	1006	622
Additional	3633	1605
TOTAL	4639	2227

Improvements in poor property conditions

Through the licensing schemes, the council has been able to improve basic standards, often in the most dangerous housing at the bottom end of the housing market, where some of the most vulnerable people in society live. All licences have conditions attached which must be complied with, allowing the council to regulate the PRS, improve housing conditions, and foster better management standards.

In particular, we have been able to impose a level of 'self-regulation' in the PRS, as landlords will not be granted a licence unless they are able to demonstrate at the time of application that they are a 'fit and proper' person to be the licence holder and also that the property complies with fire, gas and electrical safety conditions.

Licensing requires landlords to proactively manage their properties and take reasonable action to rectify any identified problems to ensure compliance with licence conditions.

Since the start of the licensing schemes, Lambeth's Private Sector Enforcement and Regulation team has issued more than 630 statutory notices encompassing the full scope of Housing and Environmental Health legislation. This has resulted in much needed improvements, and in raising the standards of poor accommodation across the borough for the benefit of many tenants.

Reduction in Antisocial Behaviour

Poorly managed privately rented properties have a negative impact on many neighbourhoods. In particular, high levels of noise complaints and accumulations of

rubbish can be linked to the failure of private landlords to manage their properties and tenancies effectively.

Poor waste management and fly tipping, particularly in HMOs, has been cited a major ASB issue in many wards. All HMO licences contain a condition that the licence holder must provide adequately sized bins and sufficient recycling containers for the occupiers. They must also display a notice for the occupiers of the property indicating the day of the week rubbish and recycling is collected. Through partnership working and sharing of intelligence, we continue to educate both landlords and tenants on their responsibilities in terms of waste disposal.

When a property is overcrowded, this is often linked to an increase in noise complaints. Through licensing, we have been able to limit the number of occupants in a property, reducing overcrowding and the likelihood of noise nuisance.

We have seen, through licensing, a notable increase in landlords managing their properties more effectively, in order to ensure they do not breach licence conditions. This includes the enforcement of tenancy rules to prevent ASB by tenants or their visitors.

Working with and supporting good landlords and agents

We recognise that the majority of landlords in the borough are both responsible and cooperative. Therefore, in the first phase of the scheme implementation, the department took a more educational approach, seeking to work with landlords and bring about compliance through informal means.

We have particularly encouraged landlords to become accredited to increase their professionalism in managing their properties. Through accreditation, landlords are able to achieve a level of knowledge and competence before letting a home, which is key to raising standards in the PRS. Accredited landlords are eligible to receive a £75.00 discount on the licence fee. As of October 2023, Lambeth had 2314 landlords accredited to the London Landlord Accreditation Scheme.

Detailed guidance for landlords on their legal obligations and responsibilities has been produced and made available online.

Through the licensing schemes, a database of more than 1700 landlords and agents operating in Lambeth has been compiled, supporting better communication and engagement with the sector

Supporting private rented sector tenants

In October 2020, Lambeth Council launched its Tenants' Charter. The charter outlines the rights of tenants in Lambeth and how the council can intervene if things go wrong with their homes. It is designed to support private sector tenants to ensure that their homes meet the standards required by law, with a priority given to those facing the worst conditions and standards.

In promoting tenants' rights and responsibilities, tenants' awareness of the minimum standards to be expected in rented accommodation has dramatically increased. Tenants have been encouraged to report landlords who do not comply with licensing conditions. Since the launch of the charter, the council has received more than 2100 requests for service from tenants in the PRS regarding disrepair, resulting in significant interventions and property improvements.

It is clear from running these schemes that licensing allows the council to work proactively with landlords and tenants. Licensing provides clear conditions for landlords to comply with, promotes an improvement in property conditions and enables ASB to be minimalised through better, more effective management. Licence conditions can be enforced against much more effectively and quickly than using other powers available to the council, such as Part 1 of the Housing Act (2004). Formal action under Part 1 is generally a slow process, with appeals allowed for most types of notices, which can significantly delay the time period for compliance.

Case study 1: Rogue landlord who illegally ran a bed-sit in the borough prosecuted.

Background

In April 2022 the council successfully prosecuted a rogue landlord who illegally ran a bedsit in the borough. The landlord was convicted of an offence under section 72 of the Housing Act 2004, namely managing and having control of a House in Multiple Occupation at Leigham Court Road, Streatham which was required to be licensed, but was not.

Outcome

A council investigation found that between July 2019 and January 2020, more than five individuals were living at the unlicensed property, paying a total of £4,240 per month in rent to the landlord.

The landlord was convicted for his actions and received a fine and costs totalling more than £7,500. The landlord will also be added to the national rogue landlord database so other councils will be aware of the case and can act accordingly.



A council spokesperson said: “Unscrupulous landlords who put profit ahead of their tenants’ safety and wellbeing will not be tolerated in our borough and we welcome the court’s decision. It is important to recognise the tireless work of the council’s teams in ensuring this was uncovered. This prosecution shows that Lambeth Council takes unlicensed HMOs very seriously and will pursue those in breach to ensure the safety and wellbeing of all our residents.”

We shall apply our knowledge and experience of managing HMO licensing schemes to any new selective licensing scheme.

We shall robustly enforce against any landlords who fail to obtain a licence, who deliberately fail to comply with licensing conditions, or whose properties present serious housing hazards.

7. Proposals for a selective licensing scheme

The PRS in Lambeth is affected by various housing issues. Most wards have poor housing conditions, which are worsened by other issues such as ASB, poverty, high rents, more private rented property evictions than the London average, fuel poverty and homelessness.

The council has been truly selective in proposing the areas for this licensing scheme. Thorough evidence gathering and research has been carefully carried out to ensure that the most severe problems in each ward can be dealt with. All properties in the designated areas that are rented to a single household (e.g., a family) or two unrelated sharers (e.g., two friends living together) will need to have a licence to be legally let.

We are therefore proposing, subject to consultation to introduce a selective licensing scheme that will come into force in two phases, with each phase running for five years.

The first proposed phase (designation 1) covers a total of four wards. Subject to consideration of the responses in the consultation process, the council is keen to seek to address the serious problems of poor property conditions in the four wards of Knights Hill, Streatham Common & Vale, Streatham Hill East and Streatham St Leonards as soon as reasonably practicable. These four wards are experiencing the highest levels of poor property conditions in the borough. The size of this designation, which affects less than 20% of the geographical area of Lambeth and less than 20% of its privately rented housing, means it can be agreed locally by the council's cabinet and could be implemented in late 2024.

The Cabinet decision on whether to designate other areas in the second phase, as set out below, will be brought to a subsequent Cabinet to give further consideration to the larger designation, as well as giving time to scale up resources and systems to administer and enforce a larger designation.

The second phase (designation 2) covers a total of 19 wards. The size of this designation, which affects more than 20% of the geographical area of Lambeth and more than 20% of its privately rented housing, means that if agreed by Lambeth Council, this designation would need confirmation by the Department of Levelling up Housing and Communities (DLUHC). If approved, designation 2 could be introduced in early 2025.

Phase 1 (designation 1)	Knights Hill, Streatham Common & Vale, Streatham Hill East Streatham St Leonards
Phase 2 (designation 2)	Brixton Acre Lane, Brixton North, Brixton Rush Common Brixton Windrush, Clapham Common and Abbeville, Clapham East, Clapham Park, Clapham Town, Gipsy Hill, Herne Hill and Loughborough Junction, Kennington, Myatts Fields, Oval, St Martin's, Stockwell East, Stockwell West and Larkhall, Streatham Hill West and Thornton, Streatham Wells, West Dulwich

Data summary for the borough

Wards	Designation Criteria	
	High proportion of PRS (above the national average of 19%)	High proportion of PRS with poor housing conditions
Brixton Acre Lane	✓	✓
Brixton North	✓	✓
Brixton Rush Common	✓	✓
Brixton Windrush	✓	✓
Clapham Common and Abbeville	✓	✓
Clapham East	✓	✓
Clapham Park	✓	✓
Clapham Town	✓	✓
Gipsy Hill	✓	✓
Herne Hill and Loughborough Junction	✓	✓
Kennington	✓	✓
Knights Hill	✓	✓
Myatts Fields	✓	✓
Oval	✓	✓
St Martin's	✓	✓
Stockwell East	✓	✓
Stockwell West and Larkhall	✓	✓
Streatham Common and Vale	✓	✓
Streatham Hill East	✓	✓
Streatham Hill West and Thornton	✓	✓
Streatham St Leonard's	✓	✓
Streatham Wells	✓	✓
<i>Vauxhall</i>	✓	X
<i>Waterloo & South Bank</i>	✓	X
West Dulwich	✓	✓

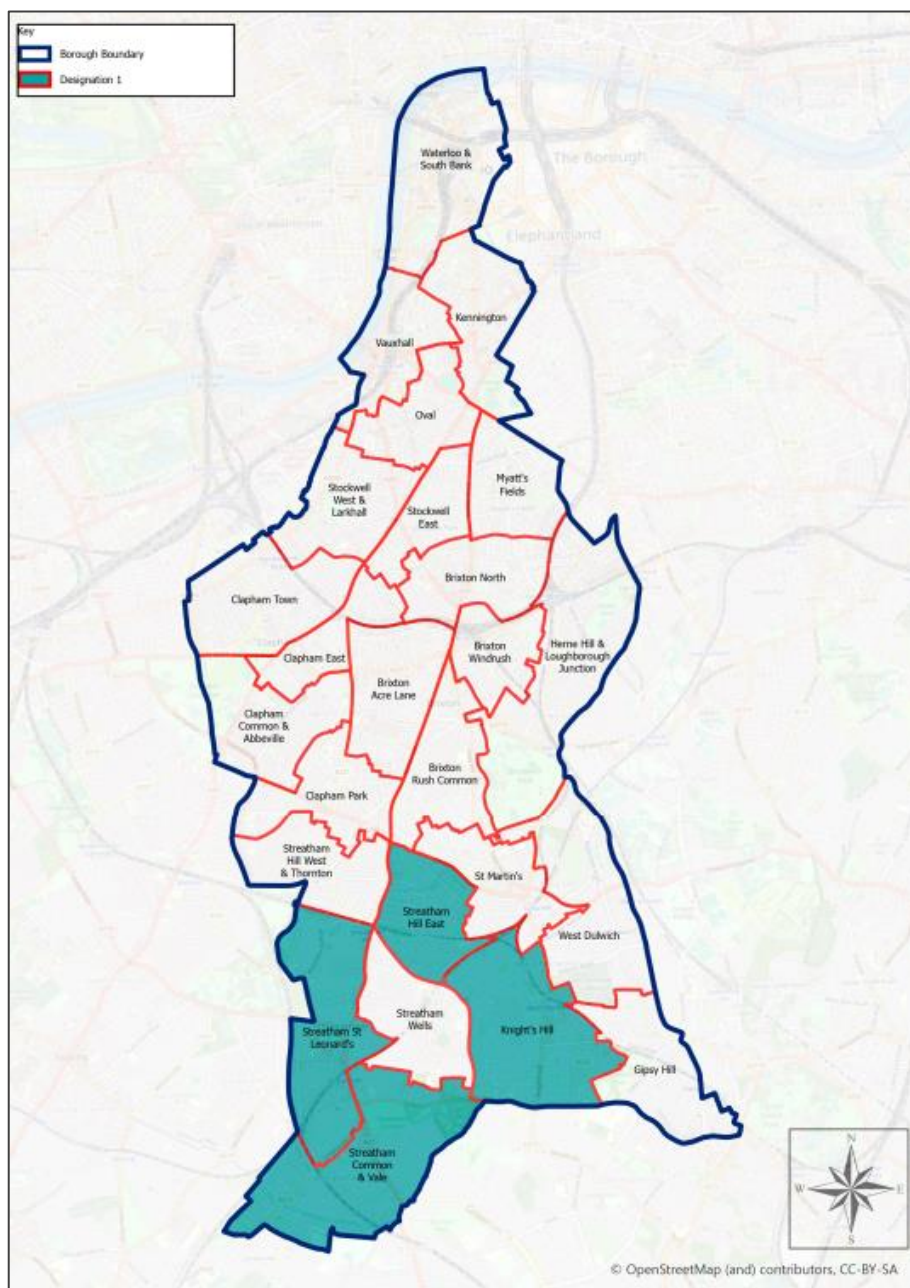
7.1 Phase 1: Designation 1 - poor housing conditions

Which wards are included in this designation?

The following four wards are included in this designation:

Knights Hill	Streatham Hill East
Streatham Common & Vale	Streatham St Leonards

These wards have a high proportion of properties in the PRS (above the national average of rented properties).

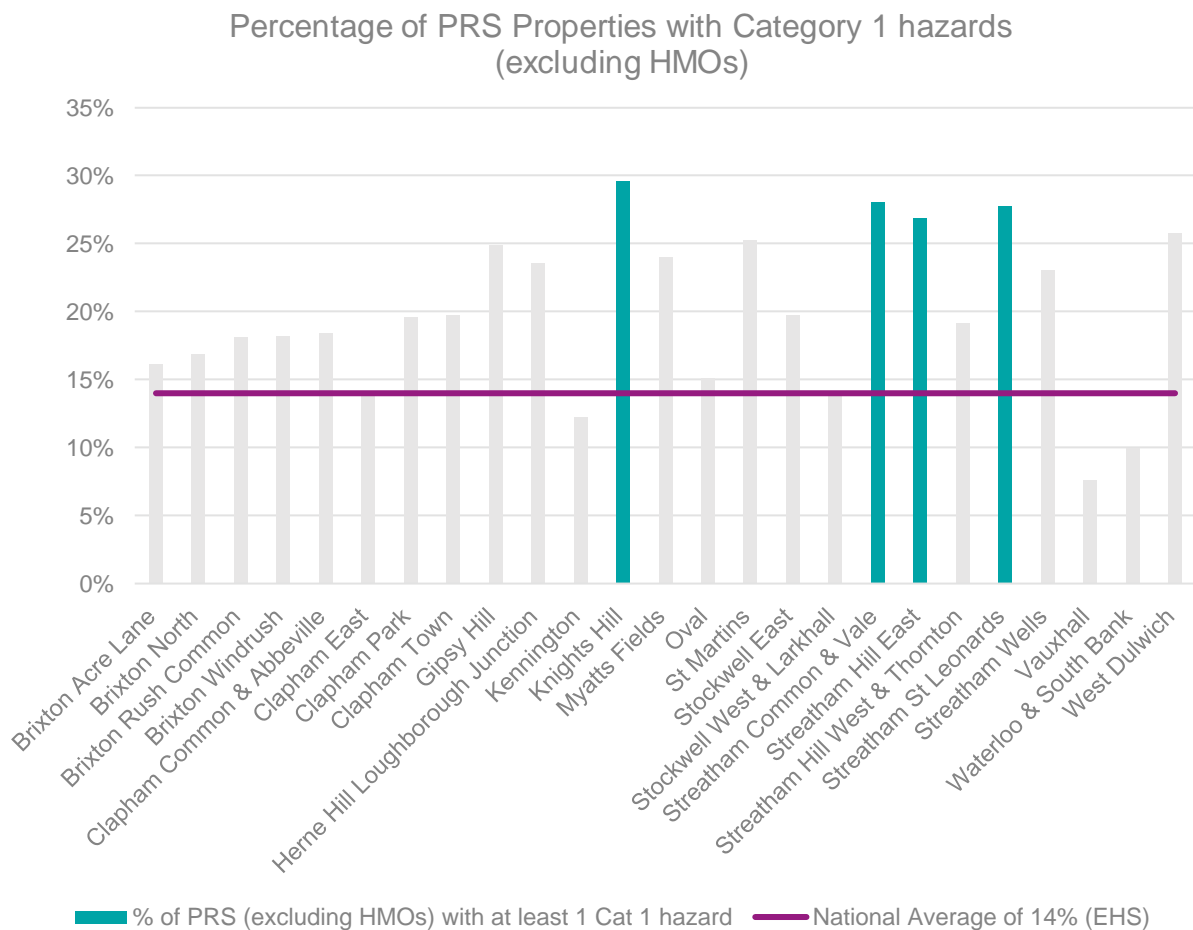


What is the evidence of poor housing conditions in this area?

Our evidence shows that the four wards in designation 1 have the highest percentage of PRS properties in the borough with predicted Category 1 hazards: Knights Hill (30%), Streatham Common & Vale (28%), Streatham Hill East (27%) and Streatham St Leonards (28%). The proportion of properties in each ward with predicted category 1 hazards is also double the national average for PRS of 14%.

Overall, in these four wards, there are 2532 properties in the PRS that are predicted to have category 1 hazards. Fire, electrical and gas hazards, excessive cold, damp and mould are all considered 'category 1' hazards.

It is also highly likely that these properties will also have at least one category 2 hazard. A significant number of these properties would need to be inspected to accurately identify and assess the presence of category 1 or 2 hazards.



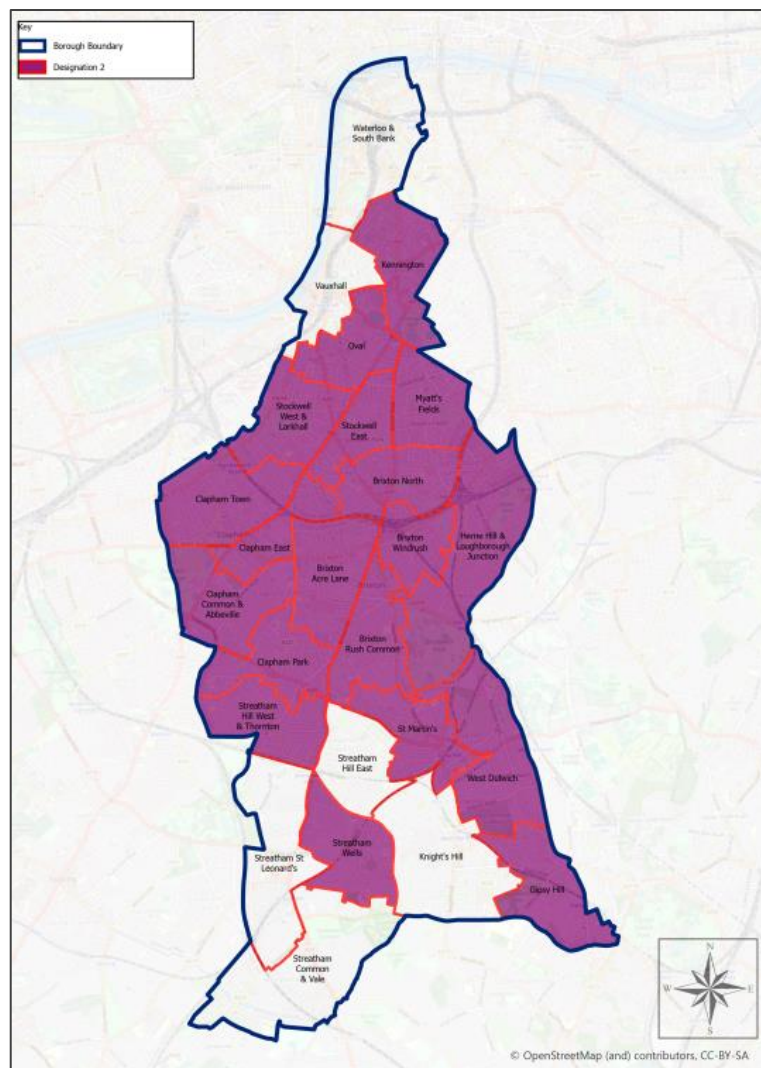
7.2 Phase 2 - Designation 2: poor housing conditions

Which wards are included in this designation?

The following nineteen wards are included in this designation:

Brixton Acre Lane	Kennington
Brixton North	Myatts Fields
Brixton Rush Common	Oval
Brixton Windrush	St Martin's
Clapham Common and Abbeville	Stockwell East
Clapham East	Stockwell West and Larkhall
Clapham Park	Streatham Hill West and Thornton
Clapham Town	Streatham Wells
Gipsy Hill	West Dulwich
Herne Hill and Loughborough Junction	

These wards have a high proportion of properties in the PRS (above the national average of rented properties).

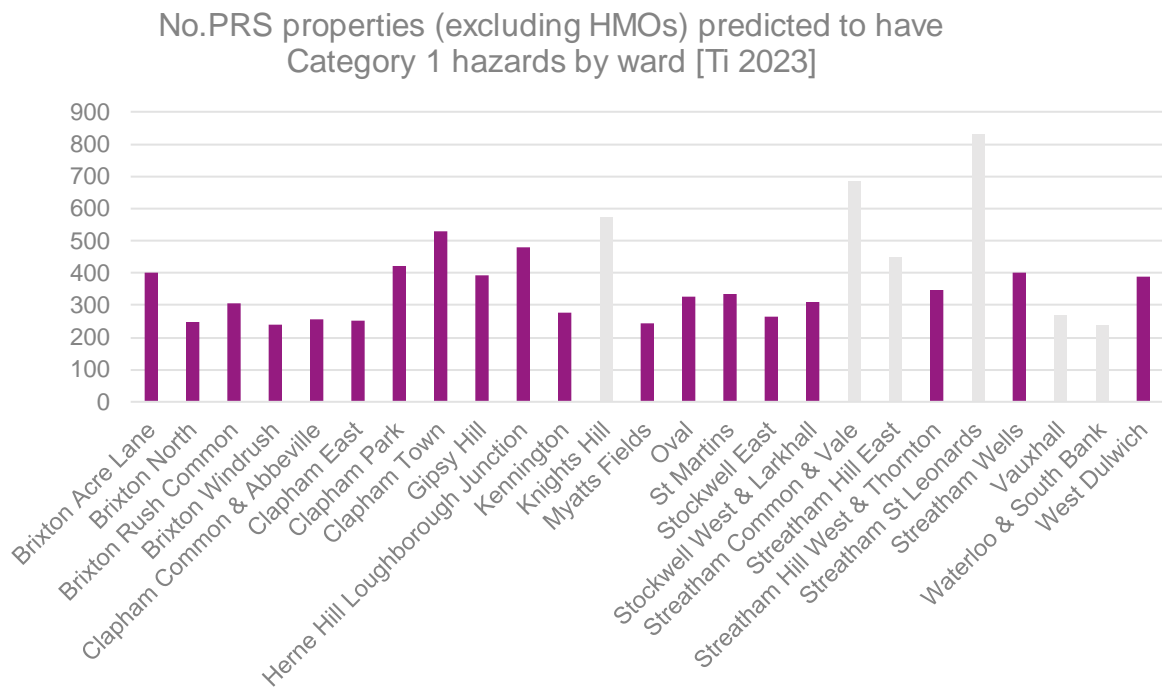


What is the evidence of poor housing conditions in this area?

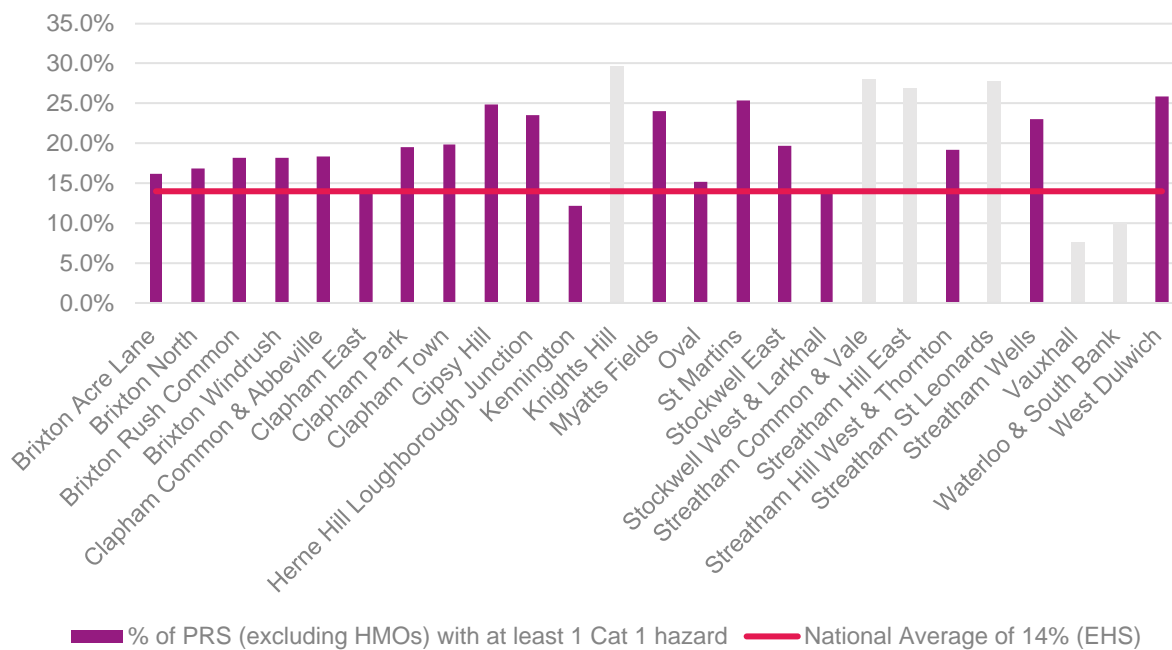
Our evidence shows that the 19 wards in this designation are predicted to have PRS properties that have unacceptably high levels of category 1 hazards.

18 of the 19 wards in this designation are predicted to have properties with levels of category 1 hazards that are higher than the national average for PRS of 14%. One ward (Kennington) falls just below the national average at 13%. There may be at least 6409 PRS properties in this area that have a category 1 hazard, a large proportion of which will need to be inspected to ensure the safety of the tenants that live in them.

Complaints made by PRS tenants to the council about poor property conditions and inadequate property management are a direct indicator of the poor quality within the PRS. Lambeth received 1800 complaints from tenants in these 19 wards over a three year period (2019-2022).



Percentage of PRS (excluding HMOs) with at least 1 Category 1 hazard
(as a percentage of total ward PRS)

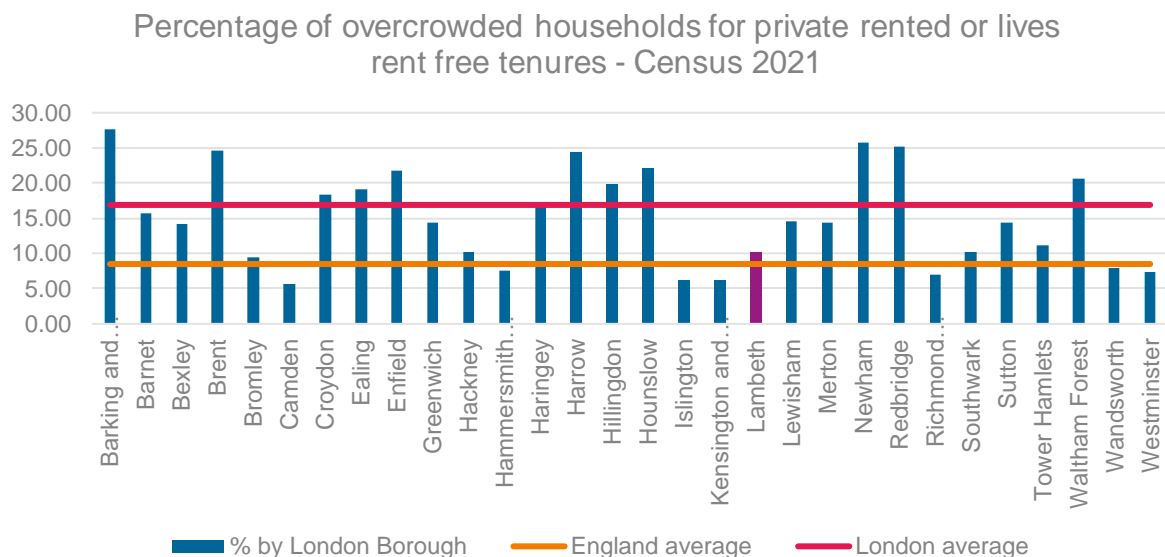


7.3 Other factors impacting poor property conditions

Overcrowding

The proportion of overcrowded households in Lambeth's PRS is higher than the national average (8.6%). Overcrowding exacerbates hazards such as damp and mould due to the increased laundry and cooking activities required to cater to more people in a confined space. Insulation and ventilation can't generally cope with the extra demand. The Housing Health and Safety Rating System states that 'crowded conditions can result in a moisture burden above that which the dwelling is designed to safely deal with, and this can be a cause of condensation and high humidities, giving rise to associated health risk'¹⁰.

Evidence indicates that poor housing and overcrowding negatively affect physical and mental health and can also have a major impact on educational achievement¹¹. For example, children's education may be affected by overcrowding directly, through a lack of space for homework, as well as indirectly because of school absences caused by illness.



Poverty

With growing pressure on household finances because of increasing energy costs, and wider concerns about the cost of living, there are concerns that households are choosing between “heating or eating” over the winter months. In 2022, the media reported widely on poor conditions caused by damp and mould in social and private rented housing. This was preceded by reporting on the case of two-year old Awaab Ishak who died in 2020 due to prolonged exposure to mould in his home¹².

Two in five children who live in Lambeth experience child poverty after housing costs. Lambeth has the eighth highest rate of child poverty in London¹³

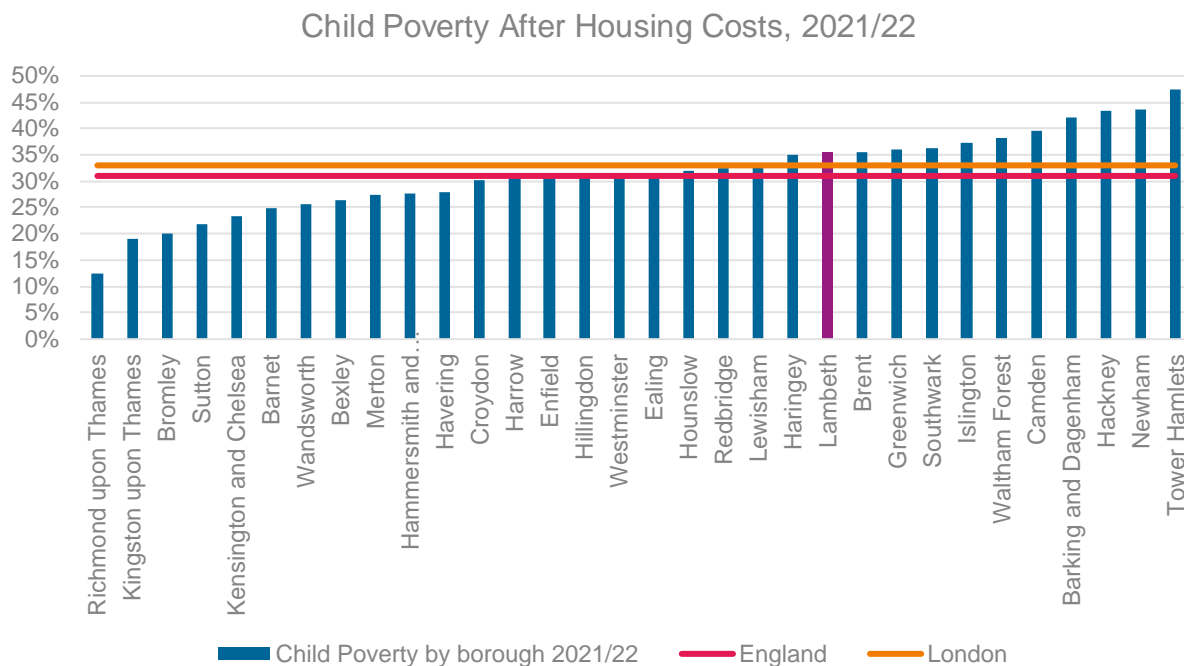
¹⁰ [Housing Health and Safety Rating System \(HHSRS\)](#)

¹¹ [The impact of bad housing on children's lives](#)

¹² [House of Commons Research Briefing: Health inequalities: Cold or damp homes, February 2023](#)

¹³ [Child Poverty Statistics - End Child Poverty](#)

As the cost of living crisis continues, it is likely that many households with children will be unable to afford to put the heating on, making homes more susceptible to damp, mould and cold. Children aged 14 years or under are at the greatest risk of ill health caused by damp and mould in their homes¹⁴.



¹⁴ [Housing Health and Safety Rating System \(HHSRS\)](#)

7.4 Addressing poor housing conditions in the designated areas through licensing

The designation of these twenty three wards will allow the council to bring about an improvement to housing conditions in the area during the life of the scheme. Our evidence shows that a high proportion of PRS properties in the proposed designated area are predicted to have unacceptably high levels of category 1 and 2 hazards. The council believes it is necessary to inspect a large number of these properties to accurately identify the type and severity of category 1 or 2 hazards present. If any hazards are found, the council will take the required enforcement actions to rectify them.

There are proposed licence conditions relating to the standard and management of the rented properties. Higher risk properties will be prioritised for inspection by officers to check for hazards and compliance with the licence conditions. This will allow the council to take enforcement action (under Part 1 of the Housing Act), where necessary, to improve properties.

The council will expect property condition issues identified during an inspection to be resolved within a reasonable period, depending on the severity of the issue. Improvement Notices, Overcrowding Notices and Prohibition Orders are formal notices that may be issued to bring about improvements in properties. The council charges the landlord if a formal notice is issued.

Landlords who fail to license their properties could also receive a civil penalty or may be prosecuted.

The licence conditions will be used to ensure continued compliance with property conditions and standards to prevent a further deterioration in privately rented properties.

Landlords will be able to access information on the council's web site and through forums (either in person or online) to help them improve their property management skills.

We will also continue to work with the local Police, the London Fire Brigade, UK Border Agency and other council departments to identify properties that need improvement. The council will work with landlords to address poor property conditions and help them to comply with the licence conditions in these wards.

Case study: Two bedroom rented flat with severe damp and mould

Background

A tenant contacted the Private Sector Enforcement & Regulations service after she received a 'damp and mould' leaflet from the council explaining tenants' rights. The tenant stated that she had lived in the property for three years with her 10-year-old daughter and the property was covered in black mould. Her daughter suffered with asthma and had poor attendance at school as she had a continuous cold or chest infection. The tenant had reported the problem to the landlord on many occasions, but he refused to take action and said it was condensation that simply needed to be wiped away.

Hazards identified.

Lambeth Council authorised officer undertook a scheduled inspection of the property under Part 1 of the Housing Act 2004 and found a number of Category 1 and 2 hazards including damp and mould due to the presence of severe and extensive mould growth throughout the property and domestic hygiene and pest due to active pest infestation.



Council Action

The council served an enforcement notice on the landlord, requiring specified remedial works to be carried out to address the poor condition of the property. Further action could only be taken against the landlord if he failed to undertake works specified in the notice.

Licensing Status

The property was not licensable because it was occupied as a single household dwelling. Therefore, the current Mandatory and Additional HMO licensing regimes within the borough do not apply.

As a consequence, the poor management issues identified in the single household property could not be tackled because the 'fit and proper person' criteria applicable to landlords/managers of HMOs do not apply in this case.

There is no provision within the current housing legislation to prevent landlords/managers of single household dwellings within the borough to manage properties such as these in this way and profiting from the rental income received.

The proposed selective licensing scheme would bring this type of property within licensing controls (in the designated area).

7.5 Why are Vauxhall and Waterloo & South Bank not included in the selective licensing scheme proposals?

The two wards of Vauxhall and Waterloo & South Bank are currently not being included in the selective licensing scheme proposals. Although these wards have high levels of PRS properties, these tend to be relatively new builds and therefore do not have the high levels of housing hazards that we see in other parts of the borough. Waterloo & South Bank has the lowest number of dwellings in the borough with at least one Category 1 Hazard (237).

The council considers it more appropriate to be selective in its approach and focus resources on the worst affected areas. However, these wards will be kept under review and a third designation could be considered should the evidence change.

7.6 Proposed selective licensing scheme conditions

There are two types of conditions that can be applied to a selective licensing scheme: mandatory and discretionary. The mandatory conditions are required by law (Schedule 4 of the Housing Act 2004) and must be included in a licence. These mandatory conditions do not form part of the consultation.

The discretionary conditions are part of the consultation and the council can decide on these in order to deal with the management, use and occupation of the licensed property.

In some circumstances, for a particular property, where the council believes there are specific issues not being covered by the discretionary conditions, additional or more specific conditions can be added.

The proposed selective licence conditions are attached as **Appendix 2**. These licence conditions form part of the consultation and the council welcomes any views on them.

7.7 Proposed selective licensing fee

Licence applicants will be required to pay a fee for each property that needs a licence. The proposed selective licence fee is £923 per property.

The council is required to split the fee into two payments. The initial part of the fee (£650) is charged to cover the cost of processing the application. If the application for a licence is successful, the remainder of the fee (£273) will be charged before the full licence is issued. This part of the fee is a contribution to the other costs incurred by the council in running and administering the licensing scheme, for example the cost to the council for enforcement of licences. Licence fees cannot be used elsewhere in the council or used to generate a profit.

We are also proposing to offer a £75 discount to applicants who are members of a Landlords Accreditation Scheme.

The proposed schedule of fees, charges and discounts is attached as **Appendix 3**. These fees form part of the consultation and the council welcomes any views on them.

7.8 Selective licensing exemptions

Some properties do not require a licence and will be exempt from the selective licensing scheme including:

- a) properties licensable as a mandatory or additional HMO
- b) properties let by a local authority or a Registered Provider (RP), traditionally known as a not-for-profit housing association
- c) properties already subject to a management order
- d) properties subject to a temporary exemption notice
- e) owners who reside in the property they own as their main residence (owner-occupiers)
- f) holiday lets; and tenancies under a long lease and business tenancies
- g) any building which is occupied principally for the purposes of a religious community whose principal occupation is prayer, contemplation, education or the relief of suffering
- h) student accommodation directly managed by educational institutions, e.g. halls of residence
- i) properties managed by a charity registered under the Charities Act 2011 and which—
 - a. is a night shelter, or
 - b. consists of temporary accommodation for persons suffering or recovering from drug or alcohol abuse or a mental disorder.

A full list of exemptions can be found at [The Selective Licensing of Houses \(Specified Exemptions\) \(England\) Order 2006 \(legislation.gov.uk\)](#)

8. Alternatives to licensing that have been considered

It is our belief that introducing a selective licensing scheme is the most effective means of tackling poor housing conditions in the borough. The licensing scheme will enhance the council's ability to use its existing powers and enable it to target action towards the most problematic housing in the borough.

We have considered other courses of action, or alternatives, to the selective licensing proposals, but we do not believe that they provide as effective means of tackling poor housing conditions in the borough. The following alternative options have been considered:

Alternative measure	Strengths	Weaknesses
Use of Part 1 Housing Act 2004 enforcement powers [HHSRS] and Public Health powers	<p>Following an investigation, formal statutory notices can be served that require improvements to be carried out to a property.</p> <p>Councils can carry out work in default if a notice is not complied with.</p> <p>Landlords risk being prosecuted if they do not comply with the notice or the council can impose a civil penalty on the person responsible.</p>	<p>The powers do not place any obligation on landlords to be proactive in improving conditions.</p> <p>Formal action is generally slow, with appeal provisions against most types of notices served, which can significantly delay the time period for compliance.</p> <p>Work in default can be effective but it is expensive and time consuming to the council, with the risk that not all costs are recovered.</p> <p>Successful prosecutions and civil penalties do not in themselves secure improvements in property conditions and the council's costs in pursuing legal action are often not met in full.</p>
Rely on prosecutions and civil penalties for housing offences	<p>Provides a disincentive to keep properties in poor conditions.</p>	<p>These powers do not place any obligation on landlords to be proactive in improving conditions.</p> <p>Successful prosecutions, or the imposition of civil penalties, do not in themselves secure improvements in property conditions.</p> <p>The absence of licensing significantly reduces the scope of the council to impose civil</p>

Alternative measure	Strengths	Weaknesses
		penalties in respect of identified housing breaches.
Wider promotion of voluntary accreditation schemes to facilitate improvement in management practices and standards	For those landlords who take part, accreditation can increase their knowledge and competence and their ability to effectively manage a property.	This requires voluntary landlord engagement and rogue operators are unlikely to attend/engage in such schemes.
Improvement grants to improve substandard properties	Grants subsidise improvement works, improving standards and giving benefits for landlords and tenants.	<p>Generally, there are few grants available, and the council has very limited scope to offer grants through successful external funding bids.</p> <p>In the most part, grant awards would fund improvements that the landlord should be carrying out to meet their legal obligations.</p> <p>Any grant scheme would be discretionary and would rely on voluntary landlord engagement.</p>
ASB powers	<p>Formal notices can be served at addresses identified as having ASB issues.</p> <p>This can resolve ASB at the particular address.</p>	<p>Action would generally be taken against the tenant in occupation. The powers do not place any obligations on landlords to be proactive in managing their properties to prevent or reduce the likelihood of ASB occurring.</p>

9. Proposed scheme objectives

Licensing is a crucial part of the council’s comprehensive strategy to improve the PRS and deliver better standards for private renters. The council has implemented a range of initiatives and methods to achieve this goal, and licensing is one of them. Licensing places the responsibility on landlords to inform the council that their property is licensable and to ensure that they meet the required standards with the council's support. The council can then prioritise its resources effectively to deal with the properties of most concern and target enforcement actions to those landlords who fail to license their properties and/or breach licence conditions.

The selective licensing scheme will be assessed against the following scheme objectives:

	Objective	Outcome
1.	Improve housing conditions by eliminating poor standards of management in the PRS.	<p>Licensed properties are monitored, and licence conditions enforced.</p> <p>Category 1 and 2 hazards are reduced.</p> <p>Poor property conditions are improved.</p> <p>Health, safety, and welfare of tenants is improved.</p> <p>Appropriate enforcement action is taken against those landlords who fail to license or breach licence conditions.</p> <p>Tenants will see economic benefits such as reduced heating costs, bringing them out of fuel poverty.</p>
2.	Improve the management of private rented properties and reduce ASB in the PRS.	<p>Working with partners, proactively target nuisance areas to reduce poor management in the PRS.</p> <p>Reduction in ASB incidents.</p> <p>Reduced ASB will improve problem areas, making these areas safer and more desirable places to live in.</p>
3.	Improve the working relationship between the council and private sector landlords.	Landlords are kept informed through targeted newsletters.

Objective	Outcome
	<p>Greater number of landlords become accredited.</p> <p>Greater protection of vulnerable groups, who are often occupiers of privately rented accommodation which is poorly managed and maintained.</p>
4.	<p>Increased awareness in tenants on the minimum standards to be expected in rented accommodation.</p> <p>Information for tenants on the local licensing scheme advertised and third-party support for tenants is available.</p> <p>Improved tenants' support through work with third parties.</p> <p>Improved protection for vulnerable groups and communities, and improved communication between landlords and tenants.</p>

10. Licensing and wider council strategies

The licensing proposals are set in the context of the council's wider programmes to tackle housing need, increase sustainability, improve property standards and reduce ASB.

Council Borough Plan

Lambeth Council's 2030 vision, "[Our Future, Our Lambeth](#)," aims to create a borough that is healthier, safer, more sustainable, and active in tearing down deep-rooted inequalities. This vision is guided by three key ambitions:

1. Making Lambeth neighbourhoods fit for the future
2. Making Lambeth one of the safest boroughs in London
3. Making Lambeth a place we can all call home

A selective licensing scheme will contribute to the council's 2030 vision and assist in achieving its key ambitions and deliver better standards for private renters. Licensing schemes promote healthier, safer neighbourhoods, sustainability through energy efficiency standards, and equality by ensuring safe, healthy living conditions for all residents regardless of tenure.

Housing Strategy

The council has recently consulted on a new [Housing Strategy](#) for 2023 onwards. The draft strategy recognises there are many housing challenges facing Lambeth and sets out how these will be addressed across three priority themes:

1. More Affordable Homes
2. Delivering Excellent Housing and Repair Services
3. Supporting Healthy and Safe Neighbourhoods

The draft Housing Strategy 2023-2030 identifies the need to provide better standards for private renters. Eliminating poor performing private sector landlords throughout the borough remains a priority, and the council will seek to implement new licensing measures to drive improvements into this crucial part of the borough's housing offer.

Homelessness Strategy

Like many areas, Lambeth has a growing homelessness challenge and is under increasing pressure to find suitable temporary accommodation for families. The [Homelessness and Rough Sleeping Strategy](#) comprehensively sets out Lambeth's approach, based around five priorities:

1. Ensuring that all people sleeping rough in Lambeth are supported off the streets, assisted in improving their lives and do not return to the streets.
2. Preventing homelessness by supporting households to remain in their homes or helping them to find alternative accommodation.

3. Establishing effective pathways internally, with public authorities and partner agencies, to prevent homelessness.
4. Making sure there is a supply of suitable accommodation for people to move into.
5. Improving the supply and sustainability of Temporary Accommodation.

Through the implementation of a selective licensing scheme, the council will be able to enhance its work with landlords, improving their professionalism and understanding of legal obligations. This, along with tenant education on rights and responsibilities, will support tenancy sustainment in the PRS and help in reducing homelessness in the borough.

Lambeth Climate Action Plan

As the first borough in London (2019) to declare a climate emergency, we have made a bold commitment to be a net zero council and to support the borough to achieve net zero compatibility by 2030. The [Lambeth Climate Action Plan](#) recognises the link between fuel poverty and energy and emissions, and that better insulating homes and making them more energy efficient are key actions in combatting both.

Selective licensing will contribute to achieving Lambeth's climate change vision by enforcing energy efficient standards in the PRS, helping to reduce the overall energy consumption and carbon emissions of the borough.

Empty Properties

As part of the draft Housing Strategy, we have made a commitment to making better use of existing homes. The council recognises that empty properties are a wasted resource for both the community and the owner and can cause a variety of issues such as reducing the supply of housing and attracting ASB. Bringing empty properties back into use is a priority for the council, and clamping down on those landlords that keep homes empty for years on end is a key step to increasing the supply and availability of affordable homes in the borough.

Bringing empty properties up to standard and back into use as decent liveable homes is complementary to the objectives of the proposed selective licensing scheme.

ASB

As outlined in the draft Housing Strategy, we are committed to working with tenants, residents and external partners to ensure that steps are taken to tackle ASB. The borough's Community Safety Partnership (CSP) vision is one where 'Lambeth is a place where crime continues to fall every year, where ASB is not an issue for the community and where people feel safe to live, work or socialise in any part of the borough at any time of the day or night'.

To tackle ASB problems, we have made it conditional on all private landlords who hold licences under the selective licensing scheme to prevent and combat ASB associated with properties they manage. Section 57(5) of the Housing Act 2004 gives a definition of ASB for the purposes of licensing under Part 3 of the Act.

We will use all tools and powers available to support those affected by ASB and to take action, including prosecution, against licence holders who do not take adequate steps to tackle ASB. The Housing Act 2004 refers to an offence being committed if a landlord breaches a condition of a licence without reasonable excuse.

11. Further information

The Public Sector Equality Duty (PSED), section 149 of the Equality Act 2010 requires the council to have “due regard” to its equality aims when exercising its public functions. Lambeth believes that an Equality Analysis (EA) is the best method to demonstrate compliance with the PSED. An equality analysis was carried out as part of these proposals. The results of the EA are attached as **Appendix 7**.

12. Appendices

Appendix 1	Housing Stock and Stressors Report, Metastreet, 2022
Appendix 2	Proposed Selective Licence Conditions
Appendix 3	Proposed Schedule of Fees, Charges and Discounts
Appendix 4	Map of proposed Designation 1
Appendix 5	Maps of proposed Designation 2
Appendix 6	Maps of proposed Designation 1 and 2
Appendix 7	Equalities Analysis