

## **SCRUTINY COMMISSION - MONDAY, 9 OCTOBER 2023**

**Report of the Head of Strategic Housing: Katie Moore  
Lead Member: Cllr Hamilton**

### **Part A**

#### SELECTIVE LICENSING SCHEME UPDATE

##### Purpose of Report

To provide an update in respect of the delivery of the private sector housing selective licensing scheme, and related housing licensing schemes (mandatory and additional).

##### Recommendations

To consider the information provided and identify any further action that should be taken.

##### Reasons

To provide effective scrutiny of the delivery of the selective licensing scheme.

##### Policy Justification and Previous Decisions

The aim of housing licensing schemes is to ensure good property conditions and management practices within the private rented sector.

Under the Housing Act 2004 housing authorities have a duty to deliver a mandatory licensing scheme for some houses in multiple occupation (HMOs). Mandatory licensing of HMOs with 3 or more storeys which house 5 or more people from 2 or more households came into force in 2006. Mandatory licencing was extended to all properties which house 5 or more people from 2 or more households in 2018.

Under the Housing Act 2004 housing authorities also have a power to introduce additional licensing for HMOs that fall outside of the scope of the mandatory licensing requirements, and a power to introduce selective licensing for other types of privately rented residential properties in some areas, in order to address problems caused by factors such as low levels of housing demand, high levels of deprivation, high levels of crime or anti-social behaviour or poor housing conditions.

On 30<sup>th</sup> January 2013 Scrutiny Management Board resolved to establish a Managing Student Occupancy Scrutiny Panel following public concerns in respect of high concentrations of student occupancy and HMOs in some areas of Loughborough. The Panel held several meetings between 30<sup>th</sup> May 2013 and 20<sup>th</sup> January 2014. On 19<sup>th</sup> March 2014 Scrutiny Management Board considered the findings and recommendations of the Managing Student Occupancy Scrutiny Panel, which included collection of evidence in relation to requirement for a discretionary licensing scheme, and resolved that these be submitted to Cabinet for consideration. On 10<sup>th</sup> April 2014 Cabinet resolved that investigations be carried to establish whether there were sufficient grounds to launch a consultation on the introduction of additional or discretionary licencing in a defined area of the borough.

On 10<sup>th</sup> December 2020 Cabinet resolved that the borough be declared an area for additional licensing (for all HMOs which house 3 or more persons and Section 257 HMOs) and for the Hastings and Lemyngton Wards be declared areas for selective licensing (for all privately rented residential properties). On 1<sup>st</sup> July 2021 Cabinet approved the implementation of the additional and selective licensing schemes. On 10<sup>th</sup> March 2022 Cabinet approved the policies, scheme conditions and publication of statutory notices relating to the additional and selective licensing schemes.

### Implementation Timetable including Future Decisions

There are no specific decisions required. This report is for information and comment.

### Report Implications

#### **Financial Implications**

There are no specific financial implications.

#### **Risk Management**

There are no specific risks.

#### **Comments of Monitoring Officer**

To be completed by Monitoring Officer rather than report author. Only include this section if the Monitoring Officer wishes any comments to be reported to the Cabinet.

#### **Comments of Section 151 Officer**

To be completed by Section 151 Officer rather than report author. Only include this section if the Section 151 Officer wishes any comments to be reported to the Cabinet.

#### **Equality and Diversity**

None identified.

#### **Climate Change and Carbon Impact**

None identified.

#### **Crime and Disorder**

None identified.

#### **Wards Affected**

All (mandatory and additional licensing)  
Hastings (selective licensing)  
Lemyngton (selective licensing).

## Publicity Arrangements

Not applicable.

## Consultations

Not applicable.

## Links to the Corporate Strategy

Caring for the Environment	No
Healthy Communities	Yes
A Thriving Economy	No
Your Council	No

Key Decision: No.

Background Papers: Cabinet, 10<sup>th</sup> March 2022 – Agenda Item 9 and Minute 94  
Cabinet, 1st July 2021 – Agenda Item 13  
Cabinet, 10th December 2020 – Agenda Item 7 and Minute 61  
Cabinet, 16th January 2020 – Agenda Item 7 and Minute 67  
Cabinet, 17th January 2019 – Agenda Item 8 and Minute 75  
Overview Scrutiny Group, 14th January 2019 – Agenda Item 6B and Minute 47  
Cabinet, 19th November 2015 – Agenda Item 6 and Minute 24  
Scrutiny Management Board, 18th March 2015 – Agenda Item 8 and Minutes 53.2 and 53.3  
Scrutiny Management Board, 8th October 2014 – Agenda Item 8 and Minute 26  
Cabinet, 10th April 2014 – Agenda Item 6 and Minute 120  
Scrutiny Management Board, 19th March 2014 – Agenda Item 8 and Minute 51  
Scrutiny Management Board 30<sup>th</sup> January 2013 -

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## Part B

### Background

1. The additional and selective licensing schemes were implemented on 1<sup>st</sup> April 2023 (applications opened on 1<sup>st</sup> February 2023). These schemes are expected to be in place for at least 5 years (up to 31<sup>st</sup> March 2028).

### Applications and fees

2. Over 1,700 applications for licenses were received between 1<sup>st</sup> February 2023 and 22<sup>nd</sup> September 2023, over 900 of which were applications under the selective licensing scheme:
3. Number of applications received (total 1,755):
  - Mandatory (since 1<sup>st</sup> April 2023) – **169\***
  - Additional (since applications opened 1<sup>st</sup> February) - **632**
  - Selective (since applications opened 1<sup>st</sup> February) - **954**
4. Number of applications determined (total 138):
  - Mandatory – **94** licences granted subject to cooling off period (0 refused)\*
  - Additional – **21** licenses granted subject to cooling off period (0 refused)
  - Selective – **23** licenses granted subject to cooling off period (0 refused)
5. Number of applications in process of being determined (total 1,617):
  - Mandatory - **75\***
  - Additional - **611**
  - Selective - **931**

*\*Includes new applications and renewals.*

6. There is a fee of up to £700 per licence under the mandatory, additional and selective licensing schemes. The fee is paid in 2 parts. Part A (£395) is due when the application is made. Part B (up to £305) is due when the licence is issued. Part B payment amounts vary depending upon the size of the property, whether the application is for a new license or renewal of a previously granted license and whether the landlord is a member of the DASH landlord accreditation scheme.
7. Over £700,000 has been received from fees relating to applications for licenses between 1<sup>st</sup> February 2023 and 22<sup>nd</sup> September 2023, over £380,000 of which relate to the selective licensing scheme:
8. Income received from Part A fee payments up to 22<sup>nd</sup> September 2023 (total £693,255):
  - Mandatory - **£66,755\*** (169 applications)
  - Additional - **£249,640** (632 applications)
  - Selective - **£376,830** (931 applications)

9. Income received from Part B fee payments up to 22<sup>nd</sup> September (total £29,460):

- Mandatory - **£19,010\*** (94 licenses)
- Additional - **£4,640** (21 licenses)
- Selective - **£5,810** (23 licenses)

10. Income expected to be received from Part B fee payments for pending applications between 23<sup>rd</sup> September 2023 and 31<sup>st</sup> March 2024 (up to total £493,185):

- Mandatory – up to **£22,875\*** (75 licenses)
- Additional – up to **£186,355** (611 licenses)
- Selective – up to **£283,955** (931 licenses)

*\*Includes fees relating to new applications and renewals.*

11. Additional applications and fees are expected to be received (albeit at lower levels) between 23<sup>rd</sup> September and 31<sup>st</sup> March 2028.

### **Staffing resources**

12. The Housing Standards team deliver the mandatory, additional and selective licensing schemes for privately rented residential properties within Charnwood.

13. Prior to the decision to implement the additional and selective licensing schemes the Housing Standards Team consisted of the following posts:

- 1 x full-time equivalent L241 Specialist Environmental Health Officer (permanent)
- 2 x full-time equivalent L235 Housing Standards Officers (permanent)

14. On 11<sup>th</sup> October 2022 the following posts were created to ensure sufficient capacity within the team for the administration of licensing scheme applications:

- 2 x full-time equivalent M462 Housing Licensing Administration Officers (fixed-term 1<sup>st</sup> February 2023 to 31<sup>st</sup> January 2025)

15. The M462 Housing Licensing Administration Officers provide are able to provide landlords with advice and assistance in relation to applications and process and determine applications.

16. During the initial period following the implementation of the additional and selective schemes, these officers have been dealing with enquiries from landlords, assisting landlords to submit their applications and the necessary supporting information and carrying out checks in relation to applications received.

17. On 24<sup>th</sup> August 2023 the following additional posts were created in order to ensure sufficient capacity to determine applications and issue approved licenses: and ensure compliance with licensing requirements.

- 4 x full-time equivalent M462 Housing Licensing Administration Officers (fixed-term 1<sup>st</sup> October 2023 to 31<sup>st</sup> March 2024).
- 2 x full-time equivalent L235 Housing Standards Officers (permanent)

18. The L235 Housing Standards Officers are able to deliver all aspects of the mandatory, selective and additional licensing schemes, including the processing and determination of applications and ensuring compliance through activities such as inspecting licensed properties and identifying unlicensed properties. The L235 Housing Standards Officers are also able to take enforcement action in cases of identified non-compliance.

19. Recruitment is in progress and additional staff are expected to be in post in October 2023.

20. The additional posts are funded using income received from the mandatory, additional and selective licensing schemes. The total cost of the additional posts up to 31<sup>st</sup> March 2028 is expected to be £681,300.

21. A further review of staffing within the Housing Standards service, including administrative, operational and supervisory roles, is due to be carried out prior to 31<sup>st</sup> March 2024 to ensure sufficient resources for effective delivery of the mandatory, additional and selective licensing schemes up to 31<sup>st</sup> March 2028. This review will take into consideration the number of licences granted and fees received.

#### Appendices

None.