

# Equalities Analysis in Lambeth

## Proposal Title \*

Consultation on Proposals to Introduce Additional Licensing of Houses in Multiple Occupation.

## Author

Mark Preston

Please provide name of lead author and/or those within project team who may be required to contribute to this assessment

## Who will sign off the assessment?

Nigel Lambert

Please indicate who will be involved in approving this assessment. This will need to be signed off by the designated Head of Service or Director

## Q1a. What is changing?

The proposed introduction of a borough wide additional HMO licensing scheme under Part 2 of the Housing Act 2004, in order to monitor and improve standards, management and tenancy arrangements in HMO properties not currently covered by Mandatory Licensing. Parties affected:

- **Landlords (freeholders and leaseholders)** - May be required to apply for a licence for their properties, and subsequently comply with and maintain required standards.
- **Managing agents** - May be required to apply for a licence for properties they manage, and subsequently comply with and maintain required standards.
- **Tenants of HMO accommodation** - Will benefit directly because their landlord will be required by law to improve and maintain standards of fire safety, security and management.
- **People living in the vicinity of Houses in Multiple Occupation** - Licensing of this type of property is an effective tool for helping control anti-social behaviour and related disturbance.

Under the Housing Act 2004 an HMO is either:

A building occupied by three or more persons living in two or more households (which can be a single person, a cohabiting couple or a group of related people), where there is a sharing of some or all amenities.

Or

A building converted into flats where the conversion fails to meet the 1991 Building Regulations and a third or more of the flats are privately rented.

The London Borough of Lambeth is proposing to designate an Additional HMO Licensing Scheme for a five-year period to cover the entire Borough. The scheme is proposed to cover all types of HMOs (except those already covered by the mandatory HMO licensing scheme), e.g. bedsits, shared accommodation, room rents as well as buildings that are poorly converted into flats, regardless of storey height or how many people are accommodated.

The scheme would cover approximately 5,000 HMOs and would be used to assist in improving the quality, the management and the tenancy arrangements of HMOs. This would mean that whilst a scheme is in operation:

- Landlords of HMOs would require a licence for each of their HMOs
- HMO landlords and managers will have to be 'fit and proper' to hold a licence (see glossary)
- HMO landlords and managers will have to meet the conditions attached to a licence
- HMO landlords must provide proper and effective management and supervision of HMOs
- HMO landlords must provide proper tenancy arrangements for their tenants
- A licence will specify the numbers of individuals and households that can be accommodated by the HMO

A scheme would not cover:

- Owners who reside in property they own as their main residence (owner-occupiers)
- Homes let to tenants of registered social landlords and housing providers (housing associations)
- Homes let to up to two single people who are unrelated or single family dwellings where a dwelling is occupied by one household
- Those places specifically excluded from the legislation such as care homes, accommodation run by certain statutory agencies, etc.
- Student accommodation directly managed by educational institutions, e.g. halls of residence (but not those where students have tenancies with private landlords will be licensable)
- HMOs that already require licensing through the London Borough of Lambeth 's mandatory licensing scheme, which covers HMOs that are occupied by 5 or more persons residing in 2 or more household's where there is some sharing of amenities
- HMOs subject to management orders and exemption notices (see glossary)
- Homes with up to 2 lodgers
- 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

What is the most significant or key change taking place? Can you indicate the type of change in your response (e.g. policy/decision/strategy/ service/procedural/ geographic/procurement etc.) so it is clear what is being equalities assessed? Why is this change happening? What do you aim to achieve? Can you clearly indicate what decision-makers are being asked to take a decision on?

Read more



## Q1b. Who will be involved in approving this decision?

Legal, Finance, Cabinet Member, Strategic Director

Who else will be involved in signing-off this decision?

Read more



## Q2a. What do we know about the people who will be impacted by this change?

Privately rented homes make up approximately 35% of the total housingstock in Lambeth. 10% of the PRS is HMOs. The market is wide and caters for very vulnerable households through to high end homes.

### **Disability or Impairment**

Licensing must take into consideration whether any occupants of a licensable property would be considered vulnerable, whether in terms of disability, age, etc. This is to ensure that no works asked for or conditions applied to the licence will have an adverse impact on persons with disabilities, e.g. creating a means of escape that may adversely affect someone with a disability to evacuate safely.

### **Age**

Elderly persons and persons under 16 are taken into account when forming a risk assessment of the property. If either is present, a higher risk level may be awarded on the basis of vulnerability in the case of an emergency, i.e. means of escape.

### **Sex (Gender)**

No evidence or data to suggest additional licensing would have any gender related impact.

### **Race and Ethnicity (including language)**

Issues around understanding of legislation, language barrier, etc.

The demographic profile of Lambeth shows a diverse population. This includes specific issues around a 'migrant housing market'. Issues of overcrowding, unsatisfactory housing conditions, exploitation and poor safety standards. There is also present an issue where these groups do not want the involvement of Lambeth as it may result in their landlord relocating or evicting them. This creates a hidden community, which is difficult to access.

Licensing should make a positive impact as it is the landlord that will have to license the property with us rather than the Service actively seeking out these properties.

Lambeth will continue to ensure translation/interpretation services are available where needed.

Lambeth will ensure the online application process and associated literature/web content about the scheme is accessible, consistent and in plain English.

### **Religion or Belief**

No evidence or data to suggest additional licensing would have any religion/belief related impact.

### **Sexual Orientation**

No evidence or data to suggest additional licensing would have any sexual orientation related impact.

### **Gender reassignment**

No evidence or data to suggest additional licensing would have any gender reassignment related impact.

### **Pregnancy and Maternity**

Licensing must take into consideration whether any occupants of a licensable property would be considered vulnerable and take measures to mitigate the risks to health and safety. Specific risks to this group would be personal hygiene, food safety and slips, trips and falls.

Licensing will see these risks appropriately assessed and where necessary works required to mitigate against the risk found. In addition licensing will require adequate levels of management of the HMO, which includes, cleaning and the provision of adequate amenities, offering far greater protection to this group.

### **Marriage/Civil partnership**

No evidence or data to suggest additional licensing would have any marriage/civil partnership related impact or related employment issues for this group of people.

### **Social and economic exclusion**

Overall the impact of additional licensing on tenants would be positive as the primary remit is to address risk and safety of occupants, particularly where vulnerability exists. Economic exclusion may result in terms of the costs involved with licensing a property and meeting the standards required by the licence, i.e. that the costs will be passed onto the tenants of the leaseholders. This will be compounded by the continued changes to housing welfare.

Evidence from mandatory licensing suggests that although there may be an initial dip in the accommodation provided, as irresponsible landlords move away from the market, responsible landlords will fill the gap and the 'licence' will become a market incentive for tenants looking for affordable, good quality and well managed accommodation.

Particular care should be taken to ensure that our guidance and literature explain the legislation and requirements of licensing in a clear and concise way, so as not to exclude anyone with learning or educational difficulties.

Tenants of HMOs may not be aware of the legislation, their rights and responsibilities as tenants, and the responsibilities of their landlord. The scheme present a vehicle for ensuring guidance is fully available for tenants.

### **Landlords/Agents**

Landlords/agents can be from any group. The proposals do not favour any one group over another. The premise is simple, if a landlord/agent operate an HMO in the borough they will need to licence. Lambeth will continue to ensure translation/interpretation services are available where needed.

Issues between responsible landlords coming forward to license their properties and finding those who don't come forward. Awareness raising of prosecutions, civil penalties and proactive targeting will be used.

Licensing can be perceived as being costly to landlords, though it is often the cost of improvements that are actually where the greatest cost would be for those landlords operating sub-standard HMOs. As part of the promotional work around licensing will be an emphasis on what a landlord is purchasing when they license their HMO, the reasons for doing so and guidance on how the fees are calculated. The fee would be payable in two parts (to meet legal requirements), an initial fee at the point of application and the final fee at the point the licence is issued. The fee covers the entire period of the licence (up to 5 years). Considering the rental yields landlords are able to achieve in the London market, the fee is not considered a financial burden.

The application process aims to deal with an application in 8 weeks. Landlords can continue to operate their HMOs during this time. Tacit consent will apply should the Council fail to process the application within a reasonable time period, currently proposed to be set at 52 weeks (one extension allowed in extenuating circumstance).

What does your information tell you about the people who will be affected by this change? Are protected groups impacted? What information do you hold on the protected characteristics of the people affected by the change? (Age, disability, gender reassignment, pregnancy and maternity, race/ethnicity, religion or belief, gender, sexual orientation, health, socio-economic, language) Are there any gaps or missing information?

### **Read more**



## **Q2b. How will they be impacted by the change?**

- To keep occupants of HMOs safe and healthy by improving standards, securing effective management and enforcing basic tenancy arrangements within HMOs.
- To improve the living conditions for tenants through ensuring appropriate levels of amenities are provided and minimum room sizes are adhered to.
- To reduce the deleterious neighbourhood, safety, health and welfare impact of illegal or avoidance rental models in the Borough.
- To improve the communities' perception of living with HMOs through reductions in the incidences of Anti-Social Behaviour in HMOs, such as vandalism, graffiti, noise, threatening behaviour, refuse dumping and criminal damage.
- To improve the external condition within the curtilage of the HMO to minimise adverse impacts on an area's general character and amenity.
- To ensure landlords exercise appropriate management and supervision of their HMOs to help reduce any adverse impact on the neighbourhood, e.g. from anti-social behaviour, refuse dumping, etc.
- To encourage investment in HMOs and increase the availability of affordable and decent accommodation for those in housing need.
- To build on and expand existing partnerships with landlords, agents, tenants, colleges and the Universities,

community forums and partner agencies/services, maintaining effective two-way communication, promoting joint working and best practice and through these, facilitating improvements to the HMO market.

- To encourage and support owners, managers and managing agents of HMOs to work proactively with the Council in achieving clearly defined standards and management of HMOs.
- To facilitate stable and integrated communities through policy and proactive targeting of intervention.

Would you assess the impact as positive, adverse, neutral? Do you have any uncertainty about the impact of your proposal? Is there a likelihood that some people will more impacted than others? Can you describe the ways in which they will be affected? How might this change affect our 'general duty'?

Read more



### Q3a. How do you plan to promote and deliver any positive impacts of the proposal?

A full and comprehensive consultation process will be had followed by wide publicity of the scheme (if approved)

The London Borough of Lambeth will be consulting on the proposed licensing scheme for 12 weeks. To ensure that as many people and organisations as possible have the opportunity to comment on the Council's proposal a range of methods is being used to draw attention to the plans and to provide people and organisations the opportunity to comment on them, including:

- Adverts in local publications
- Direct email to landlords, national organisations, managing and letting agents
- Direct email to voluntary organisations and community groups
- Direct email to partner Statutory Agencies
- Social Media
- Press releases
- Direct email to neighbouring local authorities including their Communication Teams. Note. This is to help ensure that where there is a possibility of landlord migration to neighbouring boroughs as a result of the licensing proposals, the residents and LA's have the opportunity to respond.
- Briefing for Councillors and staff
- Information on the Council's website
- Online survey for all residents, landlords, agents and businesses
- Hard copy questionnaire for those without internet access
- Lambeth will continue to ensure translation/interpretation services are available where needed.

Any comments you give will be held electronically and held in strictest confidence and only used for the purpose of this project.

The consultation is to be done in partnership with the Consultation Team at Lambeth who have access to a wide variety of stakeholder groups including those that represent defined equality groups.

How might the principles of fairness, equality of opportunity and positive relationships be further promoted as a consequence of this proposal? How do you propose to measure your positive outcomes and the benefits outlined to find out if these have been achieved?

Read more



### Q3b How do you plan to address and mitigate any negative impacts of the proposal?

#### **Economic and Social exclusion – tenants**

Cost of licensing could be transferred to tenants.

Rent levels could increase in areas affected by additional licensing?

In extreme cases costs could also deter or prohibit operation of HMOs and lead to shortage of HMO accommodation.

#### **Mitigation**

Communications Plan in place.

We will develop and maintain the existing HMO section of the website to provide central point of information about running an HMO.

Consider the introduction of a quality rating system for licensed HMOs.

Evidence from mandatory licensing suggests that although there may be an initial dip in the accommodation provided, as irresponsible landlords move away from the market, responsible landlords will fill the gap and the 'licence' will become a market incentive for tenants looking for affordable, good quality and well managed accommodation.

The scheme will also fund a Tenancy Relations Officer, who will be on hand to assist tenants of irresponsible landlords that attempt to illegally evict their tenants to avoid licensing. A landlord cannot, by law, serve section 21 (no fault eviction) notices whilst the HMO is unlicensed.

### **Economic exclusion – landlords**

Cost of licensing and the works required to operate safe and healthy HMOs could force landlords out of the market.

### **Mitigation**

The cost of the actual licence, which will cover a period up to 5 years is not considered disproportionate when considering the rental yields a common HMO would generate for a landlord. Room rents in Lambeth are at their lowest around £100 per week. Even in the smallest of HMOs (3 rooms) this equates to £15,600 per annum. The proposed cost of an average licence would be around £2,000. When considered over the 5 year period of a standard licence this equates to £400 per annum or £8 a week. The cost of the licence is a legitimate business expense and can therefore be offset against a landlords tax liability.

The Council cannot make a profit from licensing. Therefore, the licensing fees are entirely based on cost recovery and will be annually reviewed.

It is in the cost of works where there will be the greatest impact. HMOs carry a far greater risks due to the way they are occupied, in particular the fire risk. Therefore, a landlords operating a rental business must ensure that the accommodation provided meets the requirements. This would be the case regardless of whether they have to licence or not. HMOs should be up to standard before they are rented. Responsible landlords would have factored this into their business model and ensured they are fully aware of the requirements for renting HMOs and carried out the safety works required. Licensing will have the positive impact of raising awareness of these requirements and pushing out irresponsible landlords that fail to ensure they are fully aware of the requirements for running a rental business or purposefully set out to ignore requirements. The scheme will also fund a Tenancy Relations Officer, who will be on hand to assist tenants of irresponsible landlords that attempt to illegally evict their tenants to avoid licensing. A landlord cannot, by law, serve section 21 (no fault eviction) notices whilst the HMO is unlicensed.

We will develop and maintain the existing HMO section of the website to provide central point of information about running an HMO.

What impact has this evidence had on what you are proposing? What can you do differently that might lessen the impact on people within the timeframes i.e. development-implementation? Who can help you to develop these solutions?

[Read More](#)



**Q4. How will you review/evaluate your proposal, mitigating actions and/or benefits? Who will be responsible for this?**

A scheme is required by law to be evaluated throughout its life.

It is recognised that licensing is part of an overall approach to help improve the private rented offering within the London Borough of Lambeth and outcomes achieved may not be solely as a result of licensing. With this caveat, progress will be assessed against the following key outcomes:

- Improvements to the health and safety for private tenants of HMOs
- Improved management standards in HMOs

- Improved local communities, with a particular regard to refuse, anti-social-behaviour and reductions in unauthorised developments
- Improved tenancy management particularly with regard to a reduction in end of tenancy and protection from eviction in HMOs

Who will you be accountable to for the above actions/outcome? How will those responsible know these actions have worked? What performance indicators will you use to demonstrate this? Are there any other forms of evidence you can use to support this assessment of their effectiveness?

Read more



### Section to be completed by Sponsor/Director/Head of Service

Outcome of equality impact assessment

- No adverse impact, no change required
- Low adverse impact, minor adjustment required
- Significant adverse impact, further action required
- Significant impact identified unable to mitigate fully
- Unlawful in/direct discrimination, stop and rethink

Read more



Comments from Sponsor/Director/Head of Service

Approved

Submit for approval

Resubmit

Executive Approval

Approved

Attachments

Close