

# Selective Licensing Scheme

## Justification Report



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.

## 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 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 Private Rented Sector (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.

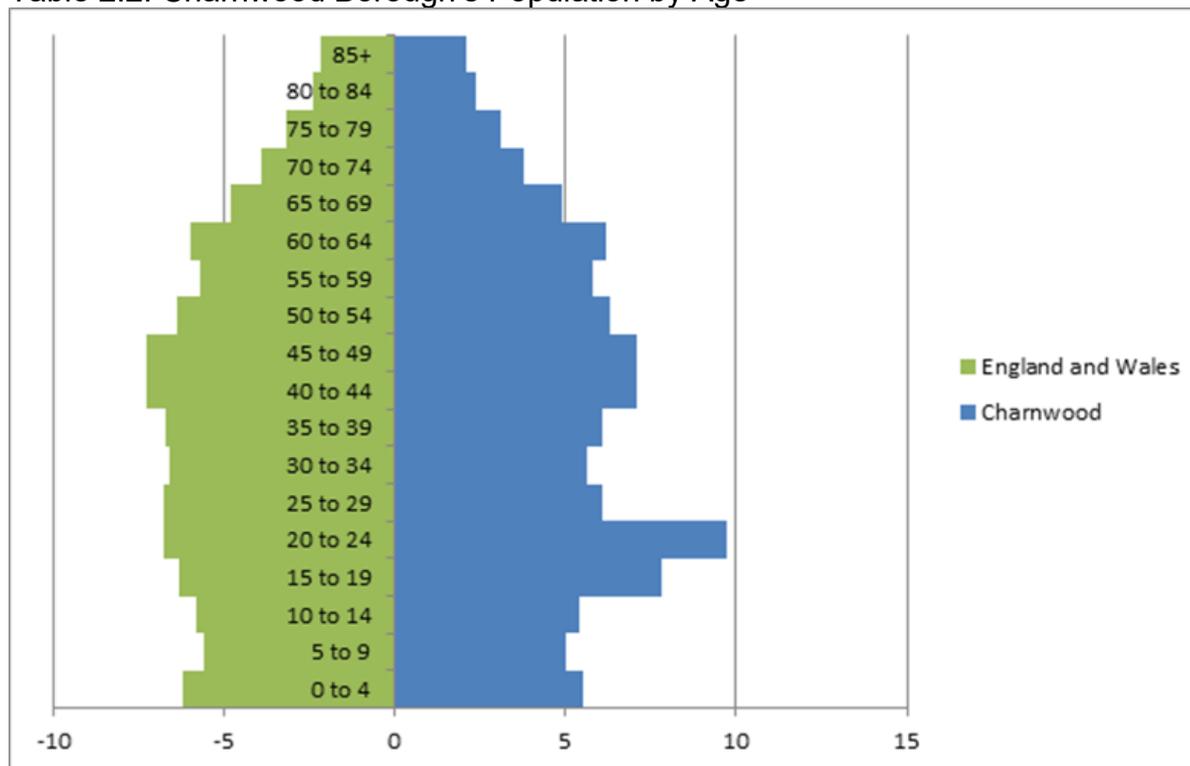
The 4 tables below provide details of the increase in population, age, projected growth and proportion comparisons with Leicestershire, East Midlands and England and Wales:

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:

[Title]

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 resident's 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			

Source: 2011 Census

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
<b>% migrant households in Private Rented Property</b>		<b>73%</b>	<b>68.5%</b>	<b>72 %</b>

Source: 2011 Census

## Strategic Context

The Housing Act 2004, Section 81 (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

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
- A thriving community
- Your Council

## Charnwood Borough Council Housing Strategy 2015-2020

The Strategy aims, amongst other things, are that, 'families will live in good quality homes' and that there will be an, 'increase in the supply of suitable housing.'

The Strategy identifies an offer which the Strategy can deliver to the Private Rented Sector which is to improve standards and to reduce barriers to access in order to make this tenure one of choice.

The aims of the Selective Licensing Scheme are to improve the standard of accommodation in the two areas of the borough identified as having a particular need by regulating it, encouraging a positive relationship with landlords and managing problems presented with a bespoke set of licence conditions. The Selective Licensing Scheme is therefore consistent with the overall Housing Strategy.

## 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 <sup>st</sup> 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

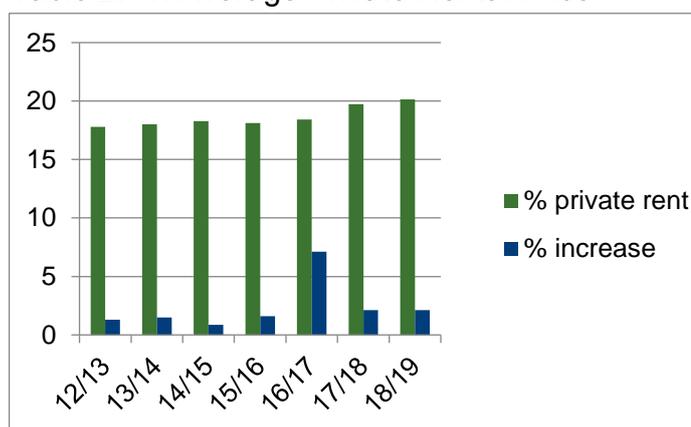
There are an additional 5,930 homes required to meet the housing needs for the Borough up to 2036 once commitments are taken into account.

### 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)	<b>19.4% (535)</b>
Loughborough Lemyngton	2011	49.1% (1,327)	19.2% (518)	<b>28.8% (778)</b>
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

Loughborough Hastings and Loughborough Lemyngton are the two wards with the highest proportion of Private Sector Rented properties. Both have a proportion of Private Sector Rented properties above the national average of 19% and therefore can be, according to the DCLG 'Selective Licensing in the Private Rented Sector' Guide for Local Authorities, regarded as having a high number of privately rented properties.

## 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 has 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
<b>Charnwood</b>	<b>73.48</b>
Leicester	121.76
<b>Force average</b>	<b>83.53</b>

In the year ending March 2019, the crime rate in Charnwood was higher than all of the other District and Boroughs in Leicestershire.

### **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	34	2%
East 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%
<b>Total</b>	<b>1,495</b>	<b>100%</b>

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%
<b>Total</b>	<b>2,085</b>	<b>100%</b>

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 Campaign to End Child Poverty 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 income (adjusted to account for household size) is less than 60% of the median. Currently this is £16,800 per annum.

Table 2.18 shows the % of children living in poverty in the UK, Charnwood and the Hastings and Lemyngton wards:

Table 2.18: % of Children living in Poverty 2017/2018

Area	% children living in poverty
UK	30%
Charnwood	24%
Loughborough Hastings	38.7%
Loughborough Lemyngton	40.6%

Source: The Campaign to End Child Poverty

## 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 2.19: 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 2.20: 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.
<b>Total</b>	<b>89</b>	

Source: Strategic and Private Sector Housing Performance Information

## 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 2.21: Property Visits

Status	Hastings	Lemyngton	Shelthorpe	Garendon	Outwoods	Nanpantan	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 <sup>nd</sup> Visit No Access	1	2	0	0	0	0	3
3 <sup>rd</sup> 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
<b>Total</b>	<b>80</b>	<b>117</b>	<b>53</b>	<b>51</b>	<b>38</b>	<b>59</b>	<b>398</b>

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.

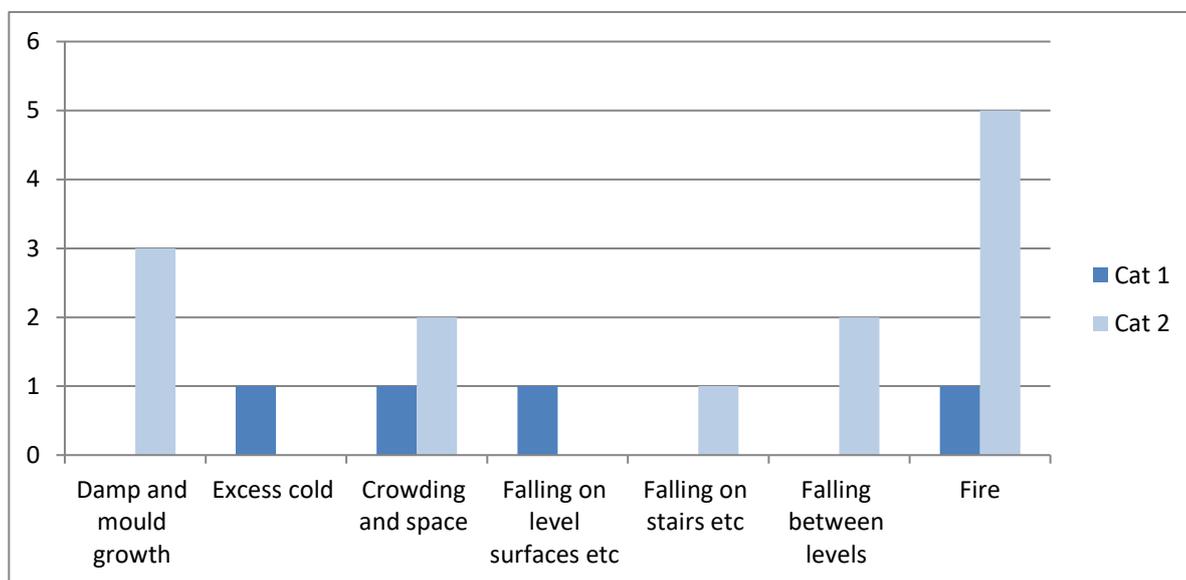
The HHSRS is a risk-based assessment tool, which is used by Private Sector Housing Officers to assess the risk (the likelihood and severity) of a hazard in residential housing to the health and safety of occupants or visitors. The HHSRS is tenure neutral; it can be used to assess hazards in public and private 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 2.22: Hazards in HMOs



Source: Rogue Landlord Project

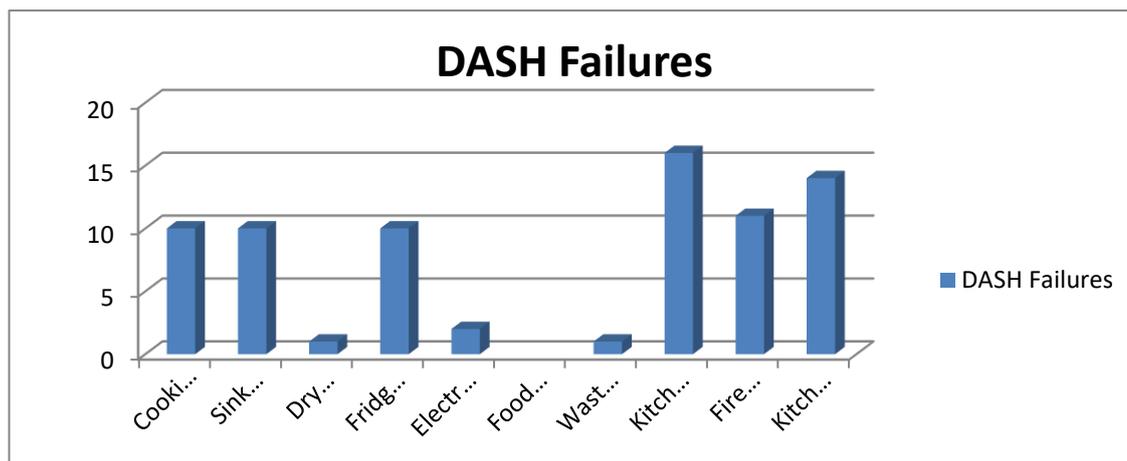
Due to the nature and the risk to the health and safety of residents all Category 1 hazards and high scoring Category 2 hazards were referred to the Private Sector Housing to consider what, if any, enforcement act to take to reduce or removed those hazards identified during this study.

### 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 2.23: DASH Failures



Source: Rogue Landlord Project

Only 7.4% of those inspected passed the DASH standard, with over 92% 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 2.24 Private Sector Properties (not including Mandatory Licensed HMOs)

Status	Hastings	Lemyngton	Shelthorpe	Garendon	Outwood	Nanpanta	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 <sup>nd</sup> Visit No Access	1	2	0	0	0	0	3
3 <sup>rd</sup> 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
<b>Total</b>	<b>39</b>	<b>80</b>	<b>22</b>	<b>27</b>	<b>15</b>	<b>43</b>	<b>226</b>

Source: Rogue Landlord Project

The 2 wards Hastings and Lemyngton (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 £321 (latest Government statistics - 2017).

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 the Hastings and Lemyngton wards, Charnwood compared to the County, the East Midlands and England.

Table 2.25: % of Households in Fuel Poverty

Area	% households in Fuel Poverty
Loughborough Hastings	12.05%
Loughborough Lemyngton	14.83%
Charnwood	10.8%
Leicestershire	10.1%
East Midlands	11.7%
England	11.1%

Source: Department for Business Energy and Industrial Strategy

Table 2.26: 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

Source: Department for Business Energy and Industrial Strategy

Table 2.27: 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
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Source: Department for Business Energy and Industrial Strategy

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 DCLG, 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 237<sup>th</sup> most deprived Local Authority in England. The proportion of Charnwood LSOA that are amongst the most deprived 10% in England, Charnwood is the 171<sup>st</sup> most deprived Local Authority in England.

Table 2.28: 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%
<b>Hastings 002A</b>	<b>432</b>	<b>1%</b>	<b>2%</b>	<b>4%</b>	<b>2%</b>	<b>4%</b>	<b>42%</b>	<b>23%</b>	<b>0%</b>
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%
<b>Lemyngton 002D</b>	9,168	27%	39%	41%	53%	50%	63%	5%	0%
002E	16,519	50%	57%	54%	51%	27%	47%	23%	64%
<b>002F</b>	<b>6,519</b>	<b>19%</b>	<b>16%</b>	<b>28%</b>	<b>23%</b>	<b>35%</b>	<b>54%</b>	<b>4%</b>	<b>14%</b>
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: 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 2.29: 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

Table 2.30: Labour Market Statistics for Hastings and Lemyngton Wards (NOMIS)

	Loughborough Hastings	Loughborough Lemyngton
Population aged 16-64 (2011)	4,557	5,340
All persons	2,429	2,874
Males	2,128	2,466
Females		
Employment and unemployment (2011)		
All people		
Economically Active	70.5%	74.4%
In Employment	62.2%	67.7%
Employees	56%	60.8%
Self Employed	6.2%	6.8%
<b>Unemployed</b>	<b>11.9%</b>	<b>9.1%</b>
Economic Inactivity (2011)		
All People		
Economically Inactive	29.5%	25.6%
Retired	4.2%	3%
Student	7.4%	10.7%
Looking after home or family	6.9%	5%
Long Term Sick or Disabled	7.6%	4.4%
Other	3.2%	2.4%

Source: Office for National Statistics 2011

### 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.

Enforcement action can have a positive impact on the standard of the property involved and on other landlords with publicity of the action etc but it does not ensure the standard of all properties from the outset of any tenancy

#### **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 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 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 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 and 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 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.

## 4 Selective Licensing is being proposed

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



Hastings Ward



Lemyngton Ward

The tables below provide the details of the justification and risks associated with the implementation of the proposed Selective Licensing Schemes in the 2 wards:

Table 4.1: Justification

Selective Licensing Scheme	Justification
Wards Hastings and Lemyngton and	<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>

Table 4.2: Risks

Selective Licensing Scheme	Risks of Introducing the Scheme
Relationships breakdown between the Council and Landlords.	<p>Consultation and Communication Strategies must be effective.</p> <p>Commitment to the implementation of the Scheme.</p> <p>Without a licensing scheme there is often no relationship between the Council and Landlords</p>
Landlords increase rental charges to cover the costs of the licence fee.	<p>The impact of this would be delayed for the tenants with an existing tenancy.</p> <p>Reasonable rent should be covered by LHA/Housing Benefit</p>

	<p>If the rent is too high Landlords will price themselves out of the rental market.</p> <p>The Council cannot seek to protect low rents for substandard accommodation.</p> <p>Consultation and Communication Strategies must be effective.</p>
The licence fee is too high for Landlords to pay and forces them out of business/the Borough.	<p>This has not been the experience of other LAs.</p> <p>The Act requires that the Council must consider that any proposed management structures and funding arrangement are suitable before issuing a licence.</p>
Illegal evictions	<p>This has not been the experience of other LAs.</p> <p>The Council will continue to work with landlords and tenants to prevent evictions.</p> <p>This is a criminal matter which would be referred to the police to action.</p>
The resources to run a successful scheme are more than forecasted.	<p>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.</p> <p>This is something for the Council to consider when designing the scheme including fees and allocating resources.</p>

### Consultation Period

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

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.**

