



# Private Rented Sector Strategy

## 2021-25



City of  
Westminster



## Foreword

Westminster is fortunate to be home to a diverse mix of people - from families to young professionals, and businesses - from small independents to large corporates. This makes Westminster so vibrant and our city such a desirable location to live and to work in.

The private rented sector is growing in our economy and Westminster has the largest private rented sector in England. We want to ensure that all private rented properties are well managed, operating legally and, above all else, safe.

The safety and protection of our communities will always be Westminster City Council's priority concern, which is why we have developed a new private rented sector strategy. We also recognise that most of the private rented sector is managed well and is of high quality. However, when properties are not well managed or responsibly run, the impact upon the lives of individuals and families can be terrible.

Through this strategy, we aim to support tenants, landlords and lettings agents in working together to make sure that all parties are aware of their rights and responsibilities. However, we also need to be tough with any rogue landlords and agents abusing the rules. We will not tolerate anyone's quality of life being impaired by poor quality private rented housing and practices.

Our city must continue to be a desirable location in which people want to settle and to set up business in the long term. This strategy will help to do just that; to support the private rented sector, enhance residential and business amenity and protect the quality of life for all who choose Westminster as their home.

A handwritten signature in black ink, appearing to read 'Heather Acton'.

**Councillor Heather Acton**  
Cabinet Member for  
Public Protection and Licensing

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# Introduction

Westminster has the largest private rented sector in England with an estimated 52,700 properties[1] making up 43% of all housing. It has grown over the last decade, both in numbers and as a proportion of all housing in the city – making up 40% of the stock in 2011, with 41,900 properties.

We have developed this new Private Rented Sector Strategy because it is Westminster's largest tenure, and although much of the sector is well run and managed and of good quality, the impact on people, families and communities is significant when it is not. Increasingly it is becoming a longer term tenure for many, given the cost of buying and the high demand for social housing.

In the heart of London, Westminster's private rented sector is home to different people and households – including business people in company lets, homeless households in temporary accommodation, young people flat sharing, students, families and people living in houses in multiple occupation, often working in the service economy.

This strategy doesn't cover homelessness, as although the loss of a private rented tenancy can be a cause of it, our plans to tackle homelessness from the sector are set out in our Homelessness Strategy 2019 - 2024[2].

The strategy focuses predominantly on what it is possible for the council to do to support the sector, using its legal powers, duties and relationships, rather than on areas that are beyond its control. Some proposals for wider change are however included on page 35 and are suggested as ways in which we could help to achieve our vision for the private rented sector.

[1] MHCLG estimate

[2] [www.westminster.gov.uk/housing-strategies#homelessness-strategy](http://www.westminster.gov.uk/housing-strategies#homelessness-strategy)





We want to ensure **Westminster** has a **well-run** and **managed** private rented sector, where properties are of good quality and where landlords, lettings agents and tenants are all aware of their **rights and responsibilities**, are **supported** where appropriate and where the **necessary action** is taken where the law is broken.

**Our vision**

## **How the strategy was developed**

Ideas for a draft strategy were developed with contributions from a wide range of council officers and some external organisations working with private tenants and were consulted on between 21st September and 25th October 2020. Two webinars were held during the consultation period and nearly 100 responses were received. All of the proposals consulted on received between 62% – 100% support and where possible comments and suggestions made by respondents have been taken into account in the final strategy.

# Our aims summary

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## **Aim one: Improve conditions in the private rented sector and ensure lawful practices**

We'll do this by:

- **Introducing discretionary licensing across Westminster for all houses in multiple occupation (HMOs)**, subject to having firstly considered the consultation results. Data shows that HMOs are more likely to be in a poor condition and associated with poor practices compared with other private rented homes. A scheme will help to address these issues, as conditions are set as part of the licence, covering for example, fire safety and overcrowding and licences can be removed if standards are not met.
- **Keeping the case for a wider discretionary licensing scheme under review.** Although there is no evidence to justify this currently, things can change and we'll be alert to this and consider if there is evidence for one to be introduced for all, or some, private rented properties.
- **Raising awareness of our services which tackle poor quality properties.** Evidence shows that some tenants are unaware of our services and this is compounded by high turnover in the sector.
- **Reviewing our enforcement policies.** These cover the types of action that may be taken against landlords and lettings agents. A review is needed to include recent legislation and to make sure our approach is always fair and proportionate.
- **Doing more to publicise successful legal action against landlords and lettings agents.** This can include when tenants have claimed back rent, through Rent Repayment Orders. Publicity can act as a deterrent and raise awareness of legal duties.
- **Working with the sector to increase the number of accredited landlords and lettings agents.** Accreditation offers benefits such as training, continuous professional development and networking. With the largest private rented sector in London, we aim to have the most landlords accredited.

## **Aim two: Support and engage with tenants, landlords and lettings agents**

We'll do this by:

- **Continuing to work with organisations that provide specialist support to tenants.** We want to expand the current service, from helping tenants to claim back rent in certain situations - to offering wider support, such as working with tenants taking their own legal action against their landlord.
- **Providing better advice and signposting for private tenants on our website** so there is a wider range of information and links to other support, services and information.

- Continuing to run and develop the landlords and lettings agents forum where ideas, information and views about the sector are shared. A wider range of landlords and lettings agents will be invited and the meetings will focus on issues that are of interest to them.
- Letting landlords and lettings agents know about the support available to them to help them address serious antisocial behaviour from their properties. Our teams can become involved in certain cases, where for example a multi-agency approach is needed to tackle the problem.

### **Aim three: Improve knowledge and intelligence about the sector and work with other organisations that give advice and support to tenants, landlords and lettings agents**

We'll do this by:

- Embedding the approach of the Housing Standards Taskforce (funded by a grant) into our everyday service. The Taskforce has successfully used intelligence to coordinate action against the worst landlords and lettings agents. We'll also establish a new private rented sector strategy group, bringing together organisations with an interest in the sector, so everyone can share knowledge on what they are seeing. The group will also look at trends, research and the impact of Covid-19 on the sector.
- Improving the way we work with advice agencies, for example by looking into how we can provide follow up information to them on the cases they have referred to us, so they can support their tenants with related issues.
- Strengthening our relationship with the Police and other organisations to help prevent illegal evictions. Many illegal evictions occur without our knowledge and we'll investigate if there is more we can do to prevent them.

### **Aim four: Help to improve the energy efficiency of the private rented sector**

We'll do this by:

- Exploring funding opportunities to help private landlords to make properties more energy efficient. Local and national funding will be looked at.
- Investigating if private landlords can be offered dedicated energy efficiency advice and support to help them meet new national energy efficiency standards.

### **Aim five: Help to shape the sector**

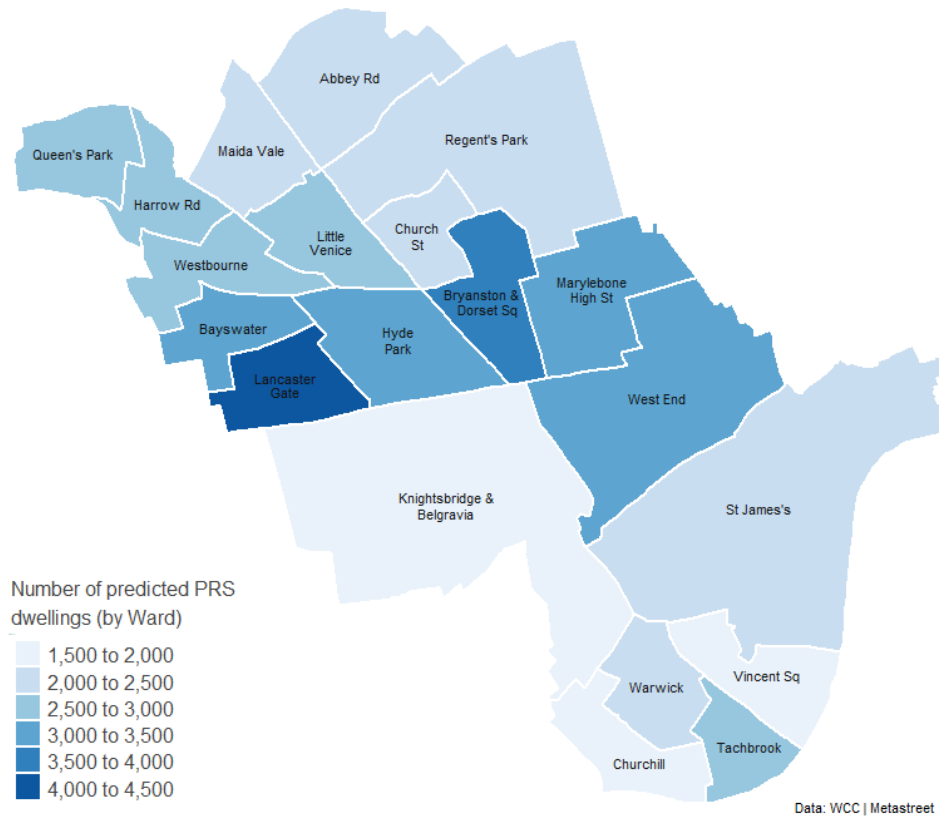
We'll make the case to Government, where possible, for improvements to the sector which will help us to achieve our vision for it. Our ideas include a national register of landlords and lettings agents, improvements to the national Rogue Landlord Database and for tenants' rights to be explained simply as part of their agreement or licence.

# Section one:

## About Westminster's private rented sector

## Location

Westminster's 52,700 private rented homes are located in all wards, with the highest concentrations in central and north western areas of the city.



Source: Westminster City Council: Private Rented Sector: Housing Stock Condition and Stressors Report, August 2019

## Submarkets

The private rented sector (PRS) is made up of different submarkets – from a luxury end to houses in multiple occupation (HMOs). The size of each submarket is difficult to quantify, but estimates suggest:

- 14% of the sector is occupied by those with incomes of less than £20k<sup>[3]</sup> including students, workers living in houses of multiple occupation (HMOs), people and families receiving Housing Benefit and homeless households in temporary accommodation.
- 14% of the sector is occupied by those with incomes of £90k or more<sup>[4]</sup> and will include workers with high incomes working for multi-national companies.
- 72% can be described as a 'middle income submarket' occupied by 'professionals' that may be flat sharing and some families.

[3] CACI Westminster household income data 2019

[4] As above



## Conditions

The likelihood of properties being in a poor condition or containing 'hazards', which are a risk to the tenants, increase in older properties. Around half of all Westminster properties were built before 1850. A 2019 report<sup>[5]</sup> looking at conditions in Westminster's PRS estimated that 13% (6,773 properties) have a 'category 1 hazard' which is a slightly lower proportion than the national average.

Category 1 hazards can have a serious impact on the health of tenants and examples include faulty electrical wiring, fire risk, severe damp and mould or an excessively cold property. Westbourne Park, Queen's Park and Harrow Road wards were all found to have the highest number of properties with these hazards. HMOs have a higher proportion of category 1 hazards and our plans on page 19 shows how we propose to address these.

### Category 1 hazards in PRS properties

	Westminster		England <sup>6</sup>
	PRS Overall	HMOs	PRS Overall
No	6,733	4,178	750,000
%	13%	44%	14%



## Rents

Rents in Westminster are some of the highest in London, behind only Kensington and Chelsea and the City of London. The cheapest room in a shared house can cost around £160 per week and a median rent for a one bedroom home is 41% higher than the London average – rising to 65% higher for a two bedroom home.

### Private rents in Westminster and London and benefit levels

	Shared	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
<b>Westminster rent per week</b>					
30th percentile	£160	£381	£549	£750	£949
Median		£450	£649	£920	£1,200
Upper quartile		£549	£800	£1,294	£1,749

[5] Westminster City Council: Private Rented Sector: Housing Stock Condition and Stressors Report, August 2019, Metastreef

Central London Local Housing Allowance rates	Shared	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
	<b>£154.19</b>	<b>£295.49</b>	<b>£365.92</b>	<b>£441.86</b>	<b>£593.75</b>
London rent per week					
30th percentile		<b>£270</b>	<b>£334</b>	<b>£392</b>	<b>£501</b>
Median		<b>£319</b>	<b>£394</b>	<b>£473</b>	<b>£600</b>
Upper quartile		<b>£395</b>	<b>£525</b>	<b>£633</b>	<b>£795</b>

Source: Hometrack June 2020 except for the shared/room rate which is from the Valuation Office Data

## Tenants

As the following charts show, private tenants compared with the Westminster population are more likely to be:

- Younger: 54% are between 25-44, compared with 40% across Westminster.
- Working full time: 61% compared with 50% across Westminster.
- Asian: 24% compared with 20% across Westminster. They are slightly less likely to be White or Black and more likely to have a Mixed or Other ethnic origin.
- In households with no children: 21% had children in the household compared with 33% across Westminster.
- In good health: 95% describe their health as 'good' or 'very good' compared with 87% across Westminster.

The profile of private tenants is changing. The Census 2011 found 70% to be White, which compares to 54% now. The PRS now accommodates more families: the Census 2011 found only 15% of private tenants to have children, which compares to 21% according to more recent estimates. Private tenants are also now more likely to be older, with 25% between 45 – 64 which compares to 10% according to the Census 2011.

Private tenants are also less likely to receive Housing Benefit compared with social tenants. A high proportion of people from overseas live in Westminster's PRS as London-wide estimates suggest over 80% of overseas migrants in the capital live in the sector[6]. In Westminster people from overseas are likely to be living in all types of private rented homes – from high end lets to HMOs. Often people from overseas working in retail, construction and the hospitality sectors live in larger HMOs made up of a number of bedsits.

A 2012 study into Westminster's PRS found that 90% of tenants were satisfied with their tenure and that dissatisfaction was primarily amongst tenants claiming Housing Benefit, although satisfaction decreased with the length of tenancy. Although a lot can change in a local market in eight years, the last English House Condition Survey in 2017/18 shows relatively high levels of satisfaction (84%) in the PRS nationally[7].

[6] [www.nationwidefoundation.org.uk/wp-content/uploads/2018/09/Private-Rented-Sector-report.pdf](http://www.nationwidefoundation.org.uk/wp-content/uploads/2018/09/Private-Rented-Sector-report.pdf)

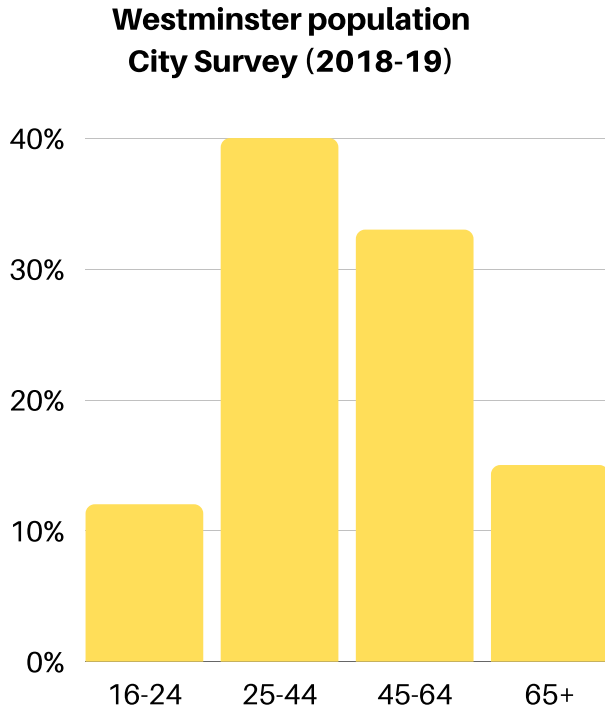
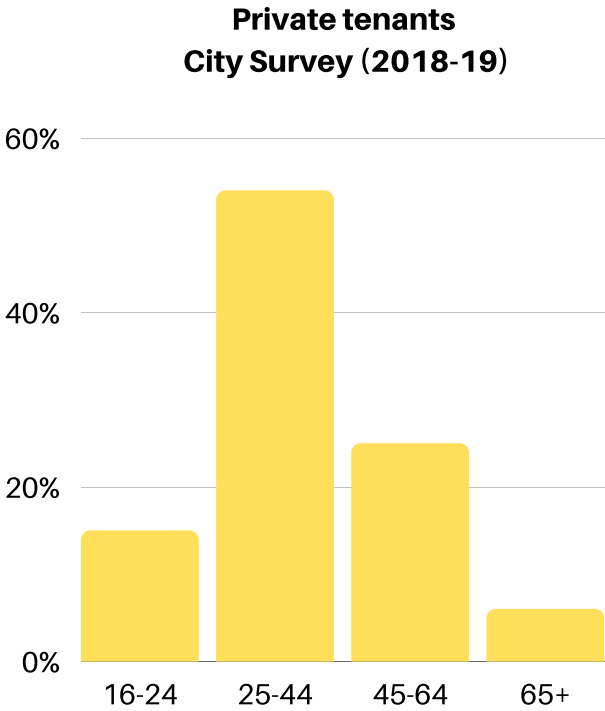
[7] [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/817630/EHS\\_201718\\_PRS\\_Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/817630/EHS_201718_PRS_Report.pdf)

These findings are likely to mask issues within certain parts of the PRS. For example, focus groups held with Westminster tenants living in HMOs in 2018 found that they had concerns about:

- Affordability and value for money.
- Conditions in communal areas.
- Landlord response times to complaints about conditions.
- Placing demands on landlords and fear of eviction.
- Knowing their rights.

A national report in 2018 found that increasingly private tenants were 'less positive' about the sector[8] and organisations like Generation Rent are campaigning for changes in the private rented sector[9].

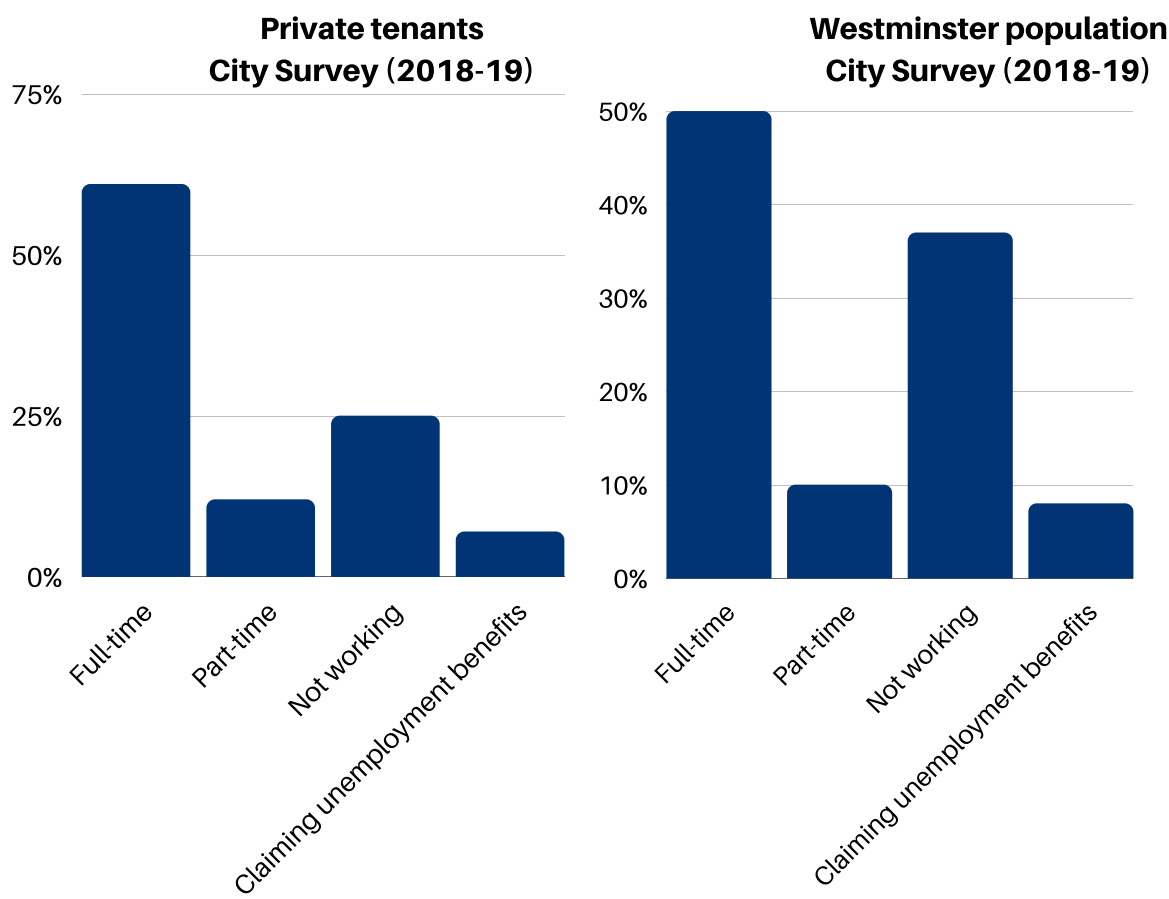
### Private rented tenants by age



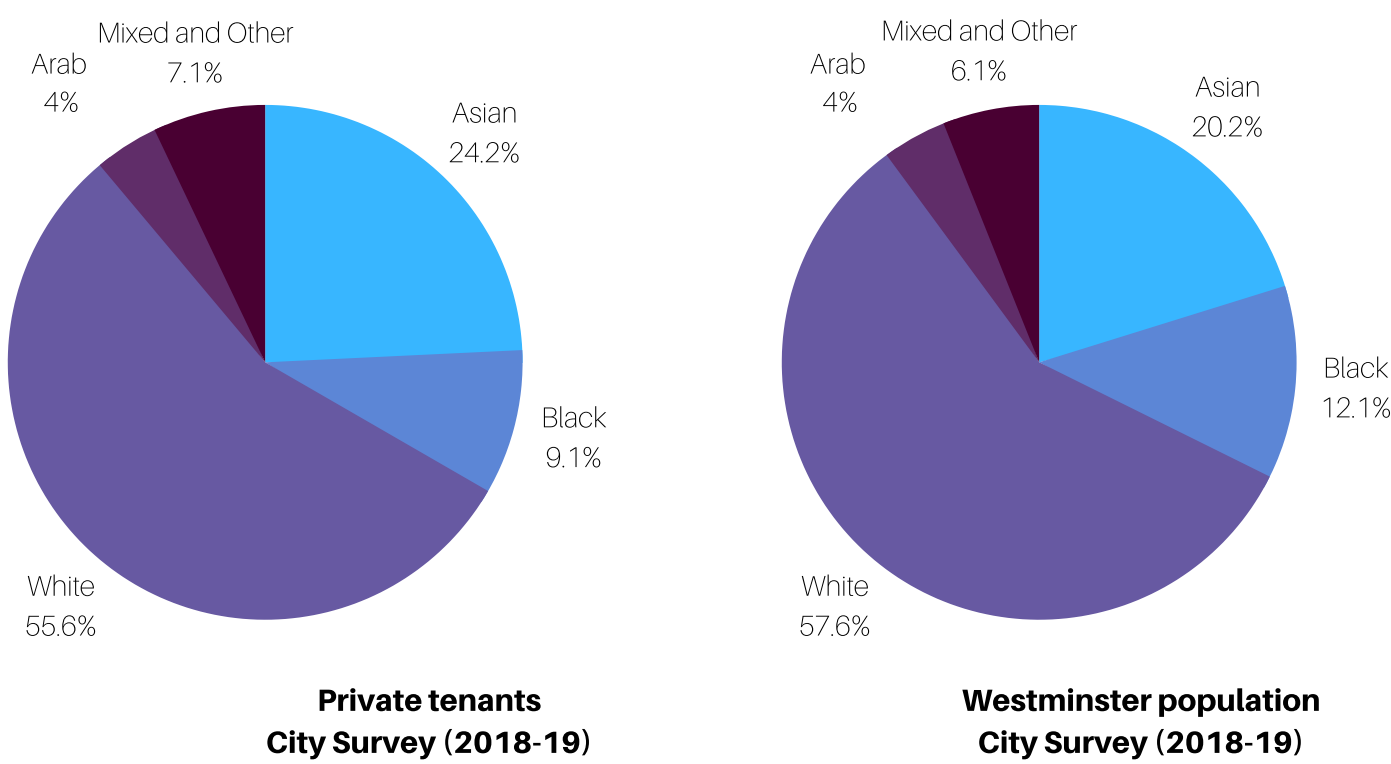
[8] [www.nationwidefoundation.org.uk/wp-content/uploads/2018/09/Private-Rented-Sector-report.pdf](http://www.nationwidefoundation.org.uk/wp-content/uploads/2018/09/Private-Rented-Sector-report.pdf)  
[9] [www.generationrent.org/about](http://www.generationrent.org/about)



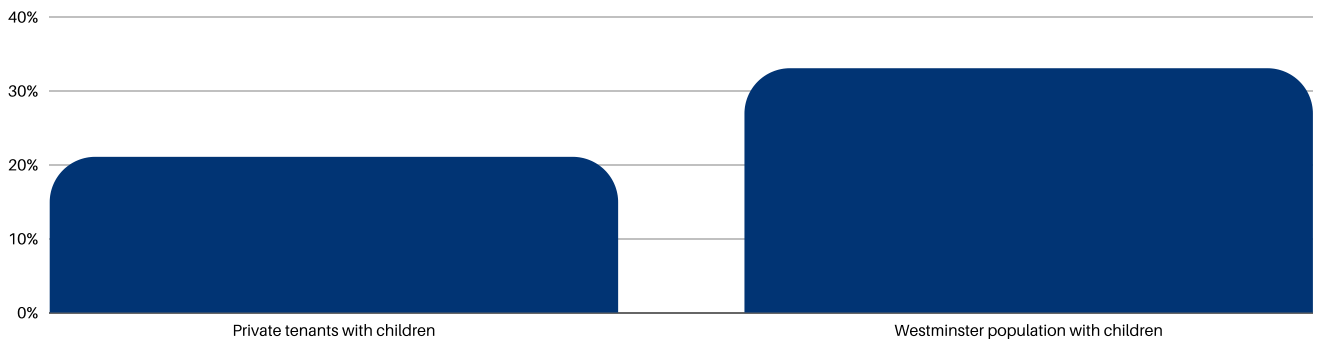
### Private rented tenants by employment



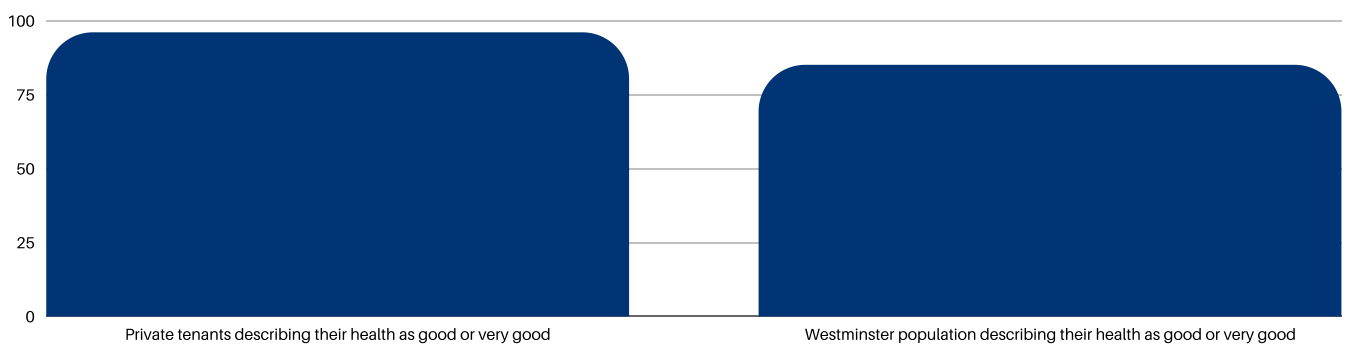
### Private rented tenants by ethnicity



## Private rented tenants by household composition (2018-19)



## Private tenants and health (2018-19)



## Tenants receiving Housing Benefit

	Single people/ couples	Families	Over 65*	Total	%
Private tenants	1,314	838	1,107	3,259	<b>6%</b>
Social tenants	5,130	2,809	4,405	12,344	<b>56%</b>

\*The majority are single or couples, but some over 65s have children

(Note: these figures do not include tenants receiving the housing element of Universal Credit to help them pay their rent)



## Landlords and lettings agents

Landlords vary from portfolio landlords owning multiple properties to those owning just one. A report into Westminster's PRS in 2012[10] estimated that:

- 47% of landlords owned a single property.
- 21% owned two properties.
- 32% owned from three properties upwards, with some portfolio landlords owning around 100 properties.

Landlords owning just one property are still likely to be the most common type in Westminster and the proportion may even be higher, given a national report suggests they grew by 16% over a ten-year period[11]. Westminster's landlord profile is similar to the rest of England where 45% of landlords own just one property[12].

Westminster is reported to have lower rental yields than the London average, with yields ranging from 2.2% - 3.2% per year[13]. However capital appreciation (where the value of the property goes up) is generally considered to be higher in central London.

At least 380 lettings agents are known to be operating in Westminster, but there are likely to be many more. They vary in size, from agents handling only a small number of properties, sometimes with just an online presence, to larger agents dealing with hundreds and with front facing offices.



[10] ECORYS, (2012) The Private Rented Sector in the City of Westminster

[11] [www.nationwidefoundation.org.uk/wp-content/uploads/2018/09/Private-Rented-Sector-report.pdf](http://www.nationwidefoundation.org.uk/wp-content/uploads/2018/09/Private-Rented-Sector-report.pdf)

[12] [www.gov.uk/government/publications/english-private-landlord-survey-2018-main-report](http://www.gov.uk/government/publications/english-private-landlord-survey-2018-main-report)

[13] [www.portico.com/yields](http://www.portico.com/yields)

# Section two: Our aims in full



# Aim one: Improve conditions in the private rented sector and ensure lawful practices

## What we do already

- Run a Housing Standards Task Force. Established in 2018 with a grant, and now funded by the council, the Task Force looks at ways to better tackle rogue landlords and lettings agents through the gathering and sharing of intelligence and by using it to coordinate action against the worst offenders. This has resulted in c£80k in Civil Penalty Fines being paid and further payments are outstanding. Over twelve months the Task Force also coordinated action against landlords of Houses in Multiple Occupation (HMOs) operating without a legal license which resulted in £200k in fines being issued.

## Case study

In 2018, the Task Force identified an HMO off the Edgware Road without a legal licence. The property was overcrowded with its eight residents all living in small rooms, below minimum space standards. The lettings agent responsible for the property was encouraged to apply for a licence – and did so – but then withdrew their application, so the council issued them with a Civil Penalty Fine of £25k. The lettings agent made an appeal against the fine which was unsuccessful and the tribunal issued them with a Civil Penalty Fine of £15k. One of the tenants is now being helped to claim back the rent they were charged and the lettings agent's details have been put on the London Rogue Landlord Database.

- Submit information to, and use, the London-wide and national Rogue Landlords Databases so tenants and other boroughs investigating cases can see if there has been a prosecution or a Civil Penalty Notice served. Information is also submitted to, and use made of, the National Intelligence Database, which collates intelligence on likely or actual criminal activity by landlords and lettings agents. This information helps when making decisions on whether an HMO licence should be granted or a Civil Penalty Notice issued.
- Respond to around 1,600 complaints each year about poor conditions. Assessments are done using the Housing, Health and Safety Rating System (HHSRS), a risk based tool which helps to identify hazards in the home which can have a detrimental impact on health. If there are severe hazards (Category 1) the local authority has a duty to take action against the landlord or for them to be removed. Action is taken in line with the Enforcement Policy[14].

[14] [www.westminster.gov.uk/sites/default/files/private\\_housing\\_enforcement\\_policy\\_2018.pdf](http://www.westminster.gov.uk/sites/default/files/private_housing_enforcement_policy_2018.pdf)

- Investigate and take action against unlawful short lets from the private rented sector. A tenant is likely to be breach of their agreement if they rent out their property on a short term basis. They may also be in breach of planning rules, if the property is short let without the landlord or the freeholder's permission. Even with this permission, short lets in Westminster are only allowed for 90 nights in any one year under planning rules. Unlawful short lets from the PRS can be associated with anti social behaviour which causes considerable problems for residents and they also reduce supply for longer term residents. More information about the council's approach to short lets is available at: [www.westminster.gov.uk/short-term-lets](http://www.westminster.gov.uk/short-term-lets)
- Investigate other potentially unlawful practices; such as tenants being locked out of their homes, illegal rent increases or threats of eviction without the proper notices having been served. Prosecutions are done in a small number of cases, around two each year, if no alternative remedy can be found.
- Identify breaches of consumer protection legislation by lettings agents and take enforcement action where necessary. Consumer protection legislation includes the Tenant Fees Act 2019 which prevents landlords and lettings agents from requiring tenants to pay fees for most activities, such as getting references and for renewing a tenancy. Since April 2019, Trading Standards has collected £159k in fines from lettings agents and there are also a number of payment plans in place relating to penalties served. Over twelve months, Trading Standards served 50 notices against 29 lettings agents for breaches of consumer protection legislation, such as failure to publicise relevant fees and other information and for failing to belong to redress schemes.

## Case Study

Routine checks in 2019 identified that a letting agent on the Edgeware Road wasn't displaying landlord and tenant fees adequately and wasn't displaying information as to whether or not they were a member of a client money protection scheme. Furthermore the agent had not joined a redress scheme, all of which are required by law. Two penalty notices were served by the council, amounting to £10k in fines, having firstly ruled out the 'representations' made by the agent. An appeal was made against these fines but they were upheld by a judge.

- Contribute to and support the London Landlords Accreditation Scheme (LLAS). To become accredited with LLAS landlords and lettings agents have to take part in training and they are also offered continuous professional development.

Environmental Health interventions 2019/20						
Enquiries dealt with about poor conditions	Homes made decent	Category 1 hazards removed	Category 1 fire hazard removed	Houses in Multiple Occupation improved	Enforcement notices served	Prosecutions/ Civil Penalty Notices
1,722	565	592	294	62	404	17



What else we'll do and why

## **1A. Introduce discretionary licensing across Westminster for all houses in multiple occupation (HMOs), subject to having considered the results of the formal consultation**

Additional licensing schemes require HMO landlords to have a licence, normally lasting for five years. Councils cannot make money from schemes but can recover reasonable costs associated with them. To go ahead a scheme has to be widely consulted on for 10 weeks and the council is consulting on a scheme until 11th February 2021.

Once implemented every licence holder has to be a 'fit and proper person' to be a landlord. They are asked if they have any unspent convictions for various offences and these are taken into account before a licence is granted. A set of conditions can be attached to licences, such as having up to date gas, electrical and fire safety certificates. All the occupants of HMOs are required to have written tenancy agreements or terms of occupation. Licenced HMOs can be inspected by the local authority and penalties issued for non-compliance with the conditions or failure to obtain a licence.

### **Why?**

- It enables the council to license HMOs that fall outside of the national scheme, which is where some of the greatest problems occur. The law requires only certain larger HMOs to be licensed under the national mandatory HMO licensing scheme (properties rented to 5 or more people comprising more than one household and living there as their main home and sharing some communal facilities). Councils have discretionary powers to introduce additional licensing for other types of HMO as long as they are satisfied that a significant proportion of them are being poorly managed, are giving rise, or are likely to give rise to problems affecting the occupiers or members of the public.

### **What is a HMO?**

The Housing Act 2004 defines an HMO broadly and it can be:

- A property where more than one household shares basic amenities such as bathrooms, toilets and kitchens.
- A building which has been converted into self contained flats and the conversion doesn't meet relevant building standards and less than two thirds of the flats are owner occupied.



- Mandatory HMO licensing doesn't cover houses converted into self-contained flats or flats in purpose-built blocks – including those on our own estates. In Westminster, these conversion flats are often in older Georgian or Victorian buildings which were converted before comprehensive building control standards were implemented. As a result, these buildings often contain significant hazards, notably fire hazards and excess cold due to poor energy efficiency. Also, flats in purpose-built blocks are often multi-occupied making them more likely to be overcrowded, a fire risk and a cause of disturbance for neighbouring properties.
- It focuses council resources on the highest risk properties and helps to protect the health and safety of the residents. An independent report in 2019 found that:
  - An estimated 4,178 (44%) of Westminster's HMOs had at least one serious hazard potentially posing a risk to the health and safety of their occupants[15]. Hazards included fire risks, pests, disrepair and overcrowding
  - The council often has to intervene in the management of HMOs to inspect them or to deal with antisocial behaviour, with every HMO receiving on average 2.6 interventions.
- As identified by our Homelessness Strategy 2019 – 2024[16], research with a small group of people at risk of homelessness in the PRS found a number to be struggling with arrears and poor conditions in their homes.
- Given the high costs of private rents in Westminster, HMOs are more likely to be occupied by those with lower incomes and fewer housing choices. Increasingly, rooms are being let on licences rather than assured shorthold tenancies, so the occupants have the least secure form of housing. This can make them more reluctant to complain about conditions or management issues.
- Additional Licensing helps to give tenants the confidence to complain if their landlord is not keeping to the licence conditions. Focus groups with HMO tenants in 2018 found some to be concerned about conditions in communal areas, that landlords could be slow to address issues and about being evicted if they complained.
- The impact of poor housing on health is well documented. Cold homes can increase the risk of strokes and cardiovascular diseases, damp and mould can be associated with asthma and respiratory problems and overcrowding can increase the risk of infectious diseases. Research by the Building Research Establishment in 2015 estimates the national cost of poor housing to the National Health Service to be £1.4bn[17].
- It will help to address some the negative impacts of 'let to let' which is increasing in HMOs. This is where a person or company rents a property as a single home and then lets it on a room by room basis to multiple occupants. As a result, it can be hard to identify and contact the person responsible for the property when things go wrong. The tenants often don't know who their landlord is, as they pay rent in cash, don't have an agreement and only have a telephone number for a contact. At worst, criminal gangs operate in this market and it can be associated with money laundering. Overcrowding regularly occurs in these properties, with space standards often below minimum requirements and they can be a fire risk. The general management of the property is also often poor. Additional licensing would ensure that the person responsible for the property can be identified and held accountable.
- It enables conditions to be set as part of the licence which will help to address common problems such as overcrowding and fire risk. Space standards and the number of people allowed to occupy the property can be set and fire safety improvements can be a requirement. Also, it helps to ensure that properties don't deteriorate as they will be inspected within 5 years.

[15] Westminster City Council: Private Rented Sector: Housing Stock Condition and Stressors Report, August 2019, Metastreet

[16] [www.westminster.gov.uk/housing-strategies#homelessness-strategy](http://www.westminster.gov.uk/housing-strategies#homelessness-strategy)

[17] [www.bre.co.uk/filelibrary/pdf/87741-Cost-of-Poor-Housing-Briefing-Paper-v3.pdf](http://www.bre.co.uk/filelibrary/pdf/87741-Cost-of-Poor-Housing-Briefing-Paper-v3.pdf)

## 1B. Keep the case for other types of discretionary licensing under review

As well as Additional Licensing for HMOs, councils have wider powers to licence all properties in their PRS, or all properties in a certain part of their borough (called Selective Licensing). These wider schemes require Secretary of State approval if they cover more than 20% of the PRS housing stock or council area, and are utilised to tackle poor management, anti-social behaviour, low demand and/or issues with migration in the sector. As with Additional Licensing, councils need to have a robust evidence base to justify a scheme.

### Why?

- Although the 2019 independent report into Westminster's PRS found some issues with it, they were not at a level to meet the criteria above and much of the sector is well run and managed, has good conditions and is not associated with anti-social behaviour. However, things can change and the situation will be reviewed from time to time and this will include looking at if there is a case for a scheme in a certain area of Westminster. Intelligence gathered about the PRS by the new strategy group, and through an Additional Licensing scheme if introduced, will also help our understanding of the need for Selective Licensing. For now, problems in the wider PRS will continue to be tackled on an individual basis or through our other plans.



# 1C: Raise awareness of our services which tackle poor quality properties and unlawful practices and continue to address issues through negotiation and enforcement

We aim to use targeted media to help raise awareness of services and we anticipate that members of the new strategy group will let their clients and partners know about services. We'll investigate working with community champions to help let residents know about our services. In the longer term we will develop a charter which organisations sign up to, making a commitment that they will let any private tenants they are working with know about available services.

We also want to make property guardians aware of services and of the minimum standards required in the properties they occupy. Property guardians protect commercial and residential premises on a short term basis, have licenses rather than tenancies and are generally charged below market rents.

We'll also use learning from a project being carried out by Camden Council with national funding which is looking at how to better engage with and empower private rented tenants.

## Why?

- Although our PRS services receive high numbers of service requests each year and referrals from advice organisations across the city, many private tenants and community organisations are not aware of the help available. HMO residents attending focus groups in 2018 told us that this was more the case amongst migrant communities.
- Informing private tenants about services is challenging in Westminster as there is a high population churn particularly in the PRS and estimates indicate that just 45% of households remain in Westminster for more than one year[18]. Private tenants can also be younger and less likely to use council services than other age groups.
- Although we don't know the number of property guardians in Westminster, a report by the London Assembly in 2018 found them to be growing in London and that conditions could be compromised due to guardians' lack of legal rights. The research identified that 22% of guardians were concerned about repairs and maintenance and 37% about mould and condensation[19], but that they weren't letting councils know about these issues, either due to lack of knowledge of services or for fear of becoming homeless as a result.

[18] 2017 Components of Change, ONS Mid Year Estimate series 2018

[19] <https://www.london.gov.uk/sites/default/files/plpg.pdf>



## 1D. Review our enforcement policies for the private rented sector

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The policies set out the enforcement approach that may be taken – which ranges from a warning letter to issuing Civil Penalty Fines and prosecution, using powers in the Housing and Planning Act 2016.

### Why?

- The policies need updating to take into account new legislation such as the Fitness for Human Habitation Act 2018 and to make sure our approach and the fines issued are fair and proportionate.

## 1E. Do more to publicise successful legal action against landlords and agents

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All prosecutions and Civil Penalty Notices are recorded on the London Rogue Landlord and Agent checker and in severe cases we'll publicise them through press releases. We'll also publicise successful Rent Repayment Orders, which can be applied for by tenants when their landlord has committed certain offences and as part of this try to tell 'tenant stories' about the impact their experience has had on them.

### Why?

- Councils have been able to issue Civil Penalty Notices of up to £30k since 2016 for certain offences. Our experience is that the threat of these is an effective deterrent but that they are not always widely known about and particularly amongst landlords with fewer properties. Also, tenants can be unaware that they can claim rent back in certain situations (see page 26 for more on plans to help them with claims).



# 1F. Work with the sector to increase the number of landlords and lettings agents that are accredited with the London Landlords Accreditation Scheme (LLAS)

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Westminster's PRS is the largest in London so we aim to have the most landlords and lettings agents accredited with LLAS [20] and to increase numbers each year through publicity and promotion. As part of this, we'll let the 4,500 landlords in council stock (i.e. non residential leaseholders) know about LLAS where possible and will include information about it on the leaseholder pages of our website. We'll also consider giving HMO landlords a membership discount if Additional Licensing goes ahead.

## Why?

- LLAS currently supports 18,600 landlords and 1,350 lettings agents. Accreditation offers benefits to landlords, lettings agents and tenants. Landlords and lettings agents benefit from legal training on their responsibilities and from continuous professional development to keep up to date with legal changes. It also gives them the opportunity to ask questions and network at London-wide events. Accreditation helps to give tenants assurance, as participating landlords sign up to a code of conduct and have met a 'fit and proper person' test.
- In Westminster, 816 landlords and letting agents are accredited with LLAS. Some London boroughs have higher numbers, although Westminster landlords and letting agents could be registered against other boroughs (if they also have stock there) or they could be accredited with other schemes.
- As identified on page 15, many of Westminster's private landlords own only one property and these individual landlords can be 'accidental', meaning that they may have inherited a property and could be less likely to know about the legal framework than larger landlords. A report into Westminster's PRS in 2012 found that landlords with several properties were more likely to be members of accreditation schemes.

[20] [www.londonlandlords.org.uk](http://www.londonlandlords.org.uk)



# Aim two: Support and engage with tenants, landlords and lettings agents

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## Tenants

### What we do already

Many of the actions above help to support tenants; in addition, we also:

- Refer private tenants to Safer Renting when they need support, for example when the council is taking action against their landlord or to help them apply for Rent Repayment Orders. Safer Renting is a charitable organisation which specialises in assisting private tenants.
- Publicise the Fitness for Human Habitation Act 2018 to tenants in our communications with them, which enables them to take action against landlords themselves if their property doesn't meet certain standards.
- Provide a range of advice and support to private tenants to help them stay in their homes, for example our Housing Solutions Service negotiates with private landlords that have, or are planning to, serve eviction notices – to help delay or to prevent an eviction. They also check that notices are lawful and that the correct procedures have been followed. A specialist team, the Early Intervention Trailblazer Team, works with private tenants that are threatened with homelessness at an early stage, and helps them to maximise their incomes if they have debt or rent arrears. More information about this is in our Homelessness Strategy 2019 – 2024[21].
- Also, if the council has served an improvement notice on a property, the landlord is unable to serve a 'no fault eviction notice' (also called a Section 21 eviction) on the tenant. These types of notices are commonly served and the landlord doesn't need to give their reason for possessing the property. They can sometimes be used as a 'retaliatory eviction' because a tenant has complained about the property.

[21] [www.westminster.gov.uk/housing-strategies#homelessness-strategy](http://www.westminster.gov.uk/housing-strategies#homelessness-strategy)

What else we'll do and why

## **2A. Continue to work with organisations like Safer Renting that provide specialist support to tenants**

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External funding for a partnership with Safer Renting[22] will run out shortly, but we aim to look for alternative funding for this approach. Any new arrangement would continue to help tenants claim Rent Repayment Orders and could be expanded to help tenants to take action against their landlord under the Fitness for Human Habitation Act 2018, assist them with defences against possession hearings and provide a 'McKenzie's Friends' Service (A McKenzie's Friend accompanies someone to court if they don't have a solicitor and provides advice and support). It could also involve working with more tenants to help them understand their rights and their responsibilities.

### **Why?**

- Private tenants can be reluctant to claim Rent Repayment Orders as the legal process for these, and for other claims, can be daunting. Focus groups with HMO residents in 2018 found them to be concerned about complaining for fear of retaliatory eviction. There have not yet been many claims from tenants under the Fitness for Human Habitation Act 2018 about poor conditions, although it is still new and was only fully implemented in March 2020.

## **2B. Provide better advice and signposting for private tenants on our website**

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### **Why?**

- The information for tenants on our website could be clearer about what each of our services does, with links to wider information provided by Government and other organisations. It could also provide details of wider services that may benefit private tenants such as London Power, an energy company founded by the London Mayor which offers affordable and green energy. We'll also use learning from a project being carried out by Camden Council, with national funding, which is looking at how to better engage with and empower private tenants. Their work includes building a knowledge base for private tenants where they can access a range of information.

[22]<https://ch1889.org/what-we-do-home>

# Landlords and lettings agents

## What we do already

- Hold a regular landlords/lettings agents forum to give updates on national or local policy changes, answer questions and to listen to their issues and concerns.
- Provide information for HMO landlords on our website.
- Provide a range of private sector grants which landlords can apply for such as: decent homes and disabled facilities grants; grants for adaptations; for emergency works to heating and hot water; and to make homes safer.
- Work proactively with some larger lettings agents to provide advice about legislation and best practice. This in turn helps to set the standards for the rest of the industry as smaller letting agents often look to the websites and the practices of larger ones for guidance.
- Support landlords where their tenant is involved in serious antisocial behaviour, for example, in situations where the involvement of different agencies and services are required to help address the problem. This may involve holding a case conference with partner agencies and the Police to review evidence and consider appropriate enforcement action under antisocial behaviour legislation.

## Case study

Complaints about unlicensed music events in two private rented properties, sometimes attended by hundreds of party goers, were received by the council in summer of 2020. The properties were also being short let for holidays. Investigations had already begun to address non-compliance of the short term lettings regulations, but further action was needed to protect the community and to help the landlord, who was unaware this was happening. The council and its partner agencies intervened by obtaining closure orders on the properties and sealing them to prevent access for three months. A closure order enables landlords to get possession more quickly and not complying with one is a criminal offence, which can result in an unlimited fine and custodial sentence.

## <sup>S</sup>What else we'll do and why

# 2C. Continue to run and develop the landlords and lettings agents forum

We will promote the forum more widely inviting the c4,500 non resident leaseholders that own properties in council stock that are privately renting out their properties. If HMO additional licensing goes ahead, we will also invite all these HMO landlords who we may be in contact with for the first time. We aim to make the forum more useful to landlords and letting agents and an arena where they can air their views and concerns. We'd like it to be chaired by someone from the sector and to have themed sessions geared towards particular interests. One issue which could be covered is illegal short lets from the PRS and how the council can support landlords when these occur. This is where a tenant is renting out the property on a short term basis and by doing so is breaching the terms of the tenancy agreement.

## Why?

- A landlords/letting agent forum is a way of getting everyone together to share ideas with the council and each other on improving the sector. It helps the council to understand landlord and letting agent issues and to assist them if possible and also to feed back concerns they have to Government through consultation responses. They are also a good way of promoting accreditation schemes.
- Landlords have expressed concern at the forum about the difficult operating environment, for example the requirement to do Right to Rent checks, about increased Stamp Duty Land Tax for second properties which now applies to them[23] and other tax changes. Some have expressed concern about the removal of Section 21 evictions (called no fault evictions, as landlords can seek possession without having to prove any ground for it and it is generally a quicker way of getting possession) which Government intends to remove. Of particular concern to them is the court system and how long it takes to get possession.

## 2D. Let landlords and agents know how we can support them to address serious antisocial behaviour from their properties

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### Why?

- It can take time to get possession if a tenant is causing a nuisance to others and damaging a property and sometimes quicker action is needed, for example if persistent unlicensed music events are being held or serious antisocial behaviour has been evidenced. There may be times when a multi agency approach is needed, for example if the tenant needs support from other council and partnership services.

[23] The 2020 Summer Statement announced that Stamp Duty Land Tax would be suspended for properties under £500k until 31/3/2021

# **Aim three:** Improve knowledge and intelligence about the sector and work with other organisations that give advice and support to tenants, landlords and lettings agents

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## What we do already

- Work with North London boroughs, the GLA and the London Trading Standards Lettings Group to share best practice and ideas and work towards a more consistent approach to the PRS where possible.
- Bring together data on rogue landlords and lettings agents through our Housing Standards Taskforce (see page 17 for more information on the Taskforce).
- Commission research into the sector such as a report into conditions in 2019, focus groups with HMO tenants in 2018 and an in depth study in 2012 which involved a survey of tenants and landlords.
- Regularly collect and analyse data on our interventions into the PRS to improve conditions, looking at the types of involvement and the location of properties.
- Analyse wider data such as the Census and local survey data to help understand private tenants and the services they may need and their experiences of using them.



## **3A: Embed the approach taken by the Housing Standards Taskforce into our everyday service i.e. using intelligence and data to coordinate our work**

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## **3B: Establish a new private rented sector strategy group, bringing together organisations from across the city with an interest in the sector**

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The group will look at:

- Changing trends and new data and intelligence, including if there is a case for Selective Licensing in Westminster, either for the whole of the city or for a local area.
- How to let all sections of the community know about services and the best way to improve information for tenants, including through improving the website.
- National policy proposals.
- The views of tenants, gathered locally or by organisations representing them such as Generation Rent.
- The views of landlords and lettings agents and their representative trade bodies such as the National Residential Landlords Association.
- Local and national research.
- The impact of Covid-19 on the PRS and we'll pass on the findings to other teams working on the council's response to the pandemic and to recovery in the city. We'll keep a particular eye on:
  - Evictions from the private rented sector, including illegal evictions. (In 2019 the council published its Homelessness Strategy 2019 – 2024<sup>[24]</sup> and this covers what is done to prevent homelessness from the sector).
  - Changes in supply and demand. Private rented homes in Westminster have been in high demand, but this could change if more people move away from London, and central London in particular, to work remotely or due to an economic downturn. Multi-national organisations based in central London may no longer need so many of their employees to live here, as more business is being done virtually.

[24][www.westminster.gov.uk/housing-strategies#homelessness-strategy](http://www.westminster.gov.uk/housing-strategies#homelessness-strategy)

- Longer term changes in the service economy could impact on demand given it is often where workers in this sector live. Early data suggests that unskilled workers are more likely to be at risk of being laid off due to Covid-19, so changes could be felt at the lower end of the PRS market and in wards with the most deprivation. The supply of private rented homes could reduce if landlords leave the market and homes are sold for owner occupation. Landlords could sell due to financial pressures resulting from increased rent arrears, void rates and falling property values.
- A survey of landlords carried out by the National Residential Landlords Association in May 2020 found that 54% had experienced financial challenges due to Covid-19[25] and 5% of landlords believe they may have to leave the market. A small number of landlords responding to the consultation on the draft strategy expressed concern over the difficult operating environment due to Covid-19. At the same time supply may increase if landlords move from the short let sector (Airbnb etc), if tourism is affected, to the longer term rental market – at least in the short term. Changes in supply and demand could also put tenants in a stronger position to negotiate rents and to have more choice.
- **Quality and health impacts.** Poor quality in the sector could increase if rogue landlords who have been impacted financially are less willing to fund repairs and maintenance. At the same time, the pandemic could in the longer term place a greater spotlight on poor quality private rented housing if it is found to have had a bearing on transmissions, due to overcrowding for example, and on mortality rates.

## Why?

- The success of the Taskforce in using intelligence to target interventions to where they are most needed is clear. The approach can be expanded using other intelligence, health data for example, to target resources towards households that may not complain to the council, but are nevertheless living with long term health conditions that could be made worse by poor quality private rented housing.
- As Westminster's largest tenure, there is a need to bring information and intelligence about it together and to better understand it. This will help to identify where a new approach may be needed and to update this strategy. A better understanding of the PRS will also assist with suggesting improvements to the national framework.

[25] [www.nrla.org.uk](http://www.nrla.org.uk)

## **3C: Improve the way we work with advice agencies supporting private tenants, such as by looking at ways in which they can get follow up information when they have referred a case to us**

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### **Why?**

- Private tenants often approach advice agencies as their first port of call about any issues they are having with their landlord and other problems as they are more widely known about or because they are a 'trusted brand'. It is common for agencies to refer some of these cases to the council, and for data protection reasons, communication in these situations is between the council and the tenant. Some agencies have told us feedback on cases would be useful in order for them to understand the tenant's situation in the round when they are helping with them other problems.

## **3D: Strengthen our relationship with the Police and other organisations to help prevent illegal evictions**

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Our aim when we know about the threat of an illegal eviction is to keep the tenant in their home. This can involve negotiation, a visit or a warning letter to the landlord.

### **Why?**

- Illegal eviction is a criminal offence under the Protection from Eviction Act 1977. It can be threatened without our knowledge and sometimes is reported directly to the Police, so in reality the council only becomes involved in a small number of cases.
- We want to work more closely with the Police to understand the scale of illegal eviction in Westminster and if there is scope for joint work to help tackle it. There may times when it is effective for the council to issue a Civil Penalty Notice using Police evidence. Illegal evictions could increase due to the pandemic while longer notice periods are needed and while there are delays in possession cases going through the courts.

# Aim four: Help to improve the energy efficiency of the private rented sector

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## What we do already

- Identify excess cold as part of Housing, Health and Safety Rating System assessments on properties and signpost tenants and landlords to available funding for energy efficiency measures. Enforcement action is taken in some cases.
- Take action in some cases and give advice, if lettings agents are renting out properties that do not meet Minimum Energy Efficiency Standards (MEES) and any exemptions have not been registered.
- Offer decent homes grants for energy efficiency measures to private landlords where their tenants is over 60 and vulnerable.
- Participate in the Green Doctors Scheme, which is funded by the Mayor until March 2021. The Scheme is available to anyone over the age of 65, on a low income or who has a long-term health condition or disability. It offers personalised energy efficiency advice and makes referrals to other support and advice services.

## What else we'll do and why

Westminster has declared a climate emergency and made a commitment to becoming a carbon neutral council by 2030 and carbon neutral city by 2040. To achieve this a Climate Emergency Action Plan is being developed. Emerging ideas to support the private rented sector include:

## 4A: Exploring funding opportunities to support private landlords to make properties more energy efficient

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Local opportunities could include the council's Carbon Offset Fund or Community Infrastructure Levy. Grants could focus on private landlords housing vulnerable people, including those at risk of homelessness. Grants could be offered to landlords that are exempt from meeting MEES as costs to meet this standard exceed the statutory limit, or to those that want to improve the energy efficiency of the property beyond minimum requirements. Other funding sources will also be explored and the case could be made for tax incentives for private landlords to help fund energy efficiency measures.

## 4B: Investigating if private landlords can be offered dedicated advice and support to help them meet any new national energy efficiency standards

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Government has proposed that the MEES standard is raised. Help and support could be when, for example, complex measures are needed to achieve any new standard and which require a range of different permissions i.e. planning and freeholder permission. This idea can be discussed with the landlord and lettings agents forum to understand the support that may be needed and it could be combined with work to raise awareness of any new standard.

### Why?

- Fifteen per cent of carbon emissions are from the domestic sector and as the PRS is Westminster's largest tenure improving energy efficiency will help in addressing the climate emergency. The 2019 report into Westminster's PRS estimated that 2,500 properties (4.5%) failed the basic MEES and a further 13% could benefit from energy efficiency measures, such as insulation and double glazing.
- There are proposals to increase the MEES standard in private rented homes[26] from an 'E' to a 'C' rating for new tenancies from 2025 and for all private rented homes from 2028. While it is a landlord's responsibility to ensure their properties are in good condition and meet the MEES, the challenge of improving energy efficiency in Westminster homes is recognised, given the age of the stock, as many PRS homes are in mixed tenure blocks and as 78% of Westminster is in a conservation area[27]. These factors can make traditional energy efficiency improvements difficult and measures may also require planning permission and the freeholder's consent.
- Living in a cold home has a detrimental impact on health and can increase the risk of cardiovascular problems and strokes. Improving the energy efficiency of homes would help to alleviate fuel poverty amongst private tenants.

[26] [www.gov.uk/government/consultations/improving-the-energy-performance-of-privately-rented-homes](http://www.gov.uk/government/consultations/improving-the-energy-performance-of-privately-rented-homes)

[27] [www.westminster.gov.uk/sites/default/files/city\\_plan\\_2019\\_to\\_2040\\_draft.pdf](http://www.westminster.gov.uk/sites/default/files/city_plan_2019_to_2040_draft.pdf)



# Aim five: Help to shape the sector

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Government has already indicated that it intends to remove Section 21, or 'no fault evictions' and is bringing forward legislation to do this by removing assured shorthold tenancies and expanding the grounds for possession. This change is supported as it will help to bring greater stability and assurance into the sector and reduce the possibility of 'retaliatory eviction'. They have also said they will introduce a lifetime deposit scheme which will help tenants to move while they are waiting for their deposit to be returned.

Other areas where national changes would help to achieve the vision of this strategy are:

## **5A. A national register of landlords and lettings agents, which includes whether they belong to an accreditation scheme**

This information should be open to everyone and available by local authority area. It would help to give tenants and prospective tenants assurance that their landlord or lettings agent is legitimate and knowing if they are accredited can give further comfort. A register would also help councils to communicate with landlords and lettings agents in their area and to promote accreditation schemes and local landlord forums.

## **5B. Changes to the national Rogue Landlord Database, so it collects a broader range of information beyond banning orders, as proposed by Government in 2019[26]**

Additional information could include failure to comply with a notice requesting information (for a licenced property) or an improvement notice, or where a landlord has caused or permitted overcrowding or failed the 'fit and proper person test'. We'd also like to see the Data Base extended to landlords and lettings agents not complying with energy efficiency and client money protection regulations.

Including a broader range of information/offences will help tenants to make an informed choice when renting and will help landlords when choosing agents. The Data Base also needs to be widely publicised nationally so tenants are aware of it and it can act as a deterrent against unlawful practices. A wider range of council departments and organisations also need access to it such as advice agencies in order to support tenants.

## **5C. Tenants' rights are explained as part of their tenancy agreement or license in an accessible way, so they are easily available and understandable**

Housing law can be complex and there is a need for this information to be clearly available to tenants so they are aware of their rights and responsibilities.

## 5D. Changes to the Housing, Health and Safety Rating System (HHSRS) so it is simpler, easier and quicker to implement and explain

Government's plans to simplify the HHSRS and to update the operating guidance are welcomed[28] and as part of this we'd also like to see changes to legislation to enable problems to be tackled more quickly. For example, to respond to a complaint about a faulty boiler currently requires certain notices to be served on the landlord before inspecting, and after this, they then have a minimum of 28 days to respond to an enforcement notice. This can result in a tenant living without central heating for weeks if the provisions for emergency action don't apply.

This situation shouldn't occur in HMOs which are licenced, as keeping properties in good repair is part of the licence conditions. Management regulations also apply to licenced HMOs which require landlords to maintain the accommodation and its services and we support these types of regulations applying to all private rented accommodation.

[28] [www.gov.uk/government/collections/housing-health-and-safety-rating-system-hhsrs-guidance](http://www.gov.uk/government/collections/housing-health-and-safety-rating-system-hhsrs-guidance)



# Glossary

## Carbon Offset Fund

The council, through its planning policies, aims to ensure that new developments have an acceptable level of carbon emissions. Where it is proved that these levels can't be met, the developer makes a payment into the Carbon Offset Fund and the fund is used for carbon saving initiatives elsewhere in Westminster.

## Carbon neutral (or net zero carbon)

This is where the annual net balance of carbon dioxide emissions for an area, location or organisation is zero. It can be achieved by minimising local sources of emissions and offsetting any remaining emissions by removing an equivalent, or greater amount of carbon through other activities (e.g. increasing carbon absorption by planting more trees).

## Category 1 hazards

These are hazards in the home which pose a serious and immediate risk to the health and safety of the occupants. Once identified, the local authority has a duty to ensure they take action for them to be removed.

## Civil Penalty Fines and Notices

Civil Penalty Fines were introduced as part of the Housing and Planning Act 2019 and they enable councils to fine landlords up to £30k per offence as an alternative to prosecution if they commit certain offences. Civil Penalty Notices are served when it is the council's intention to impose a Civil Penalty Fine and they give the opportunity for representations to be made. The penalty is confirmed by serving a final notice, which may be appealed.

## Community Champions

Local people in the community with the knowledge and skills to inform others about services.

## Community Infrastructure Levy (CIL)

CIL is a charge which can be collected by councils from developers undertaking building projects. It can be used to fund local infrastructure.

## Fitness for Human Habitation Act 2018

The Act enables tenants of all tenures to take legal action against their landlord if their property doesn't meet certain standards. It was implemented for new tenants in March 2019 and for existing tenants in March 2020.

## Fuel poverty

A household is considered to be in fuel poverty if their fuel costs are above average, and if they were to spend that amount on keeping their home warm, they would be left with an income which would take them below the official poverty line.

## Housing, Health and Safety Rating System (HHSRS)

The HHSRS was introduced as part of the Housing Act 2004. It is a risk based evaluation tool which enables local authorities to assess any risks in the home to occupants. There are 29 hazards possible hazards which could have an impact on the health and safety of the occupants. The most serious are Category 1 hazards (see above).

## Housing Solutions Service

The service within the council which helps people at risk of homelessness.

## Minimum Energy Efficiency Standard 2018 (MEES)

MEES came into effect from April 2018 and requires private rented properties to meet a minimum energy efficiency standard of E or above. The standard energy efficiency rating is set out on an Energy Performance Certificate.

## Rent Repayment Order (RRO)

RROs were introduced as part of the Housing and Planning Act 2016. They are granted when a tribunal is satisfied that a landlord or lettings agent has committed certain offences. If granted rent, Housing Benefit or the housing element of Universal Credit has to be repaid.