
Briefing Report

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

Overview Select Committee: 10th November 2021

Assistant Mayor for Housing: Cllr Elly Cutkelvin

Lead Strategic Director: Richard Sword

Lead Directors: Chris Burgin & John Leach

Useful information

■ Ward(s) affected: TBC

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1.0 Purpose

The purpose of this report is to: -

- 1.1 brief the Overview Select Committee on Licensing in the Private Rented Sector
- 1.2 share with the Overview Select Committee key considerations with respect to Leicester City Council's existing Mandatory Private Rented Sector Licensing scheme, and the plans to potentially introduce a Discretionary Licensing Scheme in the City (Additional Licensing and/or Selective Licensing).

2.0 Summary

- 2.1 This report provides background on the Private Rented Sector (PRS) in Leicester and the Council's ambition for there to be a strong PRS operating in the City that meets people's housing needs, alongside other sources of accommodation. In order to help achieve this, this report focuses on the part that Discretionary PRS Licensing (Additional and/or Selective Licensing) might play and discusses proposals for formal consultation with respect to Additional and/or Selective Licensing options in the City.
- 2.2 Members of the Overview and Select Committee's views are sought on the proposals including suggested next steps.

3.0 Recommendation

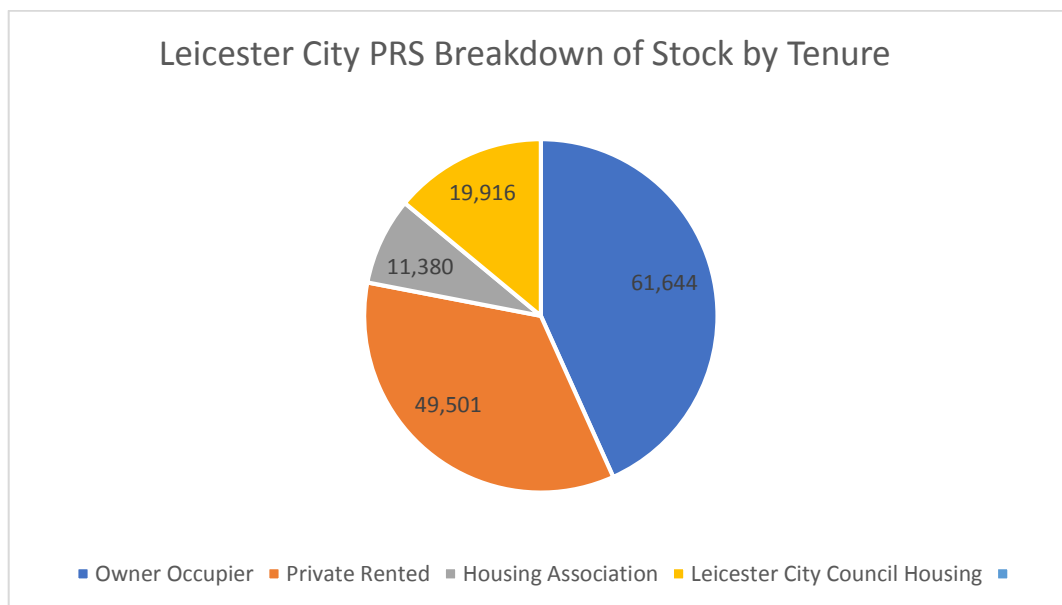
- 3.1 **The Overview and Select Committee is asked to note, comment and feedback on the report, including the proposed next steps in order to contribute to considerations regarding Discretionary Private Rented Sector Licensing (Additional and/or Selective Licensing) in Leicester.**

4.0 Background

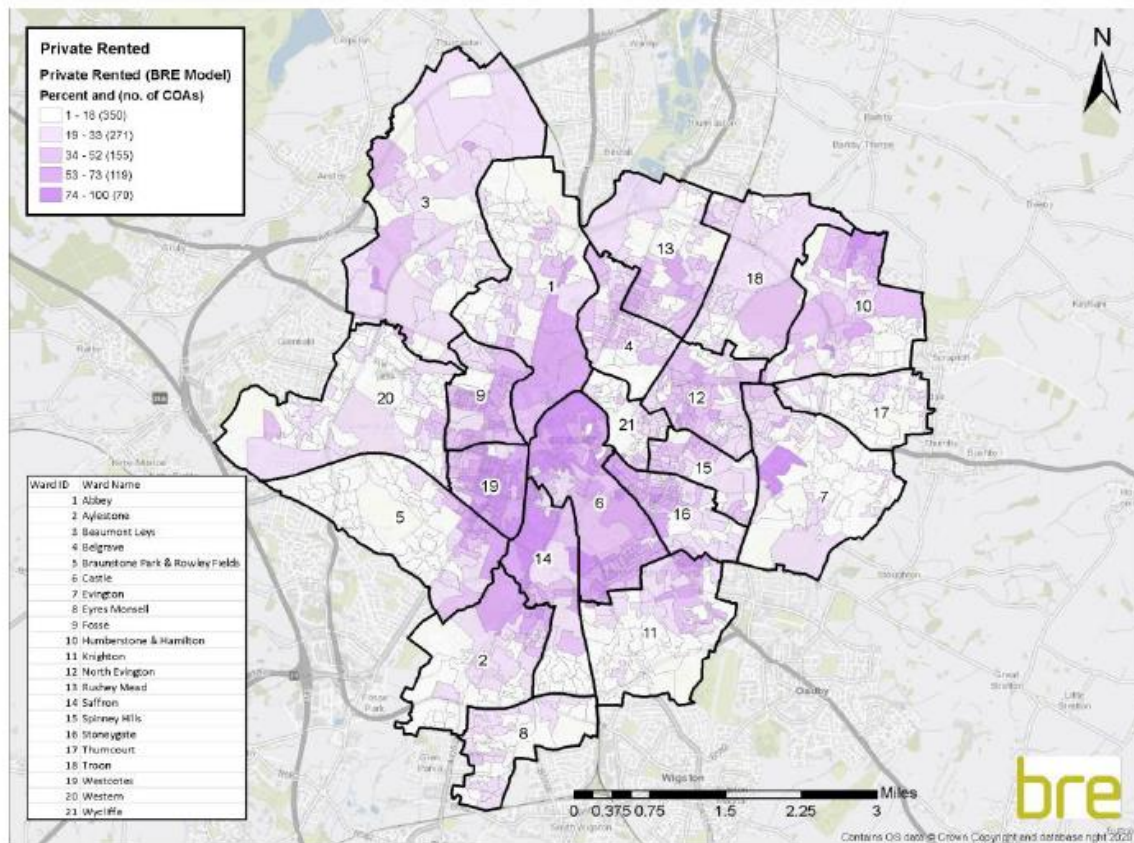
- 4.1 The City Council has an ambition to ensure the Private Rented Sector (PRS) in Leicester is fit for purpose and a key part of that is to ensure the Council raises housing standards in the sector.
- 4.2 The overall objective of Leicester's City Council's (LCC) Private Rented Sector Strategy (as set out in the report provided to the Overview Select Committee of 10th November 2021) is to have an holistic approach that ensures tenants and landlords are appropriately supported and engaged. The Strategy is designed to work with all aspects of the sector with a core focus on retaining and improving the Council's ability to protect tenants' safety and rights, and tackle rogue/poor landlords. Maximising this, whilst maintaining a balanced, fair, and proportionate approach, will ultimately lead to the raising of housing standards within the sector.
- 4.3 Driving up standards in the PRS seeks to protect the Council's most vulnerable residents against poor safety standards. It is also recognised that this work also contributes to safer communities and adds resilience in the local economy. The introduction of a Discretionary PRS Licencing scheme (Additional and/or Selective Licensing) forms a key part of the Council's broader PRS Strategy.
- 4.4 Leicester City has a diverse population of approximately 350,000 people and it is known that some of the Council's more vulnerable communities are at risk and can be unlikely to report property/accommodation that is unsafe, in poor condition and over-crowded. With the loss of council housing stock through Right to Buy it is also known that there are more families reliant on the PRS. In addition, Leicester hosts three hospitals and two major universities which bring significant additional demand for homes within the City.
- 4.5 In compliance with the Housing Act 2004 Leicester City Council currently delivers a scheme of Mandatory Licensing. This legislation requires Houses in Multiple Occupations (HMOs) properties **that have five or more** tenants that **share facilities** and are living together as two or more separate households to have a licence. The Housing Act 2004 was updated in October 2018 to remove a further requirement that stipulated not only the number of people/households but also that to be licenced the property must also have three or more stories.
- 4.6 Benchmarking of Leicester City Council's Mandatory Licensing Scheme shows the Council's performance to be broadly equivalent to a number of similar local authorities.
- 4.7 This report describes the two possible Discretionary PRS Licensing schemes - Additional Licensing and Selective Licensing. It also provides the key differences between these schemes including what aspects of the PRS they seek and are effective in addressing.

5.0 Detail

- 5.1 In order to scope out the extent to which Discretionary PRS Licensing might be utilised in the City to help improve housing standards, a Housing Conditions Report (HCR) was commissioned in 2019. Evidence from this report has recently been used to build a business case for consideration of the potential extension of an Article 4 Direction for Leicester which is proposed to go out to consultation between 18th November 2021 to 13th January 2022, further details of which will be made available on the Council's website.
- 5.2 The HCR demonstrates that the PRS makes up 35% of Leicester's housing stock in the City compared to the national average of 19%. A large portion of wards (19 out of 21) in Leicester have a percentage of Private Rented Sector dwellings greater than the national average.



- 5.3 The map below illustrates the density of PRS across Leicester.



5.4 The HCR for Leicester identified that property condition issues (levels of disrepair) are most prevalent in HMOs - of which there are modelled to be 9,649 in Leicester, with 6,188 situated within six Wards (Westcotes, Fosse and Saffron, Castle, Stoneygate and Braunstone Park & Rowley Fields) and that of these two (Westcotes and Fosse) have higher hazards, Anti-Social Behaviour (ASB) and complaints reported. Looking at PRS stock generally Westcotes Ward has high levels of all hazards and excess cold and Fosse Ward has high levels of fall hazards and disrepair.

5.5 Please also see Appendix A which provides a short overview in relation to information on housing conditions in the Private Rented Sector in Leicester.

5.6 By combining the information within the HCR and looking specifically at HMOs, with other additional information held on Council systems covering issues such as fly tipping, pests, over-crowding, ASB, damp, fire safety, rubbish accumulation etc the wards of Westcotes, Fosse, Braunstone Park and Rowley Fields and Stoneygate stand out for greater attention, when considering candidates for Private Rented Sector housing improvement.

5.7 **Discretionary Private Rented Sector Licensing**

5.7.1 As described earlier there are two forms of Discretionary PRS Licensing Scheme, as set out below: -

(A) **Additional licensing**

5.7.2 Additional Licensing requires Houses in Multiple Occupations (HMOs) that have **three or more** unrelated tenants that **share facilities** such as kitchens and bathrooms, to have a licence. With a robust business case supporting the need, this can be applied either in a targeted way or city-wide without Secretary of State approval.

5.7.3 To justify the introduction of an Additional Licensing Scheme it needs to be demonstrated that a significant proportion of HMOs in the area are being managed sufficiently ineffectively as to give rise, or likely to give rise, to one or more particular problems for those either occupying the HMOs or for members of the public. This includes serious problems with poor property conditions, poor management, and ASB. This therefore also means that if there is a significant proportion of HMOs with high levels of compliance and low levels of complaints, an Additional Licensing Scheme would be hard to justify under these circumstances.

5.7.4 Section 56 of the Housing Act 2004 give the powers to licence all or some of the HMOs in the area that are not already subject to Mandatory Licensing and there is evidence of poor management.

5.7.5 In determining whether to progress an Additional Licensing Scheme a local authority must consider a number of things including whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of dealing with the problem or problems in question. In making such a designation they must consider that it will significantly assist them to deal with the problem or problems.

5.7.6 (B) Selective Licensing Scheme

Selective Licensing gives local authorities the power to introduce, in a given area (see 5.7.7) licensing for all tenures in the PRS (exemptions include: holiday lets, business premises, student premises where the university is the landlord/manager and premises where the tenant is a family member)

5.7.7 To introduce a Selective Licensing Scheme without requiring Secretary of State approval, the area identified for Selective Licensing must only form 20% or less of the City's PRS and/or geographical area.

5.7.8 To justify the introduction of Selective Licensing, the Housing Act 2004 states that the Authority 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 objectives that the designation is intended to achieve

and

- that making the designation will significantly assist them to achieve the objectives

5.7.9 The statutory grounds for designating an area for Selective Licensing are: -

- The area is, or is likely to become, an area of low housing demand:
- The area has a significant and persistent problem with ASB where the inaction of private landlords is a contributory factor;

OR

- The area has a high number of private rented properties in relation to total number of properties

AND

- It is believed the area is suffering from significant housing condition problems
- It has experienced a recent influx in migration, living in private rented accommodation, and there is a need to tackle poor management and overcrowding
- It suffers from a high level of deprivation which particularly affects the occupiers of private rented accommodation
- It suffers from a high level of crime affecting residents and businesses.

5.8 The obligations under both schemes confirm that the Council needs to demonstrate what else it is doing to improve housing standards in the City and for this reason the Council's PRS Strategy is considered vital.

5.9 Both schemes facilitate the proactive inspection of properties and seek appropriate certification of prescribed standards from the landlord. In the first instance this enables the local authority to check fundamental safety standards within a property. To be effective, adopted schemes need to operate within a licensing management regime that sits within a wider programme of enforcement and support for the sector.

5.10 Before granting a licence (under all licensing schemes), the authority must be satisfied that the: -

- proposed licence holder is a fit and proper person and is the most appropriate person to hold the licence
- proposed manager of the property (if different from the licence holder) is a fit and proper person
- proposed management arrangements are otherwise satisfactory

5.11 PRS Licensing Schemes cover prescribed conditions such as the production of a gas safety certificate, keeping electrical appliances in a safe condition etc and supplementary conditions such as a requirement for the landlord to take reasonable steps to prevent ASB by occupiers or visitors.

5.12 Licences can be granted on properties for a maximum of a five-year term.

5.13 It is important to note that licences may be revoked: -

- where there has been a serious breach or repeated breaches of a condition of the licence.
- the licence holder is no longer a fit and proper person.
- the property becomes structurally defective.

5.14 Where a property should be but has not been licensed, or a licence has been obtained but its conditions are breached, a range of sanctions may be available, such as a fine or civil penalty as an alternative to prosecution etc.

5.15 Whilst overtime you would expect both Discretionary PRS Licensing Schemes to contribute to the Council's broader strategic objectives as set out in the PRS Strategy, there are risks and benefits in relation to both which are described further in the table on the next page/s.

Benefits and Risks of Discretionary PRS Licensing Schemes (Additional and Selective Licensing)		
Scheme	Benefits	Risks
Both	Landlords details will be readily identifiable on a public register	Require robust business case and extensive formal consultation
	Add to LCC's powers to deal with poor standards in problematic areas of the city	Good landlords often feel that they are being unfairly penalised. This can undermine relationships with the sector and lead to negative press coverage
	Shown to increase standards of accommodation	Cost associated with the licensing fee may be passed onto tenants by an increase in rent (<i>although we know that this is tax deductible and therefore unnecessary</i>) This makes the sector less affordable for those on low income but also may put additional pressure on Council Discretionary Housing Payment schemes
	Increases desirability of living in the area	Potential to disenfranchise the sector at a time of existing fiscal pressure and when we need the market to be strong to provide housing solutions for vulnerable residents on the housing register
	Some evidence that it can lead to an increase in property values	Prohibitive cost of licensing: landlord may already be struggling with rent collection due to pandemic but also where the landlord has a multiple properties that require a licence
	Attracts tenants who are likely to be less transient and want to make the property their home	Need to ensure initial application and administrative process is not burdensome or acts as a barrier for vulnerable landlords
	Improved ability to identify and tackle poor and rogue landlords & managing agents	Whilst improvements in safety standards are quicker to realise it takes longer for wider community benefits such as a reduction in tenant turnover
	Seek to support existing enforcement legislation dealing with anti-social behaviour (including fly-tipping/ bins on streets/ noise/ general ASB)	Scale of schemes need to be appropriately resourced to enable proactive inspection
	Increased links and engagement with landlords - raises knowledge of good standards across the sector	Landlords who want to resist a scheme may aggravate the application process
	Licensing schemes provide councils with enhanced powers of entry in some circumstances not requiring notice (Although enforcement may be required through the courts)	In the first instance rouge/potentially less scrupulous landlords may not apply. Once the first tranche of licences are complete, the Local Authority will need to actively seek out remaining properties

	Increased confidence of tenants to report issues as reduces the fear of bad management practice including eviction	Some areas that have high concentrations of PRS property actually show a high level of compliance and low levels of complaints: evidence for the need for Discretionary Licensing in these areas becomes harder to demonstrate
	Licensed landlords find networking easier, enabling them to come together to influence and lobby on common issues	Require a three month stand still period
	Can design in discounts in the cost of the initial fee by using such mechanisms as accreditation schemes	
Additional [General]	Provides extra powers and protection for tenants living in the smaller HMO properties	Will not address problems in all tenures (in particular issues around singular family homes and homes that have been converted to studio flats)
	Can take a targeted approach or be introduced city-wide without Secretary of State approval	
Additional [City-Wide]	When applied city-wide this creates a level playing field for all landlords with smaller HMOs	
	Balances the housing market and prevents certain areas of the City being labelled as less desirable	
Selective	Whilst still requiring a robust business case, Secretary of State approval for schemes under 20% is not required	We would not be able to justify a city-wide scheme and therefore remaining under 20% seems appropriate. This inhibits an opportunity of providing equity across the City
	Captures the majority of tenure in the Private Rented Sector (exemptions include: holiday lets, business premises, student premises where the university is the landlord/ manager and premises where the tenant is a family member)	By being focused in on certain areas it can create a perception of degeneracy

6.0 Key Learning from Professional Bodies and Other Local Authorities

Professional Bodies

6.1 To further inform the Council's considerations regarding PRS Discretionary Licensing Schemes information has been gathered from the Ministry of Housing, Communities and Local Government "Independent Review of the Use and Effectiveness of Selective Licensing" 2019. This report drew on the experience of a number of key national stakeholders including the Local Government Association, in depth interviews with 30 authorities, and a survey completed online by 273 local authorities (irrespective of whether or not they had a selective licensing designation in place.) The full review can be found at: [Title \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

6.2 It is right to say that overall, the MHCLG Independent Review spoke very positively about what a Selective Licencing Scheme can achieve. However, key learning includes: -

- The process of evidence gathering and consultation prior to designation is rigorous and challenging
- Study indicates that when implemented in isolation, the effectiveness of Selective Licencing is often limited
- Largest cost of operating a scheme is staff
- An effective policy for identifying unlicensed properties should be established at the planning stage
- Robust financial modelling is required to get the fee level correct in the first instance and prevent the need for a change in the fee mid-scheme

6.3 Alongside this we have looked at the of work the Chartered Institute of Environmental Health and the Chartered Institute of Housing Report, "A Licence to Rent". The full report can be found at: [a-licence-to-rent.pdf \(cieh.org\)](https://www.cieh.org/a-licence-to-rent.pdf). Which made it clear for the 27 schemes considered Selective Licensing was not a 'quick win' in that it may take "several years before tangible outcomes are achieved". Nevertheless, many of the schemes they looked at where acknowledged to be delivering significant benefits.

6.4 To further inform the Council's considerations contact with, and review work on the experiences of individual local authorities has also taken place. In doing this insight into a number of authorities who have consulted on one or both Discretionary Licencing Schemes has been gleaned - many going on to introduce a scheme that responds to need in their local area. It is proposed that this networking and review work continues on an ongoing basis, and in doing so if Members have thoughts on any authorities or organisations that might be useful in contacting then their feedback would be welcomed.

6.5 Evidence that includes information on national trends on the introduction of Discretionary PRS Licensing Schemes continues to be sought to inform any future decision that the Council may make regarding Discretionary PRS

Licensing. A white paper spelling out the Government's plans for raising standards in the Private Rented Sector, including a potential national landlord register that would bring England into line with the rest of the UK, is expected by the winter. A national landlord register is something The Chartered Institute of Environmental Health (CIEH) first called for in 2019.

Other Local Authorities

- 6.6 In talking to and reviewing the individual experiences of other local authorities some in depth insight work has taken place regarding certain local authorities, in particular Stoke on Trent, Coventry, Liverpool, and Nottingham. Further information can be found in Appendix B of this report.
- 6.7 It is right to say that the vast majority of authorities remain in firm support of some type of local Discretionary PRS Licensing Scheme and will describe how it positively impacted on standards in the sector. However, the following was noted: -
- The need to ensure the business case is robust, tailored and evidenced to local need, and able to stand up to a potential judicial review
 - Good communication with the sector is essential and consultation must be robust
 - Those landlords who are in opposition to a scheme can find ways to aggravate the consultation and subsequent application process, this seems particularly evident when consulting on Selective Licencing
 - One authority needed to streamline their application process as it was too burdensome and proved to be a barrier for some landlords
 - As the application process was so burdensome, one authority only undertook compliance checks on a risk-based approach. The Authority needs to ensure a scheme is designed that is reasonable, deliverable and responds to the most acute need
 - A clear and coherent communication plan is needed to ensure that both landlords and tenants are aware of the scheme together with their rights and responsibilities. Along with the need to enable good communication with officers for guidance
 - Awareness raising campaigns and promotion is vital and must be ongoing
 - The need to ensure involve local accreditation organisations as any proposed discount for the fee will directly impact on their workload
 - Being able to identify the landlord does help improve overall management of properties, but enforcement action often relies heavily on existing legislation along with powers held by the Police

- It is a good idea to set up both a landlord forum and a separate managing agents forum to discuss proposals

7.0 Considering Specific Options for Discretionary PRS Licensing (Additional and/or Selective Licensing) in Leicester

A) Targeted Selective Licensing (Focussing on Westcotes and Fosse)

7.1 The HCR and associated evidence indicates that Westcotes and Fosse Ward has higher hazards, Anti-Social Behaviour and complaints reported than other wards.

7.2 It is apparent from the Council's research to date that evidence gathered does not sufficiently support a large or city-wide Selective Licensing Scheme but could warrant justification focusing on Westcotes and Fosse Ward (but not coterminous with the boundaries and created on the basis of the 20% or less criteria). This scheme would impact on up to approximately 2,000 privately rented dwellings that are located in the areas with the highest aggregate of issues of housing condition and ASB.

B) City-wide Additional Licensing Scheme

7.3 Section 5.4 in this report states, "The HCR for Leicester identified that property condition issues (levels of disrepair) are most prevalent in HMOs" as opposed to for example, single family homes. This is further supported by local data held on complaints which shows that using three years of data there were 1,640 complaints registered against the total 9,649 HMOs predicted to be in the City. This equates to 17% of HMOs attracting a complaint. Please see Appendix A. On that basis a city-wide Additional Licensing Scheme offers the opportunity/potential to drive up standards by focusing on HMOs who would be subject to licence conditions and the associated inspection/s that come with such a regime. This if sufficiently supported by evidence, would capture the modelled approximately 7,400 HMOs in the City that are in addition to those that relate to the Mandatory Licensing Scheme.

C) Targeted Additional Licensing Scheme (Focussing on Westcotes, Fosse, Braunstone Park & Rowley Fields, and Stoneygate)

7.4 As an alternative option to consider to a city-wide Additional Licensing Scheme, when considering which wards would most benefit the following four wards have been identified by looking at the concentration of HMOs, housing conditions and incidents of Anti-Social Behaviour.

- Westcotes
- Fosse
- Braunstone Park & Rowley Fields
- Stoneygate

7.5 This scheme (based on BRE modelled data) would require the Additional Licensing of a modelled 2,759 HMOs in these wards (in addition to those HMOs which are already captured under Mandatory Licensing).

8.0 **Fees**

8.1 Licensing fees are used to recoup the cost of administering PRS licensing schemes.

8.2 A search of the internet reveals fees levied vary across the country, including, the possibility of discounted rates. It is noted that there are a number in the region of £1,000 per 5-year licence.

8.3 Further work on what Leicester City Council might charge is in progress and would be further discussed as part of formal consultation.

9.0 **Formal Consultation**

9.1 During the “scoping” stages, in March 2019 initial consultation was undertaken by officers via public survey and attendance at key meetings with landlords to discuss the possibility of introducing a Discretionary PRS Licensing Scheme. This work was helpful in providing some early insight but was never intended to replace a formal consultation.

9.2 A formal public consultation for a minimum of ten weeks is required for both Selective and Additional Licensing.

9.3 A proposed timeline for a full and formal consultation and implementation are set out below. The proposal would be to consult on a city-wide Additional Licensing Scheme, a targeted Additional Licensing Scheme (focussing on Westcotes, Fosse, Braunstone Park & Rowley Fields, and Stoneygate) and a Selective Licensing Scheme under 20% and focusing on (but not coterminous with the boundaries of) Westcotes and Fosse Ward.

Action	Timeline
City Mayor Briefing	14 th October 2021
Scrutiny Report	10 th November 2021
Write draft consultation proposal for potential schemes based on the Housing Conditions Report and associated information	November 2021
Brief the Lead Member for Housing about consultation proposal and the potential schemes and proposed communications plan to obtain a decision on the final consultation and communication plan	November 2021
Finalise communication plan for the consultation	November 2021

Brief City Mayor on final draft proposal, consultation, and communications plan. Decision required to proceed to consultation.	November 2021
Start Consultation with Launch Event	November 2021
Attendance at key meetings and forums	November 2021 and 21 st February 2022.
Establishment of focus groups	November 2021
Brief City Mayor and Executive on the analysis of the consultation results	March – April 2022
Respond to consultees	March – April 2022
Brief City Mayor - final Officer report on scheme/revised scheme based on consultation responses. Decision Notice required to go to full Council.	May – June 2022
Full Council	May – June 2022 (Depending on date for Full Council).
3-month stand still period	June – August/Sept 2022
Recruit Staff	May/June 2022
Finalise fee	May/June 2022
Brief City Mayor - final report	September/Oct 2022
Go Live	November–December 2022

9.4 Consultation with landlords will be undertaken in the following way if licensing is approved: -

How we will seek to engage with these groups	Type of Landlords			
	Professional	Accidental*	Rogue	Other
Introductory forums	X	X	X	X
Training/education	X	X	X	X
Leicester Landlord Group	X	X		X
Mail shots and similar	X	X	X	X
Inspections	X	X	X	X
Enforcements			X	X
General campaigns	X	X		X
Targeted campaigns	X	X	X	X
Good news stories	X	X		X
Attending EMPO & similar	X	X		X

* Accidental landlord – For example through inheritance

10.0 Next Steps

10.1 The proposed next steps are: -

- a) To receive feedback from Overview Selective Committee on considerations relating to Discretionary PRS Licensing, and how that might be utilised in the City as part of the Council's Private Rented Sector Strategy, which seeks to improve housing standards in the Private Rented Sector in Leicester.
- b) To progress a formal consultation on Discretionary Licensing options as described in this report focussing on the potential for a city-wide Additional Licensing Scheme (that captures all HMOs, alongside those captured by Mandatory Licensing), consideration of an alternative Additional Licensing Scheme which focuses on Westcotes, Fosse, Braunstone Park & Rowley Fields and Stoneygate, and/or a Selective Licensing Scheme focusing on Westcotes and Fosse Ward (capturing private rented properties in a defined area within these Wards (not coterminous with the ward boundaries), except for exempt properties).
- c) To receive feedback from Overview Select Committee with respect to their thoughts on the design of the formal consultation and other Members, including especially those whose Wards will be most impacted by any potential scheme.
- d) Finalise the consultation and an appropriate communications plan before launching at the end of November 2021.
- e) Review the responses received from the consultation and design if considered appropriate a Discretionary Licensing PRS Scheme or schemes for the City.
- f) Subject to the above finalize the business case ensuring appropriate scrutiny of the final proposals before progressing to a final decision at Full Council on any proposed Discretionary PRS Licensing Scheme or schemes for Leicester.

11. Financial, legal, equalities, climate emergency and other implications

11.1 Financial implications

The Council is permitted to charge for Additional/Selective Licencing Schemes to cover the costs incurred. Provisional costing of the necessary team structures to carry out the work (alongside considerations of what other local authorities charge) indicate that there would be a charge in the region of £1,000 per 5-year licence. More detailed calculations will be undertaken in due course to support the actual charge that would be levied under the proposed schemes.

11.2 Legal implications

Mandatory Licensing of HMOs

From 1 October 2018, Mandatory Licensing extends to HMOs occupied by five or more persons who together do not form a single household. The HMO must also satisfy the “standard test”, the “converted building test”, or the “self-contained flat test” (save where it is a purpose-built flat situated in a block comprising three or more self-contained flats).

Additional Licensing

In circumstances where a local housing authority is considering licensing of HMOs within its district where Mandatory Licensing does not apply, the LHA must designate either its district or an area within the district as being subject to Additional Licensing (section 56(1), HA 2004). The intention behind the Additional Licensing is to enable the LHA to tackle specific problems in specific areas. There are limitations on this right, as the LHA cannot make an Additional Licensing Scheme unless a significant proportion of HMOs of the description within the scheme are being managed sufficiently ineffectively so that they are causing, or have the potential to cause, particular concerns for the occupiers of the HMOs or members of the public (including Anti-Social Behaviour). The 2010 MHCLG Guidance explains that a significant proportion does not mean the majority but means more than a small minority.

Selective Licensing

Part 3 of the Housing Act 2004 provides that an LHA may designate all or part of its district as an area to which Selective Licensing relates (section 80, HA 2004). This allows an LHA to require licensing of houses that are not HMOs. A Selective Licensing designation may be made:

- If the area is or is likely to become an area of low demand for housing, and the designation is likely to lead to improvements in the economic and social conditions of the area.
- If the area suffers from a significant and persistent problem caused by anti-social behaviour, attributable to occupiers of privately rented properties where some or all of the private sector landlords are failing to take action to combat the problem, and the designation is likely to lead to the reduction or elimination of the problems.
- If the area contains a high proportion of properties in the private rented sector, which are occupied under assured tenancies or licences to occupy, and one or more further conditions are satisfied (which relate to poor housing conditions, large amounts of inward migration or high levels of deprivation or crime).

As the report outlines, there are consultation requirements to be followed as part of a proposal to introduce Selective Licensing. The minimum consultation period is 10 weeks.

The consultation document should include, amongst other matters, information about:

- the proposed designation;
- the reasons for introducing the designation and why other alternative remedies are insufficient;
- how the designation will tackle the specific problems and the proposed outcome;
- the proposed fee structure and level of fees of licences under the scheme.

Jeremy Rainbow – Principal Lawyer (Litigation)

11.3 Equalities implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

This proposal looks to ensure conditions of accommodation are suitable regardless of protected characteristic, which should have the beneficial effect of better quality and well managed private rented housing.

The life chances of residents are closely linked to the quality of their neighbourhoods and their housing accommodation. The envisaged benefits of better-quality housing accommodation that is well managed and complies with all relevant standards will have a positive impact on people from across all protected characteristics.

Houses in Multiple Occupation are more likely to be occupied by young people under the age of 35 as shared accommodation is often the only type of affordable accommodation available to benefit reliant tenants as a result of housing benefit caps for young people. Many of these individuals rely on accommodation within the private rented sector as there is limited provision of social housing.

Those with disabilities are more likely to be negatively affected by poor housing conditions, therefore initiatives to ensure housing conditions are regulated will positively impact on disabled persons.

Vulnerable tenants, such as new arrivals in the country may be more likely to be exploited and affected by poor housing conditions. Those that live in deprived areas are statistically more likely to suffer from poor housing conditions, therefore improvements to housing will positively improve their health and wellbeing.

Moving forward, in order to demonstrate that the consideration of equalities impacts has been taken into account in the development of the proposals and as an integral part of the decision-making process, it is recommended that an Equalities Impact Assessment is undertaken. This should include findings from consultation and/or engagement with relevant groups/ individuals as appropriate, in order to fully understand the potential impacts. It is important that any consultation if undertaken is accessible.

Any recruitment should be carried in line with LCC's recruitment policies and procedures.

Surinder Singh, Equalities Officer, Ext 37 4148

11.4 Climate Emergency implications

Housing is responsible for 33% of carbon emissions in Leicester. Following the city council's declaration of a Climate Emergency in 2019, and it's aim to achieve carbon neutrality, addressing housing emissions is a vital part of the council's work. The Council's housing condition report highlights some of these issues, in terms of the proportion of dwellings experiencing excess cold and fuel poverty and numbers of dwellings with lower EPC ratings.

As noted within this report, issues that could be addressed through PRS licensing measures include poor housing conditions, incorporating poor insulation, cold and letting of dwellings with EPC certificates below E. Taking action to require landlords to address these issues could lead to improvements in energy efficiency within dwellings, through improved insulation and other measures such as improved heating systems as relevant. Alongside improving comfort levels and reducing fuel poverty, this could deliver a positive climate emergency impact through reducing the corresponding carbon emissions from home heating, depending on the measures implemented.

Aidan Davis, Sustainability Officer, Ext 37 2284

12. **Is this a private report (If so, please indicate the reasons and state why it is not in the public interests to deal with publicly)**

No

13. **Appendices**

- Appendix A – Information on Housing Conditions in the Private Rented Sector in Leicester
- Appendix B - Benchmarking Work on Selective and Additional Licensing