

London Borough of
Islington

31st October
2019

Additional & Selective Licensing Proposal

Thank you for the opportunity to respond to the above consultation. Although we appreciate the issues raised by the council and the vision set out by the Islington Housing Strategy 2014-2019, the RLA is opposed to any form of landlord licensing due to the adverse impact such schemes have on landlords, tenants and the housing market overall.

Pressure on non-selective licence areas

Landlords, especially those with properties outside the licence area will become risk-averse in terms of the tenants they let to. Tenant problems such as anti-social behaviour are impossible for the landlord to address alone and landlords will not wish to risk a breach of licensing conditions that may affect their ability to let properties elsewhere. Some may seek to evict already challenging tenants. This could mean additional costs to other council services, as they pick up the pieces created by the disruption to the lives of already vulnerable tenants.

Fees & compliance

Good landlords will apply for licences and, likely, pass the cost on to tenants in the form of increased rents, doing nothing to address affordability, while the worst landlords – the criminal operators – will ignore the scheme, as they do many other regulations. Such rent increases are now the case in Nottingham. It is reported that the city has seen the highest percentage rise in rent compared to anywhere in the country since the introduction of a city-wide selective licensing scheme from August 2018.

There is already a high level of non-compliance within existing Additional Licensing schemes, as demonstrated by a series of FOI requests by Safeagent. They found that licence applications have been submitted for only 25% of the 138,500 private rented properties that require licensing under mandatory HMO or Additional Licensing schemes – totalling in 75% of non-compliance (<http://www.londonpropertylicensing.co.uk/new-research-finds-over-130000-unlicensed-private-rented-properties-london>). The introduction of further licensing would only add to such non-compliant figures.

Tacit Consent

The council have made no mention in the Fee Structure document if Tacit Consent applies should the processing of the licence goes beyond the advertised times, as well as not provided a timescale for the length of processing time for a licence application.

Concerning the processing time for a licence application, regulation 19 of the Provision Regulations deals with the speed of processing of applications. Specifically, they require that applications must be:

- processed as quickly as possible and, in any event, within a reasonable period running from the time when all documentation has been submitted;
- The length of the processing period must be fixed and made public in advance.
- Where an application is not processed within the advertised period, the authorisation will be deemed to have been granted automatically.

The *Gaskin* case says that the Provision of Services Directive applies to licensing schemes in full. This does a lot more than talk about fees. The transposition of this into the UK law states that regulators should set out how long it will take to carry out a licensing approval process and if they do not meet that timeline then approval should happen automatically.

The council needs to set out and display their licensing processing time publicly, and if tacit consent will apply if the processing of the application goes beyond the advertised processing timescale.

Existing Enforcement Powers

There are over 150 Acts of Parliament and more than 400 regulations affecting landlords in the private rented sector.

Councils should use the enforcement powers already granted to them by the Housing and Planning Act 2016 and Housing Act 2004 to their full extent, rather than rely on Licensing Schemes to regulate landlords in addition to these powers. The Council has also not taken into consideration the amount of informal enforcement activity undertaken between local authorities and private landlords.

The Tenant Fees Bill has also introduced a lead enforcement authority to provide guidance and support to local authorities regarding the enforcement of letting agent requirements.

Raising Standards

There is little evidence that licensing schemes improve housing standards. The focus of staff becomes the processing and issue of licences, while prosecutions centre on whether a property is licensed or not, rather than improving management standards and property conditions. Additionally, the decent homes standard is a measure of the standard of housing and has no legal applicability to PRS housing. The Housing Health and Safety Rating System (HHSRS) is the relevant standard for the PRS.

The Council already has the necessary tools to tackle poor housing management and conditions in the PRS. Rather than introduce a bureaucratic licensing scheme that will see scarce resources focused on processing applications, the council should continue to direct



these limited resources at identifying private rented properties and taking effective enforcement action.

Conclusion

The RLA reiterates its objection to the proposed scheme.

There are alternatives to licensing. The RLA supports a system of self-regulation for landlords whereby compliant landlords join a co-regulation scheme which deals with standards and complaints in the first instance, while those outside the scheme remain under the scope of local authority enforcement. We also support the use of the council tax registration process to identify private rented properties and landlords. Unlike licensing, this does not require self-identification by landlords, making it harder for criminals to operate under the radar.

Yours sincerely,

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