Ministry of Housing, Communities & Local Government

14th January 2019

Rhona Brown
Greater London Authority (GLA)
By email: rhona.brown@london.gov.uk

Dear Rhona

Thank you for your interest in the Rogue Landlord Enforcement Grant Fund.

We are pleased to inform you that following a rigorous process of assessment against the criteria set out in the prospectus, we are able to fund your bid the full amount of £205,375.

Yours was a strong proposal, and we fully support your initiative to create an online HMO database tool. There is a strong case for this to be implemented across London boroughs, and possibly replicated outside of London. We also support your proposal to review and refresh your rogue landlords database and look forward to continuing our work together on this issue.

MHCLG look forward to receiving an update on the progress of your project after six weeks and a full impact report by the end of Q2.

This funding is made available under Section 31 of the Local Government Act 2003. We expect the funds will be released by early February 2019, and colleagues will be in touch regarding the administration of payments. MHCLG strongly encourage you to proceed with the implementation of the project laid out in your bid immediately. We would like to reiterate that this funding is available in financial year 2018/19 thus spending should be complete by March 31st 2019.

Yours sincerely,

Matt Mulley

Annex A: Proposal Form

Please refer to the prospectus for help in completing this form, or contact the team at the email address below if you have any questions.

Completed application forms to be submitted by 30 November 2018 to:
matthew.mulley@communities.gov.uk or Matthew Mulley, Ministry of Housing, Communities and Local Government, 3rd Floor, Fry Building, 2 Marsham Street, London SW1P 4DF

Completed applications should include this form, the checklist at the end and a full breakdown of costs.

You may annex essential supporting material where relevant, but key information must be drawn out in your answers below.

Depending on the scale and complexity of the proposal we may seek additional information. Information in this bid may be shared with other Government colleagues to help develop our understanding and inform wider policy development and best practice.

A. Your details

Project title and brief summary (30 words max)	**Pan-London HMO identifier and connecting/improving rogue landlord and agent databases.** - Creating a data analytics tool to enable London boroughs to identify unlicensed HMOs in their area - Improving the Mayor's Rogue Landlord and Agent Checker and streamlining this and MHCLG's national rogue landlord database.
Local Authority	Greater London Authority (GLA)
Contact details of working lead	**Name:** Rhona Brown **Email:** rhona.brown@london.gov.uk **Phone:** 02079835710 **POSTCODE:** SE1 0LL
Partners (if applicable)	
Area covered by the proposal	Regional (pan-London)
Please provide a fuller summary of your proposal that can be used as the basis for press releases (100 words max)	We are very happy to provide a summary of the proposal that would be suitable for a press release if successful in the bidding process.

B. Finance summary

Where further explanation is required on any of the costs this should be included in your description of the proposal in **section 3** below.

Please provide headline figures in the table below and provide a FULL BREAKDOWN OF COSTS as an annex to your application.

Financial year	2018-19	TOTAL
Amount requested	£205,375.00	£205,375.00

Please note –

Costs cannot include overheads that are calculated as a flat rate percentage. Actual overheads can be included provided they are clearly evidenced/justified and are proportionate to the size, scale and duration of the proposal.

Costs cannot include management costs/fees that are calculated as a percentage of existing senior management time. Costs can be included for additional project support and management provided these are proportionate to the size of the bid.

1. What is the issue you want to address and current enforcement action? (500 words)

The key issue we wish to address is to help London boroughs target their powers and resources effectively to crack down on rogue landlords and letting agents. These rogue operators are exploiting vulnerable tenants and causing problems for the wider community.

London's 2.4 million renters are disproportionately likely to be defined as 'vulnerable'. The University of York's recent study of vulnerability in PRS households found that 38 per cent of private renters are in the bottom third of incomes. It also found that, in London, 97 per cent of those low-income renters are experiencing one or more of the following types of 'harm' as a result: poverty, overcrowding or poor property conditions.

Poor quality, poorly managed HMOs can have a significant impact on the wider population. Local people are often concerned about the proliferation of HMOs, particularly the impact on the local environment with regard to noise pollution, parking, excess rubbish and other issues. The Mayor of London recognises the importance of HMOs in providing much-needed cheaper shared private rented accommodation, which works well for many renters. However, far too many people are living in overcrowded, poorly managed and maintained HMOs, which cause misery both for those who have no choice to live there, and for residents of the surrounding area. Significantly better local authority regulation of such HMOs can help ensure that this important form of accommodation continues to exist without blighting the lives of tenants and neighbours alike.

Furthermore, if councils more effectively regulate HMOs and other privately rented homes, they can also play a central role in preventing the exploitation of vulnerable people. It should always be clear that councils' priority in undertaking enforcement of management standards and property conditions is to prevent the exploitation of vulnerable tenants, and to bring to justice landlords who are breaking the law. The GLA believes we can play a key role in ensuring all boroughs retain a strong focus on this objective, and that this message is clearly communicated to tenants.

While boroughs have powers to enforce against rogue operators in the PRS, there is currently a very wide variation in performance and effectiveness of borough teams. Reasons for this include lack of funding and lack of skilled staff to implement effective enforcement. Our project aims to start to address this inconsistency for renters, and to bring improvements to the local environment for the wider community who are affected by poor property management.

2. How are you proposing to tackle the problem, and why is this your preferred approach? (1250 words)

Our project will enable London boroughs to better target their enforcement resources against rogue landlords, particularly those operating unlicensed HMOs.

Our proposal is to:
- create a pan-London tool to identify unlicensed HMOs, to help all London boroughs to crack down on rogue operators in the PRS
- scope out complementary software improvements to the Mayor's Rogue Landlord and Agent Checker and ensure that it can work together effectively with MHCLG's planned future iteration of its national Rogue Landlord Database.

These strands of work will contribute to our longer-term aim to significantly improve borough regulation of the PRS, to create higher standards and more consistency across London, and to ensure that all of London's vulnerable renters are better supported.

This project outlined in this proposal is being developed with the support of the Mayor's London Borough PRS Partnership and is informed by work undertaken to understand what councils need to improve enforcement. There is strong appetite amongst the Partnership for this project to deliver improved conditions for London's most vulnerable renters and benefits to the wider community. Some London councils are independently exploring the creation of local tools to help them identify HMOs in their area. Our pan-London tool would complement and enhance such local efforts by giving them access to a wider range of data sources, as well as allowing them to view suspected unlicensed HMOs in other boroughs and establish patterns of landlord behaviour.

Pan-London HMO identifier
We will create a data analytics tool enabling all London boroughs to identify HMOs in their area which are subject to licencing, but that have not obtained a licence. The worst conditions in the PRS tend to be concentrated in HMOs, and vulnerable renters frequently end up living in these types of properties. Providing pan-London data on unlicensed HMOs will allow boroughs to target their PRS enforcement resources effectively to help vulnerable tenants. Currently most boroughs rely heavily on complaints from renters and the local community to detect problem PRS properties. Without it, many boroughs are likely to struggle to effectively enforce the extension of mandatory HMO licencing which came into force in October 2018.

The pan-London HMO identifier will have two tiers - private (borough only) and public:

2.1 **Private:** will enable boroughs to identify the HMOs in their area that need to be licensed – including those that have not obtained licence. The private tier would aggregate publicly-available data such as borough licensing scheme maps, HMO registers, data scraped from rental property portals on shared housing to let, and EPC register information to try and help councils identify the location of unlicensed HMOs. Any council-owned data they can add in will only improve the accuracy of the tool. This could include records of council tax payments, housing benefit claims, requests for extra rubbish bins, parking permits, electoral roll and other data sources.

Boroughs will benefit from vastly improved intelligence-gathering techniques and dramatically speed up the process of identifying non-compliance. Trading Standards officers will be able to identify agents who consistently advertise unlicensed properties across London - encouraging more cross-borough working and enforcement on rogue landlords operating across borough boundaries.

2.2   **Public:** will provide a postcode and map search tool on the GLA website enabling the public and landlords/letting agents to see whether their property should have a license. This would allow Londoners to search for their current or potential rental property, to establish whether it sits in a licenced area and fits the licensing criteria. Renters will benefit from knowing what regulation their property is subject to, and whether their landlord or agent is complying. They will also be able to immediately report unlicensed or non-compliant properties to their council through the Mayor's existing 'report a rogue landlord' tool, helping generate further intelligence for boroughs.

2.3   **Added value**
The HMO identifier will complement the Mayor's Rogue Landlord and Agent Checker, which has been widely praised by London boroughs and others and which encourages cross-borough working. As part of the project we will scope software improvements to the Checker, in consultation with the boroughs and London renters. We will test out ideas for improvements to the Checker, such as publicising all London licensed PRS properties on our website. In light of the recent decision to make the MHCLG's national database public, we will also scope out how the national and Trading Standards databases could be linked with the Checker to maximise all databases' value and purpose, as well as offering those national databases access to the wealth of data we have already collected, reducing duplication across public sector bodies.

We are aware that several start-up software providers are currently seeking to build data analysis tools and sell them to individual councils at a cost to the public purse. By commissioning or purchasing a bespoke tool on behalf of all London councils, the GLA can achieve economies of scale and deliver savings for individual boroughs. We would conduct an open procurement process, in line with the GLA's internal processes, following soft market testing.

A small number of local authorities are currently using council-held data to identify HMO properties or are in the process of setting up processes to enable them to do so. The HMO identifier tool would go further than this by aggregating council data with data derived from various open data sources. Combining those data sources would maximise intelligence available to councils, matching properties flagged by internal data with those being advertised for let, helping to accurately pinpoint likely unlicensed HMOs.

Similar to the Checker, a London-wide tool would also allow councils to look at potential unlicensed HMOs in other boroughs, which could help them to build up patterns and undertake joint enforcement operations. For instance, using land registry data one council may be aware that a landlord they are investigating has properties in an adjoining borough. At present there is no quick way to find out if those properties are compliant with licensing conditions.

2.4 Sustainability

The HMO identifier could generate significant income for councils through increased revenue from licensing. For example, council X charges £600 for an HMO license. Our tool could help them to identify 400 unlicensed HMOs in their area and they could then successfully compel those landlords to license. This would generate up to £240,000 in additional revenue for the council, not including any financial penalties that may be generated by inspecting these 'hidden' HMOs. This would be sufficient to fund the salaries of a team of licensing officers for a year. Such significant savings to the council would free up budget to expand and improve PRS services for local residents.

Due to these predicted impacts, we expect that many local authorities could ultimately be in a position to pay for access to the tool on an ongoing basis at the end of the project - an option we could consider to forward-fund the tool on an ongoing basis.

3. How will the proposal benefit the local community? (750 words)

Although not all poor-quality rental properties are HMOs, many local authorities find the worst problems to be concentrated in these types of homes. Local people are often concerned about the proliferation of HMOs, particularly the impact on the local environment with regard to noise pollution, parking, excess rubbish and other issues. This is evidenced by complaints by local residents to local authorities across the capital and also to the Mayor of London.

In October 2018, the Government's extension of mandatory HMO licencing came into force, meaning that far more HMOs will be subject to licencing. While HMOs will always bring more pressure to the local environment because of the numbers of tenants they house, these issues can be managed and mitigated through effective property management, and where necessary, enforcement.

Providing London boroughs with a tool to quickly identify unlicensed HMOs will reduce the time they spend gathering local intelligence on unlicensed rental properties. This will free up resource to focus on targeting rogue landlords, with such action improving the quality and safety of HMOs, where the worst PRS conditions are found. This will help vulnerable tenants who are being exploited in these types of properties. It will also benefit the wider community by improving the local environment surrounding these properties.

For the private element of the identifier, there is no direct baseline to measure the community benefit against as current approaches vary. We will ask all boroughs to provide anecdotal evidence on whether there has been a reduction in resources required to target rogue landlords and agents, and what other benefits may have arisen as a result.

The public side will help London renters become better informed about the regulations their properties are subject to and whether their landlords are compliant and provide them with a route to report those who are not. This helps address the current imbalance of power between renters and landlords and letting agents.

The public element of the tool and improvements to the Checker will be tested through website focus group consultation before it is launched. Once it is live, publicity will be undertaken by the GLA and we will gather quantified evidence of public use through Google analytics and qualitative feedback from tenant groups across London.

The Rogue Landlord and Agent Checker and 'report a rogue' tool will be used benchmark the HMO identifier tool. Since December 2017, individual records on the Checker have been clicked on over 62,000 times. Over 650 reports have been made through the 'report a rogue' tool. We would expect to see similar levels of engagement with this tool and would clearly link the two to encourage the public to check both at the same time. This would demonstrate that members of the public are benefitting by accessing information about the landlords and properties that was previously

unavailable to them, allowing them to make more informed decisions about who to rent from.

4. Outputs, outcomes, and evaluation (750 words)

Please provide a breakdown of targets and expected outputs below. These must be clearly linked to the issues identified in section 2.

Please note funded proposals will be expected to keep provide regular progress reports to an agreed programme, and will be asked to complete an 'Impact Summary' after the project.

The table summarises the main outputs and outcomes for the HMO identifier:

Outputs	Outcomes
Procuring the software provider for both parts of the HMO-finder, private and public, will be the initial output and then launching both elements will be the key milestone. Scoping out software improvements to the Rogue Landlord and Agent Checker, including links to the national and Trading Standards databases.	• Reduction in borough resources spent investigating unlicensed HMOs themselves through improved data intelligence, so more enforcement action can be undertaken. • Reduction in number of unlicensed properties per borough. • Income generated for councils through increased revenue from licencing. • More baseline data about rogue activity in the PRS, which boroughs who are already doing enforcement well have been able to gather. • Improved data-sharing between London councils and cross-borough working to tackle rogue landlords operating across multiple boroughs. • Reduction in complaints about unlicensed HMOs and surrounding public realm. • Improvements in public knowledge of PRS property licensing, and subsequent reporting of rogue landlords.

Evaluation

The GLA will set up robust internal monitoring processes from the outset, in line with our wider monitoring of corporate targets and commitments.

We will also be happy share learnings and experience from the project with local authorities across the country. The tool will be scalable, with the potential to develop it into a national resource in the future.

This checklist will help you ensure your proposal meets the Fund's criteria.

You should indicate all that apply and submit this with your application form.

Your proposal should:

Detail existing issues and challenges faced in taking successful enforcement action.	**X**
Demonstrate benefits to the wider local community.	**X**
Have a clear success narrative and measures.	**X**
Seek reasonable funding, which is proportionate to the scale of the issue and overall size of the Fund.	**X**
Be based on local evidence.	**X**
Have the ability to be shared with other local authorities to disseminate best practice and drive up standards across England.	**X**

Your proposal must not:

Duplicate mainstream funding, or funding received through other sources.	
Fund any local authority provision or services that are already being provided.	
Include overheads that are calculated as a flat rate percentage. Actual overheads can be included provided they are clearly evidenced/justified and are proportionate to the size, scale and duration of the proposal.	
Include management costs/fees that are calculated as a percentage of existing senior management time. Proposals can include costs for additional project support manager that are proportionate to the size, scale and duration of the proposal.	
Fund Police or Fire and Rescue Service staff time	.
Fund the start-up costs for selective licensing schemes, as these should be self – funding. Consideration will be given to housing projects within a selective licensing area provided the additional benefits are clear.	

If you are still unclear about the criteria checklist please contact: **matthew.mulley@communities. gov.uk**