

Discretionary Licensing (Additional and Selective) in the Private Rented Sector



Overview

- a) Background**
- b) Results of the Consultation**
- c) Support for the Schemes**
- d) Key Issues Raised in the Consultation**
- e) Recommendations**
- f) Questions and Close**

Discretionary Licensing

Two forms of Discretionary Licensing

- **Selective Licensing** gives local authorities the power to introduce, in a given area licensing for all tenures in the **Private Rented Sector except**: holiday lets, business premises, student premises where the university is the landlord/manager, Housing Associations and Council Housing and premises where the tenant is a family member).
- **Additional Licensing** requires Houses in Multiple Occupation (HMOs) that have **three or more** unrelated tenants that **share facilities** such as kitchens and bathrooms, to have a licence.

Formal Consultation

A formal public consultation for twelve weeks was undertaken between 30th November 2021 – 22nd February 2022

We received 1120 Consultation responses through the online questionnaire

A spreadsheet was kept of responses and actions taken there were 313 separate records actioned during the consultation

Consultation Methods

- Website – Consultation Platform
<https://consultations.leicester.gov.uk/comms/landlord-licensing>
- Letters were sent to 110,745 residential properties,
- Email to 3654 Business Operators,
- 204 Faith Groups contacted and leaflets made in Gujarati and circulated to 1600 members,
- 9 Landlord Associations,
- 123 Letting and Management Agents
- 3 MPs,
- 8 Local Authorities neighbouring Leicester City,
- 54 Councillors,
- 3 Media outlets,
- 17 student accommodation companies
- 2 Universities and student unions
- 1130 Schools
- All Council Staff
- VCS Organisations e.g. Citizens Advice

Options

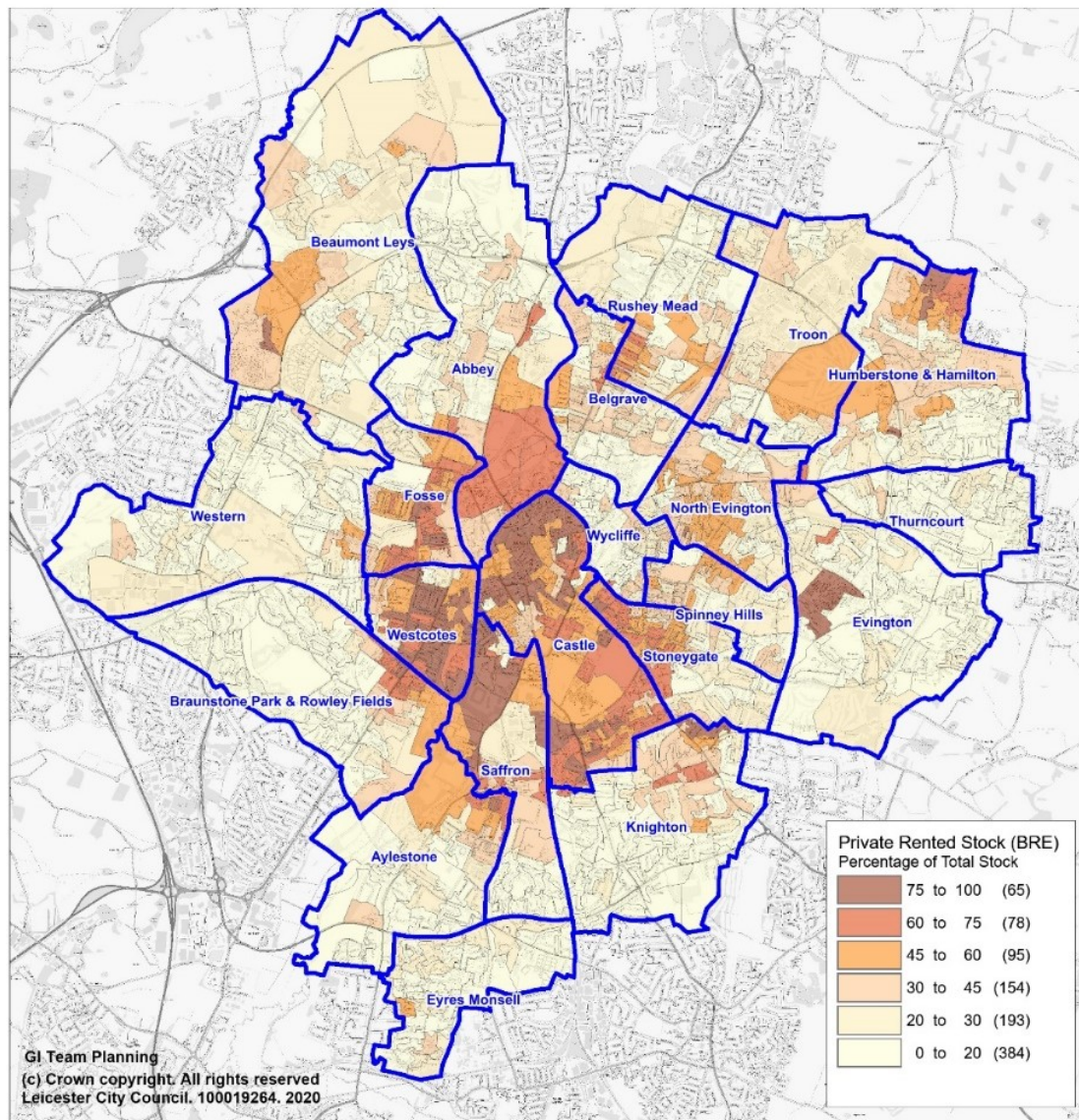
- Option A
- Selective Licensing within parts of the Wards of - Westcotes, Fosse, Braunstone Park & Rowley Fields (West Cluster); Stoneygate (East Cluster); Saffron (South Cluster)
- The combined area covering the schemes covers less than 20% of Leicester's geographical area and less than 20% of privately rented homes in the local authority area and therefore if adopted would not need SoS permission.
- Option B
- Additional Licensing that covers the entire City (citywide).
- Option C
- Additional Licensing within parts of the Wards of Westcotes, Fosse, Braunstone Park & Rowley Fields and Stoneygate.

4 Main Points

- There is support for the bringing in of discretionary licensing
- The evidence from the business case was supported through the consultation process
- There are 18 lower super areas in the top 20% of multiple deprivation in the Country within the designated areas.
- The designated areas have the highest number of private rented properties in the City with concentrations over 75% in some wards the national average is 19%.

Evidence Base for Discretionary Licensing (Selective and Additional) Schemes

Private Rented - Percentage of All Stock by Census Output Area



This map shows large parts of the City where the percentage of Private Rented properties (BRE modelled data) is above the national average (19%). There are particularly high concentrations (areas with concentrations over 75%) in Westcotes, Castle, Fosse, Saffron, Stoneygate and pockets of high concentrations on the edge of Braunstone Park and Rowley Fields and Hamilton.

There are also a couple of outliers near in Beaumont Leys and Evington near the Glenfield and General Hospitals with staff accommodation.

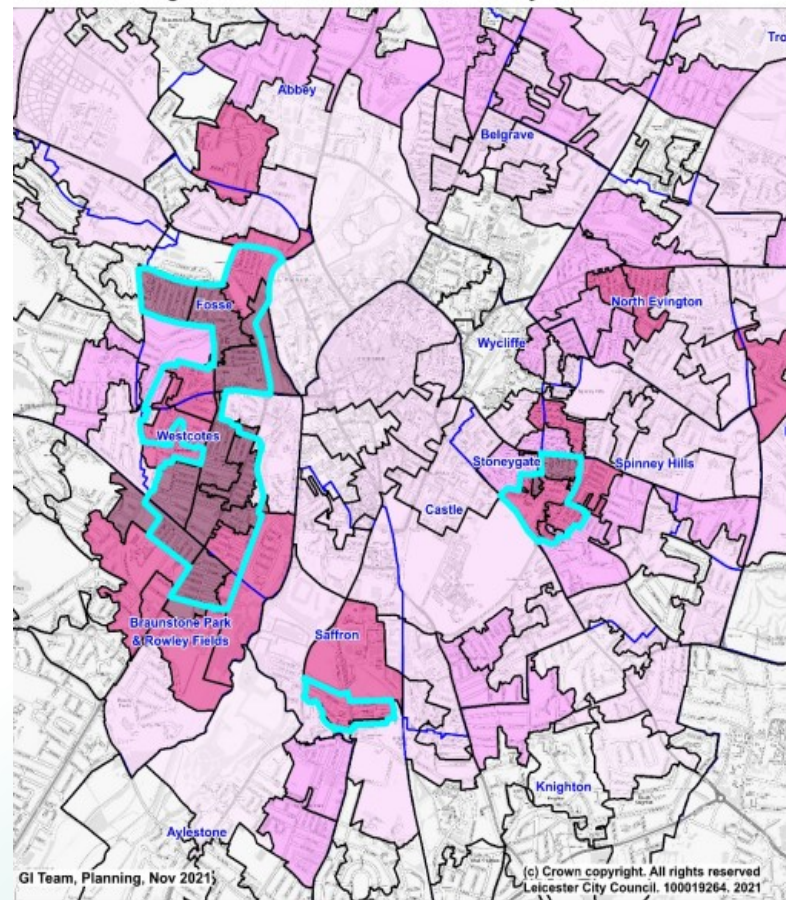
NB: The data source used for the mapping of private rented dwellings and Houses in Multiple Occupation (HMOs) across the city is the BRE Integrated Dwelling Level Housing Stock Modelling Report and Database for Leicester City Council (Sept 2020). The BRE Housing Stock Model data and the BRE report and database provides a modelled data set to estimate the location and concentration of HMOs and private rented dwellings by area for Leicester city.

Option A: Selective Licensing – Suggested Scheme

Area bounded by light blue line - Estimated number of Private Rented Dwellings in the area – 8,275

LSOAs selected include those with the highest proportion of cases per total number of PR properties PLUS with an overall high level of cases (more than 50 in the area)

Map Showing LSOA areas with a High Percentage of Private Rented Properties Levels of housing condition and antisocial behaviour By LSOA



Housing Condition and Antisocial Behaviour
Complaints By Property - % of total PR Stock By LSOA

- 20 to 27.9
- 15 to 20
- 10 to 15
- 5 to 10
- 2.9 to 5

PR Stock (BRE Modelled Data 2020)

BRE Housing Stock Model Data used for data relating to stock numbers.

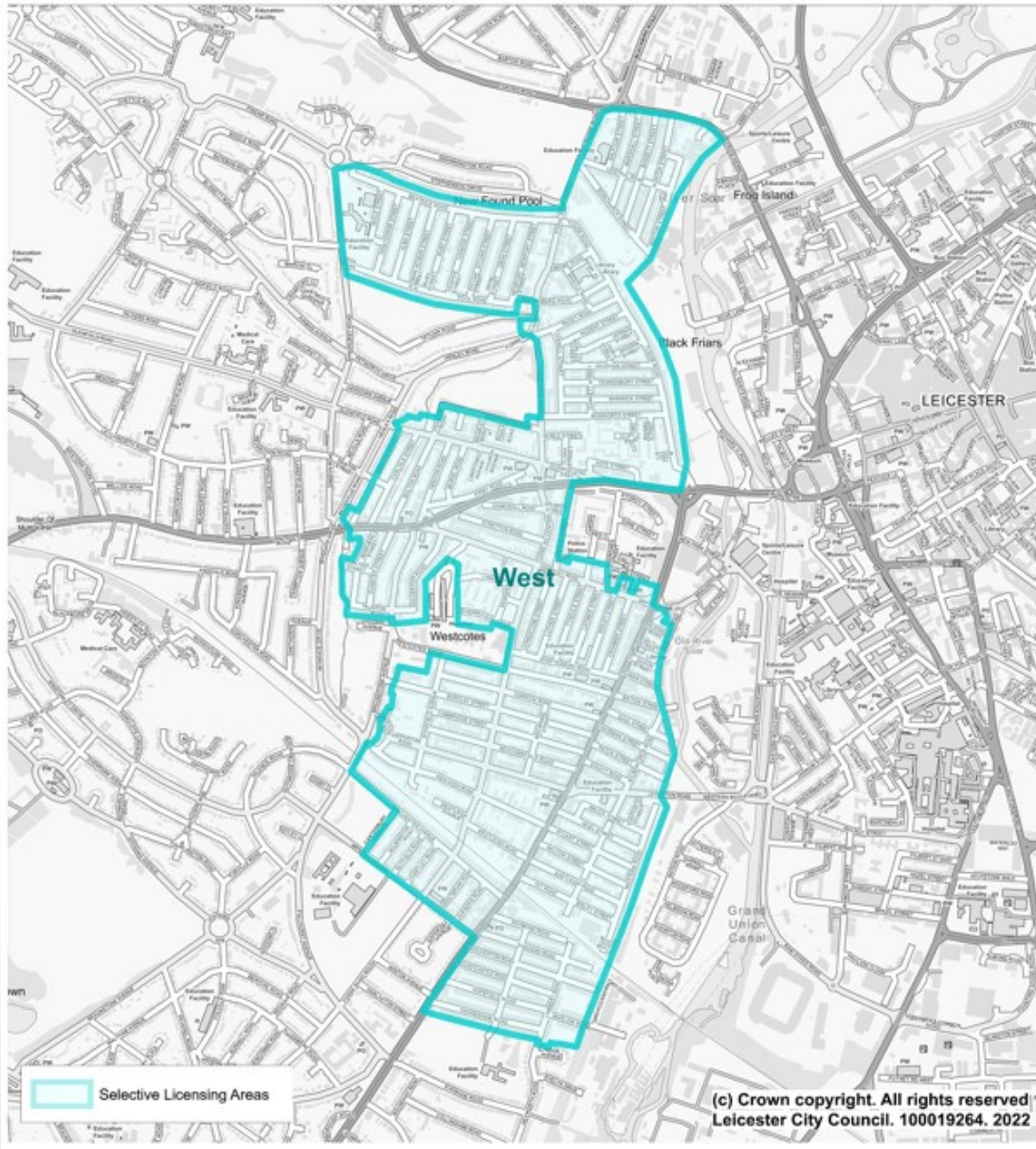
Table 3: LSOAs in Selective Licensing Scheme - Complaints/issues by Tenure type and LSOA

Ward	LSOA	Total Dwellings	Private Rented*	% PR	HMOs*	% HMO of All	Num Cases PR	% Cases PR	Num Cases HMO	% Cases HMO
Saffron	Leicester 031D	943	420	44.5	66	7.0	75	17.9	17	25.8
Fosse	Leicester 016A	851	528	62.0	157	18.4	92	17.4	37	23.6
Fosse	Leicester 016B	828	461	55.7	102	12.3	95	20.6	24	23.5
Fosse	Leicester 016C	1057	700	66.2	164	15.5	149	21.3	50	30.5
Fosse	Leicester 016D	1215	658	54.2	163	13.4	183	27.8	49	30.1
Stoneygate	Leicester 022E	622	226	36.3	32	5.1	52	23.0	5	15.6
Westcotes	Leicester 023A	798	656	82.2	273	34.2	170	25.9	93	34.1
Westcotes	Leicester 023B	760	631	83.0	281	37.0	128	20.3	72	25.6
Westcotes	Leicester 023D	966	761	78.8	245	25.4	165	21.7	82	33.5
Westcotes	Leicester 023E	744	532	71.5	282	37.9	102	19.2	63	22.3
Westcotes	Leicester 023F	716	365	51.0	77	10.8	63	17.3	16	20.8
Westcotes	Leicester 023G	550	318	57.8	197	35.8	73	23.0	51	25.9
Stoneygate	Leicester 027D	1023	565	55.2	191	18.7	96	17.0	54	28.3
Stoneygate	Leicester 027F	593	355	59.9	201	33.9	67	18.9	38	18.9
BP & RF	Leicester 028E	636	342	53.8	185	29.1	78	22.8	48	25.9
Westcotes	Leicester 029C	1803	1297	71.9	260	14.4	204	15.7	84	32.3
BP & RF	Leicester 029D	810	515	63.6	159	19.6	123	23.9	50	31.4
Saffron	Leicester 031D	943	420	44.5	66	7.0	75	17.9	17	25.8

The boundary largely follows LSOA boundaries but altered in a few areas to follow more logical boundaries according to local knowledge. Eg large modern development excluded in Western as unlikely to have property condition issues.

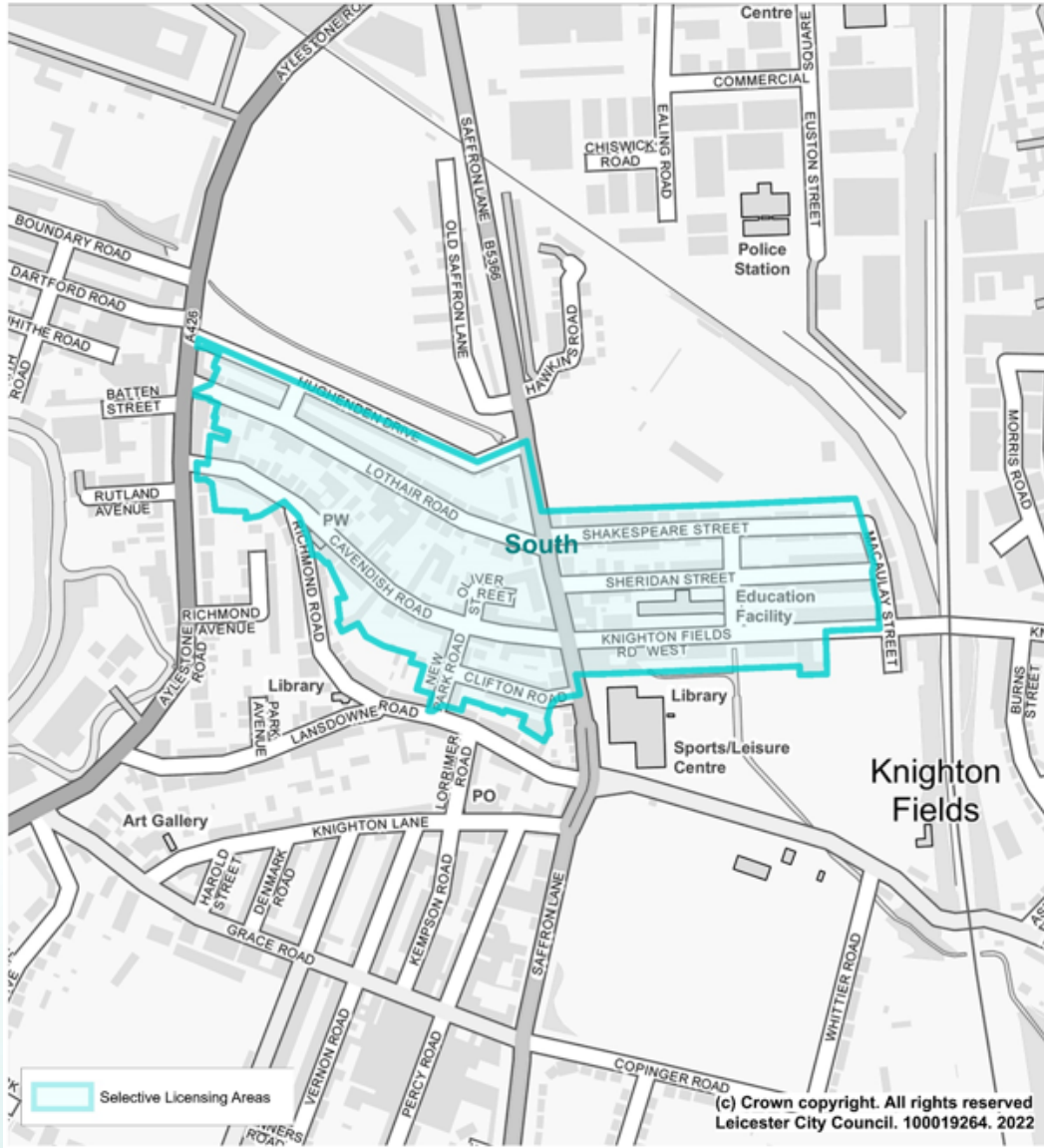
Boundaries of 31D and 29C modified to exclude large very modern developments

Map Showing Selective Licensing Scheme Area - West



**Selective
Licensing
WEST Cluster
Area:
Parts of Fosse,
Westcotes and
Braunstone
Park & Rowley
Fields Wards**

Map Showing Selective Licensing Scheme Area - South



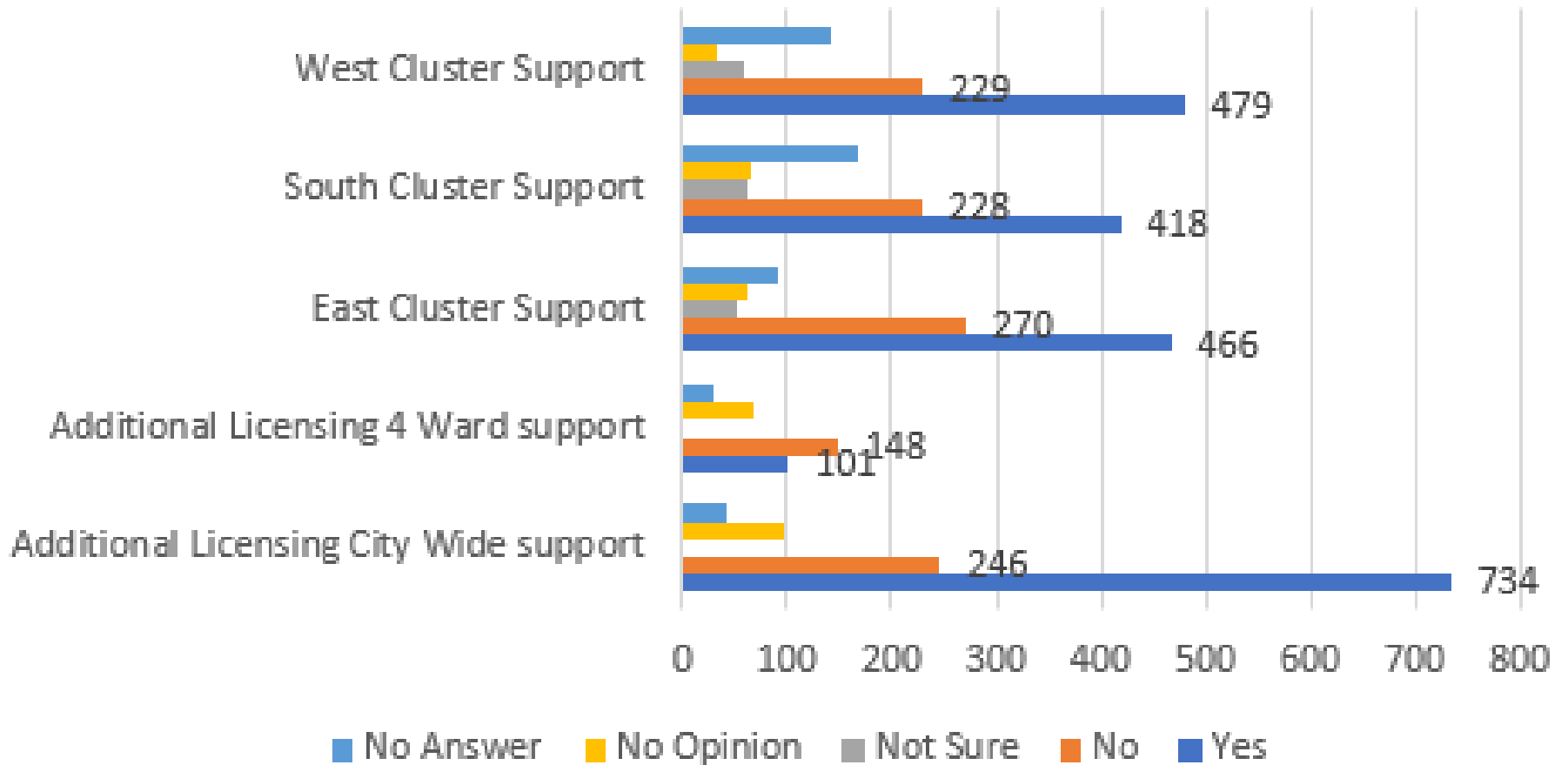
**Selective
Licensing
SOUTH Cluster
Area:
South Part
Saffron**

Map Showing Selective Licensing Scheme Area - East

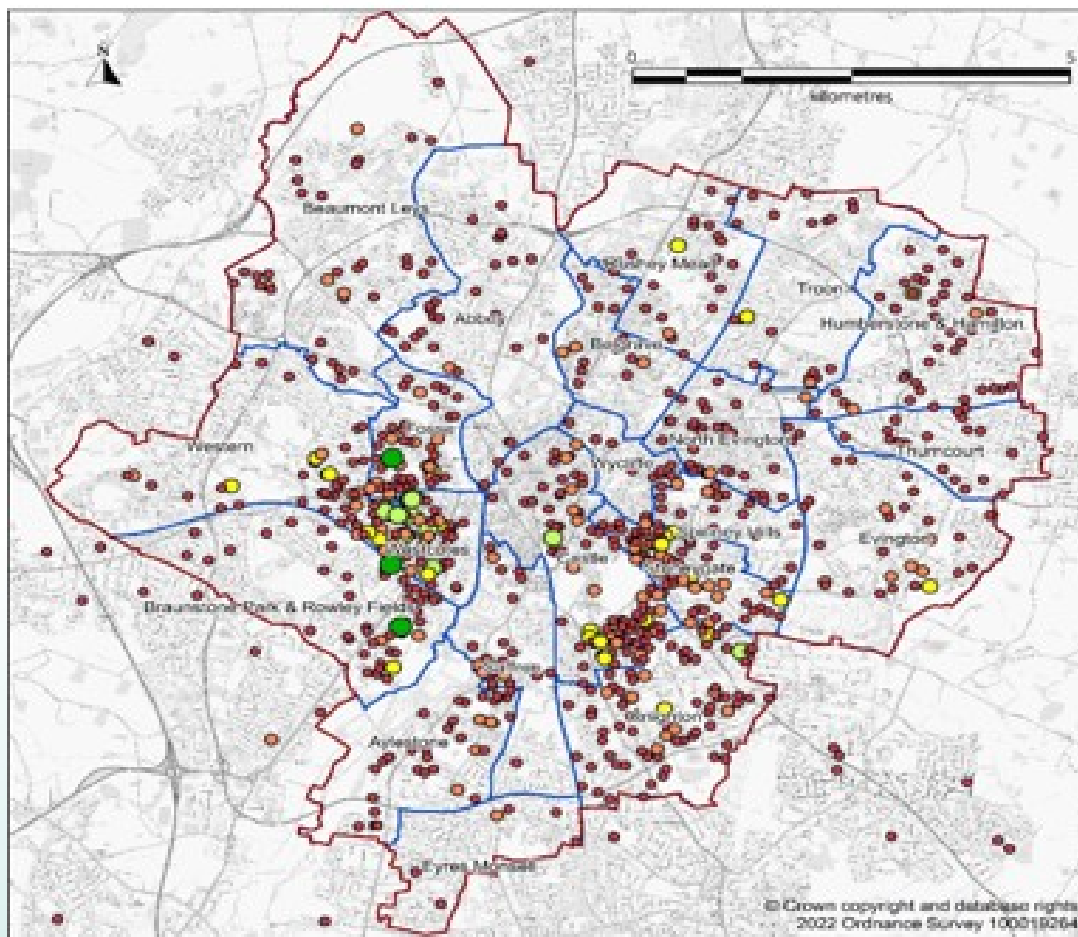


**Selective
Licensing
EAST Cluster
Area:
Part of
Stoneygate**

Support for schemes



Discretionary Licensing Consultation



Number of Responses Grouped by Postcode

(Occurrences Count)

- 1 (666)
- 2 (118)
- 3 (31)
- 4 (12)
- 5 (3)
- 7 (2)

Leicester City Boundary

Ward Boundary



Leicester
City Council

Geographical Information & Plans
Processing Team, February 2022

Ward	SLC Responses count by ward	
	ward	%
Westcotes	132	12.69
Castle	130	12.5
Stoneygate	107	10.29
Knighton	99	3.52
Fosse	68	6.54
Braunstone Park and Rowley Fields	64	6.15
Western	53	5.67
Humberstone & Hamilton	46	4.42
Aylestone	38	3.65
Beaumont Leys	38	3.65
Evington	38	3.65
Abbey	32	2.69
Saffron	28	2.69
Rushey Mead	26	2.5
Troon	22	2.12
Spinney Hills	20	1.32
Belgrave	19	1.83
Thurncourt	18	1.73
Wycliffe	15	1.44
Eyers Monsell	7	0.67

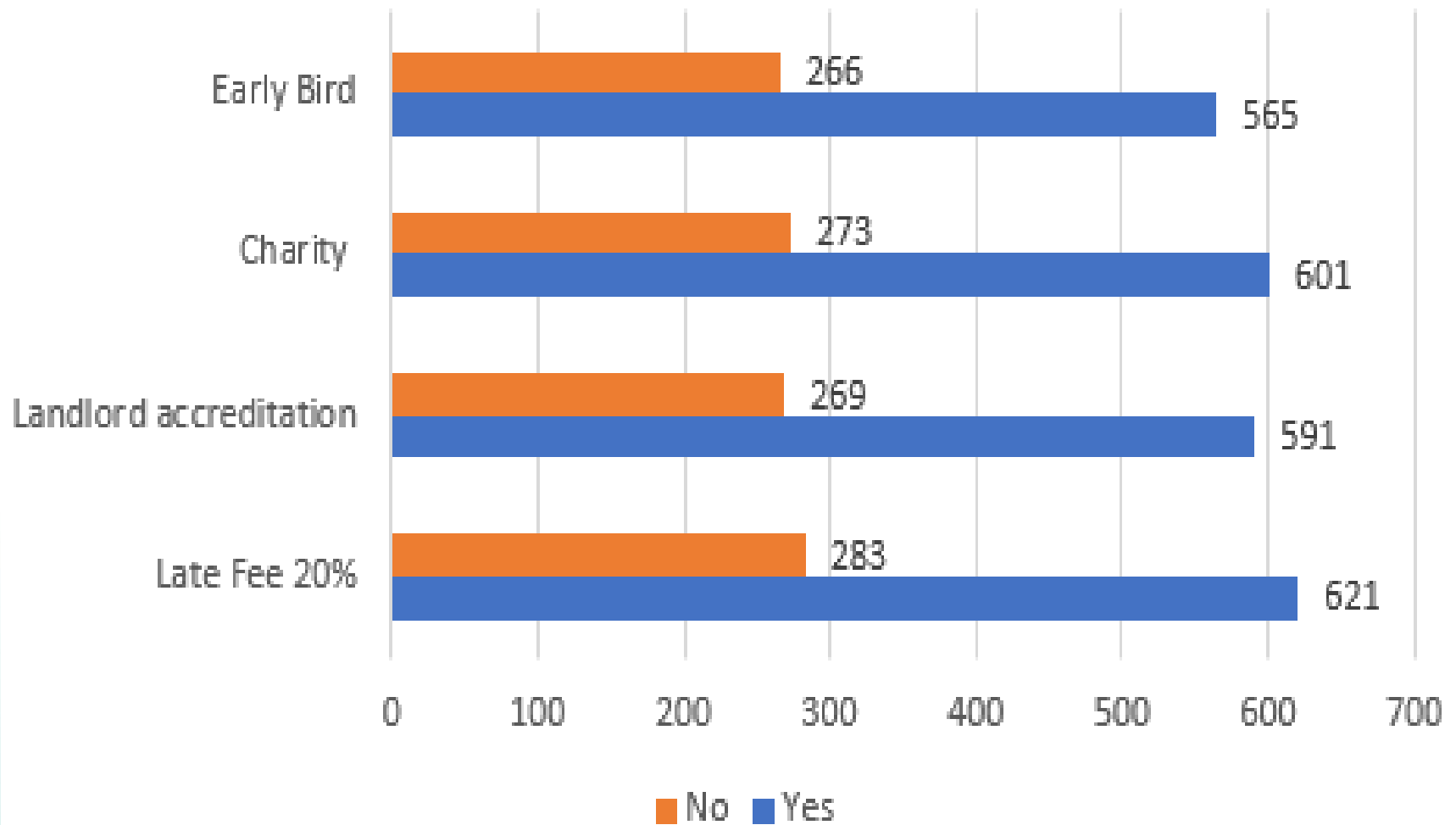
The responses have been further analysed in the table into responses received at Ward level. The proposed Selective Licensing Ward areas within the proposals have been highlighted in yellow. The highest response rate was from the Westcotes ward with 12.69% of the respondents

Option	Total
Fly tipping	388
Noise	367
Issues with crime / anti social behaviour	356
Housing Conditions	248
Difficulty getting repairs done	247
Unpaid rent	245
lack of contact with landlord / Agent	223
Public Health issues	132
Harassment / Intimidation	130
Unruly tenants	110
Fear of reporting repairs	88
Other	87
Lack of contact with tenants	83
problems associated with certificates (electricity)	31
Notice to quit for no apparent reason	30
problems associated with certificates (gas)	28
problems associated with certificates (fire)	23
problems associated with certificates (HMO)	22
Not answered	324

When asked whether there had been problems with private rented accommodation the top three issues identified were;

Fly-tipping
Noise
and,
Crime / anti-social behaviour.

Support for Discounts and late fees



The proposed discounts listed below:

- **Early bird discount be available for applicants that register prior to the commencement date of the scheme/s and following 6 months of the commencement date of the scheme/s.**
- **The late penalty date will be 18 months after the commencement date of the scheme**
- **Charities being discounted by 10 % up to the late penalty date.**
- **Accredited landlords discounted by 10% up to the late penalty date**
- **An EPC rating of A, B or C discounted by 10% up to the late penalty date**
- **Landlords with multiple applications be discounted after the first application by 10% up to the late penalty date.**
- **The maximum number of discounts applicable to a licence will be three.**
- **A late penalty fee of £200 will be added to the licence fee for those properties that are not registered within 18 months of the commencement date of the scheme/s.**

Proposed fees and discounts applied

Option	Licence Type	Proposed Fee	Licence Application Fee	Enforcement Fee	Proposed fee - 10%	Proposed fee - 20%	Proposed fee - 30%
A	Selective Licence	£1,090	£872	£218	£981	£872	£763
B	Additional Licensing (Citywide)	£1,150	£920	£230	£1,035	£920	£805
C	Additional Licensing (4 Wards)	£1,250	£1,000	£250	£1,125	£1,000	£875
A + B		£1,050	£840	£210	£945	£840	£735
A + C		£1,080	£864	£216	£972	£864	£756

Numbers of Proposed Licences in each scheme

	Selective Licensing	City Wide Additional	4 Ward Additional	A+B	A+C	Source
Total number of rented properties	7,939	7,410	2,425	15,349	10,364	BRE Data
Proportionate reduction due to modelling	0%	15%	15%			(BRE data modelling error)
Number of chargeable properties	7,939	6,299	2,061	14,238	10,000	

RISK

Risk	Potential issues	Mitigation
Ability to process applications	The number of licences to process exceeds capacity of staffing levels	Limit licensing to selective licensing within designated areas and limit number of discounts to three.
Resourcing and Staff	Insufficient resources to deliver discretionary licensing	Recruitment exercise in place to ensure staffing levels are accomplished the increase of staff for additional licensing would be hindered due to the significant staffing levels required
Financial Risk	Costs to LCC due to increased inspection and enforcement work and temporary accommodation costs	The fee structure has been developed to recover all monies required to develop the scheme. The scheme is cost neutral by the end of the scheme.
Scheme Fails	The scheme is not taken up by all landlords	A communications matrix has been put in place to promote the scheme and discounts are available to reduce the costs for applying for those that make an application. Failure to licence will be pursued and legal action can be taken for none licensing.
Reputational risk	The impact of substandard and/or dangerous accommodation in the city if discretionary licensing is not delivered.	Instigation of discretionary licensing and maintain links with external agencies to ensure progress is monitored and information communicated ensuring the take up of the scheme is universal. Publicise actions taken to raise standards and fight the issues o be addressed

Thank You

Any Questions?