



Business Case for Selective and Additional (HMO) Licensing

© Crown Copyright and database rights 2016
Ordnance Survey 100018192



Contents

	Page
Foreword – Cabinet Member Communities and Housing	1
Introduction	3
<u>Section 1</u> Why is Sefton introducing Selective and Additional (HMO) Licensing Schemes	5
<u>Section 2</u> Sefton’s demographic and economic profile	7
Resident population	
Population projections and age structure	
Age profile	
Household structure	
Tenure profile	
Dwelling profile	
Household overcrowding	
Council tax band	
Vacant homes	
Stock conditions	
Indices of multiple deprivation	
Housing needs in Sefton	
Economic profile	
Unemployment rates	
Household incomes	
<u>Section 3</u> Selective Licensing Designation	29
<u>Section 4</u> Additional (HMO) Licensing Designation	52
<u>Section 5</u> How licensing fits with Sefton’s strategies	75
<u>Section 6</u> How will the schemes be delivered?	82
Resources	
Licensing Application	
Fit and Proper Persons	
Fees	
Enforcement of Licensing Standards	
Monitoring of the schemes	
Risks Analysis	
<u>Section 7</u> Consultation	95



Appendix 1	Maps and Address List of Proposed Selective Licensing Designated Area
Appendix 2	Draft Selective Licensing Conditions
Appendix 3	Maps and Address List of Proposed Additional (HMO) Licensing Designated Areas
Appendix 4	Draft Additional (HMO) Licensing Conditions
Appendix 5	Risk Analysis
Appendix 6	Requirements for the Designation of an Area for Selective Licensing



Foreword

“Since January 2016, Sefton Council has been consulting and leading on developing a new Vision for the borough. The process has helped us understand what matters and to be ambitious for the Borough and its communities in the future. A number of themes began to emerge, which were then developed into the Vision & Outcomes Framework. The Local Authority believes that the introduction of the proposed Licensing schemes can help contribute to the delivery of the Framework.

Since 2001, Sefton has seen a significant increase in the size of the private rented sector, borough-wide, but particularly in the areas being considered for licensing.

We propose the **Bootle area for Selective Licensing**, which has a high proportion of private rented housing, with some of this housing being poorly managed. The area also experiences a high incidence of ASB, poor housing conditions and deprivation, which all lowers confidence in the area. The community and the Local Authority want to see the area improve. As part of the Sefton 2030 vision there is a significant ambition to improve and attract investment to improve the prosperity of Sefton. As part of our commitment to the success of this we want the licensing of privately rented properties to improve confidence in the private rented sector and help improve the prospects for the whole area.

Bootle contains a mixture of predominantly pre-1919 traditionally built terraced housing with some newer homes. Over the years, regeneration investment, including via the Housing Market Renewal Programme, into part of the area has made some impact. However, there remains a need to address some of the housing and social related issues which continue to adversely affect the wider area, especially those related to privately rented housing.

We propose **Additional (HMO) Licensing** (House in Multiple Occupation), for parts of **Waterloo/Seaforth and Southport**, which have high concentrations of problematic HMOs and have seen increases in ASB and crime over recent years. This is having an adverse impact on communities and businesses in these areas.

Sefton Council will continue to use its existing powers to tackle irresponsible landlords and tenants and at the same time offer support and assistance to landlords to improve conditions and management practices. We are committed to building on our existing and established relationships with landlords operating in Sefton, particularly those who own stock in the proposed licensing areas. We want to use Licensing to improve the relationship with a much wider number and group of landlords.

We need to bring about long-term sustainable change, which will be greatly helped through improvements to management standards within the private rented sector. We also recognise the crucial role the private rented housing sector plays in creating a strong and sustainable housing market and in meeting the housing needs of many households. Sefton depends heavily on the privately rented sector and we look forward to using the licensing scheme to engage and work with



landlords to realise our vision of creating a strong and resilient community, and the opportunity to live in good quality homes.

Sefton is committed to making the areas a safe and attractive place to live in and through the proposed licensing schemes we are seeking the full co-operation of landlords of the area and their tenants in making this happen.”

Cabinet Member Communities and Housing



Introduction

Our new Housing Strategy (2016-20) seeks to;

“Continue to make Sefton a great place to live, by ensuring that people can access high quality housing appropriate for their needs”.

Sefton is a coastal borough. It lies in the northern part of the Liverpool City Region with which it shares close economic, social, cultural and transport links. Sefton adjoins the City of Liverpool to the south, the borough of Knowsley to the south-east, and the largely rural West Lancashire elsewhere. Sefton has a population of approximately 273,790.

Sefton comprises a largely self-contained housing market, however, there is a north-south divide with a higher proportion of owner occupiers outside of Bootle and Netherton, and house prices are generally higher in central and north Sefton than in the south of the Borough. Whilst there is a mix of house types and tenures across Sefton, there is less choice in south Sefton where there are more terraced houses, and more homes owned by housing associations or private landlords.

The 2011 Census identifies that, when compared with both the North West Region and England, Sefton has a higher proportion of older persons. In 2011, 34.0% of the population of Sefton was aged 55 or over compared with 28.6% in the North West region and 28.0% for the whole of England. Within Sefton there are also some notable differences with the Bootle/Netherton area having a relatively young population (27.1% aged 55 and over) and the rest of the Borough being generally older (36.6% aged 55 and over).

World Health Organisation Policy Brief (January 2012) stated; *‘Poverty and low living standards are powerful causes of poor health and health’*. At a local level the 2014 Sefton Strategic [Health] Needs Assessment (SSNA) emphasises that the quality of people’s living environment has a profound effect on their health and wellbeing. The SSNA recognises housing decency (housing quality) and affordability as one of the ten key wider determinants of health in Sefton. It considers tackling problems of poor housing and provision of quality affordable housing to protect the health, safety and welfare of the occupants as a key public health and corporate priority.

Bootle, located in the South of the borough suffers from a wide range of entrenched problems that arose out of many years of socio-economic change. As one of the most deprived areas in England, Bootle suffers from high levels of crime and ASB and poor housing conditions.

Central Southport and parts of Waterloo/Seaforth also suffer similar problems, a situation that is not uncommon in other coastal communities. In the north of the borough, Southport was a highly desirable area with a viable economy based on tourism, but longer term changes in the tourism industry and the recent economic down turn has had a detrimental impact and decline on this traditional seaside resort. Over recent years this has had a negative impact on the area. Visitor numbers have declined, leading to an adverse effect on local businesses. Many



guest house and small hotel property owners had to sell up or diversify that has led to many buildings being converted into flats or HMOs, particularly bedsits, to maximise rental income. A number of property owners also decided to create small flats in pursuit of the maximum number of rental units.

As more hotels and guesthouse businesses closed and owner-occupiers moved out, more private landlords moved in with many landlords owning large portfolios.

Changing socio-economic conditions have also created a demand and need for privately rented HMO's, particularly in areas such as Waterloo/Seaforth and Southport, which have a shortage of alternative social rented housing. The economic downturn, welfare reform, seasonal work, international migration have all helped create a larger cohort of people who have come to rely on private rented sector flats and bedsits.

In recent years, the accommodation offer has largely been aimed at the lower end of the market, accommodating many vulnerable households. The three proposed licensing areas are now characterised by high levels of unemployment, benefit dependency, crime and ASB, and health inequalities.

While individual private landlords cannot be held responsible for these wider changes, a significant number are contributing to the deprivation and poor health outcomes by providing poorly managed and unsafe homes.

To achieve Sefton's vision it is clear that something has to be done to improve the housing conditions for our residents in the private rented sector, doing nothing is not an option and this document determines options available to Sefton Council.



Section 1: Why is Sefton introducing Selective and Additional (HMO) Licensing Schemes?

Sefton's private rented sector (PRS) has increased by 64.4% between 2001 and 2011. This shows a significant and continuing growth. Owner occupation has fallen from 86,669 to 83,801 over the same period. In 6 wards located in Southport (4), Waterloo/Seaforth (1) and Bootle (1) the PRS exceeds the national average [2011 census]. Most national commentators conclude that the PRS will continue its remorseless growth. The PRS now accounts for 20% of all dwellings nationally, and this is likely to increase to 22-25% over the next decade. What's more, the nature of the sector is changing with, for the first time in living memory, families constituting the most common household type renting privately.

A well-managed PRS plays an important role in meeting the Borough's housing needs. However, the short-term nature of tenancies brings it challenges especially when those properties are not well managed. Increased ASB and poor property condition are a growing concern. The 2013 Sefton house condition survey found that 24.4% of privately rented property failed to meet the decent homes standard, compared to 15.8% of all private housing in the borough. This is largely due to the fact that the PRS is generally unregulated.

Sefton Council is proposing to introduce both Selective and Additional (HMO) Licensing schemes for privately rented properties across selected areas of the Borough.

The aim of the schemes is to lead to an improvement of management and property conditions across the designated areas and members of Sefton's Housing Standards Team will be available to offer advice and support to both landlord and tenant. Licensing of privately rented properties, albeit generally unpopular with landlords can provide a number of benefits to tenants, landlords and the wider community.

What are the benefits of licensing for landlords?

- Responsible landlords will receive information and support to help tackle antisocial behaviour
- Poor performing landlords will receive support and training to help them improve
- Improved rental income as areas are maintained and improved
- Increase of property value
- Improvement in the reputation of private landlords
- Shorter void periods
- Landlords who have voluntarily engaged with a recognised accreditation scheme can also benefit from a reduced licensing fee
- Greater ability for the landlord and authority to deal with rogue tenants.

What are the benefits of licensing for tenants?

- More professional landlords providing good quality homes
- Likelihood of improvements to their properties
- Licensing will create a clear set of rules that all landlords must follow
- Reduced risk of homelessness and increased length of stay



- Licensing would ensure private landlords are managing and maintaining their properties
- Minimum standards for rented housing are met

What are the benefits of licensing for the community?

- Increased housing demand
- Reduce crime and ASB
- An areas image is improved and more desirable to live in
- Improved security and more settled communities
- Reduced number of empty properties
- Better housing
- Reduced environmental problems, such as graffiti, litter and fly-tipping
- Landlords will also have to give and ask for references for their tenants
- Protecting vulnerable people who may currently be living in poorly maintained properties.

This Business Case explains the difference between the Selective and Additional (HMO) licensing schemes and Sefton Councils' rationale of its proposal to implement both schemes across the privately rented housing sector in designated parts of the Borough. The Local Authority has considered data from a wide range of sources before coming to this decision. The following sections outline the key evidence that supports the proposed designations.



Section 2: Sefton's demographic and economic profile

Resident Population

The latest ONS mid-year population estimates indicate that there were 273,700 people resident in Sefton in mid-2015 – a reduction of 100 recorded in the 2011 Census (273,800) – this latter figure is a decrease of 3.2% since 2001. Table 2.1 shows the population change estimated since 2001. The table suggests that over the past ten years the population of all areas in Sefton other than Southport has declined with Bootle seeing a drop in population of nearly 9%. The figures compare with a regional population increase of 5% and a national increase in resident population by 8%.

Table 2.1

Area	Population Change (2001 -2011)			
	Population (2001)	Population (2011)	Absolute change	% change
Southport	90,329	90,381	52	0.1%
Formby	24,999	23,845	-1,154	-4.6%
Maghull/Aintree	39,159	37,338	-1,821	-4.7%
Crosby	50,835	49,097	-1,738	-3.4%
Bootle	39,362	35,896	-3,466	-8.8%
Netherton	38,270	37,233	-1,037	-2.7%
Sefton	282,954	273,790	-9,164	-3.2%
North West	6,729,764	7,052,177	322,413	4.8%
England	49,138,831	53,012,456	3,873,625	7.9%

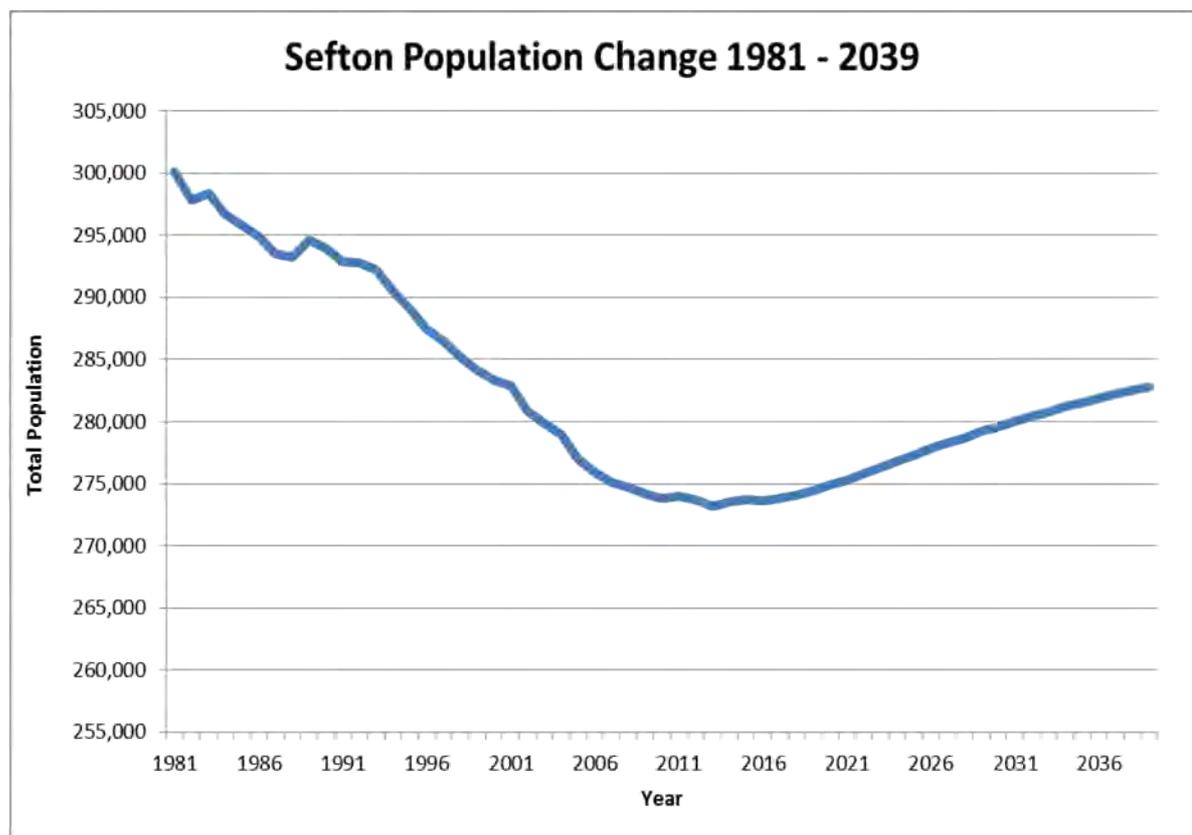
Source: Census (2001 and 2011)



Population projections and age structure

The government's latest [2014 based] Population Projections suggest limited population growth for Sefton between 2014 (273,500) and 2039 (282,800); an overall increase of around 9,300 or 3.4% increase over the next 25 years. The greatest projected growth will be in the over 65s age group, by around 24,800 or 40.7%, while the over 85 age group is projected to increase by around 9,600, or 115.6% by 2039. Correspondingly, the number of adults of working age is due to fall by 16,000, or 10.5%. The projected growth in the number of very elderly people (i.e. over 85s) is greater than the anticipated overall population increase in Sefton to 2039. The highest proportions of those over 65 will continue to live in Formby and especially Southport.

Figure 2.2



Source: 2015 ONS Midyear Population Estimates and ONS 2014 based Subnational Population Projections

Age Profile

Table 2.3 provides a profile of Sefton by age and sub-market area. Overall the Local Authority has a comparatively smaller proportion of younger people; 33.4% of its residents are under 29 years of age compared with 37.5% across the North West and 37.5% across England. The authority has a greater proportion of older people; 27.5% of the Sefton population are over 60, compared to 22.8% across the North West and 22.3% across England as a whole. The pattern of age distribution differs within each sub-market area and reflects the difference within each distinct community. Bootle and Netherton have a higher than average population in the 'Under 15' age group at 18.9% and 18.3% respectively and smaller '75 plus' populations, at just 6.0% in Bootle. Formby, Southport and Aintree however have significantly older populations than the average for the North West and England. Almost 13% of Formby's population are '75 plus' for example, compared to 7.7% in both the North West and England.

Table 2.3

Area	Population Proportions (%)					
	Under 15	15 -29	30 - 44	45 - 59	60 - 74	75+
Southport	15.7	16.1	17.1	21.0	18.1	12.1
Formby	15.0	13.1	15.2	20.9	22.9	12.9
Maghull/Aintree	13.9	16.3	16.6	22.8	18.7	11.8
Crosby	15.3	17.3	17.4	24.0	16.5	9.4
Bootle	18.9	22.0	19.2	20.0	14.0	6.0
Netherton	18.3	19.7	18.7	21.0	14.0	8.4
Sefton	16.1	17.3	17.4	21.6	17.2	10.3
North West	17.5	20.0	19.8	19.8	15.1	7.7
England	17.7	20.0	20.6	19.4	14.6	7.7

Source: Census 2011

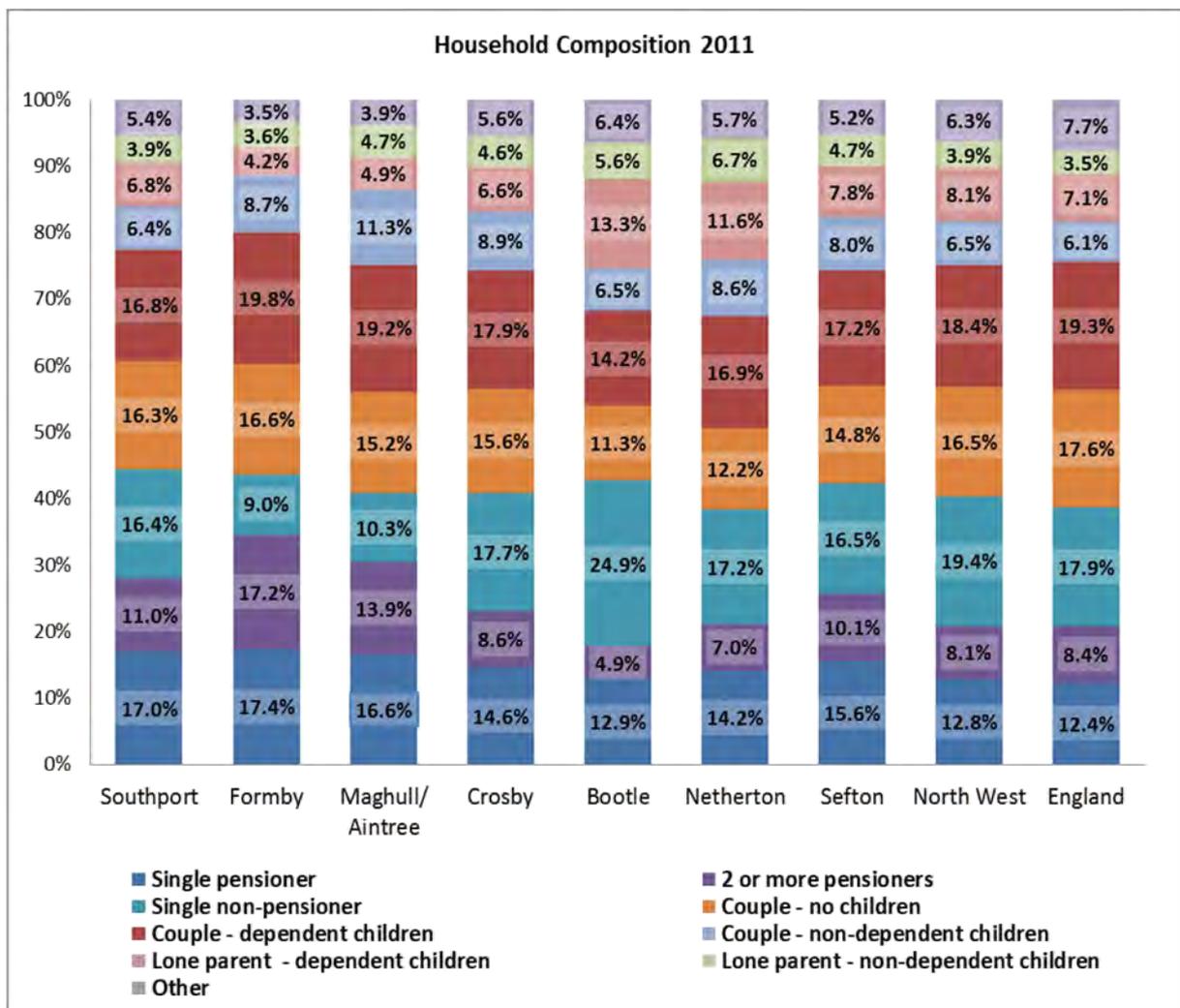


Household Structure

Figure 2.4 shows the household structure in the study area according to the Census in 2011 (again to allow comparisons across areas), compared with the regional and national profiles. Sefton has a higher proportion of pensioner only households and relatively few households with dependent children. In total, 26% of households in Sefton are entirely composed of people aged 65 and over; this compares with 21% both regionally and nationally.

For sub-areas there are also some notable differences with Formby in particular having a high proportion of pensioner only households (35%) and Bootle having a high proportion of lone parents. Bootle also has a very high proportion of single non-pensioner households – these make up 25% of all household types in this sub-area and compares with 16.5% of the whole of Sefton and just 9% in Formby.

Figure 2.4



Source: Census 2011



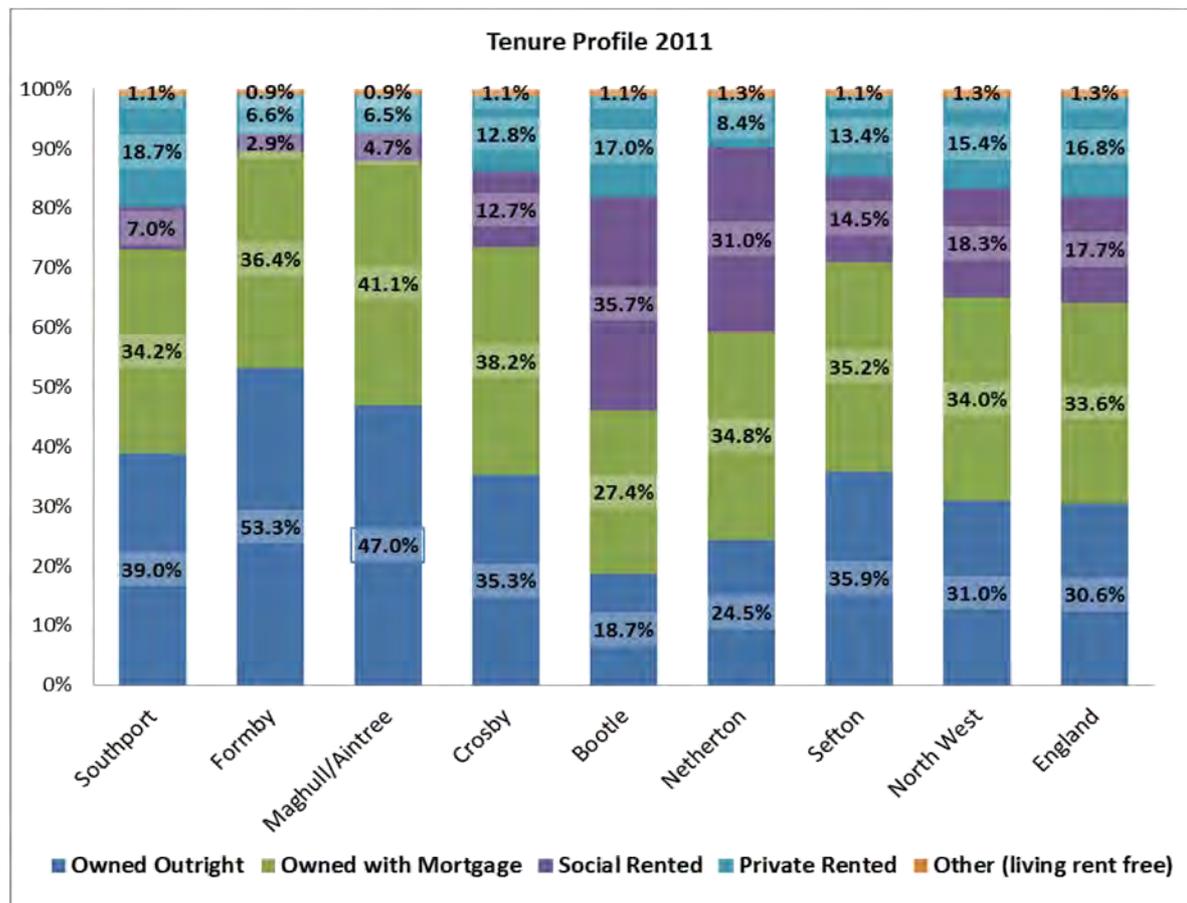
Tenure Profile

In 2011 it was estimated there were 124,605 dwellings in the Borough. Additional analysis of the 2011 Census reveals that around 71% of households in the Borough were owner-occupiers (including shared ownership) – this is notably above both the regional and national average. The social rented sector across Sefton is smaller than found regionally or nationally. The Census data also shows a private rented sector which is smaller than either the regional or national average.

As of 2011 it was estimated that around 13% of households live in the private rented sector – this compared with 15% for the region and 17% nationally at that time. The number of households living in the private rented sector has risen significantly in line with national increases – an estimated 15,804 households live in private rented accommodation (2011) which is 64% higher than the figure (of 9,616) recorded in the 2001 Census.

At a sub-area level, there are particularly high levels of owner-occupation in Formby and Maghull/Aintree (and to a lesser extent Southport and Crosby) with the level of private renting being particularly high in Southport and Bootle. The proportion of households living in social rented stock is also somewhat variable with the most notable figures being the very small numbers in this tenure in Formby and Maghull/Aintree and a high proportion in Bootle and Netherton.

Figure 2.5



Source: Census 2011



The change in the proportion of households living in different tenures is shown in table 2.6 (below). As well as clearly showing the growth in the private rented sector the data also shows a significant reduction in the proportion of households owning homes with a mortgage or loan. This trend is again consistent with regional and national data. The data also shows a notable decrease in the size of the social rented stock which may limit the ability of lower income and more vulnerable people to meet their housing needs.

Table 2.6

Sefton Change in Tenure (2001 – 2011)				
Tenure	2001	2011	Change	% Change
Owned outright	39,623	42,334	2,711	6.8%
Owned with mortgage	47,046	41,467	-5,579	-11.9%
Social rented	18,649	17,063	-1,586	-8.5%
Private rented	9,616	15,804	6,188	64.4%
Other	1,913	1,262	-651	-34.0%
Total	116,847	117,930	1,083	0.9%

Source: Census 2001 & 2011

Change in Privately Rented Tenure (2011 – 2016)					
	2011 Census	April 2015	Change	% Change	Estimated Privately Rented Tenure Proportion
England	3,716,000	4,747,000	1,031,000	27.7%	19.6%
Sefton	15,804	20,182	4,378	27.7%	16.8%
Estimated PRS					

Source: DCLG Table 104 - Dwelling stock by tenure (2015)

Since the 2011 Census, the proportion of people nationally who rent privately has increased by 27.7% from 3,716,000 to 4,747,000.

It is reasonable to expect that this rate of increase (27.7%) could also be applied to Sefton as is it similar to the Borough's annual rate of increase in this housing tenure since 2001.

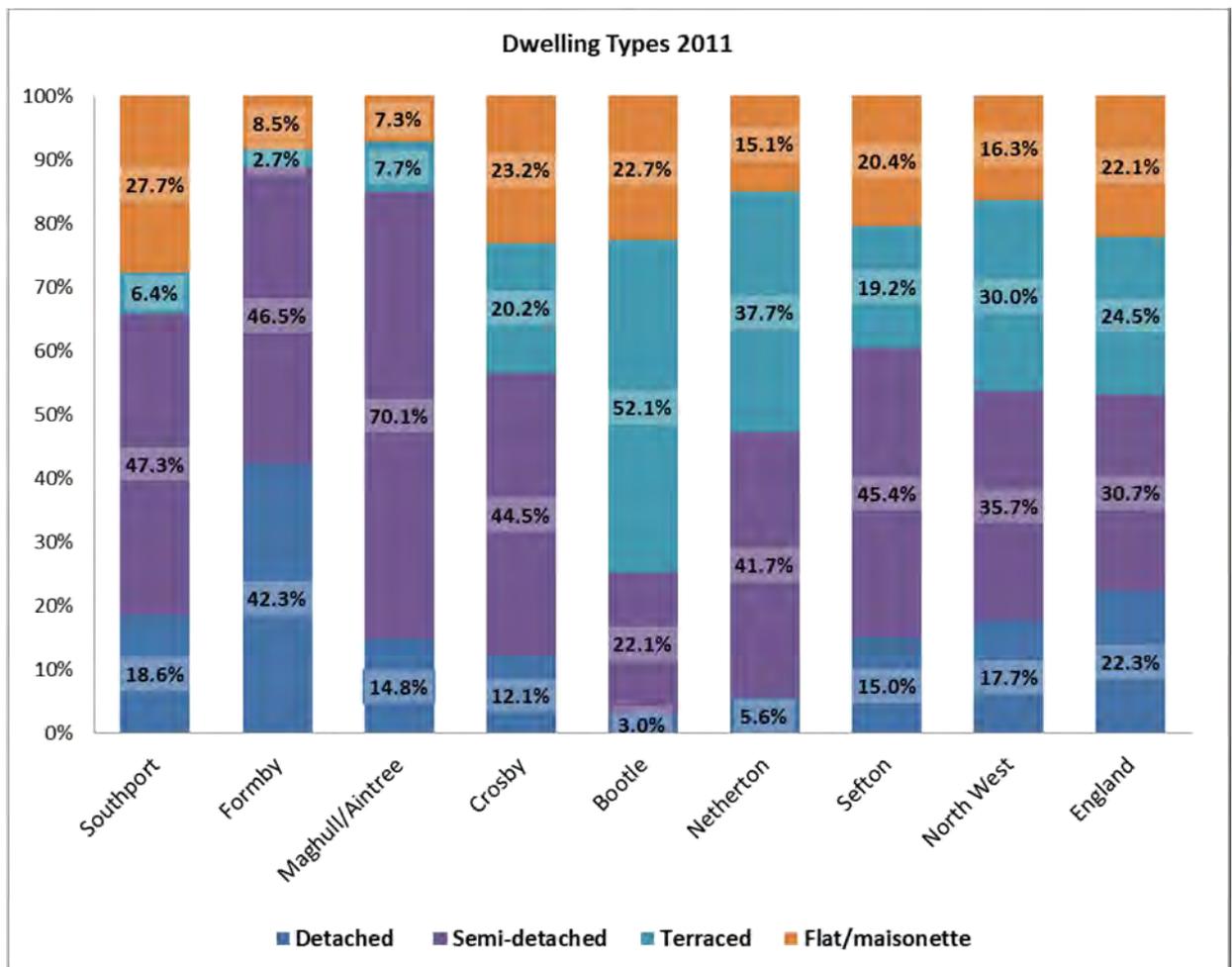


Stock/Dwelling Profile

The figure below shows the types of dwelling in the Borough, regionally and nationally, from the 2011 Census. The data shows that Sefton has relatively few terraced homes and detached houses/bungalows when compared with national or regional figures. The proportion of semidetached properties is notably higher than other areas, making up 45% of the housing stock.

We also see marked difference between sub-areas with Formby having a high proportion of detached homes (42%) and Maghull/Aintree a very high proportion of semi-detached properties (over 70%). Both of these areas have relatively few flats/terraces. At the other end of the scale the stock in Bootle is more heavily concentrated on terraces and flats (together making up 75% of all homes); the highest proportion of flats is however seen in the Southport sub-area where over a quarter of homes are flats/maisonettes. The Crosby area (including Waterloo) has the second highest rate of flats and maisonettes.

Figure 2.7



Source: Census 2011



Using the 2011 Census data and comparing it with figures from 2001 we can study how the stock has changed over the past ten-years. The table below shows that the dwelling stock is estimated to have increased by some 3,748 homes with 85% of this increase being of flats/maisonettes. There have been moderate increases in the number of semi-detached and terraced homes and a small decrease in the number of detached properties. The number of flats/maisonettes has increased by 14% over the decade compared with a less than 1% increase in the number of houses (all categories combined).

Table 2.8

Sefton Change in Dwelling Types (2001 – 2011)				
Dwelling type	2001	2011	Change	% Change
Detached	18,868	18,752	-116	-0.6%
Semi-detached	55,966	56,512	546	1.0%
Terraced	23,734	23,915	181	0.8%
Flat/maisonette	22,209	25,386	3,177	14.3%
Other	80	40	-40	-50.0%
Total	120,857	124,605	3,748	3.1%

Source: Census 2001 & 2011



Household Overcrowding

Data about overcrowding is available from the 2011 Census based on the 'bedroom standard'. This is defined by the difference between the number of bedrooms needed to avoid undesirable sharing (given the number, ages and relationships of the household members) and the number of bedrooms available to the household. A household is defined as overcrowded if there are fewer bedrooms available than required by the bedroom standard.

Looking at how levels of overcrowding have changed over time we have reproduced data from the 2001 and 2011 Census about households with a negative occupancy rating (i.e. more people than rooms once a 'common' room has been discounted). This data shows that levels of overcrowding have hardly changed over time with some 2% more households failing this standard in 2011 than did in 2001 (an increase of 103). This increase in overcrowding is very low when compared with other areas – in the North West overcrowding increased by 23% from 2001 to 2011 whilst for England the increase was 32%.

Many of the individual sub-areas have seen a decrease in overcrowding over the past decade with increases only seen in Southport and Crosby. In both of these areas the changes in overcrowding have still been notably lower than seen either regionally or nationally.

Table 2.9

Levels of household overcrowding based on occupancy rating (2001 - 2011)				
Area	Overcrowded 2001	Overcrowded 2011	Change	% change from 2001
Southport	1,982	2,337	355	17.9%
Formby	171	133	-38	-22.2%
Maghull/Aintree	401	326	-75	-18.7%
Crosby	848	896	48	5.7%
Bootle	1,153	1,138	-15	-1.3%
Netherton	1,043	871	-172	-16.5%
Sefton	5,598	5,701	103	1.8%
North West	152,248	187,816	35,568	23.4%
England	1,457,512	1,928,596	471,084	32.3%

Source: Census (2001 and 2011)

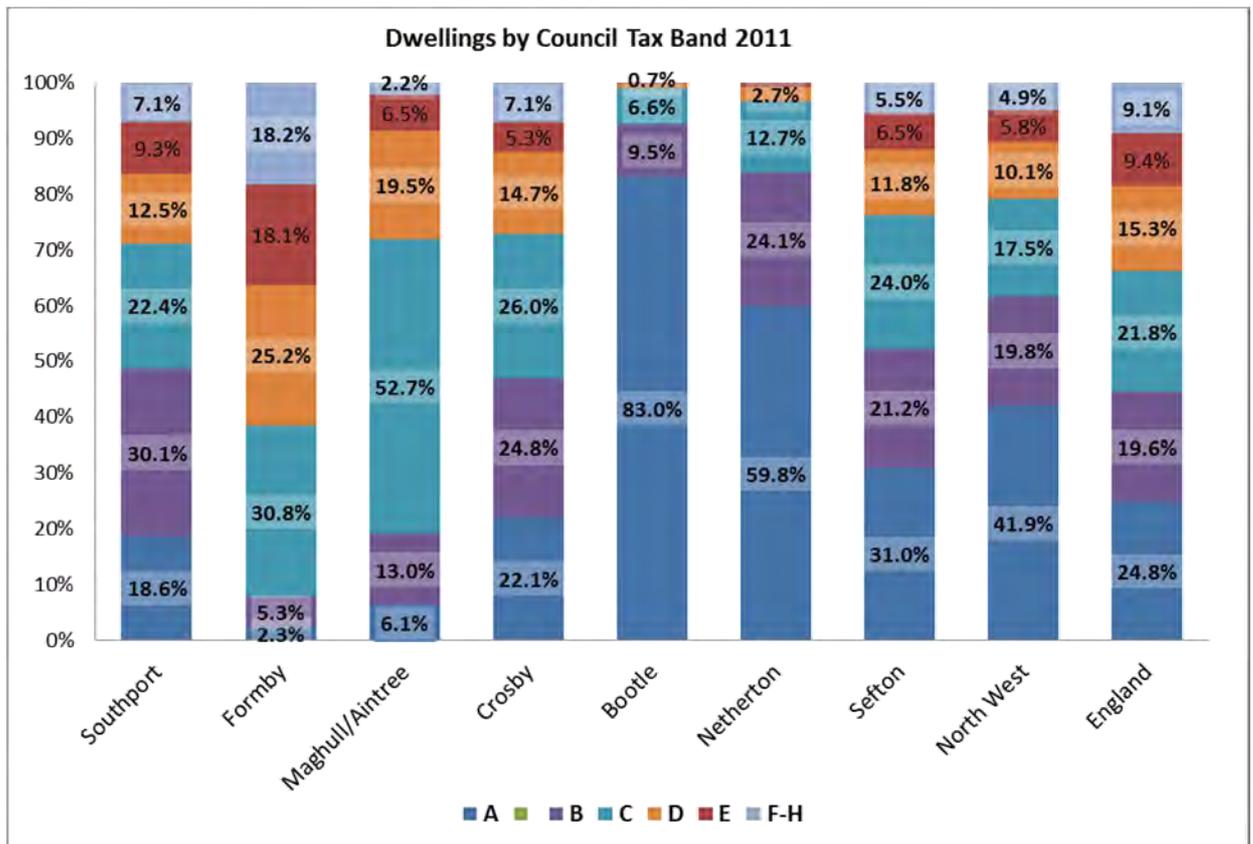


Council Tax Band

A good indication of the quality and price structure of the housing stock is the distribution of dwellings by Council Tax Band. The figure below shows that across the whole of the Borough the distribution of Council Tax Bands suggests slightly lower dwelling values when compared with national data but higher values in a regional context. Across Sefton some 52% of homes are in Council Tax Bands A and B; this compares with 62% regionally and 44% nationally.

At a sub-area level differences are even more pronounced with the data indicating very high property values in Formby (and to a lesser extent Maghull/Aintree) with lower values being seen in Bootle and Netherton. In Formby the data shows that only 2.3% of homes are in Council Tax band A – this compares with around 31% Borough-wide and 83% in Bootle.

Figure 2.10



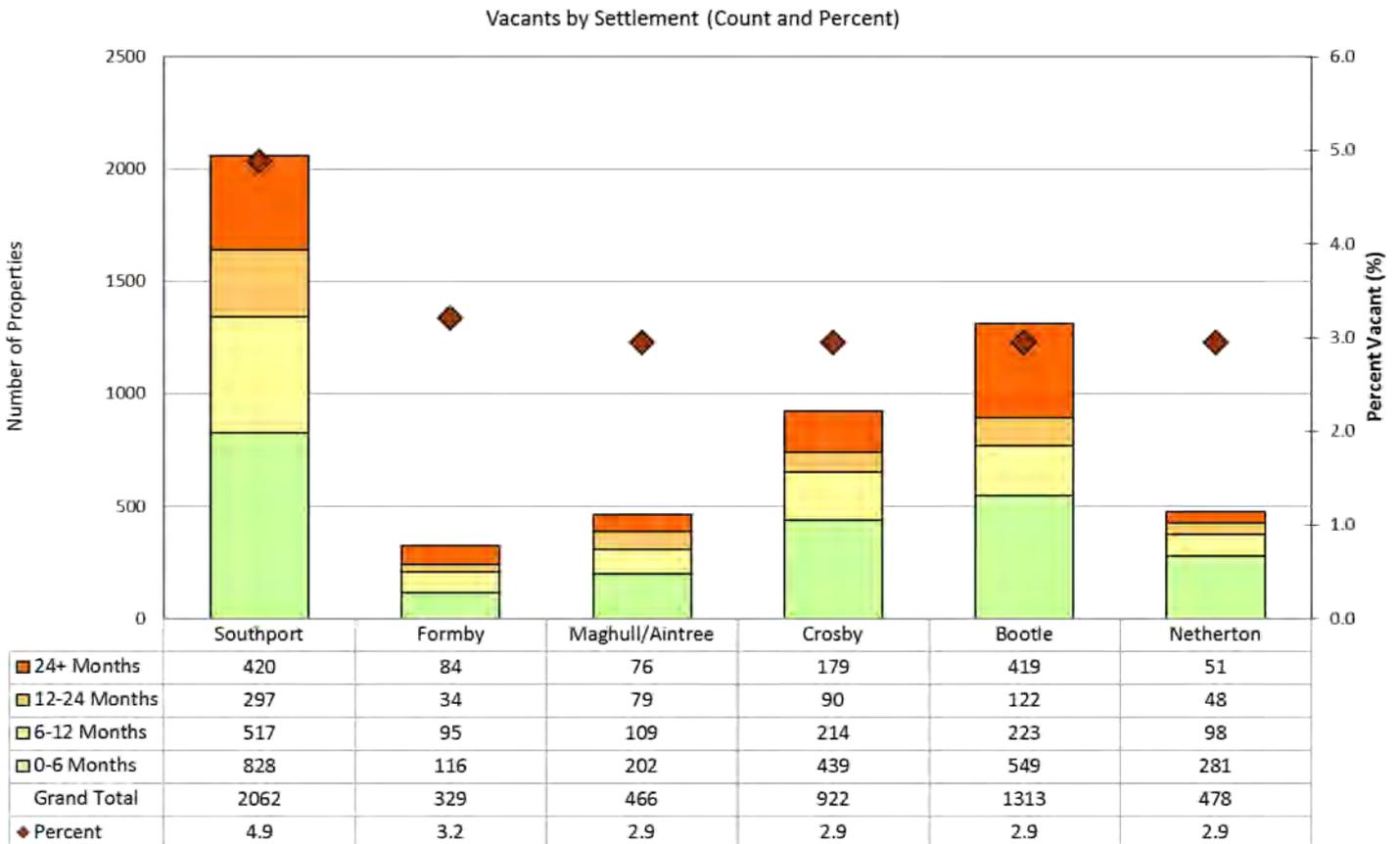
Source: Census 2011



Vacant Homes

The number of vacant (i.e. empty) homes in Sefton is 5,570 (based on October 2015 Council tax data), 4.41% of the total stock (including second homes and the remaining proportion of homes set for demolition in the Housing Renewal areas). Of the total number of vacant homes, 3,155 are classed as long-term vacant, i.e. vacant for more than six months (2.5% of the total housing stock). These vacancies are concentrated in south Sefton (mainly Bootle) and central Southport.

Figure 2.11



Source: Sefton Council Tax Oct 2015

Stock Conditions

Housing conditions overall within the private housing sector have improved since 2008. Over the five year period 2008 - 2013 the number of dwellings failing the Decent Homes Standard has decreased by 7,475 dwellings or 30.7%. The overall rate of non-Decency has witnessed a corresponding decline from 23.1% of private sector housing in 2008 to 15.8% in 2013. Within the Decent Homes Standard rates of non-compliance on Category 1 hazards and disrepair have also reduced. The proportion of economically vulnerable households in non-Decent homes has remained almost static over the period at 28% although this is against a background of significant increases in economic vulnerability over the inter-survey period. Levels of energy efficiency have improved significantly since 2008 as evidenced by an increase in average SAP ratings from 56 to 63 and a 36% reduction in annual CO2 emissions.

89,719 dwellings (84.2%) meet the requirements of the Decent Homes Standard and can be regarded as satisfactory. The remaining 16,858 dwellings (15.8%) fail the requirements of the Decent Homes Standard and are non-Decent. Within the Decent Homes Standard itself the following pattern of failure emerges:

- **4,069 dwellings (3.8%) exhibit Category 1 hazards within the Housing Health and Safety Rating System (HHSRS).**
- **10,665 dwellings (10.0%) are in disrepair.**
- **266 dwellings (0.2%) lack modern facilities and services.**
- **5,596 dwellings (5.3%) fail to provide a reasonable degree of thermal comfort.**

The majority of non-Decent homes fail on one item of the standard (13,362 dwellings – 79.3%); the remaining 3,495 non-Decent Homes exhibit multiple failures (20.7%). Costs to achieve Decent Homes within the private-housing sector are estimated at £102.915M averaging £6,105 per non-Decent home.

Variations in Decent Homes performance reflect significantly higher rates of failure for:

- The private-rented sector : 5,051 dwellings, 24.4%
- Flats in converted buildings (eg HMOs): 3,403 dwellings, 34.4%
- Dwellings constructed pre-1919 : 8,122 dwellings, 29.5%

Geographically, highest rates of Decent Homes failure are recorded for;
East Southport, 2888 dwellings 25.9%
North Southport, 2548, 22.3%
Linacre and Derby, 2139, 26.5%

Significant parts of these areas will be included within the proposed Selective and Additional (HMO) licensing schemes.



TABLE 11 : RATES OF NON-DECENCY 2008 AND 2013 BY AREA AND TENURE		
	NON-DECENT HOMES	
	2008	2013
	%	%
AREA COMMITTEE		
Crosby	15.7	8.8*
East Southport	23.1	25.9
Formby	5.3	9.5
Linacre and Derby	40.9	26.5*
Litherland and Ford	26.8	15.1*
North Southport	19.0	22.3
Sefton East Parishes	50.3	11.2*
South Southport	14.7	16.8
St. Oswald, Netherton and Orrell	15.6	12.4
TENURE		
Owner-Occupied	22.0	13.7*
Private-Rented	35.2	24.4*
ALL SECTORS	23.1	15.8*

Source: Sefton Private Sector Stock Conditions survey 2013

Poor Property Conditions

Housing Standards Service Requests

There are circumstances in which a significant number of properties in the private rented sector are in poor condition and are adversely affecting the character of the area and/ or the health and safety of their occupants. Number of service requests from tenants living in privately rented homes recorded by the Housing Standards team can accurately identify local concentrations of poor property conditions by mapping each service request received.

Table 2.12 below identifies the number and proportion of total (mappable) housing standards service requests received by Sefton Council over a four year period between April 2012 and March 2016. The results highlight that the rate of total service requests in each licensing area are much greater than the overall Sefton rate (21.7 requests per 1000 households). This evidence highlights that each of the licensing areas are disproportionately affected by poorer housing stock and poor property conditions.



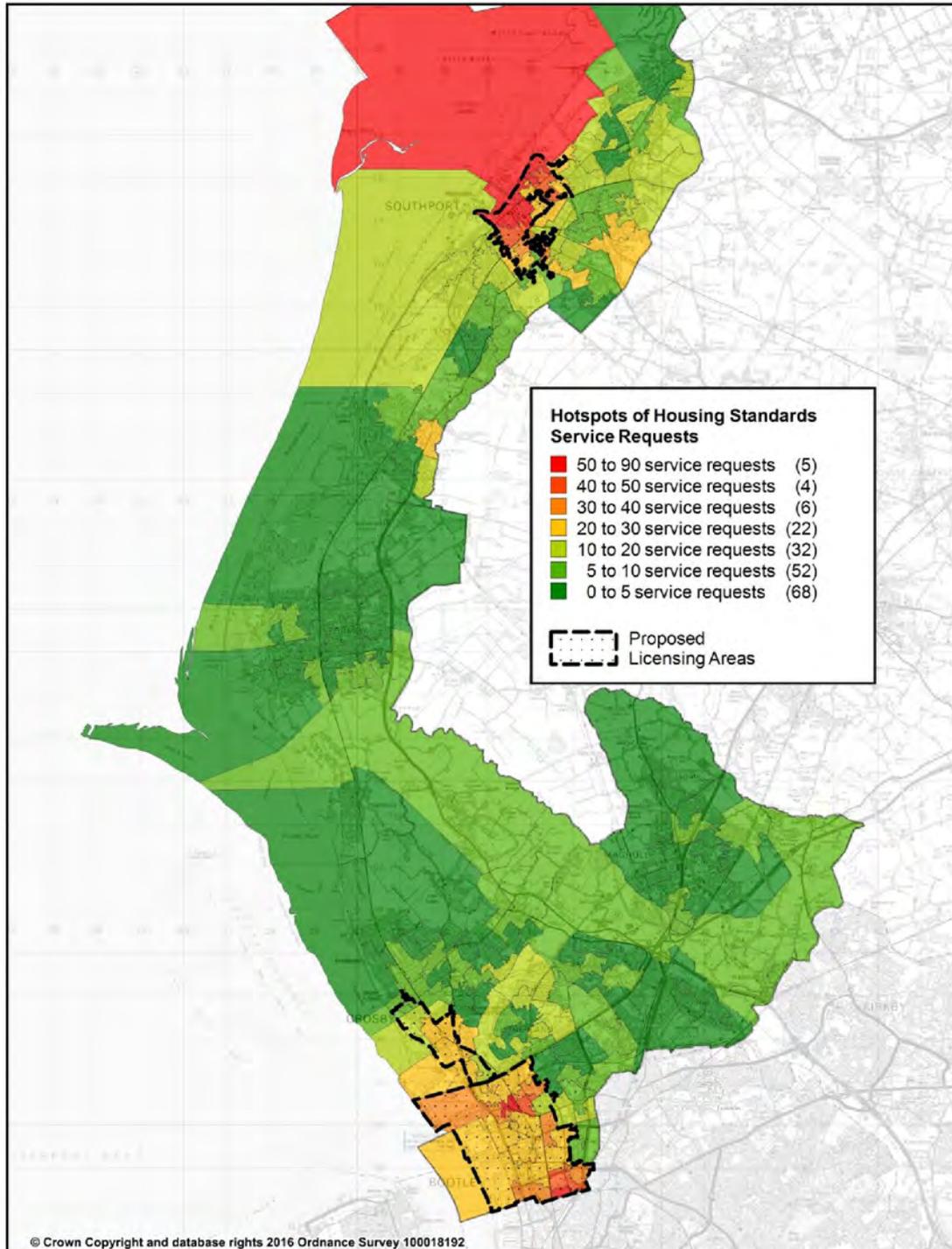
Table 2.12

Area	Waterloo/ Seaforth Additional HMO Licensing Area	Southport Additional HMO Licensing Area	Bootle Selective Licensing Area	Total Licensing intervention areas	Sefton Total
Total Housing Standards Service Requests (April 2012 – March 2016)	145	428	678	1251	2255
Proportion of Total Housing Standards Service Requests (April 2012 – March 2016)	6.4%	19.0%	30.1%	55.5%	100%
Service Request rate per 1000 households*	45.7	87.5	55.3	61.5	21.7

Source: Sefton Council - Flare

*Household Estimate based on 2011 Census





© Crown Copyright and database rights 2016 Ordnance Survey 100018192

Sefton Council 

SEFTON
Hotspots of Housing Standards Service Requests
April 2012 - March 2016

Drawn by ACM
Scale Not to scale
Date 12/10/2016
File Pathname /
Project / Drawing No.
Source: Merseyside Police
Delphi System 2015



Fuel Poverty

Under current definitions 12,352 households in Sefton (12.2%) have low incomes and high fuel costs and are in fuel poverty. Rates of fuel poverty are marginally above the average for England estimated at 11% of households in 2011. Demographically, fuel poverty impacts most strongly on younger and older households. 247 households headed by a person aged under 25 years are in fuel poverty representing 13.5% of all younger households. Rates of fuel poverty rise to 19.0% for households headed by a person aged 65 years and over. Rates of fuel poverty show limited variation by tenure but are higher for households living in pre-1919 (20.9%) and inter-war (15.7%) housing. Geographically the highest rates of fuel poverty are associated with St. Oswald, Netherton and Orrell, followed by areas proposed for inclusion in Licensing schemes at East Southport and Linacre and Derby Wards (Bootle).

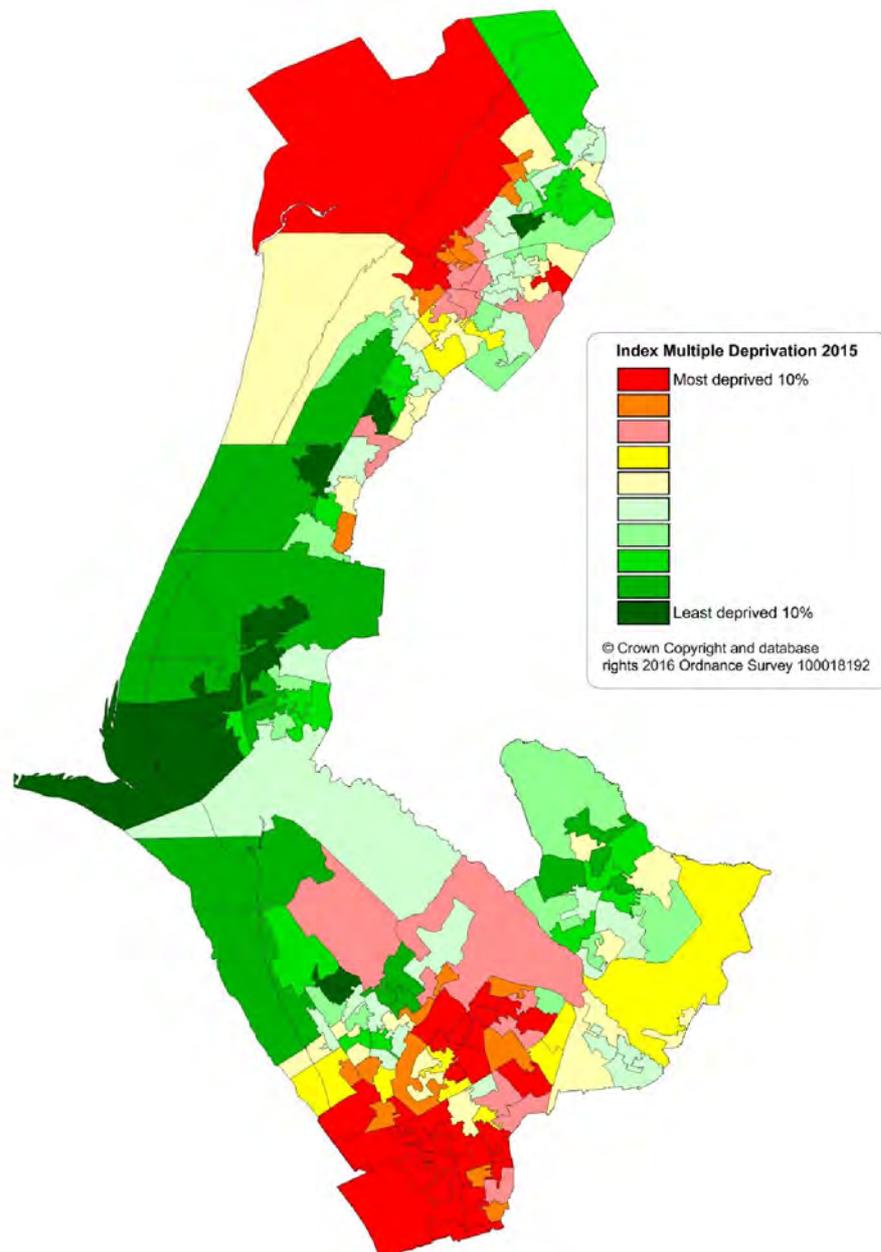
Source: Sefton Private Sector Stock Conditions survey 2013



Indices of Multiple Deprivation 2015

The Marmot Review [“Fair Society, Healthy Lives”, 2010] notes that ‘The more deprived the neighbourhood, the more likely it is to have social and environmental characteristics presenting risks to health’. Parts of Sefton are amongst the most deprived 20% of areas nationally, notably areas in Bootle and central Southport. It is recognised that the quality of people’s living environment has a profound effect on their mental and physical health and wellbeing, and that health inequalities in Sefton are linked to the unequal impact of environmental influences on health and wellbeing. These ‘wider environmental determinants of health’ in Sefton relate to air quality and pollution, climate change, energy and affordable warmth, housing decency and affordability, transport and accessibility, the management of waste and access to greenspace.

Figure 2.13



Housing Need in Sefton

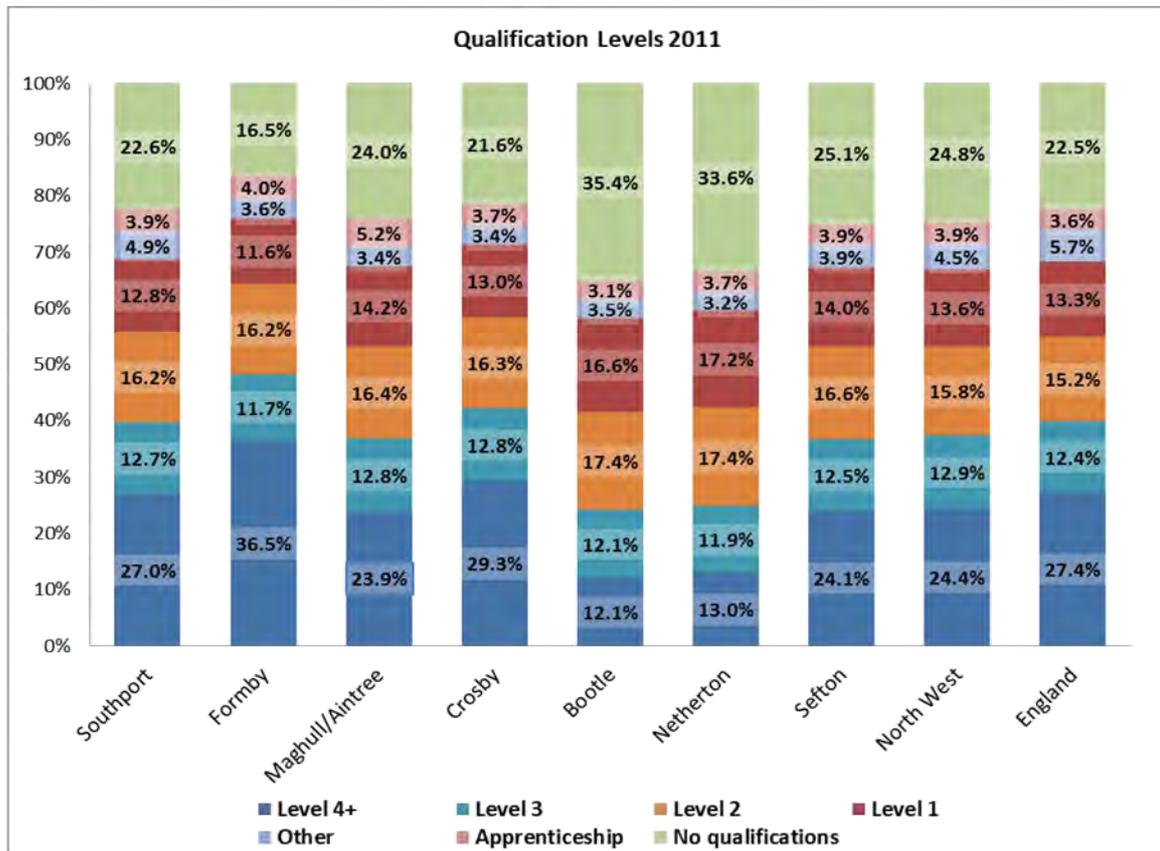
The most recent review of the Housing Requirement for Sefton was undertaken in July 2015 based on the latest demographic information, including the 2011 Census and the 2012-based sub-national household projections. This concluded that Sefton's household growth over the plan period equated to the need for 576 additional dwellings a year. This figure needs to be revised upward by approximately 10% to account for affordability and past under-delivery. The total requirement over the Plan period is 11,520 or 640 additional dwellings per year.

Economic Profile

The skills profile of Sefton suggests a workforce with fairly typical qualification levels. Around a quarter of people aged 16 and over have no qualifications with 24% having level 4 qualifications and above (equivalent to degree level). These figures are virtually the same as for the whole of the North West although there are small differences from data for England where only 22% have no qualifications and over 27% are qualified to Level 4 or above.

For individual sub-areas we again see some notable differences; only 12% of people in Bootle and 13% in Netherton are qualified to Level 4 or above, this compares with 37% in Formby. Over a third of people aged 16 and over in Bootle and Netherton have no qualifications.

Figure 2.14

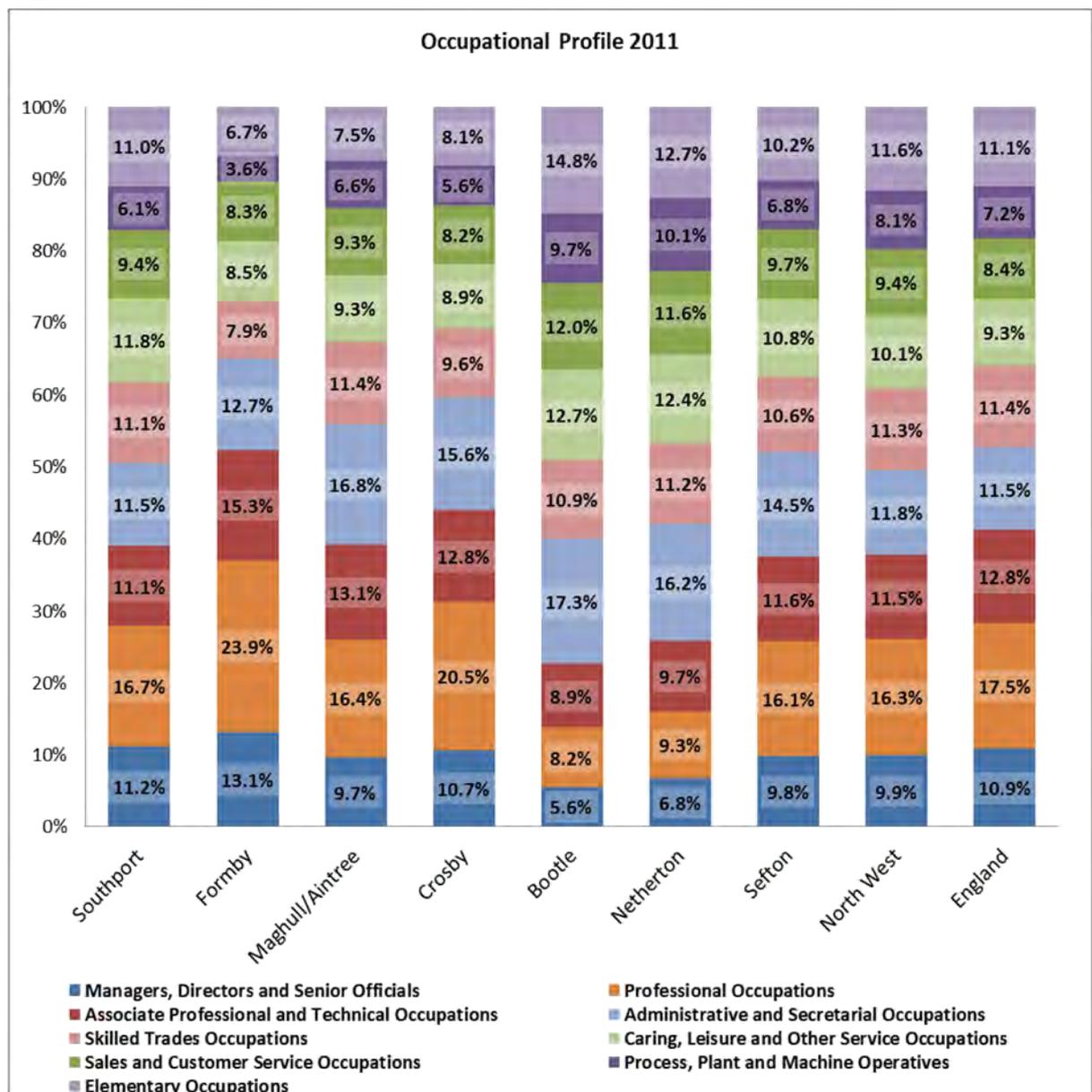


(Source: Census 2011)



The qualifications profile in Sefton is to a strong degree also reflected in the profile of employment by occupations. Again Sefton has a similar profile of occupations to regional figures with a lower proportion in managerial and professional occupations when compared with national data. The higher level of skills in Formby in particular can be seen in the occupational profile where there are the highest proportion of managers and those in professional occupations (37% compared with 14% in Bootle and 16% in Netherton). The lower than average skills in Bootle can also be seen with regard to the proportions in elementary occupations (15% are occupied in elementary occupations compared with 7% in Formby).

Figure 2.15



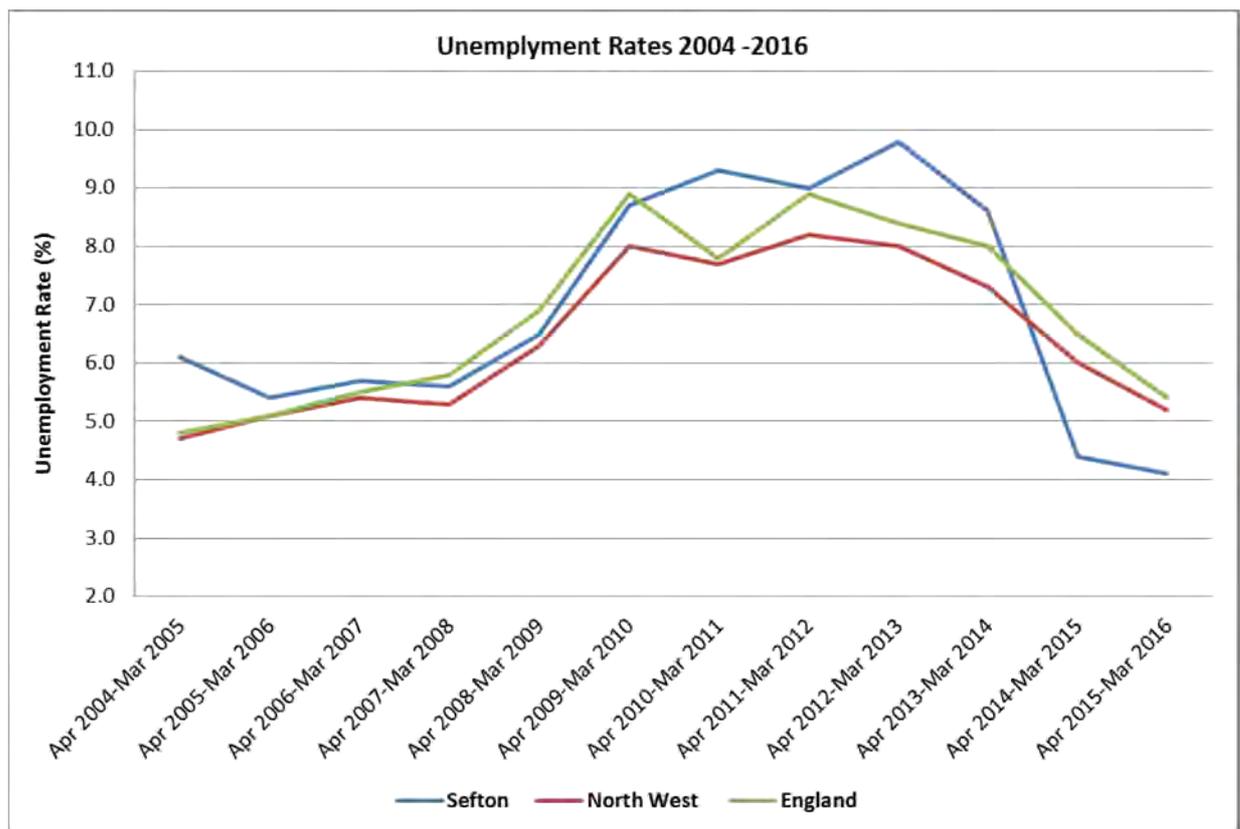
Source: Census 2011



Unemployment Rates

Figure 2.16 below, shows that unemployment was relatively stable in the period from 2004/5 up until 2007/8 when unemployment in Sefton began to rise considerably – this mirrors the national and regional trend. Across the Borough the proportion of people who were unemployed rose from about 5% in 2004/5 peaking at 9.8% in 2012/13. Since this time unemployment levels within the Borough have fallen sharply to around 4.1% in 2015/16. Sefton has outperformed both the regional and national trends using this economic measure.

Figure 2.16



Source: ONS Annual Population Survey 2016

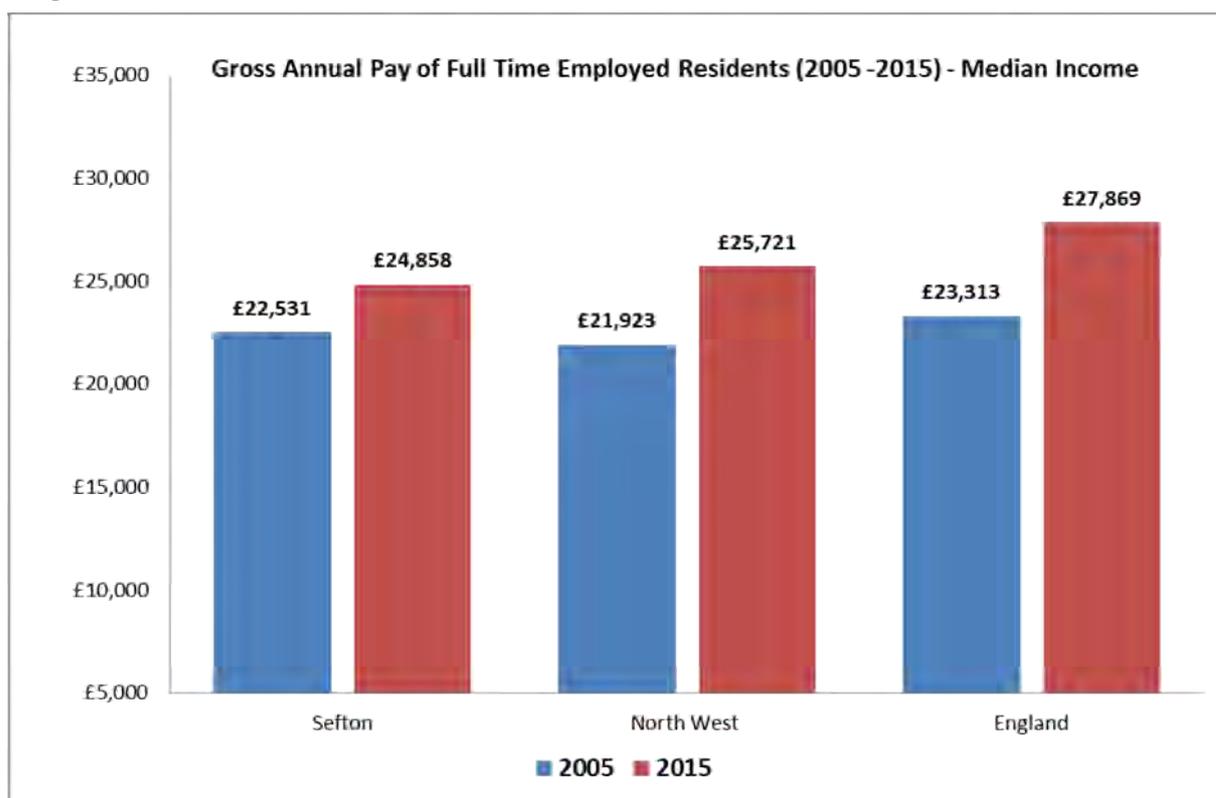
Household Incomes

Income has a crucial effect on the level of choice a household has when determining their future accommodation. The figure below shows the median annual income of people in full-time employment from the Annual Survey of Hours and Earnings (ASHE) for 2005 and 2015. The figure shows that in all areas gross income levels are higher in 2015 than 2005. However these figures disguise the effect of inflation on 'real' wage levels. Sefton's wages have not kept pace with inflation since 2005 and have also risen at a slower rate than both the regional and national averages.

Table 2.17

Gross Annual Pay of Full Time Employed Residents (2005 -2015) - Median Income			
Area	2005 Wage	2015 Wage	% Change in Wage
Sefton	£22,531	£24,858	10.3%
North West	£21,923	£25,721	17.3%
England	£23,313	£27,869	19.5%

Figure 2.18



Source: Annual Survey of Hours and Earnings (ASHE) 2015

Household Income by sub-areas

Using data from the 2014 Strategic Housing Market Assessment, the total household income has been modelled to identify how the distribution of income varies for each of the six sub-areas. Incomes are lowest in Bootle (median of £17,800) closely followed by Netherton (£19,200) and highest in Formby (median of £29,600).

Table 2.19

Household Income levels by sub-area 2014							
Income band	Southport	Formby	Maghull Aintree	Crosby	Bootle	Netherton	Sefton
Under 10k	11.5%	4.6%	9.1%	9.9%	23.7%	20.3%	13.1%
£10k to £20k	30.5%	27.5%	30.1%	30.2%	32.3%	31.8%	30.6%
£20k to £30k	19.6%	18.7%	19.6%	19.6%	19.2%	19.5%	19.5%
£30k to £40k	13.9%	13.8%	13.7%	13.9%	10.1%	11.5%	13.0%
£40k to £50k	8.1%	10.8%	9.1%	8.7%	4.9%	5.6%	7.8%
£50k to £60k	4.6%	6.9%	5.2%	5.0%	3.4%	3.5%	4.6%
£60k to £80k	5.5%	7.2%	5.7%	5.6%	5.1%	5.2%	5.6%
£80k to £100k	4.0%	4.2%	4.0%	4.0%	1.4%	2.5%	3.5%
Over £100k	2.3%	6.3%	3.5%	3.0%	0%	0.2%	2.3%
Median	£23,621	£29,558	£25,102	£24,570	£17,809	£19,227	£22,894
Mean	£31,056	£38,862	£33,004	£32,304	£23,415	£25,280	£30,386

Source: Sefton 2014 Strategic Housing Market Assessment

Conclusion

The consideration of Sefton's socio-economic profile data within this section identified a number of areas across the Borough, that, as well as having high concentrations of properties within the PRS, compared to the rest of the Borough also suffer from other socio-economic disadvantages. These areas were further investigated in line with, and compared to the tests of discretionary licensing (Housing Act 2004).

Although other areas across the Borough may suffer from high levels of deprivation, those areas do not presently meet the legal provision required for consideration within a Selective Licensing designation. The number of PRS properties fall short of the required 19.6%. For example, areas of Litherland/Netherton which have high levels of deprivation average 7.6% of PRS housing. Notably these areas contain predominantly social housing



Section 3: Selective Licensing

Part 3 of the Housing Act 2004 (the Act) sets out the scheme for licensing private rented properties in a local housing authority area.

What is a Selective Licensing scheme?

Under section 80 of the Act a local housing authority can designate the whole or any part or parts of its area as subject to Selective Licensing. Where a Selective Licensing designation is made it applies to privately rented property in the area. Subject to certain exemptions specified in the Selective Licensing of Houses (Specified Exemptions) (England) Order 2006, all properties in the PRS which are let or occupied under a licence, are required to be licensed by the local housing authority, unless the property is a House in Multiple Occupation and is required to be licensed under Part 2 of the Act.

With effect from 1 April 2015 a Local Authority will need to apply to the Secretary of State for Communities and Local Government (Secretary of State) for confirmation of any scheme 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. The proposed designation for Sefton does not require Secretary of State approval.

The local housing authority may only make a designation if the area has a high proportion of property in the private rented sector. Nationally the private rented sector currently makes up 19.6% of the total housing stock in England. The actual number of privately rented properties in a given area may be more or less than this, and if it is more than 19.6%, the area can be considered as having a high proportion of privately rented properties. The proposed designation for Sefton includes an area with 25.5% private rented housing, so fulfils this requirement.

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)
- a significant and persistent problem caused by anti-social behaviour (ASB)
- poor property conditions
- high levels of migration
- high level of deprivation
- high levels of crime

A designation can only be in force for a maximum of 5 years.

A licence would be valid for the duration of the scheme. The Local Authority has the discretion to grant the licence for a shorter period of time where there are problems with the application such as evidence of insufficient management. Once the licence has been issued the licence holder must comply with the conditions attached to the licence. Where there is a breach of those conditions the licence holder may be prosecuted with a fine of any amount per breach.



When assessing ASB, government guidance says that a Local Authority should consider crime, nuisance neighbours and environmental crime and then assess whether landlords are failing to take appropriate action to help resolve the problem.

The law states that any decision to implement a Selective or Additional (HMO) licensing scheme must be consistent with the Local Authority's housing strategy and must be part of a coordinated approach for dealing with homelessness, empty homes and ASB. The Local Authority must be satisfied that there are no other courses of action that might provide an effective remedy and that the introduction of a licensing scheme will significantly assist in dealing with the problem. So there is a lot of evidence that the Local Authority will need to collect before it can introduce such a scheme. Much of this evidence is set out in Section 2 above.

A Local Authority can implement a Selective Licensing scheme provided it meets all the requirements in the Housing Act 2004 and they have consulted with everyone affected by the designation for a minimum of 10 weeks.

Owners of privately rented properties within the designated areas will be required to make an application to the Local Authority for a licence and will need to nominate either the manager or the owner to be the proposed licence holder. The proposed licence holder will need to be determined by Sefton Council as a 'fit and proper' person [see page 85].

Exempt from Selective Licensing

1. Owners who reside in property they own as their main residence (owner-occupiers)
2. Homes let to tenants of registered housing providers (housing associations)
3. Those places specifically excluded from the legislation such as care homes, etc.
4. Student accommodation directly managed by educational institutions, e.g. halls of residence [but not those where students have tenancies with private landlords]
5. HMOs. That require licensing through Sefton's Mandatory HMO licensing scheme.
6. Homes subject to management orders and exemption notices
7. Households that act as host families for foreign students studying for a short period
8. Homes with lodgers.

Why does Sefton need a Selective Licensing Scheme?

This section of the document provides evidence that there is a link between the private rented properties in the proposed designated area of Bootle and ASB, crime, deprivation and property conditions. Along with evidence of the poor management of a significant number of privately rented properties that has led to problems for both their tenants, local communities and other members of the public.



Alternatives to Selective Licensing

The Local Authority has considered whether there are any courses of action, other than Selective Licensing, that might achieve the same objectives in the proposed area. After careful consideration, the Local Authority has come to the conclusion that designating a Selective Licensing area is the most appropriate course of action in the circumstances, and that it will significantly assist it in achieving its objectives. Selective Licensing has proved in a number of Local Authorities to have had a substantial impact on landlord and agent behaviour and improved their engagement and relationship with them.

Other enforcement tools include the use of Special Interim Management Orders, whereby the Local Authority takes over the management of a property, however due to the significant number of problematic properties and limitation of resources this option is not a feasible alternative.

Property Accreditation is also fully supported by the Local Authority and has its place in promoting good property management. The Local Authority will offer licence fee discounts for members of Sefton's Property Accreditation Scheme such as is currently offered for Mandatory HMO licensing. The majority of properties accredited are Mandatory HMO Licensed properties which suggest that many landlords and agents may have only signed up to receive the licence fee discounts, and would not have done so otherwise. Unfortunately, the more difficult to deal with landlords operating in the area had not engaged with the property accreditation scheme. Sefton has accredited 942 housing units equating to 129 individual properties (October 2016) since the scheme began, this represents less than 1% of the private rented stock in the Borough and mainly consists of individual HMO units. 223 of these housing units equating to 45 individual properties are within the proposed Selective Licensing area, which only amount to 1.6% of the PRS properties within the area. Therefore, any reliance on voluntary accreditation, as an alternative to Selective Licensing, is not considered to be a viable option in respect of the proposed area.

Sefton currently has a reactive enforcement approach in relation to privately rented properties, dealing with cases as they present themselves. A more proactive approach could be taken to target the worst landlords. This would develop an outward facing image of enforcement in relation to rogue landlords. To practically do this would involve the need to increase the resourcing allocated to the Housing Standards Team. This is a more traditional enforcement approach and less of an enabling one than licensing would bring.

Officers also considered introducing a district-wide scheme but this was not taken forward because the evidence is not yet sufficient to introduce the whole district and therefore such an application is unlikely to be supported by the Secretary of State (who has to agree to the implementation of the scheme). A consideration when determining an area for selective licensing is a requirement set out in the Government Guidance, which states that any area considered for selective licensing must have a high proportion of property in the private rented sector, which is more than the national average. Nationally the private rented sector currently makes up 19.6% of the total housing stock in England. The proportion for



the borough of Sefton is 13% (2011 census). Therefore a borough wide scheme would fail this test.

Feedback received from other Local Authorities, with discretionary licensing schemes, prove that Selective Licensing has had a positive impact on improving ASB issues in particular. Licence holders will be required to take reasonable steps to deal with any ASB by their tenants, with support offered through our licensing section if necessary. Selective Licensing can have an impact on an area dominated by the private rented sector with higher than average levels of ASB. Selective Licensing has been found to be a valuable tool in achieving successful outcomes and where landlords are more likely to tackle problems, rather than ignore them.

Scheme details

Each new licence granted would be subject to a series of licence conditions, similar to those already in use under the current mandatory scheme for HMOs. Licence conditions under Selective Licensing must include the mandatory conditions set out in Schedule 4 of the Housing Act 2004 and may include additional conditions relating to management, use and occupation.

In summary, the main conditions would require licence holders to:

- Provide gas safety certificates annually (if gas is supplied);
- Keep any electrical appliances and furniture provided in a safe condition;
- Provide smoke alarms and keep them in good working order;
- Issue residents with a written statement of the terms of occupation (e.g. a tenancy agreement or licence);
- Require references from prospective tenants;
- Provide electrical installation condition reports for the fixed wiring installations if requested by Sefton;
- Appropriately manage ASB, should it ever originate from their property;
- Limit occupation of the property to the numbers of persons and households specified in the licence;
- Make suitable arrangements for waste management;
- Make suitable arrangements for completing routine repairs and maintenance;
- Advise the Local Authority of any change in circumstances.

Anti-social Behaviour

The licence holder must ensure that any tenancy agreement granted after the issue of this licence includes the following clause within the tenant's obligations:

“Nuisance and Anti-social Behaviour (ASB): Not to cause, or allow household members, or visitors to engage in ASB, which means any conduct causing or capable of causing a nuisance or annoyance to the landlord, other occupiers, neighbours or people engaging in lawful activity within the locality”

The property must be regularly monitored between tenancies to ensure that it does not cause a nuisance to neighbours or other local residents.

A full set of conditions can be found at **Appendix 2**



Defining Proposed Areas for Selective Licensing

The Local Authority is satisfied that the area proposed for a Selective Licensing designation meets four of the six legal tests set out in the Housing Act 2004. The designation is proposed on the basis of ASB, housing conditions, deprivation, and crime. A designation based on migration or low demand is not proposed. Only one test needs to be proved to make a designation lawful.

The Local Authority considered data from a wide range of sources before coming to this conclusion. This chapter outlines the key evidence that supports the proposed designation.

The Local Authority uses local and national data collected at Lower Super Output Area Level (LSOA's) to identify areas of concern relating to any of the above conditions. Lower Super Output Areas (LSOA's) are statistical boundaries that do not rely on streets or wards to mark their boundaries and this data is deemed as more relevant to determine such designations.

In carrying out this process, there also needs to be consideration of the impact of licensing would have on surrounding areas. The introduction of Selective Licensing may, depending on the nature of the housing, rental values and property prices, result in a displacement of either irresponsible landlords or problem tenants. The area boundaries should consider this aspect.

The Selective Licensing area proposed is Bootle (see map and street names at **Appendix 1**). Data within this business plan proves that this area meets the above test.

Proposed Designation: Bootle

Bootle is located in the South of the Borough and its housing stock is predominantly older style terraced housing. With high rates of unemployment the area is one of the most deprived areas in England. Bootle also suffers from high levels of crime and ASB and poor housing conditions. The proposed area for Selective Licensing represents around 25.5% [2015 estimate] of the privately rented accommodation in Bootle. This meets the legal provision for being proposed as an area for Selective Licensing, that being above the national average, currently at 19.6%.

High Levels of Deprivation

In deciding whether the authority considers the areas to be suffering from high levels of deprivation the authority should consider the English Indices of Multiple Deprivation (IMD) 2015, provided by the Department for Communities and Local Government in comparison to other similar neighbourhoods in the area or within the region.

This data measures overall multiple deprivation experienced by persons living in geographical areas at LSOA levels. Each LSOA in England is ranked according to its level of deprivation relative to that of other areas. There are multiple



domains and sub domains that make up the overall deprivation level. Sefton ranks 102 most deprived out of the 326 Local Authority areas in England.

All of the LSOAs in the Bootle Selective Licensing area are ranked within the most deprived quintile (20%) nationally. Within this Selective Licensing boundary there are areas suffering from severe deprivation, five are ranked within the most deprived 1% nationally and seven are ranked within the most deprived 5%. Therefore, this Selective Licensing area can be considered as suffering from extremely high levels of deprivation. The table and map below depict the ranking of deprivation across Bootle, particularly within the proposed designated area for Selective Licensing.

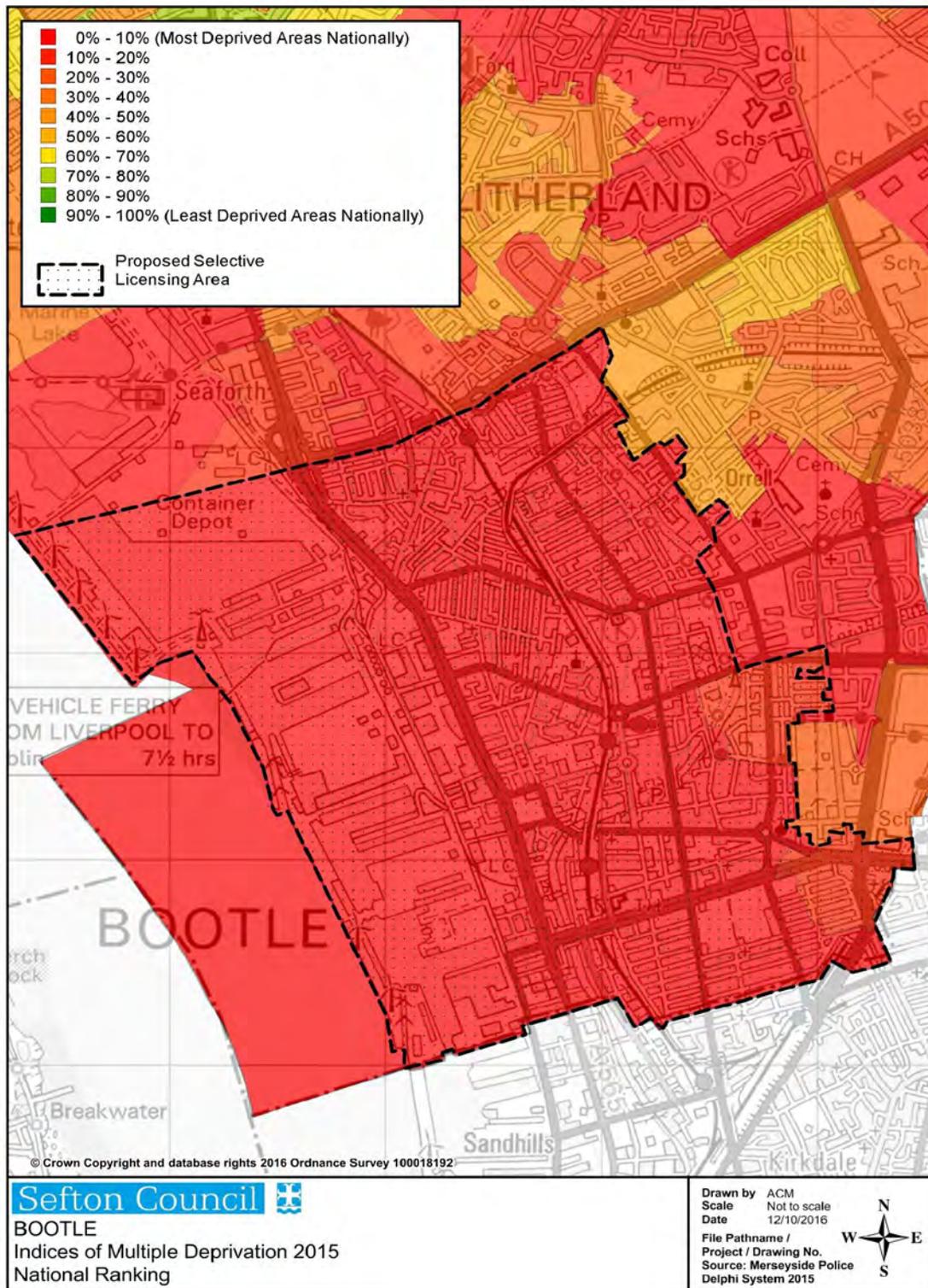
Table 20 below shows the ranking of deprivation across the electoral wards within the proposed Selective Licensing area

Table 20

LSOA Code	Ward Name	IMD National Ranking (where 1 = most deprived and 32,844 = Least deprived)	Proportional IMD Ranking Where < 1% = most deprived and 100% = least deprived
E01006961	Derby	1,797	5.5
E01006962	Derby	5,694	17.3
E01006963	Derby	260	0.8
E01006964	Derby	1,839	5.6
E01006966	Derby	4,649	14.2
E01006967	Derby	786	2.4
E01007003	Linacre	349	1.1
E01007004	Linacre	1,467	4.5
E01007005	Linacre	131	0.4
E01007006	Linacre	417	1.3
E01007007	Linacre	112	0.3
E01007008	Linacre	455	1.4
E01007009	Linacre	308	0.9
E01007010	Linacre	244	0.7
E01007011	Linacre	754	2.3
E01007012	Litherland	3,202	9.7
E01007013	Litherland	737	2.2
E01007016	Litherland	2,220	6.8
E01007017	Litherland	1,964	6.0



The map below clearly shows the scale of deprivation across the proposed designated area.



Tackling deprivation

The Local Authority has been concerned about levels of poverty and the impacts of welfare reform. The Council along with its key partner agencies have adopted a Welfare Reform and Anti-Poverty Action Plan, which sets out our ambition to take bold and positive steps to address the pressures felt by low income households in Sefton. In particular Objective 1.4 F highlights the need to work with private landlords as part of the multiple agency approach.

Action To support the development of multi-agency practices developing as part of the early intervention and prevention agenda

Method To develop a targeted and partnership approach to improve living standards through adopting a Selective Licensing scheme and promoting a quality of living standards

The Action Plan recognises that multiple agencies need to work together to help tackle the problems and issues. It says;

“We are championing a ONE-SEFTON approach to our plan and encouraging all partners, the community and organisations to play their part.”

A Partnership agreement is in place, which multiple agencies have signed up to including One Vision Housing (OVH), who are the largest social housing provider in Sefton and in the proposed licensing area.

Private landlords (together and individually) can play an important part, through their landlord-tenant relationship.

Anti-Social Behaviour - Bootle

In deciding whether an area suffers from ASB, a local housing authority should consider whether private sector landlords in the designated area are not effectively managing their properties so as to combat incidences of ASB caused by their tenants or people visiting their properties; and in particular the area suffers from ASB as a result of this failure or because that failure significantly contributes to that problem.

In considering whether the area is suffering from ASB which a landlord should address regard must be had as to whether the behaviour is being conducted within the curtilage of the rented property or in its' immediate vicinity and includes acts of (but not limited to):

- intimidation and harassment of tenants or neighbours
- noise rowdy and nuisance behaviour affecting persons living in or visiting
- animal related problems
- vehicle related nuisance
- anti-social drinking or prostitution
- illegal drug taking or dealing
- graffiti and fly posting
- and litter and waste within the curtilage of the property.



The scheme should state what measures will be taken to address the problems associated with ASB, for example by including conditions in licences requiring landlords to take action to deal with such behaviour, to ensure that properties are not let to persons with a known record of ASB and relating to the use of the property. It should also make clear how the measures taken in the scheme when combined with other specified measures will work together to combat the problems caused by ASB.

ASB in Sefton is recorded at an average of just under 34 incidences per 1000 head of population for ASB calls to Merseyside Police (Jan – Dec 2015). ASB is recorded as Environmental, Personal or Nuisance, when behaviour impacts on surrounding areas, targeted at an individual or group or impacting on the local community in general.

Data sources:	January to December 2015
ASB	Merseyside Police Delphi System
Crime	Merseyside Police Delphi System (Corvus) England - iQuanta / ONS
ENV	Sefton Environmental Services (Mayrise & Flare)
Population	ONS Mid-Year 2014 Population Estimates

Table 21 shows the rate of ASB incidents across the electoral ward within the designated area where Table 22 provides an overview per incident of ASB.

The overall rate of ASB within the area covered by the Bootle Selective Licensing area is **67.3** incidents per 1000 population. This ASB rate is almost double (99% greater than) the overall Sefton ASB average. However, again there are significant differences in ASB reporting rates within the Lower Super Output Areas (LSOA) within this proposed licensing area. These ASB incident rates range from 217% greater than the Sefton average to just over 3% lower.



Table 21

LSOA Code	Ward Name	Population	All ASB Incidents	ASB rate Per 1000 People
E01006961	Derby	1,523	85	55.8
E01006962	Derby	1,393	62	44.5
E01006963	Derby	1,450	86	59.3
E01006964	Derby	1,482	56	37.8
E01006966	Derby	1,593	52	32.6
E01006967	Derby	1,553	165	106.2
E01007003	Linacre	1,214	90	74.1
E01007004	Linacre	1,355	72	53.1
E01007005	Linacre	1,290	82	63.6
E01007006	Linacre	1,382	112	81.0
E01007007	Linacre	1,251	87	69.5
E01007008	Linacre	1,255	72	57.4
E01007009	Linacre	1,391	149	107.1
E01007010	Linacre	1,207	99	82.0
E01007011	Linacre	1,495	85	56.9
E01007012	Litherland	1,320	84	63.6
E01007013	Litherland	1,465	73	49.8
E01007016	Litherland	1,919	208	108.4
E01007017	Litherland	1,618	109	67.4
Bootle Selective Licensing Area		27,156	1,828	67.3
Sefton		273,531	9,247	33.8



Table 22

LSOA Code	All ASB rate Per 1000 People	Environmental ASB rate	Nuisance ASB rate	Personal ASB rate	Inappropriate Vehicle Use ASB rate	Nuisance Neighbour ASB rate	Rowdy Inconsiderate Behaviour ASB rate
E01006961	55.8	0.0	44.0	11.8	4.6	5.9	30.2
E01006962	44.5	1.4	35.2	7.9	5.7	0.7	35.2
E01006963	59.3	2.8	43.4	13.1	4.1	6.9	35.9
E01006964	37.8	1.3	30.4	6.1	1.3	3.4	26.3
E01006966	32.6	1.3	23.9	7.5	4.4	7.5	10.0
E01006967	106.2	3.2	92.7	10.3	5.8	5.8	77.3
E01007003	74.1	0.8	58.5	14.8	4.9	13.2	42.0
E01007004	53.1	0.7	41.3	11.1	5.2	7.4	31.7
E01007005	63.6	1.6	47.3	14.7	9.3	10.9	33.3
E01007006	81.0	1.4	64.4	15.2	5.8	8.7	49.2
E01007007	69.5	2.4	47.2	20.0	4.8	13.6	32.0
E01007008	57.4	1.6	43.0	12.7	8.0	16.7	21.5
E01007009	107.1	1.4	91.3	14.4	5.0	4.3	72.6
E01007010	82.0	2.5	64.6	14.9	5.0	18.2	38.9
E01007011	56.9	2.0	38.8	16.1	3.3	9.4	28.8
E01007012	63.6	1.5	53.0	9.1	3.8	9.1	41.7
E01007013	49.8	1.4	41.0	7.5	8.9	8.2	25.3
E01007016	108.4	1.0	91.2	16.2	26.1	8.9	61.0
E01007017	67.4	1.2	55.0	11.1	3.7	3.7	48.2
Bootle Selective Licensing Area	67.3	1.5	53.5	12.3	6.6	8.3	39.5
Sefton	33.8	0.8	27.0	6.0	5.9	3.9	18.3



ASB Incidents involving Private Landlords and their Tenants

The following case studies provided by Sefton's ASB Team give an insight into some recent interventions with PRS properties within the proposed designated area for Selective Licensing. We believe licensing would improve outcomes in dealing with cases of ASB to the advantage of landlords and the wider community.

Property A

This property, occupied by a criminal family with strong links to a local Organised Crime Group (OCG) was previously evicted (via a police closure order) and moved away from Sefton, although has since returned. The family rented a property from a private landlord who had no idea of their criminal past. The landlord has now started proceedings through the civil courts to repossess the property with the assistance of a statement from the ASB Department. If the landlord had been required to obtain tenant references, this may have been avoided. References will be a requirement of the licence conditions.

Property B

This premises is a mixture of residential social landlords and private landlords. A privately rented flat was recently raided by the police under a search warrant and drugs seized from the tenant. The tenant has been served with a Community Protection Notice (CPN) warning notice in addition to police action. We have also informed the Landlord of the incident. Currently, there is no requirement for a landlord to engage, however, under licensing a landlord would be in breach of conditions by failing to act on this information.

Property C

The tenants occupying this privately rented property has, over a number of months caused annoyance with neighbours, for example loud parties, a fire in a garden shed, people entering the premises after arriving by taxi and not paying their fare. The Environmental Health Department are currently monitoring the noise situation with equipment in neighbouring houses. Under a licensing scheme, if evidence is found of anti-social behaviour then the landlord would be bound by licence conditions to address the situation.

Property D

Large family, mainly children under 16yrs of age, male child subject to a recent supervision order to work with the YOT for 18 months and under a curfew. The ASB Team is preparing a CBO against him. A 15 year old child is also under investigation for racial comments and bullying against a local family. The landlord of the property has been interviewed and is now starting repossession proceedings. It is encouraging that the landlord has engaged and acted responsibly on this occasion, however, under a licensing scheme all landlords would be required to act or leave themselves open to further enforcement action.

Property E

In the course of an investigation the ASB team informed the landlord of Property E of problems being caused by his tenants. He said he was not interested and was only concerned with collection the rent, and felt he had no responsibility of the behaviour of his tenants. The landlord has been notified of our intention to



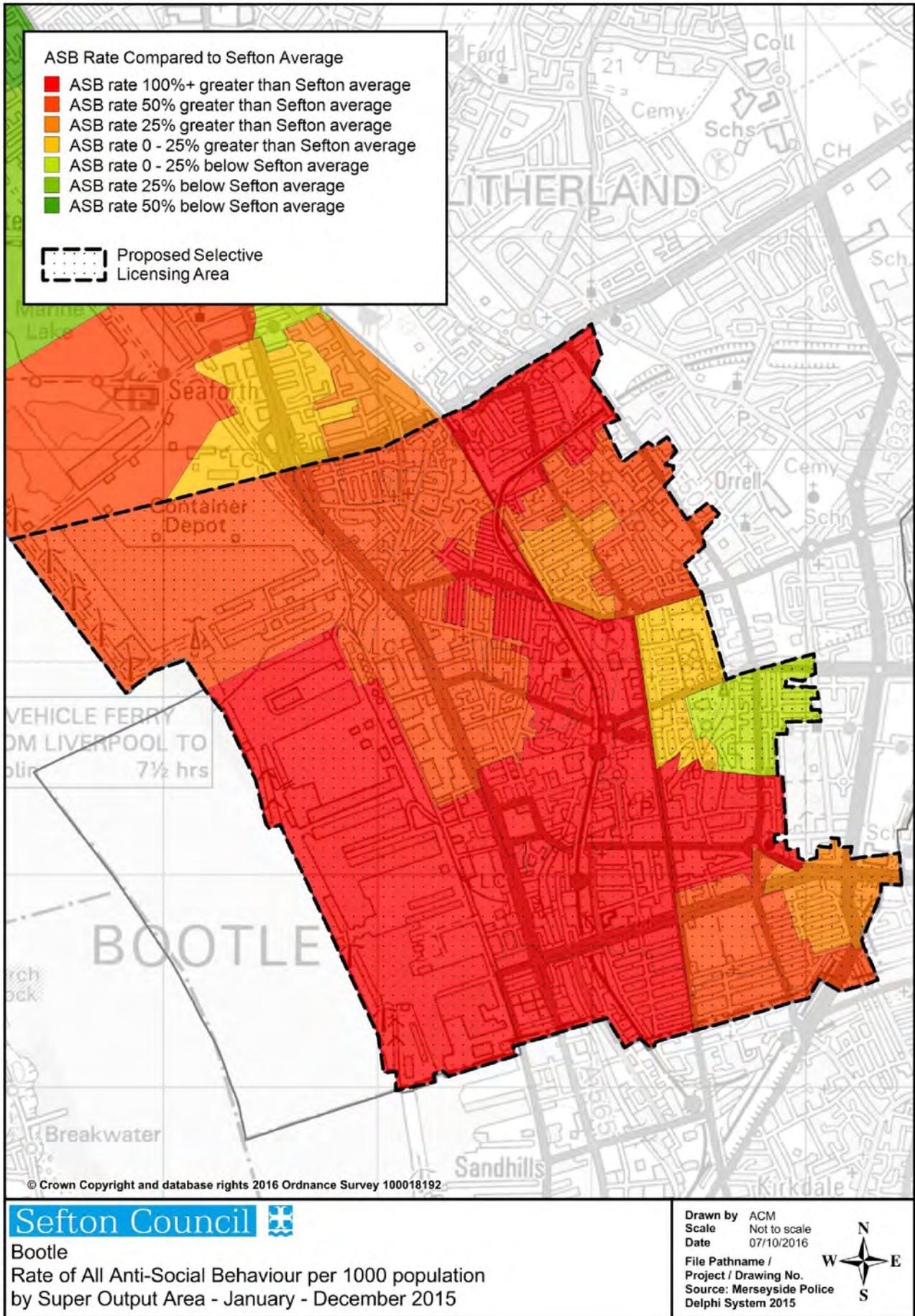
proceed for a Closure Order. Eventually the Landlord took action to remove the tenant. Under a licensing scheme the landlord would be in breach of terms of his licence and subject to further action if he failed to act.

Property F

A couple renting from a private landlord are drug users and alcoholics and have caused the neighbours a great deal of problems. They have been issued with a CPN and the next steps will be court action, the landlord has been spoken to regarding their behaviour but has refused to do anything. Currently, this landlord is not engaging or acting to alleviate the situation. However, under a licensing scheme the landlord would be required to engage with the local authority and follow a prescribed process to address the ASB of their tenants or be in breach of licensing conditions, ultimately leading to prosecution and an IMO.

The ASB Team report that there are many other instances where they struggle to engage with a private landlord.





Crime

When considering whether areas suffer from high levels of crime a Local Authority may wish to have regard to whether the area has displayed a noticeable increase in crime over a relatively 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. In particular the Local Authority may want to consider whether the impact of crime in the areas affects the local community and the extent to which a Selective Licensing scheme can address the problems.

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

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

Crime has a direct impact on victims including direct physical health impacts, in the case of violent crimes against the person, and potentially serious mental health impacts. In addition, crime may lead to negative health impacts at a community level. The impact of fear of crime is both direct, in its impact on mental health, and indirect, in that fear of crime may lead people to limit their activities, leading to social isolation. Fear of crime may also limit outdoor physical activity.

All Crime related incidents in Sefton are recorded at just over 57 incidences per 1000 head of population (Jan – Dec 2015). This compares favourably to the overall national (England) crime rate of 65.7 crimes recorded per 1000 population. All Crime records incidents of Burglary, Criminal Damage, Drugs, Robbery, Theft and Violence.

The overall rate of all crime within the area covered by the Bootle Selective Licencing area is **120.3** incidents per 1000 population. This recorded overall crime rate is just over double the Sefton average (110% greater) and just over 83% higher than the English average. All of the LSOAs in the Bootle Selective Licensing area have a reported crime rate above the Sefton average, ranging from 0.1% greater to 506% greater. [Table 23].

When crime across all wards is standardised per 1,000 population, table 23 below shows the Linacre ward in Bootle is the worst affected area with 150 crimes per 1,000 population. Compared to the least affected ward, Meols, where there were just 29 crimes per 1,000 population, and a Borough-wide average of 57.4 crimes per head of population.

In Linacre ward this equates to just under 1 in 7 residents being a victim of reported crime in 2015, compared to 1 in 34 in Meols and just over 1 in 17 across Sefton as a whole.

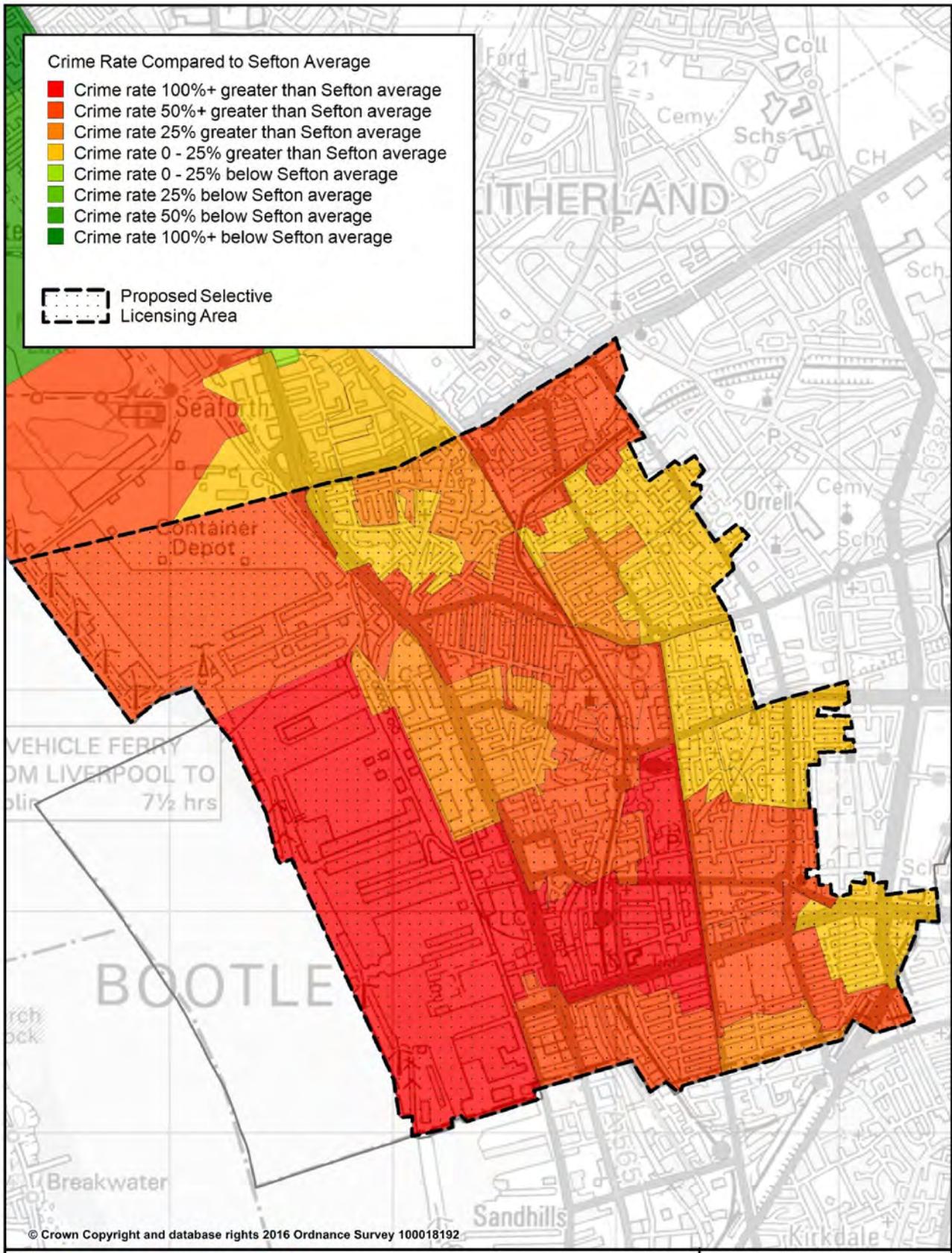


Table 23

LSOA Code	All Crime rate Per 1000 People	Burglary rate	Criminal Damage rate	Drugs rate	Robbery rate	Theft rate	Violence rate
E01006961	138.5	7.2	29.5	23.6	3.3	25.6	44.0
E01006962	57.4	6.5	13.6	4.3	1.4	12.9	12.9
E01006963	110.3	13.1	16.6	12.4	3.4	13.1	40.7
E01006964	77.6	8.8	8.1	9.4	0.7	20.9	22.3
E01006966	67.8	5.6	11.3	10.7	1.3	14.4	21.3
E01006967	126.9	14.2	20.0	14.2	2.6	34.1	33.5
E01007003	140.9	13.2	19.8	26.4	3.3	20.6	48.6
E01007004	64.2	5.9	14.8	5.9	0.0	17.7	17.0
E01007005	115.5	12.4	23.3	20.2	1.6	14.0	37.2
E01007006	115.8	13.7	26.0	15.9	2.2	18.8	34.7
E01007007	262.2	8.8	28.8	15.2	4.8	151.1	40.8
E01007008	98.8	14.3	12.7	12.7	2.4	17.5	35.1
E01007009	348.0	12.9	33.1	15.1	3.6	227.9	41.7
E01007010	123.4	13.3	24.9	13.3	0.8	26.5	36.5
E01007011	89.0	8.7	18.1	10.0	1.3	20.1	22.1
E01007012	82.6	7.6	15.9	8.3	3.8	15.2	25.0
E01007013	91.5	21.2	18.4	16.4	1.4	10.9	17.7
E01007016	135.5	9.4	17.2	11.5	3.6	55.2	32.8
E01007017	67.4	4.9	20.4	9.3	0.0	14.8	13.0
Bootle Selective Licensing Area	120.3	10.5	19.4	13.3	2.2	38.0	30.0
Sefton	57.4	7.2	9.4	4.4	0.6	19.4	13.2

Source: Merseyside Police Delphi System (Corvus) January – December 2015





Sefton Council 

Bootle
Rate of All Crime per 1000 population
by Super Output Area - January - December 2015

Drawn by ACM
Scale Not to scale
Date 07/10/2016
File Pathname /
Project / Drawing No.
Source: Merseyside Police
Delphi System 2015



Property Condition

Housing Enforcement

Housing enforcement actions undertaken by the Local Authority's Private Sector Housing Standards team are much higher within the proposed Selective Licensing area than in the rest of the Borough. Since October 2013, the Housing Standards Team has served 160 statutory notices on landlords who have failed to address poor housing conditions voluntarily, with advice and support from the housing enforcement team. These statutory notices were served to address a whole range of issues from a single hazard relating to reducing overcrowding or lack of heating and hot water, to prohibiting occupation of whole properties due to the severe level of hazards and amount of work required, to make them suitable, being unreasonable or for reasons that the work was unable to be carried out. These covered a range of actions (formal) and includes tenant complaints about repairs and maintenance (e.g. damp/mould growth, heating problems, failure by landlord to undertake repairs), issuing of notices and prohibition orders amongst others.

As mentioned in Section 2, above, the Housing Stock Condition survey illustrates that the rate of failure of decent homes is 24.4% with Linacre and Derby wards being at 26.5%, indicating poorer living conditions in the PRS, this is also indicated through the high levels of service complaints from tenants. Bootle is also shown as being within one of the most deprived areas in the country,

Poor property conditions are assessed under the Housing Act 2004 using the Housing Health and Safety Rating System (HHSRS) to carry out statistical based risk assessments on dwellings. It focuses on identifying and tackling the hazards that are most likely to be present in housing and most likely to impact on the health and wellbeing of the occupants. Its intention is to make homes healthier and safer to live in.

The system considers 29 separate hazards relating to:

- Dampness, excess cold/heat
- Pollutants e.g. asbestos, carbon monoxide, lead
- Lack of space, security or lighting, or excessive noise
- Poor hygiene, sanitation, water supply
- Accidents - falls, electric shocks, fires, burns, scalds
- Collisions, explosions, structural collapse

Each hazard is assessed separately, and if judged to be 'serious', with a 'high score', is deemed to be a **category 1 hazard**. All other hazards are called **category 2 hazards**.

The likelihood of an incident arising from the condition of the property and the likely harmful outcome are assessed. Local authorities have a statutory duty to take appropriate action if an officer discovers a category 1 hazard in a property.



To determine an area for Selective Licensing it is recommended that local housing authorities consider the following factors to help determine whether there are poor property conditions in their area:

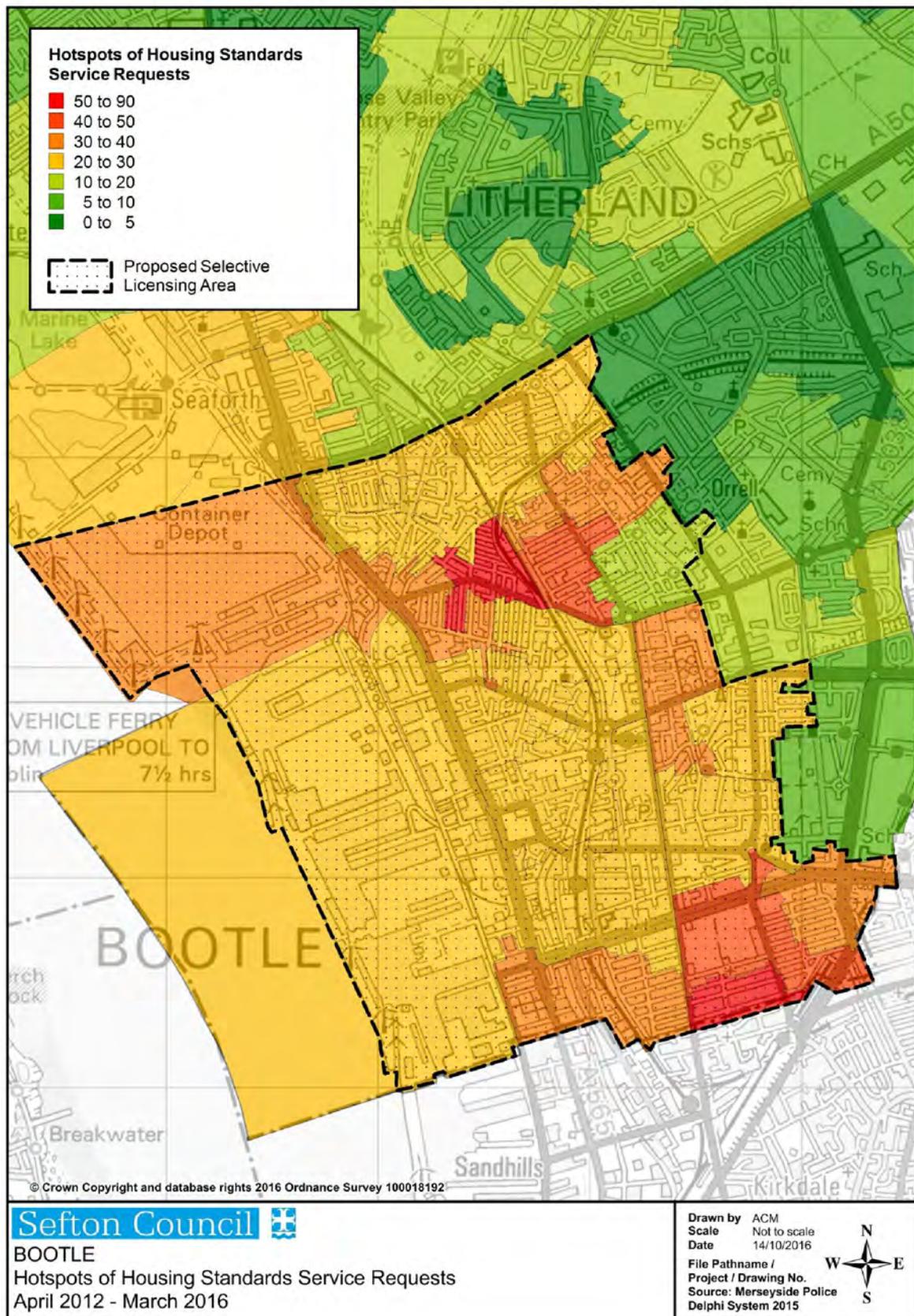
- The age and visual appearance of properties in the area and that a high proportion of those properties are in the PRS
- Whether following a review of housing conditions under section 3(1) of the Act, the authority considers a significant number of properties in the PRS need to be inspected in order to determine whether any of those properties contain category 1 or 2 hazards. In this context “significant” means more than a small number, although it does not have to be a majority of the private rented stock in the sector. It would not be appropriate to make a scheme if only a few individual properties needed attention.

The current level of property inspections, are based upon a reactive service. Once a complaint is made to the Local Authority, a member of the Housing Standards Team will then undertake a HHSRS inspection to determine whether action needs to be taken. Whilst this approach does improve property conditions it is sporadic across the Borough and does not have a concentrated impact in one area. In addition, this power does not tackle property management standards. Through the Selective Licensing designation landlords can attend development days, which cover all aspects of property management including property condition. Through training, advice and support landlords will recognise what improvements need to be made to their properties reducing the need for action under the HHSRS.

Since October 2013, 111 (out of the total of 160) Statutory Enforcement Notices issued by the Housing Standards Team in relation to property conditions relate to premises within the 3 proposed licensing areas. 33 of those were relating to properties within the proposed Selective Licensing area (26 single family properties and 7 HMOs).



Housing Standard Service Requests – Bootle



Conclusion

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)
- **a significant and persistent problem caused by anti-social behaviour (ASB)**
- **poor property conditions**
- high levels of migration
- **high level of deprivation**
- **high levels of crime**

We believe a Selective Licensing scheme for Bootle is justified on at least 4 of the above six criteria.

The area proposed (Bootle) suffers from:

Deprivation

- Being within the top 1-5% of the most deprived areas across the country
- Contains the highest rate of PRS properties across the Borough at 25.5%
- Suffers high levels of unemployment, low level educational achievement with low skill and low paid occupations
- Highest rate of lone parents across the Borough
- Average household incomes of £17,809 are the lowest in the borough and compare to an average £22,894 for the whole borough
- Over a third of people aged 16 and over in Bootle have no qualifications, compared to a quarter for the whole borough

Selective Licensing will help identify landlords and provide for a better relationship between the Local Authority and landlords to work together and help struggling households. By helping struggling tenants of private landlords there could be benefits for landlords too. If more households can be helped out of poverty, the prosperity of the area generally will improve making it a more attractive area to live, which in turn should improve the popularity of housing in this area.

Property Conditions

- Housing stock consists of predominantly Victorian terraced properties (52.1%) compared to the National average of 24.5%
- Majority of properties are within Council Tax Band 'A' (83%) far higher than the National average of 24.8%, or Sefton at 31%
- High rate of housing disrepair complaints, with enforcement action taken over property conditions
- Levels of non-decent homes of circa 26% are higher than the rate of all private housing in the borough of 15.8%
- The highest levels of fuel poverty are found in Bootle



Selective Licensing provides additional powers to help the Local Authority inspect and tackle poorly managed privately rented property. As around 25.5% (2015 estimate) of the accommodation in Bootle is in the private rented sector (national average 19.6%), improved management standards in this sector should contribute to an overall improvement in living conditions in the area, ultimately leading to a better quality of life for its residents.

Crime and ASB

- Significant problem with Crime and ASB with all areas of Bootle being above Sefton's average
- When crime across all wards is standardised per 1,000 population Linacre ward is the worst affected area with 137 crimes per 1,000 population; compared a borough wide average of 54.6 crimes per head of population.

Overall, Selective Licensing aims to improve premises conditions including the security of homes, as well as their management and occupation, and contribute to the community they are in. It will aid in protecting the safety and welfare of tenants, provide confidence in the rented sector, and put clear standards in place for the good of all. It will be more conducive to good landlords but provide an environment that is less opportunistic and attractive for poor and criminal landlords. It will also give the authority and landlords more powers in dealing with those tenants that chose to cause ASB.

Low Housing Demand

In addition, low housing demand, although not a criteria Sefton has identified to base this business case on, it is worth noting that Bootle does demonstrate characteristics exhibiting low demand as identified within The CURS Report "Changing Housing Markets and Urban Regeneration In the M62 Corridor" (2001). This report identified a range of criteria that made an area vulnerable to housing market failure. Utilising a range of Indicators, including Indices of Multiple Deprivation, the CURS team plotted areas of potential housing market failure geographically. Significant parts of the south Sefton area were identified on the basis of the criteria as suffering from potential housing market failure.

The criteria and indices used then can still be used to identify weak housing market areas that are more likely to suffer low demand. These characteristics still exist in Bootle today, which include;

- High levels of empty housing
- House prices low and stalling, with fewer transactions taking place in an area, compared to adjacent areas
- Monolithic housing provision, such as high concentrations of 'Back of pavement' Victorian terraced housing
- Little choice (in terms of housing type) within an area
- Unbalanced tenure provision



- Households mix within an area is unbalanced, eg a mix of younger, transient households or an ageing population,
- relatively deprived population
- Poor quality housing in relatively poor condition

Therefore, having reviewed the above data in the proposed area, Sefton Council is of the opinion that the legal test for designating an area for Selective Licensing has been met.



Section 4 Additional (HMO) Licensing

Having more than one household living in a property can increase the risk to the health, safety and welfare of the occupiers if the property is not properly managed. Although, it is recognised that HMOs and flats are an essential part of Sefton's housing stock and that there are many good landlords working within Sefton, there is a number of landlords that do not maintain their properties, whereby, leaving tenants at risk, and failing to adequately manage their properties leading to ASB affecting neighbouring premises.

Enforcement action against HMOs is costly, resource intensive and complicated. Sefton's Housing Standards Team currently deal on a reactive basis with the worst premises and those where there is a mandatory duty to licence or take enforcement action. This has led to a fragmented approach to enforcement in relation to HMOs.

Mandatory HMO licensing only applies to those HMOs that are three or more storeys high and are occupied by five or more people where there are three or more households. Properties that are required to be licensed under the Mandatory scheme will not be required to be licensed under either Additional (HMO) or Selective Licensing.

There are currently 98 licenced HMOs in Sefton and the majority of HMO landlords have complied with the major work requirements linked to the licence. Two landlords have though been awarded a one-year licence due to non-compliance of licence conditions. These two landlords have since commenced works to comply in order to avoid further action being taken. This helps demonstrate that licensing can lead to improved property conditions.

Additional (HMO) Licensing under section 56 of the Housing Act 2004 allows the Local Authority to extend the Mandatory HMO licensing scheme to include other types of HMO. A Local Authority must consider that a significant proportion of the HMOs of a defined description, in either a designated area or across the whole of the Borough are being managed insufficiently enough to give rise to one or more particular problems either for those occupying the property or for members of the public. Sefton proposes to include all properties within any prescribed definition of HMO across the proposed Additional (HMO) Licensing designation.

Those HMOs that fall within the definition of section 257, such as converted blocks of flats, are not subject to mandatory licensing, and local authorities that wish to license such properties need to follow the approval steps for Additional (HMO) Licensing. Sefton's proposal for Additional (HMO) Licensing includes all properties defined under section 257.

Before making an additional HMO licensing designation for a particular area, a Local Authority must:

- (a) Consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or to be



- likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public
- (b) Have regard to any information regarding the extent to which any codes of practice approved under section 233 have been complied with by persons managing HMOs in the area
 - (c) Consider 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
 - (d) That making the designation will significantly assist them to deal with the problem or problems (whether or not they take any other course of action as well)
 - (e) Consult persons likely to be affected by the designation.

Local Authority can implement an Additional (HMO) Licensing scheme provided it meets all the requirements in the Housing Act 2004 and they have consulted with everyone affected by the designation for a minimum of 10 weeks.

In the event that there is a change to the Mandatory HMO licensing scheme through statute, contractual arrangements will be reviewed as necessary. Properties licensed under the Additional (HMO) licensing would, therefore, be transferred and licensed under the Mandatory scheme, for the duration of the existing licence.

Defining Proposed Areas for Additional (HMO) Licensing

Additional (HMO) Licensing will operate in the same way and alongside the existing Mandatory Licensing scheme that operates across the Borough. The same process will be followed, with the same legal obligations and penalties for failing to comply with the requirements.

Additional (HMO) Licensing requires all privately rented HMOs, which are located within a designated area, to be licensed. Sefton proposes to implement Additional (HMO) licensing in parts of Southport and Waterloo/Seaforth. A map of the designated areas and a full list of streets proposed can be found at **Appendix 3**

Tenure information has been collated using Housing Benefit, Council Tax and Local Authority held data. This has been supplemented by further extensive research undertaken by officers within the Housing Standards Team working on licensing, this included door-to-door investigations of a number of sample areas to check the quality of the HMO data. This analysis of housing stock has identified (allowing for statutory exemptions and houses in multiple occupation (HMOs) already subject to Mandatory licensing), that approximately 200 properties would be subject to Additional (HMO) Licensing.

Duration of licenses

An Additional (HMO) licence will normally last for 5 years (and cannot be granted for a longer period), but may be granted for a lesser period. We propose to provide 5 year licenses in most circumstances.



What is a HMO?

A HMO is a building or part of a building occupied as a main residence by 3 or more people that form 2 or more households.

A building or part of a building is a “house in multiple occupation” if-

- a it meets the conditions of the standard test
- b it meets the conditions of the self-contained flat test
- c it meets the conditions of the converted building test
- d an HMO declaration is in force in respect of it under section 255 of the Housing Act 2004
- e it is a converted block of flats to which section 257 of the Housing Act 2004 applies.

The ‘Tests’

The three tests are as follows:

1. The Standard Test

A building or a part of a building meets the standard test if-

- (a) it consists of one or more units of living accommodation, not consisting of a self-contained flat or flats;
- (b) the living accommodation is occupied by persons who do not form a single household (see section 258);
- (c) the living accommodation is occupied by those persons as their only or main residence or they are to be treated as so occupying it (see section 259);
- (d) their occupation of the living accommodation constitutes the only use of that accommodation;
- (e) rents are payable or other consideration is to be provided in respect of at least one of those persons' occupation of the living accommodation; and
- (f) two or more of the households who occupy the living accommodation share one or more basic amenities or the living accommodation is lacking in one or more basic amenities.

2. The Self Contained Test

A part of a building meets the self-contained flat test if-

- (a) it consists of a self-contained flat; and
- (b) the living accommodation is occupied by persons who do not form a single household (see section 258);
- (c) the living accommodation is occupied by those persons as their only or main residence or they are to be treated as so occupying it (see section 259);
- (d) their occupation of the living accommodation constitutes the only use of that accommodation;



- (e) rents are payable or other consideration is to be provided in respect of at least one of those persons' occupation of the living accommodation; and
- (f) two or more of the households who occupy the living accommodation share one or more basic amenities or the living accommodation is lacking in one or more basic amenities.

3. The Converted Building Test

A building or a part of a building meets the converted building test if-

- (a) it is a converted building;
- (b) it contains one or more units of living accommodation that do not consist of a self-contained flat or flats (whether or not it also contains any such flat or flats);
- (c) the living accommodation is occupied by persons who do not form a single household (see section 258);
- (d) the living accommodation is occupied by those persons as their only or main residence or they are to be treated as so occupying it (see section 259);
- (e) their occupation of the living accommodation constitutes the only use of that accommodation; and
- (f) rents are payable or other consideration is to be provided in respect of at least one of those persons' occupation of the living accommodation."

Section 257 HMO

Premises defined in Section 257 of the 2004 Act will also fall within the classification of a HMO. To be a HMO under Section 257 a HMO must satisfy all of the following criteria namely:

- It must be a building that has been converted and comprises entirely of self-contained flats, and
- Where the standard of conversion does not meet, at least, that required by the Building Regulations 1991, and
- Where less than two-thirds of the flats are owner-occupied

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

Properties let to students and migrant workers will be treated as their only or main residence and the same will apply to properties used as domestic refuges.

For example a HMO can include:

- Buildings containing bedsits and/or non self-contained flats
- Shared houses and hostels
- Self-contained flats
- Converted buildings



What is a household?

The following are 'households' for the purposes of the Housing Act 2004.

Members of the same family living together including:

- couples married to each other or living together as husband and wife (or in an equivalent relationship in the case of persons of the same sex)
- relatives living together, including parents, grandparents, children (and step- children), grandchildren, brothers, sisters, uncles, aunts, nephews, nieces or cousins
- half-relatives will be treated as full relatives. A foster child living with his foster parent is treated as living in the same household as his foster parent.

Any domestic staffs are also included in the household if they are living rent-free in accommodation provided by the person for whom they are working.

Therefore, three friends sharing together are considered three households. If a couple are sharing with a third person that would consist of two households. If a family rents a property that is a single household and had an au-pair to look after their children that person would be included in their household.

Are there any properties that are exempt from Additional (HMO) licensing?

There are some properties that are exempt from licensing. However, they must fall into one of the following categories:

- buildings or parts of buildings, occupied by no more than two households each of which comprise a single person (i.e. two person flat shares)
- buildings occupied by a resident landlord with up to two lodgers
- managed or owned by a public body (such as the police or the NHS) or an LHA or a registered social landlord (housing association) where the residential accommodation is ancillary to the principal use of the building e.g. religious establishments, conference centres etc.
- student halls of residence, where the education establishment has signed up to an Approved Code of Practice
- buildings regulated otherwise than under the Act, such as care homes, bail hostels etc, and the description of which are specified in regulations
- buildings entirely occupied by freeholders or long leaseholders.

The Local Authority must grant a licence if it is satisfied that:

- The licence holder would be a fit and proper person. If the licence is granted it will have conditions attached to it. Section 90 and Schedule 4 of the Act details the mandatory licence conditions that must be included, however there is provision for the Local Authority to add additional conditions that are either specific to the licence in question or that are locally agreed to address specific issues.



Why does Sefton need an Additional (HMO) Licensing Scheme?

The Additional (HMO) Licensing scheme covers houses in multiple occupation (HMO's) that have 3 or more occupiers living as 2 separate households, unless otherwise exempt as a HMO. The properties subject to the proposed Additional (HMO) Licensing scheme will be those situated in parts of central Southport and Waterloo/Seaforth (see map at **Appendix 3**).

This section of the document provides evidence that there is a link between the private rented HMO properties in the area and ASB and evidence of the poor management of HMOs that has led to problems for both their tenants and other members of the public.

Sefton Council proposes to introduce an Additional (HMO) Licensing scheme to:

- Ensure that HMOs are managed properly
- Improve communities across the designated areas
- Reduce complaints of noise, rubbish, housing disrepair and other ASB related to HMOs
- Continue to improve the HMO private rented sector
- Ensure that the licence holder and manager are suitable
- Ensure that the standards of accommodation provide a safe and healthy environment such as having adequate fire precautions, gas and electrical safety, suitable room sizes and adequate provision of kitchens and bathrooms for the number of occupants
- Identify and deal with rogue landlords.

The licence requires that a HMO is maintained so that it doesn't have a negative impact on the local neighbourhood, and that reasonable steps are taken to deal with any ASB by the occupants.

Landlords and managing agents who own or manage a HMO located within the designated area have a legal obligation to hold a licence and ensure they comply with the conditions. Those not meeting the basic requirements may need to make improvements to the property to bring them up to standard. Landlords failing to do so may incur penalties and could be prosecuted.

It is expected that compliant landlords will apply for the relevant licence shortly after the designation. However, it will be necessary to introduce a comprehensive inspection programme to capture unlicensed properties.

Sefton's overall aim is to improve the quality of life for its residents within the area by improving management of tenant behaviour and the condition of Houses in Multiple Occupation under the Additional (HMO) Licensing scheme. The scheme will also benefit the wider community, with improvement of the image and desirability of the area, therefore, helping to improve the economic and social position of Sefton by encouraging further investment.

Improvements in management and property conditions are expected following the implementation of an Additional (HMO) Licensing scheme. Although, Mandatory



licensing of HMOs currently allows local authorities to regulate larger HMOs, in Sefton this only amounts to 98 of an approximate more likely figure of over 500 HMOs that are not regulated by this legislation. Following an analysis of data we expect Additional (HMO) Licensing to cover another 200 across the designated areas.

Additional (HMO) Licensing is a tool that provides the Local Authority with the ability to regulate the PRS through the imposition of licensing conditions. It provides the Local Authority with the opportunity to fund resources to tackle issues, in particular ASB. Sefton's ASB Officers will be able to support landlords with problem tenants which may have otherwise been left to escalate.

Scheme detail

The licensing process will require landlords to complete and submit an application form to Sefton Council along with the required fee. The application form will be on line and landlords will be required to provide information about the property, such as the number of letting rooms or flats, shared bathrooms, toilets and kitchens as well as details of safety measures that have been put in place, such as the type and installation of a fire detection system.

Examples of evidence required include:

- Gas safety - Gas safety record (12 months)
- Electrical Installation Condition Report (EICR), Fire Alarm and Emergency lighting certificates, where applicable
- Floor plan with room sizes and uses clearly shown
- Any proposed licence holder or manager of the property will be required to make a declaration that they are a "fit and proper person [see Page 85]"
- Current occupancy details

The requirement to provide this documentation is in line with our current HMO Mandatory licensing scheme, although, additional evidence is required to enable the landlord to clearly demonstrate competent property management. The requirements are consistent with actions that a responsible landlord should be taking.

A licence would be valid for 5 years. The Local Authority has the discretion to grant the licence for a shorter period of time where there are problems with the application such as evidence of insufficient management. Once the licence has been issued the licence holder must comply with the conditions attached to the licence. Where there is a breach of those conditions the licence holder may be prosecuted with a fine of any amount per breach.

It is proposed that the licence is issued in accordance with the Proposed Licence Conditions detailed in **Appendix 4**



Following expiry of a licence and should an Additional (HMO) Licensing scheme still continue to be in operation, a decision will be made on the standard of management of the property and the property relicensed accordingly for another year or five years.

Licence Conditions

The focus of Additional (HMO) Licensing is to address the issues of poor property and tenancy management in the PRS and to ensure that landlords are reputable. Landlords will be required to meet the 'fit and proper test' [Page 85]. Sefton will check that the management arrangements in place for the property are satisfactory. Landlords who are successful in obtaining a licence will have to comply with the conditions of the licence. These conditions ensure that the property is managed effectively. Landlords, who do not comply with their licence conditions, may find themselves prosecuted and fined. Licensing will introduce a consistent level of property management services among all private landlords in the proposed area.

Conditions

A licence under Part 2 or 3 must include the following conditions, requiring the licence holder to,

- if gas is supplied to the house, produce to the local housing authority annually for their inspection a gas safety certificate obtained in respect of the house within the last 12 months.
- keep electrical appliances and furniture made available by him in the house in a safe condition. To supply the authority, on demand, with a declaration by him as to the safety of such appliances and furniture.
- ensure that smoke alarms are installed in the house and to keep them in proper working order. To supply the authority, on demand, with a declaration by him as to the condition and positioning of such alarms.
- supply to the occupiers of the house a written statement of the terms on which they occupy it.

A full set of licence conditions can be found at **Appendix 4**



Waterloo/Seaforth

The designated area of Waterloo/Seaforth, also incorporates parts of Seaforth, located in the South of the Borough, the area contains a number of large properties of which a large number have been converted over time and now come under a prescribed definition of HMO.

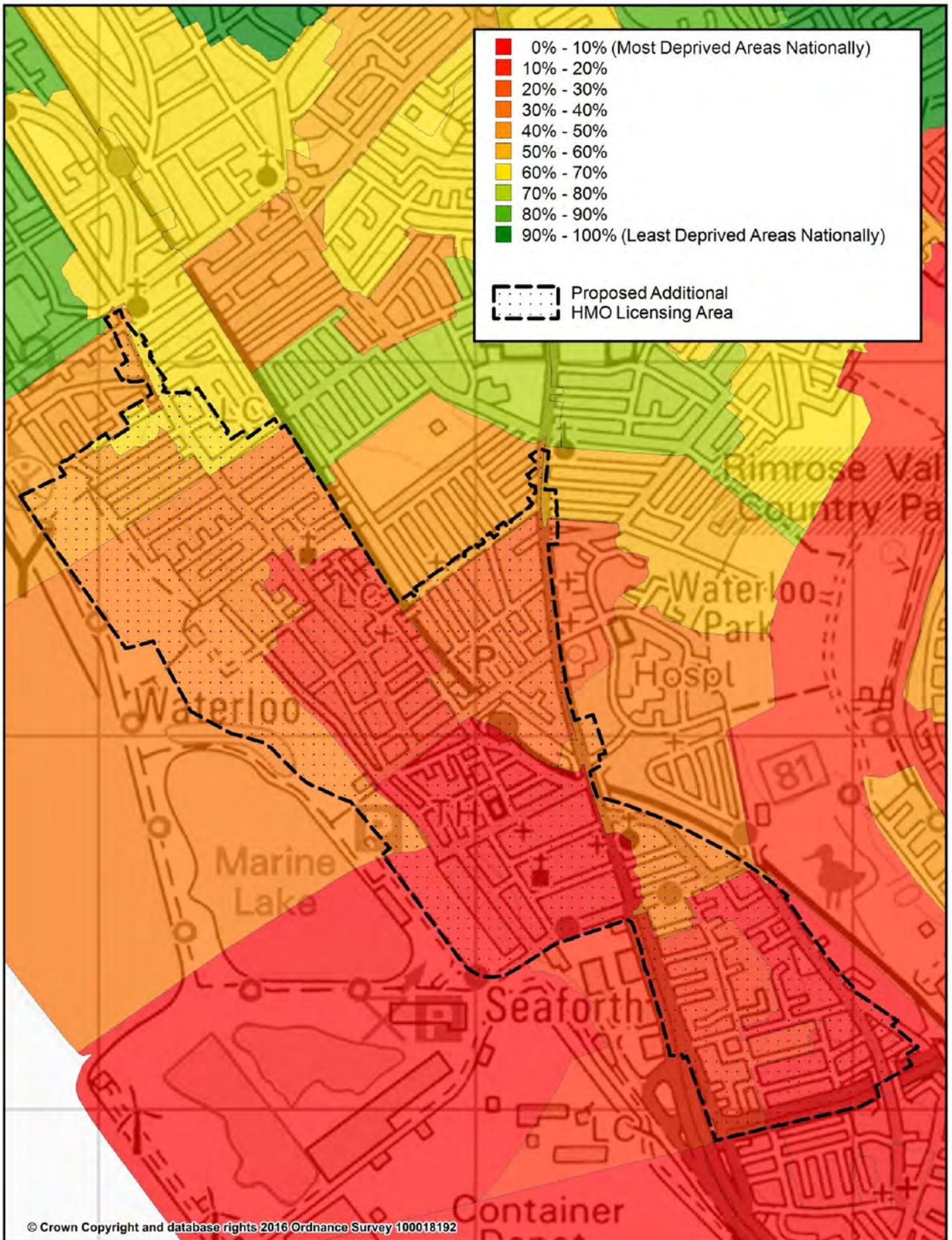
Deprivation (IMD 2015)

Two LSOAs within the Waterloo/Seaforth Additional (HMO) licensing area are ranked within the most deprived 10% nationally with a further three areas ranked with the most deprived quartile. There is only one area (in Blundellsands) ranked above the 50th percentile for overall deprivation. Therefore, the majority of LSOAs within this additional HMO licensing boundary can be considered as suffering from high levels of deprivation.

Table 24

LSOA Code	Ward Name	IMD National Ranking (where 1 = most deprived and 32,844 = Least deprived)	Proportional IMD Ranking Where < 1% = most deprived and 100% = least deprived
E01006941	Blundellsands	19,648	59.8
E01006942	Blundellsands	15,708	47.8
E01006952	Church	1,025	3.1
E01006953	Church	3,310	10.1
E01006954	Church	11,087	33.8
E01006956	Church	6,525	19.9
E01006957	Church	2,166	6.6
E01006958	Church	5,946	18.1
E01006959	Church	9,975	30.4





Sefton Council 

WATERLOO
 Indices of Multiple Deprivation 2015
 National Ranking

Drawn by ACM
 Scale Not to scale
 Date 12/10/2016
 File Pathname /
 Project / Drawing No.
 Source: Merseyside Police
 Delphi System 2015



Anti-Social Behaviour – Waterloo/Seaforth

The overall rate of ASB within the area covered by the Waterloo/Seaforth Additional HMO Licencing area is **32.9** incidents per 1000 population. This ASB rate is just below the overall Sefton ASB average. However, again there are significant differences in ASB reporting rates within the Lower Super Output Areas (LSOA) within this licensing area. These ASB incident rates range from 88% greater than the Sefton average in central Waterloo to 82% lower in areas near Blundellsands to the north of the Waterloo/Seaforth Additional HMO Licencing boundary.

Table 25

LSOA Code	Ward Name	Population	All ASB Incidents	ASB rate Per 1000 People
E01006941	Blundellsands	1,618	10	6.2
E01006942	Blundellsands	1,483	35	23.6
E01006952	Church	1,341	67	50.0
E01006953	Church	1,442	58	40.2
E01006954	Church	1,511	35	23.2
E01006956	Church	1,563	66	42.2
E01006957	Church	1,513	96	63.5
E01006958	Church	1,510	32	21.2
E01006959	Church	1,485	44	29.6
Waterloo/Seaforth Additional HMO Licencing Area		13,466	443	32.9
Sefton		273,531	9,247	33.8

Table 26

LSOA Code	All ASB rate Per 1000 People	Environ mental ASB rate	Nuisance ASB rate	Personal ASB rate	Inapprop riate Vehicle Use ASB rate	Nuisance Neighbour ASB rate	Rowdy Inconsiderate Behaviour ASB rate
E01006941	6.2	0.0	4.9	1.2	0.0	1.9	3.7
E01006942	23.6	1.3	15.5	6.7	4.0	2.0	10.8
E01006952	50.0	0.7	37.3	11.9	3.7	6.7	29.8
E01006953	40.2	0.7	29.8	9.7	6.9	6.2	18.0
E01006954	23.2	1.3	19.9	2.0	4.6	2.6	11.9
E01006956	42.2	1.3	33.3	7.7	5.8	4.5	25.0
E01006957	63.5	2.0	48.9	12.6	11.2	7.3	33.7
E01006958	21.2	0.7	15.9	4.6	2.6	2.0	15.2
E01006959	29.6	0.0	25.6	4.0	10.1	5.4	9.4
Waterloo/ Seaforth Additional Licencing area	32.9	0.9	25.4	6.6	5.4	4.2	17.3
Sefton	33.8	0.8	27.0	6.0	5.9	3.9	18.3



Crime – Waterloo/Seaforth

The overall rate of all crime within the area covered by the Waterloo/Seaforth Additional HMO Licencing area is **68.5** incidents per 1000 population. This recorded overall crime rate is just over 19% higher than the Sefton average and 4% higher than the English average. The differences in crime reporting rates range from areas 134% greater than the Sefton average in central Waterloo to 59% lower than average in areas near Blundellsands to the north of the Waterloo/Seaforth Additional (HMO) Licencing boundary.

Table 27

LSOA Code	Ward Name	Population	All Crime Incidents	Crime rate Per 1000 People
E01006941	Blundellsands	1,618	38	23.5
E01006942	Blundellsands	1,483	46	31.0
E01006952	Church	1,341	114	85.0
E01006953	Church	1,442	111	77.0
E01006954	Church	1,511	59	39.0
E01006956	Church	1,563	176	112.6
E01006957	Church	1,513	203	134.2
E01006958	Church	1,510	85	56.3
E01006959	Church	1,485	90	60.6
Waterloo/Seaforth Additional HMO Licencing Area		13,466	922	68.5
Sefton		273,531	15,706	57.4
England		57,408,654	3,771,655	65.7

Table 28

LSOA Code	All Crime rate Per 1000 People	Burglary rate	Criminal Damage rate	Drugs rate	Robbery rate	Theft rate	Violence rate
E01006941	23.5	3.7	6.8	0.6	0.0	8.7	1.2
E01006942	31.0	2.7	4.0	2.0	0.7	13.5	6.1
E01006952	85.0	6.7	28.3	3.7	1.5	19.4	20.1
E01006953	77.0	13.2	17.3	12.5	0.0	9.7	18.0
E01006954	39.0	4.6	10.6	6.6	0.0	6.6	8.6
E01006956	112.6	3.8	16.0	6.4	0.0	56.3	25.0
E01006957	134.2	7.3	10.6	14.5	2.0	45.6	44.9
E01006958	56.3	8.6	11.3	3.3	0.0	15.2	15.9
E01006959	60.6	13.5	9.4	8.1	0.0	13.5	15.5
Waterloo/Seaforth Additional Licencing Area	68.5	7.1	12.5	6.4	0.4	21.1	17.2
Sefton	57.4	7.2	9.4	4.4	0.6	19.4	13.2



Southport

Southport, located in the North of the Borough is predominately a tourist town. A large number of properties have been converted over time from guest house usage into properties under a prescribed definition of HMO. Southport was a prosperous and popular resort, however, over recent years with the economic downturn has a declining image, and with increased incidents of ASB and Crime being a particular concern for its residents.

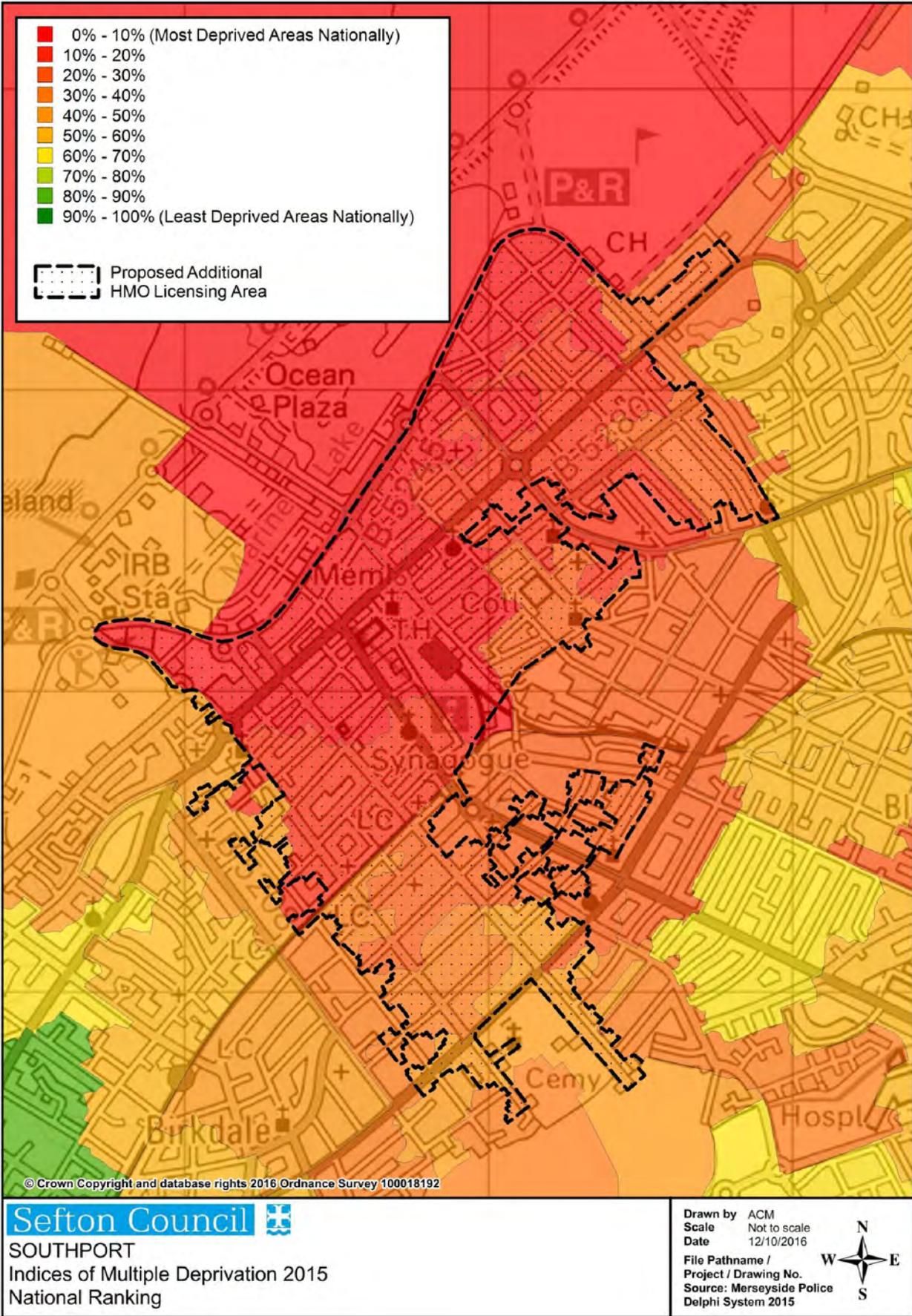
Deprivation (IMD 2015)

Three LSOAs within the Southport Additional (HMO) licensing area are ranked within the most deprived 10% nationally with a further seven areas ranked with the most deprived quartile (25%). No area within the Additional (HMO) licensing area is ranked above the 50th percentile. Therefore, this area can be considered as suffering from high levels of deprivation.

Table 29

LSOA Code	Ward Name	IMD National Ranking (where 1 = most deprived and 32,844 = Least deprived)	Proportional IMD Ranking Where < 1% = most deprived and 100% = least deprived
E01006944	Cambridge	7,856	23.9
E01006945	Cambridge	5,400	16.4
E01006950	Cambridge	2,920	8.9
E01006968	Dukes	989	3.0
E01006969	Dukes	6,838	20.8
E01006970	Dukes	6,450	19.6
E01006994	Kew	7,134	21.7
E01006996	Kew	6,959	21.2
E01006997	Kew	13,902	42.3
E01006998	Kew	11,856	36.1
E01033094	Dukes	894	2.7
E01033097	Dukes	4,626	14.1





Anti-Social Behaviour Southport

The overall rate of ASB within the area covered by the Southport Additional (HMO) Licencing area is **60.2** incidents per 1000 population. This ASB rate is almost 80% higher than the Sefton average. However, there are significant differences in ASB reporting rates within the Lower Super Output Areas (LSOA) within this licencing area. These ASB incident rates range from 744% greater than the Sefton average in central Southport to 56% lower in areas near to Southport Cemetery.

Table 30 below shows all ASB incidents across the Wards within the proposed licencing designation. Table 30 highlights the type of ASB across the individual LSOAs.

Table 30

LSOA Code	Ward Name	Population	All ASB Incidents	ASB rate Per 1000 People
E01006944	Cambridge	1,709	38	22.2
E01006945	Cambridge	1,598	48	30.0
E01006950	Cambridge	1,558	91	58.4
E01006968	Dukes	1,817	519	285.6
E01006969	Dukes	1,473	48	32.6
E01006970	Dukes	1,729	80	46.3
E01006994	Kew	1,569	51	32.5
E01006996	Kew	1,831	31	16.9
E01006997	Kew	1,555	23	14.8
E01006998	Kew	1,727	61	35.3
E01033094	Dukes	966	68	70.4
E01033097	Dukes	1,124	66	58.7
Southport Additional HMO Licencing Area		18,656	1,124	60.2
Sefton		273,531	9,247	33.8



Table 31

LSOA Code	All ASB rate Per 1000 People	Environmental ASB rate	Nuisance ASB rate	Personal ASB rate	Inappropriate Vehicle Use ASB rate	Nuisance Neighbour ASB rate	Rowdy Inconsiderate Behaviour ASB rate
E01006944	22.2	1.2	19.3	1.8	1.2	1.2	14.6
E01006945	30.0	1.3	16.9	11.9	0.0	9.4	13.8
E01006950	58.4	0.6	41.7	16.0	4.5	9.0	35.3
E01006968	285.6	3.3	251.5	30.8	4.4	9.4	217.9
E01006969	32.6	0.0	22.4	10.2	0.7	4.8	22.4
E01006970	46.3	0.6	37.0	8.7	0.6	9.8	26.6
E01006994	32.5	0.0	21.7	10.8	3.2	6.4	16.6
E01006996	16.9	0.5	14.2	2.2	1.1	3.3	10.4
E01006997	14.8	0.0	12.9	1.9	1.9	1.3	7.7
E01006998	35.3	0.6	27.2	7.5	2.3	6.4	19.7
E01033094	70.4	4.1	53.8	12.4	1.0	13.5	40.4
E01033097	58.7	0.9	43.6	14.2	0.0	2.7	39.1
Southport Additional HMO Licensing Area	60.2	1.0	48.6	10.6	1.8	6.3	40.3
Sefton	33.8	0.8	27.0	6.0	5.9	3.9	18.3



All crime Southport

The overall rate of all crime within the area covered by the Southport Additional (HMO) Licencing area is **137.1** incidents per 1000 population. This crime rate is around 139% higher than the Sefton average and 108.7% higher than the English all crime average. Again there are significant differences in crime reporting rates within the Lower Super Output Areas (LSOA) within this licencing area. These all crime incident rates range from 975% greater than the Sefton average in central Southport to 25% lower in areas near to Southport Cemetery.

Table 32

LSOA Code	Ward Name	Population	All Crime Incidents	Crime rate Per 1000 People
E01006944	Cambridge	1,709	102	59.7
E01006945	Cambridge	1,598	111	69.5
E01006950	Cambridge	1,558	174	111.7
E01006968	Dukes	1,817	1122	617.5
E01006969	Dukes	1,473	189	128.3
E01006970	Dukes	1,729	137	79.2
E01006994	Kew	1,569	153	97.5
E01006996	Kew	1,831	84	45.9
E01006997	Kew	1,555	67	43.1
E01006998	Kew	1,727	98	56.7
E01033094	Dukes	966	172	178.1
E01033097	Dukes	1,124	149	132.6
Southport Additional HMO Licencing Area		18,656	2,558	137.1
Sefton		273,531	15,706	57.4
England		57,408,654	3,771,655	65.7



Table 33

LSOA Code	All Crime rate Per 1000 People	Burglary rate	Criminal Damage rate	Drugs rate	Robbery rate	Theft rate	Violence rate
E01006944	59.7	8.2	7.6	5.9	0.0	21.7	13.5
E01006945	69.5	3.1	13.1	6.3	0.0	16.3	25.0
E01006950	111.7	7.7	12.2	10.9	1.3	39.2	31.5
E01006968	617.5	30.8	53.4	27.5	3.9	319.2	155.2
E01006969	128.3	10.2	11.5	4.1	0.7	79.4	19.0
E01006970	79.2	9.3	12.7	6.4	0.0	20.2	27.2
E01006994	97.5	6.4	14.7	5.7	1.9	38.9	22.3
E01006996	45.9	4.9	8.7	1.6	0.0	15.8	13.7
E01006997	43.1	6.4	2.6	3.9	0.6	12.2	14.8
E01006998	56.7	11.0	11.0	4.6	0.0	12.7	14.5
E01033094	178.1	20.7	17.6	13.5	1.0	44.5	66.3
E01033097	132.6	15.1	12.5	3.6	0.9	64.1	34.7
Southport Additional HMO Licensing Area	137.1	10.9	15.1	7.9	0.9	59.1	36.4
Sefton	57.4	7.2	9.4	4.4	0.6	19.4	13.2

Duke's ward in Southport accounts for the biggest rate of reported crimes per 1000 people (147.2) in the north of the Borough however, this ward has the largest density of shops, a thriving night time economy and attracts large amounts of tourists, all of which may have impacted on crime figures for the area.

The following case studies provided by Sefton's ASB Team give an overview of recent interventions with PRS properties within the proposed designated areas for Additional (HMO) licensing

Property G

A large property of private rented and privately owned flats, the case involved a man who rents one of the privately rented flats. The gentleman would defecate in the public lobby and harass female occupants, in conjunction with the Police we gave him a CPN, although, the landlord was helpful, he did not understand what he could or could not do to resolve the situation. The ASB team provided advice, however, could not insist on the landlords co-operation. If a licensing scheme was in place a support plan with the ASB Team would have helped the landlord address these issues and if not addressed would leave the landlord open to enforcement action under breach of conditions.

Property H

Both police and Council have been involved with a private landlord who has not taken action of the ASB caused by one family. The landlord has not responded to our requests. Presently, apart from a closure order, which can be resource intensive, no further action may be taken. Under a licensing scheme the landlord would be contacted and required to act or face further enforcement action, including significant penalties, and could ultimately lead to the Local Authority taking over the management of the property.

Housing Standards (HMO) Service Requests

With regards to the Additional (HMO) Licensing areas; both the Waterloo/Seaforth and Southport areas have HMO service requests rates much greater than the Sefton rate (2.3 per 1000 properties). Of the total HMO service requests received over the past 4 years, almost 70% were recorded in the Southport and Waterloo/Seaforth Additional (HMO) licensing areas. This evidence identifies that of the poor quality houses in multiple occupation, the majority are located within the proposed licensing intervention areas.

Table 34

Area	Waterloo/ Seaforth Additional HMO Licensing Area	Southport Additional HMO Licensing Area	Total HMO Additional Licensing intervention areas	Sefton Total
Total Housing Standards Service Requests for HMOs(April 2012 – March 2016)	26	160	186	267
Proportion of Total Housing Standards Service Requests for HMOs (April 2012 – March 2016)	9.7%	59.9%	69.7%	100%
HMO Service Request rate per 1000 households*	8.2	32.7	23.1	2.3

Source: Sefton Council - Flare

*Household Estimate based on 2011 Census



Over the four year period as shown in Table 34 above, 267 service requests were received from HMO properties. However, only 16 of these were received from properties licensed under the mandatory HMO scheme. Complaints from unlicensed HMOs amounted to 251 complaints, 186 being from within the proposed additional licensing areas. Therefore, providing evidence of poor property management across this sector and specifically within the proposed designated area.

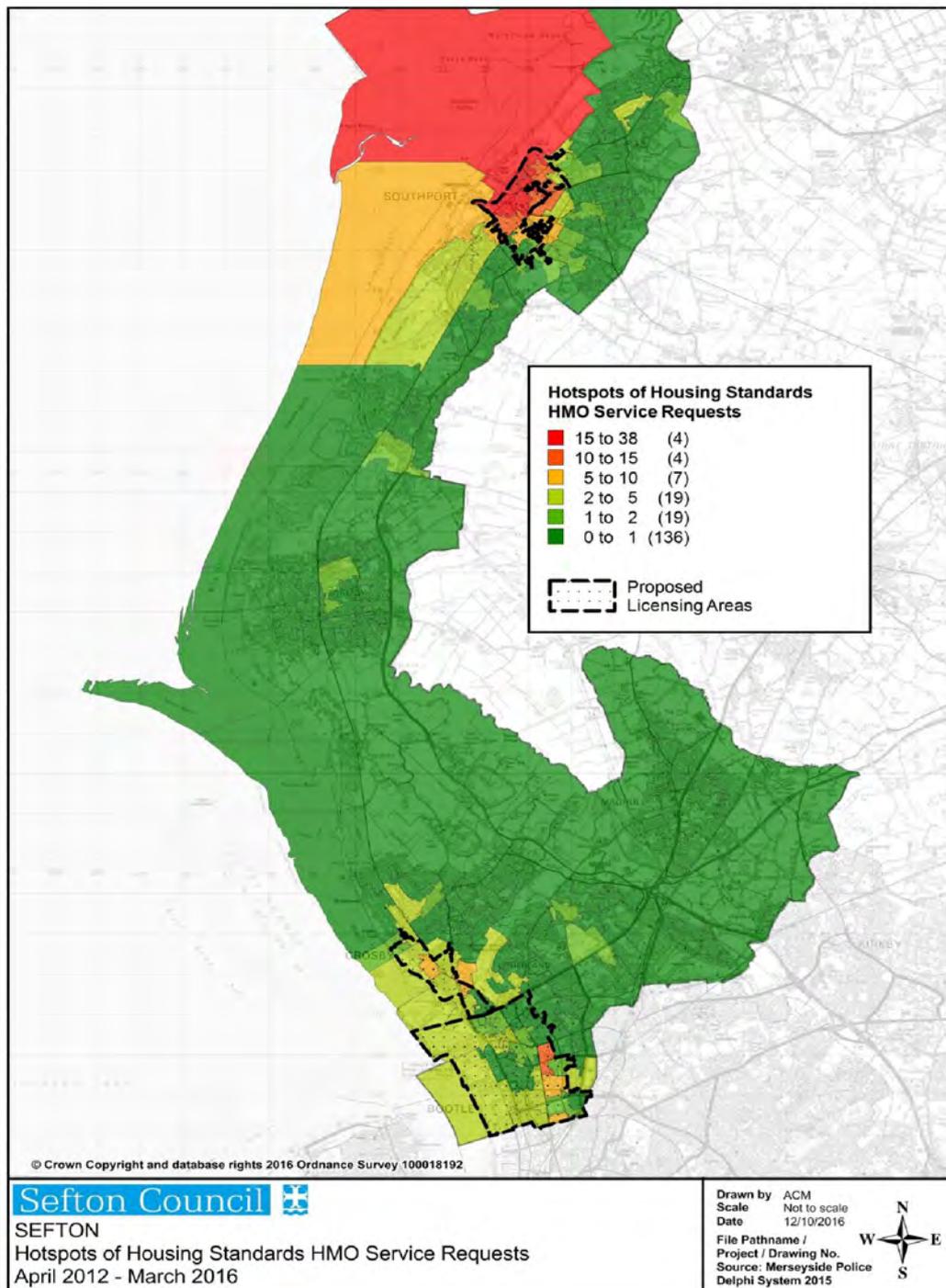
Within the last 12 months (2015/16) the Local Authority has received 553 complaints relating to conditions within the privately rented properties. Of those complaints 153 were about properties within the proposed areas for Additional (HMO) licensing equating to 27.7%.

(From the 160 total) Since October 2013, 95 Enforcement Notices have been served on HMO properties, 78 of those were properties in the 2 proposed areas for HMO Additional (HMO) Licensing.



Total Housing Standards HMO Service Requests – Sefton

The figure below highlights the ranges of total service requests received for Houses in Multiple Occupation (HMOs) over the past four years per Lower Super Output Area (LSOA). There are 4 LSOAs receiving between 15 and 38 HMO service requests, these can be considered as having poorer HMO property conditions or a greater number of ‘problem’ HMOs in these localities. The map also identifies that there are 136 LSOAs receiving between 0 and 1 service requests over the past 4 years, indicating that these areas do not have recorded HMO housing standards issues.



Conclusion : Additional licensing

The central Southport and part of the Waterloo/Seaforth area are proposed for Additional HMO licensing

An Additional (HMO) Licensing designation may be made “if a Local Authority considers that a significant proportion of HMOs of a defined description, in either a designated area or across the whole of the Borough are being managed insufficiently enough to give rise to **one or more** particular problems either for those occupying the property or for members of the public.”

Evidence of poor management practices can be evidenced through issues that arise within the property such as poor conditions or within the local community including ASB and crime. Over the four year period as shown in Table 34 above, 267 service requests were received from HMO properties. However, only 16 of these were received from properties licensed under the mandatory HMO scheme. Complaints from unlicensed HMOs amounted to 251 complaints, 186 being from within the proposed additional licensing areas. Therefore, this provides evidence of poor property management across this sector and specifically within the proposed designated area.

Parts of Waterloo/Seaforth and central Southport have high levels of deprivation, being within the worst 10% most deprived areas nationally. Both areas also have above the national average of flats/maisonettes within the PRS and have a significant stock of larger style properties that in recent years have been prone to conversion, to either bedsits or self-contained flats. As referenced in Section 2, table 2.9, evidence shows that Waterloo/Seaforth and Southport have also seen an increase in cases of overcrowding, although this is lower than seen nationally. The highest level of empty properties (over 24 months) are located in central Southport. Hence there is a strong correlation between these issues and the location of the PRS.

The highest rates of non-decent homes at 26% are recorded within areas of Southport [Stock Condition Survey 2014] and along with a higher number of service requests received by the Council regarding property conditions within Southport and Waterloo/Seaforth being over three times greater than the Sefton average (Over 66 service requests per 1000 households compared to the Borough average of 21.7 service requests per 1000 households). This highlights both areas as having poorer housing conditions, therefore, poor management practice.

Overall, Additional (HMO) Licensing can provide additional powers to help the Local Authority tackle poorly managed privately rented property. An estimated 43.4% of the private rented sector HMO accommodation across Sefton is in Waterloo/Seaforth and central Southport, the improved management standards in this sector should contribute to an overall improvement in living conditions in the area, ultimately leading to a better quality of life for its residents. It will help the areas to be more conducive to good landlords but provide an environment that is less opportunistic and attractive for poor and rogue landlords. It will also give the



authority and landlords more powers in dealing with those tenants that choose to cause ASB.

Therefore, having reviewed the data across the proposed areas, Sefton Council is of the opinion that the legal test for designating an area for Additional (HMO) Licensing has been met.



Section 5 How licensing fits with Sefton's strategies

Licensing alone cannot guarantee improvements in the designated areas. It can only be part of the solution. Although there are many issues of concern, some of which will never be controllable at a local level, the Local Authority and its partners recognise that a holistic and joined-up response can achieve beneficial outcomes for the community.

Housing should provide a living environment that is as safe and healthy as possible. Tackling problems of poor housing to protect the health, safety and welfare of the occupants is a significant wider determinant of health. Officers within the Private Sector Housing Standards team focus primarily on helping tenants living in private rented sector housing, by requiring landlords to carry out necessary repair or improvement works, to remove serious health and safety hazards.

Whilst great improvements have been made in recent years through the Decent Homes programme within the social housing sector, and Housing Market Renewal has sought to redevelop the poorest groups of housing in Bootle together with some improvements to existing housing stock, too much of the borough's existing stock is not fit for purpose, and in its current state risks becoming unsustainable. The Local Plan and Housing Strategy interventions will help provide a further drive to ensure that our existing homes play a full role in raising the quality of place and become part of neighbourhoods where people choose to live, work and invest.

Sefton's Housing Strategy

A key priority of the Sefton Council Housing Strategy (2016-21) is to improve existing housing stock to benefit households, neighbourhoods and communities. Since Sefton no longer owns or manages its housing stock, we wish to work with and encourage others across all types and tenures of homes to raise housing standards, address energy efficiency, reduce fuel poverty and decrease the number of 'non-decent homes'. This strategic priority may also help to tackle the number of empty homes in the Borough, reducing negative impacts on neighbourhoods and help increase the number of available homes. The Housing Strategy identifies Sefton's priorities as follows:

- Raise housing standards across all tenures and reduce the number of non-decent homes with particular focus on the worst conditions including;
- Improving the quality of privately rented sector (PRS) homes and;
- Regulating and improving Houses in Multiple Occupation (HMOs) through mandatory Licensing.
- Working with Housing Associations to agree approaches to improve the assets and services of Housing Association's owned stock;
- Reducing the numbers of empty homes and neighbourhood empty homes 'hot-spots'.



We will achieve this priority over the next five years by:

- Working closely with private sector landlords to encourage them to provide high quality homes and management services;
- Attract high quality private landlords to invest in the Borough;
- Provide support and guidance to owner-occupiers to help them improve their housing standards, particularly the most vulnerable in the worst housing conditions;
- Using evidence to identify concentrations of privately rented sector stock that are associated with conditions which would justify considering the introduction of a Privately Rented Sector Selective and Additional HMO Licensing schemes;
- Working in partnership with Sefton's Housing Associations to ensure that they provide the best quantity, type and quality of housing, together with the most appropriate services;
- More effective use of the Local Authority's Planning and Licencing statutory powers to help improve Homes in Multiple Occupation (HMO) where necessary.
- Providing advice and support to help reduce fuel poverty by making existing and new homes more sustainable and energy efficient and encourage the use of renewable technologies to achieve this;
- Helping empty property owners to bring their properties back into use through advice and assistance, including early intervention and preventative measures. Where this is not effective, a targeted approach alongside a range of enforcement powers would be used to help bring longer term and problematic empty homes back into use.

Property Accreditation

Sefton has operated a Property Accreditation Scheme since 2013, this is a voluntary scheme whereby landlords sign up to a code of standards which sets a minimum standards for both property condition and management practice. Sefton has accredited 942 housing units equating to 129 individual properties (October 2016) since the scheme began.

Whilst the scheme has been successful in accordance with the number of properties accredited, this represents less than 1% of the private rented stock in the Borough and mainly consists of individual HMO units. This is partly due to the discount on the Mandatory Licence scheme offered to landlords when accredited. Currently, there are only 2 potentially licensable properties under the scope of the proposed Additional (HMO) licensing that are accredited, both in Southport. The scheme also appeals to more professional landlords operating across the property market within the Borough since these landlords are more willing to make the necessary investment in their properties to ensure their properties comply with the standards. The total number of individual landlords involved with the property accreditation scheme is 63. This demonstrates that poor landlords are unlikely to engage with the Local Authority or join a voluntary scheme. This is why the



mandatory approach of Selective and Additional (HMO) Licensing and its related powers is needed as an additional tool to address poor standards in the private sector.

The accreditation scheme continues to engage with landlords through information and training events to support landlords to improve their knowledge to ensure statutory responsibilities are met.

Empty Homes Strategy

Sefton Council is fully committed to tackling empty homes. Our current Empty Homes Strategy ensures that we continue to have a targeted approach to bring long term empty properties back into use. Much of the Local Authority's intervention and effort is focussed on Bootle and Southport, which contain the highest concentrations of empty homes. These are also the areas with highest concentrations of PRS homes.

Empty homes are a national and local priority as they serve as a wasted housing resource at a time when housing demand is outstripping supply. Bringing these properties back into use will increase the supply of housing, as well as enhancing and regenerating communities. Working alongside Selective and Additional (HMO) Licensing will provide a further tool for engaging with empty home owners and targeting resources across the designated areas. Licensing should improve the reputation of the PRS and lead to improving demand for PRS properties in the proposed licensing areas. This in turn should create more stable communities, reduce property turnover, so help 'prevent' properties from becoming and staying empty.

Homelessness Strategy

Cabinet approved the Local Authority's new Homelessness Strategy at its meeting of 11th September 2013. The Strategy highlights the need to work more closely with the private rented sector as a housing option for homeless people and those at risk of homelessness. This is one of the 'actions' contained in the Action Plan within the Strategy.

Homeless households: New powers arising from the Localism Act 2011 mean that local authorities are now able to discharge their homelessness duties by making a suitable private rented sector offer of housing. In November 2013, Sefton introduced its own 'Private Rented Sector Offer (Homelessness duty)' policy, setting out the circumstances when the Local Authority might seek to rehouse a homeless household in the PRS. However the government issued guidance regarding the suitability and standard of both the property and the landlord when using this power in the PRS.

Homeless Prevention

The Local Authority places greater emphasis on prevention of homelessness. Finding alternative housing in the PRS has become an increasing means of assisting households threatened with homelessness.

Renting from a private landlord has long been the main housing option for single homeless people. Yet with more people finding home ownership unaffordable and



social housing unavailable, the private rented sector is increasingly seen as a long-term solution to broader housing needs.

The sector, however, currently presents real challenges for people regarding access, affordability, standards and security. We hope licensing will help reduce these challenges.

By introducing Selective and Additional (HMO) Licensing, the Local Authority will have greater confidence that there are adequate safeguards in place to ensure that any homeless applicants are allocated appropriate, safe, affordable, good-standard accommodation in a greater number of PRS properties in the Selective and Additional (HMO) Licensing areas.

Sefton operates a Bond scheme, to help homeless households access the PRS. This can be a benefit for landlords willing to offer homes to such households.

Meeting Housing Needs

At any point in time, there are usually around 4,000 households on the Housing Register, seeking rehousing. Of this number, over 50% of households require one-bedroom accommodation, many of whom will be under 35 years of age. With welfare reform changes, those people under 35 and reliant on benefit assistance will have their housing cost capped at the LHA single room rate; so only able to afford single room housing such as that usually found in the PRS and HMOs in particular. In the social housing sector there is a shortage of one bedroom accommodation and virtually a nil supply of single room (bedsit) accommodation. So many young, single households will become reliant on the PRS and HMOs.

There is established evidence that many vulnerable households live in HMOs. One of the Local Authority's priorities has been to try to protect the most vulnerable. By introducing Selective Licensing, and Additional (HMO) Licensing, there will be greater certainty that more households will be able to access suitable and well managed privately rented homes.

Anti-social Behaviour (ASB)

It is essential that private landlords take their responsibilities seriously and work with local agencies to ensure that communities do not suffer from persistent ASB from their tenants.

Environmental ASB and nuisance are perceived to be a problem by members of the public across the country. According to the most recent figures from the Office for National Statistics' Crime Survey for England and Wales (2015), 28 per cent of people think that litter is a big problem in their area. Graffiti and other criminal damage also rank highly with 19 per cent saying it is an issue. The effects of ASB are most visible when the results of that behaviour ruin the places that we live in or visit. Litter, dog fouling, graffiti, and fly tipping on vacant land and in passageways has increased.

Tackling the problem is resource intensive. However, dealing with environmental ASB pays real dividends as people feel safer when their streets, parks, schools



and wider community are clean and returns a sense of pride to the local communities.

Sefton's recorded incidences of Environmental ASB for the period January 2015 – December 2016 identified just under 9000 cases. The Linacre ward accounts for 15.3% (1,366) of all calls in relation to environmental issues across Sefton, followed by the neighbouring ward of Derby, which accounts for a further 9.3% (827). Therefore just under a quarter of all environmental calls are made from these two Bootle wards.

The main environmental issue reported to Sefton is fly tipping, with over a third 37.9% (3,378 of 8,915) of all calls. Since 2014 there has been increase of more than 10% in fly tipping calls to the Local Authority. Linacre ward accounts for the highest number of fly tipping calls with 642, which equates to almost one in five of all fly tipping calls.

Sefton currently deals reactively with these issues, through its direct street cleansing activity and through enforcement of responsibilities and offences with statutory action to remove offensive waste from private land.

Selective Licensing will also help to ensure that landlords fulfil their statutory duties regarding tenancy management. It is important to recognise that the PRS provides housing to many of those excluded from sectors of the market which can include the most vulnerable sections of society, such as those with alcohol or drug misuse and a history of ASB that has previously affected their ability to sustain a tenancy. Both Sefton's ASB and licensing team can offer advice and support to landlords to ensure that they take appropriate action when they receive a complaint about their tenants. The Licensing scheme will facilitate an additional ASB support service for landlords.

Licensing will provide a route for engagement and will support private landlords throughout this process, along with taking appropriate action. Furthermore, a communication route is available to offer landlords advice on crime prevention measures. The ASB Team's role continues to provide a statutory ASB service to members of the public, but with the additional resource provided through licensing will provide a valuable training and support resource to landlords. However, licensing will not provide landlords a route to pass the ownership of complaints on to the ASB Team. This remains a landlord's responsibility.

Well North

Well North is a Strategic Collaboration between Public Health England (PHE), the University of Manchester, on behalf of Manchester Academic Health Science Centre (MAHSC) and ten lead accountable bodies for areas across the North of England. The programme seeks to improve the health and wellbeing outcomes of people and families in the most deprived communities by delivering against three strategic goals:

- Addressing inequality by improving the health of the poorest, fastest;
- Increasing resilience at individual, household and community levels;
- Reducing levels of worklessness, a cause and effect of poor health.



Sefton was selected as one of the Well North pathfinders in 2015, with a spotlight on the Bootle area, and our local programme is known as 'Well Sefton'. Work so far has involved identification of partner agencies (public sector, businesses, social enterprises, and voluntary/community sector organisations) and discussion with them to identify the issues most relevant to Bootle and therefore the focus for the Well Sefton programme. Working collaboratively, partners have developed three workstreams and lead agencies for these, as follow:

- Enterprise and branding within Bootle – in order to encourage entrepreneurship and improve the attractiveness of Bootle to outside investors.
- Social Prescribing – To ensure that residents are linked into community based support services.
- Food – And its use as a platform to build community resilience.

In addition to these, Well Sefton will also support a number of other programmes of work including the development of a health and housing working group, which will aim to bring together a range of Registered Providers and private landlords in relation to health issues.

CLAHRC - Southport

The Collaboration for Leadership in Applied Health Research and Care for the North West Coast (CLAHRC NWC) is part of the National Institute of Health Research, which oversees research for the whole of the NHS. The programme brings universities, local authorities, NHS organisations and the public together, to co-produce and conduct high-quality, leadership enhancing, applied research designed to decrease health inequalities and improve the health of the population of the North West Coast. The CLAHRC NWC is a five year programme, which began in January 2014 and will run until the end of 2018.

Sefton Council is one of ten partner Local Authorities, working within the Neighbourhood Resilience theme of the CLAHRC NWC. Sefton have identified an area of Central Southport as a 'Neighbourhood for Learning' (NfL), which has comparatively poor levels of health. Within the area, local interested partners and residents have been working together to identify social, economic and environmental issues which are contributing to levels of poor health. Those involved will agree on one area for action and, using evidence from research findings, the chosen intervention will be adapted and its impact evaluated.

A series of stakeholder and resident events have been held to consider relevant issues which could form the focus for the CLAHRC programme. Poor housing conditions and the prevalence of Houses in Multiple Occupation has been a strong theme throughout each of the sessions.

Stakeholders suggested that there was a need to 'tackle poor housing conditions, including hard to heat homes and HMOs, many inhabited by migrant workers and older residents. Possible introduction of Selective Licensing scheme to support this and tackle problem private landlords'.



Residents made the following comments in relation to housing in Central Southport:

- “Disparity between wealthy, settled suburbs and cramped population around centre.
- Southport has a relatively affluent older population but a lot of transient renters at its centre... plus homeless (a few) and poor but hiding its elderly.
- Affluent suburbs – not quite gated but out of the centre. Poor quality flats in older buildings and old streets with choking traffic where the poor folk live.
- Quality of housing in the town centre [needs improving]”

The next stages of the programme will be to work collaboratively with residents and stakeholders to choose the most suitable focus for the CLAHRC programme, using all information gathered at the stakeholder and resident events. In addition, there will be opportunities for further involvement by residents in any research and evaluation work undertaken as part of the programme.



Section 6 How will the schemes be delivered?

The Local Authority is committed to ensuring that the Selective and Additional (HMO) Licensing schemes contribute to improvements in housing conditions across the private rented sector. All licensable properties will receive a compliance inspection over the period of the licence. Some properties licensable under the Additional (HMO) scheme may receive an initial visit to determine its HMO status, therefore, whether a licence is required or not. The Local Authority will provide advice and support to landlords to help to bring property conditions up to the required standards along with ensuring that the landlord's statutory responsibilities are also met.

The administration of the licensing application process, including the undertaking of inspections and the provision of general advice and support to landlords will be undertaken by Licensing Officers. Specialist support services will also be provided in relation to supporting landlords to deal with ASB. The income received from the fees shall be used to cover the additional costs incurred by the Local Authority in employing these staff with associated costs.

The Housing Standards Team will focus resources proactively with the key aim to improve the physical appearance of neighbourhoods and the quality of housing across the designations, particular focus will be on ensuring that the management of properties meet required standards and where necessary landlords or agents are educated appropriately to improve their management processes ensuring any issues are dealt with promptly and effectively.

Landlords will need to abide by a set of conditions as part of their licence. Draft licence conditions have been drawn up (see **Appendix 2** (Selective) and **Appendix 4** (Additional (HMO))). These conditions include both mandatory and discretionary elements that support Sefton's priorities for the designated areas. These conditions shall be finalised following feedback from the consultation process.

It is expected that the introduction of licensing will increase engagement with landlords, their properties and tenants. This is likely to lead to an increase in housing related enforcement activity within the designated areas, whereby landlords either fail to licence their properties or fail to comply with licence conditions. It is also likely that issues regarding poor housing conditions or ASB across other areas of the Borough may be brought to the attention of the Local Authority as a result of the increased awareness generally brought about by licensing. Where such enforcement action is needed (for example in relation to identified category one hazards within a dwelling) then this shall be referred and dealt with by the existing Private Sector Housing Standards Team who work in accordance with the Local Authority's housing enforcement policy. A Licensing officers role would not include enforcement of these issues.

Resources

The proposed schemes will generate a high level of additional work and needs to be resourced accordingly. It is estimated that a team of 9 staff will be required to



manage the workload. It is intended that the team will be staffed sufficiently to process Selective and Additional (HMO) applications, we expect lower numbers to be processed during the initial stages due to staff recruitment and the scheme set up.

The team will comprise of:-

- Licensing Manager
- 3 x Compliance Officers (fixed term)
- 5 x Admin Support (fixed term – numbers to be reviewed over the span of the scheme)

In addition, 5 existing staff currently working on a range of private sector housing issues will be utilised to compliment the licensing team. Also, the Local Authority will provide extra capacity in its ASB Team in order that support can be provided to landlords to deal with incidences of ant-social behaviour by their tenants.

Property Accreditation

Due to the level of discount proposed for accredited properties, it is likely that there will be a significant increase in demand for accreditation leading to increase demand on officer time. The proposed discount will be offered on a time limited basis to enable management of this increased workload. Landlords will be encouraged to apply for accreditation and on being successful will be able to access a number of accreditation benefits including:

- Advertising to households on the Housing Register via Property Pool Plus
- Discounts on HMO Mandatory licence fee
- Tenant finding service through Housing Options, including access to the bond scheme.
- Advice on tenancy matters
- Discounted courses

The accreditation discount is justifiable since only one compliance visit will be required. Reducing the time spent on licensing.

Mandatory HMO licensing

An increased number of mandatory licensed properties are expected to come forward on implementation of selective and Additional (HMO) Licensing. The Government are currently consulting on extending the scope of Mandatory HMO licencing and, if necessary the Additional (HMO) scheme would be adjusted accordingly. This will require additional officer time involved with the processing and inspecting of properties. The increased income stream is expected to meet any additional staffing requirements.



Legal Support

The Housing Standards Team requires adequate legal support on the operation of the licensing scheme, where necessary. Legal support is also required for prosecution of cases for breach of licence conditions and the failure to apply for a licence.

Support for landlords

Anti-Social Behaviour

We recognise that landlords cannot be held solely responsible for the actions of their tenants, but they can, more often than not, have some influence on the behaviour of their tenants. The Local Authority 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.

An ASB officer will be part funded through the licence fees to help act as a point of liaison with landlords and managing agents in order to help them to deal with ASB and related criminality occurring in the area. A support package will be available to landlords, which will include resources to address the ASB of their tenant. Mediation sessions can also be arranged with tenant and landlord. An agreed process to tackle ASB that has been followed by landlords would ultimately support landlords throughout any legal process, whereby possession of their property was deemed the most appropriate option.

Training

To ensure landlords are kept up to date with their statutory responsibilities, training courses and information days will be offered to licensed landlords at a rate that ensures that only any additional costs borne by the Local Authority are recovered.

Licence Application and Fees

Application

Sections 63 & 87 of the Housing Act 2004 detail the application process for a licence. In particular this section states that an application must be made in accordance with such requirement as specified by the authority. It also states that the authority may require the application to be accompanied by a fee fixed by the authority. When fixing fees, under these sections of the Act, the local housing authority may take into account all costs incurred by the authority in carrying out their functions under these parts of the legislation and all costs incurred in carrying out their functions under Part 4 of the Act chapter 1 which relates to management orders. The application process is detailed within the Act and there are subsequent regulations detailing the contents of an application form. This includes providing information on the property layout, certificates for gas, furniture and fire safety. The Licensing and management of Houses in Multiple Occupation



and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 schedule 2 provides full details on what must be included within an application this includes determining if the manager or proposed licence holder is a fit and proper person. This requires the declaration of any unspent convictions, unlawful discrimination and prosecutions under housing, public health, environmental health or landlord and tenant law. The Licensing Team will make checks into a person's 'fit and proper' status.

The Local Authority must grant a licence if it is satisfied that:

- The licence holder would be a fit and proper person.

If the licence is granted it will have conditions attached to it. Section 67 & 90 and Schedule 4 of the Act details the mandatory licence conditions that must be included, however there is provision for the Local Authority to add additional conditions that are either specific to the licence in question or that are locally agreed to address specific issues.

It is the Local Authority's intention to make the application process for landlords as streamlined as possible. Online applications and payment will, therefore, be the preferred method, keeping processing costs at a minimum.

Fit & Proper Person

In addition to ensuring compliance with both Selective and Additional (HMO) licence conditions, Sefton Council will need to determine the proposed licence holder as a 'fit and proper' person in terms of their suitability to manage their properties before issuing a licence. In deciding for the purposes of sections 64 (3) (b) or (c) & 88(3) (a) or (c) whether a person is a fit and proper person to be the licence holder or the manager of the house, the local housing authority must have regard to:

- (a) Any offences involving fraud or other dishonesty, or violence or drugs, or any offence listed in Schedule 3 to the Sexual Offences Act 2003.
- (b) Any unlawful discrimination on grounds of sex, colour, race, ethnic or national origins or disability in, or in connection with the carrying on of any business.
- (c) Any contravention of any provision of the law relating to housing or of landlord and tenant law.
- (d) Any person involved in the management of the property has sufficient level of competence to be so involved.
- (e) Any person involved in the management of the house is a fit and proper person to be so involved.

Any "spent" convictions cannot be taken into account. However, a lack of conviction may not mean that the incident was not relevant. The manager must send in with their application proof of their status and that they do not have any unspent convictions as specified above.



Under the 2016 Housing and Planning Act there will be a more stringent fit and proper person test for landlords of all licensable properties (not only HMOs). Additional criteria are likely to be added to the existing tests under the 2004 Housing Act, namely that applicants should be entitled to remain in the UK and should not be insolvent or bankrupt. The new provisions are also likely to clarify that past failure to comply with duties concerning the immigration status of prospective tenants may be taken into account, and that regulations specifying information to accompany applications may require supporting evidence.

Once Government regulations have been issued, and there is clarity over the changes to the fit and proper person test, Sefton's licensing schemes will be updated.

If the owner is found not to be a "fit and proper person" against these criteria, then he/she must find someone else agreed by the Local Authority to manage the property. If the Local Authority is not satisfied then it must refuse the application and give its reasons for this.

Temporary Exemption Notice

An owner or manager of a property may apply to the Local Authority for a Temporary Exemption Notice (TEN). If a TEN is granted the property is exempt from licensing and accordingly the manager/owner does not commit the offence of operating a property without a licence.

A Local Authority may only grant a TEN if it is satisfied that the applicant is, or will shortly be, taking steps to ensure the property ceases to be subject to licensing. For example, if planning permission has been obtained for the conversion of the HMO to single family occupation. A TEN can only be granted for a maximum period of three months, but in exceptional circumstances the Local Authority may issue a second TEN to last a further three months following the expiry of the original. No more than two consecutive TENs may be granted in succession for a given property. If a Local Authority refuses to grant a TEN the applicant may appeal to the First-tier Tribunal (Property Chamber), which can either uphold the LHA decision or reverse it.

Termination / Revocation

A licence may be revoked with the agreement of the licence holder, such as when a house ceases to be a licensable property. It also ends automatically after 5 years or after the period specified in the licence (if that is different).

A licence ceases to be in force on the death of a licence holder and for the first three months following the death of that person no licence is required as if a temporary exemption notice had been issued and was in force. Unless the property ceases to be licensable within that period or the Local Authority grants a TEN on the expiry of that period the property must be relicensed or an Interim Management Order made in respect of it.



Other than in those circumstances, a licence may only be revoked if:

- there has been a significant breach of the licence conditions; or the licence holder and others involved in the management of the house are no longer fit and proper persons
- the property ceases to be an HMO that is subject to licensing
- if the LHA would not have granted a new licence for the HMO at the time it terminates
- the licence because of reasons relating to the structure of the HMO which render the property unsuitable for licensing on similar terms.

On revocation of a licence (unless this is because the HMO no longer requires to be licensed) the Local Authority must grant another licence or make an Interim Management Order.

Appeals against licensing decisions

An appeal may be made to a First-tier Tribunal (Property Chamber), against a decision of the local housing authority to:

- Refuse to grant a licence
- Grant a licence, including any conditions imposed
- Vary a licence
- Revoke a licence
- Refuse to vary or revoke a licence

An appeal must normally be made within 28 days of the decision being made, but if the tribunal thinks there are good reasons to do so, it may extend the period for appeal. In considering an appeal the tribunal rehears the Local Authority decision, but is able to take account of new evidence put forward by the appellant.

Fees

In setting licence fees, the Local Authority must follow certain principles established by the European Services Directive (ESD) and in particular that the fee must not exceed the actual and direct costs of processing an application, monitoring compliance and enforcing the scheme. The fee structure is also required to be reasonable and proportionate.

The licence fee, is therefore, set to cover the administration and associated costs of the licence. A review of fees will be undertaken annually and will be adjusted to reflect changes in costs. The fees will also be reviewed in line with the findings of the pending decision of *Hemming v Westminster City Council* which has been referred to the European Court of Justice. Fees may also need to reflect any possible pending legislative changes to the Mandatory HMO licence fees.

A licence would normally be granted for a period of five years and no further fees would be payable during the life of the licence. However, licences are non-



transferrable in accordance with sections 68 (6) & 91(6) of the Housing Act 2004. A change of licence holder will, therefore, require a new application fee.

Discounts

The following discounts have been factored into the proposed fee calculations which will be confirmed following consultation feedback.

For the purposes of Selective and Additional (HMO) Licensing, an accredited landlord is a landlord who is accredited with the Sefton Property Accreditation Scheme. A landlord who is also accredited with a national landlord body such as the National Landlords Association (NLA) or Residential Landlords Association (RLA) will also benefit from a discount. The ability to apply for an accreditation discount will be available for 3 months before and 3 months after the commencement of the scheme only, (3 months for newly purchased properties).

'Early Bird' discount is for those applications made during the first 3 months of the scheme for each property

Following a recent data collection exercise an estimated 2800 properties will fall under the proposed Selective Licensing scheme and the licensing programme has, therefore, been designed around licensing this number of properties.

Proposed Fees per property

Selective Licensing	£	Annual Equiv. £	Weekly Equiv. £
Full Fee	695	139	2.67
Accreditation	545	109	2.10
Early Bird	620	124	2.38
In addition :			
7-12 units	150		
13-20 units	250		
21+ units	350		

Additional (HMO) Licensing fees for HMOs are proposed to be similar to those charged for mandatory HMO licences under Part 2 of the Housing Act 2004

From the recent data collection exercise an estimated number of properties that will fall under the proposed Additional (HMO) Licensing scheme has been obtained. Based on previous experience there will be fluctuations in this number caused by changes in mode of occupancy and property sale. The licensing programme has, therefore, been designed around the licensing of an assumed 200 properties.



Additional (HMO) Licensing	£	Annual Equiv.	Weekly Equiv.
Full Fee	850	170	3.27
Accreditation	700	140	2.69
Early Bird	800	160	3.08
In addition :			
7-12 units	150		
13-20 units	250		
21+ units	350		

Variations must be made, but no additional fee will be charged, for:

- Change of address for existing licence holder, manager, owner, mortgagor, freeholder or leaseholder
- Change of Mortgagor, owner freeholder and leaseholder
- Change in number of permitted occupiers/households

Refund policy

We will give a refund for a property license if an application was made by mistake. Situations considered to be a mistake are if:

- the property is outside the designated area
- a duplicate application has been made
- an application was made for an exempted property.

The proposed fees above are based on an assumed number of licence applications and calculated income stream against the cost of processing and managing/monitoring an individual licence. This cannot be guaranteed at this stage as it is dependent upon the number of applications received when the scheme is launched and reactively from then onwards. The proposed fees (and discounts), however, remain subject to consultation. The fees are also subject to annual review to ensure recovery of all relevant costs.



Enforcement of Licensing

Additional and Selective Licensing operates in the same way as mandatory (HMO) licensing and has the same legal status and penalties for non-compliance.

The Housing Standards Enforcement & Licensing Team will be responsible for ensuring compliance with the designation. Where a breach of licence conditions is identified the licence holder may be prosecuted with a fine of any amount per breach. Failing to apply for a licence could lead to prosecution and a fine of any amount and in addition there is a provision under sections 73 & 96 of the Housing Act 2004 for a Rent Repayment Order to be made to recover all rent paid to an unlicensed property. Landlords who continuously fail to licence a property can have control of their property taken away from them through a Management Order.

Throughout the designation the Housing Standards Enforcement & Licensing Team will carry out a programme of pro-active compliance inspections. A firm approach will be taken on landlords where un-licensed properties or breaches of conditions are found. Landlords in these circumstances are likely to be prosecuted.

Rent repayment orders

A tenant living in a property that should have been licensed, but was not, can apply to the First-tier Tribunal (Property Chamber), to claim back any rent they have paid during the unlicensed period (up to a limit of 12 months).

A Local Authority can also reclaim any housing benefit that has been paid during the time the property was without a licence. This will only apply where the person having control of or managing the property (and therefore responsible for licensing the premises) is also the person having control of the dwelling concerned.

Interim Management Order (IMO)

An IMO transfers the management of a residential property to the Local Authority for a period of up to twelve months. The Local Authority may choose to appoint a managing agent to manage properties on its behalf. In particular the IMO allows the Local Authority:

- Possession of the house against the immediate landlord, and subject to existing rights to occupy;
- To do anything in relation to the house, which could have been done by the landlord, including repairs, collecting rents etc.;
- To spend monies received through rents and other charges for carrying out its responsibility of management, including the administration of the house;
- To create new tenancies (with the consent of the landlord).

Under the IMO the Local Authority must pay to the relevant landlord (that is the person(s) who immediately before the order was made was entitled to the rent for the property) any surplus of income over expenditure (and any interest on such sum) accrued during the period in which the IMO is in force.



Circumstances in which an IMO must be made in respect of licensable property

A Local Authority must take enforcement action in respect of a licensable property (which means an HMO subject to Part 2, or other residential property subject to Part 3) by making an Interim Management Order (IMO) if:

- The property ought to be licensed, but is not, and the Local Authority considers there is no reasonable prospect of it granting a licence in the near future. An IMO may not, however, be made on this ground if an effective application is outstanding with the authority for the grant of a licence or a temporary exemption notice or if such a notice is in force
- The Local Authority is satisfied that the Health and Safety Condition is met and, therefore, it would not have granted an application for a licence.
- The Local Authority intends to revoke the licence on one or more of the grounds specified in Parts 2 or 3 of the Housing Act 2004, other than the property has ceased to be licensable, and upon revocation there will be no reasonable prospect of the property being licensed in the near future (e.g. to another suitable person) or
- The Local Authority is satisfied that when the licence is revoked the Health and Safety Condition test will be met.

The Housing & Planning Act 2016

The Housing & Planning Act 2016 introduces new measures designed to tackle “rogue landlords”, relating to the following:

- Banning Orders
- Database of Rogue landlords
- Civil Penalties
- Extension of Rent Repayment Orders
- Tougher Fit & Proper Tests
- Tenancy Deposit Protection Scheme – Data Sharing

More detail is provided below on some of these measures that relate to Licensing under the Housing Act 2004.

Civil Penalties

These allow the Local Authority to fine landlords up to £30,000 for certain Housing Act offences. It provides the Local Authority with a choice of whether to prosecute or serve a penalty.

Civil Penalties will provide a quicker route for enforcement.

Civil penalties are allowed for Housing Act 2004 offences including those relating to:

1. HMO licensing
2. Selective Licensing
3. License conditions



Rent Repayment Orders (RRO)

RROs already exist for Housing Act 2004 licensing offences. RROs need to be granted by the First Tier Property Tribunal on application from either a Local Authority or tenant. They enable up to 12 month's rent to be repaid to the Local Housing Authority or tenant if the Tribunal is satisfied, beyond reasonable doubt, that a landlord has committed a specific offence. The new Housing & Planning Act extends the type of Housing Act offences that can allow for a RRO to include:

1. Control or management of unlicensed HMO
2. Control or management of unlicensed house (Selective Licensing)

Banning Orders

On conviction of a Housing Act offence, a Local Authority may apply to the First Tier Tribunal for a Banning Order. It is not compulsory. A ban means that a person cannot act as a landlord for a minimum of 12 months.

Retaliatory Eviction

Under section 98 of the Act there is also a restriction on terminating tenancies where a property is not licensed. This section states that *'No section 21 notice may be given in relation to a short hold tenancy of the whole or part of an unlicensed house so long as it remains a house'*.



Monitoring the schemes

It is important that progress of the licensing schemes be monitored in line with its respective objectives. It is proposed to measure the progress of the schemes through the collection of data on crime and ASB, together with information directly relating to property condition on a regular basis, at least annually.

Other figures have been used to indicate the levels of problems within the area and these will also be revisited during the course of the project to measure the impact of Licensing.

Sefton will aim to agree a monitoring framework in consultation with local stakeholders. The suggested measures that we will seek to monitor across the licensing designations are listed below.

- The number of applications received against number of identified private rented sector
- The number of applications being processed (and the stages they are at)
- Time taken to process applications
- The number of licenced properties
- The number and outcome of any refused licence applications
- The number of appeals
- The number of prosecutions of landlords of operating unlicensed
- The number of prosecutions for breach of licence conditions
- The number of homelessness presentations from within and outside the designation area
- The number of homeless households placed in the PRS by the Local Authority within the designated areas
- Any impact on empty properties [possible displacement of landlords from the area]
- The number of landlord and tenant complaints with regards to ASB and property condition.

It will also be important to measure any possible effects of displacement into neighbouring areas. We will need to consider an appropriate suite of measures, but this could include monitoring:

- The number of, or growth in service requests from tenants of private landlords in these neighbouring areas about poor property conditions.
- Changes in levels of crime or ASB in neighbouring areas
- Changes in levels of deprivation in neighbouring areas

Mitigating Risks

Local authorities should carefully consider any potential negative economic impact that licensing may have on their area – particularly the risk of increased costs to landlords who are fully compliant with their obligations. It is also important for



local authorities to consider some of the possible effects of a making a designation and to include any risk assessment they may have carried out.

A risk analysis of introducing licensing schemes along with mitigating risks can be found at **Appendix 5**.



Section 7 Consultation

Consultation is a key feature of the development of the proposals. Section 80 (9) of the Housing Act 2004 requires that before making a designation, the Local Authority is required to undertake a formal consultation process on the proposed implementation of the Selective and Additional (HMO) Licensing designations and take reasonable steps to consult with persons likely to be affected. This should include local residents, including tenants, landlords, managing agents and other members of the community who live or operate businesses or provide services within the proposed designation and neighbouring areas that may be affected.

Our engagement and consultation process will last for a period of 12 weeks, which will commence, subject to Cabinet Approval, in April 2017.

To provide an impartial consultation Sefton intends to commission an external consultant to undertake the consultation process.

Further information about the consultation process and how to get involved will be provided on Sefton's website and everyone who is likely to be directly affected by the proposals will be contacted and invited to participate in the consultation. The consultation will be widely promoted, including but not limited to, using the following media.

- We will supply a press release to local media
- Sefton Council website and social media
- We will contact landlords, letting and management agents who operate in and around the proposed area, inviting them to complete a questionnaire
- We will provide residents and business or services within the proposed area of Selective Licensing and surrounding area information on the proposed scheme and how to access the consultation process
- The consultation will be promoted at Sefton's landlord events and Forums to allow people to come along and discuss the licensing proposals. It will also give an opportunity for landlords to talk about the requirements that will be placed on them by the scheme, if it is approved.
- We will engage with neighbouring Local Authorities

Evaluation

Following the closure of the consultation period the responses will be evaluated and published on the Sefton Council's website. The responses will be considered and will inform officer recommendations to Members before making a final decision as to whether to proceed with Selective and Additional (HMO) Licensing.

Proposed timescales

Following the twelve-week public consultation, the Local Authority will carefully review all representations made. A report will then be submitted to Cabinet in September 2017 for Member consideration and decision.

If Cabinet agree the proposed designations for the purpose of Selective and Additional (HMO) Licensing, the Selective Licensing and Additional (HMO)



Licensing designations would become operative on 1 January 2018 with both schemes lasting for a period of five years. If Cabinet decide not to designate the area, Sefton could continue solely with the current reactive enforcement regime, linked with the more assertive promotion of Accreditation.

These timescales may be subject to change in the event of unforeseen circumstances.

