

Consultation responses to Key issues raised by respondents

Question Comment	Response
Why was the consultation not paused as requested by some respondents?	<p>The consultation legally must be undertaken for a minimum of 10 weeks. LCC consultation was undertaken for a period of 12 weeks (30/11/21 – 22/2/22) and has now closed. The extended time was due to the Christmas break being within the consultation process, as we had received a significant response already from various stakeholders and a decision was taken to send a letter to all residential properties which provided multiple options for commenting on the process. In addition, emails were sent to all businesses and other relevant persons and responses received indicating that there was no hindrance to participating in the consultation as had been suggested in the request. The consultation was therefore not to be paused or extended as there was no justifiable grounds for either.</p>
Some respondents questioned why the consultation was done face to face?	<p>The preparatory work for the consultation had been underway since 2019 and a House Condition survey had been undertaken prior to the pandemic and the Council had already invested a significant amount of money to get the project underway so it would not have been in the public interest to simply abandon or delay the project further.</p> <p>The consultation was designed with due cognisance of the Covid-19 situation and as such everything was delivered online by way of letter, email correspondence, an online survey and a number of virtual public meetings. In addition, as part of the consultation, postal notification on the options was broadcast in all libraries and public buildings and also on social media and the councils website. Letters were sent to 110,745 residential properties, emails to 3654 Business Operators, 204 Faith Groups contacted and leaflets made in Gujrati circulated to 1600 congregants, 9 Landlord Associations, 123 Letting and Management Agents who forwarded onto their clients and also responded themselves, 3 MPs, 8 Local Authorities neighbouring Leicester City, 54 Councillors, 3 Media outlets, 17 student accommodation companies 3 Universities and student unions and 1130 Schools in order to give an opportunity to the widest audience possible to have their say on the proposals.</p> <p>An online survey, three virtual public meetings and Landlord and Managing agents meetings were held as this was deemed the safest way of gaining public feedback whilst ensuring safety for those that wished to take part. This was done in full compliance with government guidelines on Covid-19 to ensure that the most vulnerable and the elderly remain protected. There was also the option for residents to be able to call a dedicated number if they wished to</p>

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Landlords will sell up if a scheme is imposed!	Having spoken to a number of Local Authorities operating similar schemes, there is little evidence to suggest that displacement has occurred. Furthermore, the 2019 MHCLG review of Selective Licensing also supported this view. It would be mainly rogue landlords that would be forced to change their practices or be driven out of business. A recent discussion with colleagues at Nottingham and Coventry supports this assumption.
Rents are likely to increase due to licensing schemes this will lead to tenants being unable to pay. – leading to more homelessness?	<p>The fee structure must cover only the costs of running the proposed scheme and will be kept as low as possible to minimise cost to landlords whilst ensuring that the scheme remains cost neutral so it is deemed to be fair and reasonable, over the five-year period. The proposed fee is tax deductible and discounts will be available.</p> <p>The Council has considered the risk of homelessness as an unintended consequence but on the basis of the requirements of the schemes and costs associated with them it does not believe it should lead to increased levels of homelessness. Selective Licensing aims to stabilise tenants in better managed homes, reducing the high turnover that can lead to homelessness.</p> <p>“The reality is that the PRS is a competitive market. Rents are set at what the market will bear and can respond quickly to market conditions e.g., if a property is hard to let the rent will be adjusted down, and vice versa. There is no conclusive evidence that licensing fees increase rents, and with healthy profits in the private rented sector such licensing fees are usually paid for by landlords’ surplus and do not impact on tenants.” Core Cities Report 2018” which can be found at: Core Cities UK Metastreet licensing report Oct 2018.pdf</p>
Why are some streets with known problems not included while streets with no problems are?	The licensing legislation does not allow this distinction to be applied as the designation is often applied over entire neighbourhoods, whole wards or the entire city. Lower Layer Super Output (LSOA) data is widely used and regarded as a strong way to target problem areas within neighbourhoods. This allows for targeted focus on problem areas however, the Council acknowledges that at times this may mean some streets with lower levels issues are included. Furthermore, it is strongly believed that the positive impacts of Selective Licensing will affect the wider area, therefore all streets in a surrounding area would see the benefit
Why penalise good landlords for the shortcomings of the minority?	Selective Licensing is a strategic area-based intervention, based on evidence gathered for these areas. A local authority may designate their whole district or an area (or a number of areas) within its district for the purposes of Selective Licensing. Once made, a local authority has no power to determine its own exemptions within a designated area.

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<p>Most landlords are responsible and professional. Can good landlords be exempted from the scheme?</p>	<p>The Council recognises that there are good landlords in the proposed neighbourhoods that offer good and well managed accommodation. However, unfortunately there are also badly managed properties which licensing aims to address</p>
<p>Why was social housing not included in the scheme?</p>	<p>Section 79(3) of the Housing Act 2004 exempts socially let properties (both Local Authority and Housing Association tenancies) from the scheme. Selective Licensing only applies to private rented properties. Social housing is excluded as there is separate legislation that governs social housing. The Council's housing stock is also held to a decent homes standard to ensure safety for all residents.</p>
<p>Exemptions for charities who rent their properties.</p>	<p>A local authority has no power to determine its own exemptions within a designated area. Only dwellings subject to statutory exemption, as set out in the Housing Act 2004 and The Selective Licensing of Houses (Specified Exemptions) (England) Order 2006 (SI 2006/370) are exempt. However, a discount may be applied to assist organisation. The exemptions may be viewed by following the link The Selective Licensing of Houses (Specified Exemptions) (England) Order 2006 (legislation.gov.uk)</p>
<p>All landlords need to be licensed. This helps ensure standards are maintained</p>	<p>The legislation currently does not allow for this, licensing can only be introduced if certain criteria are satisfied e.g., high levels of private rentals, with poor housing conditions, ASB, deprivation etc. and only in places with high concentration of the private rented sector. The designation criteria would not apply to the entire City. The Government is considering in its levelling up white paper to introduce registration for all landlords, although any scheme adopted by the Council will be in addition to this requirement</p>
<p>Selective Licensing wont deal with ASB and Landlords won't make their tenant's behave</p>	<p>Licensing by itself will not completely get rid of ASB but it has been proved to improve persistent issues with ASB through the implementation of licence conditions and joint working with other departments to ensure the issues are effectively addressed. A dedicated community officer will be provided to address specific issues in the SL areas.</p> <p>Whilst the Council accepts that landlords cannot be held solely responsible for the actions of their tenants, the Council strongly believes that landlords can, more often than not, have some influence on the behaviour of their tenants.</p> <p>The Council believes that good landlords would, once they became aware that their tenants were engaged in unacceptable activities that had a detrimental effect on neighbours, try to take some steps to resolve the situation. It is accepted that landlords have limited options other than to give verbal and written warnings and in extreme cases to evict the tenant(s). However, the threat of</p>

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	<p>eviction may, in some circumstances, bring about a resolution. Clearly, the council does not want to see tenants lose their homes and would hope it would not come to that in most cases. Landlords do not need to be alone in facing difficult tenants.</p> <p>The Council, Police and the proposed enforcement officer can help. Any landlord who asks for help and advice will receive it. The Council recognises that as well as rogue landlords, there are rogue tenants who the Council and its partners will look to deal with.</p> <p>The Council proposes to use its discretionary power to incorporate an ASB condition within the proposed Selective Licensing Designation. It would outline the licence holder to take reasonable steps to try and deal with any ASB caused by their tenants and to cooperate with the Council and Police as necessary. It is also worth noting that a mandatory condition of Selective Licensing relates to tenant referencing. All licence holders, in any Selective Licensing scheme, must require a reference from any person wishing to take up occupation in one of their licensed dwellings.</p>
<p>Some of the respondents were not convinced that houses occupied by single families need to be licensed as they believed that these types of occupation do not lead to anti-social behaviour instead, they believe that ASB is attributed to HMOs.</p>	<p>The proposed neighbourhoods have the highest number of private rentals, high levels of poor housing conditions, highest levels of ASB, crime and are the most deprived in the City and have required substantial interventions from the Council.</p>
<p>Financial impact on Landlord?</p>	<p>The scheme does not impose additional costs in terms of compliance with housing standards as the standards apply under existing legislation already.</p> <p>The licensing scheme provides a more effective regulatory framework and brings much of the compliance requirements into one place and aims to prevent rogue landlords undermining good landlords.</p> <p>We are considering the practicalities of applying discounts for full applications received during a fixed period of the schemes.</p> <p>The Selective Licensing proposals are not a tax, and are not a way to raise income for the Council, because the funds from the scheme, legally must be spent only on administering, and compliance monitoring of the license and cannot be spent on anything else.</p>

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<p>Respondents raised concerns that with the additional costs from Selective Licensing and complying with it, in addition to loss of income in rent due to some tenants losing jobs or being unable to receive rent as a result of the pandemic and would lead to more landlords selling their properties or raising the rent and so increasing homelessness.</p>	<p>One of the aims of Selective Licensing is to improve the area, property conditions and management thereby strengthening the community. Making the area more attractive to tenants and to be of benefit to landlords and it is therefore expected that fees will not be passed to tenants.</p> <p>The Council acknowledges that there may be some small cases where landlords do sell some or all of their property portfolio in areas where Selective Licensing is introduced, due to being unwilling, or unable to comply with the scheme requirements for various reasons.</p> <p>However, research shows that where this happens the properties are normally bought by professional landlords who see properties in designated areas as a good, safe investment, as they understand that capital values of properties and rental yields are likely to increase over time as an outcome.</p> <p>If the landlords choose to sell and the properties are bought by other professional landlords, such dwellings will remain full and kept within the private rented sector.</p> <p>Government guidance provides advice on rent increases and the tenancy agreement should include how and when the rent will be reviewed.</p> <p>For a periodic tenancy (rolling on a week-by-week or month-by month basis) a landlord can't normally increase the rent more than once a year without the tenant's agreement.</p> <p>For a fixed-term tenancy (running for a set period) a landlord can only increase the rent if the tenant agrees. If the tenant does not agree, the rent can only be increased when the fixed term ends.</p> <p>Generally, for all tenancies, a landlord must get the tenants permission if they want to increase the rent by more than previously agreed and the rent increase must be fair and realistic, i.e., in line with average local rents.</p> <p>A tenant can apply to a tribunal to decide on certain rent disputes in England.</p> <p>Whilst the Council does not approve of licensing fees being passed to tenants it is anticipated that the fee and discounts will ensure that any rent increase would be minimal.</p>

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<p>Do we have enough resources in? How will you manage a scheme of this size? Selective Licensing is only good if enforced</p>	<p>The Council's ability to manage the scheme was noted as a concern for some of the respondents. The Council intends to prepare fully for the implementation of the scheme. The scheme will need to be properly resourced, and information will be provided on how the scheme will work in practice. This is currently being developed with input cross a range of departments, and also with the advice and guidance of experienced colleagues in other local authorities where similar schemes have been implemented. The Council recognises that there will be a new Selective Licensing function set up to ensure effectiveness and act as the link between landlords, tenants and other Council departments and stakeholders</p>
<p>How will landlords who do not licence be identified</p>	<p>The Council recognises that it will be challenging to determine exact number of landlords who do not proactively licence their properties. Occupiers, residents or other landlords and agents will be encouraged to contact the Council in confidence to report properties (or landlords) they feel may be operating poorly managed properties or be unlicensed. The Council will work with its partner agencies including the fire service, police, environmental health and other council departments to identify unlicensed properties</p>
<p>The Council should publish clear service standards setting out the timescale for processing and approving licence applications and to publish regular updates so that performance in this area can be monitored</p>	<p>If the scheme gets the go ahead there will be a requirement to regularly review the scheme progress and achievements as well as publishing the service standards it will work to. And relevant reports will be published annually</p>
<p>Why can the Council not enforce standards under its existing powers? Why choose licensing over enforcement action?</p>	<p>Enforcement of housing standards under the Housing Act Part 1 is a reactive intervention and not a strategic response as there is no impact beyond the property and the wider issues that have been identified in private rented sector would not be addressed. Furthermore, the Council has to follow a number of steps under enforcement, which can take a significant period of time with associated costs and resources.</p> <p>Licensing powers are provided by the Housing Act 2004 (Part 2 & 3) to enable local housing authorities to take a more proactive and quicker route to ensure that management and standards of accommodation are satisfactory. The Council does not need to receive a complaint to inspect a property and landlords are required under the terms of their licence to adhere to the scheme's licence conditions or face enforcement action. Licensing also promotes further engagement with landlords and agents and will enable the Council to communicate effectively with the sector. All enforcement measures to tackle housing offences will be used alongside licensing to achieve the objectives of the scheme</p>

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<p>Make better use of existing enforcement powers. Powers to deal with disrepair and ASB</p>	<p>While it is accepted that there are some overlapping legislative provisions, Selective Licensing remains a powerful and unique legislative tool that can have a tangible impact on problematic areas where there are higher than average levels of privately rented accommodation.</p> <p>Selective Licensing provides the Council with additional powers to ensure management standards are sufficiently maintained. The use of licence conditions would enable the Council to impose responsibilities on landlords that would otherwise be unenforceable.</p> <p>Where there are overlapping legislative provisions, the use of Selective Licensing can make for quicker and more efficient resolutions to housing related problems. As Selective Licensing enhances and widens the range of enforcement options, the Council is of the opinion that it is an effective means of promoting good management standards, better housing conditions, and wider regeneration in the area. The Government introduced Selective Licensing to help Councils increase their chance of successfully tackling social and environmental issues in areas such as those proposed for designation.</p>
<p>Many licensing schemes fail due to the lack of adequate resources needed to undertake the necessary enforcement activity</p>	<p>Enforcement, especially of unlicensed properties, is key to delivering an effective licensing scheme and the Council is currently working to scope the level of resources that would suffice for the proposed scheme</p>
<p>Deal with HMO's</p>	<p>The Council is focusing its current enforcement activity on unlicensed properties. Whilst poor compliance with the regulation is a concern and leads to higher overheads for the Council, what is of greater concern is the number of criminal landlords who are renting out properties in very poor conditions most of such properties are occupied by families with young children or other vulnerable groups which is why the Council is taking steps to address this through the proposed scheme in the worst identified neighbourhoods</p> <p>Delivering a large-scale proactive inspection programme in the absence of property licensing powers and income would be very challenging. Licensing provides a legal framework in which the Council can work in partnership with landlords to drive up property standards and reduce ASB. Licensing income will support the recruitment and retention of skilled staff to undertake the work over the life of the scheme.</p>
<p>Selective Licensing does not work</p>	<p>There are recent reports on the effectiveness of licensing schemes which can be found online; CIEH Review; https://www.cieh.org/news/blog/2019/how-effective-is-selective-licensing/ MHCLG Review; https://www.gov.uk/government/publications/selective-licensing-review</p>

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<p>There is already enough legislation in place for Landlords to comply with in terms of the condition that a property is offered to a tenant and what a landlord is required to do in terms of electrical and gas safety, smoke alarms etc. Surely the council have enough powers to prosecute Landlords not complying with their statutory obligations already.</p>	<p>The examples given are not all enforced by the same regulatory body e.g., gas safety is regulated by the HSE (Health & Safety Executive). One of the benefits of Selective Licensing is that these can be enforced by one authority under a clear framework rather than by a patchwork of different regulatory bodies. Selective Licensing brings these all under one umbrella and requires the documents to be produced on request which ensure all these are in place.</p>
<p>Energy efficiency should be incorporated into the proposed scheme.</p>	<p>The Council understands that one of the significant challenges for the private rented sector in the coming years in the energy efficiency of the properties is the move to an EPC C from 2025. The Council is proposing a discount for those landlords with an EPC A,B or C and with the proposed scheme an audit of properties energy efficiency (e.g. windows, insulation, boiler etc.) will be included in the inspections that are undertaken if the scheme is agreed, so that Government bids can be more targeted. This would allow for landlords to get grants specifically to improve the fabric of their buildings and the licensing scheme to be seen as beneficial to them</p>
<p>Why haven't you done Selective Licensing before?</p>	<p>Selective Licensing was first available under the Housing Act 2004 but the decision was made at the time to use other interventions to address the problems and has been using other powers to investigate and take action. Due to the problems persisting, the Council has re-visited this again. To deliver the scheme, the Council has undertaken a thorough study to identify areas of concern in relation to factors such as low demand, migration, poor property conditions, deprivation, crime or ASB, in conjunction with levels of private rented housing across areas and further undertook a House Condition survey with BRE in 2019. We now have sufficient evidence for the prevalence of the last four criteria available to support a Selective Licensing Scheme within the designated areas.</p>
<p>There was a suggestion that the proposal is being used for political advantage.</p>	<p>The proposals were made because there was a recognition that there was a need to intervene in order to address the issues within the private rented sector. This has also been confirmed by the overall positive response to the consultation by respondents from all groups. With most people having to live and work from home due to the pandemic, those living in substandard accommodation will now be most impacted and it is in view of such residents that the Council proceeded with the consultation.</p>

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<p>The Council are charging the good landlords to fund trying to prosecute the bad ones</p>	<p>The proposed application fee only covers the cost of processing and administration of the application. An additional enforcement fee will be required and used for the enforcement of all licences in addition the Council's Discretionary Licensing enforcement policy will place a higher cost burden on 'bad' landlords. This is done by targeting enforcement towards unlicensed properties, reducing the length of the licence if the landlord has a record of poor management or has not licensed their properties when asked to do so.</p> <p>As currently there is no mandate to provide information on what properties are rented, a licensing scheme is the only way to collate this information in a Council area. Having a scheme in place helps identify those that are absent and therefore allows the Council to target enforcement.</p> <p>There is substantial evidence that enforcement is more targeted and increases in areas with Selective Licensing schemes. Raising standards and identifying criminal landlords. If the scheme is introduced, it will be clear which landlords have not applied for a new licence and enforcement action can be targeted at these landlords. We will then continue with our intelligence led enforcement to ensure that all landlords are licensed and are complying with licence conditions.</p>
<p>More expenses for owners mean less supply of property and pressure to put up rents both due to shortage and costs</p>	<p>Our research does not support this view. It should also be noted that there are very few secure protected tenancies in the private rented sector. Secure tenancies are often only available to council housing or housing association tenants which are not included in the proposed scheme and therefore would not be affected.</p>
<p>ARLA Propertymark believes that instead of introducing Selective Licensing, the Local Authorities should adopt a collaborative approach with letting agents, landlords and professional bodies to tackle issues within the private rented sector</p>	<p>The Council welcomes a collaborative approach with letting agents and landlords and have been encouraged by the reformation of the landlord forums in the City for both Landlords and Managing agents and is committed to participating in various platforms.</p> <p>However, self-regulation has proven not to be successful in this sector. Due to poor take up of accreditation schemes as it is a voluntary scheme with no real way of enforcing breaches by members.</p>
<p>The testing of fit and proper persons and how we are going to carry this out as we will not be using DBS.</p>	<p>The 'fit and proper test' is a statutory test set out in the Housing Act 2004, section 66. The bar is set quite high and relates to serious and relevant unspent convictions, so to deem someone as not a fit and proper person would mean they have a current conviction or have spent a considerable time in prison.</p>

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	<p>The Council has the option to address someone who passes the fit and proper test but is still a 'person of concern' by reducing the licence term e.g., to 1 year so that their management can be scrutinised over that year, or ask them to do additional training etc.</p> <p>It is important to note, that every licence decision made by the Council may be appealed to the Tribunal (Property Chamber) who have the power to overturn Council decisions. The Council would be required to remain reasonable and within the law in its assessment of each case.</p>