



# Merton Council

## Consultation on Landlord Licensing and HMO Planning Controls in Merton

### Report of findings



Opinion Research Services  
May 2023



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#### Report of findings by Opinion Research Services

#### Opinion Research Services

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# 1. Executive summary

## The commission

- 1.1 Merton London Borough Council (henceforth “Merton Council” or “the Council”) is proposing a private rent sector (PRS) Selective Licensing scheme for four wards in the borough of Merton that would last for five years before being re-assessed. The purpose of the scheme is to address problems associated with the private rented sector in these wards, specifically issues associated with property conditions and anti-social behaviour, by improving the quality and management of the private rented sector. If the scheme were to come into place as proposed, it would likely commence in 2023.
- 1.2 The Council is also proposing an Additional Licensing scheme for seven wards (the four to which Selective Licensing would apply, plus a further three adjacent) that would also last five years. This scheme would apply specifically to Houses of Multiple Occupation (henceforth “HMOs”) not already covered by existing mandatory licensing regulations<sup>1</sup>. The purpose of the scheme is to address problems associated with HMOs in these wards, specifically issues relating to property conditions and anti-social behaviour, by improving the quality and management of HMOs. If the scheme were to come into place as proposed, it would likely commence in 2023, in parallel with the proposed Selective Licensing designation.
- 1.3 The seven wards that this Additional Licensing scheme would cover have also seen the introduction of an Article 4 designation concerning smaller HMOs<sup>2</sup>. An Article 4 designation restricts the scope of permitted development rights either in relation to a particular area or site, or a particular type of development anywhere in the authority’s area. In the case of Merton, the Article 4 designation requires that any conversion of a property to a smaller HMO cannot be undertaken without planning permission (within the seven wards designated), whereas in the absence of this Article 4 designation, undertaking such a conversion would typically be permitted (without needing to first obtain permission). This directive is intended to address some of the issues connected with HMO’s in parts of Merton, and protect the wellbeing of the area.
- 1.4 The Council wished to receive and consider views about these, before making a decision in April 2023 on whether the Article 4 Direction should be made permanent, and subsequent decisions on whether or not each of the proposed licensing designations should be introduced.
- 1.5 To inform its decision, Merton Council commissioned Opinion Research Services (ORS), a spin-out company from Swansea University with a UK-wide reputation for social research and major statutory consultations, to undertake an extensive programme of consultation activities and independently report on the findings.

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<sup>1</sup> The proposed Additional Licensing would apply to HMOs that have two, three or four bedrooms, occupied by three or four persons, from two or more separate households.

<sup>2</sup> Houses that are used by between 3 and 6 unrelated residents sharing basic amenities such as kitchen or bathrooms.

## The consultation

- 1.6 A consultation document outlining the issues under consideration was developed by ORS, in conjunction with Merton Council. This document, along with a number of other supporting documents, was available for the duration of the consultation on the Council's consultation webpage: [www.merton.gov.uk/prsconsultation](http://www.merton.gov.uk/prsconsultation).
- 1.7 The 10-week public consultation ran from November 14<sup>th</sup> 2022 to the end of January 22<sup>nd</sup> 2023. During this period, Merton Council advertised the consultation and events extensively, and stakeholders were invited to provide feedback through the following:
- » A consultation questionnaire available for any interested party to complete, which attracted 478 responses;
  - » Two events for landlords and representatives of letting and managing agents were held. One was virtual (25 attendees), and one was held in person (18 attendees). The virtual event took place online using videoconferencing software (Zoom), and the live event took place in Merton Council Chambers. Both events took place in January 2023, and it may be noted that some stakeholders attended more than one event, and some also attended the Article 4 event (see below);
  - » Due to levels of interest in the Article 4 element, a further virtual forum was also held in January to discuss this element specifically, attended by 22 people;
  - » One stakeholder workshop, to understand the views of key organisations, which was attended by representatives of three organisations;
  - » In total, 18 written submissions were received via email and letter: 16 included feedback relating to Article 4 (which Merton Council reviewed and summarised separately) and 4 included feedback related to the licensing proposals, summarised by ORS in this report.

### Nature of consultation

- 1.8 The key good practice requirements for consultation programmes are that they should:
- » Be conducted at a formative stage, before decisions are taken;
  - » Allow sufficient time for people to participate and respond;
  - » Provide the public and stakeholders with enough background information to allow them to consider the issues and any proposals intelligently and critically; and
  - » Be properly taken into consideration before decisions are finally taken.

### Accountability

- 1.9 Accountability means that public authorities should give an account of their plans and take into account public views: they should conduct fair and accessible engagement while reporting the outcomes openly and considering them fully.
- 1.10 This does not mean, however, that the majority views should automatically decide public policy; and the popularity or unpopularity of draft proposals should not displace professional and political judgement about what is the right or best decision in the circumstances. The levels of, and reasons for, public support or opposition are very important, but as considerations to be taken into account, not as factors that necessarily determine authorities' decisions. Above all, public bodies have to consider the relevance and cogency of the arguments put forward during public engagement processes, not just count heads.

- 1.11 ORS does not endorse any opinions reported here but seeks only to portray the feedback received from consultation participants accurately and clearly. While offering guidance on the consultation methodology and its interpretation, we seek to profile the opinions and arguments of those who have responded; but we make no recommendations on the decisions to be taken by the Council.
- 1.12 Each chapter in this report contains detailed analysis and reporting of feedback received through all consultation channels. For the remainder of this Executive Summary, ORS has brought together the main findings from all strands of the consultation into a thematic summary. We have sought to ensure that the summary below represents an overview of the entirety of the consultation feedback; nonetheless, we also recommend strongly that it be read in conjunction with the main body of the report.

## Main findings

### Views on Selective Licensing

- 1.13 Residents/tenants/others responding to the consultation questionnaire, supported the general proposal to introduce some form of Selective Licensing scheme, with nearly four-fifths (78%) in agreement. Agreement levels among individuals renting their home from a private landlord were slightly lower however, at just under two-thirds (65%).
- 1.14 On the other hand, nearly nine-in-ten (89%) of landlord and letting agents responding to the questionnaire disagreed with the introduction of Selective Licensing generally (80% strongly).
- 1.15 In relation to the specific proposal to introduce a Selective Licensing scheme covering four particular wards in Merton, residents/tenants/others responding to the consultation questionnaire supported this, again with nearly four-fifths (78%) in agreement. Agreement levels among individuals renting their home from a private landlord were similarly slightly lower, at just under two-thirds (65%).
- 1.16 More than four-fifths (85%) of landlord and letting agents responding to the questionnaire disagreed with the specific Selective Licensing scheme (71% strongly).
- 1.17 In the discussion groups, landlords and the NRLA both questioned the Council's ability to implement the proposals effectively, based on their experiences of similar schemes elsewhere. Landlords used neighbouring local authorities such as Croydon as examples of where Selective Licensing schemes failed to meet their aims; the NRLA referred to a scheme in Greenwich whereby a Selective Licensing scheme was eventually abandoned.
- 1.18 Highlighting these examples, landlords and the NRLA expressed doubt that Merton Council's proposals for a Selective Licensing scheme would have meaningful impact on improving the condition and management of PRS housing stock and reducing antisocial behaviour. In addition, landlords largely agreed that they should not be held responsible for dealing with antisocial behaviour outside their rental properties, since they are generally unequipped to deal with the complex circumstances that often lead to it.
- 1.19 These groups also said that while they supported the Council's aim to inspect every licensed property, the planned inspection workforce would be insufficient to achieve this.
- 1.20 Public Health Merton, on the other hand, was supportive of the proposals and felt that the proposed resources would be adequate. Licensing was also viewed as an opportunity for partnership working between Public Health and the Council's Housing Department to maintain health as a key component of the scheme.

## Views on Additional Licensing

- 1.21 Residents/tenants/others responding to the consultation questionnaire, supported the general proposal to introduce some form of Additional Licensing, with just over four-fifths (81%) in agreement. Again, agreement levels among individuals renting their home from a private landlord were slightly lower at just over two-thirds (69%).
- 1.22 On the other hand, over three-quarters (77%) of landlord and letting agents responding to the questionnaire disagreed with the introduction of Additional Licensing generally (64% strongly).
- 1.23 In relation to the specific proposal to introduce an Additional Licensing scheme covering seven particular wards in Merton, residents/tenants/others responding to the consultation questionnaire supported this, with four-fifths (80%) in agreement. Again, agreement levels among individuals renting their home from a private landlord were slightly lower at two-thirds (66%).
- 1.24 Similar to the results for selective licensing, more than three-quarters (77%) of landlord and letting agents responding to the questionnaire disagreed with the specific Additional Licensing scheme (69% strongly).
- 1.25 In the discussion groups, landlords were unsure of the connection between smaller unlicensed HMOs and antisocial behaviour, and that influenced their opposition. The NRLA requested that landlords be assisted by the Council in dealing with antisocial behaviour caused by tenants, should the proposals be implemented.
- 1.26 Landlords and managing agents also expressed concern around the *timing* of the licencing proposals, given that, in addition to the current cost-of-living crisis, they potentially face considerable costs to meet new government regulations requiring improvements to the energy performance of rented homes. It was suggested that the Additional Licensing scheme might lead landlords to sell their properties or convert them back to single-home dwellings, potentially reducing the amount of affordable housing in the affected wards.

## Objectives of licensing

- 1.27 Nearly four-fifths (79%) of tenants/residents/others agreed that the proposed licensing schemes would contribute towards the Council's objectives of reducing problems with ASB and improving property conditions and management.
- 1.28 Conversely, only a tenth (10%) of landlords/letting agents agreed, and over four-fifths (86%) disagreed that proposed licensing schemes would contribute towards the objectives, with 69% disagreeing strongly.

## Views on proposed discounts and fees

- 1.29 In relation to the proposed Additional and Selective Licensing fees, more residents/tenants/others responding to the consultation questionnaire were likely to feel that they were at *about the right level*, with between 38% and 45% selecting this option for each proposed fee.
- 1.30 Similarly for the proposed discounts, just over two-fifths (41%) or more of residents/tenants/others felt that the level is *about right*. Indeed, nearly three-fifths (58%) agreed with this in relation to the proposed £50 discount for landlords who are members of/accredited by an approved organisation.
- 1.31 However, most landlords and letting agents completing the questionnaire stated that the proposed fees for both schemes are too high, with more than nine-in ten selecting this option for each proposed fee. Landlords and letting agents were also less likely to feel that any of the discount types are '*about right*' compared to other stakeholder groups, with around only one-in-ten choosing this option for each type of discount proposed (8% - 11%). Most felt that the discounts were too small across the board.



- 1.32 Over a third (36%) of landlords and letting agents commenting on this in the questionnaire had concerns that a licensing scheme would make being a landlord unprofitable, forcing landlords to sell properties and resulting in less stock availability and potentially more homelessness. A quarter (25%) felt that the fee would increase rents due to the costs being passed onto tenants. Smaller numbers of residents and tenants also raised similar concerns.
- 1.33 In the forums, landlords again felt that the fees are too high, although the NRLA suggested that they are more favourable than in some other parts of the country. However, both agreed that the fees would be passed on to tenants through increased rents.
- 1.34 The discounts proposed for both schemes were welcomed by all stakeholder groups, though landlords and letting agents were concerned that additional discounts were not offered to landlords with multiple properties; this was considered as unfair since their overall fees would be large.
- 1.35 In addition, the NRLA proposed that part B of the Additional Licensing fees should be payable in monthly instalments to ease the financial impact on landlords. They also advocated annual checks on landlords' accreditations [membership of organisations that would entitle a fee discount] to prevent landlords from claiming accreditation at the point they apply for a licence, that subsequently expires.
- 1.36 In the forums, landlords also feared that non-compliant landlords would avoid applying and paying the license fees and likely go undetected.

#### Views on proposed licensing conditions

- 1.37 Tenants/residents/others responding to the questionnaire were far more likely to agree with the proposed conditions for both schemes: 87% agreed with the proposed Additional Licensing conditions and 85% agreed with the proposed conditions for Selective Licensing. However, it is worth noting that less than six-in-ten (58%) individuals renting from a private landlord agreed.
- 1.38 Only 19% of landlords and letting agents agreed with the Additional Licensing conditions (seven-in-ten (70%) disagreed) and only 13% agreed with the proposed Selective Licensing conditions (nearly eight-in-ten (79%) disagreed).
- 1.39 In the forums, landlords did not comment in depth on the conditions for either proposed licensing scheme, as they felt that most landlords would likely be achieving, or be close to achieving, them already.
- 1.40 Some sought clarity on the budget and powers that the Council would have to identify non-compliant landlords and enforce action on them.
- 1.41 In the stakeholder workshop, Public Health Merton recommended that whilst the conditions could not include a *requirement* for properties to hold a minimum EPC rating of C, the Council should consider making it a *recommendation* to help improve tenants' health. In addition, the Council was encouraged to ensure landlords inform tenants of their rights and responsibilities and how they might change as a result of licensing conditions, if the decision is made to introduce licensing.

#### Views on new planning controls for HMOs (Article 4 Direction)

- 1.42 Residents/tenants/others responding to the consultation questionnaire, supported the new planning controls requiring permission to convert a single home into a small HMO (Article 4 Direction) in general, with over four-fifths (81%) in agreement. Agreement levels among individuals renting their home from a private landlord were slightly lower however, at just over six-in-ten (63%).

- 1.43 In relation to the introduction of the new planning controls in the seven specified wards, nearly four-fifths (79%) of tenants/residents/others agreed. Agreement levels among tenants who rent from a private landlord were somewhat lower, though still more than half (57%).
- 1.44 When asked for comments on the proposed policy, one-fifth of tenants/residents/others providing a comment in the questionnaire suggested that the whole of the borough should be included, and over one-in-ten (14%) thought planning permission should consider neighbours, e.g. noise insulation.
- 1.45 More than half (54%) of landlord and letting agents responding to the questionnaire disagreed with the introduction of Article 4 planning controls generally (44% strongly), although almost a third (32%) agreed.
- 1.46 In relation to the introduction of the planning controls in the seven specified wards, more than two-thirds (63%) of landlord and letting agents disagreed, and just over a fifth (22%) agreed.
- 1.47 Landlord and letting agents who indicated that they managed two or more properties were more likely to disagree: 62% disagreed with the general introduction, and 66% disagreed with the introduction in the seven specified wards.
- 1.48 Feedback indicated that landlords' greatest concern related to the immediacy of the introduction. Indeed, a number of participants at the forums were broadly supportive of the introduction and aims of the Article 4; but felt that the introduction of an immediate directive was unfair, and that its introduction was insufficiently publicised at the time. In light of this, participants suggested that a notice period should be provided to allow landlords to consider whether or not to go ahead with planned HMO conversions, and to avoid negatively affected landlords from making compensation claims against the Council.
- 1.49 There was some concern that the guidance for HMO conversion under the Article 4 is not clear enough, creating risk and stress for those wanting to convert their properties, as well as the fear that planning permission would not be granted even if the stipulations of the guidance were exceeded. Related to this sentiment was the notion expressed that *"It's just more loopholes to jump through"* and that the process is *"already a headache"*.
- 1.50 The length of time required to get planning permission was a further concern, particularly in the case of those needing to utilise bridging finance. It was said that the Council has insufficient resources to deal with the resultant increase in applications in a timely fashion.
- 1.51 Several participants said that the Article 4 would lead to a reduction in new units of the only form of housing many residents can afford (evidence was cited that current demand for HMOs significantly outstrips supply), and that this would be to Merton's detriment. Furthermore, there was concern that existing HMO rents will rise as supply reduces, and developers seek to recoup planning costs.
- 1.52 Some participants felt that the introduction of the directive was indicative of a generalised "anti-HMO" sentiment amongst members, and that high quality HMOs were assumed to be detrimental to the area simply by virtue of being an HMO. They did, however, concede that there are issues with low quality HMOs.
- 1.53 The NRLA suggested that the Immediate Article 4 Direction would lead to stagnation within the HMO sector in Merton, increasing rents and decreasing the availability of affordable housing. Public Health Merton, on the other hand, argued that the Article 4 Direction would likely be effective in preventing illegal development or overdevelopment of rented properties whilst having only minimal impact on housing affordability.

## Written submissions and organisations

- <sup>1.54</sup> The written representations (received separately to the consultation questionnaire) relating to Article 4, have all been read and reported separately by the Council, and are not included in this report. The written submissions concerning licensing have been read by ORS and summarised in a short chapter, highlighting the main issues raised; none have been disregarded even if they are not expressed in a ‘formal’ way. Of the written submissions reported here: Two were provided by landlords, one by Siobhain McDonagh, a local Member of Parliament, and one by Propertymark, an organisation representing landlords and letting agents.
- <sup>1.55</sup> These submissions expressed support for the Council’s *efforts* to improve property standards in the PRS in Merton, but were divided in their opinions: two were opposed as they did not think the schemes would achieve the stated aims, while the other two felt that the condition and management of PRS property would be improved.
- <sup>1.56</sup> Propertymark felt that the measures would punish compliant landlords and likely leave noncompliant landlords undetected. As a result, Propertymark opposed the Council’s proposals for Selective and Additional Licensing. The MP response expressed regret that the proposals could not cover every ward within the constituency of Mitcham and Morden, since the number of HMOs was said to be increasing in neighbouring wards.
- <sup>1.57</sup> A small number of organisations also provided comments via the questionnaire. Of particular interest is a response from Shelter (London hub), who welcomed the Council’s proposals, and stated that *it is important that the national government provides councils with adequate resources so that proactive enforcement becomes widespread*, as well as encouraging wider partnership working between tenancy enforcement teams and organisations such as Shelter, Law Centres, advice centres and with Justice for Tenants.

## Conclusion

- <sup>1.58</sup> Whilst this report brings together a wide range of evidence for Merton Council to consider, decisions must be taken based on all the evidence available.
- <sup>1.59</sup> Should it wish to proceed with all or any of the proposals, it will be up to Merton Council, to decide what (if any) possible mitigations it might introduce to address the various concerns that were raised.

## 2. Consultation overview

### Background to the project & the commission

#### The commission

- 2.1 Merton London Borough Council (henceforth “Merton Council” or “the Council”) is proposing a private rented sector (PRS) Selective Licensing scheme for four wards in the borough of Merton that would last for five years before being re-assessed. The purpose of the scheme is to address problems associated with the private rented sector in these wards, specifically issues associated with property conditions and anti-social behaviour, by improving the quality and management of the private rented sector. If the scheme were to come into place as proposed, it would likely commence in 2023.
- 2.2 The Council are also proposing an Additional Licensing scheme for seven wards (the four to which Selective Licensing would apply, plus a further three adjacent) that would also last five years. This scheme would apply specifically to Houses of Multiple Occupation (henceforth “HMOs”) not already covered by existing mandatory licensing regulations<sup>3</sup>. The purpose of the scheme is to address problems associated with HMOs in these wards, specifically issues relating to property conditions and anti-social behaviour, by improving the quality and management of HMOs. If the scheme were to come into place as proposed, it would likely commence in 2023, in parallel with the proposed Selective Licensing designation.
- 2.3 The seven wards that this Additional Licensing scheme would cover have also seen the introduction of an Article 4 designation concerning smaller HMOs<sup>4</sup>. An Article 4 designation restricts the scope of permitted development rights either in relation to a particular area or site, or a particular type of development anywhere in the authority's area. In the case of Merton, the Article 4 designation requires that any conversion of a property to a small HMO cannot be undertaken without planning permission (within the seven wards designated), whereas in the absence of this Article 4 designation, undertaking such a conversion would typically be permitted (without needing to first obtain permission). This directive is intended to address some of the issues connected with HMOs in parts of Merton; and protect the wellbeing of the area.
- 2.4 The Council wished to receive and consider views about these, before making a decision in April 2023 on whether the Article 4 Direction should be made permanent, and subsequent decisions on whether or not each of the proposed licensing designations should be introduced.
- 2.5 To inform its decision, Merton Council commissioned Opinion Research Services (ORS), a spin-out company from Swansea University with a UK-wide reputation for social research and major statutory consultations, to undertake an extensive programme of consultation activities and independently report on the findings.

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<sup>3</sup> Note that large HMOs, i.e. those occupied by five or more persons from 2 or more separate households, are already required to obtain a licence. This is known as mandatory licensing and applies nationwide. The proposed Additional Licensing would apply to HMOs that have two, three or four bedrooms, occupied by three or four persons, from two or more separate households.

<sup>4</sup> Houses that are used by between 3 and 6 unrelated residents sharing basic amenities such as kitchen or bathrooms.

## The consultation

2.6 A consultation document outlining the issues under consideration was developed by ORS, in conjunction with Merton Council. This document, along with a number of other supporting documents, was available for the duration of the consultation on the Council's consultation webpage: [www.merton.gov.uk/prsconsultation](http://www.merton.gov.uk/prsconsultation).

2.7 The 10-week public consultation ran from November 14<sup>th</sup> 2022 to the end of January 22<sup>nd</sup> 2023, and Merton Council advertised the consultation and events extensively, including in the following ways:

### During November:

- » Press releases from the Council's Communications Team;
- » Article in the printed Council newsletter for Nov 2022 distributed to households across the borough;
- » Email sent to statutory undertakers and those who have registered to be updated with changes to planning regulations/ policy in Merton (Approximately 1600+ individuals and organisations);
- » Associations directly contacted by the Council's retained consultation agency, Opinion Research Services (ORS) included: NRLA, LLAS, Propertymark, The BLA, The Guild of Residential Landlords, SafeAgent, London Property Licensing, UKALA (UK Association of Lettings Agents) and RICS (Royal Institution of Chartered Surveyors);
- » Letters sent to HMO licence holders via post (royal mail first class). (Approx. 370 Landlords);
- » Contacted Leaders & Chief Executives of the following Local Authorities; Wandsworth & Richmond upon Thames, Croydon, Sutton, Kingston and Lambeth to assist in raising awareness;
- » MPs and Ward Councillors notified.

### During December

- » Email to London Landlord Accreditation Scheme (LLAS). LLAS confirmed they sent the notice of the consultation to approx. 1100 Landlords;
- » Email to London Property Licensing informing them of the consultation;
- » Email sent to Public Health, Fire brigade, Police service inviting them to a stakeholder engagement meeting;
- » Email sent to Local Landlords who are in receipt of housing Benefit informing them of the consultation;
- » Consultation and forums details were presented to the attendees of the regular Merton private landlord forum.

### During January

- » Reminder email sent to statutory undertakers and those who have registered to be updated with changes to planning regulations/ policy in Merton (approx. 1600 individuals and organisations);
- » Reminder email sent to Landlords in receipt of Housing Benefit;
- » Consultation and forums details passed to the attendees of the regular Merton landlord forum.

### Throughout

- » Residents/organisations were directed to a dedicated page on the Council's website where details of the events and the consultation questionnaire were available.

- 2.8 During the consultation period, tenants, and other residents were invited to provide feedback through the following:
- » A consultation questionnaire available for any interested party to complete, which attracted 478 responses;
  - » Two events for landlords and representatives of letting and managing agents were held. One was virtual (25 attendees), and one was held in person (18 attendees). The virtual event took place online using videoconferencing software (Zoom), and the live event took place in Merton Council Chambers. Both events took place in January 2023, and it may be noted that some stakeholders attended more than one event, and some also attended the Article 4 event (see below);
  - » Due to levels of interest in the Article 4 element, a further virtual forum was also held in January to discuss this element specifically, attended by 22 people;
  - » One stakeholder workshop, to understand the views of key organisations, which was attended by representatives of three organisations;
  - » In total, 18 written submissions were received via email and letter: 16 included feedback relating to Article 4 (which Merton Council reviewed and summarised separately) and 4 included feedback relating to the licensing proposals, summarised by ORS in this report.
- 2.9 In addition to the channels above, a dedicated telephone helpline was provided by ORS to enable stakeholders who needed assistance completing the questionnaire to be given suitable support, and an email address was available to request versions of the questionnaire in alternative formats or languages.
- 2.10 Finally, ORS worked closely with Merton Council to ensure that any queries about or feedback for the consultation which were directed to the Council in the first instance were subsequently shared with ORS and responded to or included in analysis and reporting, as appropriate.
- 2.11 Details about the process by which participants were invited to engage in the deliberative events and stakeholder workshop are outlined below and covered in more detail in the relevant chapters.

## Quantitative engagement

- 2.12 The Council produced a detailed consultation document that contained information about the issues and proposals under consideration. Using this document as a foundation, ORS and Merton Council then designed a questionnaire which combined ‘closed’ multiple choice questions about different aspects of the proposals, with opportunities for ‘open text’ responses in which participants could: provide additional information to explain the reasons for their responses; raise concerns; suggest changes or alternatives to the proposals; or otherwise comment on the proposals or the consultation process itself.

### Consultation questionnaire

- 2.13 The questionnaire, managed and hosted by ORS, was accessible via a link on the dedicated consultation page on the Council’s website, or through paper versions that could be requested by contacting the Council. All participants were asked to complete the same questionnaire; several profiling questions were therefore included to differentiate between respondent types, for example: landlords, managing or letting agents, residents, local businesses, organisations etc.
- 2.14 While the main consultation questions were the same for all respondent types, they were all asked to provide additional information to enable more detailed analysis of the results. These questions varied by respondent

type and included, for example, the number of rental properties owned or managed by respondents who identified themselves as landlords or agents, organisation name, postcode of residence, etc. It is important to note that these and all questions were voluntary, and the feedback provided via the consultation questionnaire has been included in this report, regardless of whether respondents chose to provide these details, so that no one's feedback is excluded.

- 2.15 It should be noted that 'open' questionnaires are not randomly sampled surveys of a given population and so they cannot normally be expected to be representative of the general balance of opinion. For example, the more motivated groups are often over-represented compared with others. However, open questionnaires are very important forms of engagement as they are inclusive (open to anyone who wishes to take part) and give people an opportunity to express their views.
- 2.16 In total, 478 responses were received to the consultation questionnaire. 215 identified themselves as private landlords or letting agents, 4 as representing organisations, 251 responses were from other individuals who stated that they lived in Merton, and 8 from other respondents with another connection to Merton, or about whom less information is known.
- 2.17 It should be noted that open questionnaires are, by their nature, self-reported; in a few cases respondents identified as representing organisations but did not provide further information. Nonetheless, unless there was a clear indication in their open-text response that they were actually responding as a private individual or another stakeholder type, their feedback has been included alongside named organisations.

## Qualitative engagement

- 2.18 ORS conducted a total of four forums with a variety of stakeholders. Taken together, these meetings are best understood as 'deliberative' meetings in which the Council's proposals were 'tested' against landlords' and other stakeholders' opinions in order to see the extent to which the proposals were acceptable or otherwise, and to explore the reasons for different views on each aspect of the proposals.
- 2.19 Each forum comprised a presentation about the proposals in sections. The delivery of each section was followed by opportunities for participants to ask questions of Council officers for clarifications and to give feedback. The presentation and feedback slots closely reflected the structure and content of the consultation document as far as possible, and covered:
- » An introduction defining discretionary licensing;
  - » The potential benefits and risks of the scheme;
  - » Evidence in support of each of the proposed licensing designations;
  - » The proposed fee levels; and the proposed licence conditions;
  - » A dedicated section concerning the Article 4 Direction.

Due to the large amount of feedback received in these forums concerning the Article 4 Direction, a further event was scheduled purely to discuss that element of the proposals, in which the dedicated Article 4 section was presented in isolation.

## Written submissions

- 2.20 During the formal consultation process, 18 organisations and individuals provided written submissions. Some of these were from organisations representing landlords and agents, or tenants and residents (including

vulnerable groups or individuals). Others were received from stakeholder bodies and organisations, as well from an MP, organisations representing landlords, private property developers, and individual landlords.

- 2.21 The written representations (received separately to the consultation questionnaire) relating to Article 4, have all been read and reported separately by the Council, and are not included in this report. The written submissions concerning licensing have been read by ORS and summarised in a short chapter, highlighting the main issues raised; none have been disregarded even if they are not expressed in a ‘formal’ way.

## Accountability

- 2.22 Accountability means that public authorities should give an account of their plans and take into account public views: they should conduct fair and accessible engagement while reporting the outcomes openly and considering them fully.
- 2.23 This does not mean, however, that the majority views should automatically decide public policy; and the popularity or unpopularity of draft proposals should not displace professional and political judgement about what is the right or best decision in the circumstances. The levels of, and reasons for, public support or opposition are very important, but as considerations to be taken into account, not as factors that necessarily determine authorities’ decisions. Above all, public bodies have to consider the relevance and cogency of the arguments put forward during public engagement processes, not just count heads.
- 2.24 ORS does not endorse any opinions reported here but seeks only to portray the feedback received from consultation participants accurately and clearly. While offering guidance on the consultation methodology and its interpretation, we seek to profile the opinions and arguments of those who have responded; but we make no recommendations on the decisions to be taken by the Council.
- 2.25 The following chapters in this report provide detailed analysis and reporting of feedback received through all consultation channels. ORS has brought together the main findings from across the consultation into headlines from each strand and a thematic summary.

## Nature of consultation

- 2.26 In order to be accountable, public authorities should give an account of their plans and take into account public views: they should conduct fair and accessible engagement and/or consultation while reporting the outcomes openly and considering them fully. The key good practice requirements for consultation programmes, as set out by the Gunning Principles, are that they should:
- » Be conducted at a formative stage, before decisions are taken;
  - » Allow sufficient time for people to participate and respond;
  - » Provide the public and stakeholders with enough background information to allow them to consider the issues and any proposals intelligently and critically; and
  - » Be properly taken into consideration before decisions are finally taken.
- 2.27 The above does not mean, however, that ‘majority’ views should automatically dictate public policy; and the popularity or unpopularity of proposals should not displace professional and political judgement about what is the right or most appropriate decision in the circumstances. The levels of, and reasons for, support or opposition by the public and other stakeholder are very important, but as considerations to be taken into account rather than as factors that necessarily determine authorities’ decisions.



- 2.28 Above all, consultors have to consider the *relevance* and *cogency* of the arguments put forward during public engagement processes, not just count heads. In this context, it was helpful that the consultation programme undertaken by Merton Council included both ‘open’ and deliberative elements which allowed many people to take part via the open questionnaire, while promoting informed engagement via the forums and stakeholder workshop.

## Interpreting the outcomes

- 2.29 Importantly, different consultation methodologies cannot be combined to yield a single point of view that reconciles everyone’s views and concerns and is ‘acceptable’ to all stakeholders involved. There are two main reasons why this is not possible. First, the engagement methods are qualitatively different, and their outcomes cannot be simply aggregated into a single result. Second, different stakeholder types and sub-groups will inevitably have different perspectives on the future of licensing on the proposals and there is no formula in the consultation process that can reconcile everyone’s differences on a single way forward.
- 2.30 Considering the above, while the consultation process highlights those aspects of Merton Council’s proposals and supporting information which stakeholders consider to be important, appropriate emphasis must be placed on each element of the consultation findings. In this sense there cannot be a single ‘correct’ interpretation of consultation feedback, which instead should be considered alongside other cogent evidence before a judgement is made, and ORS does not seek to provide such an interpretation.

## The report

- 2.31 This report summarises the feedback on the Council’s private rented sector licensing proposals and Article 4 directive. Verbatim quotations are used, in indented italics, not because we agree or disagree with them - but for their vividness in capturing recurrent points of view. ORS does not endorse any opinions but seeks only to portray them accurately and clearly.
- 2.32 ORS is clear that its role is to analyse and explain the opinions and arguments of the many different interests participating in the consultation, but not to ‘make a case’ for any proposal or proposals. In this report, we seek to profile the opinions and arguments of those who have responded to the consultation, but not to make any recommendations as to how the reported results should be used. Whilst this report brings together a wide range of evidence for Merton Council to consider, decisions must be taken based on all the evidence available.

# 3. Consultation questionnaire

## Introduction

- 3.1 A consultation document outlining the issues under consideration was developed by ORS in conjunction with Merton Council, along with a consultation questionnaire that any interested party could complete to share their feedback.
- 3.2 The questionnaire consisted of closed questions intended to elicit views on the various aspects of the proposals, while also allowing respondents to make any further comments. It also captured information about the type of response being submitted and (where relevant) respondents' demographic information. Respondents were encouraged to read the detailed accompanying information before providing their responses; however, shorter summaries of the issues under consideration were also provided at relevant points within the questionnaire.
- 3.3 The consultation information and open questionnaire were available online via a dedicated Council webpage between 14<sup>th</sup> November 2022 and 22<sup>nd</sup> January 2023 (ten weeks in total), and respondents could also request a paper copy by contacting the Council.
- 3.4 In total 478 responses were received, all of which were submitted via the online questionnaire.

## Respondent profile

- 3.5 The open consultation questionnaire could be completed by anybody with an interest in the proposals e.g., landlords and agents, local residents or those responding on behalf of organisations.
- 3.6 Respondents were asked to state what connection(s) they had to Merton. Many would have had more than one connection to the borough; however, for analysis purposes respondents have been classified into single categories e.g., any respondent identifying as a landlord or a letting or managing agent has been classified as such in the reporting of the questionnaire results, even if they happened to also live in Merton– and so on.
- 3.7 The data from the consultation questionnaire has not been combined to produce “overall” findings because the size of the stakeholder groups, and the numbers of their respective responses, are quite different – and, moreover, they have distinctive views; they cannot, therefore, simply be merged. The views of different types of stakeholders are reported separately, to show where there are distinctive points of view e.g., between landlords and general residents, etc.
- 3.8 The full breakdown of responses by stakeholder type is provided in Table 1. It can be seen that just over half of responses were from local residents, while two-fifths (40%) were a private landlord in Merton. The remainder were a mixture of businesses, organisations, letting or managing agents with properties in Merton and others (i.e., respondents with another connection to Merton such as working in the borough, and other interested parties with no real connection to the area, and so on).

**Table 1: Consultation questionnaire completions by type of respondent (Note: Percentages may not sum to 100% due to rounding)**

Stakeholder type	Count	% Valid responses
Letting or managing agent with properties in Merton	25	5%
Private landlord in Merton	190	40%
Represent an organisation based in/covering Merton	4	1%
Live in Merton	251	53%
Other respondents	8	2%
<b>Total responses</b>	<b>478</b>	<b>100%</b>

- 3.9 Landlords and agents were asked follow-up questions based on the number of properties they own or manage, while those responding on behalf of organisations were asked to provide further details about the group or capacity in which they were responding.

**Table 2: Questionnaire landlord and agent characteristics (for those who stated they were responding as landlords or agents)**

Characteristic	Count	% Valid responses
<b>BY NUMBER OF PROPERTIES OWNED/MANAGED</b>		
1	67	55%
2-5	45	37%
6+	9	7%
<b>Total valid responses</b>	<b>121</b>	<b>100%</b>
<i>Not known/asked</i>	357	-

- 3.10 All other individuals (primarily Merton residents, but also those who work in the borough, business representatives, and those with another connection etc.) were asked to provide some basic demographic information. A summary of this demographic information provided is included below (in Table 3):

**Table 3: Questionnaire respondent demographics, for those types of stakeholder who were asked to provide this information (i.e., all except those who stated they were responding as landlords or agents, or on behalf of an organisation)**

Characteristic	Count	% Valid responses
<b>BY AGE</b>		
Under 45	54	28%
45 to 64	75	39%
65 or over	61	32%
<b>Total valid responses</b>	<b>190</b>	<b>100%</b>
<i>Not known/asked</i>	288	-
<b>BY GENDER</b>		
Male	87	45%
Female	105	54%
Other	3	2%
<b>Total valid responses</b>	<b>195</b>	<b>100%</b>
<i>Not known/asked</i>	283	-
<b>BY ETHNIC GROUP</b>		
BAME	37	21%
White	143	79%
<b>Total valid responses</b>	<b>180</b>	<b>100%</b>
<i>Not known/asked</i>	298	-

## Tenure of respondents living in Merton

- 3.11 All respondents living in Merton were asked the tenure of their home as part of the connection(s) they had. The following table is a summary of tenure for all residing in Merton, including individuals but also landlords, business owners etc. where they also live in the area.

**Table 4: Tenure for all respondents living in Merton**

Characteristic	Count	% Valid responses
<b>BY TENURE</b>		
Own (outright or with a mortgage)	239	78%
Rent privately from a landlord	57	19%
Rent from the Council or a housing association	4	1%
Other type of occupier	8	3%
<b>Total valid responses</b>	<b>308</b>	<b>100%</b>
<i>Not known/asked</i>	170	-

- 3.12 As previously noted, different stakeholder groups often have quite different perspectives. Tenure of their *own* home is typically less relevant to landlords' responses (they are more likely to provide feedback in relation to the properties that they rent out to tenants). However, tenure *is* likely to be more relevant to individual residents' feedback; therefore, throughout this report, when presenting how views differ by tenure, we consider only the tenure of those identified as individual residents/tenants. The following table is a summary of tenure just for this group.
- 3.13 Note that the sample sizes for those *renting from the Council/a housing association* and who *occupy their properties in other ways* are very small; limited inferences should therefore be drawn from these categories, whereas differences observed between those who *own* and those who *rent* privately, are more reliable.

**Table 5: Tenure for respondents living in Merton (only tenants/residents who live in Merton and are not landlords)**

Characteristic	Count	% Valid responses
<b>BY TENURE</b>		
Own (outright or with a mortgage)	189	75%
Rent privately from a landlord	53	21%
Rent from the Council or a housing association	4	2%
Other type of occupier	6	2%
<b>Total valid responses</b>	<b>252</b>	<b>100%</b>
<i>Not known/asked</i>	7	-

## Organisations in the consultation questionnaire

- 3.14 The following organisations identified themselves as part of a response to the questionnaire:
- Cranbourne Limited (Landlord)
  - Homeless Organisation
  - SAM Planning
  - Shelter London Hub
  - Wimbledon East Hillside Residents' Association (WEHRA)
- 3.15 Not all of the above have been classified as organisations for the purposes of the charts which follow, generally because the respondents indicated they were also responding in some other capacity (e.g., as a

landlord or business); however, where any distinctive or unusual points were raised in these respondents' text comments, they have been summarised in the body of this chapter.

- 3.16 It should be noted that open questionnaires are, by their nature, self-reported, and this can create some ambiguity: for example, there were some instances where respondents identified as representing organisations but did not provide further information, or were unclear as to whether they were genuinely submitting a response *on behalf of* the entire group they had named. In the absence of any clear information to the contrary, ORS has opted to treat the ways in which these respondents classified themselves in good faith, so their feedback has been included alongside that of named organisations.

### Duplicated and co-ordinated responses

- 3.17 It is important that engagement questionnaires are open and accessible to all, while being alert to the possibility of multiple completions (by the same people) distorting the analysis. Therefore, while making it easy to complete the questionnaire online, ORS monitors the IP addresses through which questionnaires are completed. A similar analysis of "cookies" is also generally undertaken – where responses originated from users on the same computer using the same browser and the same credentials (e.g., user account).
- 3.18 There can be valid reasons where duplicate cookies might occur, e.g., where two or more respondents have used the same device to complete their questionnaires, in which case all responses are included in the data analysis and reporting. However, it can also occur when the same user has part-completed the questionnaire and then returned later, starting again from the beginning and completing it in full. After a careful review of the raw dataset, 11 responses were not included in the final analysis, on the basis of either having been identified as either a partially completed duplicate of response that was subsequently submitted in full or having been identified as a complete double submission.

### Interpretation of the data

- 3.19 The data from the consultation questionnaire has not been combined to produce "overall" findings because the size of the stakeholder groups, and the numbers of their respective responses, are very different – and, moreover, they have distinctive views and cannot simply be merged. Therefore, we show the results for each stakeholder group, without an overall percentage
- 3.20 Results are presented in a largely graphical format, while colours used on the charts have been standardised with a 'traffic light' system in which:
- Green shades represent responses that 'tend to agree' or 'strongly agree'
  - Beige shades represent those who 'neither agree nor disagree'
  - Red shades represent responses that 'tend to disagree' or 'strongly disagree'
- 3.21 A few other colours, such as purples, blues and oranges, have been used on charts where the 'traffic light' system is less applicable (e.g., the coded responses to the open-ended text questions). Quotes are edited using ellipses to ensure anonymity.
- 3.22 The labels on the stacked bar charts are percentages indicating the proportions of respondents agree/disagree on a particular question. These are rounded for convenience of presentation, and when grouped results are being discussed in commentary, the accurate numerical result is used, which may not always match the apparent sum of the individual rounded labels. Where percentages are less than 4% the proportion label has not been displayed.

- 3.23 The number of valid responses recorded for each question (base size) are reported throughout. As not all respondents answered every question the valid responses vary between question ('don't know' responses have been treated as invalid). Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of "don't know" categories, or multiple answers. An asterisk (\*) denotes any value less than half of one per cent.
- 3.24 Please note that for some categories, percentages ought to be interpreted with some caution due to low base sizes (e.g., particularly responses from organisations, those renting from the Council or a housing association and other types of occupier).
- 3.25 The commentary generally quotes 'grouped' percentages (i.e., the collective proportions who agreed – whether 'strongly' or 'tend to', and the same for disagreement).

## Summary of the main findings

### Local issues

- 3.26 Tenants/residents/others perceived there to be a greater problem for all of the issues mentioned (poor property conditions, anti-social behaviour e.g. noise, rubbish, vandalism, crime e.g. burglary, deprivation and/or poverty):
- Four-in-five (80%) thought that anti-social behaviour e.g. noise, rubbish, vandalism is either 'a fairly big problem' or 'a very big problem',
  - A similar proportion (79%) gave one of these options for poor property conditions,
  - Nearly three-quarters (74%) saw deprivation and/or poverty as a problem;
  - And over seven-in-ten (72%) thought that crime is either 'a fairly big problem' or 'a very big problem'
- 3.27 Of tenants/residents living in Merton, those owning their home were more likely to consider anti-social behaviour a problem, with over four-fifths (86%) saying they thought it is either 'a fairly big problem' or 'a very big problem' compared to six-in-ten (60%) of those renting from a private landlord. Similar proportions gave these response options when asked to consider crime and deprivation/poverty.
- 3.28 This compares to a much lower proportion of landlords/letting agents stating that these issues are problems:
- Just over a third (35%) thought that crime is either 'a fairly big problem' or 'a very big problem',
  - Fewer (30%) gave one of these options for anti-social behaviour,
  - Only one-quarter (25%) saw deprivation and/or poverty as a problem;
  - And just one-in-ten (10%) thought that poor property conditions are either 'a fairly big problem' or 'a very big problem'
- 3.29 When questioned about the extent of problems with deprivation and/or poverty, landlords only owning/managing one property were more likely to consider this a problem, 29%, compared to just 17% of those owning/managing two or more properties.

### Additional licensing (of HMOs)

- 3.30 Only one-in-five landlords/letting agents (20%) agreed with the proposal to introduce some form of Additional Licensing of HMOs in parts of Merton, but over three-quarters (77%) disagreed, with 64% disagreeing strongly. Tenants/residents/others however were far more likely to agree with over four-in-five (81%) saying they either 'strongly agree' or 'tend to agree' and only 16% in disagreement.

- 3.31 Of tenants/residents living in Merton, those owning their home were more likely to agree with this proposal, with over eight-in-ten (86%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to just over two-thirds (69%) of those renting from a private landlord.
- 3.32 Slightly fewer (17%) landlords/letting agents were in agreement with the Council’s proposal to introduce this scheme covering seven particular wards, and nearly four-fifths (78%) disagreed, with 69% disagreeing strongly. Tenants/residents/others were far more supportive, with four-fifths (80%) in agreement and only 17% in disagreement.
- 3.33 Of tenants/residents living in Merton, those owning their home were more likely to agree with this proposal covering seven particular wards, with over eight-in-ten (85%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to two-thirds (66%) of those renting from a private landlord.

### Selective licensing (of privately rented properties)

- 3.34 Only 9% of landlords/letting agents were in agreement with the Council’s proposal to some form of Selective Licensing scheme in parts of Merton, but nearly nine-in-ten (89%) disagreed, with 80% disagreeing strongly. Tenants/residents/others were far more supportive, with nearly four-fifths (78%) in agreement and only 19% in disagreement.
- 3.35 Just over a tenth (11%) of landlords/letting agents were in agreement with the Council’s proposal to introduce this scheme covering four particular wards, but over four-fifths (85%) disagreed, with 71% disagreeing strongly. Tenants/residents/others were far more supportive, with nearly four-fifths (78%) in agreement and only 18% in disagreement.
- 3.36 Of tenants/residents living in Merton, those owning their home were more likely to agree with this proposal covering four particular wards, with just over eight-in-ten (83%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to just under two-thirds (65%) of those renting from a private landlord.

### Objectives of licensing

- 3.37 Only a tenth (10%) of landlords/letting agents were in agreement that the proposed licensing schemes would contribute towards the Council’s objectives of reducing problems with ASB and improving property conditions and management, whereas over four-fifths (86%) disagreed, with 69% disagreeing strongly. Tenants/residents/others were far more supportive, with nearly four-fifths (79%) in agreement and only 18% in disagreement.
- 3.38 Of tenants/residents living in Merton, those owning their home were more likely to agree with this proposal, with over eight-in-ten (84%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to two-thirds (66%) of those renting from a private landlord.
- 3.39 When asked for comments about the proposed Selective or Additional Licensing schemes, over one-fifth (22%) of tenants/residents/others providing a comment thought that the licencing scheme will encourage landlords to improve property standards, benefitting tenants and the local area, with a slightly smaller proportion (19%) saying the scheme will need to be properly managed / enforced effectively including regular monitoring/inspections. Whereas nearly two-fifths (38%) of landlords/letting agents giving a response had concerns that a licencing scheme would make being a landlord unprofitable including forcing landlords to sell properties / will result in less availability for tenants/ causing homelessness, with a slightly smaller proportion (36%) saying licencing will punish/negatively affect good landlords.

### Proposed licence fees and discounts

- 3.40 Landlords/letting agents were less likely to feel that any of the discount types are ‘about right’ compared to other stakeholder groups, with around only one-in-ten giving this option for each discount type proposed (8% to 11%), and most feeling they are too small across the board.
- 3.41 Tenants/residents/others however were more likely to feel the amounts of discount proposed are about right, with 58% saying this for a discount of £50 for applicants that are accredited by, or a member of, an approved body.
- 3.42 When asked about their views on proposed Additional HMO and Selective Licensing fees, again landlords/letting agents were less likely to feel that any of these licence fees are about right compared to other stakeholder groups with less than one-in-ten selecting this option for each proposed fee (5% to 8%). Most felt the proposed fees were too high. Tenants/residents/others however were more likely to feel the amounts of licence fee proposed are about right, with between 38% and 45% giving this option for each proposed fee.
- 3.43 Of tenants/residents living in Merton, a similar proportion of those owning their home and renting from a private landlord felt that a fee of £1,115 for an HMO licence for properties with 2 bedrooms (issued for up to 5 years) is about right, with 44% and 45% saying this respectively. However, those renting from a private landlord were more likely to feel this amount is too high with over four-in-ten (41%) selecting this option, compared to just under three-in-ten (29%) of those owning their home. A similar view was expressed by these groups across all the proposed licence fees, with those renting from a private landlord possibly concerned that the fee will increase rent, passing the cost onto them.
- 3.44 Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were less likely to feel that a fee of £1,115 for an HMO licence for properties with 2 bedrooms (issued for up to 5 years) is about right, with only 2% saying this, compared to 12% of those owning/managing two or more properties. Again, a similar view was expressed by these groups across all the proposed licence fees.

### Licence conditions

- 3.45 Just under one-fifth (19%) of landlords/letting agents were in agreement with the proposed conditions for an additional HMO licence, however seven-in-ten (70%) disagreed. Tenants/residents/others were far more supportive, with four-fifths (80%) in agreement and only 14% in disagreement.
- 3.46 Of tenants/residents living in Merton, those owning their home were more likely to agree with the conditions, with over eight-in-ten (87%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to just under six-in-ten (58%) of those renting from a private landlord.
- 3.47 Around one-in-eight (13%) of landlords/letting agents were in agreement with the proposed conditions for a Selective Licence, however nearly eight-in-ten (79%) disagreed. Tenants/residents/others were far more supportive, with nearly eight-in-ten (79%) in agreement and only 16% in disagreement.
- 3.48 Of tenants/residents living in Merton, those owning their home were more likely to agree with the conditions, with over eight-in-ten (85%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to just under six-in-ten (58%) of those renting from a private landlord.
- 3.49 When asked for comments about the licence fees and / or conditions, around one-in-six (16%) tenants/residents/others providing a comment thought that the scheme will need to be properly



managed/enforced efficiently including regular monitoring/inspections, with just over one-in-ten (11%) saying the proposed licence fees should be higher/there shouldn't be any discounts and the same proportion that regulation is needed, standards are too low. Whereas over a third (36%) of landlords/letting agents giving a response had concerns that a licencing scheme would make being a landlord unprofitable including forcing landlords to sell properties / will result in less availability for tenants/causing homelessness, with a quarter (25%) saying that the fee will increase rent, passing the cost onto tenants.

### New planning controls (Article 4 Direction)

- 3.50 Almost a third (32%) of landlords/letting agents were in agreement with the proposal to introduce a policy requiring planning permission to convert a single home into a small HMO (Article 4 Direction) in some parts of Merton, but more than half (54%) disagreed. Tenants/residents/others however, were far more supportive with over four-fifths (81%) in agreement, and only 15% in disagreement.
- 3.51 Nearly nine-in-ten (87%) of residents/tenants who live in Merton and own their home agreed with the proposal. In contrast, the proportion renting from a private landlord who agreed was somewhat smaller: just over six-in-ten (63%).
- 3.52 Just over a fifth (22%) of landlords/letting agents were in agreement with the Council's proposal to introduce this specific policy (Article 4 Direction) covering seven particular wards, but nearly two-thirds (63%) disagreed. Tenants/residents/others were far more supportive, with nearly four-fifths (79%) in agreement and only 17% in disagreement.
- 3.53 Over eight-in-ten (85%) of tenants/residents who live in Merton and own their home agreed with the proposal covering seven particular wards. In contrast, the proportion renting from a private landlord who agreed was somewhat smaller, although still more than half (57%).
- 3.54 When asked for comments about the proposed policy to require planning permission to convert a single property into an HMO (Article 4 Direction) in some parts of Merton, or the areas that it should cover, one-fifth of tenants/residents/others providing a comment suggested that the whole of the borough/Merton should be included and around one-in-seven (14%) thought the planning permission should consider neighbours, e.g. noise insulation. Whereas over one-fifth (21%) of landlords/letting agents giving a response had concerns about additional costs/loss of profit to landlords, with a slightly smaller proportion (19%) saying it will penalise all landlords/should only focus on bad landlords/will negatively affect good landlords. Over one-in-ten (15%) of landlords/letting agents providing a comment suggested it was unfair for HMO tenants including young people and those with lower incomes as it will reduce the amount of available properties.

### Organisations

- 3.55 There were only 4 responses on behalf of organisations so care must be taken when interpreting results broken down by this stakeholder group. Organisational views were divided in opinion, as can be seen in the main body of the report. Comments provided by organisations have been summarised in a section towards the end of this chapter; some of the more distinctive points are:

*"We welcome the news that Merton Council are seeking to introduce an Additional Licensing scheme...it is important that the national government provides councils with adequate resources so that proactive enforcement becomes widespread. We would also encourage wider partnership working with tenancy enforcement teams with organisations such as ourselves, Law Centres, advice centres and with Justice for Tenants to assist people to seek the compensation they are legally entitled to through Rent Repayment Orders...Shelter is running an Income Discrimination campaign, which*

*highlights the important role that local authorities can play in cracking down on landlords and letting agents who discriminate against people who receive housing benefit...” (Shelter London Hub)*

*“I think we need some kind of housing enforcement mechanism to ensure all of this process can work. If this already exists then it should become much more visible using the Council's Website, Newsletter and social media. I think this is a step in the right direction, but we need to ensure it is known about, hopefully after some time we will see the difference in Mitcham.”*

*“The Article 4 will significantly reduce the number of HMO which provide good supply to the housing crisis. Article 4 on HMO has no impact on ASB and rogue landlord. The Additional Licensing and Selective Licensing is sufficient to solve the ASB and rogue landlord. The immediate effect on the Article 4 make uncertainty to HMO developer who product high quality HMO. This damages our business and great losses...”*

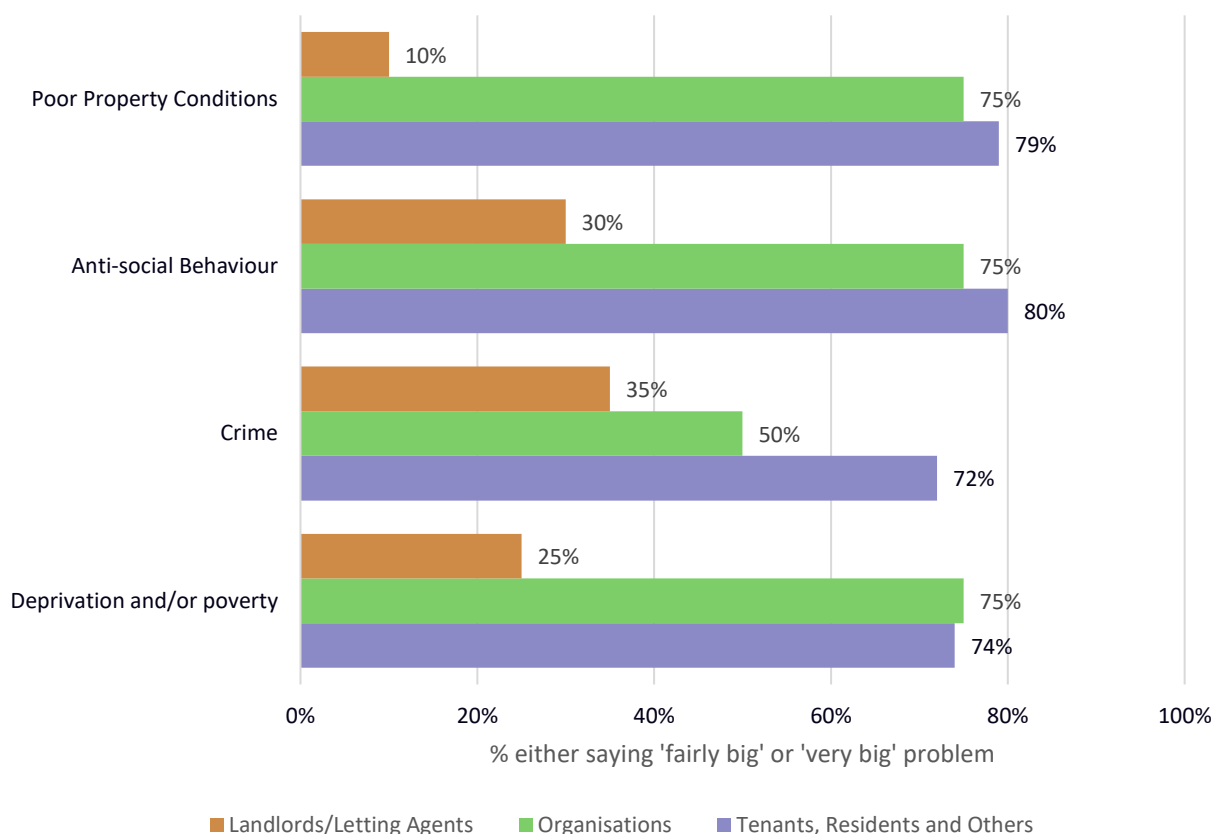
## Detailed questionnaire responses

### Local issues

*To what extent do you believe each of the following to be a problem in some areas of Merton?*

3.57 Perceptions around the extent to which certain issues are a problem in some areas of Merton vary according to the nature of the issue and the type of stakeholder. The following figure summaries how each stakeholder type views the extent of each of these problems in some areas of Merton by providing an overview of the proportions of respondents saying that each potential problem is either a ‘fairly big’ or ‘very big’ problem.

**Figure 1: Extent of problems in some areas of Merton - High level summary**



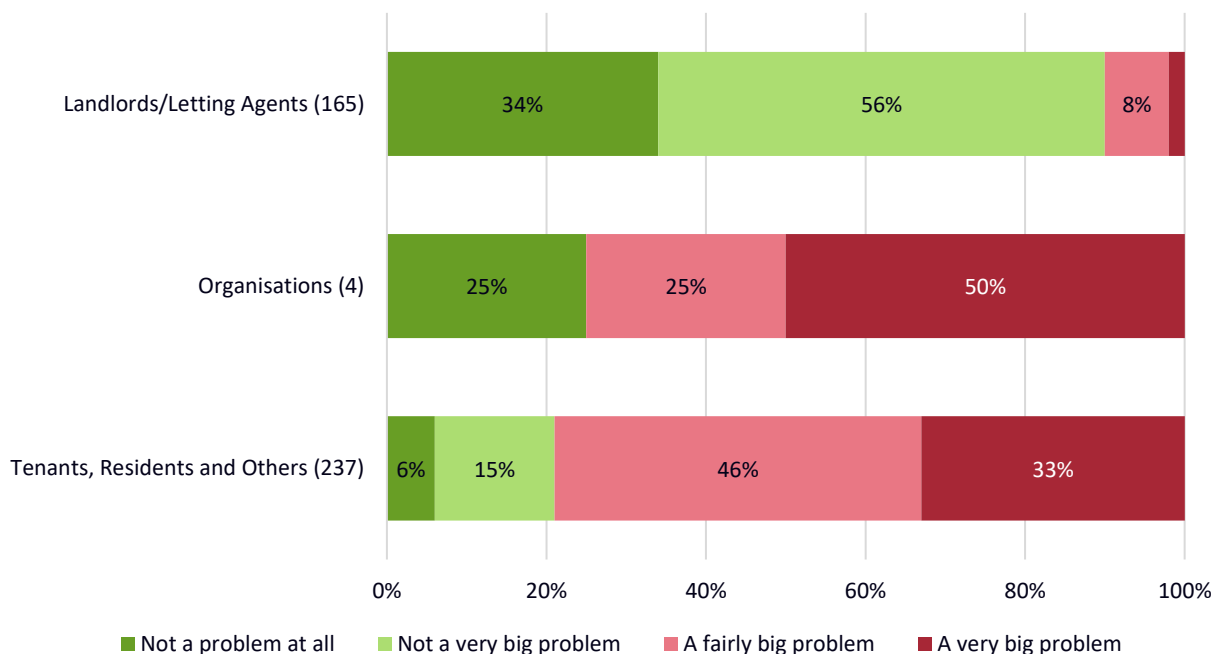
3.58 It is clear that tenants/residents/others and organisations both perceive there to be a greater problem across all the issues mentioned than landlords/letting agents.

3.59 It is worth noting that the results for organisations are only based on 4 cases.

3.60 A more detailed summary, showing the proportions of respondents selecting each response option and the number of respondents giving a valid answer within each sub-group, is provided in Figure 2 through to Figure 5 starting overleaf.

*To what extent do you believe each of the following to be a problem in some areas of Merton? - Poor property conditions*

**Figure 2: Extent to which poor property conditions are a problem in some areas of Merton**

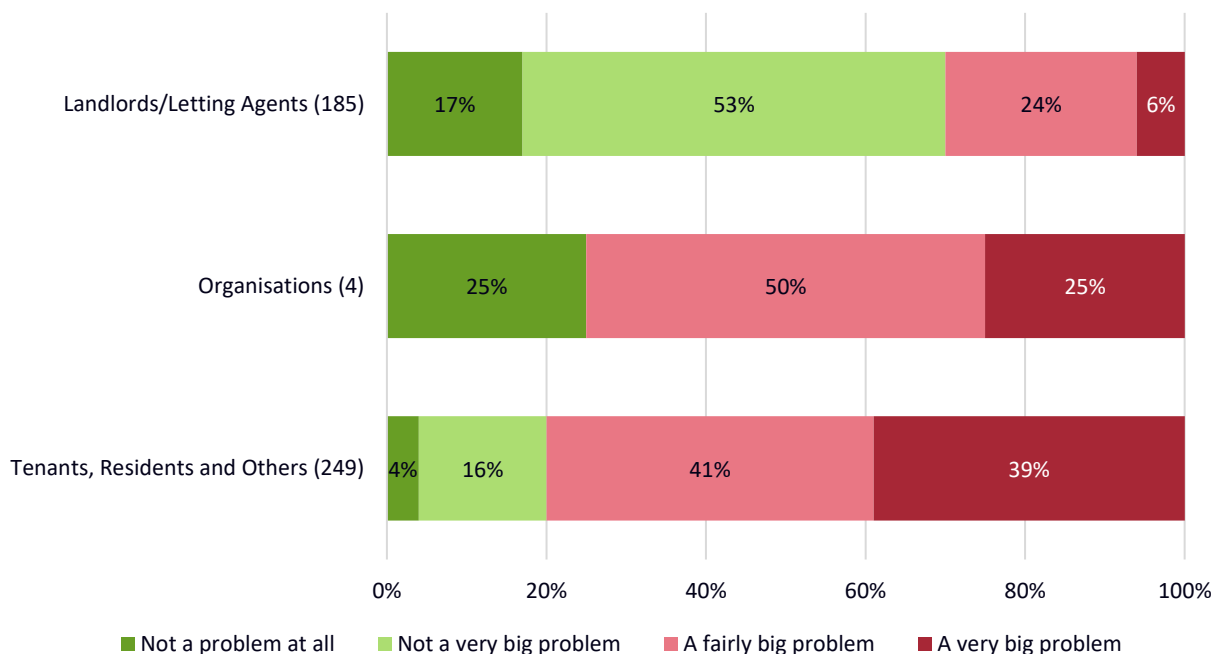


**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

- <sup>3.61</sup> Only one-in-ten landlords/letting agents (10%) thought that poor property conditions were either ‘a fairly big problem’ or ‘a very big problem’ in some areas of Merton. Tenants/residents/others however were far more likely to believe there to be such a problem, with nearly four-in-five (79%) giving one of these options.
- <sup>3.62</sup> Organisations were also more likely to think poor property conditions were a problem with three-quarters (75%) stating that it was either a fairly or very big problem. It is worth noting that the results for organisations are only based on 4 cases.

*To what extent do you believe each of the following to be a problem in some areas of Merton? - Anti-social behaviour e.g. noise, rubbish, vandalism*

**Figure 3: Extent to which anti-social behaviour e.g. noise, rubbish, vandalism is a problem in some areas of Merton**



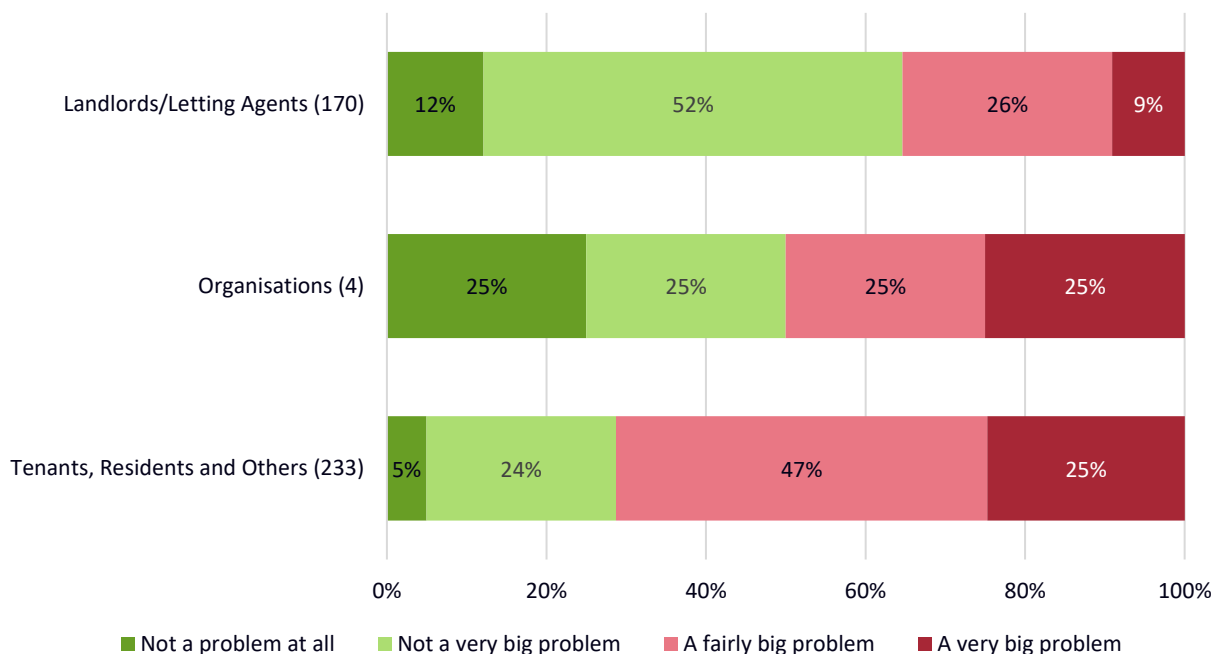
Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group

<sup>3.63</sup> A greater proportion of landlords/letting agents thought that anti-social behaviour e.g. noise, rubbish, vandalism were either ‘a fairly big problem’ or ‘a very big problem’ in some areas of Merton, with three-in-ten (30%) giving one of these options. However, there were still far more tenants/residents/others, four-in-five (80%), saying there was such a problem, and three-quarters (75%) of organisations (NB based only on 4 cases) believing this to be the case.

<sup>3.64</sup> Of tenants/residents living in Merton, those owning their home were more likely to consider anti-social behaviour a problem, with over four-fifths (86%) saying they thought it was either ‘a fairly big problem’ or ‘a very big problem’ compared to three-fifths (60%) of those renting from a private landlord.

*To what extent do you believe each of the following to be a problem in some areas of Merton? - Crime e.g. Burglary*

**Figure 4: Extent to which *crime e.g. burglary* is a problem in some areas of Merton**

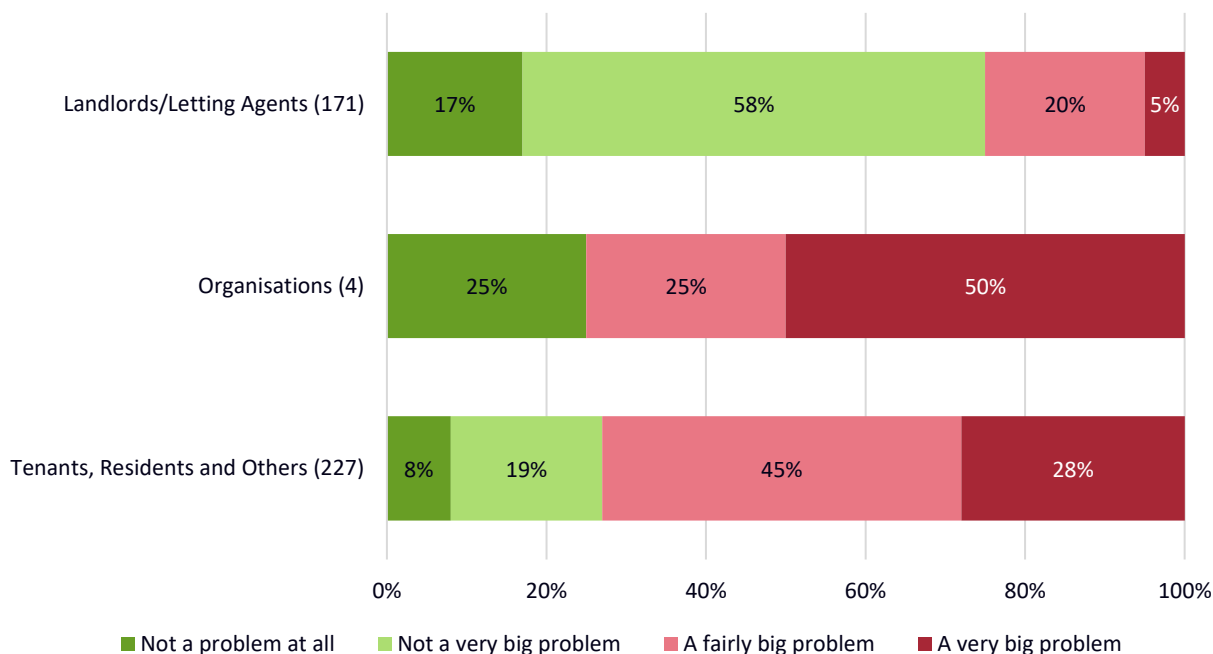


**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

- 3.65 Just over a third (35%) of landlords/letting agents thought that crime e.g. burglary was either ‘a fairly big problem’ or ‘a very big problem’ in some areas of Merton. This increased to just under three-quarters (72%) for tenants/residents/others.
- 3.66 There was an even split in opinion amongst the 4 organisations.
- 3.67 Of tenants/residents living in Merton, those owning their home were more likely to consider crime a problem, with three-quarters (75%) saying they thought it was either ‘a fairly big problem’ or ‘a very big problem’ compared to just over six-in-ten (61%) of those renting from a private landlord.

*To what extent do you believe each of the following to be a problem in some areas of Merton? - Deprivation and/or poverty*

**Figure 5: Extent to which deprivation and/or poverty is a problem in some areas of Merton**



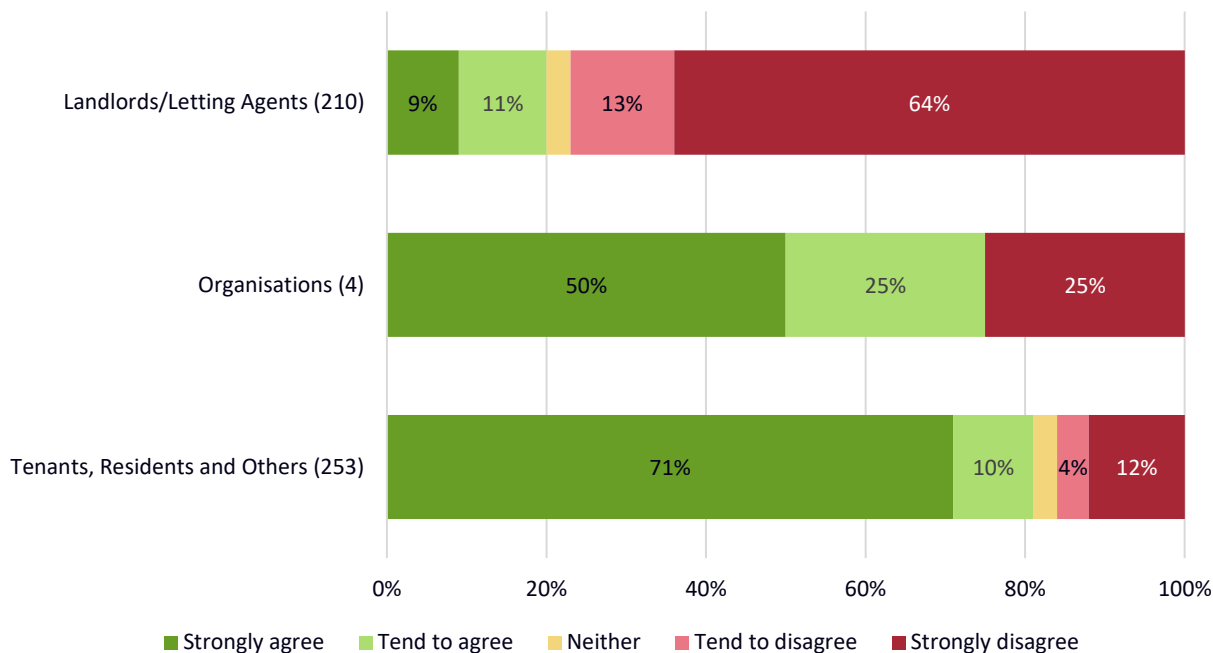
**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

- 3.68 A quarter (25%) of landlords/letting agents thought that deprivation and/or poverty was either ‘a fairly big problem’ or ‘a very big problem’ in some areas of Merton. This increased to just under three-quarters (74%) for tenants/residents/others.
- 3.69 Organisations were also more likely to think that this was a problem with three-quarters (75%) stating that it was either a fairly or very big problem (NB based only on 4 cases).
- 3.70 Tenants/residents owning their home and living in Merton were more likely to consider deprivation and/or poverty a problem, with just under eight-in-ten (79%) saying they thought it was either ‘a fairly big problem’ or ‘a very big problem’ compared to 57% of those renting from a private landlord.
- 3.71 Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were more likely to consider this a problem, 29%, compared to just 17% of those owning/managing two or more properties.

## Additional Licensing (of HMOs)

*To what extent do you agree or disagree with the proposal to introduce some form of Additional Licensing of HMOs in parts of Merton?*

**Figure 6: Agreement with the proposal to introduce some form of Additional Licensing of HMOs in parts of Merton**



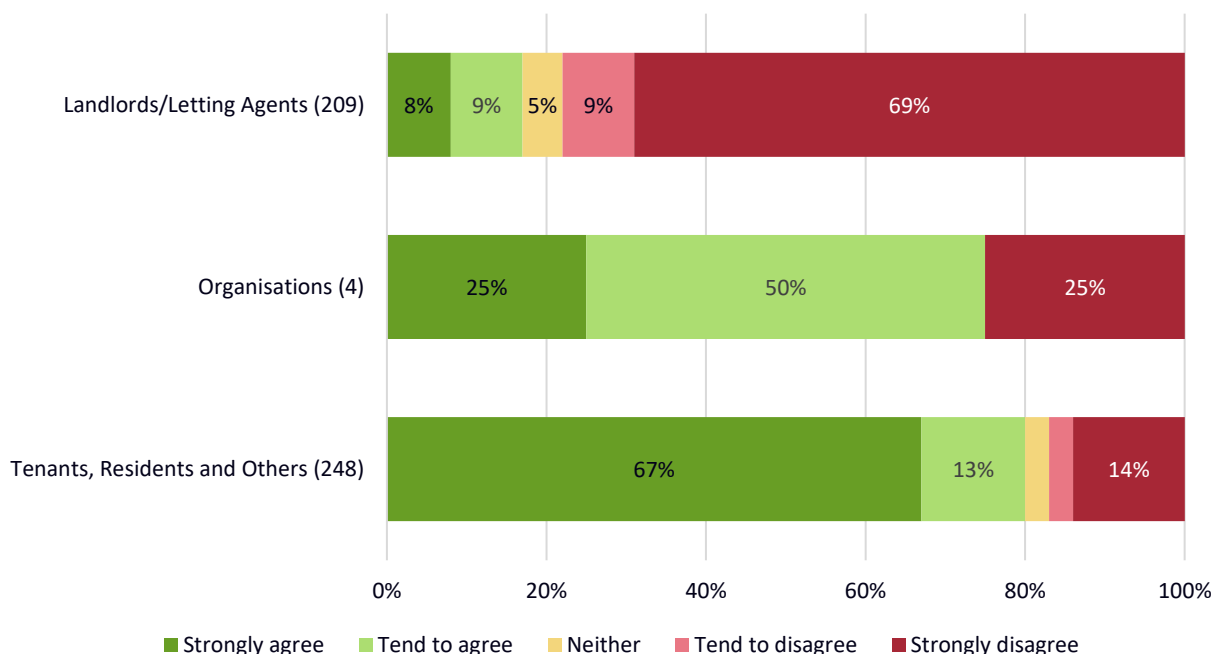
**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

- 3.72 Only one-in-five landlords/letting agents (20%) agreed with the proposal to introduce some form of Additional Licensing of HMOs in parts of Merton, but over three-quarters (77%) disagreed, with 64% disagreeing strongly. Tenants/residents/others however were far more likely to agree with over four-in-five (81%) saying they either ‘strongly agree’ or ‘tend to agree’ and only 16% in disagreement.
- 3.73 Organisations were also more likely to agree with this proposal with three-quarters (75%) in agreement. It is worth noting that the results for organisations are only based on 4 cases.
- 3.74 Of tenants/residents living in Merton, those owning their home were more likely to agree with this proposal, with over eight-in-ten (86%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to just over two-thirds (69%) of those renting from a private landlord.



*To what extent do you agree or disagree with the Council’s proposal to introduce an Additional Licensing scheme covering these seven wards?  
(Graveney, Longthornton, Pollards Hill, Figge’s Marsh, Cricket Green, Lavender Fields and Colliers Wood)*

**Figure 7: Agreement with the Council’s proposal to introduce an Additional Licensing scheme covering these seven wards**



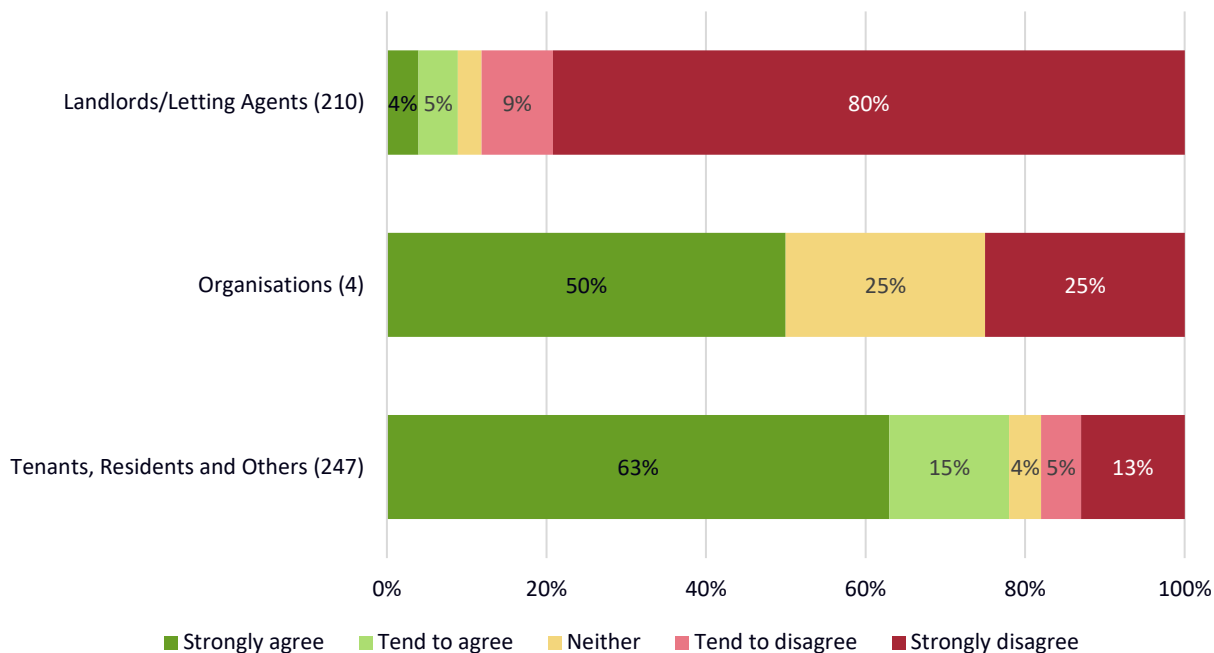
**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

- 3.75 Just under a fifth (17%) of landlords/letting agents were in agreement with the Council’s proposal to introduce this scheme covering seven particular wards, but nearly four-fifths (78%) disagreed, with 69% disagreeing strongly. Tenants/residents/others were far more supportive, with four-fifths (80%) in agreement and only 17% in disagreement.
- 3.76 Organisations were also more likely to agree with this proposal with three-quarters (75%) in agreement (NB based only on 4 cases).
- 3.77 Of tenants/residents living in Merton, those owning their home were more likely to agree with this proposal, with over eight-in-ten (85%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to two-thirds (66%) of those renting from a private landlord.

## Selective Licensing (of privately rented properties)

*To what extent do you agree or disagree with the proposal to introduce some form of Selective Licensing scheme in parts of Merton?*

**Figure 8: Agreement with the Council’s proposal to introduce some form of Selective Licensing scheme in parts of Merton**



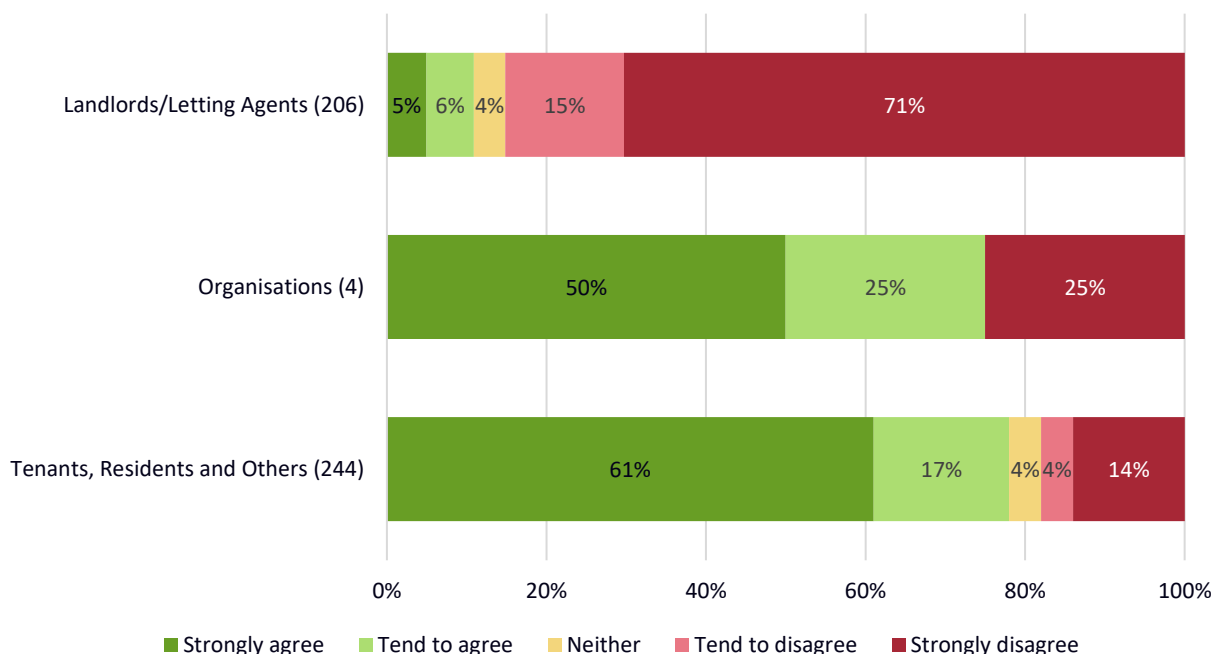
**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

- 3.78 Only 9% of landlords/letting agents were in agreement with the Council’s proposal to some form of Selective Licensing scheme in parts of Merton, but nearly nine-in-ten (89%) disagreed, with 80% disagreeing strongly. Tenants/residents/others were far more supportive, with nearly four-fifths (78%) in agreement and only 19% in disagreement.
- 3.79 Half (50%) of the 4 organisations were in agreement, although this is only based on 4 cases.
- 3.80 Of tenants/residents living in Merton, those owning their home were more likely to agree with this proposal, with just over eight-in-ten (83%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to just under two-thirds (65%) of those renting from a private landlord.

*To what extent do you agree or disagree with the Council’s proposal to introduce a Selective Licensing scheme covering these four wards?*

*(Graveney, Longthornton, Pollards Hill, and Figge’s Marsh)*

**Figure 9: Agreement with the Council’s proposal to introduce a Selective Licensing scheme covering these four wards**



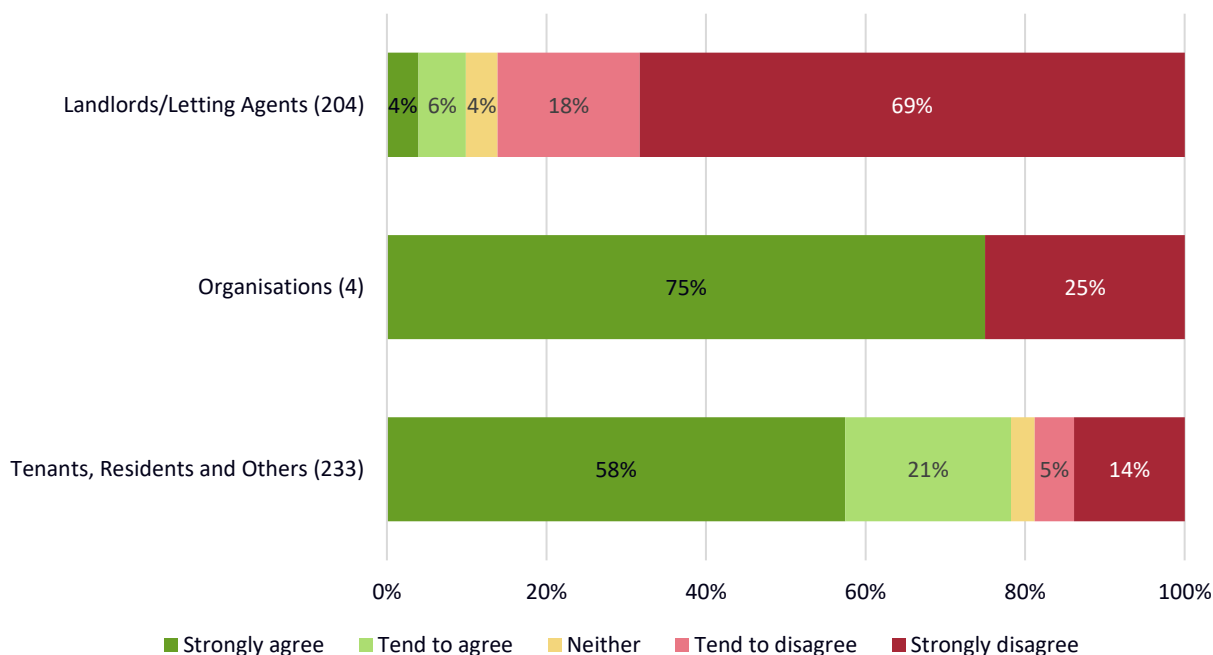
**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

- 3.81 Just over a tenth (11%) of landlords/letting agents were in agreement with the Council’s proposal to introduce this scheme covering four particular wards, but over four-fifths (85%) disagreed, with 71% disagreeing strongly. Tenants/residents/others were far more supportive, with nearly four-fifths (78%) in agreement and only 18% in disagreement.
- 3.82 Organisations were also more likely to agree with this proposal with three-quarters (75%) in agreement, though this is only based on 4 cases.
- 3.83 Of tenants/residents living in Merton, those owning their home were more likely to agree with this proposal, with just over eight-in-ten (83%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to just under two-thirds (65%) of those renting from a private landlord.

## Objectives of licensing

*To what extent do you agree or disagree that the proposed licensing schemes would contribute towards the Council’s objectives of reducing problems with ASB and improving property conditions and management?*

**Figure 10: Agreement that the proposed licensing schemes would contribute towards the Council’s objectives of reducing problems with ASB and improving property conditions and management**



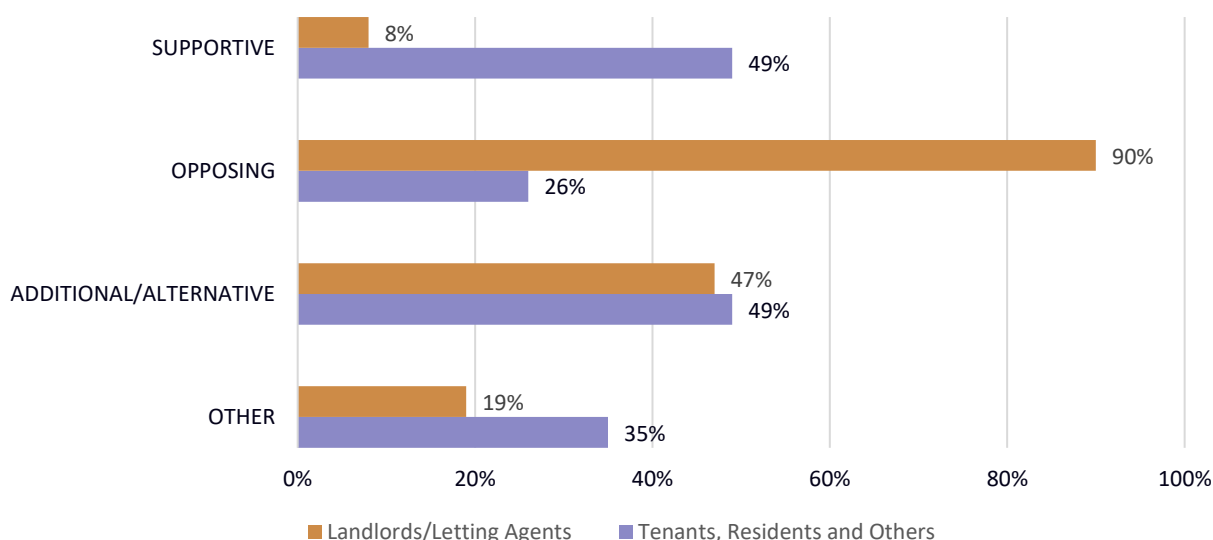
**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

- 3.84 Only a tenth (10%) of landlords/letting agents were in agreement that the proposed licensing schemes would contribute towards the Council’s objectives of reducing problems with ASB and improving property conditions and management, whereas over four-fifths (86%) disagreed, with 69% disagreeing strongly. Tenants/residents/others were far more supportive, with nearly four-fifths (79%) in agreement and only 18% in disagreement.
- 3.85 Organisations were also more likely to agree with this proposal with three-quarters (75%) in agreement (NB based only on 4 cases).
- 3.86 Of tenants/residents living in Merton, those owning their home were more likely to agree with this proposal, with over eight-in-ten (84%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to two-thirds (66%) of those renting from a private landlord.

*Please use the space below to provide any comments about the proposed Selective or Additional Licensing schemes, or the areas that they should cover, and explain any alternative approaches to reducing ASB associated with privately rented properties, and/or improving their condition and management, that you think the Council should consider.*

3.87 The following chart provides a high-level summary of the categories of response given to this question. Not all respondents provided detailed comments, as can be seen from the limited base sizes shown. Percentages may add up to more than 100% because respondents could provide a response falling into more than one category, i.e. they could have a response that mentions something broadly in support of the proposal but also something opposing it.

**Figure 11: Comments about Proposed Selective or Additional Licensing Schemes - High level summary**



**Base: Landlords/Letting agents (126 respondents, 206 high-level categories), Tenants, Residents etc (116 respondents, 185 high-level categories)**

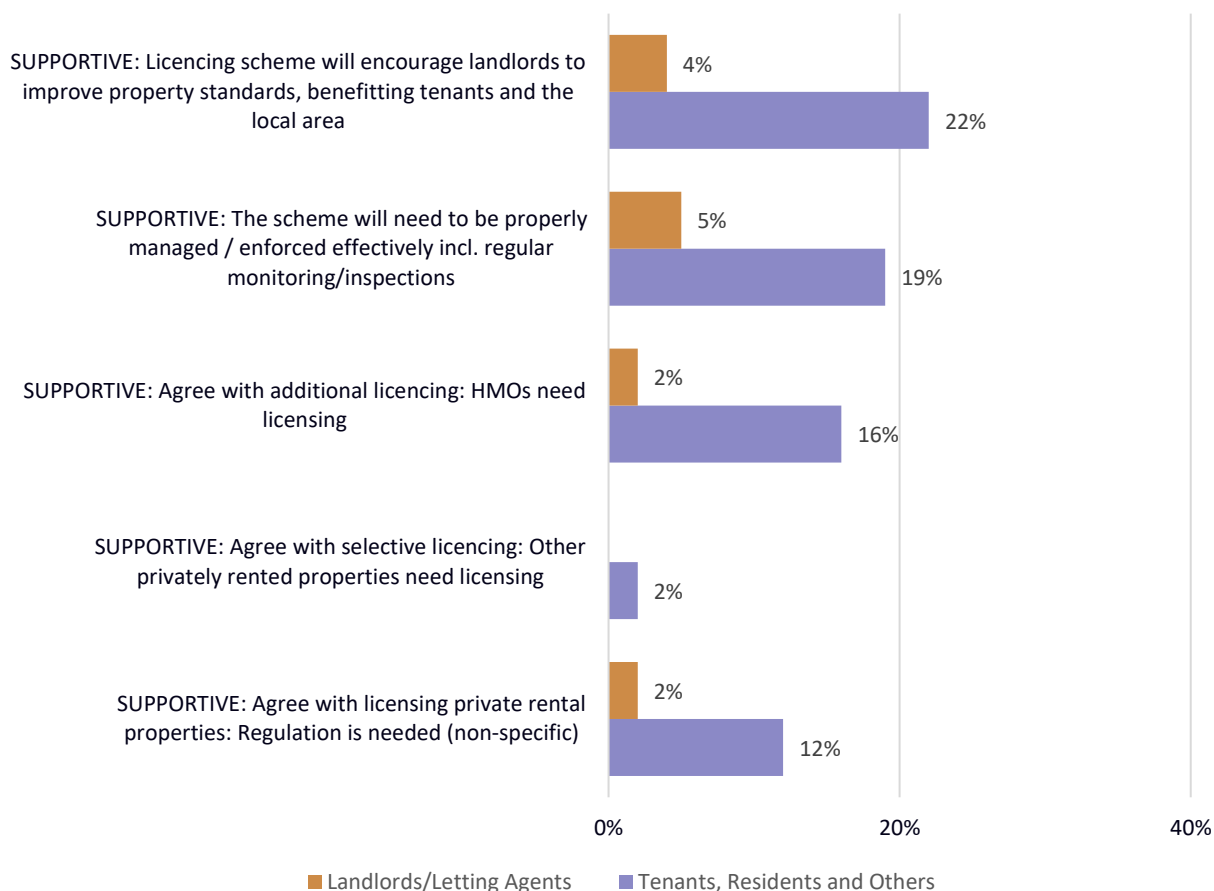
3.88 Nine-in-ten landlords/letting agents (90%) providing a comment said something in their response which opposed the proposed Selective or Additional Licensing schemes, with only 8% saying something in support. Tenants/residents/others were more likely to say something in support of the proposed schemes with nearly half (49%) doing so.

3.89 A similar proportion of each stakeholder group were likely to mention an additional/alternative proposal with nearly half of tenants/residents/others (49%) who provided a comment mentioning one in their response, and only slightly fewer (47%) landlords/letting agents mentioning an additional/alternative proposal.

3.90 There were only 3 responses from organisations to this question, with a mix of supportive/opposing comments and additional/alternative proposals provided.

3.91 The next charts look at the specific things said within these categories in more detail. All percentages in these charts are taken as a proportion from the total giving a comment but have been split over more than one chart for display purposes. Respondents may have said more than one of the things noted in each chart.

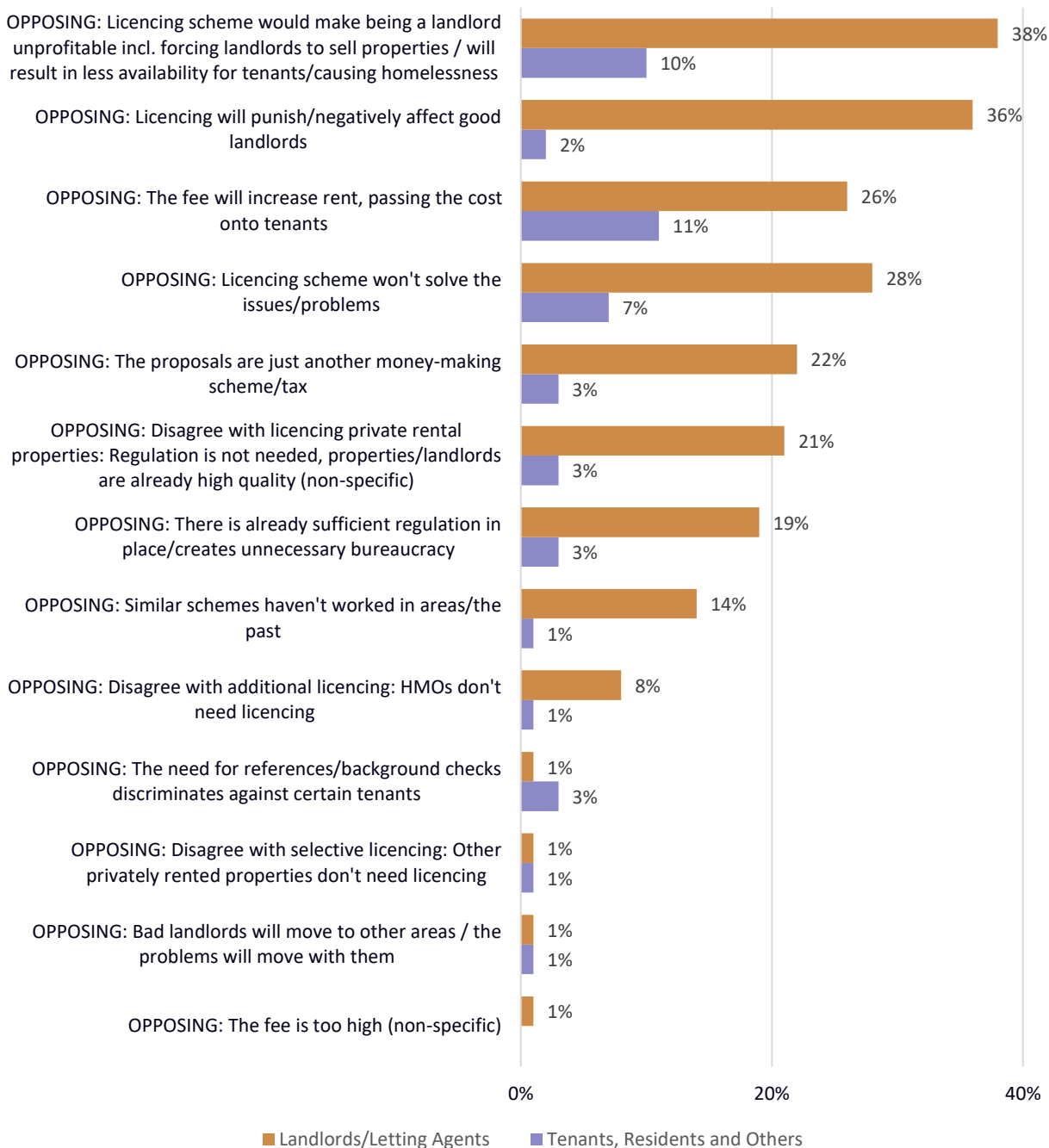
**Figure 12: Comments about Proposed Selective or Additional Licensing Schemes – The supportive responses**



**Base: Landlords/Letting agents (126 respondents), Tenants, Residents and others (116 respondents)**

- 3.92 Over one-fifth (22%) of tenants/residents/others providing a comment thought that the licencing scheme will encourage landlords to improve property standards, benefitting tenants and the local area, with a slightly smaller proportion (19%) saying the scheme will need to be properly managed / enforced effectively including regular monitoring/inspections.
- 3.93 One-in-twenty landlords/letting agents (5%) giving a response said the scheme will need to be properly managed / enforced effectively including regular monitoring/inspections.

**Figure 13: Comments about Proposed Selective or Additional Licensing Schemes – The opposing responses**

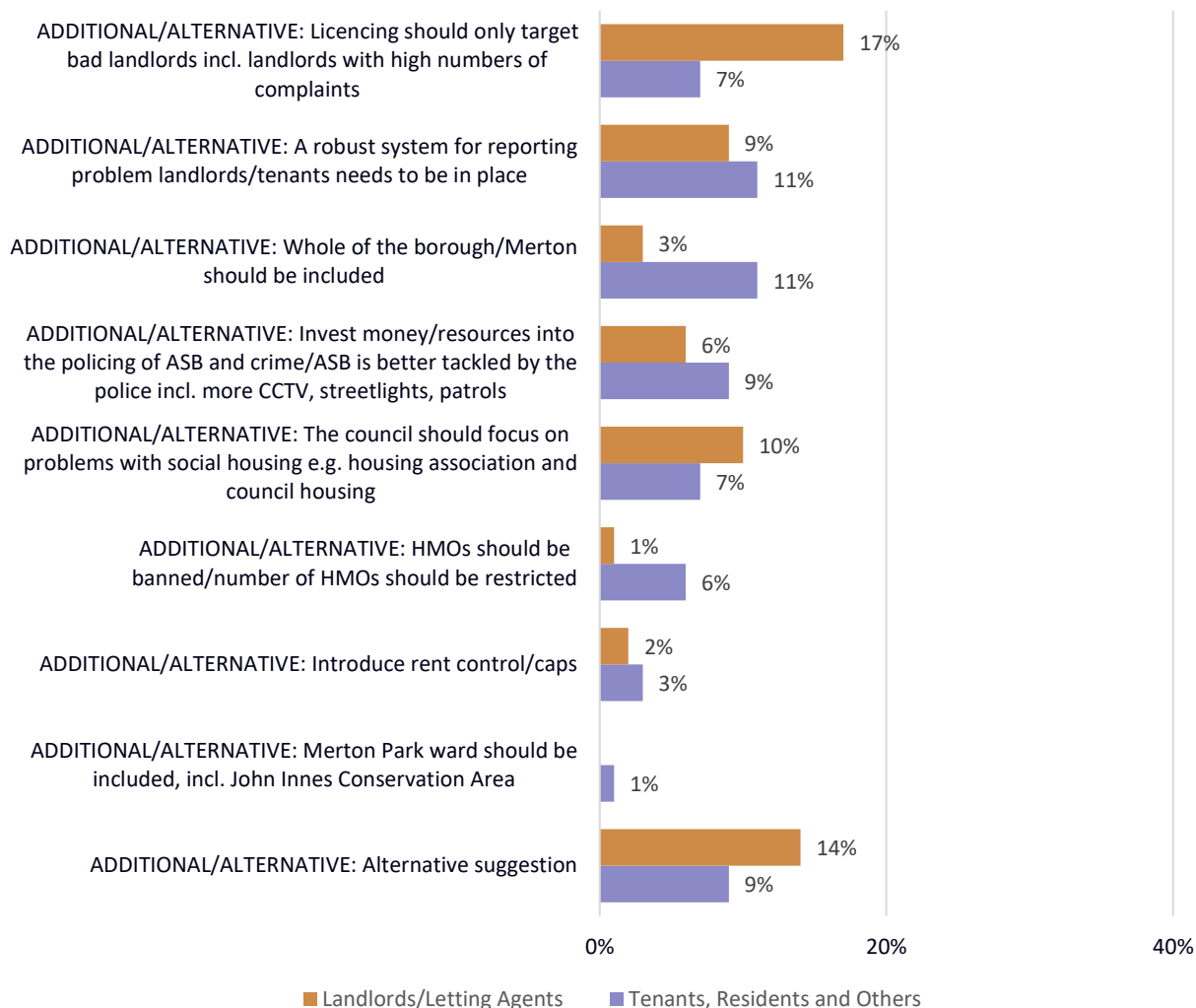


**Base: Landlords/Letting agents (126 respondents), Tenants, Residents and others (116 respondents)**

<sup>3.94</sup> Nearly two-fifths (38%) of landlords/letting agents giving a response had concerns that a licencing scheme would make being a landlord unprofitable including forcing landlords to sell properties / will result in less availability for tenants/causing homelessness, with a slightly smaller proportion (36%) saying licencing will punish/negatively affect good landlords.

<sup>3.95</sup> Just over a tenth (11%) of tenants/residents/others providing a comment thought the fee will increase rent, passing the cost onto tenants and one-in-ten (10%) thought that a licencing scheme would make being a landlord unprofitable including forcing landlords to sell properties / will result in less availability for tenants/causing homelessness.

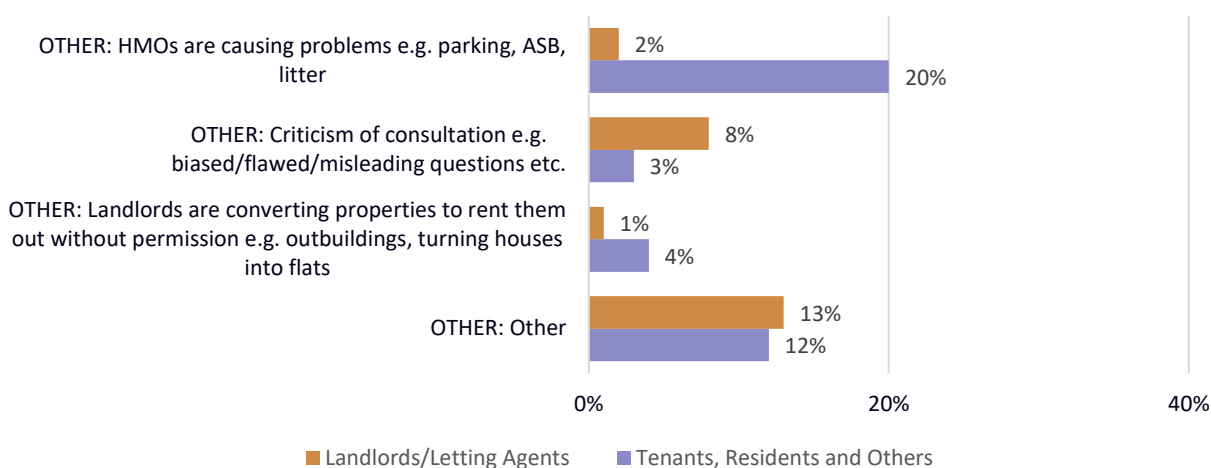
**Figure 14: Comments about Proposed Selective or Additional Licensing Schemes – The additional/alternative responses**



**Base: Landlords/Letting agents (126 respondents), Tenants, Residents and others (116 respondents)**

- 3.96 Just under a fifth (17%) of landlords/letting agents providing a comment mentioned that licencing should only target bad landlords including landlords with high numbers of complaints and one-in-ten (10%) giving a response suggested that the Council should focus on problems with social housing, e.g. housing association and Council housing.
- 3.97 Just over one-in-ten (11%) of tenants/residents/others giving a response suggested that a robust system for reporting problem landlords/tenants needs to be in place, with the same proportion saying that the whole of the borough/Merton should be included.



**Figure 15: Comments about Proposed Selective or Additional Licensing Schemes – Other responses**

**Base: Landlords/Letting agents (126 respondents), Tenants, Residents and others (116 respondents)**

- 3.98 The figure above summarises the other type of comments provided not falling into any of the previous categories of response.
- 3.99 Whilst the above themes cover the majority of points made by respondents in relation to this question, a few comments raised more specific points, some of which are included below for consideration:

*"I note that at least two of the HMOs on our street only take tenants that are in receipt of housing benefit - these residents should then be known to the Council or indeed the Council that pays their housing benefits. This suggests to me that the Council has a duty of care to ensure that tenants on housing benefit are housed in appropriate accommodation and should therefore be regularly monitoring any property that is being paid for with housing benefit. Regardless of whether an HMO allows private renters or tenants in receipt of housing benefits, there should be regular spot checks on HMOs. Fine landlords that run poorly managed properties or poorly maintained properties. Provide contact details of the HMO owner or management companies so that local residents can complain to them directly. Provide a named contact at the Council that residents can complain to. Withhold rent payment to HMOs that only accept housing benefit tenants if the property is poorly maintained. Shut the properties down. Restrict the number of HMOs that one individual can own."*

*"Properties that are rented out by estate agents are already vetted and I believe that unreliable landlords would still not follow licensing. The Council should therefore focus on housing that are in poor conditions and get staff to focus in that area. Good landlords will think twice to rent out properties with additional costs and administration. Therefore, good housing stock would be reduced."*

*"... There is one proposed licence condition that I strongly object to. You propose: "The licence holder must demand references from persons who wish to occupy the property. No new occupiers should be allowed to occupy the property if they are unable to provide a suitable reference". Also "When referencing, consideration must be given to the tenant's history, credit and right to rent checks". I look at my own situation. Had I been obliged, as a prospective tenant, to provide references then, for various reasons, I would have been unable to do so. Additionally, I was bankrupt. I would, therefore, have been precluded from renting my flat, for two separate reasons; no references and bad credit. Thankfully, I was not required to provide references or credit checks. I have now lived in my flat in Merton for over 10 years. In those 10 years, I have not missed one single payment, be they rent payments, utility payments, or council tax payments. Not only that but I have looked after the property*

*and have a good relationship with my landlord. I am a perfect example of why your proposed condition is improper and disproportional...”*

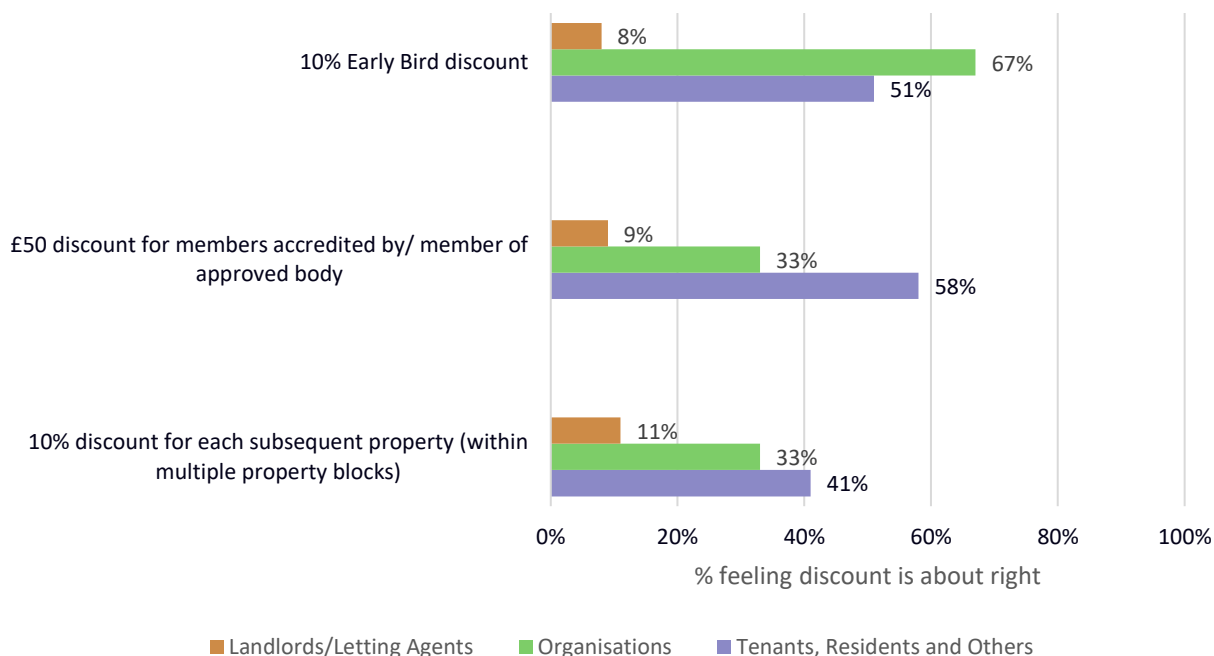
*“There appear to be an increasing number of "garden buildings" at the foot of gardens across the borough used as separate accommodation and therefore not ancillary to the main house, of which many are probably let out under separate occupancy. There is an end terrace house in my Merton Park road which some years ago had a two storey side extension built - with an interconnecting door on the ground floor to demonstrate notional common access for" family purposes". Since construction this side element has been used as a separate tenancy, with the occupants sole access being via a rear kitchen door and down an unmade and unlit side alley. I cannot find any separate listing for this "unit" on the council tax records. This type of unregulated separate occupancy needs to be brought under control...”*

### Proposed discounts and licence fees

*Please share your views on the proposed level of discount by indicating whether you feel each discount is too large, about right, or too small.*

<sup>3.100</sup> Views as to whether proposed levels of discount were too large, about right, or too small vary according to the discount proposed and the type of stakeholder. The following figure summaries how each stakeholder type feels about each discount proposed by providing an overview of the proportions of respondents saying that each potential discount is ‘about right’.

**Figure 16: Proportion feeling discount type is about right - High level summary**



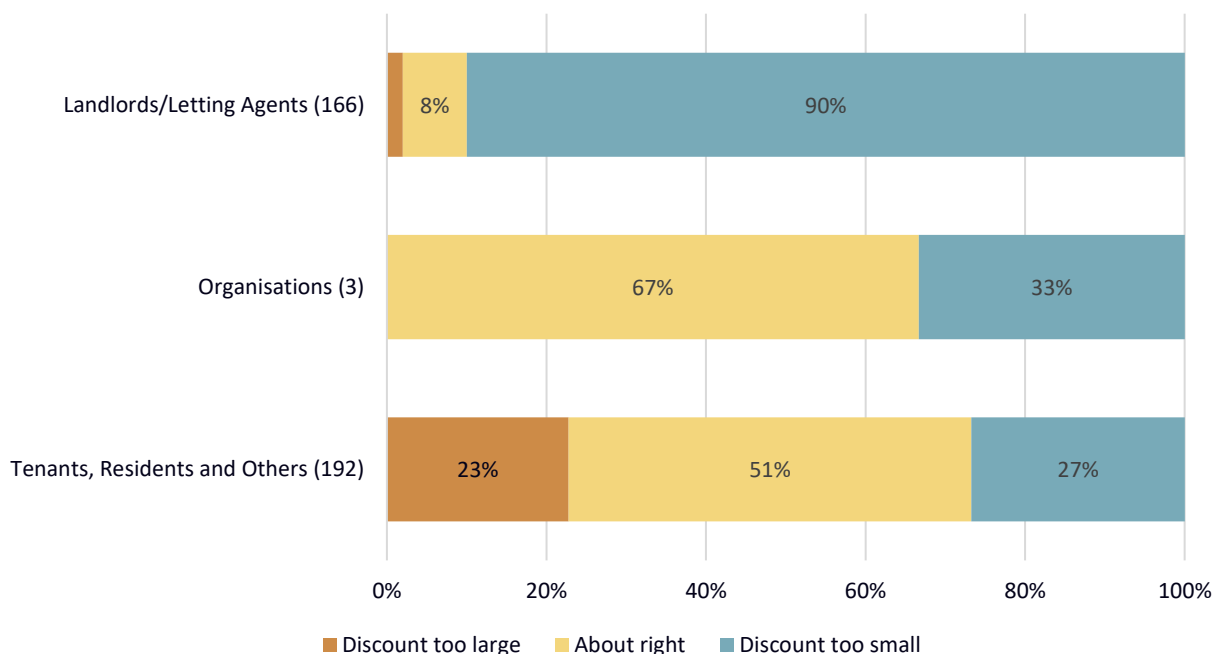
<sup>3.101</sup> It is clear that landlords/letting agents are less likely to feel that any of these discount types are about right compared to other stakeholder groups.

<sup>3.102</sup> It is worth noting that the results for organisations are only based on 3 cases.

3.103 A more detailed summary, showing the proportions of respondents selecting each response option and the number of respondents giving a valid answer within each sub-group, is provided in Figure 17 through to Figure 19.

*Please share your views on the proposed level of discount by indicating whether you feel each discount is too large, about right, or too small - A 10% discount for ‘Early Bird’ applications made in the first two months of the scheme*

**Figure 17: Views on a 10% discount for ‘Early Bird’ applications made in the first two months of the scheme**



**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

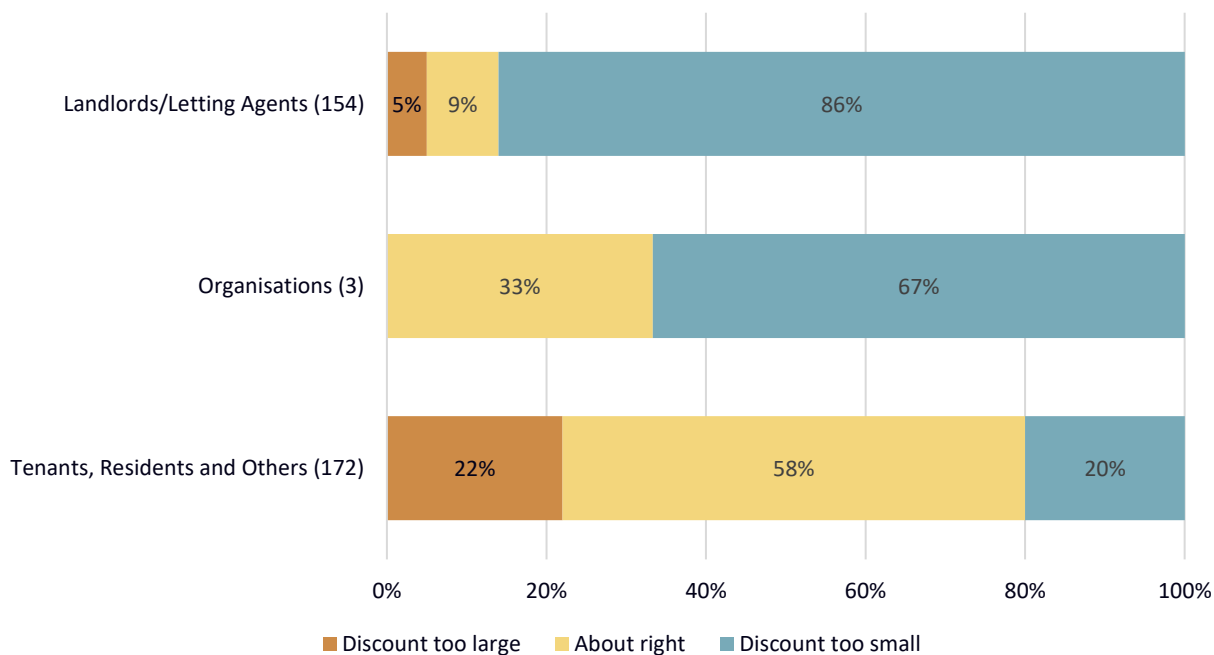
3.104 Less than one-in-ten (8%) landlords/letting agents felt that a 10% discount for ‘Early Bird’ applications made in the first two months of the scheme was about right, whereas nine-in-ten (90%) felt the discount was too small. Tenants/residents/others however were more likely to feel this was the right amount of discount, with just over half (51%) selecting this option.

3.105 Organisations were also more likely to feel that this discount was about right with two-thirds (67%) saying this. However, it is worth noting that the results for organisations are only based on 3 cases.

3.106 Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were more likely to feel this was the right amount of discount, with around one-in-eight (13%) saying this, compared to just 4% of those owning/managing two or more properties.

Please share your views on the proposed level of discount by indicating whether you feel each discount is too large, about right, or too small - A discount of £50 for applicants that are accredited by, or a member of, an approved body (LLAS, NRLA, NALS, UKALA, ARLA or RICS)

Figure 18: Views on a discount of £50 for applicants that are accredited by, or a member of, an approved body



Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group

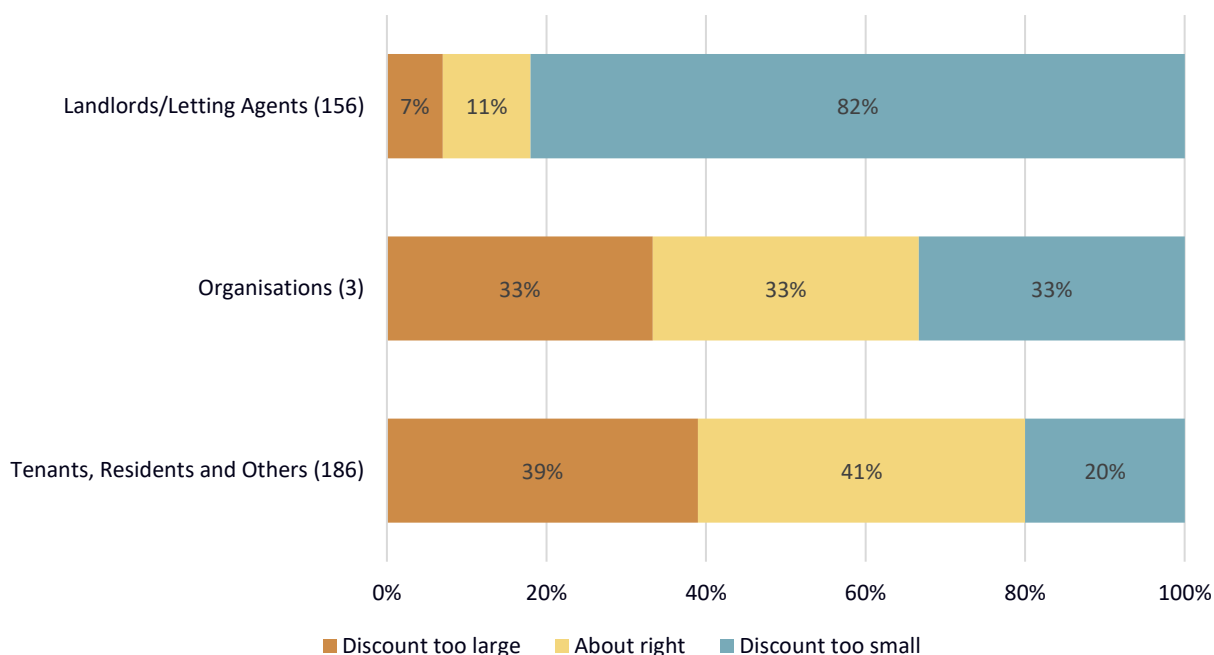
<sup>3.107</sup> Less than one-in-ten (9%) landlords/letting agents felt that a discount of £50 for applicants that are accredited by, or a member of, an approved body was about right, whereas more than eight-in-ten (86%) felt the discount was too small. Tenants/residents/others however were more likely to feel this was the right amount of discount, with nearly six-in-ten (58%) selecting this option.

<sup>3.108</sup> A third (33%) of organisations said they felt that this discount was about right (NB based only on 3 cases).

<sup>3.109</sup> Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were more likely to feel this was the right amount of discount, with around one-in-eight (13%) saying this, compared to 7% of those owning/managing two or more properties.

*Please share your views on the proposed level of discount by indicating whether you feel each discount is too large, about right, or too small - Where an applicant owns, manages and has control of multiple properties in a single block: a 10% discount for each subsequent property (after the first property) within the block*

**Figure 19: Views on a 10% discount for each subsequent property (after the first property) within a multiple property single block**



**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

<sup>3.110</sup> Less than one-in-ten (7%) landlords/letting agents felt that where an applicant owns, manages and has control of multiple properties in a single block: a 10% discount for each subsequent property (after the first property) within the block was about right, whereas more than eight-in-ten (82%) felt the discount was too small. Tenants/residents/others however were more likely to feel this was the right amount of discount, with over two-fifths (41%) selecting this option.

<sup>3.111</sup> A third (33%) of organisations said they felt that this discount was about right (NB based only on 3 cases).

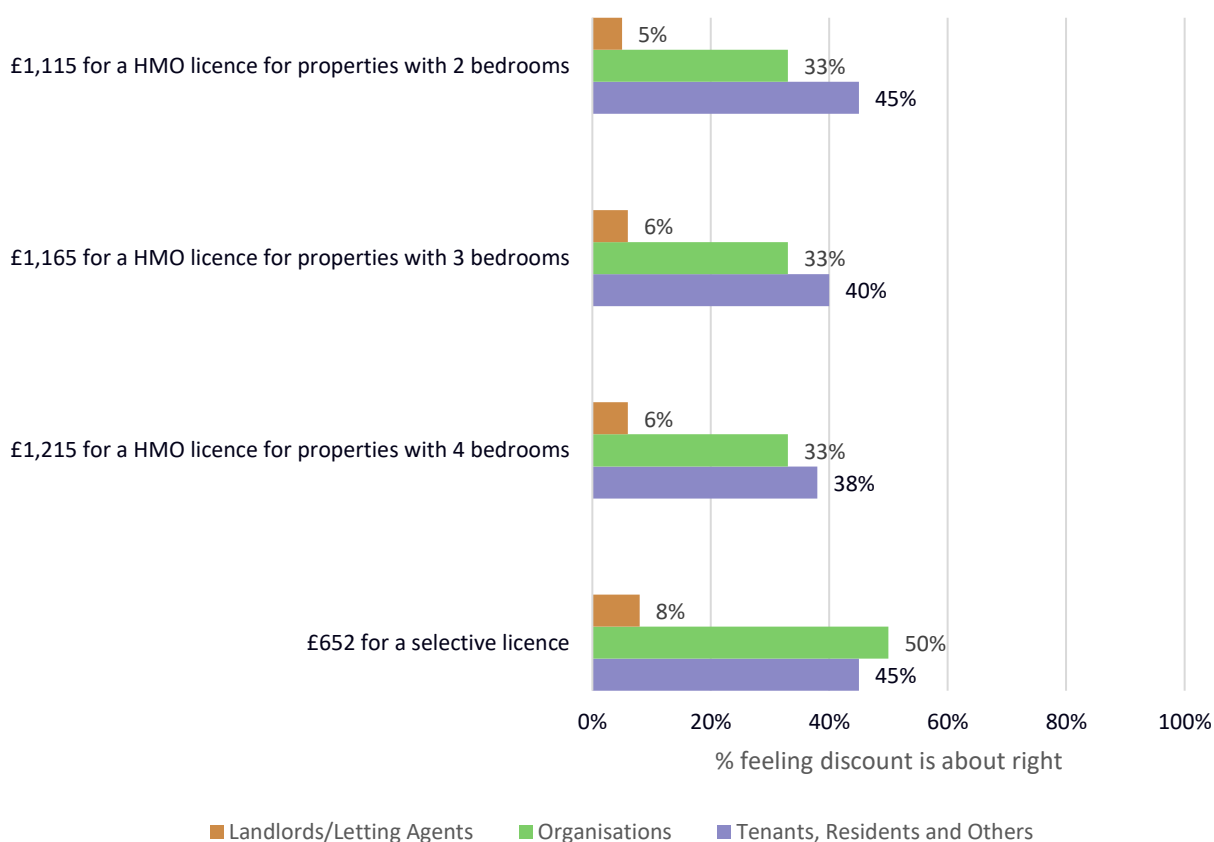
<sup>3.112</sup> Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were less likely to feel this was the right amount of discount, with just under one-in-ten (9%) saying this, compared to 11% of those owning/managing two or more properties.

Please share your views on the proposed Additional HMO and Selective Licensing fees by indicating whether you feel each fee is too high, about right, or too low.

**Fees for a licence issued for up to 5 years**

<sup>3.113</sup> Views as to whether proposed Additional HMO and Selective Licensing fees were too high, about right, or too low vary according to the type of license asked about and the type of stakeholder responding. The following figure summaries how each stakeholder type feels about each license fee proposed by providing an overview of the proportions of respondents saying that each potential fee is ‘about right’.

**Figure 20: Proportion feeling licence fee is about right - High level summary**



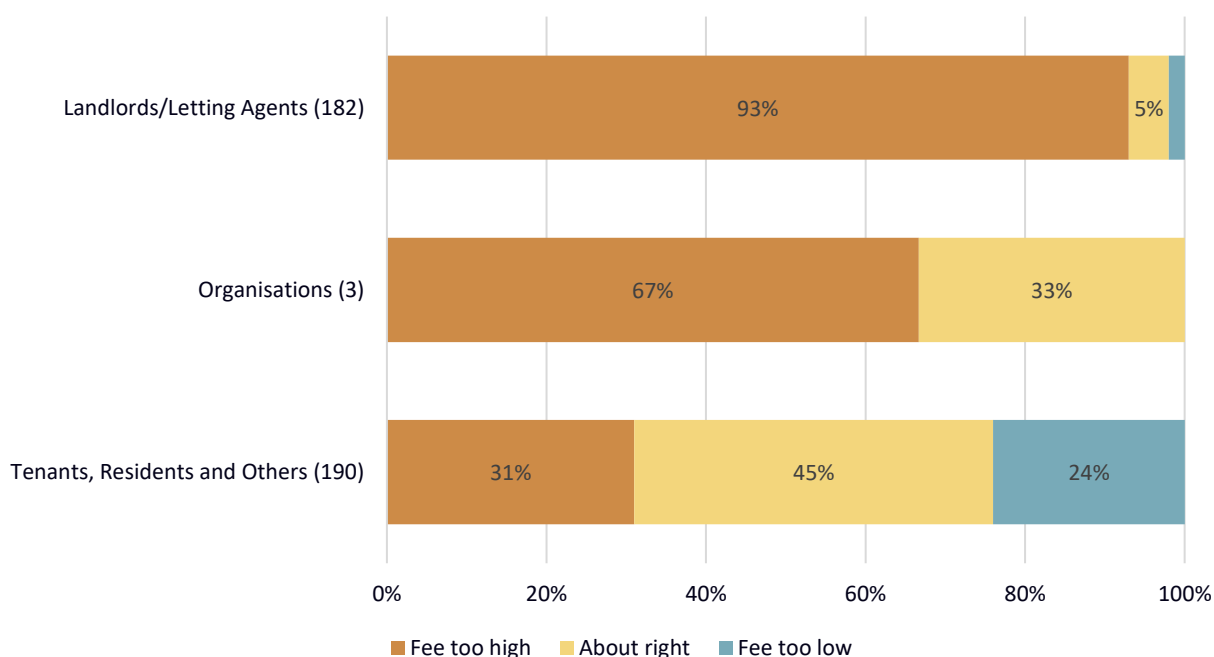
<sup>3.114</sup> It is clear that landlords/letting agents are less likely to feel that any of these licence fees are about right compared to other stakeholder groups.

<sup>3.115</sup> It is worth noting that the results for organisations are only based on between 2 and 3 cases across the different type of licenses.

<sup>3.116</sup> A more detailed summary, showing the proportions of respondents selecting each response option and the number of respondents giving a valid answer within each sub-group, is provided in Figure 21 through to Figure 24 starting overleaf.

Please share your views on the proposed Additional HMO and Selective Licensing fees by indicating whether you feel each fee is too high, about right, or too low - **£1,115** for an HMO licence for properties with **2 bedrooms**  
**Fees for an licence issued for up to 5 years**

Figure 21: Views on £1,115 for an HMO licence for properties with 2 bedrooms

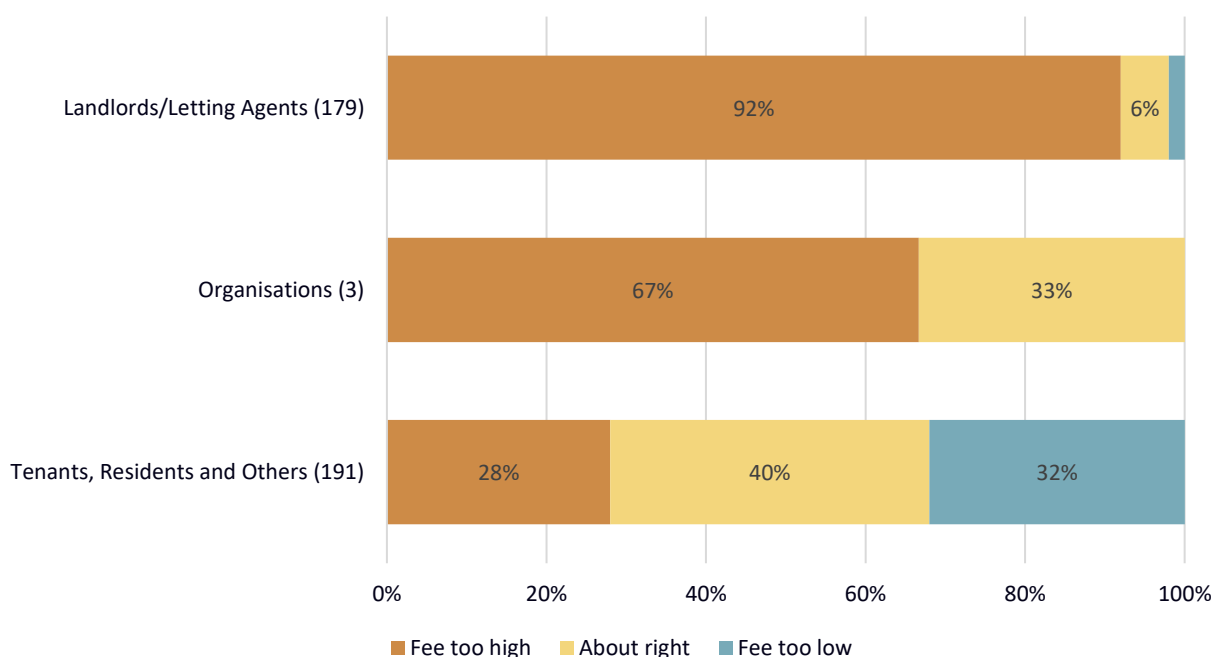


Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group

- 3.117 Only one-in-twenty landlords/letting agents felt that a fee of £1,115 for an HMO licence for properties with 2 bedrooms (issued for up to 5 years) was about right, whereas over nine-in-ten (93%) felt the fee was too high. Tenants/residents/others however were more likely to feel this was the right amount for this fee, with over four-in-ten (45%) selecting this option.
- 3.118 Organisations were also more likely to feel that this fee was about right with a third (33%) saying this. However, it is worth noting that the results for organisations are only based on just 3 cases.
- 3.119 Of tenants/residents living in Merton, a similar proportion of those owning their home and renting from a private landlord felt that a fee of £1,115 for an HMO licence for properties with 2 bedrooms (issued for up to 5 years) was about right, with 44% and 45% saying this respectively. However, those renting from a private landlord were more likely to feel this amount was too high with over four-in-ten (41%) giving this option compared to just under three-in-ten (29%) of those owning their home.
- 3.120 Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were less likely to feel this was the right amount of fee, with only 2% saying this, compared to 12% of those owning/managing two or more properties.

Please share your views on the proposed Additional HMO and Selective Licensing fees by indicating whether you feel each fee is too high, about right, or too low - **£1,165** for an HMO licence for properties with **3 bedrooms**  
**Fees for an licence issued for up to 5 years**

Figure 22: Views on £1,165 for an HMO licence for properties with 3 bedrooms



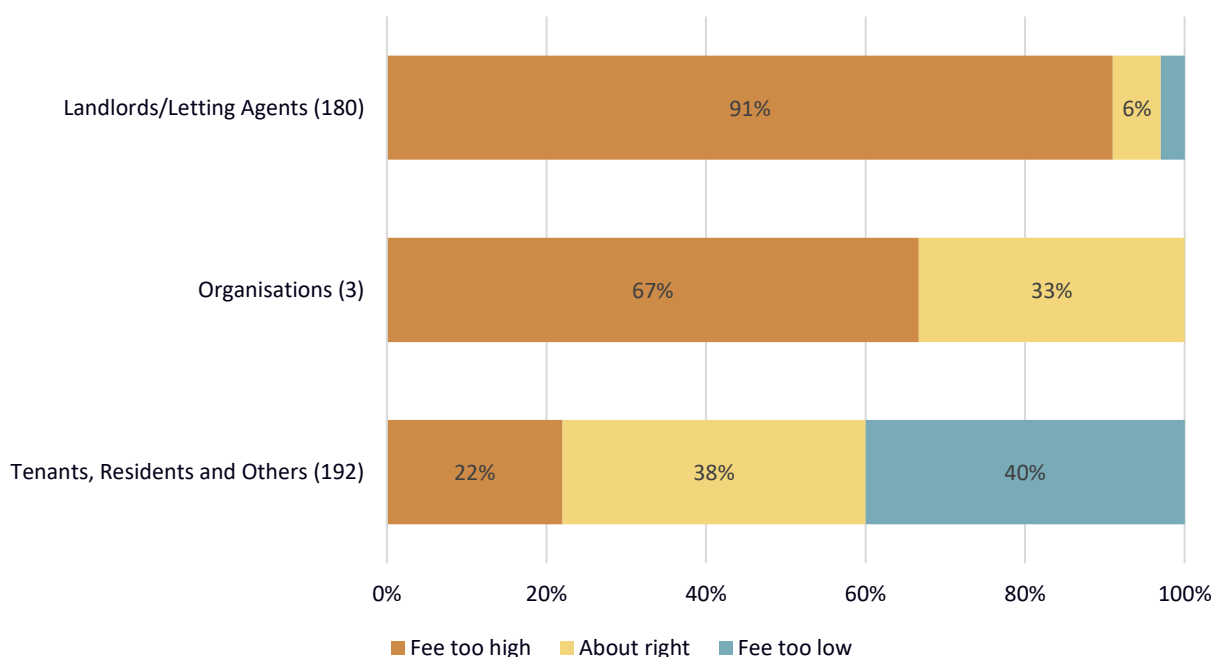
Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group

- 3.121 Only just over one-in-twenty (6%) landlords/letting agents felt that a fee of £1,165 for an HMO licence for properties with 3 bedrooms (issued for up to 5 years) was about right, whereas over nine-in-ten (92%) felt the fee was too high. Tenants/residents/others however were more likely to feel this was the right amount for this fee, with four-in-ten (40%) selecting this option.
- 3.122 Organisations were also more likely to feel that this fee was about right with a third (33%) saying this (NB based only on 3 cases).
- 3.123 Of tenants/residents living in Merton, four-in-ten (40%) of those owning their home felt that a fee of £1,165 for an HMO licence for properties with 3 bedrooms (issued for up to 5 years) was about right, whilst fewer (34%) renting from a private landlord gave this option. A greater proportion of those renting from a private landlord were more likely to feel this amount was too high with over four-in-ten (45%) giving this option compared to around a quarter (24%) of those owning their home.
- 3.124 Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were less likely to feel this was the right amount of fee, with only 7% saying this, compared to 12% of those owning/managing two or more properties.



Please share your views on the proposed Additional HMO and Selective Licensing fees by indicating whether you feel each fee is too high, about right, or too low - **£1,215 for an HMO licence for properties with 4 bedrooms**  
**Fees for an licence issued for up to 5 years**

Figure 23: Views on £1,215 for an HMO licence for properties with 4 bedrooms

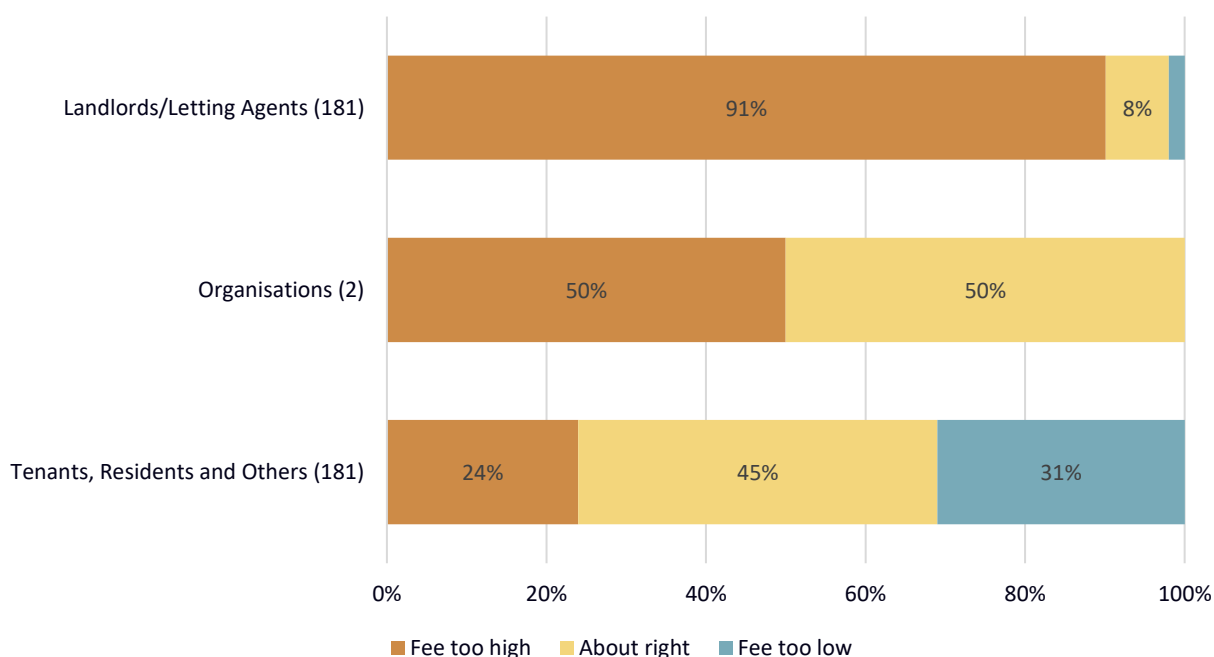


Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group

- 3.125 Only just over one-in-twenty (6%) landlords/letting agents felt that a fee of £1,215 for an HMO licence for properties with 4 bedrooms (issued for up to 5 years) was about right, whereas just over nine-in-ten (91%) felt the fee was too high. Tenants/residents/others however were more likely to feel this was the right amount for this fee, with just under four-in-ten (38%) selecting this option.
- 3.126 Organisations were also more likely to feel that this fee was about right with a third (33%) saying this (NB based only on 3 cases).
- 3.127 Of tenants/residents living in Merton, a similar proportion of those owning their home and renting from a private landlord felt that a fee of £1,215 for an HMO licence for properties with 4 bedrooms (issued for up to 5 years) was about right, with 37% and 33% saying this respectively. However, those renting from a private landlord were more likely to feel this amount was too high with four-in-ten (40%) giving this option compared to under one-fifth (18%) of those owning their home.
- 3.128 Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were less likely to feel this was the right amount of fee, with only 2% saying this, compared to 12% of those owning/managing two or more properties.

Please share your views on the proposed Additional HMO and Selective Licensing fees by indicating whether you feel each fee is too high, about right, or too low - **£652** for a **Selective Licence**  
**Fees for an licence issued for up to 5 years**

Figure 24: Views on £652 for a Selective Licence



Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group

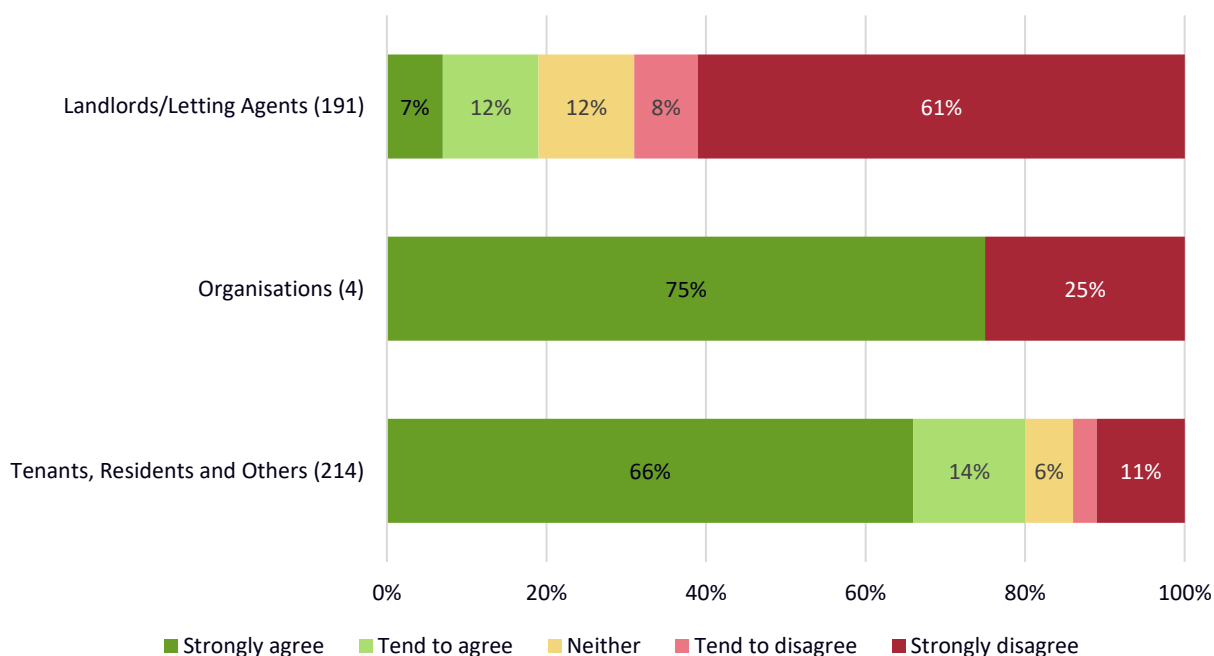
- 3.129 Just under one-in-ten (8%) landlords/letting agents felt that a fee of £652 for a Selective Licence (issued for up to 5 years) was about right, whereas just over nine-in-ten (91%) felt the fee was too high. Tenants/residents/others however were more likely to feel this was the right amount for this fee, with over four-in-ten (45%) selecting this option.
- 3.130 Of tenants/residents living in Merton, a similar proportion of those owning their home and renting from a private landlord felt that a fee of £652 for a Selective Licence (issued for up to 5 years) was about right, with 44% and 43% saying this respectively. However, those renting from a private landlord were more likely to feel this amount was too high with over four-in-ten (43%) giving this option compared to one-fifth (20%) of those owning their home.
- 3.131 Of landlords who own or manage properties in the borough of Merton, those only owning/managing one property were less likely to feel this was the right amount of fee, with only one-in-twenty (5%) saying this, compared to 8% of those owning/managing two or more properties.

## Licence conditions

*The Council proposes that any new licensing schemes should include some additional conditions aimed at improving the management of the property, relating to: tenant responsibilities (including anti-social behaviour and the storage and disposal of waste); tenancy and occupancy agreements (covering matters such as the date of commencement, rent, termination, security of tenure, repairs, pets etc); gas and electrical safety certificates/reports; fire safety (detection systems and compliance of furniture/fittings); energy performance certificates and buildings insurance.*

*In general, to what extent do you agree or disagree with having conditions such as these for an additional HMO licence?*

**Figure 25: Agreement with having conditions such as these for an additional HMO licence**

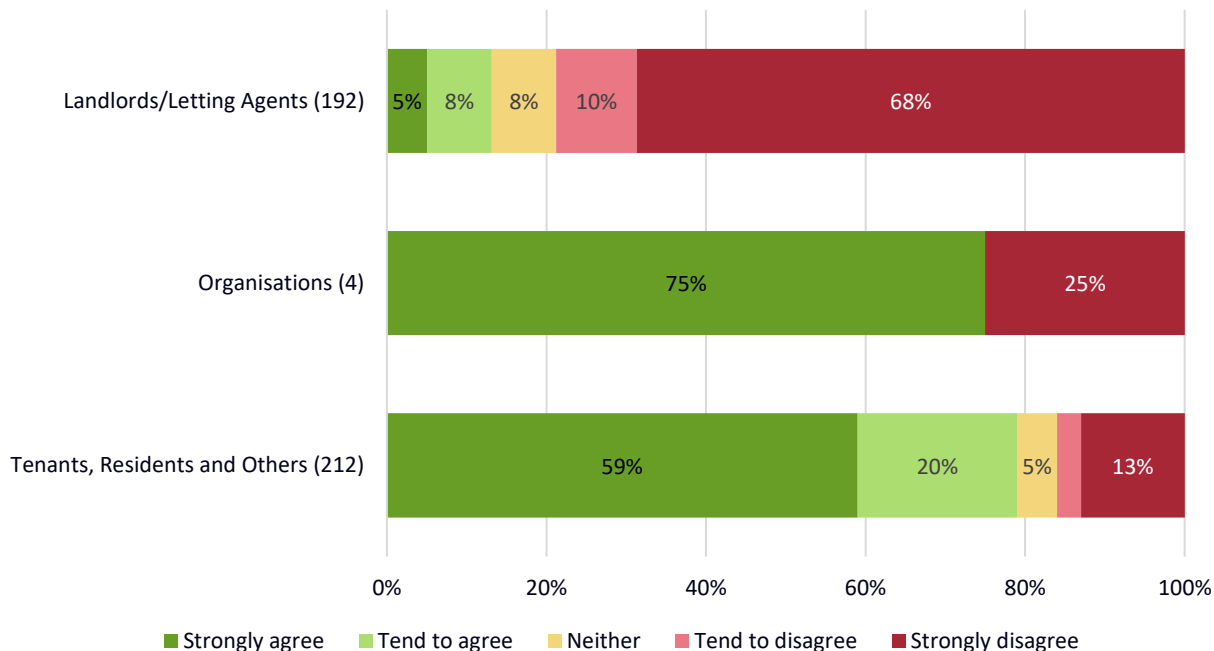


**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

- 3.132 Just under one-fifth (19%) of landlords/letting agents were in agreement with having conditions such as these for an additional HMO licence, however seven-in-ten (70%) disagreed. Tenants/residents/others were far more supportive, with four-fifths (80%) in agreement and only 14% in disagreement.
- 3.133 Organisations were also more likely to agree with these conditions with three-quarters (75%) in agreement. It is worth noting that the results for organisations are only based on 4 cases.
- 3.134 Of tenants/residents living in Merton, those owning their home were more likely to agree with conditions such as these, with over eight-in-ten (87%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to just under six-in-ten (58%) of those renting from a private landlord.

*In general, to what extent do you agree or disagree with having conditions such as these for a Selective Licence?*

**Figure 26: Agreement with having conditions such as these for a Selective Licence**



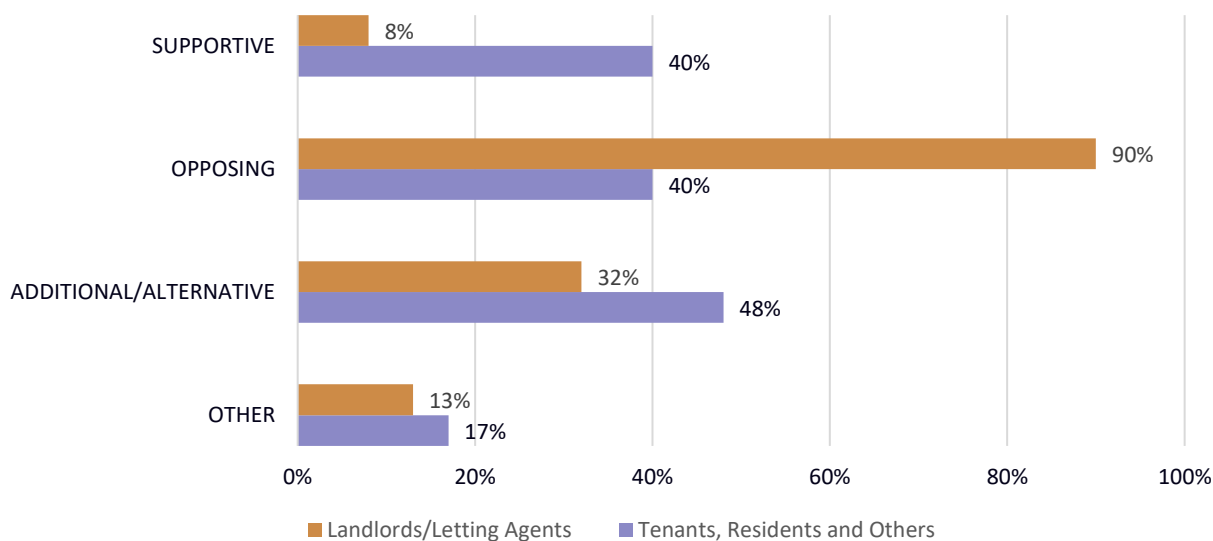
**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

- 3.135 Around one-in-eight (13%) of landlords/letting agents were in agreement with having conditions such as these for a Selective Licence, however nearly eight-in-ten (79%) disagreed. Tenants/residents/others were far more supportive, with nearly eight-in-ten (79%) in agreement and only 16% in disagreement.
- 3.136 Organisations were also more likely to agree with this proposal with three-quarters (75%) in agreement (NB based only on 4 cases).
- 3.137 Of tenants/residents living in Merton, those owning their home were more likely to agree with these conditions, with over eight-in-ten (85%) saying they either ‘strongly agree’ or ‘tend to agree’ compared to just under six-in-ten (58%) of those renting from a private landlord.

*Are there any other comments that you would like to make about the licence fees and / or conditions?*

3.138 The following chart provides a high-level summary of the categories of response given to this question. Not all respondents provided detailed comments, as can be seen from the limited base sizes shown. Percentages may add up to more than 100% because respondents could provide a response falling into more than one category, i.e. they could have a response that mentions something broadly in support of the proposal but also something opposing it.

**Figure 27: Comments about the Licence Fees and/or Conditions - High level summary**



**Base: Landlords/Letting agents (120 respondents, 171 high-level categories), Tenants, Residents etc (92 respondents, 134 high-level categories)**

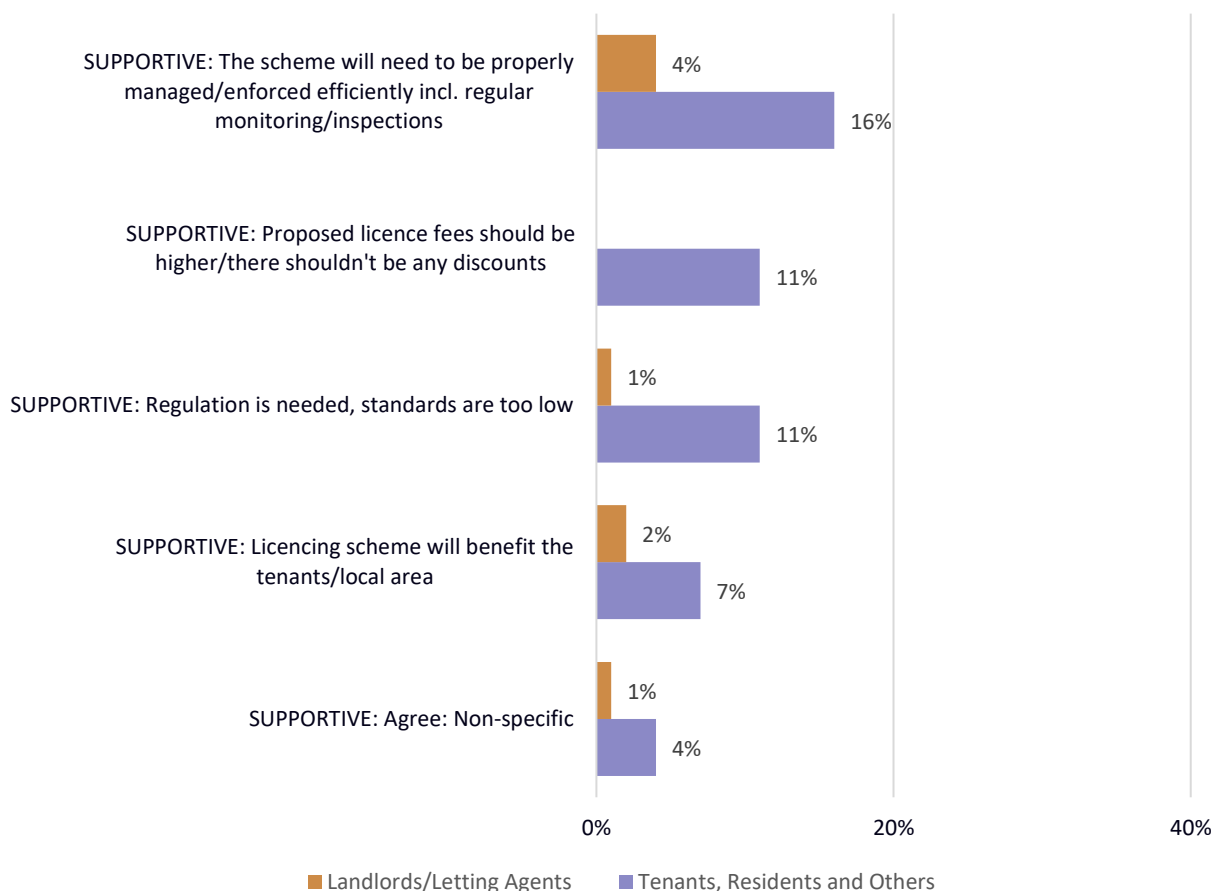
3.139 Nine-in-ten (90%) landlords/letting agents providing a comment said something in their response which opposed the proposed licence fees and/or conditions, with only 8% saying something in support. Tenants/residents/others were more likely to say something in support of the proposed licence fees and/or conditions with two-fifths (40%) doing so.

3.140 Tenants/residents/others were more likely to mention an additional/alternative proposal with nearly half (48%) who provided a comment mentioning one in their response. This compares to just under a third (32%) of landlords/letting agents mentioning an additional/alternative proposal.

3.141 There were only 2 responses from organisations to this question, 1 providing an additional/alternative proposal provided and the other mentioning another type of comment.

3.142 The next charts look at the specific things said within these categories in more detail. All percentages in these charts are taken as a proportion from the total giving a comment but have been split over more than one chart for display purposes. Respondents may have said more than one of the things noted in each chart.

**Figure 28: Comments about the Licence Fees and/or Conditions – The supportive responses**

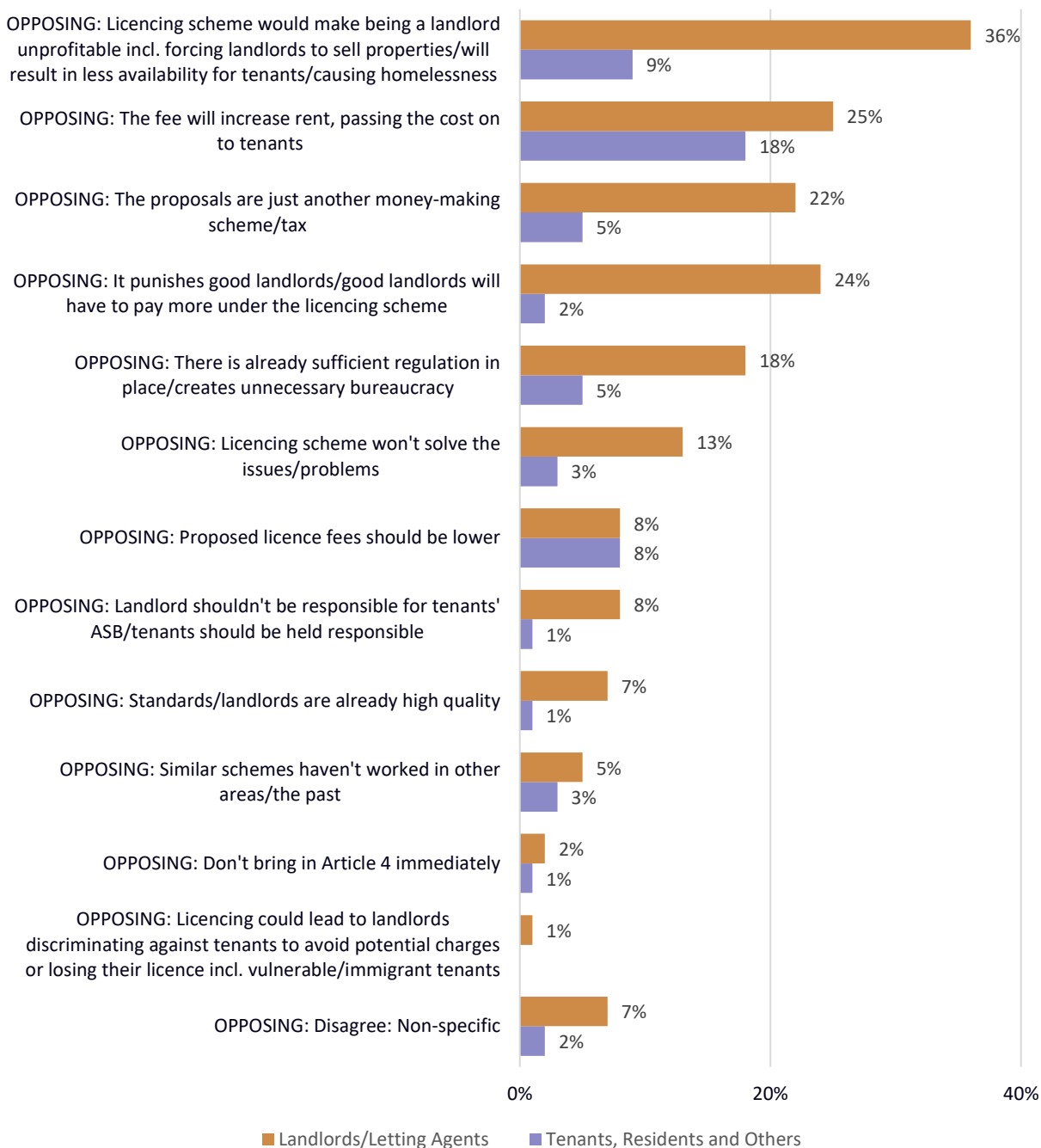


**Base: Landlords/Letting agents (120 respondents), Tenants, Residents and others (92 respondents)**

<sup>3.143</sup> Around one-in-six (16%) tenants/residents/others providing a comment thought that the scheme will need to be properly managed/enforced efficiently including regular monitoring/inspections, with just over one-in-ten (11%) saying the proposed licence fees should be higher/there shouldn't be any discounts and the same proportion that regulation is needed, standards are too low.

<sup>3.144</sup> Less than one-in-twenty (4%) landlords/letting agents giving a response said the scheme will need to be properly managed/enforced efficiently including regular monitoring/inspections.

**Figure 29: Comments about the Licence Fees and/or Conditions – The opposing responses**

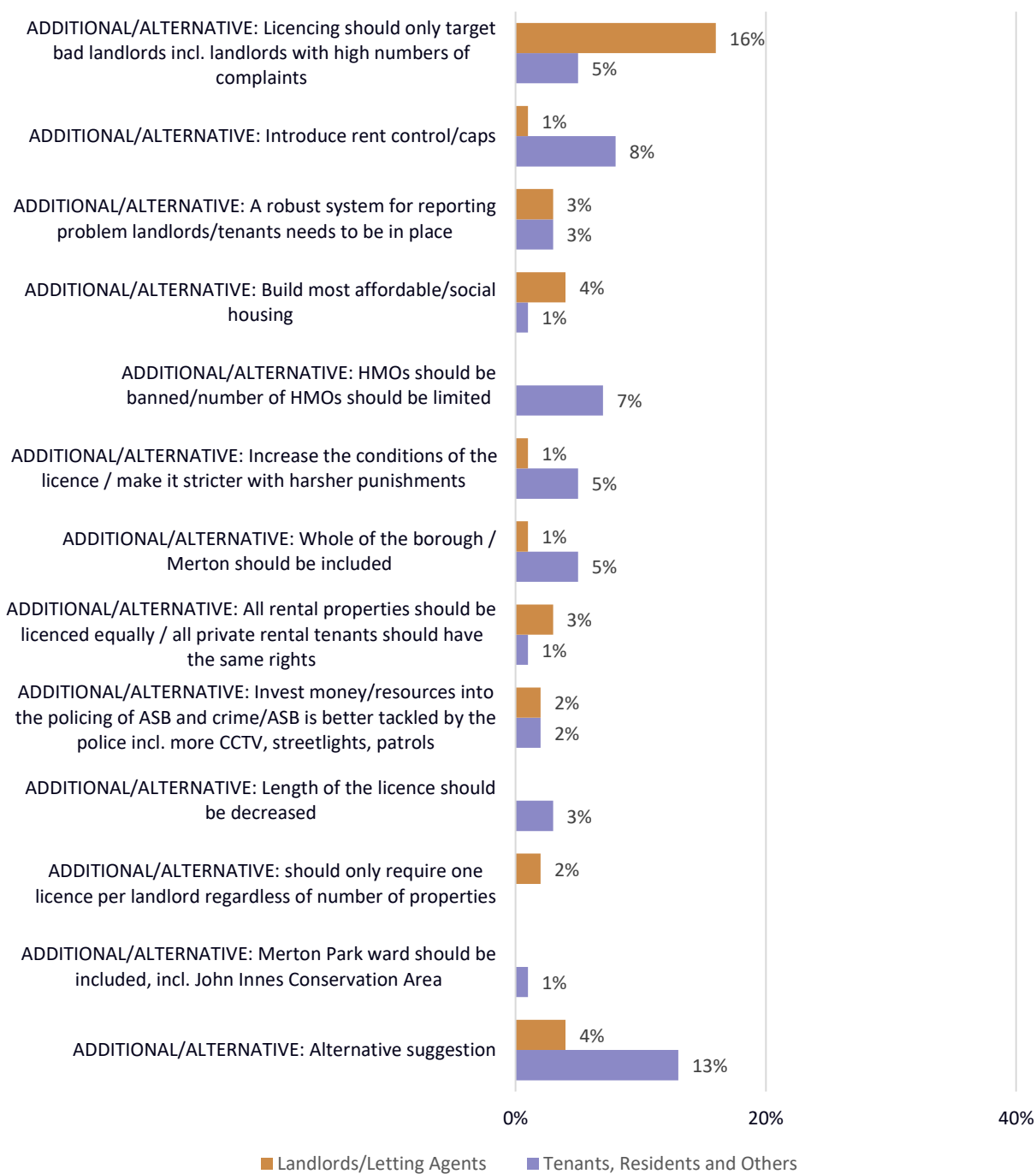


**Base: Landlords/Letting agents (120 respondents), Tenants, Residents and others (92 respondents)**

<sup>3.145</sup> Over a third (36%) of landlords/letting agents giving a response had concerns that a licencing scheme would make being a landlord unprofitable including forcing landlords to sell properties / will result in less availability for tenants/causing homelessness, with a quarter (25%) saying that the fee will increase rent, passing the cost on to tenants.

<sup>3.146</sup> Nearly a fifth (18%) of tenants/residents/others providing a comment thought the fee will increase rent, passing the cost onto tenants and nearly one-in-ten (9%) had concerns that a licencing scheme would make being a landlord unprofitable including forcing landlords to sell properties / will result in less availability for tenants/causing homelessness.

**Figure 30: Comments about the Licence Fees and/or Conditions – The additional/alternative responses**



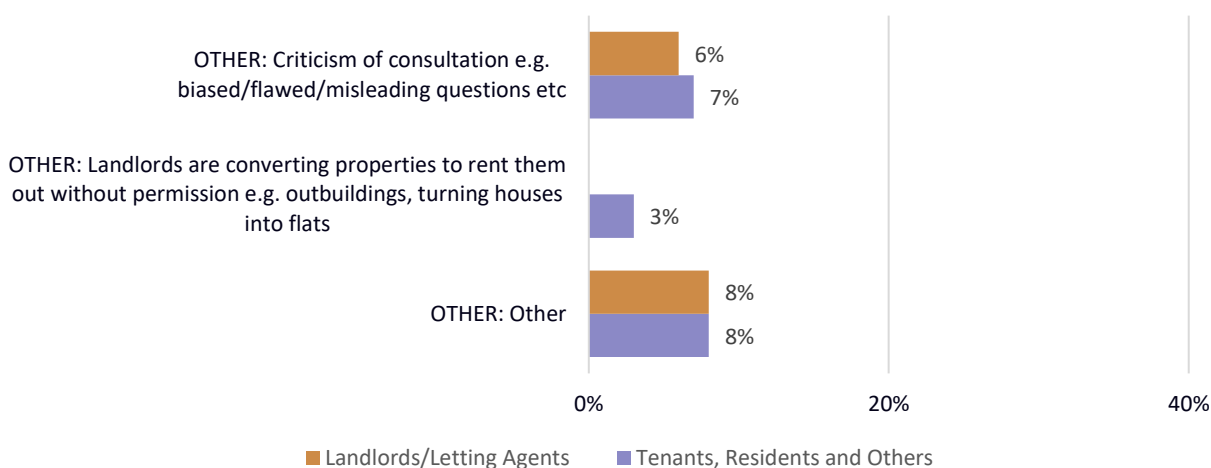
**Base: Landlords/Letting agents (120 respondents), Tenants, Residents and others (92 respondents)**

3.147 Around one-in-six (16%) landlords/letting agents providing a comment mentioned that licencing should only target bad landlords including landlords with high numbers of complaints.

3.148 Just under one-in-ten (8%) of tenants/residents/others giving a response suggested introducing rent control/caps, with around one-in-eight (13%) giving another type of alternative suggestion.



Figure 31: Comments about the Licence Fees and/or Conditions – Other responses



Base: Landlords/Letting agents (120 respondents), Tenants, Residents and others (92 respondents)

3.149 The figure above summarises the other type of comments provided not falling into any of the previous categories of response.

3.150 Whilst the above themes cover the majority of points made by respondents in relation to this question, a few comments raised more specific points, some of which are included below for consideration:

*“A traffic and/or parking appraisal or threshold should be included in the assessment to prevent multiple vehicles per household. Provisions for cycling or alternative transport should be included.”*

*“I believe that if a scheme is implemented a landlord should only need to obtain one licence regardless of the amount of properties he has in the borough. If a landlord is deemed to be fit and proper then why should they need to prove this on multiple occasions. The landlord could apply for 1 licence for say 4 properties which they disclose, the Council could then choose to carry out a random inspection on any of those properties to confirm all is in order. This would reduce the workload on the Council and wouldn't penalise landlords who are already struggling...”*

*“...If the Council is intent on introducing a licensing scheme despite a lack of support from the PRS then I would propose that the Council license only those landlords and properties where complaints and evidence of ASB has been reported rather than implement a blanket licensing scheme across all designated wards which is unfair to good landlords like myself...”*

*“I do not think that HMO should be allowed to be done to buildings dated from 1930-1940 as this has caused a lot of stress to our property being next door to a semi-detached house that was converted to 6 en-suite Flats.”*

*“I think 5 years is too long a term - the license should last for 3 years with annual unannounced inspections- a lot can change in 5 years - not least the turnover of tenants”*

*“...It is disgusting that you would try to reward landlords with multiple properties by offering discounts on subsequent properties. You should discourage the hoarding of properties!”*

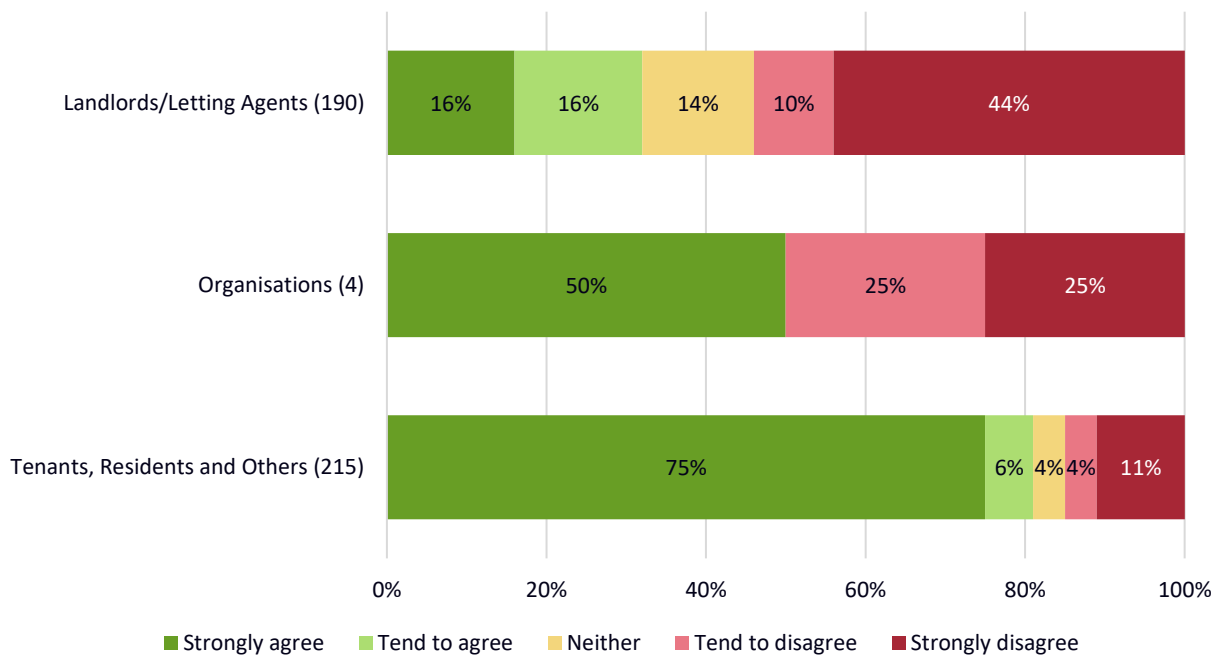
*“If the rental is managed by an accredited or member of an appropriate body, Additional Licensing should not be required. The tenants have a separate set of recourse. The additional fee's will be passed on directly via the rent set to the tenants.”*

*“Would this increase the rent for the tenant? If so, we'd need to think about social deprivation and inequalities.”*

## New planning controls (Article 4 Direction)

*To what extent do you agree or disagree with the proposal to introduce a policy requiring planning permission to convert a single home into a small HMO (Article 4 Direction), in some parts of Merton?*

**Figure 32: Agreement with the proposal to introduce a policy requiring planning permission to convert a single home into a small HMO (Article 4 Direction), in some parts of Merton**

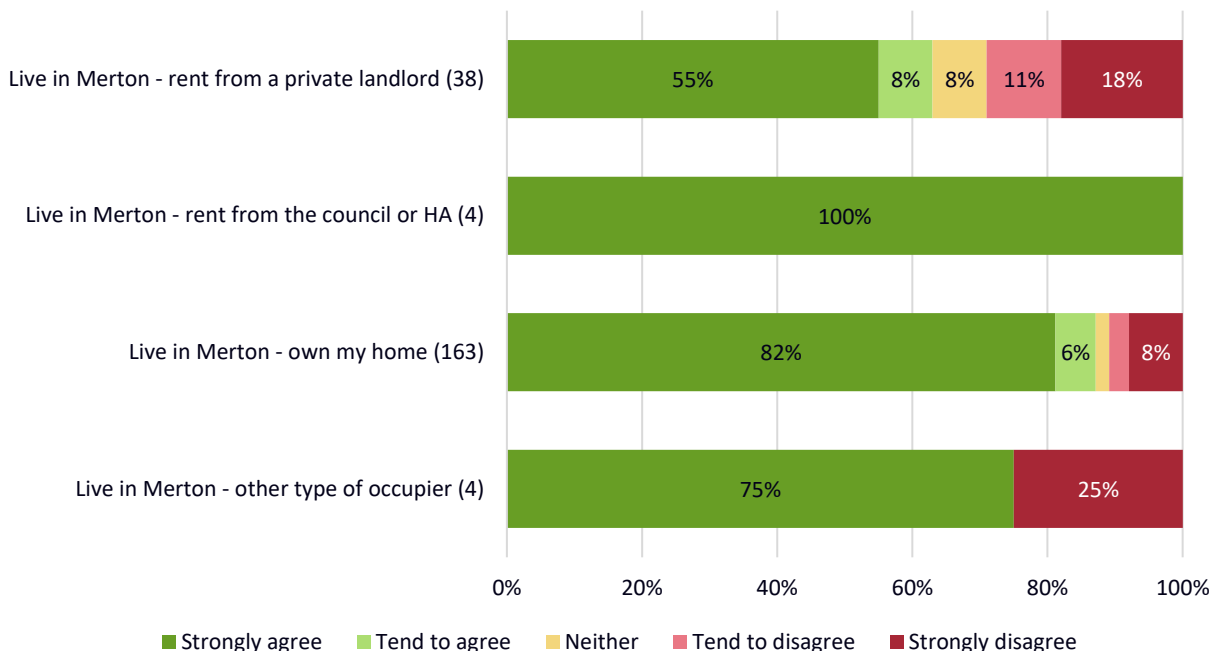


**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

- 3.151 Almost a third (32%) of landlords/letting agents were in agreement with the proposal to introduce a policy requiring planning permission to convert a single home into a small HMO (Article 4 Direction) in some parts of Merton, but more than half (54%) disagreed (of landlords/letting agents who manage two or more properties, 62% disagree).
- 3.152 There was an even split in agreement and disagreement between organisations. Tenants/residents/others however, were far more supportive with over four-fifths (81%) in agreement, and only 15% in disagreement.
- 3.153 It is worth noting that the results for organisations are only based on 4 cases.

3.154 The following chart looks at the responses for tenants/residents/others residing in Merton broken down by tenure.

**Figure 33: Agreement with the proposal to introduce a policy requiring planning permission to convert a single home into a small HMO (Article 4 Direction), in some parts of Merton (only tenants/residents who live in Merton and are not landlords)**



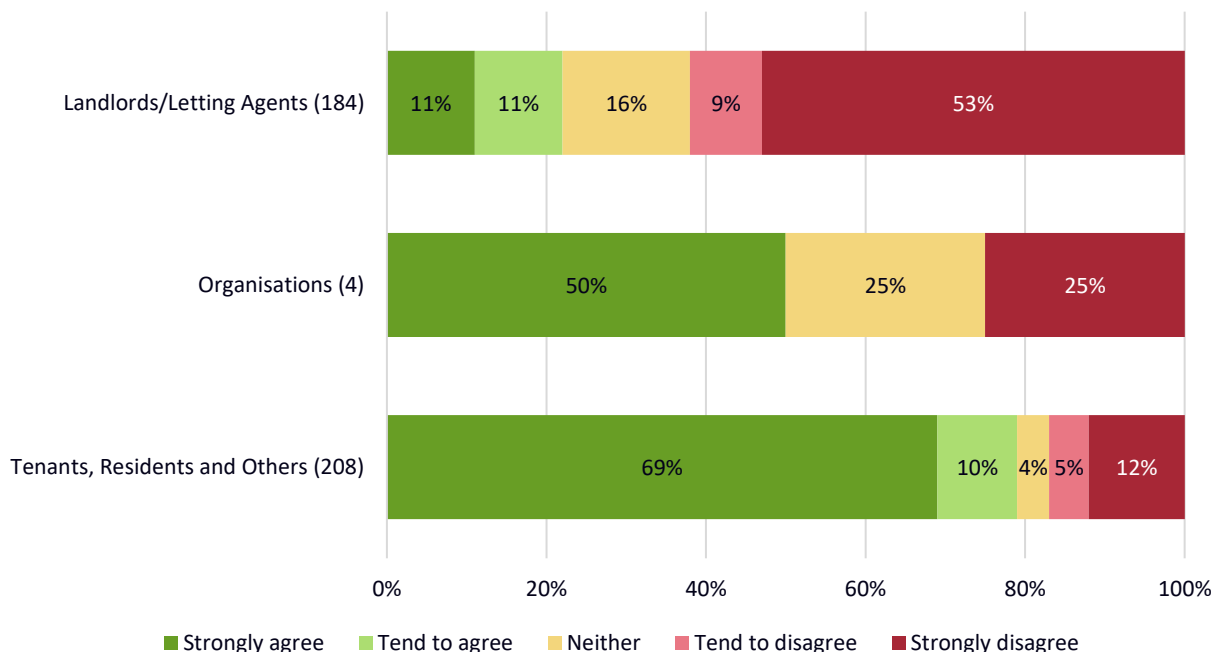
**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

3.155 Nearly nine-in-ten (87%) of residents/tenants who live in Merton and own their home agreed with the proposal to introduce a policy requiring planning permission to convert a single home into a small HMO (Article 4 Direction), in some parts of Merton. In contrast, the proportion renting from a private landlord who agreed was somewhat smaller: just over six-in-ten (63%).

3.156 It is worth noting that the results for residents/tenants who live in Merton and rent their home from the Council or a housing association or live in Merton as another type of occupier are both only based on 4 cases.

*To what extent do you agree or disagree with the Council’s proposal to introduce this policy (Article 4 Direction) covering these seven wards?  
(Graveney, Longthornton, Pollards Hill, Figge’s Marsh, Cricket Green, Lavender Fields and Colliers Wood)*

**Figure 34: Agreement with the Council’s proposal to introduce this policy (Article 4 Direction) covering seven particular wards**

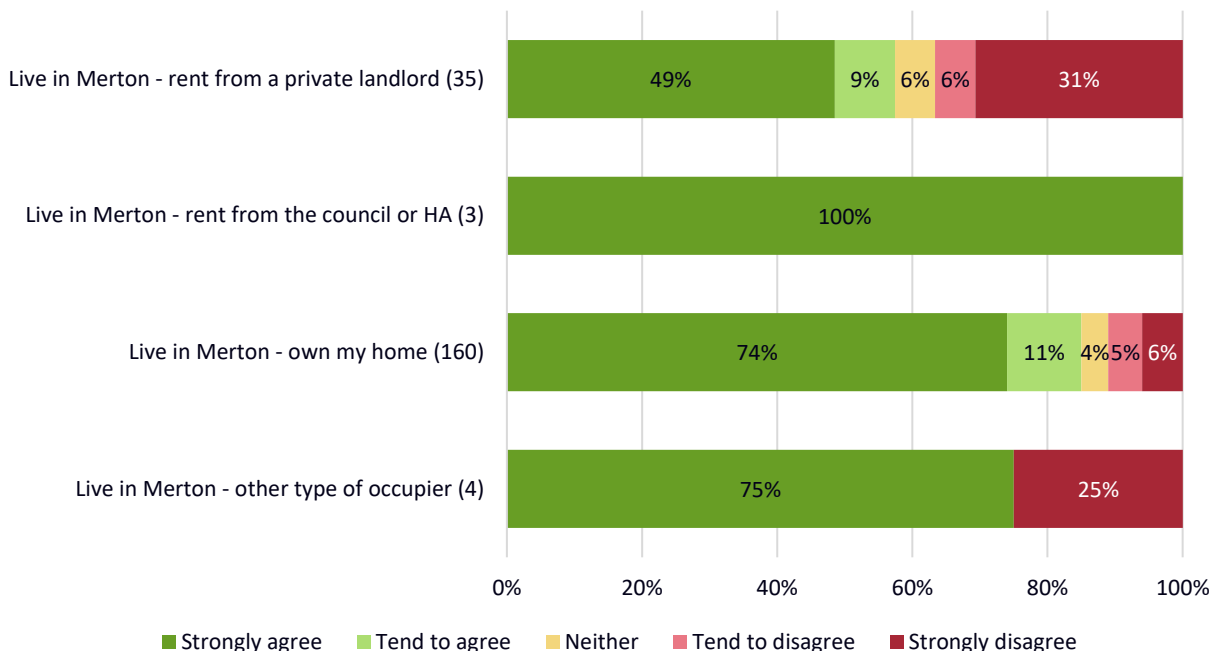


**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

- 3.157 Just over a fifth (22%) of landlords/letting agents were in agreement with the Council’s proposal to introduce this policy (Article 4 Direction) covering seven particular wards, but nearly two-thirds (63%) disagreed (of landlords/letting agents who manage two or more properties, 66% disagree).
- 3.158 Tenants/residents/others were far more supportive, with nearly four-fifths (79%) in agreement and only 17% in disagreement.
- 3.159 It is worth noting that the results for organisations are only based on 4 cases.

3.160 The following chart looks at the responses for tenants/residents/others residing in Merton broken down by tenure.

**Figure 35: Agreement with the Council’s proposal to introduce this policy (Article 4 Direction) covering seven particular wards (only tenants/residents who live in Merton and are not landlords)**



**Base: Numbers in brackets show the number of respondents giving a valid answer within each sub-group**

3.161 Over eight-in-ten (85%) of tenants/residents who live in Merton and own their home agreed with the proposal to introduce a policy requiring planning permission to convert a single home into a small HMO (Article 4 Direction), covering seven particular wards in Merton. In contrast, the proportion renting from a private landlord who agreed was somewhat smaller, although still more than half (57%).

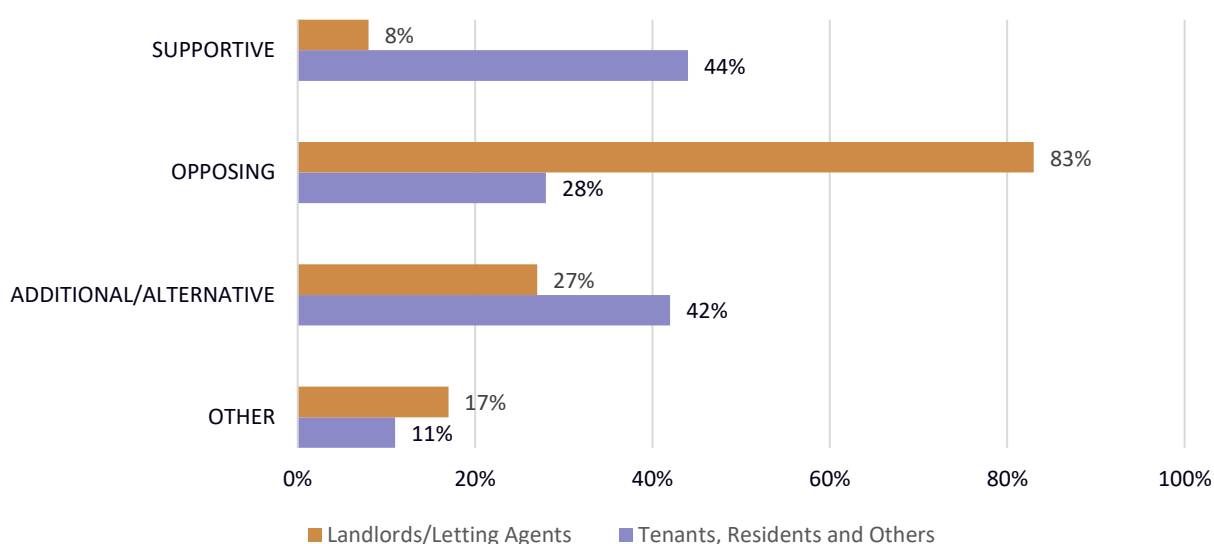
3.162 It is worth noting that the results for tenants/residents who live in Merton and rent their home from the Council or a housing association or live in Merton as another type of occupier are only based on 3 and 4 cases respectively.

## Comments about new planning controls (Article 4 Direction)

*If you have any comments about the proposed policy to require planning permission to convert a single property into an HMO (Article 4 Direction) in some parts of Merton, or the areas that it should cover, please explain in the space below.*

<sup>3.163</sup> The following chart provides a high-level summary of the categories of response given to this question. Not all respondents provided detailed comments, as can be seen from the limited base sizes shown. Percentages may add up to more than 100% because respondents could provide a response falling into more than one category, i.e. they could have a response that mentions something broadly in support of the proposal but also something opposing it.

**Figure 36: Comments about new planning controls - High level summary**



**Base: Landlords/Letting agents (52 respondents, 70 high-level categories), Tenants, Residents etc (64 respondents, 80 high-level categories)**

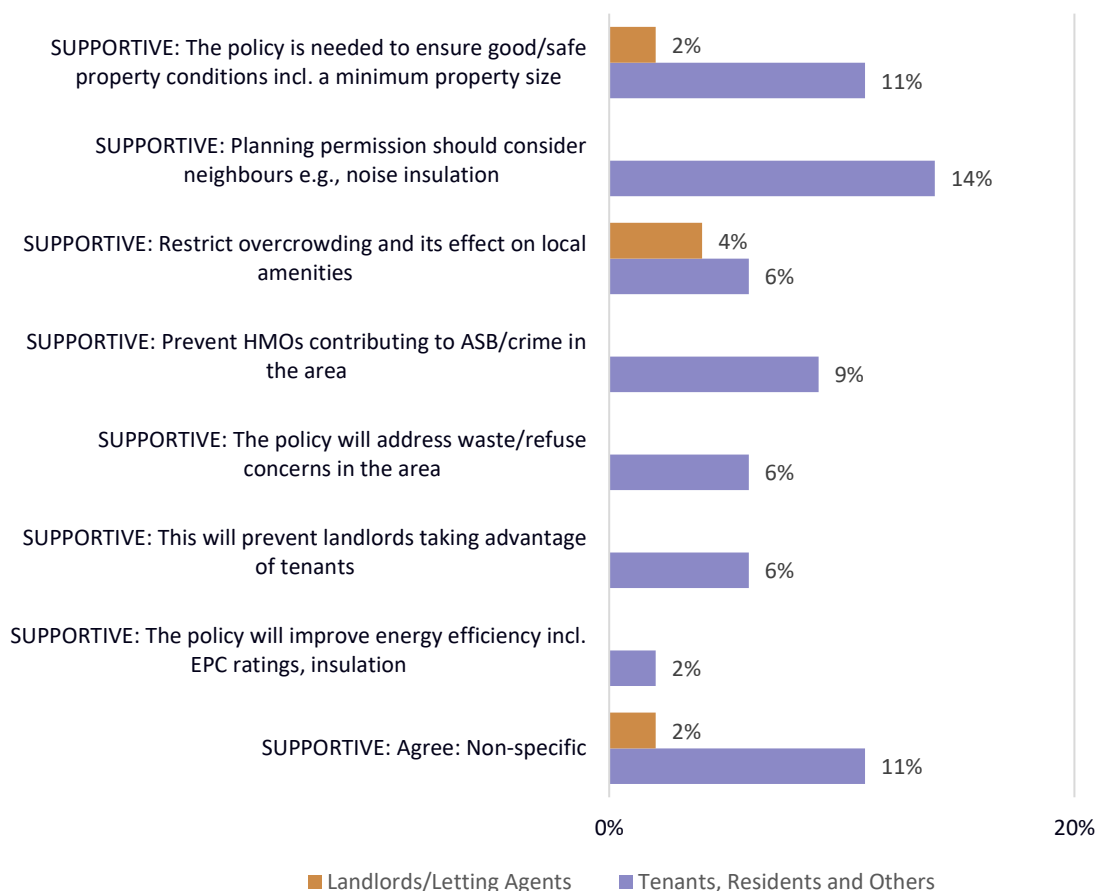
<sup>3.164</sup> More than four-in-five landlords/letting agents (83%) providing a comment said something in their response which opposed the proposed policy to require planning permission to convert a single property into an HMO (Article 4 Direction) in some parts of Merton, with only 8% saying something in support. Tenants/residents/others were more likely to say something in support of the proposed policy with over two-fifths (44%) doing so.

<sup>3.165</sup> Tenants/residents/others were more likely to mention an additional/alternative proposal with over two-fifths (42%) who provided a comment mentioning one in their response. This compares to just over a quarter (27%) of landlords/letting agents mentioning an additional/alternative proposal.

<sup>3.166</sup> There were only 3 responses from organisations to this question, with an even split of supportive/opposing comments and additional/alternative proposals provided.

<sup>3.167</sup> The next charts look at the specific things said within these categories in more detail. All percentages in these charts are taken as a proportion from the total giving a comment but have been split over more than one chart for display purposes. Respondents may have said more than one of the things noted in each chart.

**Figure 37: Comments about new planning controls – The supportive responses**

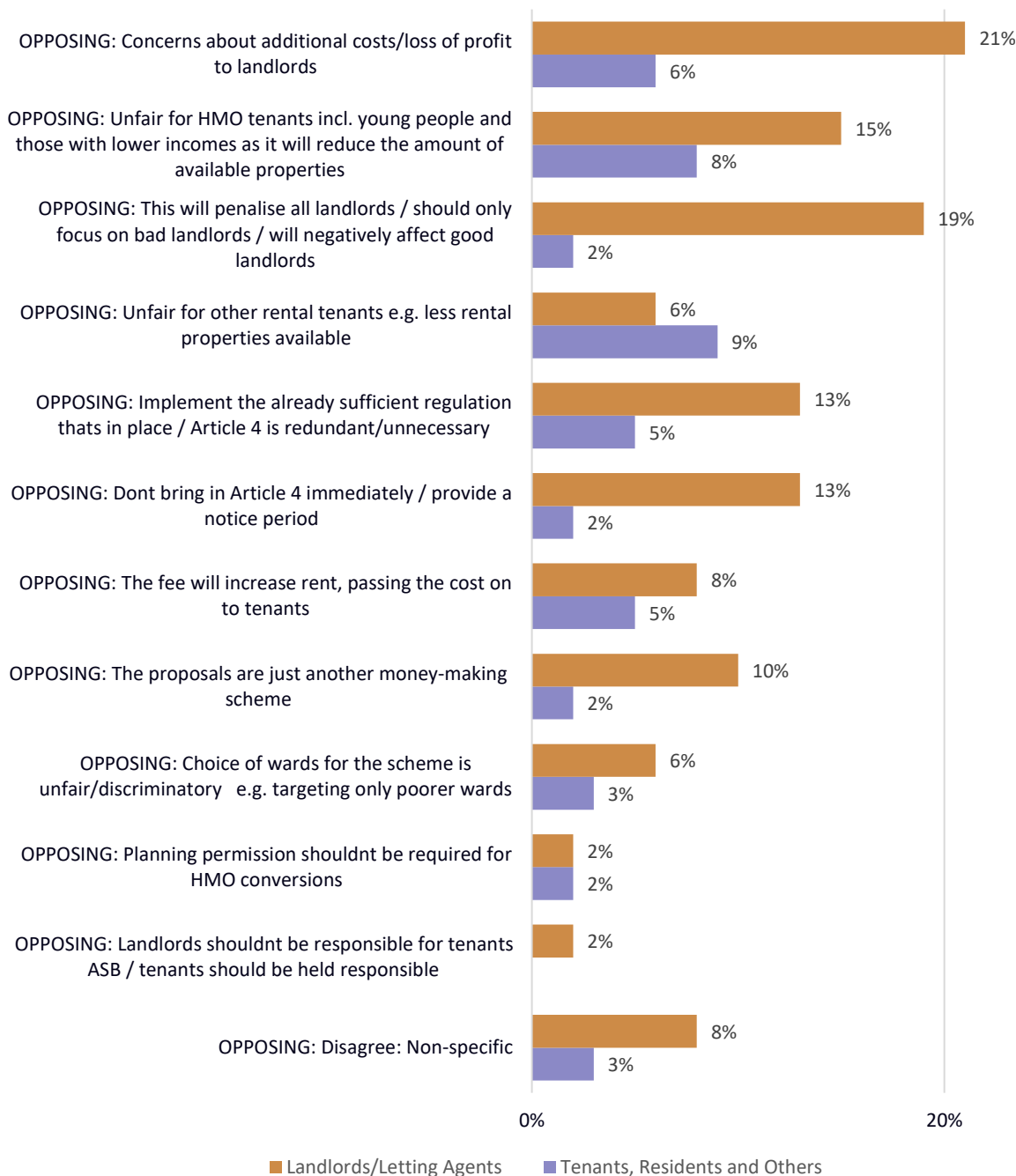


**Base: Landlords/Letting agents (52 respondents), Tenants, Residents and others (64 respondents)**

<sup>3.168</sup> Around one-in-seven (14%) tenants/residents/others providing a comment thought the planning permission should consider neighbours, e.g. noise insulation, with a slightly smaller proportion (11%) saying the policy is needed to ensure good/safe property conditions including a minimum property size.

<sup>3.169</sup> Just under one-in-twenty (4%) landlords/letting agents giving a response said it would restrict overcrowding and its effect on local amenities.

**Figure 38: Comments about new planning controls – The opposing responses**



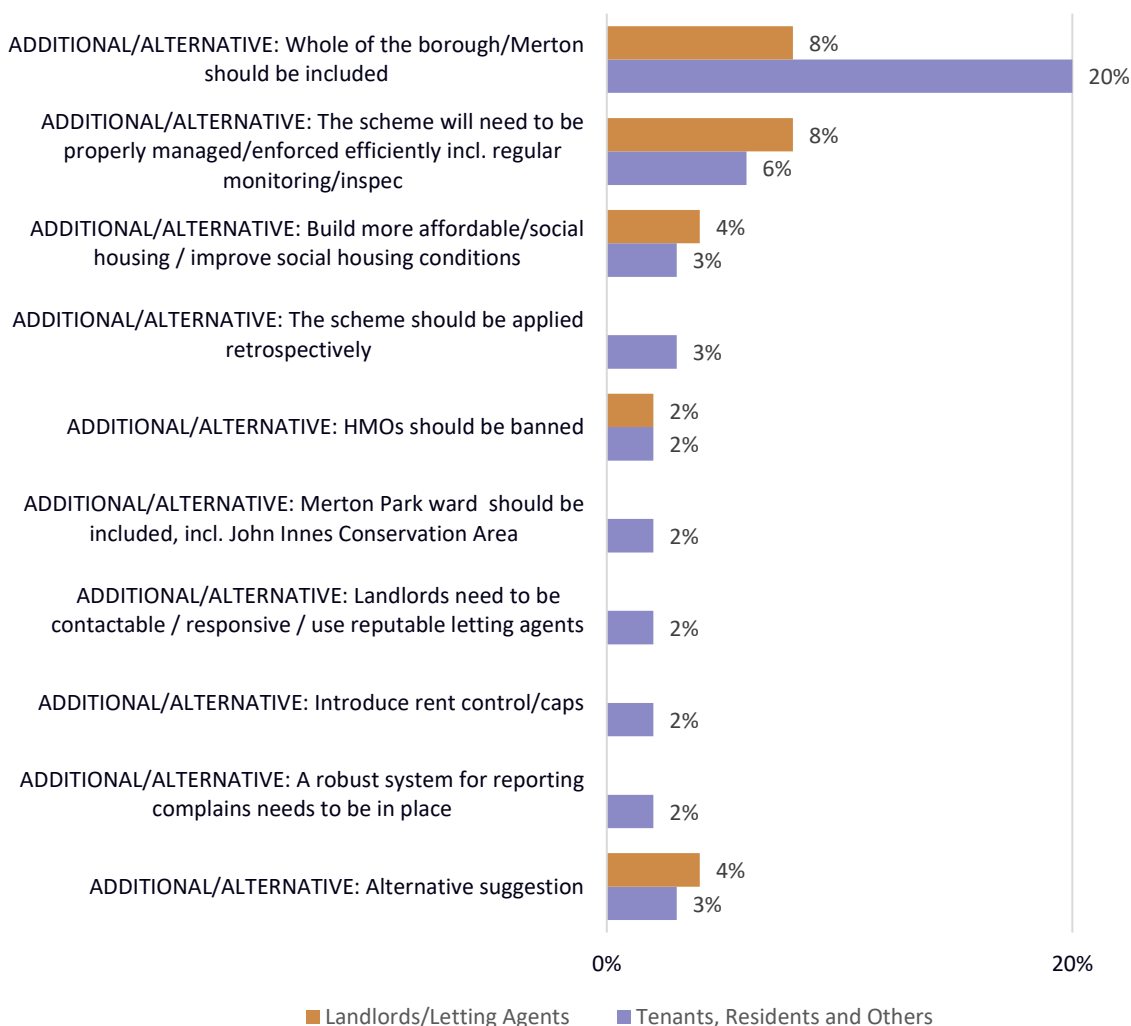
**Base: Landlords/Letting agents (52 respondents), Tenants, Residents and others (64 respondents)**

<sup>3.170</sup> Over one-fifth (21%) of landlords/letting agents giving a response had concerns about additional costs/loss of profit to landlords, with a slightly smaller proportion (19%) saying it will penalise all landlords/should only focus on bad landlords/will negatively affect good landlords.

<sup>3.171</sup> Just under a tenth of tenants/residents/others providing a comment thought it would be unfair for HMO tenants incl. young people and those with lower incomes, and also other rental tenants, as it will reduce the amount of available properties often sought out by these groups.



**Figure 39: Comments about new planning controls – The additional/alternative responses**

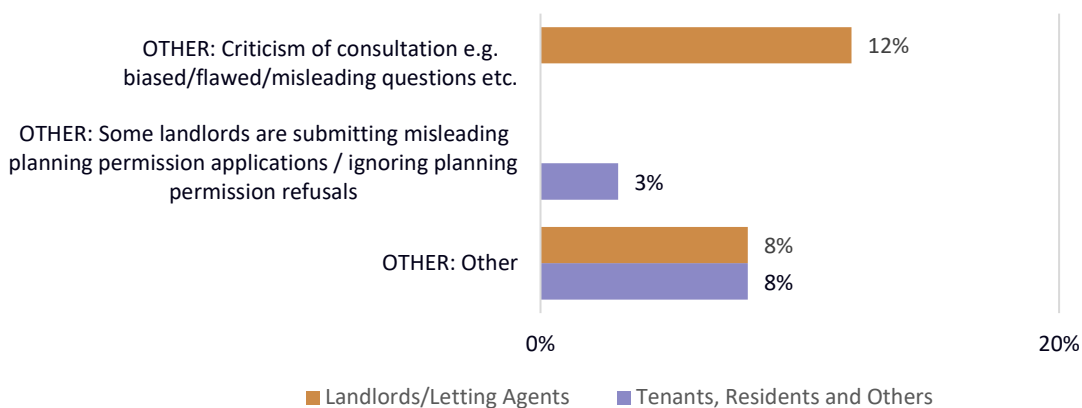


**Base: Landlords/Letting agents (52 respondents), Tenants, Residents and others (64 respondents)**

<sup>3.172</sup> One-fifth of tenants/residents/others giving a response suggested that the whole of the borough/Merton should be included and 6% highlighted that the scheme will need to be properly managed/enforced efficiently.

<sup>3.173</sup> Just under a tenth (8%) of landlords/letting agents providing a comment mentioned that the scheme will need to be properly managed/enforced efficiently with the same proportion suggesting that the whole of the borough/Merton should be included.

Figure 40: Comments about new planning controls – Other responses



Base: Landlords/Letting agents (52 respondents), Tenants, Residents and others (64 respondents)

<sup>3.174</sup> The figure above summarises the other type of comments provided not falling into any of the previous categories of response.

<sup>3.175</sup> Whilst the above themes cover the majority of points made by respondents in relation to this question, a few comments raised more specific points, some of which are included below for consideration:

*"...I understand that the Article 4 Direction relates only to the change from Class C3 (dwelling house) to Class C4 (small HMO), and not to changes from C4 to C3. If the latter was also contemplated, that would affect the flexibility with which landlords could use their premises and encourage them to leave the sector."*

*"The rules outlined would treat the rental of a property to parents who are not married with a child from a previous relationship as an HMO (with only 3 people living in the house). Are un-married couples considered 1 or 2 households? When plans are submitted it may not be known who will be renting the property and the dynamics of the family."*

*"...We think what the Council should do is to introduce Selective/Additional Licensing schemes to improve HMO standards then it's a win-win situation for the tenants and the Council. I am in favour of private landlord registration so that the tenants can check the properties meet all the standard on the website. The key thing is to help landlord increase rental property supplies and improve the standards. HMO Article 4 works exactly the opposite."*

## Further comments

*Are there any other measures you think the Council should consider, to reduce deprivation and anti-social behaviour problems, and improve the quality and management of privately rented properties in Merton? Are there any other comments that you would like to make about any aspect of the proposals for licensing and Article 4 Direction?*

3.176 In total 78 landlords/letting agents provided a further comment and 93 tenants/residents/other. Of those providing a further comment, many used this as an opportunity to provide a supportive or opposing view to the various proposals outlined throughout the question.

### Supportive comments

3.177 Of supportive comments, similar proportions to those provided in the previous question gave a response mentioning it would improve property standards/that low quality housing increases anti-social behaviour, with 11% of tenants/residents/other saying this and only 1% of landlords/letting agents. Similarly, around one-in-seven (14%) of tenants/residents/other giving a response agreed that regulation was needed, with only 3% of landlords/letting agents saying this.

3.178 Some additional supportive comments noted were that landlords should be fined for mismanaging their properties/fined for the tenants anti-social behaviour with 4% of both landlords/letting agents and tenants/residents/other who provided a further comment saying this. Smaller proportions thought the scheme should apply to additional wards or the whole of the borough with 3% of tenants/residents/other who provided a comment saying this and 1% of landlords/letting agents. Just 1% of tenants/residents/other providing a further comment said the scheme should be applied retrospectively to existing rental properties.

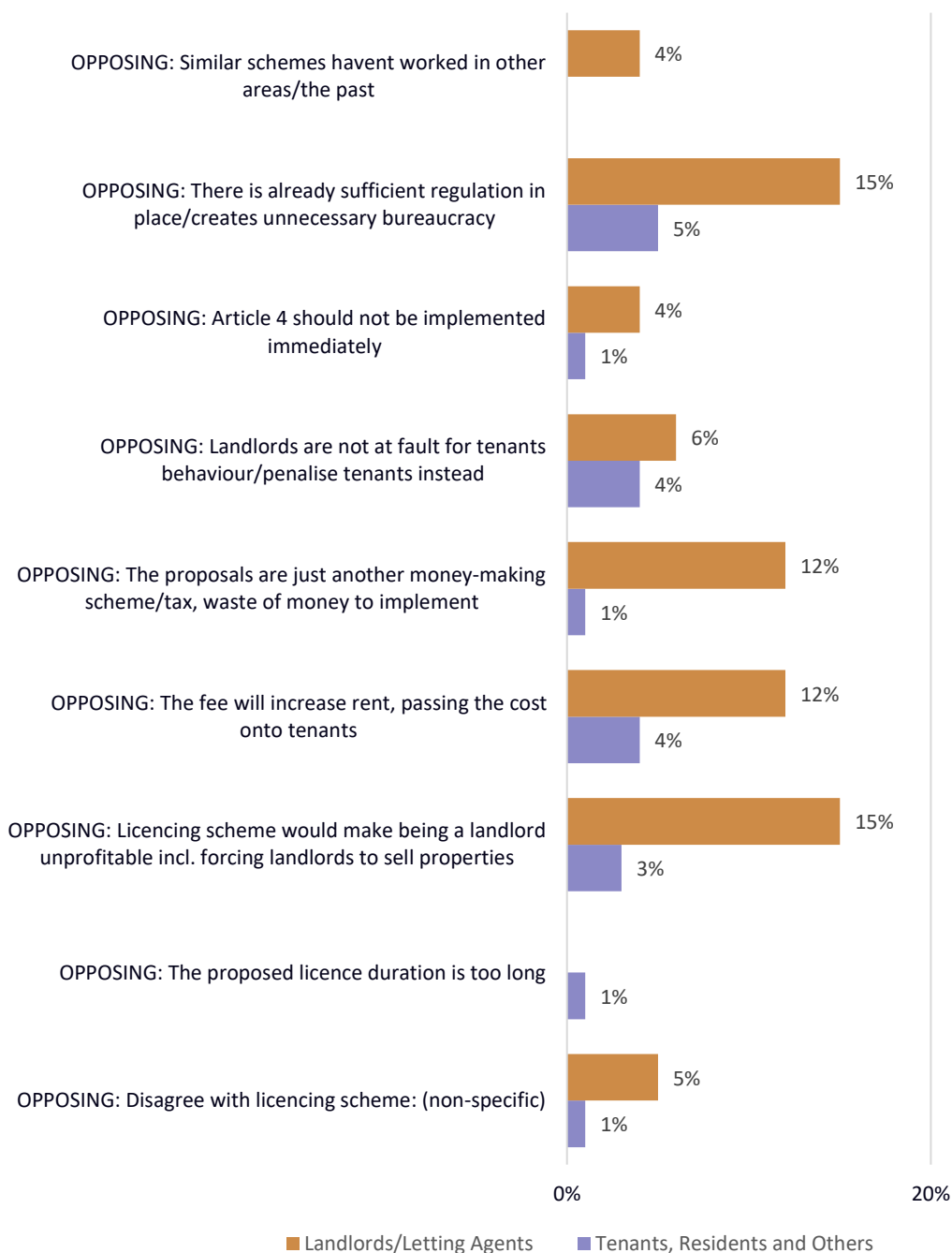
### Opposing comments

3.179 Opposing comments were a little more varied compared to those provided in the previous question with over a seventh (15%) of landlords/letting agents providing a further comment saying there is already sufficient regulation in place/that this would create unnecessary bureaucracy, with the same proportion saying the licensing scheme would make being a landlord unprofitable including forcing landlords to sell properties.

3.180 Tenants/residents/others providing a comment also thought there is already sufficient regulation in place/that this would create unnecessary bureaucracy but to a lesser degree with just 5% giving a response saying this, whilst 4% expressed some concern that fees would cause rents to increase.

3.181 The following chart summaries the opposing comments. All percentages in these charts are taken as a proportion from the total giving a comment. Respondents may have said more than one of the things noted in the chart or across the different categories mentioned.

**Figure 41: Further Comments – The opposing responses**



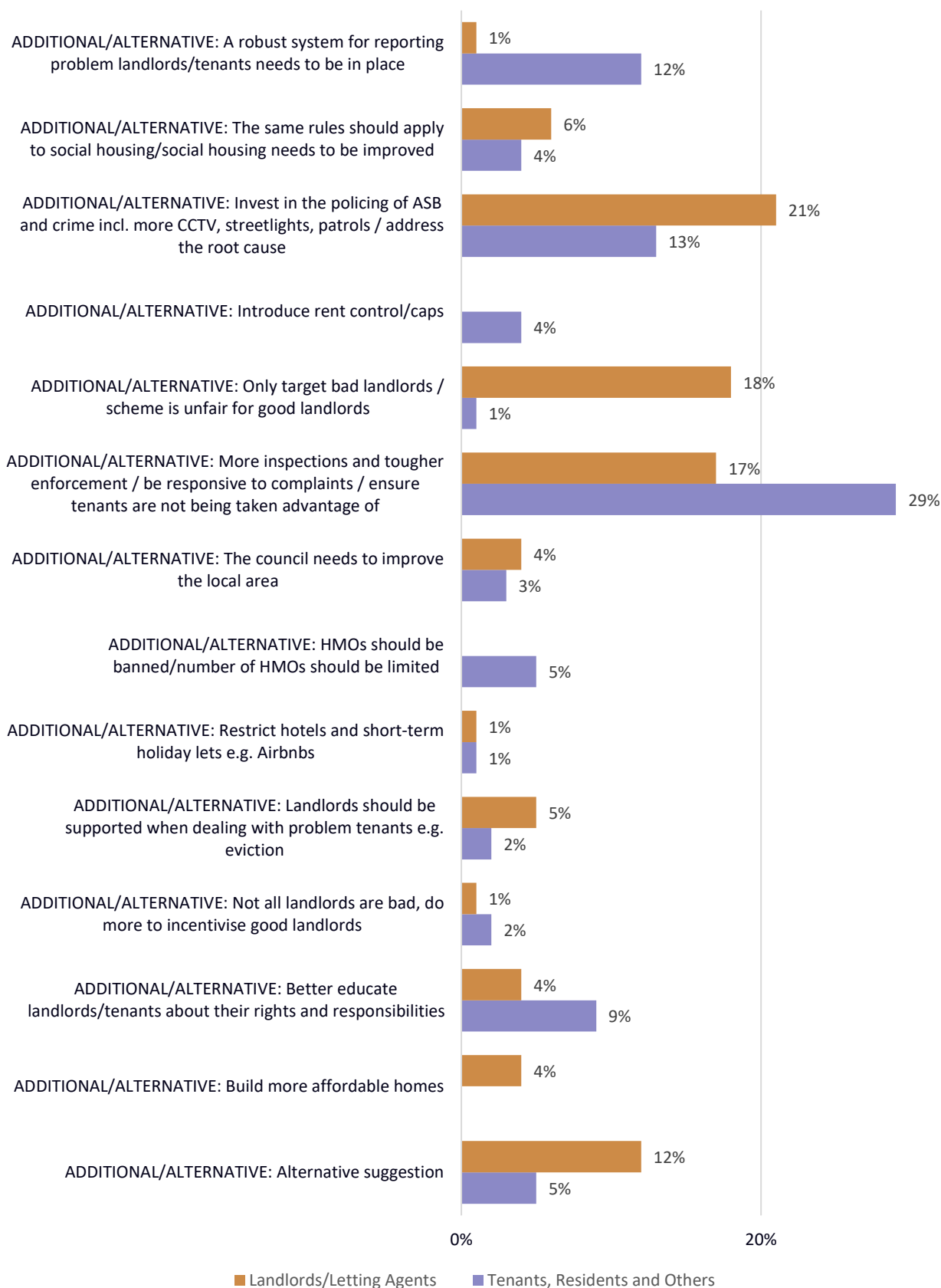
**Base: Landlords/Letting agents (78 respondents), Tenants, Residents and others (93 respondents)**

**Additional/alternative proposals**

<sup>3.182</sup> One of the biggest differences to the previous question was the proportion of those who provided comment suggesting an additional or alternative proposal, this was much higher than on the previous question. Nearly three-quarters (73%) of landlords/letting agents who provided a comment mentioned an additional/alternative proposal with a similar amount (72%) of tenants/residents/others doing so.

<sup>3.183</sup> The chart below summaries the alternative proposals suggested. All percentages in these charts are taken as a proportion from the total giving a comment. Respondents may have said more than one of the things noted in the chart or across the different categories mentioned.

Figure 42: Further Comments– The additional/alternative responses

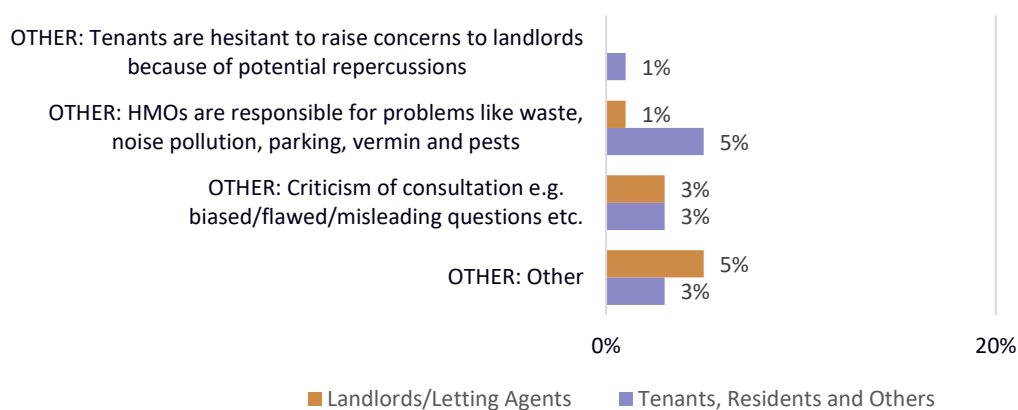


Base: Landlords/Letting agents (78 respondents), Tenants, Residents and others (93 respondents)

- 3.184 Nearly three-in-ten (29%) tenants/residents/others providing a further comment suggested that more inspections and tougher enforcement were needed/that they be responsive to complaints, with fewer (17%) of landlords/letting agents saying this.
- 3.185 Whereas just over one-fifth (21%) of landlords/letting agents providing a comment highlighted that there needs to be investment in the policing of anti-social behaviour and crime/that the root caused should be addressed. Just over one-in-ten (13%) of tenants/residents/other giving a response said this.
- 3.186 Almost one-fifth (18%) of landlords/letting agents providing a comment suggested that only bad landlords should be targeted/that the scheme is unfair for good landlords but only 1% of tenants/residents/others giving a response mentioned this.

## Other Responses

Figure 43: Further Comments – Other responses



Base: Landlords/Letting agents (78 respondents), Tenants, Residents and others (93 respondents)

- 3.187 The figure above summarises the other type of comments provided not falling into any of the previous categories of response.
- 3.188 Whilst the above themes cover the majority of points made by respondents in relation to this question, a few comments raised more specific points, some of which are included below for consideration:

*“Article 4 directive should contain the conversion of front gardens into parking or hard standing if possible, enforceable in turn by the refusal of dropped kerb applications and fining of those that have crossed the public pavement with a vehicle.”*

*“Maybe local housing meetings/portal, so local landlords, housing associations & local authority housing departments can come together to discuss law changes & resources. we should all work together to provide the best possible housing for our neighbours/residents.”*

*“Set up a register of approved landlords that's available to tenants and estate agents.”*

*“To reduce deprivation, do not implement schemes likely to reduce available housing and increase costs. Encourage landlords and occupiers to work together by addressing both parties with positive advice and collective penalties. Increase the rights of landlords to influence the behaviour of poor occupiers rather than measures that encourage them to give up caring.”*

*“Do checks on HMO landlords that are smaller than 5 for everywhere. Tenants can't complain unless as a last resort. I had landlords refuse to fix stuff or try to raise rent etc. and just say 'if you don't like*

*it, leave'...I'm begging for some help here and am glad you are doing this scheme, but it won't help me because I'm not in the ward that is affected."*

### Further comments from organisations and other bodies

<sup>3.189</sup> Most of the comments made by organisations and other bodies responding to the consultation contained perspectives that have already been described elsewhere in this report; however, some of the more distinctive points are summarised below.

*Please use the space below to provide any comments about the proposed Selective or Additional Licensing schemes, or the areas that they should cover, and explain any alternative approaches to reducing ASB associated with privately rented properties, and/or improving their condition and management, that you think the Council should consider.*

*"...The [eviction] process is tortuous and so assistance in speeding up the court process would be welcomed. We have owned the properties for c 20 years...We would object in the strongest terms to our site being included in the Graveney district with compulsory licences required. The cost of this for 118 properties would be exorbitant at a time when our mortgage finance costs have recently doubled, along with other running costs, forcing us to increase rents for the first time since 2019..." (A larger landlord)*

*"We welcome the news that Merton Council are seeking to introduce an Additional Licensing scheme...it is important that the national government provides councils with adequate resources so that proactive enforcement becomes widespread. We would also encourage wider partnership working with tenancy enforcement teams with organisations such as ourselves, Law Centres, advice centres and with Justice for Tenants to assist people to seek the compensation they are legally entitled to through Rent Repayment Orders...Shelter is running an Income Discrimination campaign, which highlights the important role that local authorities can play in cracking down on landlords and letting agents who discriminate against people who receive housing benefit..." (Shelter London Hub)*

*"I'm a director of SW19 estate agents. Most landlords would agree to such licensing, because it highlights the care and attention a landlord takes in their property and the occupiers. The big problem is unmanaged properties. Properties that are privately rented, using online agents and short term accommodation platforms e.g. Air b and b is a recipe for disaster, and better regulation is urgently needed."*

*Are there any other comments that you would like to make about the licence fees and / or conditions?*

*"...we let and manage properties all over London with various types of these Schemes with the different Councils and we have yet to see one of these Schemes be of practical benefit. There is probably a problem with less than 1% of rental properties and a Scheme such as this is a 'sledgehammer to crack a nut'. The Council have enough powers to deal with ASB and the likes. More cost will drive more landlords from renting out their properties. We have witnessed first hand so many of our client landlords the past 2 years to sell their rental properties as they are not financially viable due to increasing taxation and other costs such as schemes like this."*

*“I would be recommending to the Directors that a sale of the properties should be considered in the not too distant future if we were further burdened with a licence fee on 118 properties on top of an increase in tax to 25%, as well as all the other compliance matters we are already dealing with. More effort should be made to target the rogue landlords, not those who do their best to comply with the myriad of legislation changes introduced in recent years.” (A larger landlord)*

*“I think we need some kind of housing enforcement mechanism to ensure all of this process can work. If this already exists then it should become much more visible using the Council's Website, Newsletter and social media. I think this is a step in the right direction, but we need to ensure it is known about, hopefully after some time we will see the difference in Mitcham.”*

*If you have any comments about the proposed policy to require planning permission to convert a single property into an HMO (Article 4 Direction) in some parts of Merton, or the areas that it should cover, please explain in the space below.*

*“The Article 4 will significantly reduce the number of HMO which provide good supply to the housing crisis. Article 4 on HMO has no impact on ASB and rogue landlord. The Additional Licensing and Selective Licensing is sufficient to solve the ASB and rogue landlord. The immediate effect on the Article 4 make uncertainty to HMO developer who product high quality HMO. This damages our business and great losses...”*

*“HMOs can be places of very poor condition and some of our cases in Merton have included HMOs that are not fit for human condition and the poor standards and design of dwellings have contributed to health conditions and homelessness applications. Improving or stopping bad HMOs as early as possible is critically important in stopping this.” (Shelter London Hub)*

*Are there any other measures you think the Council should consider, to reduce deprivation and anti-social behaviour problems, and improve the quality and management of privately rented properties in Merton? Are there any other comments that you would like to make about any aspect of the proposals for licensing and Article 4 Direction?*

*“1-Provide good human resource to implement licensing, good intention of scheme, need good operation to ensure the effectiveness. 2-Stop the Article 4 Direction from immediate effect to a proper one year consultation, so the HMO developers could prepare in advance. It is also fair to have sufficient time from them to avoid business losses or this will create huge compensation claim. Each HMO project scheme is at least 200K in purchase, and 200K in refurbishment. So, the compensation claims the Council faces could be millions of pounds.”*

*“In order to be effective, they need to be effectively policed.” (Wimbledon East Hillside Residents' Association (WEHRA))*



## 4. Deliberative forums

### Introduction

- 4.1 ORS conducted a total of four deliberative engagement events: three with landlords and letting agents, and one with key stakeholder organisations. These events were chaired by ORS, but also attended by officers from Merton Council who were able to respond to a range of questions arising.

### Arguments rather than numbers

- 4.2 Taken together, all these engagements are best understood as ‘deliberative’ meetings in which Merton Council’s consultation proposals were ‘tested’ against landlords’/managing agents’ and other stakeholders’ opinions - in order to see the extent to which they are acceptable or otherwise.
- 4.3 In deliberative meetings it is not appropriate to ‘count heads’ in an apparent numbers game – as the results cannot be certified as statistically significant because of the numerically small samples. However, such meetings are effective and important in revealing issues, arguments, considerations, implications, assumptions and experiences that deserve to be taken into account by those making decisions – and that was the case in the engagement activities reported here.

### Landlords and agents

- 4.4 Three events were organised for landlords and managing agents as below. The first two sessions were designed to cover Merton Council’s Selective and Additional Licensing proposals and the immediate Article 4 Direction (whereby the Council has introduced a policy requiring planning permission to convert a single home into a small HMO in some parts of the borough), whereas the third session was organised specifically to discuss the immediate Article 4 Direction in more detail.

Date	Time	Location	Actual attendance	Repeat attendees from previous events
10.01.23	2:30pm – 5:00 pm	Online (Zoom)	25	-
16.01.23	18:00pm – 20:30pm	Merton Council Chambers	18	9
18.01.23	10:00am – 12:00pm	Online (Zoom)	22	22

- 4.5 The first two meetings began with a short presentation about the current PRS situation in Merton. There followed four short presentations covering the main issues (the licensing proposals and the areas they would cover; the evidence for the proposed schemes; their key features, such as fee levels and licence conditions; and the evidence and arguments around planning controls i.e. the immediate Article 4 Direction). Each short presentation was followed by questions and answers, with opportunities for discussion around the proposals.
- 4.6 A third meeting was organised, at the request of key stakeholders, to provide an additional opportunity for landlords and managing agents to discuss the immediate Article 4 Direction. This meeting also began with a short introduction by ORS about the consultation process followed by an evidence-based presentation covering the evidence and proposals for the immediate Article 4 Direction. Participants were then given the opportunity to ask questions and give their views on the proposals.

- 4.7 Although time was limited for the scheduled section of the evening regarding PRS licensing, with approximately 90 minutes given to the presentations and discussion, every effort was made to ensure that as many voices as possible were heard from a variety of perspectives. Attendees were invited to make their thoughts and feelings known, albeit in an atmosphere of mutual respect and professionalism, and robust questions and discussions were forthcoming.
- 4.8 In deliberative discussions in forums, it is the nature and strength of the arguments that matter, rather than the numbers in support of or against particular options – so the Council will wish to consider carefully the issues raised by the landlords and agents. These are explained below and illustrated with some verbatim quotations.

### Stakeholder workshop

- 4.9 Another event was held for key organisation representatives to give their views on the proposals for Selective and Additional Licensing, and immediate Article 4 Direction. This session, which took place online on 19<sup>th</sup> January 2023, followed the same format as those for landlords/letting agents, and was attended by representatives of London Fire Brigade, the National Residential Landlords Association (NRLA) and Public Health Merton.

## The evidence and rationale for Merton Council’s Selective Licensing proposals

### Landlords disagreed that the proposals would have a meaningful impact on antisocial behaviour

- 4.10 Landlords generally felt that they should not be held responsible for dealing with antisocial behaviour outside their rental properties. Moreover, they largely disagreed that the proposals would reduce antisocial behaviour in the affected wards.
- 4.11 Importantly, it was also said that landlords are not equipped to deal with the complex circumstances that often lead to antisocial behaviour, such as mental health issues, drug and alcohol misuse, and other issues and behaviours. Some participants therefore questioned whether Merton Council would provide strategic support or facilitate partnership work to help them tackle antisocial behaviour and its underlying causes.

### Landlords and the NRLA questioned Merton Council’s ability to implement the Selective Licensing proposals effectively

- 4.12 Numerous individual landlords had experience of what they considered unsuccessful schemes in neighbouring boroughs. They therefore doubted Merton Council’s ability to implement the scheme effectively.

*“Croydon Council had a similar scheme and ran it for five years. During that five years I had a £1,100 fee for my five properties but none of them were inspected ... If Croydon failed, what’s the difference between Merton’s licensing and Croydon’s?”- Landlord*

- 4.13 Likewise, the NRLA referenced licensing in Greenwich, which they said had failed to live up to expectations due to Council pressures. This, it was felt, is indicative of what typically happens following the introduction of such schemes.

*“[Name] produced a report of Greenwich licensing which ... is what usually happens in licensing schemes: There’s periodic work, it starts with a big bang, goes downhill rapidly due to pressure in the council, then someone remembers that they’re doing it, then it goes downhill again. That’s the case for the majority of councils...” – NRLA*

The NRLA agreed that every licensed property should be inspected but doubted the achievability of the schemes to deliver against their aims

- 4.14 The NRLA agreed with Merton Council’s proposal to inspect all licensed properties; this, it felt, would do much to ensure the success of Selective Licensing. However, the Association was of the view that the Council’s proposed team would be too small to achieve universal inspection.

*“The majority of problems in licensing schemes is that [councils have] not managed to build enough capacity within schemes to deliver against what [their] aims are. You’ve said that you want to inspect all properties, which we welcome because we say that’s good criteria and the only way you can deliver a licensing scheme, but you have to actually resource it.” – NRLA*

- 4.15 The Association argued that Merton Council’s inspection rate under the Housing Health and Safety Rating System (HHSRS) has been under 100 per year, and therefore stressed that it would need a more significant workforce than is proposed, to implement its proposals.

*“... Your inspection rate under HHSRS has been under 100 a year and you’re proposing to move that just under Selective Licensing. So, if you say on average 1,500 properties per ward ... that’s a significant uptake to be delivered by the Council when there is a shortage of staff” – NRLA*

*“Even if you look at a small scheme like Leeds, which is only two wards, they’ve got more staff than you to deliver that ... there is more staff required. Not just in the processing of applications but the work that comes out of the licensing” – NRLA*

- 4.16 The NRLA also asked what safeguards would be in place to ensure that the Selective Licensing proposals could be delivered effectively, given their concern that Merton Council would not have the resources to deliver them.

*“What safeguards have you got in place to actually deliver what you’re proposing? ... Also, how are you guaranteed the resource over the five year period?” – NRLA*

Public Health Merton supported the evidence and rationale for the proposals

- 4.17 In contrast to the views expressed by landlords, managing agents and the NRLA, Public Health Merton supported the evidence and rationale for the Selective Licensing proposals, and considered the proposed resourcing to be adequate.

*“I actually think the resourcing will be fine for little wards ... All the evidence that’s been provided ... [and] the data hasn’t surprised me at all” – Public Health Merton*

- 4.18 It was also suggested that Merton Council should consider how it might partner with Public Health to maintain health as a key component of the scheme, given the Council’s commitment to including health improvement and reduction of inequalities in all of its policies.

*“This is an opportunity for you because Merton Council, since 2016, signed up for its commitment to having health in all policies, so that means that we’re trying to work with all of the departments to see how we can improve health and lessen health inequalities...” – **Public Health Merton***

*“I’m suggesting that we do a partnership where we help you identify those who are [living in] at-risk properties but who are also more vulnerable so you can get to those priorities as fast as you can because we have the data” – **Public Health Merton***

## The evidence and rationale for Merton Council’s Additional Licensing proposals

Landlords were concerned that an Additional Licensing scheme would reduce housing stock in the affected wards

- 4.19 When discussing the rationale for the Additional Licensing proposals, participants highlighted the increased costs and difficulties associated with being a landlord. As a result, they were concerned that extra burdens would lead many landlords to sell their stock, thus reducing the availability of PRS properties in the borough.
- 4.20 It was suggested that if the PRS was to shrink in Merton, students and individuals on low incomes would struggle to find affordable housing.

*“Have the Council looked at housing stock changes since licensing was brought into other boroughs? ... We know landlords are being squeezed through the cost of living [and] taxation. So, it’s very hard for landlords to keep hold of that asset and provide affordable housing” – **Landlord***

*“My concern is this could be the final nail in the coffin to those who find it hard being a landlord ... [the] last thing we want is a shortage of stock and a rise in rent as a result of that” – **Landlord***

- 4.21 Some therefore suggested that the Council should focus its efforts on identifying non-compliant landlords, rather than ‘punishing’ those who comply with the requirements placed upon them.

*“With a White Paper looking at landlords spending up to £10,000 to improve their EPC ratings in coming years, which will improve tenants’ conditions, shouldn’t we really be looking at landlords the circumnavigate the system rather those that are compliant.” – **Landlord***

Landlords were unsure of the link between smaller HMOs and antisocial behaviour

- 4.22 Landlords were sceptical of the data used to project the number of HMOs in the area and of the stated correlation between smaller HMOs and antisocial behaviour. As a result, they overwhelmingly rejected the rationale for the Council’s Additional Licensing proposals.

*“If there is an incident of noise nuisance for example, how do you know what size of HMO is responsible? You don’t even know how many there are ... Is it logged that if someone was shouting ... annoying the neighbour that they are living in a large HMO or a home of one or two? Are you confusing this correlation?” – **Landlord***

*“I’m not convinced the evidence is there to say that the small HMOs are the root of the problem. They may be there, but it doesn’t mean they’re the problem for it” – **Landlord***

The NRLA requested that landlords be assisted in dealing with antisocial behaviour complaints against tenants

- 4.23 Given the Council’s aim to reduce antisocial behaviour relating to smaller HMOs via the Additional Licensing proposals, the NRLA was eager to understand what assistance would be provided to landlords to do so – particularly in relation to ending tenancies.

*“Because the landlord’s under obligation under a licence to do something, predominately it’s to end tenancy. What is the Council going to provide in supporting landlords and other tenants in ending that tenancy?” – **NRLA***

*“Will the Council actively in the court case support landlords to remove the tenant? Will the Council be supporting landlords in the eviction of tenants who are causing ASB? Which is one of the reasons you’re introducing the scheme.” – **NRLA***

- 4.24 The NRLA felt that the advice the Council offers and plans to offer to aid landlords in tackling antisocial behaviour might not be adequate. Instead, it was suggested that more direct and therefore potentially more meaningful assistance would be required.

## Proposed Selective and Additional Licensing fees

Landlords and the NRLA agreed that the fees would be passed to tenants

- 4.25 Landlords, managing agents and stakeholders agreed that the proposed Selective and Additional Licensing fees would likely be passed to tenants. These stakeholders therefore agreed that rent rates would be increased for tenants across Merton as a result of the Selective and Additional Licensing schemes.

*“It does get passed on to tenants; this has been documented up and down the country that fees are passed on to tenants.” – **NRLA***

Landlords felt that the proposed fees are too high, but the NRLA disagreed

- 4.26 Landlords had little to say about the proposed Selective Licensing fees, but those who did were generally dissatisfied with them. It was suggested that discounts should be offered to those with multiple properties in order to reduce their costs and prevent rising rents.

*“Is there any more discussion for further discounts to be made available to landlords and those with multiple stock? Given how landlords’ budgets are squeezed, [and] especially considering that costs may be moved on to tenants...”*

- 4.27 Conversely, the NRLA suggested that compared to other Selective Licensing schemes across England and Wales, Merton Council’s proposed fees are not particularly high.

*“It doesn’t seem very expensive ... if you look nationally, in 2019 I think the average national fee for a license for five years was about £610 and this is in London and its three years later. So, there are a number of licensing fees that are more expensive” – NRLA*

It was felt that discounts should be offered in specific circumstances, and that payment in monthly instalments would be welcomed

- 4.28 For both proposed licensing schemes, landlords suggested that discounts should be offered to those who own multiple properties – as well as to those who decide to sell or discontinue as an HMO or obtain a new licence late during the five-year period.

*“Say the HMO goes out of the sector, say the landlord decides to rent the property as a flat rather than HMO during the five years ... I think this is a bit harsh if you can’t get a discount if you leave the system” – Landlord*

- 4.29 The NRLA suggested that part B of the proposed Additional Licensing fees should be payable in monthly instalments to ease the financial impact on landlords.

*“We’d like it to be monthly, obviously for part B as opposed to part A, which is managed in other Councils so I can’t see why it wouldn’t work here.” – NRLA*

Landlords were concerned that non-compliant landlords would avoid paying the fees

- 4.30 Landlords were eager to understand how the Council planned to ensure that landlords with small HMOs would apply for their licenses and pay the associated fees. Indeed, there was widespread concern that “rogue” landlords would avoid doing so.

*“My concern is that the rouge landlords are likely to avoid joining the scheme...” – Landlord*

The NRLA advocated annual checks on landlords’ accreditations

- 4.31 The NRLA welcomed Merton Council’s proposal to provide discounts to accredited landlords. However, they alleged that many other Councils offering such discounts do not run annual accreditation checks, allowing some landlords to fraudulently claim accreditation to access discounts. Therefore, the Association suggested that the Council should run such checks to prevent landlords from making false claims.

*“We welcome giving our members a discount, but it should be checked annually ... that they’re making that accreditation or else they’re falsely making a claim that discredits us and obviously you as the Council as well.” – NRLA*

## Proposed Selective and Additional Licensing conditions

Landlords were unclear on the identification of non-compliant landlords

- 4.32 Landlords and the NRLA did not comment extensively on the conditions for either of the proposed licensing schemes, seemingly because they felt they were achieving or close to achieving them already. However, landlords sought clarity on the budget and powers the Council would have to identify non-compliant landlords, and for enforcement action in the event of non-compliance.

*“It could be said that from this room, people want to be good landlords ... They set standards well above what is asked of them. We think it’s a shame to pay for this licensing, but we see that there has to be people paying for it to have the others [non-compliant landlords] found ... It’s just not clear the amount of money that will be used to enforce this...” – Landlord*

Public Health Merton suggested that the proposed conditions could result in improved EPC ratings, and stressed the importance of landlords informing tenants of their rights and responsibilities

- 4.33 Whilst Public Health acknowledged that the Council would not have the power to enforce landlords to acquire an EPC rating of at least C in their licensed properties, they suggested that the conditions could encourage it as a means of improving health in the area.

*“If you’re providing some discretionary points then why not ... at least put the wording in that, ‘We would encourage it’” – Public Health Merton*

- 4.34 Public Health Merton agreed with the Council’s plans to ensure that landlords are required to inform tenants of their rights and responsibilities within the proposed licensing schemes. They stressed the importance of ensuring that landlords explicitly inform tenants of their rights and responsibilities as a key part of the conditions.

*“I wonder if there’s an opportunity to just add to what should be empowering the tenants themselves as to the awareness of their rights to be able to speak to the landlord and make sure that works to ensure that the property is looked after. There should be a back-and-forth here, so the licence holder should also be informing the tenants of the exceptions where they will be asked to leave that don’t relate to antisocial behaviour or what their rights are. This should be part of the licence-holder’s communication.” – Public Health Merton*

## The immediate Article 4 Direction

### Overview

- 4.35 Overall, landlords who attended the events and expressed views, were cautious of Merton Council's Immediate Article 4 Direction. They mostly questioned its immediacy and the impact that it could have on landlords/developers already in the process of converting properties into small HMOs. The potential to reduce antisocial behaviour and availability of HMOs and affordable housing was also questioned, amongst other issues, as explained below.

### Some landlords questioned the Council's data on HMO saturation in Merton

- 4.36 The Metastreet data used by Merton Council to underpin its rationale for the immediate Article 4 Direction was questioned by some landlords. They considered it something of an outlier, highlighting other research showing that HMO saturation across the seven wards in question is lower than the average for London boroughs. In essence, they doubted whether the Council's evidence demonstrated sufficiently urgent issues to justify the immediate introduction of the Article 4 Direction.

*"The Metastreet data about saturation of HMOs across the seven wards ... we consider that to be quite lonely data because it relates to the saturation of HMOs within those seven wards but doesn't actually compare Merton to other boroughs and the saturation of HMOs that would be normal across London ... What we've found is that the London average saturation of HMOs is 5.6% across each borough, whereas Merton as a whole, when you measure it borough-wide, is 2.7% saturation."*  
– **Landlord**

### Landlords doubted the Article 4 Direction would have a meaningful impact on anti-social behaviour

- 4.37 Many landlords questioned the link between well-managed HMOs and antisocial behaviour, feeling that anti-social behaviour is more related to management than planning, and was therefore an issue that licensing was better placed to tackle. This led many to doubt whether the Article 4 Direction would have a meaningful impact on anti-social behaviour in the affected wards.
- 4.38 Other landlords questioned whether Environment Health should be utilised to manage anti-social behaviour and issues with space and noise, rather than using planning permissions.

*"Most people living in HMOs are probably a bit younger and single, so they will probably produce a little bit more noise ... they will be louder than the next-door couple in their 50s ... But it does not mean that those people cannot live in that neighbourhood..."* – **Landlord**

### Landlords and the NRLA agreed that the Article 4 Direction could reduce availability of affordable housing

- 4.39 Many landlords expressed concern that the Article 4 Direction would lead to a reduction in the number of HMOs across Merton, thereby reducing the amount of affordable housing in the area overall. It was said that this would likely increase demand for housing and increase prices. Moreover, individuals who rely on HMOs



for accommodation are, it was said, more likely to be on low incomes, at risk of homelessness, or otherwise vulnerable, and thus most impacted by a reduction in affordable housing.

*“There’s plenty of evidence in other boroughs up and down the country with Article 4 Directions: it crystallises what’s in place, stops new entries in the market, it drives rent up, and that’s the outcome” – NLRA*

*“If you’re a sitting landlord within an Article 4 Direction then it’s actually really good news for you because you’ve just increased your house price [and] you’ll increase the rent because you’ve stagnated the market. That’s the case around the country and I don’t see that it will be any different in Merton, so those who are landlords with shared housing currently are benefitting and you’re stopping new entries into the market” – NRLA*

- 4.40 Students, it was said, would be particularly impacted by a potential reduction in HMO numbers, as they would likely have to pay more expensive rent for purpose-built student accommodation.

*“My concern is here is that if there isn’t adequate HMOs, students may be drawn to purpose-built student accommodation, and some of that – particularly more modern PBSA – is notoriously expensive...” – NRLA*

- 4.41 Public Health Merton, on the other hand, argued that the Article 4 Direction would likely be effective in preventing illegal development or overdevelopment of rented properties whilst only having minimal impact on housing affordability.

Landlords were concerned with the immediacy of the Article 4 Direction and the impact on conversions already in progress

- 4.42 Many landlords said that while they were not wholly opposed to the planning requirements of the Article 4 Direction, the immediacy and associated lack of notice period was a key concern, particularly if this risks those already in the process of converting properties to small HMOs not achieving the criteria and having their planning permissions denied. Notably, this was of concern to both landlords of individual properties and those with larger portfolios. There was thus a strong feeling that a notice period of up to a year should be required to minimise the impact on those who have already started conversions, and so that other property owners can make more informed decisions about whether to begin the process.

*“I’m not surprised you’re bringing in HMO [planning requirements] ... but I was surprised that it was immediate. The other boroughs in my experience did one year and the others did eight months’ notice. I think a lot of landlords are in the middle of refurbishment and so this is significant” (In-person Landlords’ Event, 16.01.23)*

*“It’s not fair to introduce it immediately ... it should usually be with a notice...” (In-person Landlords’ Event, 16.01.23)*

- 4.43 On a related note, it was suggested that many compensation claims could be made against the Council as a result of planning applications being denied due to the immediacy of the Article 4 Direction.

*“The rogue landlords might not make any refurbishment ... but for me the bill with inflation could be somewhere between £200,000 and £300,000 ... just the refurbishment cost. Where does this end? ... It could open the Council to financial claims... I know about five or six people considering this ... With others it could be as much as £2 or £3 million in compensation claims.” – Landlord*

- 4.44 Some landlords also questioned how well the immediate Article 4 Direction had been communicated to landlords in advance of its implementation.

*“Looking at October’s Committee Cabinet report ... there was mention of Article 4 being brought in, but it was going to be post-consultation and subject to the outcome of that, and the earliest it would be brought in is September 2023. That obviously hasn’t happened. Post hearing about the immediate Article 4 Direction on 17<sup>th</sup> November the following week, I went back onto Merton Council’s website and ... up until the 5<sup>th</sup> or 6<sup>th</sup> November there was absolutely no mention whatsoever on the website that this had been brought in.” – Landlord*

- 4.45 Some landlords who should have received a notification based on the Council’s stated plan of publicity (existing HMO landlords currently with licenses) stated they did not receive anything.

#### Landlords were felt that there is a lack of guidance for planning permissions

- 4.46 Landlords generally agreed that the guidance for planning permissions is not clear. They thus requested that the Council make the full guidance available in a more accessible format before continuing the Article 4 Direction; and suggested that this is another reason to give a notice period before continuing with its implementation.

*“In between now and March ... I’ve got two [conversions to HMOs] about to be finished very soon; what do we do then? Because you haven’t given any guidance. Do I need to apply now? And if so, how do I know what I have to do? I think that’s why the likes of Croydon gave notice so people would know what to do ... Is there a risk of having to start again? Because that does seem like a risk.” – Landlord*

- 4.47 Other landlords stressed the importance of the Council helping landlords with their applications if they are denied planning, so that they can understand the reasons why and improve their likelihood of being accepted in future.

#### Landlords felt that HMO planning has been politicised

- 4.48 Some landlords felt that the Council wants to reduce the HMO sector in Merton, alleging that it would reject applications for HMO conversions on this basis rather than on each property’s eligibility against planning criteria. It was, therefore, said that planning requests should be heard in public to ensure openness and transparency.

*“... Most of these applications will be determined either by dedicated powers or by the Planning Committee. What will be the default position? ... My preference would be that they’re heard in a Planning Committee because that would be more democratic and open...” – Landlord*

- 4.49 The opinion was expressed that Councils are in a position that means they only deal with the worst issues, and as such have an inaccurate perception of the benefits provided by HMOs. Therefore, there was concern over the Council's position towards HMOs in general.
- 4.50 Even if planning was eventually granted on some converted properties, landlords said that the delays in application and approval as a result of the Article 4 Direction would introduce significant cashflow issues and risk to developers. This means that they would be unlikely to invest in improving properties in the area in future, potentially across the whole of Merton, not only the seven wards.
- 4.51 Landlords also stressed the importance of having staff dedicated to dealing with planning applications to minimise delays, especially given the financial implications and potentially time-sensitive nature of converting properties to HMOs.

# 5. Written submissions

## Introduction

- 5.1 During the formal consultation process, 18 organisations and individuals provided written submissions or direct representations. Some of these were from organisations representing landlords and agents, whilst others were from individual landlords and other stakeholders.
- 5.2 16 of these written submissions related to the Council's immediate Article 4 Direction, and have been read and reported by Merton Council (direct representations received that relate to Article 4 can be found on the Council's webpage [www.merton.gov.uk/prsconsultation](http://www.merton.gov.uk/prsconsultation)). In this report, ORS summarises the arguments made within the four submissions that include feedback on the proposals for Selective and Additional Licensing.
- 5.3 Of the four written submissions being considered in this report, two were provided by landlords, one by a local Member of Parliament, Siobhain McDonagh, and one by Propertymark, an organisation representing landlords and letting agents.

## Written submissions from landlords

### The submissions were divided in their views on the proposals for Selective and Additional Licensing

- 5.4 The two written submissions from landlords were polarised in their views on the proposals for Selective and Additional licensing.
- 5.5 The first landlord's submission briefly discussed the Council's Selective and Additional Licensing proposals, whereby they referred to them as being likely to improve PRS property standards in Merton. This was described in the submission as a "win-win situation for tenants and the Council."
- 5.6 The second landlord's submission countered the first, giving their disapproval of the proposals. The submission explained that having seen similar licensing schemes used and then abandoned in neighbouring wards, it was doubtful that the proposals would prove successful in Merton. As a result, the submission referred to the proposals for Selective and Additional Licensing fees as "a waste of time and money".

## Written submission from Siobhain McDonagh MP

### The submission saw the proposals as an opportunity to improve housing conditions in the PRS

- 5.7 This submission supported the Council's Article 4 Direction. However, the submission also expressed support for the licensing proposals in brief, describing extensive experience with constituents who report issues with developments of HMOs in small residential properties, with little consideration for plumbing, drainage, parking, and storage of rubbish.
- 5.8 These issues were said to be largely the result of poorly managed, often substandard, HMOs that may leave vulnerable people without support and at risk of themselves and other residents.

### The submission expressed concern that the consultation does not cover the wider constituency

- 5.9 The submission expressed regret that the proposal for Selective and Additional Licensing could not cover every ward within the constituency of Mitcham and Morden, since the number of HMOs was said to be increasing in the neighbouring wards of Ravensbury and St Helier.
- 5.10 In addition, the submission supposed that the proposals might have come too late to limit growth of HMOs in Merton, since neighbouring local authorities of Croydon and Lambeth were said to have already had restriction in place for a number of years.

## Written submission from PropertyMark

### The submission suggested that the proposals would be unsuccessful in achieving their aims

- 5.11 Whilst the submission expressed support for the Council's efforts to improve property standards in the PRS in Merton, the proposals for Selective and Additional Licensing were said to be "punitive" measures that would punish compliant landlords and likely leave noncompliant landlords undetected. As a result, the submission expressed PropertyMark's opposition to the Council's proposals for Selective and Additional Licensing.
- 5.12 The ability of landlords to deal with antisocial behaviour from tenants was also questioned, with the submission arguing that landlords are not equipped to deal with the complex circumstances that are often involved. PropertyMark therefore enquired whether the Council would consider partnerships with stakeholders such as the Metropolitan Police to tackle antisocial behaviour in replacement of / in addition to its proposals for the PRS.

### The Additional Licensing fees were likely to result in a reduction of affordable housing

- 5.13 The submission went into detail on the separate reasons for PropertyMark's opposition to the Council's proposes for Selective and Additional Licensing. In addition to the aforementioned belief that landlords are not equipped to deal with antisocial behaviour and that noncompliant landlords would go undetected, licensing fees were also a reason that PropertyMark gave for opposing the proposals.
- 5.14 Whilst the Selective Licensing fees were said to be more favourable than in many similar schemes across England, the Additional Licensing fees were said to be too costly, even after the welcomed discount opportunities.
- 5.15 The submission went on the suggest that in the context of the cost-of-living crisis, the high cost of the Additional Licensing fees could see numerous landlords of small HMOs either sell their properties or convert them to single-home dwellings. It was therefore suggested that not only would the availability of small HMOs in Merton be reduced, but that rent prices on the remaining would likely rise as a result of the increased demand. The submission suggested that individuals who benefit from small HMOs (such as students, contract workers on short-term work, and people on low incomes) would therefore be the most impacted by this potential reduction of affordable housing.
- 5.16 PropertyMark went on to argue that this would be of particular concern since demand for affordable housing in Merton is already higher than the London average, with 14% of Merton's housing tenure being social housing compared to the 22% London average.

### The licensing conditions were thought to be difficult to achieve in older, terraced houses

- 5.17 In the submission, it was claimed that the percentage of houses in Merton that are terraced houses is significantly higher than in the rest of London and England. In fact, it was said that terraced houses make up 44% of houses in Merton as opposed to 26% in the whole of London and 26.7% across England. As a result, it was suggested that meeting the proposed licensing conditions could be particularly costly in rented properties that are older, terraced houses.
- 5.18 The submission also requested information on what mechanisms the Council might put in place to teach landlords and agents to better understand their responsibilities and improve housing stock standards.

### The submission made alternative and additional recommendations

- 5.19 As the submission expressed Propertymark's opposition to the proposals, a brief alternative was suggested. Instead of licensing, the submission advocated for a regulatory framework that seeks to educate landlords in improving the standards of their housing stock. The reason given for this alternative was that most cases of substandard accommodation are the result of a lack of knowledge from landlords rather than poor intention.
- 5.20 Should the Council decide to adopt their licensing proposals, Propertymark advocated for the Council to provide an annual summary of its outcomes to demonstrate to tenants, landlords and letting agents how property standards and antisocial behaviour in the area have been impacted.