

CABINET – 16TH JANUARY 2020

Report of the Head of Strategic and Private Sector Housing Lead Member: Councillor Smidowicz and Councillor Mercer

Part A

ITEM PRIVATE SECTOR LICENSING SCHEME

Purpose of Report

To consider the proposals for Private Sector Licensing and the resources required to complete a public consultation exercise.

Recommendations

That Cabinet:

1. Note the proposals for Private Sector Licensing.
2. Note the supporting evidence and risks.
3. Approve the proposal for a consultation exercise as required by Section 56(3) of the Housing Act 2004 for Additional Licensing and Section 80(9) of the Housing Act 2004 for Selective Licensing.
4. To approve a one off budget of £30,000 to be funded from the Reinvestment Reserve in 2019-2020 to undertake the consultation exercise.

Reasons

- 1.&2. To enable the Cabinet to consider the information and evidence gathered.
- 3.&4. To use the Reinvestment Reserve to fund and to commission a consultant to take forward the statutory consultation to support the implementation of an Additional and Selective Licensing Scheme.

Policy Justification and Previous Decisions

The Scrutiny Management Board considered the findings and recommendations of the Managing Student Occupancy Scrutiny Panel at its meeting held on 19th March 2014 and the Cabinet subsequently considered the report on 10th April 2014. The Board then received three reports on the implementation of decisions taken following Scrutiny recommendations. The final report, considered on 28th October 2015, showed that the implementation of all Cabinet resolutions were sufficiently complete and no further monitoring was required.

However, the Board resolved to make two further recommendations to the Cabinet (detailed in Part B of this report).

At its meeting held on 15th November 2015, having considered the report of the Scrutiny Management Board, the Cabinet resolved the following:

1. *that the Head of Strategic and Private Sector Housing further investigate the potential to implement a Loughborough Accreditation Standard in partnership with the Loughborough Students Union;*
2. *that the Head of Strategic and Private Sector Housing consider the submission from the Loughborough Student Advisory Service of complaints data from 2014/15 and evaluate this alongside the evidence that has already been collated;*
3. *that the Head of Strategic and Private Sector Housing submit a report to a future meeting of the Cabinet to provide updates on the evidence gained and the actions taken in relation to resolutions 70.1 and 70.2, above.*

Reasons

1. *If this can be achieved, it will assist in improving standards in the student Private Rented Sector, and raise awareness among students about some of the risks associated with poor housing standards.*
2. *To determine whether or not there are further options for investigation.*
3. *To enable the Cabinet to consider the evidence gained and the potential for further initiatives.*

The Cabinet meeting on the 17th January 2019 resolved:

1. That the evidence gathered to date and the impact of the implementation of the Government's expansion of the Mandatory Licensing of HMOs in the Borough be noted;
2. That further investigations being undertaken to gather evidence (as referred to in paragraph 61 of Part B of the report of the Head of Strategic and Private Sector Housing) to establish the case for the introduction of an Additional or Selective Licensing Scheme be approved;
3. That it be noted that a Borough wide Accreditation Scheme with the Students Union will not be taken forward.

Reasons

1. To enable the Cabinet to consider the evidence gained.
2. Further information and evidence is required for Cabinets consideration and the consultation process required to introduce an Additional or Selective Licensing Scheme.
3. Resources were no longer available from the Student Union to take a Scheme forward.

4. To acknowledge the work undertaken by and the views of the Overview Scrutiny Group.

This report provides an update following those decisions.

Implementation Timetable including Future Decisions and Scrutiny

If Cabinet approve the consultation exercise, a Consultant will be procured and the consultation commenced on the 3rd February 2020 for at least a 10 week period. Following the receipt of the final report from the Consultant a report will be brought back to Cabinet for a decision in May/June 2020 on whether to introduce an Additional or Selective Licensing Scheme.

Report Implications

The following implications have been identified for this report:

Financial Implications

A public consultation exercise would be required which would include:

- A dedicated web page launch
- Online questionnaire
- Street level leaflet drop to all affected properties and local businesses
- Public drop in sessions with officers in attendance to offer advice and clarification for each designated area
- A stakeholder pre launch event

The estimated consultation costs are £30,000 allocated for this piece of work to be under taken to be funded from the Reinvestment Reserve in 2019-2020.

Future costs if a scheme is approved will include the procurement of an online software system to make licence applications and additional staff required to implement and enforce any scheme.

Risk Management

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
Landlords legally challenge the decision making process to implement a licensing scheme – cost to the Council	Very Likely (4)	Major (4)	High (16)	Make sure the decision making/consultation process meets legislative requirements to not encourage a legal challenge.

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
to defend and time delay.				Develop an effective Communication Strategy.
Resident and or tenant challenge the decision to implement a licensing scheme.	Unlikely (2)	Major (4)	Moderate (8)	Schemes should benefit residents and or tenants so unlikely to challenge. Make sure the decision making/consultation process meets legislative requirements.
The aims of the Scheme are not met.	Likely (3)	Serious (3)	Moderate (9)	Consultation and Communication Strategies must be effective. Commitment to the implementation of the Scheme.
The resources to run a successful scheme are more than forecasted.	Very Likely (4)	Major (4)	High (16)	This has been the experience of some LAs due to the lack of cooperation from Landlords and additional staff required to work on the issues raised.

Key Decision: Yes

Background Papers: Cabinet, 17th January 2019 – Agenda Item 8 and Minute 75.
 Overview Scrutiny Group, 14th January 2019 – Agenda Item 6B and Minute 47.
 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.
 Cabinet Report, 19th November 2015 – Referral from Scrutiny – Managing Student Occupancy Scrutiny Panel – Agenda Item 6 and Minute 24.
 Agendas and notes of the Managing Student Occupancy Scrutiny Panel meetings, available on the Council's website at:
http://www.charnwood.gov.uk/committees/managing_student_occupancy_scrutiny_panel

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Part B

Background

1. The Cabinet considered a report of the Scrutiny Management Board on 19th November 2015 when it was resolved that the Head of Strategic and Private Sector Housing should further investigate the potential to implement a Loughborough Accreditation Standard in partnership with the Loughborough Students Union; and consider the submission from the Loughborough Student Advisory Service of complaints data from 2014-2015 and evaluate this alongside the evidence that had already been collated in relation to potentially introducing an Additional or Selective Houses in Multiple Occupation (HMO) Scheme.
2. The Cabinet considered a report from the Head of Strategic and Private Sector Housing on the 17th January 2019 when it was resolved that further investigations be undertaken to gather evidence (as referred to in paragraph 61 of Part B of the report of the Head of Strategic and Private Sector Housing – see Background papers) to establish the case for the introduction of an Additional or Selective Licensing Scheme be approved.

Statutory Provisions

3. The Council has a responsibility to maintain standards in the Private Rented Sector by ensuring compliance with legislation while minimising the burden to the Council, individuals, organisations and business; which includes:
 - Building Act 1984
 - Caravan Sites and Control of Development Act 1960
 - Caravan Sites Act 1968
 - Energy Act 2013
 - Enterprise and Regulatory Reform Act 2013
 - Environmental Protection Act 1990
 - Housing Act 1985, 1996 and 2004
 - Housing and Planning Act 2016
 - Local Government (Miscellaneous Provisions) Act 1982
 - Leicestershire Act 1985
 - Mobile Homes Act 1983 and 2013
 - Prevention of Damage by Pests Act 1949
 - Public Health Acts 1875 – 1932, 1936, 1961, 1984
4. The Private Sector Housing Enforcement Policy aims to ensure:
 - Good quality, healthy housing for households renting in the private sector and to prioritise action to those homes which present the greatest risks to health and safety
 - Private housing is not left empty for an unreasonable amount of time or becomes an eyesore and nuisance to neighbouring homes
 - Houses in Multiple Occupation are safe and well managed and all relevant Management Regulations are adhered to
 - All Mobile Homes sites are safe and well managed

Private Sector Housing Licensing

5. The Housing Act 2004 requires Local Housing Authorities to licence mandatory licensable HMOs, and allows the licensing of other HMOs or privately rented housing.
6. Types of housing licensing are:
 - Mandatory Licensing
 - Additional Licensing
 - Selective Licensing

Mandatory Licensing

7. Mandatory Licensing under Part 2 of the Housing Act 2004, up until September 2018 covered HMOs of:
 - 3 or more storeys, and
 - 5 or more occupiers living in 2 or more households, and
 - 2 or more households sharing amenities (either a kitchen, living room or bathroom and toilet facilities)
8. From the 1st October 2018, Mandatory HMO Licensing was extended to include:
 - All HMOs with 5 or more occupiers living in 2 or more households regardless of the number of storeys
 - Purpose built flats where there are up to 2 flats in the block and 1 or both of the flats are occupied by 5 or more persons in 2 or more households, regardless of whether the block is above or below commercial property.

Additional Licensing

9. The Housing Act 2004 provides a power for Local Authorities to licence HMOs which are not covered by Mandatory Licensing. Part 2 of the Housing Act provides for Additional Licensing of HMOs for example, in a particular area or the whole district for those not covered by Mandatory Licensing.
10. The Act permits Additional Licensing where the Local Authority believes that a significant proportion of HMOs are being managed sufficiently ineffectively giving rise to problems for residents or the general public.

Selective Licensing

11. The Housing Act 2004 allows Local Authorities to introduce licensing for privately rented properties accommodating single households. It is intended to address the impact that poorly managed rented properties can have on the local environment and to improve housing conditions.

12. Part 3 of the Act sets out the scheme for licensing private rented properties in a Local Authority area. A Local Housing Authority can designate the whole or any part(s) of its area as being subject to Selective Licensing.
13. Where a Selective Licensing designation is made it applies to all Part 3 houses which may be houses or flats as defined by Sections 79 and 99 of the Act, which are privately rented properties in the area, subject to certain exemptions for example Registered Providers (formerly known as Housing Associations), or HMOs which are required to be licensed under Part 2 of the Act through an Additional Licensing Scheme.

Housing Act 2004

14. The Housing Act 2004 places a duty on the Council to keep housing conditions in the Borough under review and to take appropriate action where necessary. Strategic and Private Sector Housing provides advice and assistance to private sector residents regarding housing conditions and work with owner occupiers and private landlords to raise housing standards, improve energy efficiency and to bring empty homes back into use. The Service is responsible for issuing licences HMOs and take enforcement action where applicable, with the aim of ensuring that all residents have a safe and suitable home to live in regardless of tenure.
15. It is estimated that there are in the region of 2,500 HMOs within Charnwood. Of this number, there are currently 581 licensed properties under the Mandatory Licensing (as at 30th November 2019).
16. Prior to the changes to Mandatory Licensing in October 2018, there were 378 licensed HMOs. A letter was sent out to 189 properties identified as having 5 or more tenants from Professor Smith's research that could require a licence under the expansion of the mandatory licensing. The Council estimated that the number of licensed HMOs would rise to somewhere between 600 to 650 as a result.
17. From the properties identified 128 have been licensed to date or have an application pending. The remaining 61 will be visited as part of Phase 3 of the Rogue Landlords Project to establish whether they are an HMO and require a licence

Options Considered

18. A number of issues and concerns have been raised in relation to the standards, conditions and management of the private rented sector across the Borough and in particular HMOs, although predominately in Loughborough.
19. The issues and concerns include:
 - A need for a better understanding of who is living in HMOs, whether they are vulnerable people, there are safeguarding issues, and are right to rent checks being completed
 - Anti-Social Behaviour – and 'Party Houses'
 - Consequence of the introduction of the article 4 Directive is the anecdotal suggestion that landlords are leaving properties that have been granted HMO

status empty if they fail to let for the academic year rather than risk losing their status by letting to single households

- Ensuring property standards through programmed Housing Health and Safety Rating System inspections
- Checks on HMO and private sector rental management across the Borough including:
 - Common parts, ensuring gardens and external areas are being maintained
 - Maintenance of Means of Escape and Fire Alarms
 - Inspection and testing of Gas and Electrical installations
 - Clarity in terms of Property Management and Ownership
 - younger single people who cannot afford self contained accommodation maintaining the status of the property whilst providing accommodation that is in short supply, albeit for the short term.

20. The Council have considered other options to address the problems in the private rented sector before bringing the proposals for an Additional and Selective Licensing Scheme forward.

21. Alternative options considered Landlord Accreditation although this is currently a voluntary scheme would not have the required impact as a regulated scheme; Management Orders and enforcement powers despite these being powerful tools that remain available to the Council they are too narrow in addressing management standards in the private rented sector.

22. Enforcement of property standards and management orders will be used not as an alternative to licensing but as support tools as part of the Council's programme of measures to improve the social and economic conditions of the Borough.

Recommendations

23. The table below details the following Private Sector Licensing Schemes that will be consulted on based on the facts and issues raised in the Justification Reports along with the risks to the Council:

Type of Private Sector Licensing Scheme	Justification	Risks
<p>Additional Licensing – Borough Wide (Appendix 1 – Justification Report and Policy)</p>	<p>The Rogue Landlord Project has identified a significant number of HMOs in Loughborough that are not licensed under the Mandatory Scheme with Category 1 and 2 Hazards.</p> <p>Additional Licensing will extend and continue the process of upgrading of HMO rental stock in line with the Mandatory scheme.</p> <p>All HMOs will be subject to the same evaluation and improvement regime as the national scheme.</p> <p>Residents in these HMOs will be afforded the same protection as people in licensed HMOs.</p> <p>Without Additional Licensing there is significant and growing disparity in the HMO market.</p>	<p>Landlords legally challenge the decision making process to implement a licensing scheme – cost to the Council to defend and time delay.</p> <p>Relationships breakdown between the Council and Landlords.</p> <p>The resources to run a successful scheme are more than forecasted.</p>
<p>Selective Licensing – Leymington and Hastings Wards of Loughborough (Appendix 2 - Justification Report and Policy)</p>	<p>Improve property condition and management standards in the private rented sector.</p> <p>Improve the quality of our neighbourhoods to support safe, inclusive and cohesive communities.</p>	<p>Landlords legally challenge the decision making process to implement a licensing scheme – cost to the Council to defend and time delay.</p> <p>Relationships breakdown between the Council and Landlords.</p> <p>The resources to run a successful scheme are more than forecasted.</p>

24. Appendix 1 provides the Justification Report and Policy for an Additional Licensing Scheme and Appendix 2 Justification Report and Policy for a Selective Licensing Scheme.

Financial Implications

25. The financial implications for the Council are detailed below starting with the statutory consultation, staff required to implement and enforce a scheme and the purchase of new software to streamline the application process.

Consultation Costs

26. The Council will need to carry out a consultation exercise to implement the schemes detailed above. Recommendation 4 requests funding is allocated for this exercise to be completed. Estimated Consultation Costs - £30,000
27. A proposal document and all ancillary advice and documentation will need to be prepared and made available.
28. A public consultation exercise will be required including:
 - A dedicated webpage launch
 - Online questionnaire
 - Street level leaflet drop to all affected properties and local businesses
 - Public drop in sessions with officers in attendance to offer advice and clarification for each designated area
 - A stakeholder pre-launch event

Implementation Costs

29. Licence fees can cover the costs of administering the licence process, inspections, granting a licence and enforcement of licence conditions. The Licence fee would be £868 for a 5 year period, an increase from the current Mandatory Licensing Scheme (£700) as the new Policies require an inspection prior to the issue of a licence and subsequent inspection during the 5 year licence period.
30. The costs of enforcement for non compliance with the Licence conditions are included in the original licence. However any action required under Part 1 of the Housing Act (the Housing, Health and Safety Rating System) will be borne by the Council and additional resources will be required.
31. Following the completion of the consultation exercise Cabinet will be presented with a fully costed scheme include staffing and the procurement of an online software system.
32. With the increase in properties to be licensed the Council will need to streamline the application process by purchasing an online software system. Estimated cost and quotes will need to be obtained to evaluate the benefits and value for money when purchasing a scheme.

Appendices

- Appendix 1 - Justification Report and Policy for an Additional Licensing Scheme
- Appendix 2 - Justification Report and Policy for a Selective Licensing Scheme
- Appendix 3 – Equality Impact Assessment

Additional Licensing in Charnwood Justification Report

Licensing – to provide a greater choice of safe, good quality and well managed accommodation in the Borough

23rd December 2019

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1 Introduction

Charnwood Borough Council is 1 of 7 Leicestershire districts located around the city of Leicester. It sits centrally between the 3 cities of Nottingham, Leicester and Derby. Charnwood is at the heart of the country and is well connected with excellent access to both the M1 motorway to the west and East Midlands Railway Line to the east.

The social and economic pull of Leicester City has a strong influence on the Borough, particularly in the south, which forms part of the Leicester Principal Urban Area.

In the north of the Borough, the university and market town of Loughborough together with the adjacent town of Shepshed, acts as a social and economic focus.

A string of larger villages extends southwards towards Leicester along the Soar Valley and A6 corridor. These villages act as Service Centres to the rural parts of our Borough. The large village of Anstey performs the role of a Service Centre in the south west corner of Charnwood.

To the west of the Soar Valley is the Charnwood Forest, which stretches to the west towards Coalville. The Forest is recognised as a Regional Park, providing a focus for leisure and conservation activity. To the north east of the Soar Valley are the Wolds, a rural area with strong links with Nottinghamshire and the City of Nottingham. The Wreake Valley is a rural area that stretches eastwards towards Melton and is home to a number of our villages. South of the Wreake Valley is High Leicestershire, a predominately rural area with strong links to Leicester City and Harborough.

At the time of the 2011 census the Private Rented Sector made up 14.1% of households in Charnwood compared to 11.8% who were renting social housing.

In Charnwood, there has been substantial growth in the Private Rented Sector. In 2012, the Private Rented Sector accounted for 17.79% of the total housing stock in Charnwood. Over a 5 year period (2012-2013 to 2016-2017) there was an average increase per year of 2.13% (ONS, 2017 (b)). Although the available data is only based on a 5 year period, assuming the same level of growth, it is estimated that the Private Rented Sector has increased to 20.14% in 2018-2019.

The concerns raised in relation to HMOs across the Borough, although predominately in Loughborough, include:

A need for a better understanding of who is living in HMOs, whether they are vulnerable people, there are safeguarding issues, and are right to rent checks being completed

Ensuring property standards through programmed Housing Health and Safety Rating System inspections

Checks on HMO property management across the Borough including:

- Common parts, ensuring gardens and external areas are being maintained
- Maintenance of Means of Escape and Fire Alarms
- Inspection and testing of Gas and Electrical installations

- Clarity in terms of Property Management and Ownership
- Anti-Social Behaviour – and ‘Party Houses’

One consequence of the introduction of the article 4 Directive is the anecdotal suggestion that landlords are leaving properties that have been granted HMO status empty if they fail to let for the academic year rather than risk losing their status by letting to single households.

The Council produced a Housing Strategy which recognises the concerns about the impact of student housing the Council and has completed an evidence gathering phase to establish that there are sufficient grounds to launch a consultation on the introduction of a Borough wide Additional Licensing Scheme.

The evidence gathering has included all complaints received by the Council and partners, research carried out by Professor Smith and the Rogue Landlord Project.

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2 Supporting Information

National Picture

The Office for National Statistics (ONS) projections indicates that:

- In mid 2018, the population of the UK reached an estimated 66.4 million.
- The UK population's growth rate in mid 2017 and mid 2018, at 0.6%, was slower than any year since mid2004.
- Long term international migration to and from the UK has remained broadly stable since the end of 2016 and has continued to be the main driver of the UK's population growth.
- In 50 years' time, there is projected to be an additional 8.2 million people aged 65 years and over in the UK, a population roughly the size of present day London.
- After decades of improvement to life expectancy, the latest figures show a slowdown in improvement, life expectancy at birth remained at 79.2 years for males and 82.9 years for females in 2015 to 2017.

As the UK's population grows, so does the number of families and households. In 2018, the number of households in the UK was 27.6 million, representing an increase of 7% from 2008 (25.9 million).

In 2018, there were 19.1 million families living in the UK, which shows an increase of 8% from 2008 (17.7 million), there were:

- 12.8 million married couples or civil partnership families (67%)
- 3.4 million cohabiting couple families (18%)
- 2.9 million lone parent families (15%)

Cohabiting couple families are the fastest growing family type; since 2008, there have been an additional 700,000 cohabiting couple families (a growth rate of 25.8% over this period). Meanwhile, more young adults are living with the parents 50% of young people left the parental home was 23.

Cohabiting couple families are the fastest growing family type; since 2008, there have been an additional 700,000 cohabiting couple families (a growth rate of 25.8% over this period). Meanwhile, more young adults are living with their parents. In 2018, the first age at which more than 50% of young people left the parental home was 23. Two decades earlier, more than 50% of 21 year olds had already left home. Young men aged 20 to 34 years old living in the UK are more likely than young women to be living with their parents (31% and 20% respectively).

In addition, there are increases in the numbers of people who are living alone between 2008 and 2018; there has been a 6% increase (from 7.5 million to 8.0 million). This increase was driven primarily by the increase in the number of older men living alone; a 55% increase for men aged 65 to 74 years and a 20% increase for men aged 75 years and over. In 2018, nearly half of those living alone (48%) were aged 65 years and over, and more than one out of every four (27%) were aged 75 years and over.

The English Housing Survey 2016-2017 (EHS) reported, that the Private Rented Sector has now grown to 20%, up from 19% in 2013-2014 and 11% in 2003 and that a larger proportion of 25 to 34 year olds now rent their home.

Rising house prices have seen many young people priced out of buying a home which is apparent from the results of the EHS which acknowledges that *“While the under 35s have always been overrepresented in the Private Rented Sector, over the last decade or so the increase in the proportion of such households in the Private Rented Sector has been particularly pronounced. In 2006-2007, 27% of those aged 25 to 34 lived in the Private Rented Sector.*

By 2016-2017 this had increased to 46%. Over the same period, the proportion of 25 to 34 year olds in owner occupation decreased from 57% to 37%. In other words, households aged 25 to 34 are more likely to be renting privately than buying their own home, a continuation of a trend first identified in 2012-2013. As with those aged 35 to 44, the proportion of 25 to 34 year olds in the social rented sector did not change”.

In 2016-2017, 5% of households in the PRS (231,000) were living in overcrowded accommodation. The rental market has changed considerably.

After stalling in 2013, rents charged by private landlords increased by 8.2% in 2014 across England with the average weekly rent climbing from £163 to £176.40. Currently average rents average £675.

Local Context

Charnwood Borough Council is 1 of 7 Leicestershire districts located around the city of Leicester. It sits centrally between the 3 cities of Nottingham, Leicester and Derby.

Charnwood is at the heart of the country and is well connected with excellent access to both the M1 motorway to the west and East Midlands Railway Line to the east.

The population of the Borough is increasing and Charnwood has a very high population density. This is increasing pressure on community services and facilities, and housing provision in the Borough.

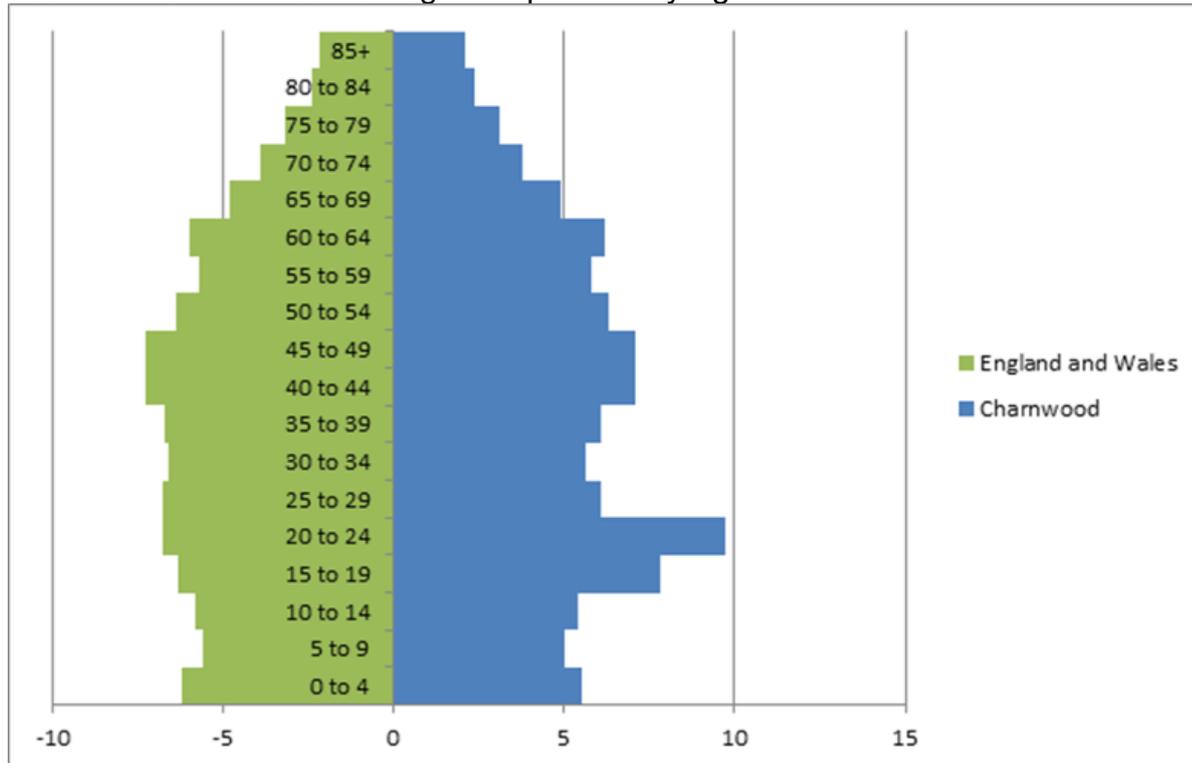
The 4 tables below provide details of the increase in population, age, projected growth and proportion comparisons with Leicestershire, East Midlands and England and Wales:

Table 2.1: Charnwood Borough Population increases from 1981–2031:

Year	1981	1991	2001	2011	2016	2021	2031
Population	132,170	141,759	153,428	166,100	179,400	188,250	207,000

Source: 2011 Census

Table 2.2: Charnwood Borough's Population by Age:



Source: 2011 Census

Table 2.3: Population and projected growth:

All persons by Age	
Age	2011 census estimates
0-4	9,100
5-9	8,300
10-14	8,900
15-19	12,900
20-24	16,100
25-29	10,100
30-34	9,300
35-39	10,100
40-44	11,800
45-49	11,800
50-54	10,500
55-59	9,600
60-64	10,300
65-69	8,100
70-74	6,300
75-79	5,200
80-84	4,000
85+	3,700
Total	166,100

Please note that numbers may not add up to the displayed totals due to rounding
 Source Office for National Statistics

Source: 2011 Census

Table 2.4: Population and projected growth

All Persons – Proportion Comparisons				
Age	Charnwood	Leicestershire	East Midlands	England and Wales
0-4	5.5%	5.5%	6%	6.2%
5-9	5.0%	5.4%	5.5%	5.6%
10-14	5.4%	5.9%	5.8%	5.8%
15-19	7.8%	6.7%	6.5%	6.3%
20-24	9.7%	6.3%	6.8%	6.8%
25-29	6.1%	5.4%	6.1%	6.8%
30-34	5.6%	5.4%	5.9%	6.6%
35-39	6.1%	6.4%	6.4%	6.7%
40-44	7.1%	7.7%	7.4%	7.3%
45-49	7.1%	7.8%	7.5%	7.3%
50-54	6.3%	6.8%	6.6%	6.4%
55-59	5.8%	6.2%	6.0%	5.7%
60-64	6.2%	6.8%	6.4%	6.0%
65-69	4.9%	5.3%	5.1%	4.8%
70-74	3.8%	4.2%	4.0%	3.9%
75-79	3.1%	3.4%	3.2%	3.2%
80-84	2.4%	2.6%	2.4%	2.4%
85+	2.2%	2.3%	2.2%	2.2%
Total	166,100	650,500	4,533,200	56,075,900

Source: 2011 Census

The challenges facing Charnwood

- A growing population, set to be 194,600 by 2028 (ONS Population Projections), with a need for 18,394 homes by 2036 (Draft Local Plan 2019)
- Deprived communities: 5 of Leicestershire's 10 most deprived neighbourhoods fall within Charnwood, with pockets of deprivation in Loughborough, Thurmaston, Syston, and Mountsorrel. This is reflected in lower than average incomes, poor health and lower levels of educational attained.
- Housing market pressure: because of population growth, smaller households, occupying larger homes, and a lack of available properties for new households to move into. There will be a need for specialist housing such as homes for the elderly and students. House prices remain out of reach for many people.

Migration

The Borough has experienced high levels of migration into certain wards and as a result, has seen further demand on already stretched public services. This has in turn placed extra pressure on the housing sector and the likelihood is that a large number of migrants will seek affordable accommodation in HMOs across the Borough.

A licensing scheme can be introduced to preserve or improve the economic conditions of areas to which migrants have moved and ensure people (including migrants) occupying private rented properties do not live in poorly managed housing or unacceptable conditions.

The tables below provide data from the ONS 2011 Census on migration in and out of the Borough:

Net migration is the balance between immigration (those entering the UK for a year or more) and emigration (those leaving the UK for a year or more).

Table 2.5: Migration in and out of the Borough

	Charnwood	Leicestershire	UK
Long term international net migration per 1,000 residents population, 2016	7.4	3.1	5.1

Source: 2011 Census

The 2011 Census tells us that 6.25% of the people living in Charnwood were born outside the UK. Overall for the UK the proportion of people born outside the UK was 13%. People move in and out of the Borough every year including students.

Table: 2.6: Overseas Students at Loughborough University:

Total Students 2017	Total EU Students 2017	Total International Students (Non-EU) 2017	Total Overseas Students 2017
14,696	3,830	2,574	6,404
Main non UKEU countries of origin: China including Hong Kong (47%), India (6%), Nigeria(5%), Singapore (4%), Malaysia (3%), United Arab Emirates			

Table 2.7: Migration by Tenure

Wholly moving households: Inflow: Lived elsewhere one year ago outside the UK	Tenures	Charnwood	East Midlands	UK
	Total	223	5,746	122,203
	Owned or shared ownership	44	1,466	26,020
	Social Rented	23	344	7,463
	Private Rented	163	3,936	88,720
% migrant households in Private Rented Property		73%	68.5%	72 %

Source: 2011 Census

Strategic Context

The Housing Act 2004, Section 57 (2) states that before making a designation the authority must ensure that any exercise of the power is consistent with the Authority's overall Housing Strategy.

Corporate Plan (Provisional pending Cabinet approval March 2020)

Charnwood is a Borough for innovation and growth, delivering high quality living in urban and rural settings, with a range of jobs and services to suit all skills and abilities and meet the needs of our diverse community.

With a highly acclaimed university, a thriving market town and a network of vibrant villages, and within easy reach of national and international markets, Charnwood provides everything a business needs to succeed.

At the forefront of technology while protecting our beautiful environment for future generations, Charnwood is a Borough of contrasts, and provides a world of opportunity.

The Council's Corporate Themes:

- Caring for the environment
- Healthy communities
- Your Council

Housing Strategy 2014-2019

The Council produced a Housing Strategy which recognises the concerns about the impact of student housing the Council and has completed an evidence gathering phase to establish that there are sufficient grounds to launch a consultation on the introduction of a Borough wide Additional Licensing Scheme.

The evidence gathering has included all complaints received by the Council and partners, research carried out by Professor Smith and the Rogue Landlord Project.

Housing in Charnwood

There is a housing shortage in Charnwood with a particular need for 2 bedroom properties. Affordability is a major concern issue. House prices in Charnwood have substantially increased over the last 3 years compared to that of neighbouring authorities with an average increase of 6.23% for the period December 2016 to August 2019. With an increase during December 2016 to December 2017 of 6.8%, December 2017 to December 2018 7.6% and August 2018 to August 2019 4.3% (HM Land Registry - 2019).

The table below details the number of dwellings in the Borough broken down into the household space and accommodation type:

Table 2.8 Dwellings, Household space and accommodation type:

Dwelling Type	Value
All categories: Dwelling type	69,220
Unshared dwelling	69,195
Shared dwelling	25
All categories: Household spaces	69,305
Household spaces with at least one usual resident	66,516
Household spaces with no usual residents	2,789
Whole house or bungalow: Detached	21,025
Whole house or bungalow: Semi-detached	26,657
Whole house or bungalow: Terraced (including end-terrace)	12,991
Flat, maisonette or apartment: Purpose-built block of flats or tenement	6,822
Flat, maisonette or apartment: Part of a converted or shared house (including bedsits)	866
Flat, maisonette or apartment: In a commercial building	631
Caravan or other mobile or temporary structure	313

Source: 2011 Census

There are an additional 5,930 homes required to meet the housing needs for the Borough up to 2036 once commitments are taken into account.

Table 2.9: Details the amount of homes required and how many of the homes already planned for and committed are expected to be delivered by 2036.

Housing Needs and Supply 2019-2036	Homes
Local Housing Needs (1,082 per annum)	18,394
Housing Supply	
• North East of Leicester Sustainable Urban Extension	3,325
• West of Loughborough Sustainable Urban Extension	3,200
• North of Birstall Sustainable Urban Extension	1,950
• Other Planning Permissions at the 31 st March 2019	3,949
• Saved Charnwood Local plan 2004 Allocation	40
Supply Sub total	14,464
To be found	5,930

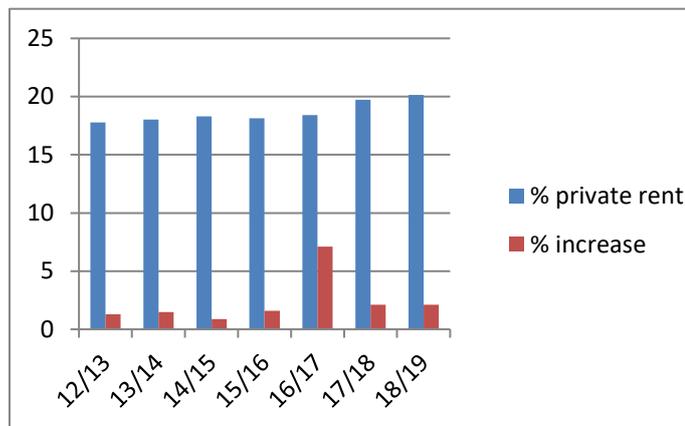
Source: Draft Charnwood Local Plan 2019-2036

Private Rented Sector Housing

In Charnwood, there has been substantial growth in the Private Rented Sector. In 2012, the Private rented Sector accounted for 17.79% of the total housing stock in Charnwood. Over a 5 year period (2012-2013 to 2016-2017) there was an average increase per year of 2.13% (ONS, 2017 (b)). Although the available data is only based on a 5 year period, assuming the same level of growth, it is estimated that the Private Rented Sector has increased to 20.14% in 2018-2019. Additionally, over the same 5 year period the owner occupied averages at 68.61%.

According to the VOA (2019) the average private rental price was £369

Table 2.10: Average Private Rental Price



Source: VOA 2019

The 2011 Census provides dataset population of all full time students in Charnwood that are aged 18 or over living in households. In 2011 there were 10,087 full time students living in household and these are broken down to 3,236 as owned outright or with a mortgage, loan or shared ownership; 654 in social rent; 5,898 in the Private Rented Sector and 299 in other private rent or living rent free (ONS, 2011).

Mandatory Licensing of HMOs

Under the Housing Act 2004 certain types of HMO have to be licensed. For these HMOs there is an obligation on the landlord to apply to the Council, where the HMO is located, for a licence. The Council has a statutory duty to manage and administer the applications for licences.

Licensable HMOs are those with 5 or more residents living as 2 or more households that share some facilities. The total number of licensable HMOs in Charnwood as per the public register of Licensable Houses in Multiple Occupation as at the 30th November 2019 stands at 581. 338 are for HMOs with 3 or more storeys and 243 are for HMOs with fewer than 3 storeys.

The database records 2,432 HMO properties in Charnwood. Perhaps unsurprisingly, a large proportion of HMOs are concentrated in wards closest to Loughborough University and Loughborough College such as Loughborough Southfields (21.8%) and Loughborough Storer (19.8%).

However, as Table 2.10 indicates HMOs are not confined to Loughborough wards but are distributed throughout the Borough. As the Study confirms, the student HMO market is increasingly 'wrapped' around the north, east and south edges of Loughborough University campus, and to a lesser extent, Loughborough College. The non student HMO market is most marked in the wards of east Loughborough, and, to a lesser extent, in some outlying towns and villages.

Table 2.11: HMOs by Ward 2018

Ward	Number	% of Properties in Ward
Loughborough Southfields	531	22%
Loughborough Storer	483	20%
Loughborough Ashby	181	7%
Loughborough Lemyngton	174	7%
Loughborough Hastings	127	5%
Loughborough Nanpantan	97	4%
Loughborough Shelthorpe	75	3%
Thurmaston	59	2%
Loughborough Garendon	55	2%
Loughborough Outwoods	54	2%
Loughborough Dishley and Hathern	49	2%
Syston West	48	2%
Sileby	48	2%
Mountsorrel	44	2%
Quorn and Mountsorrel Castle	43	2%
Anstey	38	2%
Barrow and Sileby West	37	2%
Birstall Wanlip	37	2%
Shepshed West	35	1%
Syston East	32	1%
Rothley and Thurcaston	29	1%
Shepshed East	25	1%
Birstall Watermead	23	1%
Wreake Villages	21	1%
East Goscote	22	1%
Forest Bradgate	17	1%
The Wolds	14	1%

Source: RRR Consultancy Ltd HMO Assessment Report July 2019

Table 2.11 shows the type of HMO in the Borough. Just under a third (31%) of HMOs are categorised as terraced dwellings, whilst just over a quarter (26%) are categorised as

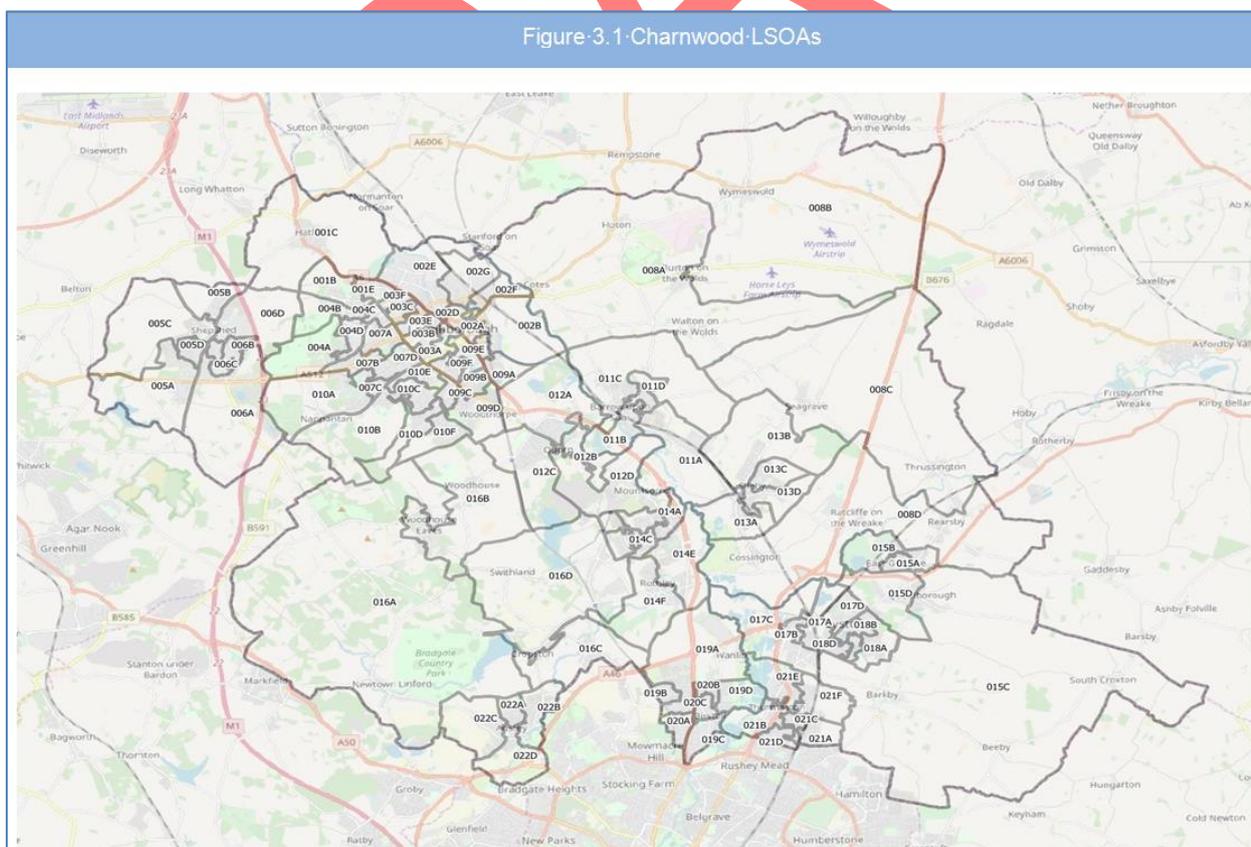
'HMOs – not further divided (into bedsits)'. Around a sixth (17%) are categorised as semi detached and around a tenth (12%) as detached. Fewer proportions are categorised as 'dwellings' (7%), flats or apartments (5%), or other (2%).

Table 2.12: HMO by Property Type

Property Type	Number	%
Terraced Dwelling	767	31%
HMO - Not Further Divided (into bedsits)	642	26%
Semi Detached Dwelling	412	17%
Detached Dwelling	297	12%
Dwelling	159	7%
Flat or Apartment	121	5%
Other	44	2%
Total	2,442	100%

Source: RRR Consultancy Ltd HMO Assessment Report July 2019

It is possible to determine the concentration of HMOs in Charnwood at smaller spatial levels than wards. Lower Super Output Areas (LSOA) are geographical units used by the Office for National Statistics (ONS) to analyse census data. LSOAs usually contain between 400 and 1,200 households equating to a population of between 1,000 and 3,000 people. Charnwood Borough contains 99 LSOAs. The smaller sized LSOAs are clustered around more densely populated areas such as Loughborough whilst the larger sized HMOs are concentrated in more rural areas (see Figure 3.1).



Source: RRR Consultancy Ltd HMO Assessment Report July 2019

The proportion of HMOs in each LSOA is calculated by comparing the number of residential properties with the number of HMOs as determined by the HiMORG database. The distribution of HMOs by LSOA within the Borough is very uneven. As can be seen by Table 2.13 almost all LSOAs contained fewer than 10% HMOs, whilst only 6 contain over 10%. The exceptions containing over 10% HMOs are listed in Table 2.14. All 6 LSOAs are located in Loughborough.

Table 2.13: HMOs by LSOA summary

	Number	%
0-10%	93	94%
10-20%	2	2%
20-30%	0	0%
30-40%	3	3%
40%+	1	1%
Total	99	100%

Source: RRR Consultancy Ltd HMO Assessment Report July 2019

Table 2.14: LSOAs with over 10% proportion of HMOs

LSOA	Area	%
003E	Oxford St, Loughborough	44.39%
003B	William St/Radmoor Rd, Loughborough	36.64%
003A	Frederick St, Loughborough	33.97%
003D	Cumberland Rd, Loughborough	31.17%
007A	Ashby Rd (south), Loughborough	14.27%
007B	Ashby Rd (north), Loughborough	13.38%

Source: RRR Consultancy Ltd HMO Assessment Report July 2019

Complaints about HMOs

Following the Cabinet resolution 13 of Minute 120 (2013-2014) data has been collected for HMO complaints from the following sources:

- Planning and Regeneration
- Strategic and Private Sector Housing
- Neighbourhood Services
- Regulatory Services
- Cleansing and Open Spaces
- Loughborough University

The table below provides the data that has been collected from 2013-2014 to 2018-2019 (the data is provided in Academic years from the 1st August to 31st July of each year):

Table 2.15: Complaints Data

Complaint Type	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Accumulations of waste	60	44	41	17	28	0
Noise (including music, banging, shouting etc)	14 *	239**	281**	217 **	335**	358
Untidy gardens	2	18	3	3	1	30
Side waste/bins	45	60	31	39	0	0
Housing Standards/Disrepair	10	16	18	17	13	12
Unauthorised Change of Use	35	36	35	18	4	28
Suspected Licensable HMO	1	6	15	4	8	17
Total	167	419	424	315	389	445

Source: Charnwood Borough Council recorded complaints received

* The figures for 2013-2014 may not include all noise complaints received as data is not available.

** Includes data from Environmental Protection and Community Safety. NB Community Safety data relates to properties occupied by students – which are assumed to be HMOs (having 3 or more unrelated students).

The data submitted has been reviewed to understand the reporting mechanisms and how complaints are categorised and dealt with.

Across the Council there are a number of systems that complaints are recorded on, including Civica Flare, Northgate M3 and Sentinel (the Police data management system).

The complaints are categorised into low, medium and high priority and the actions that are taken are consistent across the Services, detailed in the table below:

Table 2.16: Category of Complaint

Categorisation	Actions Taken
Low	Informal Discussions Warning Letters
Medium	Notices served
High	Court action taken

Source: Charnwood Borough Council

Loughborough Student Advisory Service (LSAS) Complaints Data

Following receipt of the Loughborough Student Advisory Services complaints data for the last 5 years, an evaluation of the submission was undertaken with the Council data and a comparison made with the previous years.

These complaints are in addition to those received by the Council (detailed in Table 2.15) although some may be duplicates of the ones received by the Council. Details of the submissions are presented in the table below:

Table 2.17: Complaint Type - Loughborough

Complaint Type	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Environmental Issues	1	1	2	2	1	0
Anti-Social Behaviour	5	7	2	1	1	2
Disrepair	29	36	61	72	46	38
Private Rented Sector	6	3	6	8	1	2
Total	45	47	71	83	49	42

HMO Enforcement Action

The Council has a Corporate Enforcement Policy and the Service areas have Polices and legislation which are used to take enforcement action detailed in the table below:

Table 2.18: Enforcement Legislation and Council Policy

	Service Area	Legislation	Council Policies
1	Strategic and Private Sector Housing	Housing Act 2004 Including Management Regulations and HMO Licensing Crime and Anti- Social Behaviour Act 2014 Environmental Protection Act 1990	Private Sector Housing Enforcement Policy 2018

2	Regulatory Services	Environmental Protection Act 1990 Prevention of Damage by Pests Act 1949 Anti-social Behaviour, Crime and Policing Act 2014 Building Act 1984 Local Government Miscellaneous Provisions Act 1976 Clean Neighbourhoods and Environment Act 2005	Regulatory Services Enforcement Policy
3	Development Control	Town and Country Planning Act 1990	Planning Enforcement Plan
4	Community Safety	Crime and Anti-Social Behaviour Act 2014	Community Safety Partnership

The table below provides the details of the enforcement action taken by the Strategic and Private Sector Housing Service by year between 2014 and November 2019 and then whether this action was associated with an HMO (licenced or not) and the outcomes of the action taken.

Table 2.19: Enforcement Action Taken

Year	Total Number of Properties where Enforcement Action was Taken	Non - Licensed HMO	Licensed HMO	Details of HMO related issues, action taken and outcomes
2014	5	1	0	NLHMO - Hazards: Fire separation. Action: Improvement Notice. Outcome: Complied with.
2015	16	1	1	NLHMO - Hazards: Fire, Falls on stairs. Action: Prohibition Notice/Improvement Notice. Outcome: Complied with LHMO - Hazards: Falls on stairs. Action: Improvement Notice. Outcome: Complied with.
2016	15	1	0	NLHMO - Hazards: Excess cold, Excess heat, Overcrowding. Action: Improvement Notice. Outcome: Complied with.
2017	23	1	1	NLHMO - Hazards: Excess cold, electrics, damp and mould. Action: Improvement Notice. Outcome: Property vacant. LHMO - Hazards: Falls on stairs. Action: Improvement Notice. Outcome: Property vacant, currently being renovated.

2018	19	5	1	NLHMO - Hazards: Fire Safety and Electrics. Action: Improvement Notice. Outcome: Complied with LHMO - Hazards: Defective Heating. Action: Abatement Notice. Outcome: Complied with +4 x non-licensed licensable HMOs. Action: Prosecution: Outcome: £80k fine (2019)
2019 (to 5/11/19)	11	1	1	NLHMO: - Hazards: Fire, Excess Cold, Falls between Levels, Damp and Mould, Electrical Hazards. Action: Improvement Notice. Outcome: Ongoing LHMO - Hazards: Falls on Stairs, Falls between Levels, Electrical Hazards. Action: Suspended Improvement Notice. Outcome: Complied.
Total	89	10	4	

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3 Professor Smith's Research

Following a report of the Council's Scrutiny Panel which looked at the issues and concerns of HMOs, a piece of work was commissioned and carried out by Professor Darren Smith and PhD student Andreas Culora, of Loughborough University, to look at various data sources to build a better picture of the HMOs in Charnwood.

The study has looked purely at HMOs as a property where there are 3 or more unrelated people who are not living together as a family but are sharing basic amenities. The study identified the following:

- 2,509 HMOs in the Borough
- 1,853 HMOs in Loughborough
- 656 additional HMOs in the Borough
- 3.9% of all residential properties in Charnwood are HMOs

The study suggested that the traditionally student HMO market focused in Loughborough is changing, with the non student HMO market having a growing presence in the town and other parts of the Borough including vulnerable low income groups within it.

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4 Rogue Landlord Project

Charnwood Borough Council were successful with a bid of £65,000 for the Rogue Landlords Enforcement Grant which has enabled the Council to continue the work of Professor Smith.

The aims of the bid were:

- The Council continue their research to identify Rogue Landlords across the Borough and take the appropriate action.
- Reviewing the current Policy approaches to managing the negative impacts both poor housing and management can have on the Residents of the Borough.
- Providing a recommended approach to managing the proportion of Houses in Multiple Occupation in the Borough to inform the Local Plan preparation.

The funding was used across 2 Service Areas, Strategic and Private Sector Housing and Planning and Regeneration.

Strategic and Private Sector Housing Outcomes

The Council have undertaken extensive research to understand our local rental market and the services local High Street Lettings Agents currently offer to Landlords. This has enabled the Council to identify services Lettings Agents are offering to Landlords and Tenants, their fees and charges and identify potential gaps in the local market. The Council wished to obtain further intelligence on the housing stock, tenants and the owners of properties building on the work undertaken by Professor Smith.

The Council went to the market to recruit 2 Technical Officers to take the survey work forward but there were no available Officers. A decision was therefore made to split the work into two, with the initial research of the designated areas carried out by BMG Research conducting face to face surveys. A survey form was designed for tenants, owners and businesses and the areas to survey were agreed with the Lead Member for Regulatory Services.

The areas to be surveyed were chosen based on the data from Professor Smith's research where the highest number of HMOs were located and the most deprived wards in the Borough, detailed below:

- Hastings
- Leymington
- Shelthorpe
- Garendon
- Outwoods
- Nanpantan

Following receipt of the Outcome report this work was followed up by a Technical inspection of the properties of those identified either in poor condition and or management.

Phase 1

In February 2019, the Council commissioned BMG Research to carry out face to face surveys to obtain further intelligence on the housing stock, tenants and the owners of properties and to identify Rogue Landlords across the Borough.

The research helped to review the current Policy approach to managing the negative impacts of both poor housing and management can have on the residents of the Borough. The findings are helping the Council to provide a recommended approach to managing the proportion of Houses in Multiple Occupation in the Borough to inform the Local Plan preparation.

Methodology

A face to face survey was conducted amongst 1,093 addresses. Surveys were made for tenants, business owners and landlords. In total, 499 questionnaires were conducted, representing a response rate of 47% against the sample. In regards to tenure breakdown, 475 tenants, 16 business owners and 8 landlords completed a survey.

In addition the Council received a data base of residents (176) that felt there property was in poor condition and those that wanted to continue to participate in the research.

Visits were made to the properties and the findings from the 19 that were inspected were:

- 9 of the properties 5 Category 1 hazards identified these were referred further investigation and 7 category 2 hazards
- 10 properties had no hazards present

Over 7% of the sample access was refused by the tenant and an additional 15% where there was no access; namely 2 attempts were made to visit the property in question but there was no reply.

During the investigation 6% were identified as empty homes and 3% mandatory licensed HMO.

Phase 2

The second phase of visits was driven by the data from Professor Smith's research for the same 6 areas above for a property with 3 or 4 surnames in residence.

The findings of the 398 visits are detailed in the table below:

Table 4.1: HMO Property Visits

Status	Hastings	Leymington	Shelthorpe	Garendon	Outwoods	Nanpanton	Total
Owner Occupier	40	33	28	24	20	14	159
Private Rented - Single Family Dwellings	21	37	14	11	8	11	102
Licensed HMO	1	4	3	0	3	2	13
Non licensable HMO - inspected	1	5	0	12	0	8	26
Unoccupied HMO accommodation	0	0	0	0	0	0	0
Vacant	2	5	1	0	2	7	17
2 nd Visit No Access	1	2	0	0	0	0	3
3 rd Visit No Access	8	26	4	1	4	7	50
Refused Access	5	5	3	3	1	10	27
To inspect	1	0	0	0	0	0	1
Total	80	117	53	51	38	59	398

Source: Rogue Landlord Project

Health and Housing Standards Rating System (HHSRS)

HHSRS was introduced by the Housing Act 2004 and has been in force since April 2006. It is the system for assessing and enforcing housing standards in England and Wales.

The HHSRS is a risk based assessment tool, which is used by Private Sector Housing Officers to assess the risk (the likelihood and severity) of a hazard in residential housing to the health and safety of occupants or visitors. The HHSRS is tenure neutral; it can be used to assess hazards in public and private and housing.

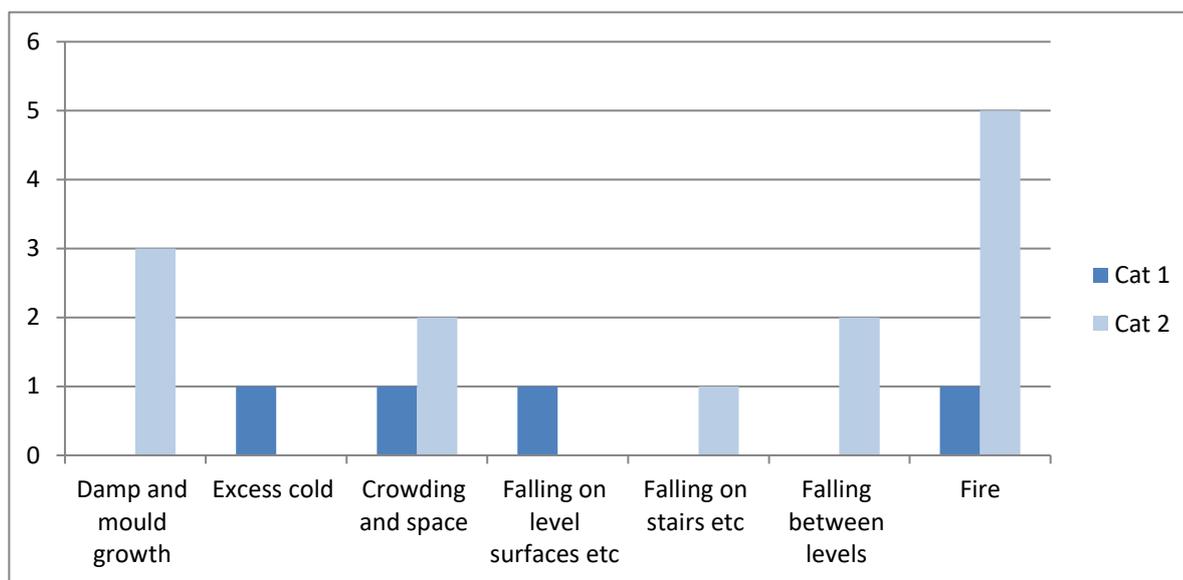
Out of the 26 non licensable HMOs inspected there were 17 hazards found, some properties having numerous hazards present. Over a third of the hazards relate to fire

safety followed by a fifth being damp and mould and almost a quarter of all hazards identified are Category 1.

Section 5 of the Housing Act 2004 requires the Council to take enforcement action and the provision stipulates what action can be taken.

The hazards are detailed in the table below:

Table 4.2: Hazards in HMOs



Due to the nature and the risk to the health and safety of the occupants all Category 1 hazards and high scoring Category 2 hazards were referred to Private Sector Housing to consider what, if any, enforcement act to take to reduce or remove those hazards identified during this study.

Non Decent Homes

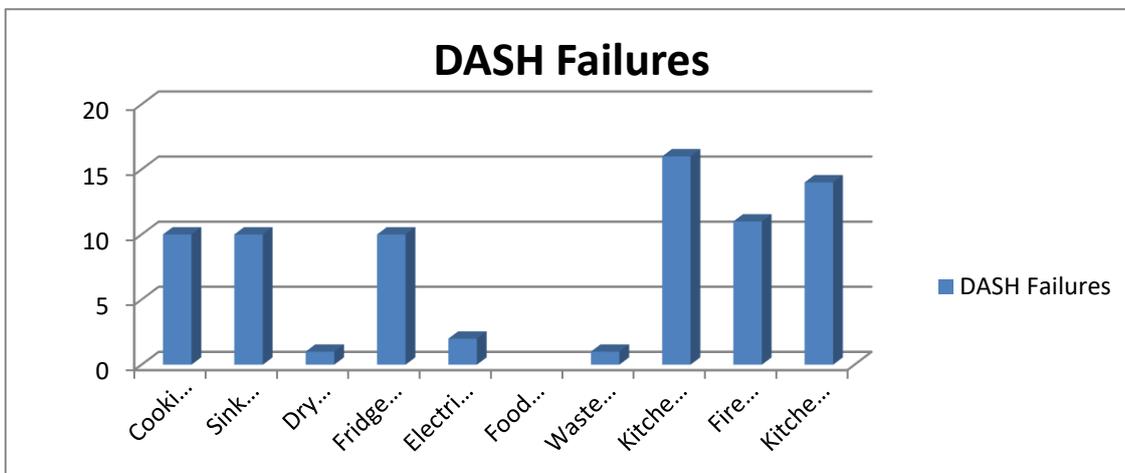
Delivering decent homes is a commitment in the national strategy for neighbourhood renewal and has a key role to play in narrowing the gap between deprived neighbourhoods and the rest of the country.

For a property to meet the Decent Homes Standard it must meet the following:

- No category 1 hazard (automatic failure) or
- Lack 3 or more of the following:
 - be in a reasonable state of repair,
 - have reasonably modern facilities and services and
 - provide reasonable degree of thermal comfort (DCLG, 2006).

Out of the sample of non licensable HMOs inspected 88.8% passed the Decent Homes Standard, with just over 11% failing which were due to Category 1 hazards being present.

Table 4.3: DASH Failures



Only 7.4% of those non licensable HMO's inspected passed the DASH standard, with over 92% was failing to meet the standard and 74 failures being noted. The largest failures relate to fire doors, fire blankets and ventilation.

There is a direct correlation between both the HHSRS and DASH failures. The majority of the failures have been linked with fire safety measures and lack of prevention measures. Certain aspects of fire safety provision in the Private Rented Sector and HMOs in the study area could be considered as requiring improvement.

Phase 3

The last phase of the project includes visits to properties identified through the Planning and Regeneration aspect of the Project, (detailed in the next Section of the report):

The Planning RRR Consultancy Ltd report Appendix 2 provided a list of streets (27) were respondents to their survey suggested there were a high numbers of HMOs in addition to 61 properties (31 streets) identified from Professor Smith database that may require a licence under the expansion of the HMO Mandatory Licensing scheme and had not applied for a licence

Phase 3 is still being completed and the results detailed below are those available at the time of writing this report:

Visits have been made to 30 non licensable HMOs (3 or 4 persons in the properties) over 4 streets within 0.5 mile radius. The findings from the visits are:

- 6 Category 1 Hazards, 3 of which were for falls with stairs
- 24 Category 2 Hazards, of which 11 were for damp and mould
- 2 properties passed the DASH standard
- 6 failing the Decent Homes Standard

Summary of the findings

Work continues on Phase 3 of the Project although from the data analysed to date it indicates that there are a large number of HMOs not currently covered by the Mandatory HMO Licensing Scheme that do not meet the property standards that the Council would expect.

Planning and Regeneration Outcomes

Planning appointed consultants to assess the current pattern of HMO concentration in the Borough, assess the positive and negative impacts HMOs have on a community and review the effectiveness of the current policy approach to managing the proportion of HMOs in light of those impacts. This included analysis of the existing quantitative evidence available as well as the collection of qualitative evidence sought through site visits and stakeholder engagement with HMO providers, users, residents and agencies.

The Council is preparing a new Local Plan for Charnwood for the period to 2036, and as part of this is seeking to have a positive strategy for the provision of HMO's within the Borough. The purpose of the Study is to review the current planning policies to consider whether they provide the most appropriate basis for assessing the concentration of HMOs in an area.

There are concerns often raised about whether the current 20% threshold is too high and leads to new areas having issues associated with concentrations of HMOs.

Some of the problems identified are outside the scope of the Planning System. However, the issues of community balance, the under and over use of some service and community facilities and the structural change in the composition of the community are important to create sustainable communities.

Evidence to support assertions of anti-social behaviour and environmental problems are critical to determining planning decisions for the Council and through appeals, with Planning Inspectors expecting to see supporting information.

The final HMO Assessment Report prepared by RRR Consultancy recommendations:

- Reduce the threshold to 10%
- Keep the 100m radius but consider expanding it to a minimum number of properties where natural or built features e.g. roads/rivers significantly impact the number of properties included.
- Consider the issue of population density, practical solution to this would be to take account of number of large HMOs in the radius
- Threshold should remain one factor considered in determining applications
- Sandwiching of properties between two HMOs should be avoided
- Continue to apply the threshold only to Loughborough, evidence identifies only small proportions of HMOs outside the town
- PBSA should be defined as '...predominantly larger scale residential accommodation specifically for occupation by students. This may include new build development or

the conversion of existing premises (e.g. large office blocks). It includes accommodation developed by Universities and by the private sector”.

- Extensions to HMOs should be included in the policy with clear policy approach.

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5 Crime Rates

When considering whether areas suffer from high levels of crime a local authority may have regard to a number of factors:

- Whether the area as displayed a noticeable increase in crime over a relative short period
- Whether the crime rate in the area is significantly higher than in other parts of the Local Authority Area Or that the crime rate is higher than the national average
- The impact of crime in the areas affects the local community

Licensing should be part of the wider strategy to address crime in the designated area and can only be made if a high proportion of properties in that area are privately rented.

The Local Authority should consider:

- Whether the criminal activities impact on some people living in privately rented accommodation as well as other living in the areas and businesses
- The nature of the criminal activity e.g. theft, burglary, arson, criminal damage, graffiti
- Whether some of the criminal activity is the responsibility of some people living in privately rented accommodation

Table 5.1: Crime Rate for England

Crime rate per thousand population for England 2018/2019 by region	
North East	110.3
Yorkshire and the Humber	108
North West	105.4
London	98
West Midlands	80.8
South East	78.9
East of England	78.1
East Midlands	78.2
South West	67.8

Table 5.2: Crime Rate for East Midlands

Crime rate per thousand population for East Midlands 2018/2019 by County	
Derbyshire	58.4
Leicestershire	83.53
Lincolnshire	70.7
Northamptonshire	82.0
Nottinghamshire	93.2

In the year ending March 2019, the crime rate in Charnwood was lower than average for the Leicestershire Police Force Area, but was higher than the other District and Boroughs in Leicestershire.

Table 5.3: Crime Rate for Leicestershire

Crime rate per thousand population for Leicestershire Police Force 2018/2019 by Area	
Rutland	41.26
Harborough	49.69
Blaby	59.41

Melton	59.51
Hinckley and Bosworth	61.54
North West Leicestershire	64.03
Oadby and Wigston	64.81
Charnwood	73.48
Leicester	121.76
Force average	83.53

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6 Anti Social Behaviour

A key issue commonly associated with HMOs is antisocial behaviour (ASB). Data indicates that there were 1,495 instances of ASB recorded in the Borough between January 2013 and December 2018.

Table 6.1: ASB by Ward 2018

	Number	%
Loughborough Southfields	430	29%
Loughborough Storer	123	8%
Quorn and Mountsorrel Castle	112	8%
Loughborough Lemyngton Loughborough	75	5%
Hastings	71	5%
Forest Bradgate	62	4%
Loughborough Nanpantan	61	4%
Syston West	60	4%
Loughborough Dishley and Hathern	54	4%
Loughborough Ashby	46	3%
Loughborough Shelthorpe	43	3%
Sileby	42	3%
Mountsorrel Syston East	34	2%
Anstey	34	2%
Loughborough Outwoods	33	2%
Loughborough Garendon	33	2%
Thurmaston	22	2%
Barrow and Sileby West	21	1%
Shepshed West	20	1%
Birstall Watermead	19	1%
Birstall	17	1%
Wanlip	14	1%
Rothley and Thurcaston	11	1%
Wreake Villages	9	1%
Queniborough	7	1%
The Wolds	6	0%
Shepshed East	4	0%
East Goscote	3	0%
Unknown	29	2%
Total	1,495	100%

Source: RRR Consultancy Ltd HMO Assessment Report July 2019

By far the largest proportion (29%) of recorded ASB incidents occurred in the Loughborough Southfields ward.

Table 6.2: Type of ASB 2018

	Number	%
Noise	766	37%
Nuisance	377	18%
Rowdy behaviour	260	12%
Drug misuse	148	7%
Intimidation/harassment	143	7%
Begging	135	6%
Vehicle nuisance	88	4%
Litter/rubbish	67	3%
Criminal damage/vandalism	57	3%
Other	44	3%
Total	2,085	100%

Source: RRR Consultancy Ltd HMO Assessment Report July 2019

Table 6.2 shows the type of ASB incident recorded between January 2013 and December 2018 in the Borough. In total, there were 2,085 different types of ASB recorded (each incident could record more than one type of ASB). The most common type of ASB incident was 'noise' (37%), followed by 'nuisance' (18%), and 'rowdy behaviour' (12%). Smaller proportions of ASB incidents were recorded in relation to 'drug misuse' (7%), 'intimidation/harassment' (7%), 'begging' (6%), 'vehicle nuisance' (4%), 'litter/rubbish' (3%), 'criminal damage/vandalism' (3%), or 'other' (3%)

One method of determining the strength of the relationship between areas with high proportions of HMOs with numbers of ASB incidents is to undertake a 'correlation'. Correlation is a statistical measure that indicates the extent to which two or more variables fluctuate together. A positive correlation indicates the extent to which those variables increase or decrease in parallel; a negative correlation indicates the extent to which one variable increases as the other decreases.

Table 6.3:HMOs/ASB by Ward

	HMOs	ASB
	HMOs	ASB
Anstey	43	33
Barrow and Sileby West	38	20
Birstall Wanlip	37	14
Birstall Watermead	25	17
East Goscote	21	3
Forest Bradgate	22	62
Loughborough Ashby	181	46
Loughborough Dishley and Hathern	49	54
Loughborough Garendon	55	22
Loughborough Hastings	127	71
Loughborough Lemyngton	174	75
Loughborough Nanpantan	97	61
Loughborough Outwoods	54	33
Loughborough Shelthorpe	75	43
Loughborough Southfields	531	430
Loughborough Storer	483	123
Mountsorrel	44	34
Queniborough	14	7
Quorn and Mountsorrel Castle	44	112
Rothley and Thurcaston	32	11
Shepshed East	29	4
Shepshed West	37	19
Sileby	48	42
Syston East Syston	35	34
West	48	60
The Wolds	17	6
Thurmaston	59	21
Wreake Villages	23	9
Total	2,442	1,466

Source: RRR Consultancy Ltd HMO Assessment Report July 2019

Table 6.3 shows the number of HMOs in each ward compared to the number of ASB incidents recorded in each ward between January 2013 and December 2018 (excluding the 29 ASB incidents whose location was unknown). Although Loughborough contains around 35% of all households in the Borough, almost two thirds (64%) of all recorded ASB incidents occurred in the 10 Loughborough wards.

Undertaking a statistical correlation on the 2 columns ie undertaking a statistical test to determine the relationship between the 2 factors produces a measure of 0.84. This indicates a very strong positive relationship between the 2 columns ie the number of HMOs in any one particular ward increases, the number of ASB incidents increases. Although it cannot be proven that a high number of HMOs in any one particular area causes high number ASB incidents, it can be stated that statistically, there is a very strong relationship between the number of HMOs in each ward and the number of ASB incidents.

7 Option Appraisal

The Council has been looking for effective means of assisting and encouraging improvements in the quality of HMOs through their day to day service delivery, research projects and a number of Scrutiny Panels for many years. The HMO sector is a substantial element of the private rental market for the Borough.

These informal approaches met with a degree of success but the scope of such intervention is very limited. The mandatory licensing of HMOs has been effective in regulating and improving the standard of accommodation offered to let across the Borough. Licensing encourages a positive interaction with landlords and allows for the problems presented by each house to be managed on an individual basis through a bespoke set of licence conditions.

The Council have considered other options to address the problems in the Private Rented Sector before bringing the proposals for an Additional Licensing Scheme forward.

Alternative options considered Landlord Accreditation although this is currently a voluntary scheme would not have the required impact as a regulated scheme; Management Orders and enforcement powers despite these being powerful tools that remain available to the Council they are too narrow in addressing management standards in the Private Rented Sector.

Enforcement of property standards and management orders will be used not as an alternative to licensing but as support tools as part of the Council's programme of measures to improve the social and economic conditions of the Borough.

Additional Licensing of HMO

The mandatory licensing of HMOs has been effective in regulating and improving the standard of accommodation offered to let in Charnwood. Licensing encourages a positive interaction with landlords and allows for the problems presented by each house to be managed on an individual basis through a bespoke set of licence conditions.

The Housing Act 2004 provides a power for Local Authorities to licence HMOs which are not covered by Mandatory Licensing. Part 2 of the Housing Act provides for Additional Licensing of HMOs for example, in a particular area or the whole district for those not covered by Mandatory Licensing.

The Act permits Additional Licensing where the Local Authority believes that a significant proportion of HMOs are being managed sufficiently ineffectively giving rise to problems for residents or the general public.

An Additional Licensing scheme should only be considered if the Council believes a significant proportion of HMOs in the area are being managed sufficiently ineffectively as to give rise to, or be likely to give rise to, problems for the occupants or for members of the public.

Section 56(3) of the Housing Act 2004 states that prior to designating areas subject to licensing the Local Authority must:

Take reasonable steps to consult persons who are likely to be affected by the designation, and consider any representations made in accordance with the consultation and not withdrawn.

The Council must consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public.

An Additional Licensing Scheme would not apply to any HMO to which the national mandatory scheme applies. The proposed designation would not apply to any building which is an HMO as defined in S257 of the Housing Act 2004, relating to certain converted blocks of flats.

Additional Licensing could impose the following:

- Requirement for particular types of HMO, or HMOs within a particular area to be licensed.
- Property to be licensed is assessed as to its suitability for multiple occupation.
- Licence holder will undergo a fit and proper person test and the management arrangements will be reviewed for suitability.
- Licence will include conditions requiring supporting documents to be provided, such as gas and electrical certificates, fire alarm test reports etc., at appropriate intervals or upon demand.
- Licence may include conditions for regulating the management, use and occupation of the house concerned, its condition and contents. For example, requiring the landlord to take reasonable and practical steps to prevent or reduce anti-social behaviour by person occupying it.
- A licence may not include conditions imposing restrictions or obligations on a particular person other than the licence holder, or requiring any alteration in the terms of any tenancy or licence under which a person occupies the house.

Additional Licensing would require all private landlords with HMOs in designated areas of the Borough to apply for a licence for each property before they can be let to tenants. In order to become a licence holder a landlord would have to meet certain standards.

What is a House in Multiple Occupation (HMO)

An HMO is a building or part of a building which is occupied as a main residence by 3 or more people who form more than 1 household. There are 2 types of HMOs under the Housing Act 2004:

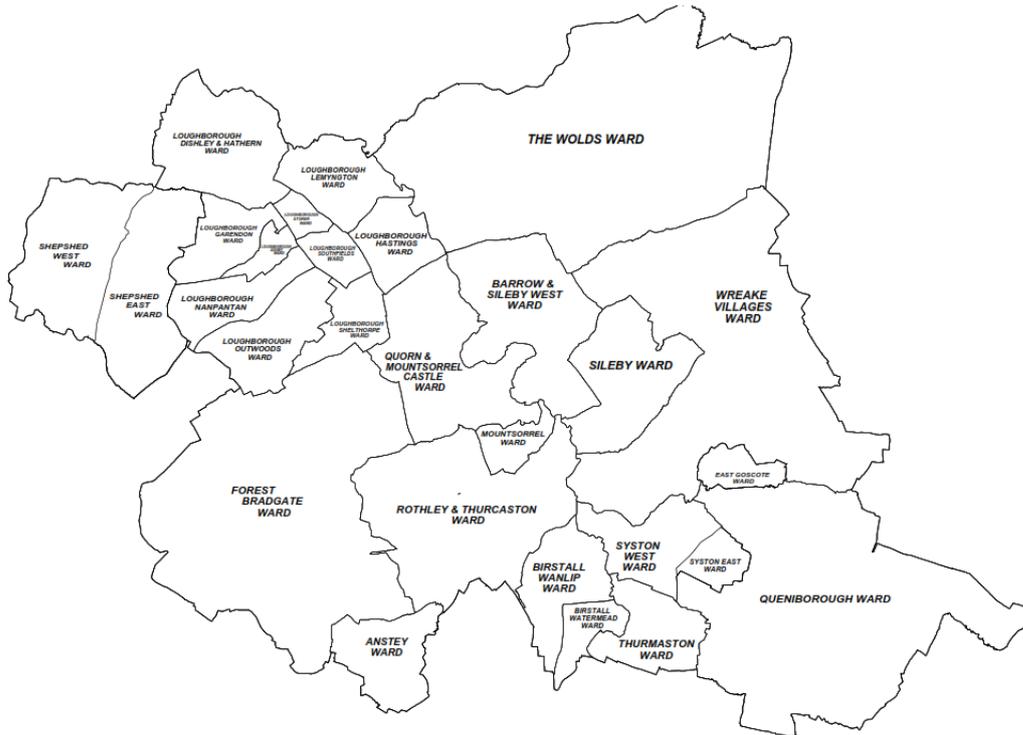
Section 254 HMOs – this includes buildings containing bedsits and/or non self-contained flats, shared houses and hostels.

Section 257 HMOs – these are buildings that have been converted into self-contained flats but where the conversion works did not meet the 1991 Building Regulations (if converted before June 1992) or subsequent regulations at the time of the conversion.

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8 Proposed Additional Licensing Scheme

The Council are proposing to introduce a Borough wide Additional Licensing Scheme:



The table below provides details of the justification and risk associated with the implementation of the proposed Additional Licensing Scheme across the Borough:

Type of Private Sector Licensing Scheme	Justification	Risks
Additional Licensing – Borough Wide	<p>The Rogue Landlord Project has identified a significant number of HMOs in Loughborough that are not licensed under the Mandatory Scheme with Category 1 and 2 Hazards.</p> <p>Additional Licensing will extend and continue the process of upgrading of HMO rental stock in line with the Mandatory scheme.</p> <p>All HMOs will be subject to the same evaluation and improvement regime as the national scheme.</p> <p>Residents in will be afforded the</p>	<p>Landlords legally challenge the decision making process to implement a licensing scheme – cost to the Council to defend and time delay.</p> <p>Relationships breakdown between the Council and Landlords.</p> <p>The resources to run a successful scheme are more than forecasted.</p>

	same protection as people in licensed HMOs. Without Additional Licensing there is significant and growing disparity in HMO market.	
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Consultation Period

The formal consultation on the proposal to declare Charnwood Borough as an area for Additional Licensing.

The scheme will cover all HMOs, irrespective of the number of stories that are occupied by 3 or 4 unrelated persons and all Section 257 HMOs (buildings converted into self contained flats) where the building is wholly occupied by tenants.

The consultation period will be at least 10 weeks.

DRAFT

HMO Licensing Policy

11th December 2019

DRAFT

Introduction

Licensing of Houses in Multiple Occupation (HMO)

The Housing Act 2004 requires Local Housing Authorities to licence mandatory licensable HMOs, and allows the licensing of other HMOs through an additional licences.

Types of housing licensing are:

- Mandatory Licensing
- Additional Licensing

Under Housing Legislation, an HMO is an entire house or flat that is let to 3 or more tenants who form 2 or more households and who share a kitchen, bathroom or toilet.

For a property to be classed as a HMO, it must be used as the tenants only or main residence and it should be used solely or mainly to house tenants.

Mandatory Licensing

Mandatory Licensing under Part 2 of the Housing Act 2004, broadly speaking requires an HMO occupied by 5 or more persons in 2 or more households, sharing an amenity regardless of the number of storeys, to be licensed.

Prior to the 1st October 2018, only HMOs of 3 or more storeys, occupied by 5 or more persons in 2 or more households required a licence.

Additional Licensing

The Housing Act 2004 provides a power for Local Authorities to licence HMOs which are not covered by Mandatory Licensing. Part 2 of the Housing Act provides for Additional Licensing of HMOs for example, in a particular area or the whole borough for those not covered by Mandatory Licensing.

The Act permits Additional Licensing of HMOs covers those HMOs that are not licensed under the Mandatory Scheme but where the Council has used its power to subject HMOs across the Borough to Additional Licensing.

This Policy sets out the structure of the scheme and the fees and charges and criteria Charnwood Borough Council will apply to all licences in relation to the Mandatory and Additional HMO Licensing schemes.

Houses in Multiple Occupation (HMOs) Licensing

The Council has a responsibility under Section 55 of the Housing Act 2004 to secure the licensing of all Mandatory HMOs and has been implementing its scheme in response to this duty.

On the (Date to be confirmed) Charnwood Borough Council designated the whole of the Borough subject to Additional Licensing in respect of the following types of HMOs:

- HMOs of any size of building that are occupied by 3 or 4 persons; and
- Section 257 HMOs where all of the self contained flats are let and occupied by tenants.

Licence Fee

Section 63 of the Housing Act 2004 permits the Council to require any application for a licence under Part 2 is accompanied by a licence fee and that this fee may cover all costs incurred by the Council in carrying out its function.

In developing the Council's fee structure the Council has had regard to the European Court of Justice ruling in *R (Hemming) V Westminster City Council* (Case C-316/15) and the High Court decision in *R (Gaskin) v LB Richmond Upon Thames* (2018) EWHC 1996 (Admin) which held that the EU's Provision of Services Directive, which is enshrined in UK law as the Provision of Services Regulations 2009 should apply to property licensing fees and the processes involved in implementing and delivering such schemes.

A fee is charged for each individual HMO that is required to be licensed under the Housing Act 2004.

The judgements in *Hemming* and *Gaskin*, requires the overall licence fee to be paid in 2 stages, has therefore had the effect the fee for a Licence under Part 2 of the 2004 Act must be levied in 2 separate parts.

The first element of the licence fee is for the assessment and processing of the application to the point of issuing the decision and where applicable the licence. The first element of the fee must be paid at the time of the HMO licence application submission.

The second element of the HMO licence fee is for the property compliance inspection, management assessment and associated communications. The second element of the fee will only be applicable in respect of applications where a decision is reached to grant the licence and a draft licence is issued.

The request for payment of the second element of the licence fee will be issued with the draft licence and the fee must be paid within the timescales specified.

Charnwood Borough Council works in partnership with the Decent and Safe Homes (DASH) Landlord Accreditation Scheme. Dash promotes good housing so that Tenants of DASH Accredited Landlords can expect:

- responsible Landlords with better housing standards
- quick repairs and maintenance
- fair tenancy agreements

Landlords benefit from a market advantage, resource materials and training, as well as inclusion on the DASH register of accredited landlords.

A reduced initial HMO licensing fee is offered to DASH Accredited Landlords (as detailed in the following table).

The table below details the breakdown of the licence fees:

Description	Fee	Comments
Basic Licence Application Fee	1 st payment £563 2 nd payment £305 Total Payment £868	Fee for a new licence or a renewal application submitted after the expiry date of the previous licence 1 st payment on application 2 nd payment due when draft licence issued
Basic Licence Application Fee - DASH Accredited Licence Holder	1 st payment £563 2 nd payment £220 Total Payment £783	Fee for a new licence or a renewal application submitted after the expiry date of the previous licence for a DASH Accredited Licence Holder 1 st payment on application 2 nd payment due when draft licence issued
Renewal Licence Application Fee	1 st payment £563 2 nd payment £220 Total Payment £783	Where the application is received by the Council prior to the expiry of the existing licence 1 st payment on application 2 nd payment due when draft licence issued
Additional Fees	£10 per additional room	Fee per additional bedroom over 6 bedrooms applies to all applications Payment due when the draft licence is issued

Part 1 Housing Act 2004	Current hourly officer rate (with on-costs) for all stages of enforcement as detailed in section 49 of the Housing Act 2004	Not all costs can be recovered from the licence fee. Under Part 1 of the Housing Act 2004 the Council can charge for relevant costs linked to enforcement work.
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Under Section 67 (5) of the Housing Act 2004 the Council has the power to impose a restriction/obligation on a particular person (with their consent). In accordance with this power the Council will require the licence holders consent to pay the Stage 2 fee in advance of the licence being issued, this will required as part of the application process.

The Council will attach a condition to all HMO licenses requiring this obligation to be met ie to pay the Stage 2 fee. This approach is consistent with that set out in the *Hemming case*.

Failure to make the Stage 2 payment will result in the Council taking action through, either the revocation or refusal of the licence or by enforcing the non compliance of the licence condition associated with the making of the Stage 2 payment.

Applicants will be entitled to a refund of licence fee payments in the following situations:

- on review of an application it is decided that the property does not need a licence at the time of application (for example, it falls under one of the exemptions);
- a duplicate application is made;

Fees are not connected to the length of a licence. If a licence is no longer required the licence holder must request a revocation to cancel the licence before it expires, the Council will not give a refund for any unused time.

Refunds will not be provided in the following situations the:

- property needs to be licensed at the time of application;
- property is subsequently sold at any point during the application process;
- Council refuses the application and does not grant a licence;
- application is withdrawn at any point during the application process;
- Council revokes (takes away) the licence;
- Council varies the licence and reduces the amount of time it remains operationally valid;
- the property is refused planning permission.

Processing the Licence Application

Under the Housing Act 2004 the Council can either grant or refuse a licence. In determining whether to grant or refuse a licence the Council must satisfy itself of the following that:

- the proposed licence and manager of the HMO is a fit and proper person and the most appropriate person to hold the licence; and
- there are satisfactory management arrangements in place or that such arrangements can be put in place by the imposition of conditions in the licence.

Test for Fitness – Satisfactory Management Arrangements

The Council must be satisfied that “the proposed management arrangements are satisfactory” before granting a HMO licence. Those arrangements include (but are not limited to) consideration of whether the:

- persons proposed to be involved in the management of the premises has a sufficient level of competence to be involved;
- persons proposed to be involved with the management of the premises are actually involved in the management;
- persons are ‘fit and proper’ (which is discussed above) and the proposed management structures and funding arrangements are suitable.

If the Council has concerns about the competencies and structures in place to manage the HMO then conditions can be imposed on the licence to ensure that the necessary arrangements are in place. However, if such conditions will still not be possible or practical to impose then it may be necessary to refuse to grant a licence.

It is for a Council to determine whether a person has sufficient competence to be involved in the management of HMOs and, of course, the level of competence required will in some measure be determined by the complexity of the management challenges posed. The Council will, therefore, be looking at the applicant’s experience and track record of managing HMOs and, in particular where he or she is the existing manager, the premises to which the application relates. In most cases landlords who are members of an accreditation scheme will be regarded as having the necessary competence to be involved in the management of the premises because, at least such organisations can be called upon for advice and assistance where necessary.

The management structures must be such that the manager is able to comply with any licence conditions and deal with the day to day operation management issues that arise as well as being able to deal with longer term management issues. In considering whether the structures are appropriate the Council may take account of the following evidence of systems:

1. In place that are sufficient to enable the manager to comply with any condition of a licence or if such systems can be put in place through a condition of a licence to ensure compliance;
2. Dealing with:
 - emergency repairs and other issues
 - routine repairs and maintenance to the premises and its curtilage
 - cyclical maintenance
 - management and the provision of services (if any) to the building and its curtilage
 - management of tenancies or occupants
 - management of the behaviour of tenants, occupants and their visitors to the premises
 - neighbourhood issues (including disputes)
3. Structures for engagement with the Local Authority, Police and other agencies, where appropriate

The Council must be satisfied that the financial arrangements relating to the property are suitable. In that regard the manager must be sufficiently funded or have access to funding to carry out his obligations under the licence and his or her general management functions.

The Council can vary or revoke a licence at any time during the licence period if there is sufficient evidence to support this decision.

Unannounced visits of licensed properties will therefore be undertaken during the licence period to check for compliance with the licensing and management regimes which apply. This is consistent with the powers provided under Section 239 of the Housing Act 2004. Breach of any such legislation is a strict offence for which further action will be taken.

Fit and Proper Person Test

The Council must be satisfied that the Licence applicant and the manager are fit and proper persons to hold a Licence or to manage a HMO.

This requirement is to ensure that those responsible for operating the licence and managing the HMO are of sufficient integrity and good character to be involved in the management of the particular residential premises to which the application relates and as such they do not pose a risk to the health, safety or welfare of persons occupying and visiting the HMO.

When considering whether a person is 'fit and proper' the Council will have regard to any misdemeanors (wrong doings) of the relevant person concerned. This is evidence that the person has:

- committed any offence involving fraud or other dishonesty, violence or drugs and sexual offences listed in the Sexual Offences Act 2003, Schedule 3;
- been involved with any unlawful discrimination on the grounds of sex, race, ethnic or national origins or disability, in connection with the carrying out of business;
- contravened any provision of Housing, Public Health or Landlord and Tenant law (including Part 3 of the Immigration Act 2016); or acted otherwise than in accordance with an approved code of practice.

The above list is not exhaustive and the Council can and will consider whether a relevant person has committed other relevant misdemeanors, for example, discrimination under Regulation 5 of the Equality Act (Sexual Orientation) Regulations 2007. A relevant person will not be deemed unfit, simply because of poor management, although this is highly relevant to determining any question of suitability or competence.

The Council does not have a blanket policy with its consideration of factors under a fit and proper person test. Each case will be considered on its own merits and regard will be had to information provided/omitted from an application form; historical information already held by Charnwood Borough Council relating to the premises and or any relevant person connected with the licence application.

When making an application for a licence the applicant must provide details of the following in relation to him/herself and the proposed manager (if the applicant is not to be the licence holder):

- unspent convictions;
- findings from a court/tribunal that the person has practiced unlawful discrimination;
- judgements entered against that person in relation to a contravention of housing or landlord and tenant law (and, in so far it relates to the Housing or Landlord and Tenant law, any contravention of any enactment relating to public or environmental health);
- any control order made in respect of any HMO under his/her management or ownership or any former HMO he/she owned or managed);
- any enforcement action in respect of any house or HMO under his/her management or ownership and any former HMO or house he/she owned or managed) under the Housing Health and Safety rating system in Part 1 of the Housing Act 2004 so far as that enforcement action related to a Category 1 hazard;
- details of any refusal to grant a licence, or details of the revocation of a licence granted for non-compliance of a condition or conditions in respect of any house or HMO under his/her management or ownership;
- any interim or final management orders made by an LHA in respect of any house or HMO under his management and any former HMO or house he owned or managed).

An applicant for a licence must disclose any misdemeanors which relate to themselves, the proposed manager and any other relevant person, if any.

The Council has to be satisfied that it has sufficient information (supplied in connection with the application) to make a determination, it may require the applicant to provide further details and/or undertake their own further enquiries with other relevant Council departments (Licensing, Planning, Building Control, Council Tax and Housing Benefit) and external bodies as it deems necessary, including for example Disclosure and Barring Service checks (DBS).

The signing of the licence application form will be taken as an agreement to any such action and the sharing of information between other Local Authorities for all relevant persons associated with the property and application.

The Council can request information on criminal convictions where applicable, a Police National Computer (PNC) check will be requested where there is sufficient evidence that this is deemed necessary.

Consideration of 'persons associated or formerly associated' with the proposed licence holder or manager

If there is evidence that a person associated, or formally associated, with the person proposed to be the licence holder or manager of the HMO, has committed any misdemeanors, that evidence may be taken into account in determining the proposed licence holder's or manager's fitness (even if that person has himself or herself an unblemished record).

The purpose of this requirement is to ensure that only fit and proper persons hold licenses or are in any way involved in the management of licensed HMOs. It would not be appropriate for a licence to be granted to someone, or for someone to be the manager of a property, if that person was merely acting as a 'front' for someone else who, if he or she were not unfit, would be entitled to be the manager or licence holder.

An example might be that of a husband and wife, where the husband is the landlord (or indeed both he and his partner are joint landlords), but only the wife has applied for the licence. If there is evidence that the husband has committed misdemeanors and those misdemeanors are relevant to the wife's management of the property or licence then the Council may refuse to grant her a licence.

Likewise if a landlord with an unsatisfactory record nominated a "manager" who had a clean record, but had acted for him whilst the misdemeanors were committed, the Council may consider the managing agent by association to be unfit too.

Issuing a Licence

All HMOs subject to licensing will be inspected prior to the issuing of a draft licence to ensure that the HMO is reasonably suitable for occupation by the number of people being requested on the licence application and to ensure that there are satisfactory management arrangements in place.

All HMOs will remain subject to further inspections during the lifetime of the licence to check compliance with licence conditions, management responsibilities and minimum standards.

In certain cases the Council may decide to carry out such inspections without prior notice being given to the owner, licence holder and/or manager. This is consistent with the powers set out in Section 239 of the Housing Act 2004.

Failing to comply with any conditions on a licence is an offence under Section 72(3) of the Housing Act 2004 and, if found guilty the licence holder could face a prosecution or issued with a Civil Penalty of up to £30,000.

Where the inspection has been pre arranged then all applicants will be required to provide access to all rooms in the HMO at a suitably arranged appointment.

All contact with the licence holder and relevant person(s) will be made using the contact information provided by the applicant on the original application. Accordingly, it is the licence holder's responsibility to ensure that all contact details are up to date and you must notify the Strategic and Private Sector Housing service of any change in details. The Council will not be held responsible for any delay in communication if it is as a result of any contact information changing.

A draft licence with conditions will be issued based on the findings from this inspection. The draft licence (known as an Intention Notice) will be emailed to all relevant persons and other interested parties for consultation.

The relevant persons will have an opportunity to make any representations, which will be considered by the Private Sector Housing Manager.

When this process is complete a full licence with the conditions (known as the Decision Notice) will be issued and will be emailed to all relevant persons and other interested parties for consultation.

If the licence holder is still dissatisfied with the conditions of the licence, they have an opportunity to appeal to the First-tier Property Tribunal. The details of how this appeal can be made will be provided with the Licence.

Renewal Applications

The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (Amendment) (England) Regulations 2012 set out amendments to "renewal applications", which reduces the burden on landlords applying for the renewal of a licence.

In the case of renewal applications and applicant must provide a complete application form and sign the declarations provided.

It is important to note that the regulations define a "renewal application" as "*an application for a licence under section 87 of the Act where, at the time the*

application is made a licence of the kind applied for is already held by the applicant and has effect in respect of the HMO or house”.

The effect of this part of the Regulations is that order for the Council to treat any application as a “renewal” the application must be made during the active period of the current licence. If a renewal application is received on or after expiry of the current licence then the application will be treated as a new application and the appropriate fees above will apply.

Application for a revocation or variation of a licence

If circumstances regarding the HMO change during the licence period, for example a change in the number of letting units, the licence holder must notify the Property Licensing Team directly so the licence can be re-assessed and varied if the HMO is considered suitable to accommodate the variation request.

Similarly, if the HMO is no longer going to be occupied as a HMO or the licence holder changes, then the licence holder must make an application for the licence to be revoked. Any remaining period of the licence will be forfeited and there will be no right to refund of the original payment.

Fire risk assessments for licensed HMOs

Having a fire risk assessment for a licensed HMO is a legal requirement under the Regulatory Reform (Fire Safety) Order 2005, which is enforced by East Midlands Fire and Rescue Authority.

The duty is placed on the ‘responsible person’ who could be the landlord/licence holder or an agent with full management control. The assessment must be ‘suitable and sufficient’, and assistance from an appropriately competent person should be sought as necessary to achieve this.

The Council will accept a signed self-certification forms declaring that a suitable and sufficient fire risk assessment is in place for the HMO; however the Council may request and audit the fire risk assessment and other records at any time during the lifetime of the licence. If any documents requested cannot be provided within 7 days of the request, the Council may revoke the licence.

The acceptance of a fire risk assessment/self-declaration does not protect the responsible person from any action required by East Midlands Fire and Rescue Authority.

Further information and guidance on completing a fire risk assessment is available from the [Chief Fire Officers Association](#) and the [Gov.uk website](#).

Will tacit consent apply?

The Council has taken into consideration the recent High Court decision in the case of *R(Gaskin) v Richmond LBC* [2018] EWHC 1996 (Admin) when deciding whether tacit consent applies.

The *Gaskin* case says that the Provision of Services Directive applies to licensing schemes in full and that regulators should set out how long it will take to carry out

a licensing approval process and if they do not meet that timeline then approval (tacit consent) should happen automatically.

On receipt of a valid application the Council will aim to provide a decision as soon as is reasonably practicable, however each case will require different processes to be completed, for example if an inspection of the HMO is necessary then the Council will be required to complete this before issuing you with a decision. Therefore this could extend the time it takes to process your application.

The Council's aim to process all valid applications and provide the relevant persons with a decision within 120 days of receipt.

If a decision about a licence application has not been received within this period then tacit approval may apply but the proposed licence holder should not assume they will automatically have been granted a licence.

As mentioned the target completion period for issuing a decision and a licence is subject to many factors and as such applicants should check with the Council on the status of their application.

Public Registers

A register of HMO Licenses is available online and details of this can be obtained by sending a formal, written request to the Property Licensing team.

Appeals

If an application for a HMO Licence is refused, there is a right to appeal this decision within 28 days to the First-tier Tribunal (Property Chamber - Residential Property). The details of this will be provided with the Decision Notice.

Selective Licensing in Charnwood Justification Report

Licensing – to provide a greater choice of safe, good quality and well managed accommodation in the Borough

23rd December 2019

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DRY

Introduction

Charnwood Borough Council is 1 of 7 Leicestershire districts located around the city of Leicester. It sits centrally between the three cities of Nottingham, Leicester and Derby. Charnwood is at the heart of the country and is well connected with excellent access to both the M1 motorway to the west and East Midlands Railway Line to the east.

The social and economic pull of Leicester City has a strong influence on the Borough, particularly in the south, which forms part of the Leicester Principal Urban Area. In the north of the Borough, the university and market town of Loughborough together with the adjacent town of Shepshed, acts as a social and economic focus. A string of larger villages extends southwards towards Leicester along the Soar Valley and A6 corridor. These villages act as Service Centres to the rural parts of our Borough. The large village of Anstey performs the role of a Service Centre in the south west corner of Charnwood.

To the west of the Soar Valley is the Charnwood Forest, which stretches to the west towards Coalville. The Forest is recognised as a Regional Park, providing a focus for leisure and conservation activity. To the north east of the Soar Valley are the Wolds, a rural area with strong links with Nottinghamshire and the City of Nottingham. The Wreake Valley is a rural area that stretches eastwards towards Melton and is home to a number of our villages. South of the Wreake Valley is High Leicestershire, a predominately rural area with strong links to Leicester City and the district of Harborough.

At the time of the 2011 census, the Private Rented Sector made up 14.1% of households in Charnwood compared to 11.8% who were renting social housing.

In Charnwood, there has been substantial growth in the Private Rented Sector. In 2012, the Private rented Sector accounted for 17.79% of the total housing stock in Charnwood. Over a 5 year period (2012-2013 to 2016-2017) there was an average increase per year of 2.13% (ONS, 2017 (b)). Although the available data is only based on a 5 year period, assuming the same level of growth, it is estimated that the Private Rented Sector has increased to 20.14% in 2018-2019.

Charnwood is divided into 28 Wards:

The Council produced a Housing Strategy which recognises the concerns about the impact of student housing the Council and has completed an evidence gathering phase to establish that there are sufficient grounds to launch a consultation on the introduction of a Selective Licensing Scheme in 2 wards.

The evidence gathering has included all complaints received by the Council and partners, research carried out by Professor Smith and the Rogue Landlord Project.

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2 Supporting Information

National Picture

The Office for National Statistics (ONS) projections indicates that:

- In mid 2018, the population of the UK reached an estimated 66.4 million.
- The UK population's growth rate in mid 2017 and mid 2018, at 0.6%, was slower than any year since mid 2004.
- Long term international migration to and from the UK has remained broadly stable since the end of 2016 and has continued to be the main driver of the UK's population growth.
- In 50 years' time, there is projected to be an additional 8.2 million people aged 65 years and over in the UK, a population roughly the size of present day London.
- After decades of improvement to life expectancy, the latest figures show a slowdown in improvement, life expectancy at birth remained at 79.2 years for males and 82.9 years for females in 2015 to 2017.

As the UK's population grows, so does the number of families and households. In 2018, the number of households in the UK was 27.6 million, representing an increase of 7% from 2008 (25.9 million).

In 2018, there were 19.1 million families living in the UK, which shows an increase of 8% from 2008 (17.7 million), there were:

- 12.8 million married couples or civil partnership families (67%)
- 3.4 million cohabiting couple families (18%)
- 2.9 million lone parent families (15%)

Cohabiting couple families are the fastest growing family type; since 2008, there have been an additional 700,000 cohabiting couple families (a growth rate of 25.8% over this period). Meanwhile, more young adults are living with the parents 50% of young people left the parental home was 23.

Cohabiting couple families are the fastest growing family type; since 2008, there have been an additional 700,000 cohabiting couple families (a growth rate of 25.8% over this period). Meanwhile, more young adults are living with their parents. In 2018, the first age at which more than 50% of young people left the parental home was 23. Two decades earlier, more than 50% of 21-year-olds had already left home. Young men aged 20 to 34 years old living in the UK are more likely than young women to be living with their parents (31% and 20% respectively).

In addition, there are increases in the numbers of people who are living alone between 2008 and 2018; there has been a 6% increase (from 7.5 million to 8.0 million). This increase was driven primarily by the increase in the number of older men living alone; a 55% increase for men aged 65 to 74 years and a 20% increase for men aged 75 years and over. In 2018, nearly half of those living alone (48%) were aged 65 years and over, and more than one out of every four (27%) were aged 75 years and over.

The English Housing Survey 2016-2017 (EHS) reported, that the PRS has now grown to 20%, up from 19% in 2013-2014 and 11% in 2003 and that a larger proportion of 25 to 34 year-olds now rent their home.

Rising house prices have seen many young people priced out of buying a home which is apparent from the results of the EHS which acknowledges that *“While the under 35s have always been overrepresented in the Private Rented Sector, over the last decade or so the increase in the proportion of such households in the Private Rented Sector has been particularly pronounced. In 2006-2007, 27% of those aged 25 to 34 lived in the Private Rented Sector.*

By 2016-2017 this had increased to 46%. Over the same period, the proportion of 25 to 34 year olds in owner occupation decreased from 57% to 37%. In other words, households aged 25 to 34 are more likely to be renting privately than buying their own home, a continuation of a trend first identified in 2012-2013. As with those aged 35 to 44, the proportion of 25 to 34 year olds in the social rented sector did not change”.

In 2016-2017, 5% of households in the PRS (231,000) were living in overcrowded accommodation. The rental market has changed considerably.

After stalling in 2013, rents charged by private landlords increased by 8.2% in 2014 across England with the average weekly rent climbing from £163 to £176.40. Currently average rents average £675.

Local Context

Charnwood Borough Council is 1 of 7 Leicestershire districts located around the city of Leicester. It sits centrally between the 3 cities of Nottingham, Leicester and Derby.

Charnwood is at the heart of the country and is well connected with excellent access to both the M1 motorway to the west and East Midlands Railway Line to the east.

The population of the Borough is increasing and Charnwood has a very high population density. This is increasing pressure on community services and facilities, and housing provision in the Borough.

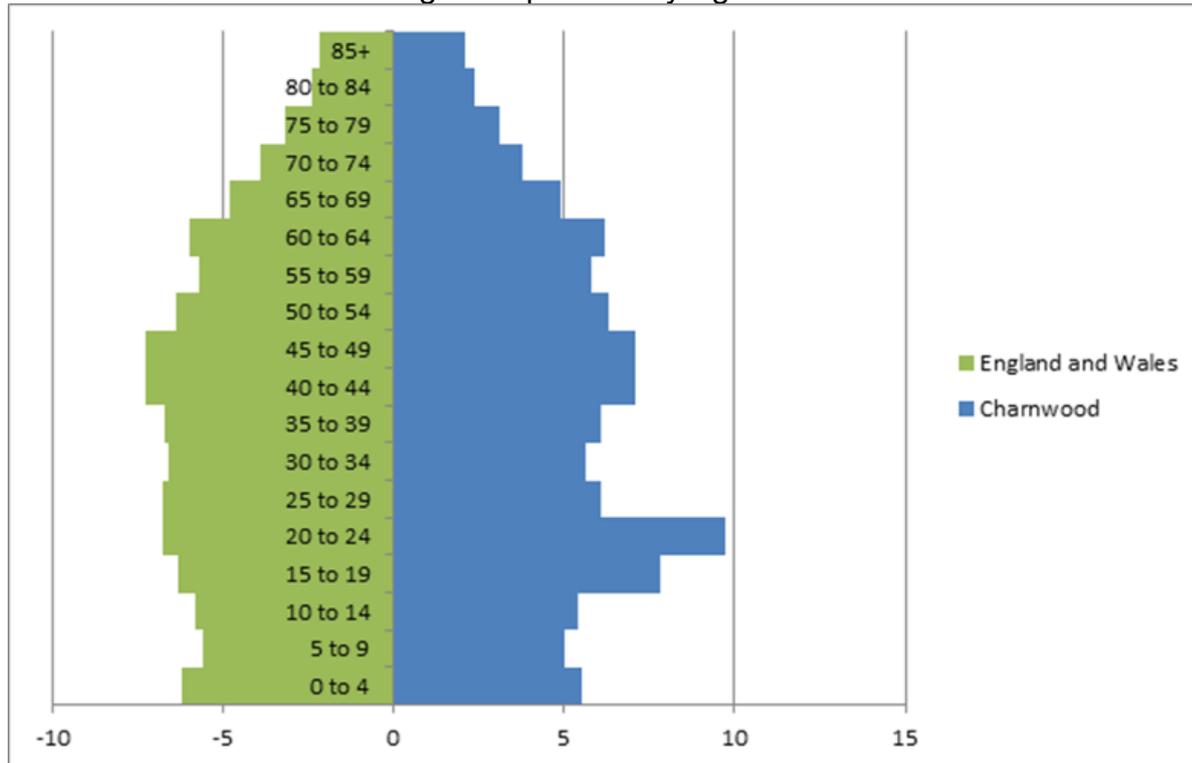
The 4 tables below provide details of the increase in population, age, projected growth and proportion comparisons with Leicestershire, East Midlands and England and Wales:

Table 2.1: Charnwood Borough Population increases from 1981 – 2031:

Year	1981	1991	2001	2011	2016	2021	2031
Population	132,170	141,759	153,428	166,100	179,400	188,250	207,000

Source: 2011 Census

Table 2.2: Charnwood Borough's Population by Age:



Source: 2011 Census

Table 2.3: Population and projected growth:

All persons by Age	
Age	2011 census estimates
0-4	9,100
5-9	8,300
10-14	8,900
15-19	12,900
20-24	16,100
25-29	10,100
30-34	9,300
35-39	10,100
40-44	11,800
45-49	11,800
50-54	10,500
55-59	9,600
60-64	10,300
65-69	8,100
70-74	6,300
75-79	5,200
80-84	4,000
85+	3,700
Total	166,100

Please note that numbers may not add up to the displayed totals due to rounding
Source Office for National Statistics

Source: 2011 Census

Table 2.4: Population and projected growth

All Persons – Proportion Comparisons				
Age	Charnwood	Leicestershire	East Midlands	England and Wales
0-4	5.5%	5.5%	6%	6.2%
5-9	5.0%	5.4%	5.5%	5.6%
10-14	5.4%	5.9%	5.8%	5.8%
15-19	7.8%	6.7%	6.5%	6.3%
20-24	9.7%	6.3%	6.8%	6.8%
25-29	6.1%	5.4%	6.1%	6.8%
30-34	5.6%	5.4%	5.9%	6.6%
35-39	6.1%	6.4%	6.4%	6.7%
40-44	7.1%	7.7%	7.4%	7.3%
45-49	7.1%	7.8%	7.5%	7.3%
50-54	6.3%	6.8%	6.6%	6.4%
55-59	5.8%	6.2%	6.0%	5.7%
60-64	6.2%	6.8%	6.4%	6.0%
65-69	4.9%	5.3%	5.1%	4.8%
70-74	3.8%	4.2%	4.0%	3.9%
75-79	3.1%	3.4%	3.2%	3.2%
80-84	2.4%	2.6%	2.4%	2.4%
85+	2.2%	2.3%	2.2%	2.2%
Total	166,100	650,500	4,533,200	56,075,900

Source: 2011 Census

The challenges facing Charnwood

- A growing population, set to be 194,600 by 2028 (ONS Population Projections), with a need for 18,394 homes by 2036 (Draft Local Plan 2019)
- Deprived communities: 5 of Leicestershire's 10 most deprived neighbourhoods fall within Charnwood, with pockets of deprivation in Loughborough, Thurmaston, Syston, and Mountsorrel. This is reflected in lower than average incomes, poor health and lower levels of educational attained.
- Housing market pressure: because of population growth, smaller households, occupying larger homes, and a lack of available properties for new households to move into. There will be a need for specialist housing such as homes for the elderly and students. House prices remain out of reach for many people.

Migration

The Borough has experienced high levels of migration into certain wards and as a result, has seen further demand on already stretched public services. This has in turn placed extra pressure on the housing sector and the likelihood is that a large number of migrants will seek affordable accommodation in HMOs across the Borough.

A licensing scheme can be made to preserve or improve the economic conditions of areas to which migrants have moved and ensure people (including migrants) occupying private rented properties do not live in poorly managed housing or unacceptable conditions.

The tables below provide data from the ONS 2011 Census on migration in and out of the Borough:

Net migration is the balance between immigration (those entering the UK for a year or more) and emigration (those leaving the UK for a year or more).

Table 2.5: Migration in and out of the Borough

	Charnwood	Leicestershire	UK
Long term international net migration per 1,000 residents population, 2016	7.4	3.1	5.1

Source: 2011 Census

The 2011 Census tells us that 6.25% of the people living in Charnwood were born outside the UK. Overall for the UK the proportion of people born outside the UK was 13%. People move in and out of the Borough every year including students.

Table: 2.6: Overseas Students at Loughborough University:

Total Students 2017	Total EU Students 2017	Total International Students (Non-EU) 2017	Total Oversea Students 2017
14,696	3,830	2,574	6,404
Main non UKEU countries of origin: China including Hong Kong (47%), India (6%), Nigeria(5%), Singapore (4%), Malaysia (3%), United Arab Emirates			

Table 2.7: Migration by Tenure

Wholly moving households: Inflow: Lived elsewhere one year ago outside the UK	Tenures	Charnwood	East Midlands	UK
	Total	223	5746	122,203
	Owned or shared ownership	44	1466	26,020
	Social Rented	23	344	7,463
	Private Rented	163	3936	88,720
% migrant households in Private Rented Property		73%	68.5%	72 %

Source: 2011 Census

Strategic Context

The Housing Act 2004, Section 57 (2) states that before making a designation the authority must ensure that any exercise of the power is consistent with the Authority's overall Housing Strategy.

Corporate Plan (Provisional pending Cabinet approval March 2020)

Charnwood is a Borough for innovation and growth, delivering high quality living in urban and rural settings, with a range of jobs and services to suit all skills and abilities and meet the needs of our diverse community.

With a highly acclaimed university, a thriving market town and a network of vibrant villages, and within easy reach of national and international markets, Charnwood provides everything a business needs to succeed.

At the forefront of technology while protecting our beautiful environment for future generations, Charnwood is a Borough of contrasts, and provides a world of opportunity. The Council's Corporate Themes:

- Caring for the environment
- Healthy communities
- Your Council

Housing Strategy 2014-2019

The Council produced a Housing Strategy which recognises the concerns about the impact of student housing the Council and has completed an evidence gathering phase to establish that there are sufficient grounds to launch a consultation on the introduction of a Borough wide Selective Licensing Scheme.

The evidence gathering has included all complaints received by the Council and partners, research carried out by Professor Smith and the Rogue Landlord Project.

Housing in Charnwood

There is a housing shortage in Charnwood with a particular need for 2 bedroom properties.

Affordability is a major concern issue. House prices in Charnwood have substantially increased over the last 3 years compared to that of neighbouring authorities with an average increase of 6.23% for the period December 2016 to August 2019. With an increase during December 2016 to December 2017 of 6.8%, December 2017 to December 2018 7.6% and August 2018 to August 2019 4.3% (HM Land Registry - 2019).

Table 2.8: House Prices by Ward

Ward	House Prices Year Ending March 2019
Anstey	£229,975
Barrow and Sileby West	£243,000
Birstall Wanlip	£229,950
Birstall Watermead	£210,000
East Goscote	£213,750
Forest Bradgate	£370,000
Loughborough Ashby	£150,000
Loughborough Dishley and Hathern	£185,000
Loughborough Garendon	£176,000

Loughborough Hastings	£159,000
Loughborough Lemyngton	£132,000
Loughborough Nanpantan	£235,000
Loughborough Outwoods	£239,950
Loughborough Shelthorpe	£239,875
Loughborough Southfields	£206,500
Loughborough Storer	£142,500
Mountsorrel	£202,500
Queniborough	£313,500
Quorn and Mountsorrel Castle	£272,475
Rothley and Thurcaston	£289,500
Shepshed East	£184,950
Shepshed West	£183,500
Sileby	£189,500
Syston East	£220,000
Syston West	£185,000
The Wolds	£385,000
Thurmaston	£182,000
Wreake Villages	£385,000

Source: Office National Statistics

The table below details the number of dwellings in the Borough broken down into the household space and accommodation type:

Table 2.9: Dwellings, Household space and accommodation type:

Dwelling Type	Value
All categories: Dwelling type	69,220
Unshared dwelling	69,195
Shared dwelling	25
All categories: Household spaces	69,305
Household spaces with at least one usual resident	66,516
Household spaces with no usual residents	2,789
Whole house or bungalow: Detached	21,025
Whole house or bungalow: Semi-detached	26,657
Whole house or bungalow: Terraced (including end-terrace)	12,991
Flat, maisonette or apartment: Purpose-built block of flats or tenement	6,822
Flat, maisonette or apartment: Part of a converted or shared house (including bed-sits)	866
Flat, maisonette or apartment: In a commercial building	631
Caravan or other mobile or temporary structure	313

Source: 2011 Census

Table 2.10: Details the amount of homes required and how many of the homes already planned for and committed are expected to be delivered by 2036.

Housing Needs and Supply 2019-2036	Homes
Local Housing Needs (1,082 per annum)	18,394
Housing Supply	
• North East of Leicester Sustainable Urban Extension	3,325
• West of Loughborough Sustainable Urban Extension	3,200
• North of Birstall Sustainable Urban Extension	1,950
• Other Planning Permissions at the 31 st March 2019	3,949
• Saved Charnwood Local plan 2004 Allocation	40
Supply Sub total	14,464
To be found	5,930

Source: Draft Charnwood Local Plan 2019-2036

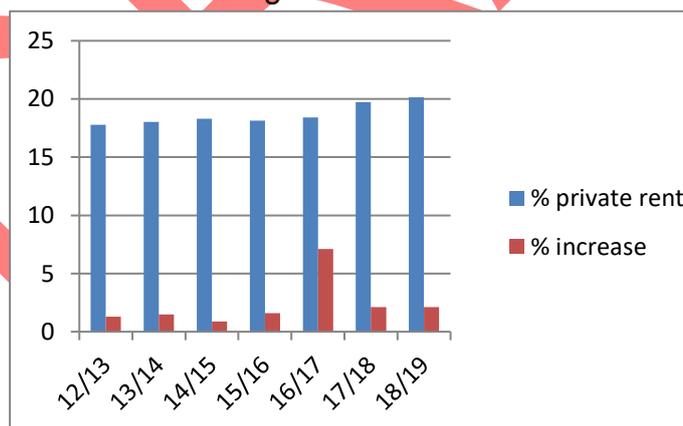
There are an additional 5,930 homes required to meet the housing needs for the Borough up to 2036 once commitments are taken into account.

The Private Rented Sector

In Charnwood, there has been substantial growth in the Private Rented Sector. In 2012, the Private rented Sector accounted for 17.79% of the total housing stock in Charnwood. Over a 5 year period (2012-2013 to 2016-2017) there was an average increase per year of 2.13% (ONS, 2017 (b)). Although the available data is only based on a 5 year period, assuming the same level of growth, it is estimated that the Private Rented Sector has increased to 20.14% in 2018-2019. Additionally, over the same 5 year period the owner occupied averages at 68.61%.

According to the VOA (2019) the average private rental price was £369

Table 2.11: Average Private Rental Price



Source: VOA 2019

The 2011 Census provides dataset population of all full time students in Charnwood that are aged 18 or over living in households. In 2011 there were 10,087 full time students living in household and these are broken down to 3,236 as owned outright or with a mortgage, loan or shared ownership; 654 in social rent; 5,898 in the Private Rented Sector and 299 in other private rent or living rent free (ONS, 2011)

Ward Profiles

In Charnwood there has been a substantial growth in the Private Rented Sector. Over a 5 year period (2012-2017) there has been an average increase of 2.13% (ONS, 2017(b))

Although the available data only is based on a 5 year period one can expect the same level of growth: therefore it is estimated that the Private Rented Sector will be 20.14% based on the average growth, over the 5 year period.

Charnwood is divided into 28 wards; the focus to date has been on the 6 wards that have been included in the Rogue Landlord Project.

The Council were successful with a bid of £65,000 for the Rogue Landlords Enforcement Grant. The Grant has enabled the Council to continue to research and identify Rogue Landlords across the Borough, review current Policy approaches to managing the impact of negative housing and management.

The 6 areas chosen to continue the research based on data held by the Council and the most deprived wards in the Borough are detailed in Table 2.12 below.

Table 2.12: Ward Profile Tenure

Ward	ONS Census Date	Owner Occupied	Social Housing (Council/Housing Association)	Private Rented Sector – 2011 Census
Loughborough Garendon	2011	72.3% (1,837)	12.2% (309)	14.5% (368)
Loughborough Hastings	2011	43.1% (1,185)	34.6% (952)	19.4% (535)
Loughborough Lemyngton	2011	49.1% (1,327)	19.2% (518)	28.8% (778)
Loughborough Nanpantan	2011	82.6% (1,282)	4.2% (65)	12.4% (192)
Loughborough Outwoods	2011	91.6% (2,041)	0.5% (12)	6.8% (151)
Loughborough Shelthorpe	2011	65% (1,832)	21.9% (617)	11.1% (314)

Source: 2011 Census

Crime Rates

When considering whether areas suffer from high levels of crime a Local Authority may have regard to a number of factors:

- Whether the area as displayed a noticeable increase in crime over a relative short period
- Whether the crime rate in the area is significantly higher than in other parts of the Local Authority Area Or that the crime rate is higher than the national average
- The impact of crime in the areas affects the local community

Licensing should be part of the wider strategy to address crime in the designated area and can only be made if a high proportion of properties in that area are privately rented.

The Local Authority should consider:

- Whether the criminal activities impact on some people living in privately rented accommodation as well as other living in the areas and businesses
- The nature of the criminal activity e.g. theft, burglary, arson, criminal damage, graffiti
- Whether some of the criminal activity is the responsibility of some people living in privately rented accommodation

Table 2.13: Crime Rate for England

Crime rate per thousand population for England 2018/2019 by region	
North East	110.3
Yorkshire and the Humber	108
North West	105.4
London	98
West Midlands	80.8
South East	78.9
East of England	78.1
East Midlands	78.2
South West	67.8

Table 2.14: Crime Rate for East Midlands

Crime rate per thousand population for East Midlands 2018/2019 by County	
Derbyshire	58.4
Leicestershire	83.53
Lincolnshire	70.7
Northamptonshire	82.0
Nottinghamshire	93.2

Table 2.15: Crime Rate for Leicestershire

Crime rate per thousand population for Leicestershire Police Force 2018/2019 by Area	
Rutland	41.26
Harborough	49.69
Blaby	59.41
Melton	59.51
Hinckley and Bosworth	61.54
North West Leicestershire	64.03

Oadby and Wigston	64.81
Charnwood	73.48
Leicester	121.76
Force average	83.53

In the year ending March 2019, the crime rate in Charnwood was lower than average for the Leicestershire Police Force Area, but was higher than the other District and Boroughs in Leicestershire.

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Anti Social Behaviour

From the data collected Table 2.16 shows that there were 1,495 instances of anti social behaviour recorded in the Borough between January 2013 and December 2018.

The 2 tables below provide the details of ASB by Wards and incidents (each incident could record more than one type of ASB):

Table 2.16: ASB by Ward 2018

	Number	% of Properties
Loughborough Southfields	430	29%
Loughborough Storer	123	8%
Quorn and Mountsorrel Castle	112	8%
Loughborough Lemyngton	75	5%
Loughborough Hastings	71	5%
Forest Bradgate	62	4%
Loughborough Nanpantan	61	4%
Syston West	60	4%
Loughborough Dishley and Hathern	54	4%
Loughborough Ashby	46	3%
Loughborough Shelthorpe	43	3%
Sileby	42	3%
Mountsorrel Syston East	34	2%
Anstey	34	2%
Loughborough Outwoods	33	2%
Loughborough Garendon	33	2%
Thurmaston	22	2%
Barrow and Sileby West	21	1%
Shepshed West	20	1%
Birstall Watermead	19	1%
Birstall	17	1%
Wanlip	14	1%
Rothley and Thurcaston	11	1%
Wreake Villages	9	1%
Queniborough	7	1%
The Wolds	6	0%
Shepshed East	4	0%
East Goscote	3	0%
Unknown	29	2%
Total	1,495	100%

Source: RRR Consultancy Ltd HMO Assessment Report July 2019

Table 2.17: Type of ASB 2018

	Number	%
Noise	766	37%
Nuisance	377	18%
Rowdy behaviour	260	12%
Drug misuse	148	7%
Intimidation/harassment	143	7%
Begging	135	6%
Vehicle nuisance	88	4%
Litter/rubbish	67	3%
Criminal damage/vandalism	57	3%
Other	44	3%
Total	2,085	100%

Source: RRR Consultancy Ltd HMO Assessment Report July 2019

Table 2.17 shows the type of ASB incident recorded between January 2013 and December 2018 in the Borough. In total, there were 2,085 different types of ASB recorded (each incident could record more than one type of ASB). The most common type of ASB incident was 'noise' (37%), followed by 'nuisance' (18%), and 'rowdy behaviour' (12%). Smaller proportions of ASB incidents were recorded in relation to 'drug misuse' (7%), 'intimidation/harassment' (7%), 'begging' (6%), 'vehicle nuisance' (4%), 'litter/rubbish' (3%), 'criminal damage/vandalism' (3%), or 'other' (3%)

Proportion of Families on Low Incomes

According to the End Child Poverty Coalition in Charnwood there are an estimated 14% of children in poverty in the area before housing costs are included. The estimate after housing costs increases to 24%.

Households are living in poverty if their household income (adjusted to account for household size) is less than 60% of the average.

Property Conditions

Local Authorities have an obligation under the Housing Act 2004 to keep housing conditions on their area under review. This includes all tenures of housing, not just stock that may be owned by the Local Authority.

Houses are more than physical structures providing shelter; it supports the health and well-being of the occupants. It is clear that housing conditions can influence our physical health. A risk based evaluation tool, the Housing Health and Safety Rating System (HHSRS) is utilised to identify and protect against potential risks and hazards to health and safety from deficiencies identified within the dwelling.

Enforcement Action

The Council has a Corporate Enforcement Policy and the Service areas have Polices and legislation, which are used to take enforcement action detailed in the table below:

Table 2.18: Enforcement Legislation and Council Policy

	Service Area	Legislation	Council Policies
1	Strategic and Private Sector Housing	Housing Act 2004 Including Management Regulations and HMO Licensing Crime and Anti- Social Behaviour Act 2014 Environmental Protection Act 1990	Private Sector Housing Enforcement Policy 2018
2	Regulatory Services	Environmental Protection Act 1990 Prevention of Damage by Pests Act 1949 Anti-social Behaviour, Crime and Policing Act 2014 Building Act 1984 Local Government Miscellaneous Provisions Act 1976 Clean Neighbourhoods and Environment Act 2005	Regulatory Services Enforcement Policy
3	Development Control	Town and Country Planning Act 1990	Planning Enforcement Plan
4	Community Safety	Crime and Anti-Social Behaviour Act 2014	Community Safety Partnership

The table below provides the details of the enforcement action taken by the Strategic and Private Sector Housing Service by year between 2014 and November 2019 and the outcomes of the action taken.

Table 2.19: Enforcement Action Taken

Year	Total Number of Properties where Enforcement Action was Taken	Details of issues, action taken and outcomes
2014	5	Hazards: Fire separation. Action: Improvement Notice. Outcome: Complied with.

2015	16	Hazards: Fire, Falls on stairs. Action: Prohibition Notice/Improvement Notice. Outcome: Complied with Licensed HMO (1) - Hazards: Falls on stairs. Action: Improvement Notice. Outcome: Complied with.
2016	15	Hazards: Excess cold, Excess heat, Overcrowding. Action: Improvement Notice. Outcome: Complied with.
2017	23	Hazards: Excess cold, electrics, damp and mould. Action: Improvement Notice. Outcome: Property vacant. Licensed HMO (1) - Hazards: Falls on stairs. Action: Improvement Notice. Outcome: Property vacant, currently being renovated.
2018	19	Hazards: Fire Safety and Electrics. Action: Improvement Notice. Outcome: Complied with Licensed HMO (1) - Hazards: Defective Heating. Action: Abatement Notice. Outcome: Complied with +4 x non-licensed licensable HMOs. Action: Prosecution: Outcome: £80k fine (2019)
2019 (to 5/11/19)	11	Hazards: Fire, Excess Cold, Falls between Levels, Damp and Mould, Electrical Hazards. Action: Improvement Notice. Outcome: Ongoing Licensed HMO (1) - Hazards: Falls on Stairs, Falls between Levels, Electrical Hazards. Action: Suspended Improvement Notice. Outcome: Complied.
Total	89	

Non Decent Homes

Delivering decent homes is a commitment in the national strategy for neighbourhood renewal and has a key role to play in narrowing the gap between deprived neighbourhoods and the rest of the country.

The Decent Homes Standard is a minimum standard under which all homes must be free from any hazard that poses a serious threat to health or safety; be in a reasonable state of repair; have modern facilities; and have adequate levels of thermal comfort.

Phase 2 Rogue Landlord Project

The second phase of visits was driven by the data from Professor Smith's research for the same 6 areas above for a property with 3 or 4 surnames in residence.

The findings of the 398 visits are detailed in the table below:

Table 2.20: Property Visits

Status	Hastings	Leymington	Shelthorpe	Garendon	Outwoods	Nanpanton	Total
Owner Occupier	40	33	28	24	20	14	159
Private Rented - Single Family	21	37	14	11	8	11	102

Dwellings							
Licensed HMO	1	4	3	0	3	2	13
Non licensable HMO – inspected	1	5	0	12	0	8	26
Unoccupied HMO accommodation	0	0	0	0	0	0	0
Vacant	2	5	1	0	2	7	17
2nd Visit No Access	1	2	0	0	0	0	3
3rd Visit No Access	8	26	4	1	4	7	50
Refused Access	5	5	3	3	1	10	27
To inspect	1	0	0	0	0	0	1
Total	80	117	53	51	38	59	398

Source: Rogue Landlord Project

Health and Housing Standards Rating System (HHSRS)

HHSRS was introduced by the Housing Act 2004 and has been in force since April 2006. It is the system for assessing and enforcing housing standards in England and Wales.

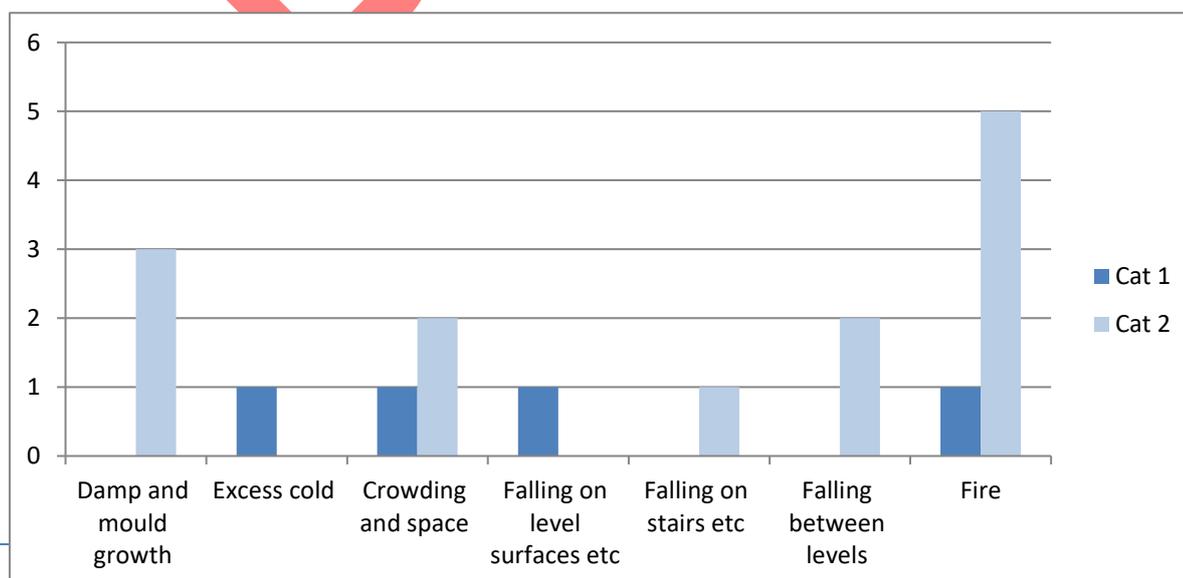
The HHSRS is a risk based assessment tool, which is used by Private Sector Housing Officers to assess the risk (the likelihood and severity) of a hazard in residential housing to the health and safety of occupants or visitors. The HHSRS is tenure neutral; it can be used to assess hazards in public and private and housing.

Out of the 26 non-licensable HMOs inspected there were 17 hazards found, some properties having numerous hazards present. Over a third of the hazards relate to fire safety followed by a fifth being damp and mould and almost a quarter of all hazards identified are Category 1.

Section 5 of the Housing Act 2004 requires the Council to take enforcement action and the provision stipulates what action can be taken.

The hazards are detailed in the table below:

Table 2.21: Hazards in HMOs



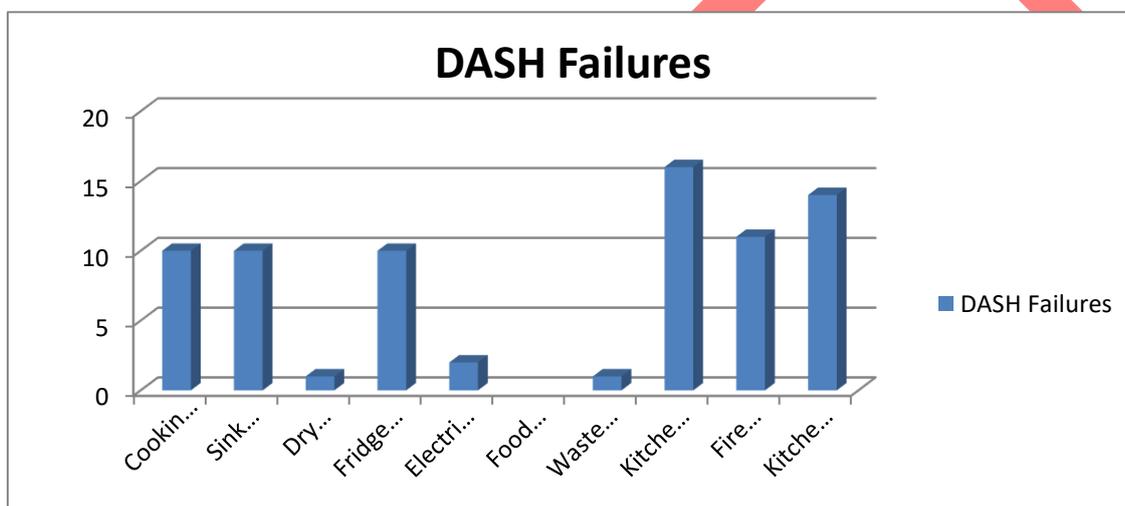
Due to the nature and the risk to the health and safety of residents all Category 1 hazards and high scoring Category 2 hazards were referred to the Private Sector Housing to consider what, if any, enforcement act to take to reduce or removed those hazards identified during this study.

Decent Homes Standard

For a property to meet the Decent Homes Standard it must meet the following: No category 1 hazard (automatic failure) or lack 3 or more of the following: be in a reasonable state of repair, have reasonably modern facilities and services and Provide reasonable degree of thermal comfort (DCLG, 2006).

Out of the sample of properties inspected 88.8% of them passed the Decent Homes Standard, with just over 11% failing which were due to Category 1 hazards being present.

Table 2.22: DASH Failures



Only 7.4% of those inspected passed the DASH standard, with over 92% was failing to meet the standard with 74 failures being noted. The largest failures relate to fire doors, fire blankets and ventilation.

There is a direct correlation between both the HHSRS and DASH failures. The majority of the failures have been linked with fire safety measures and lack of prevention measures.

Table 2.23 details the number of properties across the 6 designated areas that are not HMOs covered by Mandatory Licensing. Based on the findings of the 26 properties inspected with 17 hazards, if the 226 properties detailed below were inspected the Council would expect to find 147 hazards.

This therefore highlights that fire safety provision in the Private Rented Sector in the study area requires improvement to maintain resident's safety.

Table 2.23 Private Sector Properties (not including Mandatory Licensed HMOs)

Status	Hastings	Leymington	Shelthorpe	Garendon	Outwoods	Nanpanton	Total
Private Rented - Single Family Dwellings	21	37	14	11	8	11	102
Non licensable HMO – inspected	1	5	0	12	0	8	26
Vacant	2	5	1	0	2	7	17
2 nd Visit No Access	1	2	0	0	0	0	3
3 rd Visit No Access	8	26	4	1	4	7	50
Refused Access	5	5	3	3	1	10	27
To inspect	1	0	0	0	0	0	1
Total	39	80	22	27	15	43	226

The 2 wards Leymington and Hastings (119 properties) raise particular concerns in relation to the number of private rented single family dwelling within their areas and the number of properties that the Council were unable to gain access to or refused access (55 properties).

Fuel Poverty

Fuel Poverty is closely linked to property condition and the energy efficiency of a property. Fuel Poverty in England is currently measured using the Low Income High Costs (LIHC) indicator. Under the LIHC indicator, a household is considered to be fuel poor if:

- they have required fuel costs that are above average
- were they to spend that amount, they would be left with a residual income below the official poverty line

There are 3 important elements in determining whether a household is fuel poor:

- household income
- household energy requirements
- fuel prices

The average fuel poverty gap (the amount needed to meet the fuel poverty threshold) in England is estimated at £326 (latest Government statistics).

The proportion of households in England in fuel poverty is estimated at 11.1%, the table below provides details of the proportion of households in fuel poverty in Charnwood compared to the County, the East Midlands and England.

At the time of the last Census in 2011, there were 69,220 households in Charnwood.

Table 2.24: % of Households in Fuel Poverty

Area	% households in Fuel Poverty
Charnwood	10.8%
Leicestershire	10.1%
East Midlands	11.7%
England	11.1%

Table 2.25: Tenure Split

Charnwood Households tenures			
Registered Provider	Local Authority	Private Rent	Owner Occupier
4%	8%	14%	74%
2,769 households	5,538 households	9,690 households	5,1223 households

Table 2.26: Provides estimates of the number of households experiencing fuel poverty in Charnwood:

Charnwood Households in Fuel Poverty			
Registered Provider	Local Authority	Private Rent	Owner Occupier
11%	13%	20%	7%
305 households	720 households	1,357 households	3,586 households

Charnwood's proportion of households is below the regional and national figure, but higher than average for the County.

Levels of Deprivation

In deciding whether the wards in Charnwood are suffering from high levels of deprivation the Council has used the English Indices of Deprivation 2015, which are provided by the Department of Communities and Local Government, compared to other similar neighbourhoods within the region.

The data measures overall multiple deprivation experienced by households living in geographical areas at Local Super Output Areas (LSOA). Each LSOA in England is ranked according to its level of deprivation relative to that of other areas.

There are multiple categories that make up the overall deprivation level. Charnwood ranks as the 237th most deprived Local Authority in England. The proportion of Charnwood LSOA that are amongst the most deprived 10% in England, Charnwood is the 171st most deprived Local Authority in England.

Table 2.27: Figures of Multiple Deprivation

Loughborough Ward	Ranking *	Overall	Income Deprivation	Employment	Health	Education	Barriers to Services	Living Environment	Crime
Garendon 004A	30,754	93%	90%	90%	90%	91%	44%	84%	65%
004B	31,109	94%	94%	81%	90%	78%	71%	90%	65%
004C	9,006	27%	25%	35%	17%	35%	29%	60%	11%
004D	26,146	79%	69%	81%	80%	53%	46%	83%	61%
Hastings 002A	432	1%	2%	4%	2%	4%	42%	23%	0%
002B	6,471	19%	14%	21%	33%	26%	39%	26%	9%
002C	5,671	17%	15%	14%	25%	31%	61%	20%	6%
009A	21,608	65%	65%	55%	70%	64%	51%	37%	59%
Lemyngton 002D	9,168	27%	39%	41%	53%	50%	63%	5%	0%
002E	16,519	50%	57%	54%	51%	27%	47%	23%	64%
002F	6,519	19%	16%	28%	23%	35%	54%	4%	14%
002G	8,559	26%	22%	23%	35%	26%	37%	39%	17%
Nanpantan 007C	32,279	98%	95%	98%	95%	89%	50%	87%	89%
007D	31,252	95%	99%	99%	94%	94%	33%	67%	77%
010A	32,667	99%	95%	93%	92%	97%	79%	91%	88%
Outwoods 010B	29,428	89%	92%	84%	65%	97%	80%	88%	31%
010C	31,904	97%	95%	88%	92%	95%	52%	92%	76%
010D	28,605	87%	94%	75%	85%	76%	46%	85%	48%
010E	30,345	92%	94%	89%	80%	93%	58%	44%	82%
Shelthorpe 009B	7,038	21%	16%	22%	22%	14%	43%	74%	16%
009C	13,484	41%	31%	39%	49%	25%	69%	43%	41%
009D	7,184	21%	17%	28%	51%	13%	14%	65%	11%
010F	31,431	95%	96%	95%	88%	95%	37%	98%	66%

Source Data from the latest Index of Deprivation (IMD) 2015 * Ranking out of 32,844 where 1 is the most deprived and 32,844 is the least deprived

%, eg 80% equals better than 80% of areas in England

Table 2.28: Number of Workless Households – ONS (Nomis)

Number of Families on Low Incomes ONS January-December 2018			
	Charnwood	East Midlands	Great Britain
Number of workless households	114,000	224,000	2,919,800
% of households that are workless	19.4%	14.7%	14.3%
Number of children in workless households	#	97,100	1,125,900
% of children in households that are workless	#	10.7%	10.3%

Sample size too small for reliable estimate

3 Option Appraisal

The Council has been looking for effective means of assisting and encouraging improvements in the quality of Private Rented Sector through their day to day service delivery, research projects and a number of Scrutiny Panels for many years.

The Council have considered other options to address the problems in the Private Rented Sector before bringing the proposals for a Selective Licensing Scheme forward.

Alternative options considered Landlord Accreditation although this is currently a voluntary scheme would not have the required impact as a regulated scheme; Management Orders and enforcement powers despite these being powerful tools that remain available to the Council they are too narrow in addressing management standards in the Private Rented Sector.

Enforcement of property standards and management orders will be used not as an alternative to licensing but as support tools as part of the Council's programme of measures to improve the social and economic conditions of the Borough.

Selective Licensing

The Housing Act 2004 allows Local Authorities to introduce licensing for privately rented properties accommodating single households. It is intended to address the impact that poorly managed rented properties can have on the local environment and to improve housing conditions.

Part 3 of the Housing Act 2004 sets out the scheme for licensing private rented properties in a Local Authority area. Under section 80 of this Act, a Local Housing Authority can designate the whole or any part(s) of its area as being subject to Selective Licensing.

Where a Selective Licensing designation is made it applies to all Part 3 Houses which may be houses or flats as defined by sections 79 and 99 of The Housing Act 2004 which are privately rented property in the area, subject to certain exemptions for example Registered Social Landlords, or HMOs which are required to be licensed under Part 2 of the Act through an Additional Licensing Scheme.

The Council can designate the whole or any part or parts of its area as subject to Selective Licensing.

The purpose of such a scheme is to improve standards of property management in the Private Rented Sector. If a landlord rents out property in a Selective Licensing area they will need to obtain a licence from the Council, subject to certain exemptions.

The licence will require landlords to manage their properties in accordance with conditions that the Council specifies; failure to do so could lead to enforcement action.

Selective Licence will not be required for the following properties:

- Houses of Multiple Occupation (HMOs) which are required to be licensed (Mandatory) under Part 2 of the Housing Act 2004;

- properties subject to a “temporary exemption notice”;
- properties subject to a Management Order;
- properties which are occupied under a tenancy or licence which has been granted by a non-profit registered provider of social housing;
- properties which are occupied under a tenancy or licence which has been granted by a profit-making registered provider of social housing in respect of social housing (within the meaning of Part 2 of the Housing and Regeneration Act 2008);
- properties which are occupied under a tenancy or licence which have been granted by a body which is registered as a social landlord under Part 1 of the Housing Act 1996;
- properties let under tenancies or licences described as ‘exempt’ from the requirement to be licensed by the Selective Licensing of Houses (Specified Exemptions) (England) Order 2006/370.

At the end of the 5 years, the scheme must be reviewed.

A licence would normally be valid up to the expiry of the scheme. Every licence will have a set of conditions which the licence holder would be required to comply with.

There are mandatory conditions, which the Council must include in the licence. In addition, the Council has the discretion to add other conditions to the licence in relation to the general management of the house. These can include conditions relating to the use and occupation of the house, and measures to deal with anti-social behaviour of the actual tenants or those visiting the property.

However, the conditions imposed must be ones which relate to the residential use of the property; they cannot, for example, place responsibilities on landlords to act where tenants may be committing crimes unrelated to their occupation of the property.

Methodology

A Selective Licensing designation may be made if the area to which it relates satisfies one or more of the following conditions. The area is one experiencing:

- low housing demand (or is likely to become such an area)
- significant and persistent problem caused by anti-social behaviour
- poor property conditions
- high levels of migration
- high levels of deprivation
- high levels of crime

In considering whether to designate an area for Selective Licensing on the above grounds, the Council may only make a designation if the area has a high proportion of property in the Private Rented Sector; those properties must be occupied either under assured tenancies or licences to occupy.

Non statutory guidance issued by the Department for Communities and Local Government in March 2015 (‘The Government guidance’) advises that a local housing authority may only

make a designation if the area has a high proportion of property in the Private Rented Sector compared to the national average.

When considering whether to make a Selective Licensing designation a Local Housing Authority must first identify the objective/s that a designation will help to achieve, it must identify whether the area is suffering problems (providing evidence of these problems) that are attributable to any of the above criteria for making a designation and what it expects the designation to achieve.

It should only be used where existing measures alone are not sufficient to tackle the underlying housing problems of a specific area. It must consider whether there are any other courses of action available that would achieve the same objective/s as the proposed scheme without the need for the designation to be made.

Local Authorities should carefully consider any potential negative economic impact that licensing may have in their area and some of the other possible effects of the designation (and to include any risk assessment they may have carried out).

The Council must not make a particular designation unless:

- they have considered whether there are any other courses of action available to them that might provide an effective method of achieving the objective/s that the designation would be intended to achieve, and
- they consider that making the designation will significantly assist them to achieve the objective/s (whether or not they take any other course of action as well).

The Council must decide what other measures they or other persons together with the Local Authority will take together with the Selective Licensing scheme to eliminate or mitigate the problems identified in the area and how they will work together.

The Council will have to show how such a designation will be part of the overall strategic borough wide approach and how it fits with existing policies on:

- Homelessness
- Empty Homes
- Regeneration
- Anti social behaviour associated with privately renting tenants

From the 1st April 2015, Councils need to apply to the Secretary of State for Communities and Local Government (Secretary of State) for confirmation of any scheme(s) which would cover more than 20% of their geographical area or that would affect more than 20% of privately rented homes in the Local Authority area.

Under these new arrangements, if a Council makes a designation that covers 20% or less of its geographical area or privately rented properties, the scheme will not need to be submitted to the Secretary of State, provided the authority has consulted for at least 10 weeks on the proposed designation.

However, if the Council makes one or more designations that are in force partly concurrent to an existing scheme, and cumulatively all the designations cover more than 20% of the area or the private rented stock, those new designations will need to be submitted to the Secretary of State for approval. If 2 new designations account for more than 20% of the area or private rented stock when added together, they would both need to be submitted to the Secretary of State for approval.

A Selective Licence would be granted with a set of conditions that must be observed. Failing to adhere to any licence condition is a criminal offence and may result in prosecution and an unlimited fine if found guilty.

These conditions ensure the property is managed correctly, complaints of anti-social behaviour are dealt with appropriately and in a timely manner, gas and electrical certificates are supplied to the Licensing team and smoke alarms are kept in working order, amongst other things.

Landlords cannot be held responsible for the actions of their tenants, but they can, more often than not, have some influence on the behaviour of their tenants. The Council believes that a good landlord would, once they became aware a tenant of theirs was engaged in unacceptable activities that had a detrimental effect on neighbours, try to take some steps to resolve the situation.

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4 Selective Licensing is being proposed

The Council are proposing to introduce Selective Licensing in the Hastings and Leymington Wards of Loughborough.



Leymington Ward



Hastings Ward

The table below provides details of the justification and risk associated with the implementation of the proposed Selective Licensing Schemes in the 2 wards.

Table 4.1: Justification and Risk

Selective Licensing Scheme	Justification	Risks
Wards Leymington and Hastings	<p>Improve property condition and management standards in the Private Rented Sector.</p> <p>Improve the quality of our neighbourhoods to support safe, inclusive and cohesive communities.</p>	<p>Landlords legally challenge the decision making process to implement a licensing scheme – cost to the Council to defend and time delay.</p> <p>Relationships breakdown between the Council and Landlords.</p> <p>The resources to run a successful scheme are more than forecasted.</p>

Consultation Period

The formal consultation on the proposal to declare the 2 wards an area for Selective Licensing.

The scheme will cover all Private Sector Rented properties other than those licensed through the Mandatory HMOs Licensing Scheme or the proposed Borough Wide Additional Licensing Scheme for HMOs.

The consultation period will be at least 12 weeks.

Selective Licensing Policy

11th December 2019

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Introduction

Under Section 80 of the Housing Act 2004 Charnwood Borough Council has the power to designate areas of the Borough subject to Selective Licensing of certain types of rented houses.

The Council has exercised this power and designated the following areas of the Borough as subject to Selective Licensing.



Lemyngton Ward



Hastings Ward

Selective Licensing covers all private rented houses within the designated areas and all licence applications are to be accompanied with a fee determined by the Council.

Once a licence is issued it is not transferable.

This document sets out the structure of the scheme and the fees and charges and criteria Charnwood Borough Council will apply to all licenses in relation to its Selective Licensing schemes.

Selective Licensing

Under the “Charnwood Borough Council, Leymington and Hastings Ward Designation for Selective Licensing 2019” which will come into force on the (Date to be confirmed), most privately rented homes in the Borough are required to have a property licence.

The Council has exercised its powers to charge under Section 87(3) and (7) of the Housing Act 2004 and does so taking into account the Provision of Services Regulations 2009, which themselves implement the EU Services Directive.

Under Part 3 of the Housing Act 2004, a house is required to be licensed if the whole of it is occupied under:

- a single non exempt tenancy or licence; or
- 2 or more non exempt tenancies or licenses in respect of different separate dwellings within the building.

In the event that a building has multiple dwellings contained within it the Council will require a separate application and fee for each of the dwellings within the building.

The Council will consider each application and will take the following factors into account before deciding to issue a multi property licence or not each of the dwellings:

- are separate dwellings (usually self contained flat,) which are contiguous to one another in the same building;
- are occupied under non exempt tenancies; and
- within the same building are within common ownership and management control.

Where the Council is satisfied that individual property licenses should be granted, it will give notice of this to the applicant and every relevant person. There is a right to appeal this decision to the First Tier Tribunal (Residential Property Chamber), notwithstanding the grant of these licenses.

Licence Fee

Section 87 of the Housing Act 2004 permits the Council to require any application for a licence under Part 3 is accompanied by a licence fee and that this fee may cover all costs incurred by the Council in carrying out its function.

In developing the Councils fee structure the Council has had regard to the European Court of Justice ruling in *R (Hemming) V Westminster City Council* (Case C-316/15) and the High Court decision in *R (Gaskin) v LB Richmond Upon Thames* (2018) EWHC 1996 (Admin) which held that the EU’s Provision of Services Directive, which is enshrined in UK law as the Provision of Services Regulations 2009 should apply to property licensing fees and the processes involved in implementing and delivering such schemes.

The judgements in *Hemming* and *Gaskin*, requires the overall licence fee to be paid in 2 stages, has therefore had the effect the fee for a Selective Licence under Part 3 of the 2004 Act must be levied in 2 separate parts.

The first element of the licence fee is for the assessment and processing of the application to the point of issuing the decision and where applicable the licence. The first element of the fee must be paid at the time of the licence application submission.

The second element of the licence fee is for the property compliance inspection, management assessment and associated communications. The second element of the fee will only be applicable in respect of applications where a decision is reached to grant the licence and a draft licence is issued.

The request for payment of the second element of the licence fee will be issued with the draft licence and the fee must be paid within the timescales specified.

Charnwood Borough Council works in partnership with the Decent and Safe Homes (DASH) Landlord Accreditation Scheme. Dash promotes good housing so that Tenants of DASH Accredited Landlords can expect:

- responsible Landlords with better housing standards
- quick repairs and maintenance
- fair tenancy agreements

Landlords benefit from a market advantage, resource materials and training, as well as inclusion on the DASH register of accredited landlords.

A reduced initial licensing fee is offered to DASH Accredited Landlords (as detailed in the following table).

The table below details the breakdown of the licence fees:

Description	Fee	Comments
Basic Licence Application Fee	1 st payment £563 2 nd payment £305 Total Payment £868	Fee for a new licence or a renewal application submitted after the expiry date of the previous licence 1 st payment on application 2 nd payment due when draft licence issued
Basic Licence Application Fee - DASH Accredited Licence Holder	1 st payment £563 2 nd payment £220 Total Payment £783	Fee for a new licence or a renewal application submitted after the expiry date of the previous licence for a DASH Accredited Licence Holder 1 st payment on application 2 nd payment due when draft licence issued
Renewal Licence Application Fee	1 st payment £563 2 nd payment £220 Total Payment £783	Where the application is received by the Council prior to the expiry of the existing licence 1 st payment on application 2 nd payment due when draft licence issued
Additional Fees	£10 per additional room	Fee per additional bedroom over 6 bedrooms applies to all applications Payment due when the draft licence is issued
Part 1 Housing Act 2004	Current hourly officer rate (with on-costs) for all stages of enforcement as detailed in section 49 of the Housing Act 2004	Not all costs can be recovered from the licence fee. Under Part 1 of the Housing Act 2004 the Council can charge for relevant costs linked to enforcement work.

Under Section 90 (6) of the Housing Act 2004 the Council has the power to impose a restriction/obligation on a particular person (with their consent). In accordance with this power the Council will require the licence holders consent to pay the Stage

2 fee in advance of the licence being issued, this will be required as part of the application process.

The Council will attach a condition to all licences requiring this obligation to be met i.e. to pay the Stage 2 fee. This approach is consistent with that set out in the *Hemming* case.

Failure to make the Stage 2 payment will result in the Council taking action through, either the revocation or refusal of the licence or by enforcing the non-compliance of the licence condition associated with the making of the Stage 2 payment.

Applicants will be entitled to a refund of licence fee payments in the following situations:

- on review of an application it is decided that the property does not need a licence at the time of application (for example, it falls under one of the exemptions);
- a duplicate application is made;

Fees are not connected to the length of a licence. If a licence is no longer required the licence holder must request a revocation to cancel the licence before it expires, the Council will not give a refund for any unused time.

Refunds will not be provided in the following situations the:

- property needs to be licensed at the time of application;
- property is subsequently sold at any point during the application process;
- Council refuses the application and does not grant a licence;
- application is withdrawn at any point during the application process;
- Council revokes (takes away) the licence;
- Council varies the licence and reduces the amount of time it remains operationally valid;
- the property is refused planning permission.

Processing the Licence Application

Under the Housing Act 2004 the Council can either grant or refuse a licence. In determining whether to grant or refuse a licence the Council must satisfy itself of the following that:

- the proposed licence and manager of the property is a fit and proper person and the most appropriate person to hold the licence; and
- there are satisfactory management arrangements in place or that such arrangements can be put in place by the imposition of conditions in the licence.

Test for Fitness and Satisfactory Management Arrangements

The Council must be satisfied that “the proposed management arrangements are satisfactory” before granting a licence. These arrangements include (but are not limited to) consideration of whether the:

- persons proposed to be involved in the management of the premises has a sufficient level of competence to be involved;
- persons proposed to be involved with the management of the premises are actually involved in the management;
- persons are ‘fit and proper’ (which is discussed above) and the proposed management structures and funding arrangements are suitable.

If the Council has concerns about the competencies and structures in place to manage then conditions can be imposed on the licence to ensure that the necessary arrangements are in place. However, if such conditions will still not be possible or practical to impose then it may be necessary to refuse to grant a licence.

It is for a Council to determine whether a person has sufficient competence to be involved in the management of the property and the level of competence required will in some measure be determined by the complexity of the management challenges posed. The Council will, therefore, be looking at the applicant’s experience and track record of managing the property and, in particular where he or she is the existing manager, the premises to which the application relates. In most cases landlords who are members of an Accreditation Scheme will be regarded as having the necessary competence to be involved in the management of the premises because, at least such organisations can be called upon for advice and assistance where necessary.

The management structures must be such that the manager is able to comply with any licence conditions and deal with the day to day operation management issues that arise as well as being able to deal with longer term management issues. In considering whether the structures are appropriate the Council may take account of the following evidence of systems:

1. In place that are sufficient to enable the manager to comply with any condition of a licence or if such systems can be put in place through a condition of a licence to ensure compliance;
2. Dealing with:
 - emergency repairs and other issues
 - routine repairs and maintenance to the premises and its curtilage
 - cyclical maintenance
 - management and the provision of services (if any) to the building and its curtilage
 - management of tenancies or occupants
 - management of the behaviour of tenants, occupants and their visitors to the premises
 - neighbourhood issues (including disputes)
3. Structures for engagement with the Local Authority, Police and other agencies, where appropriate

The Council must be satisfied that the financial arrangements relating to the property are suitable. In that regard the manager must be sufficiently funded or have access to funding to carry out his obligations under the licence and his or her general management functions.

The Council can vary or revoke a licence at any time during the licence period if there is sufficient evidence to support this decision.

Unannounced visits of licensed properties will therefore be undertaken during the licence period to check for compliance with the licensing and management regimes which apply. This is consistent with the powers provided under Section 239 of the Housing Act 2004. Breach of any such legislation is a strict offence for which further action will be taken.

Fit and Proper Person Test

The Council must be satisfied that the proposed licence holder and manager of the property are fit and proper persons to hold a Licence or to manage the property.

This requirement is to ensure that those responsible for operating the licence and managing the property are of sufficient integrity and good character to be involved in the management of the particular residential premises to which the application relates and as such they do not pose a risk to the health, safety or welfare of persons occupying and visiting the property.

When considering whether a person is 'fit and proper' the Council will have regard to any misdemeanors (wrong doings) of the relevant person concerned. This is evidence that the person has:

- committed any offence involving fraud or other dishonesty, violence or drugs and sexual offences listed in the Sexual Offences Act 2003, Schedule 3;
- been involved with any unlawful discrimination on the grounds of sex, race, ethnic or national origins or disability, in connection with the carrying out of business;
- contravened any provision of Housing, Public Health or Landlord and Tenant law (including Part 3 of the Immigration Act 2016); or acted otherwise than in accordance with an approved code of practice.

The above list is not exhaustive and the Council can and will consider whether a relevant person has committed other relevant misdemeanors, for example, discrimination under Regulation 5 of the Equality Act (Sexual Orientation) Regulations 2007. A relevant person will not be deemed unfit, simply because of poor management, although this is highly relevant to determining any question of suitability or competence.

The Council does not have a blanket policy with its consideration of factors under a fit and proper person test. Each case will be considered on its own merits and regard will be had to information provided/omitted from an application form; historical information already held by Charnwood Borough Council relating to the premises and or any relevant person connected with the licence application.

When making an application for a licence the applicant must provide details of the following in relation to him/herself and the proposed manager (if the applicant is not to be the licence holder):

- unspent convictions;
- findings from a Court/Tribunal that the person has practiced unlawful discrimination;
- judgements entered against that person in relation to a contravention of housing or landlord and tenant law (and, in so far it relates to the Housing or Landlord and Tenant law, any contravention of any enactment relating to public or environmental health);
- any control order made in respect of any HMO under his/her management or ownership or any former HMO he/she owned or managed);
- any enforcement action in respect of any house or HMO under his/her management or ownership and any former HMO or house he/she owned or managed) under the Housing Health and Safety rating system in Part 1 of the Housing Act 2004 so far as that enforcement action related to a Category 1 hazard;
- details of any refusal to grant a licence, or details of the revocation of a licence granted for non-compliance of a condition or conditions in respect of any house or HMO under his/her management or ownership;
- any interim or final management orders made by an LHA in respect of any house or HMO under his management and any former HMO or house he owned or managed).

An applicant for a licence must disclose any misdemeanors which relate to themselves, the proposed manager and any other relevant person, if any.

The Council has to be satisfied that it has sufficient information (supplied in connection with the application) to make a determination, it may require the applicant to provide further details and/or undertake their own further enquiries with other relevant Council departments (Licensing, Planning, Building Control, Council Tax and Housing Benefit) and external bodies as it deems necessary, including for example Disclosure and Barring Service checks (DBS).

The signing of the Licence application form will be taken as an agreement to any such action and the sharing of information between other Local Authorities for all relevant persons associated with the property and application.

The Council can request information on criminal convictions where applicable, a Police National Computer (PNC) check will be requested where there is sufficient evidence that this is deemed necessary..

Consideration of 'persons associated or formerly associated' with the proposed licence holder or manager

If there is evidence that a person associated, or formally associated, with the person proposed to be the licence holder or manager of the property has committed any misdemeanors, that evidence may be taken into account in determining the proposed licence holder's or manager's fitness (even if that person has himself or herself an unblemished record).

The purpose of this requirement is to ensure that only fit and proper persons hold licenses or are in any way involved in the management of licensed property. It would not be appropriate for a licence to be granted to someone, or for someone to be the manager of a property, if that person was merely acting as a 'front' for someone else who, if he or she were not unfit, would be entitled to be the manager or licence holder.

An example might be that of a husband and wife, where the husband is the landlord (or indeed both he and his partner are joint landlords), but only the wife has applied for the licence. If there is evidence that the husband has committed misdemeanors and those misdemeanors are relevant to the wife's management of the property or licence then the Council may refuse to grant her a licence.

Likewise if a landlord with an unsatisfactory record nominated a "manager" who had a clean record, but had acted for him whilst the misdemeanors were committed, the Council may consider the managing agent by association to be unfit too.

Issuing a Licence

All properties subject to licensing will be inspected prior to the issuing of a draft licence to ensure that the property meets the required standards and that there are satisfactory management arrangements in place.

In certain cases the Council may decide to carry out such inspections without prior notice being given to the owner, licence holder and/or manager. This is consistent with the powers set out in Section 239 of the Housing Act 2004.

Failing to comply with any conditions on a licence is an offence under Section 72(3) of the Housing Act 2004 and, if found guilty the licence holder could face a prosecution or issued with a Civil Penalty of up to £30,000.

Where the inspection has been pre arranged then the applicant will be required to provide access to the property at a suitably arranged appointment.

All contact with the licence holder and relevant person(s) will be made using the contact information provided by the applicant on the original application. Accordingly, it is the licence holder's responsibility to ensure that all contact details are up to date and you must notify the Strategic and Private Sector Housing service of any change in details. The Council will not be held responsible for any delay in communication if it is as a result of any contact information changing.

A draft licence with conditions will be issued based on the findings from this inspection. The draft licence (known as an Intention Notice) will be emailed to all relevant persons and other interested parties for consultation.

The relevant persons will have an opportunity to make any representations, which will be considered by the Private Sector Housing Manager.

When this process is complete a full licence with the conditions (known as the Decision Notice) will be issued and will be emailed to all relevant persons and other interested parties for consultation.

If the licence holder is still dissatisfied with the conditions of the licence, they have an opportunity to appeal to the First-tier Property Tribunal. The details of how this appeal can be made will be provided with the Licence.

Renewal Applications

The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (Amendment) (England) Regulations 2012 set out amendments to "renewal applications", which reduces the burden on landlords applying for the renewal of a licence.

In the case of renewal applications and applicant must provide a complete application form and sign the declarations provided.

It is important to note that the regulations define a “renewal application” as “*an application for a licence under Section 87 of the Act where, at the time the application is made a licence of the kind applied for is already held by the applicant and has effect in respect of the HMO or house.*”

The effect of this part of the Regulations is that order for the Council to treat any application as a “renewal” the application must be made during the active period of the current licence. If a renewal application is received on or after expiry of the current licence then the application will be treated as a new application and the appropriate fees above will apply.

Application for a revocation or variation of a licence

If circumstances regarding the HMO change during the licence period, for example a change in the number of letting units, the licence holder must notify the Strategic and Private Sector Housing service directly so the licence can be re-assessed and varied if the property is considered suitable to accommodate the variation request.

Similarly, if the property is no longer going to be occupied as a rented property the licence holder changes, then the licence holder must make an application for the licence to be revoked. Any remaining period of the licence will be forfeited and there will be no right to refund of the original payment.

Will tacit consent apply?

The Council has taken into consideration the recent High Court decision in the case of *R(Gaskin) v Richmond LBC* [2018] EWHC 1996 (Admin) when deciding whether tacit consent applies.

The *Gaskin* case says that the Provision of Services Directive applies to licensing schemes in full and that regulators should set out how long it will take to carry out a licensing approval process and if they do not meet that timeline then approval (tacit consent) should happen automatically.

On receipt of a valid application the Council will aim to provide a decision as soon as is reasonably practicable, however each case will require different processes to be completed, for example if an inspection of the property is necessary then the Council will be required to complete this before issuing you with a decision. Therefore this could extend the time it takes to process your application.

The Council’s aim to process all valid applications and provide the relevant persons with a decision within 120 days of receipt.

If a decision about a licence application has not been received within this period then tacit approval may apply but the proposed licence holder should not assume they will automatically have been granted a licence.

As mentioned the target completion period for issuing a decision and a licence is subject to many factors and as such applicants should check with the Council on the status of their application.

Public registers

A register of property Licenses is available online and details of this can be obtained by sending a formal, written request to the Strategic and Private Sector Housing service.

Appeals

If an application for a property licence is refused, there is a right to appeal this decision within 28 days to the First-tier Tribunal (Property Chamber - Residential Property). The details of this will be provided with the Decision Notice.

DRAFT

Charnwood Borough Council

Equality Impact Assessment 'Knowing the needs of your customers and employees'

■ Background

An Equality Impact Assessment is an improvement tool. It will assist you in ensuring that you have thought about the needs and impacts of your service/policy/function in relation to the protected characteristics. It enables a systematic approach to identifying and recording gaps and actions.

■ Legislation- Equality Duty

As a local authority that provides services to the public, Charnwood Borough Council has a legal responsibility to ensure that we can demonstrate having paid due regard to the need to:

- Eliminate discrimination, harassment and victimisation
- Advance Equality of Opportunity
- Foster good relations

For the following protected characteristics:

1. Age
2. Disability
3. Gender reassignment
4. Marriage and civil partnership
5. Pregnancy and maternity
6. Race
7. Religion and belief
8. Sex (Gender)
9. Sexual orientation

What is prohibited?

1. Direct Discrimination
2. Indirect Discrimination
3. Harassment
4. Victimisation
5. Discrimination by association
6. Discrimination by perception
7. Pregnancy and maternity discrimination
8. Discrimination arising from disability
9. Failing to make reasonable adjustments

Note: Complete the action plan as you go through the questions

Step 1 – Introductory information

Title of the policy	Private Sector Licensing
Name of lead officer and others undertaking this assessment	Alison Simmons
Date EIA started	7 th October 2019
Date EIA completed	20 th December 2019

Step 2 – Overview of policy/function being assessed:

Outline: What is the purpose of this policy? (Specify aims and objectives)

The Policies are for Houses in Multiple Occupation (HMO) and Selective Licensing set out the way in which the Council intends to implement and secure effective compliance with the Policies and relevant private sector housing legislation.

The HMO and Selective Licensing Policies aims to ensure:

- Good quality, healthy housing for households renting in the Private Sector and to prioritise action to those homes which present the greatest risks to Health and Safety
- Houses in Multiple Occupation are safe and well managed and all relevant Management Regulations are adhered to

What specific group/s is the policy designed to affect/impact and what is the intended change or outcome for them?

The Policies are designed to:

- Support Officers of the Council in implementing the Policies appropriately and applying the relevant enforcement legislation
- Inform Owner Occupiers, Private Sector Landlords and Registered Providers (RPs) as to the Council's approach to licensing the private rented sector and housing enforcement

The intended outcome is to ensure there is a provision of good quality, healthy housing and to prioritise action to those homes which present the greatest risks to Health and Safety.

Which groups have been consulted as part of the creation or review of the policy?

Following approval by Cabinet, the Policies will be consulted on in accordance with the Housing Act 2004 Part 2 and Part 3 requirements.

Step 3 – What we already know and where there are gaps

List any existing information/data do you have/monitor about different diverse groups in relation to this policy? Such as in relation to age, disability, gender reassignment, marriage and civil partnership, pregnancy & maternity, race, religion or belief, sex, sexual orientation etc.

Data/information such as:

- Consultation
- Previous Equality Impact Assessments
- Demographic information
- Anecdotal and other evidence

Based in the 2011 Census there are approximately 66,600 households in the Borough of Charnwood.

Breakdown by Tenure:

- 47,900 (72%) – Owner Occupiers
- 500 (1%) - Part owned and part rented (shared ownership)
- 7,900 (12%) - Social rented
- 9,400 (14%) - Private rented
- 800 (1%) – Living rent free

What does this information / data tell you about diverse groups? If you do not hold or have access to any data/information on diverse groups, what do you need to begin collating / monitoring? (Please list)

The Policies have not been consulted or implemented. Therefore, there is no information or data to consider.

Step 4 – Do we need to seek the views of others? If so, who?

In light of the answers you have given in Step 2, do you need to consult with specific groups to identify needs / issues? If not please explain why.

Following approval by Cabinet, the Policies will be consulted on in accordance with the Housing Act 2004 Part 2 and Part 3 requirements.

Step 5 – Assessing the impact

In light of any data/consultation/information and your own knowledge and awareness, please identify whether the policy has a positive or negative impact on the individuals or community groups (including what barriers these individuals or groups may face) who identify with any 'protected characteristics' and provide an explanation for your decision (please refer to the general duties on the front page).

	Comments
Age	
Disability (Physical, visual, hearing, learning disabilities, mental health)	
Gender Reassignment (Transgender)	
Race	
Religion or Belief (Includes no belief)	
Sex (Gender)	
Sexual Orientation	

Other protected groups (Pregnancy & maternity, marriage & civil partnership)	
Other socially excluded groups (carers, low literacy, priority neighbourhoods, health inequalities, rural isolation, asylum seeker and refugee communities etc.)	

Where there are potential barriers, negative impacts identified and/ or barriers or impacts are unknown, please outline how you propose to minimise all negative impact or discrimination.

Please note:

- a) If you have identified adverse impact or discrimination that is illegal, you are required to take action to remedy this immediately.
- b) Additionally, if you have identified adverse impact that is justifiable or legitimate, you will need to consider what actions can be taken to mitigate its effect on those groups of people.

Summarise your findings and give an overview as to whether the policy will meet Charnwood Borough Council's responsibilities in relation to equality and diversity (please refer to the general duties on the front page).

Step 6- Monitoring, evaluation and review

Are there processes in place to review the findings of this Assessment and make appropriate changes? In particular, how will you monitor potential barriers and any positive/ negative impact?

The outcome of this EIA will be monitored and reviewed alongside the Policies.

How will the recommendations of this assessment be built into wider planning and review processes? e.g. policy reviews, annual plans and use of performance management systems.

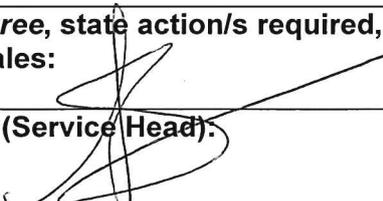
Step 7- Action Plan

Please include any identified concerns/actions/issues in this action plan: The issues identified should inform your Service Plan and, if appropriate, your Consultation Plan			
Reference Number	Action	Responsible Officer	Target Date

Step 8- Who needs to know about the outcomes of this assessment and how will they be informed?

	Who needs to know (Please tick)	How they will be informed (we have a legal duty to publish EIA's)
Employees	X	
Service users	X	
Partners and stakeholders	X	
Others	X	
To ensure ease of access, what other communication needs/concerns are there?		

Step 9- Conclusion (to be completed and signed by the Service Head)

Please delete as appropriate
I agree / disagree with this assessment / action plan
If <i>disagree</i> , state action/s required, reasons and details of who is to carry them out with timescales:
Signed (Service Head): 
Date: 19th December 2019

Please send completed & signed assessment to Suzanne Kinder for publishing.