Committee Ref:

EX/11/21



## **Notice of Meeting**

Committee : Executive

Date : Monday, 08 November 2021

Time : 18:00

Place : Council Chamber

Town Hall, Luton

Councillors : Simmons (Chair) Malcolm

Goding K. Malik
A. Hussain Roche
J. Hussain T. Saleem
A. Khan Shaw

Quorum : 3 Members

**Contact Officer:** Angela Fraser (01582 546070)

Email angela.fraser@luton.gov.uk

Livestream Meeting Link

### INFORMATION FOR THE PUBLIC

**PURPOSE:** The Executive is the Council's primary decision-making body dealing with a range of functions across the Council's activities and services.

This meeting is open to the public and you are welcome to attend.

For further information, or to see the papers, please contact us at the Town Hall:

- IN PERSON, 9 am to 5 pm, Monday to Friday, or
- CALL the Contact Officer (shown above).

An induction loop facility is available for meetings held in Committee Room 3.

Arrangements can be made for access to meetings for disabled people.

If you would like us to arrange this for you, please call the Contact Officer (shown above).

#### NOTE:

Members of the public are entitled to take photographs, film, audio-record and report on all public meetings in accordance with the Openness of Local Government Bodies Regulations 2014. People may not however act in anyway considered to be disruptive and may be asked to leave. Notice of these rights will be given verbally at the meeting, as appropriate.

### **AGENDA**

Agenda Subject Page Item No.

### **Emergency Evacuation Procedure**

#### **Council Chamber:**

Turn left, follow the green emergency exit signs to the main town hall entrance and proceed to the assembly point at St George's Square.

- 1. Apologies for Absence
- 2. Published record of the meeting

### 1. 11 October 2021 7 - 16

### **Section 106, Local Government Finance Act** 1992

Those item(s) on the Agenda affected by Section 106 of the Local Government Finance Act 1992 will be identified at the meeting. Any Members so affected is reminded that (s)he should disclose the fact and refrain from voting on those item(s).

### **Disclosures of Interests**

Members are reminded that they must disclose both the existence and nature of any disclosable pecuniary interest and any personal interest that they have in any matter to be considered at the meeting unless the interest is a sensitive interest in which event they need not disclose the nature of the interest.

A member with a disclosable pecuniary interest must not further participate in any discussion of, vote on, or take any executive steps in relation to the item of business.

A member with a personal interest, which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest, must similarly not participate in any discussion of, vote on, or take any executive steps in relation to the item of business.

Disclosable pecuniary interests and Personal Interests are defined in the Council's Code of Conduct for Members and Co-opted members.

3. Business not covered by current forward plan: General Exception

The Executive Leader to report on any business which it is proposed should be considered by the Executive following compliance with Regulation 10 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Population Wellbeing (Public Health & Integration)

Active Luton Pensions (see private item 14)

4. Business not covered by current forward plan: Special Urgency

The Executive Leader to report on any business which it is proposed should be considered following compliance with Regulation 11 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

- 5. References from committees and other bodies
  - 5. 1. Reference from OSB to Executive Additional HMO & Selective Licensing Consultation

17 - 20

(Report of the Interim Service Director, Policy Communities & Engagement)

- 6. Recommendations from Scrutiny Reviews
- 7. Petitions

### **Business items**

Children's, Families & Education (Children - Health & Wellbeing)

8. Creation of Children in Care Council

21 - 38

(Report of the Service Director, Children's Operations)

Population Wellbeing (Housing, Waste & Climate Change)

9. Additional HMO Licensing Consultation

39 - 130

(Report of the Service Director, Housing)

# 10 Regulation 4 of the Local Authorities (Executive Arrangements (Meetings & Access to Information)(England) Regulations 2012

To consider whether to pass a resolution under Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to exclude the public from the meeting during consideration of the item(s) listed below as it is likely, that if members of the public were present during the transaction of the item(s), exempt information within the meaning of the Paragraph(s) of Part 1 of Schedule 12A to the Local Government Act 1972 indicated next to the item, would be disclosed to them.

#### 11. 1. Private Decision Sheet - 11 October 2021

 Paragraph (3) - Information relating to the financial or business affairs of any particular person (including the authority holding that information).
 Inclusive Economy (Regeneration & Inclusive Growth)

### 12. Lease of Wigmore Valley Park to LLAL

• Paragraph (3) - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

#### 13. Sale of Land

 Paragraph (3) - Information relating to the financial or business affairs of any particular person (including the authority holding that information).
 Population Wellbeing (Public Health & Integration)

### 14. Private Report - Library Contract Arrangement

• Paragraph (3) - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

#### Note: Rescheduled Items

- Purchase of Redgrave Gardens for the purpose of a special school rescheduled to 6th December 2021
- Adult Social Care Strategy rescheduled to 17 January 2022

Note: Five days' notice is hereby given of items to be considered in private as required by Regulations (4) and (5) of the Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012.

Details of any representations received by the Executive about why any of the above exempt decisions should be considered in public: none at the time of publication of the agenda. If representations are received they will be published separately, together with the statement given in response.



Item No:

2.1

# Executive 11 October 2021

Present: Councillors: Simmons (Chair), Goding, A. Hussain, J.I. Hussain, Khan, Malcolm, K. Malik, Roche, T. Saleem and Shaw

In Attendance: Councillor Franks

### **Decision Sheet**

Exemptions from the call-in process:

- (1) If the Council would be likely to suffer legal prejudice
- (2) If the Council would be likely to suffer financial prejudice
- (3) Where the calling-in of the decision would result in the decision not being capable of implementation at all
- (4) Where the decision is to in incur or forego expenditure of £5,000 or less except where the decision has been taken otherwise that in accordance with the Council's Policy Framework or any policies, practices, or procedures adopted by the Executive
- (5) Where the decision results from a reference or report or recommendation from the Overview and Scrutiny Board or from a Task and Finish Group.
- (6) Where the decision will be the subject of a recommendation to the Full Council

Agenda item(s) ward affected	Subject	Dec. No.	Decision and reason for decision	Other options considered
2.1 All	Published decision sheet of the Executive meeting held on 13 <sup>th</sup> September 2021	EX/105/21	That the published decisions of the meeting of the Executive held on 13 <sup>th</sup> September 2021 be agreed as a correct record of the meeting and the Chair be authorised to sign them.	
3.1 All	Luton – Bus Service Improvement Plan – Bus Back Better	EX/106/21	<ul> <li>(i) That the Luton – Bus Service Improvement Plan (BSIP) draft report and supporting documents be agreed, for submission to the Department for Transport for consideration for funding commencing April 2023, and;</li> <li>(ii) That the Service Director, Property, Construction and Infrastructure in consultation with the Portfolio Holder for Inclusive Economy (Sustainable Development and Highways) be authorise to agree any further minor changes to the draft Luton – Bus Service Improvement Plan Report</li> <li>Reason: Statutory</li> <li>(Note: The above item was considered by the Executive in compliance with Regulation 15 (General Exception) of the Local Authorities (Executive Arrangement) Meetings and Access to Information) (England) Regulation 2012)</li> </ul>	If Executive fail to agree to accept the report as submitted, we will fail to meet the deadline of the end of October for submission and this will result in Luton and Bus Operators from being excluded from being considered in the round for funding under the BSIP.
5.1 All	Reference from Overview & Scrutiny Board - Creating a Vision for the	EX/107/21	That the recommendations from the Scrutiny Finance Review Group below be noted:	a) To agree to the recommendations of the Overview and Scrutiny Board

	Oxford-Cambridge Arc Consultation		<ul> <li>The Overview and Scrutiny Board recommends the following key points be expressed back to the government;</li> <li>Central government to recognise that Luton is a significant regional urban centre within the Arc, and whilst it has deprivation challenges it has excellent connectivity and economic potential.</li> <li>Central government should therefore recognise Luton as an equal partner in the Arc and invest in the socioeconomic future of the town.</li> <li>Reason: To consider the recommendations of Overview &amp; Scrutiny Board</li> </ul>	a) Not to agree the recommendations and consider an alternative as the responsible decision making body.
8. All	Former Corporate Performance Year End 2020-21 Report	EX/108/21	That the Corporate Performance Year End 2020-21 outturn report be noted.  Reason: To report the monthly performance indicators in accordance with the Council's policy and procedures.	a) To agree the recommendations b) Not to agree the recommendations and request further information.
9. All	Corporate Performance Report 2021-22 Quarter 1	EX/109/21	That the Quarter 1 2021-22 outturn performance report be noted.  Reason: To report the monthly performance indicators in accordance with the Council's policy and procedures.	a) To agree the recommendations b) Not to agree the recommendations and request further information.
10. None	Treasury Management Annual Report – Year Ended 31st March 2021	EX/110/21	(i) That the Annual Report on Treasury Management and prudential indicators for the year ended 31st March 2021 which summarises and reviews the	Executive has the option to note and approve the report which has been presented in accordance with the recommendations of The Chartered

			Council's treasury management activities for the 2020/21 financial year be submitted to Full Council and the Audit & Governance Committee for approval.  (ii) That the increase in the amount of external borrowing, £84 million, during 2020/21, which is financing Council approved projects be noted.  (iii) That the Council did not breach any of its prudential limits be noted.  Reason: To enable the Executive to review the Treasury Management Activity for the year  (EXEMPT FROM CALL-IN – CATEGORY 6)	Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management or ask for further information.
11. All	Creating a Vision for the Ox-Cam Arc consultation response	EX/111/21	<ul> <li>(i) That the response to the current consultation set out in Appendix 1 to the report of the Service Director, Sustainable Development (Ref: 11) be agreed.</li> <li>(ii) That the feedback and reference from OSB be noted and that the Service Director, Sustainable Development and the Portfolio Holder for Inclusive Economy (Sustainable Development and Highways) be authorised to make changes and agree the final response by the deadline of the 12<sup>th</sup> October.</li> <li>Reason: Statutory</li> </ul>	Not to respond to the Consultation. Ministry for Housing, Communities and Local Government is consulting on a vision that has implications for the area and is keen to hear from a wide range of interested parties from across the public and private sectors, as well as from the general public. These proposals will affect Planning, a statutory function of Luton Council and it is therefore considered that it is best to engage with the consultation document and respond to it.

12. All	Discharging our Housing Duty Outside of Luton into the Private Rented Sector	EX/112/21	<ul> <li>(i) That the creation of a private sector discharge policy for homeless households outside of Luton be approved to:</li> <li>a) who the Council owes a full housing duty to and</li> <li>b) Facilitate a full discharge of duty if homeless households are unable to be housed in Luton.</li> <li>That the Executive agrees the following additional recommendations:</li> <li>(ii) That any families that disagree with the offer of an out of borough discharge of duty have a right of appeal to the Housing Appeals Sub Committee.</li> <li>(iii) That the Service Director, Housing in consultation with the Portfolio Holder for Population Wellbeing (Housing, Waste &amp; Climate Change) be authorised to offer a minimum of 2 years short hold tenancies with the ability to negotiate up to three years if agreeable with landlords.</li> <li>Reason: To reduce the numbers in temporary accommodation.</li> </ul>	a) The Council could decide not to adopt a policy to discharge the homelessness duty outside of Luton. However, this would mean that the current number of 81 households placed outside of Luton for various reasons would have to be forced back in borough even though some of them are at risk in Luton. See Appendix 1, which shows the profile of those households currently placed out of borough.  b) Although the Council can request assistance from these boroughs, in most cases, boroughs are uncooperative and do not want to take on responsibilities of other boroughs' homelessness. Forcing households back into an unsafe environment will result in legal challenges.
13. All	Draft Housing Assistance Policy	EX/113/21	That the Draft Housing Assistance Policy as set out at (Appendix 1) to the report of the Service Director, Housing (Ref: 13) to carry out public consultation on the proposals be approved.	a) The Council has considered carefully the balance of grant assistance and loan assistance in recognition of the low incomes of the target clients. Some

	Reason: Statutory.	assistance is offered in the form of a loan and this allows us to recover the funds in the event of death, relocation or sale of the property. An unindexed or interest-free loan would not demonstrate value for money so is not recommended. A loan with no discretion to apply a repayment term and ignores means testing is also not recommended as it constrains the ability of the council to recycle funds and extend the service to others in need.
		b) It was also considered a dedicated funding stream for renewable energy heating solutions. This could have covered the cost of installing air source heat pumps or other low carbon systems. However, the limited funding available and the high individual cost of installations, along with an anticipation of additional government support for low energy installations led to us taking out this option as it may only have been able to support one or two households per year and was at risk of generating a very high demand which we could not meet from our discretionary budget.

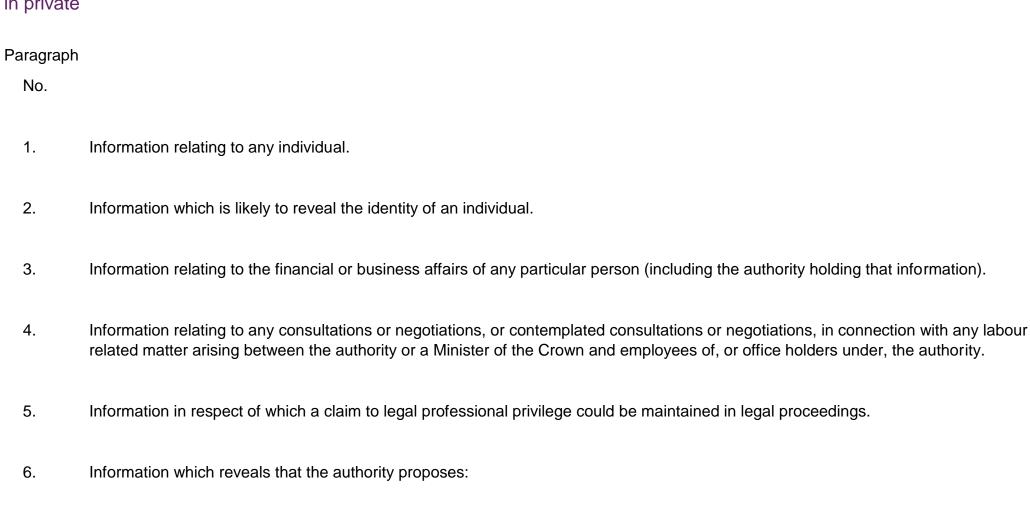
14.	Regulation 4 of the Local Authorities (Executive Arrangements)(Meetings and Access to information)(England) Regulations 2012	EX/114/21	A resolution was passed under Regulation 4(2) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to exclude the public from the meeting during consideration of the item(s) listed below as it is likely, that if members of the public were present during the transaction of the item(s), exempt information within the meaning of Paragraph(s) of Part 1 of Schedule 12A to the Local Government Act 1972 indicated the item would be disclosed to them.	
15.1	Published Private decision sheet of the Executive meeting held on 13 <sup>th</sup> September 2021	EX/115/21	That the private published decisions of the meeting of the Executive held on 13 <sup>th</sup> September 2021 be agreed as a correct record of the meeting and the Chair be authorised to sign them.  [Note: the above item was considered in private by virtue of Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, Part VA)	
16. All	Special Force Majeure: Settlement Agreement and amendment to 1998 Concession Agreement	EX/116/21	That the recommendations in the report of the Corporate Director, LLAL be approved.  [Note: (i) the above item was considered in private by virtue of Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972, Part VA;  (ii) Councillors K. Malik, Malcolm and T. Saleem advised of a disclosable pecuniary interest in the above item due to being Directors of London Luton Airport Limited	

	and left the meeting during consideration of the item.)	
	(iii) Councillor J. Hussain advised of a personnel interest in the above item due to being a Hackney Carriage Driver and left the meeting during consideration of the item.)]	

Meeting ended: 7.15 pm Date of Publication: 13<sup>th</sup> October 2021

### **Exempt Information**

Summary of those matters which by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 may be discussed in private



- (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
- (b) to make an order or direction under any enactment.
- 7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

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Item No: **5.1** 

Report For:	Executive			
Date of Meeting:	08 November 2021			
Report Of:	Interim Service Director, Policy Communities & Engagement			
Report Author:	Angela Fraser			
Subject:	Reference to the Executive from the Overview and Scrutiny Board – Additional HMO and Selective Licensing Consultation			
Lead Executive Member(s):	Councillor Shaw			
Wards Affected:	All			
Consultations:	Councillors □ Scrutiny ☑ Stakeholders □ Others □			

#### Recommendations

1. The Overview and Scrutiny Board fully support the proposals and encourage the Executive to continue with their efforts to find a way to legally extend it across the town.

### **Background**

- 2. The Council has powers under Part 1 of the Housing Act 2004 to deal with disrepair in privately rented properties. Houses in Multiple Occupation (HMO) occupied by 5 or more people are required to be licensed under the Housing Act 2004 (mandatory HMO licensing), and these powers can be supplemented with Additional Licensing powers (for Houses in Multiple Occupation) under Part 2 of the Act and Selective Licensing powers (for privately rented single family dwellings) under Part 3, as part of the wider strategy to improve housing conditions and drive management standards up through intervention and advocacy. The council can take enforcement action under Part 1 of the Act, whilst ensuring, through licence conditions, that the properties are properly managed to prevent further deterioration.
- 3. The Council's previous Additional Licensing Scheme applied to all Houses in Multiple Occupation (HMO) in Luton between 2013 and 2018. Since the end of the scheme the Council has only been able to licence those HMOs housing 5 or more people, and a substantial number of HMOs, are not covered, estimated to be around 3,800.
- **4.** Selective Licensing Schemes, cover *all* rented accommodation, within a defined area and can include Houses in Multiple Occupation as well as those properties rented to single families

### The Current Position

5. At the Overview and Scrutiny Board meeting held on the 25 October 2021 a report on Additional HMOs and Selective Licensing Consultation was presented by the Service Director Housing.



- 6. The Private Rented Sector (PRS) in England has grown from 1 in 10 households in 2004 to 1 in 5 households in 2019 (19%). Private rented sector housing is a large and growing proportion of the overall housing stock in Luton. Although owner occupation still predominates in the borough, for an increasing number of our residents the private rented sector is the only solution to securing an affordable place to live. The sector is therefore meeting an essential need, and as the population continues to grow this is unlikely to change for the foreseeable future.
- 7. The licensing will help identify irresponsible landlords who impact negatively on the reputation of responsible landlords and assist landlords that are not familiar with all the requirements for establishing a rental business with what they need to do. It will raise conditions, management standards, improve tenancy arrangements and help tackle anti-social behaviour (ASB). Licensing will improve the renting in Luton by improving conditions, raising management standards and ensuring proper tenancy arrangements are in place. Tenants and prospective tenants will know that landlords are 'fit and proper' persons who have agreed to abide by the conditions of their licence. All licensed properties will be listed on a public register, which can be accessed by tenants to find out whether the property is licensed.
- **8.** The Overview and Scrutiny Board debated the issue and expressed concern for the scheme to be rolled out across the town and the following resolution be reported back to the Executive which was unanimously agreed:

"That the Overview and Scrutiny Board fully support the proposals and encourage the Executive to continue with their efforts to find a way to legally extend it across the town".

### **Goals and Objectives**

**9.** To support the proposals in the report.

### **Proposal**

**10.** To consider the recommendation of the Overview and Scrutiny Board meeting held on 25<sup>th</sup> October 2021.

### Alternative options considered and rejected (please specify)

- **11.** To agree to the recommendation of the Overview and Scrutiny Board.
- **12.** Not to agree the recommendation and consider an alternative as the responsible decision making body.

### **Appendices Attached**

N/A

List of Background Papers - Local Government Act 1972, Section 100D

None



### <u>Implications - an appropriate officer must clear all statements</u>

For CLMT only Legal and Finance are required

### Required

Item	Details	Clearance Agreed By	Dated
Legal	The legal implications are set out in the report to the Executive	Samantha McKeeman	28.10.21
Finance	The financial implications are set out in the report to the Executive	Brighton Fong Interim Finance Business Partner	28/10/2021
Equalities / Cohesion / Inclusion (Social Justice)	The equalities/cohesion and inclusion implications are as set out in the report to the Executive	Maureen Drummond, Equality and Diversity Adviser	28 October 2021
Environment	The environment implications are as set out in the report to the executive	Shaun Askins – Service Manager Strategy & Sustainability	28 October 2021
Health	The health implications are as set out in the report to the executive	Elizabeth Elliott, Public Health Registrat	28/10/21

### Optional

Item	Details	Clearance Agreed By	Dated
Community Safety			
Staffing			
Other			

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Item No:

			8
Report For:	Executive		
Date of Meeting:	08 November 20	021	
Report Of:	Service Directo	or, Children's Operations	
Report Author:	Alli Parkinson		
Subject:	Creation of a modern Children in Care Council and Leaving Care Forum to replace the Young People's Panel		
Lead Executive Member(s):	Cllr Tahmina Sa	lleem	
Wards Affected:	N/A		
Consultations:	Councillors Scrutiny Stakeholders Others		

### Recommendations

- 1. The Executive is recommended to:
  - (i) disband the Young Peoples Panel with immediate effect.
  - (ii) That the creation of a Children in Care Council and Leaving Care forum as the preferred mechanism for promoting effective participation of children in care and care leavers in decision-making about their care, be approved.
  - (iii) That officers continue to develop proposals for hearing the voice of young people represented at the Children in Care Council and Leaving Care forum through the Corporate Parenting Partnership Board.

### **Background**

- 2. The Young Peoples Panel, whilst effective in hearing the voice of the young people in the past by engaging directly with elected members, is no longer representing and engaging children and young people with care experiences by their preferred methods. In exploring an alternative, a Children in Care Council and Leaving Care forum functioning in a new way as described in this report, is proposed to replace it.
- 3. A report was submitted to the Corporate Parenting Partnership Board in July 2021 that presented a proposal to 'stand down' Young People's Panel in its current format and replace it with a modernised children in care council. During July 2021's meeting, officers elaborated more on the plans for a modernised children in care council (ChiCC) which would be less formal and more fun and that the proposal to stand down Young People's Panel would need to navigate the constitutional process and reach the council's Executive. We recognised that we need to ensure all children in our care have the opportunity to be part of our Children in Care Council. We consider that by changing our approach, we will ensure that we are promoting the voice of our children of all ages.



#### The Current Position

- 4. The review of law, policy and research identified the foundations of children in care councils as the mechanism for promoting effective participation of children in care and care leavers in decision-making about their care. The foundational structure of participation combines Article 12 of the United Nations Convention on the Rights of the Child (UNCRC) which establishes the right of every child to freely express her or his views, in all matters affecting her or him, and the subsequent right for those views to be given due weight, according to the child's age and maturity. This theme is also present in the Children Act 1989, Children Act 2004 and Care Matters: Time for Change White Paper, including the Pledge for children in care and care leavers. This framework recognises the importance of all children and young people exercising influence over decisions about services that affect them as active citizens. Decisions by local authorities that impact on the lives of children in care and care leavers are very distinct from those that impact on non-looked after children. There is thus a compelling case for dedicated models of participation in decision-making for children in care and care leavers, reflecting their unique but deep interest in decisions about, for example, commissioning foster and residential placements.
- 5. Legal and policy developments regarding the participation of children in care and care leavers reflect a broader public policy emphasis on public service providers to facilitate local determination by local citizens, in decisions about services and the personalisation agenda that has developed in adult social care and health. These reforms capture a growing feeling that decisions about services produce better outcomes when made closer to the individuals and groups who are users of those services. Those outcomes are generally in terms of a more positive experience of the service, but also a more effective result for the user and consequently produce value for money in a reduced need for repeat use of services or, potentially, other services. In that respect, children in care councils provide an effective mechanism for children in care and care leavers as a distinct user group with niche needs to shape the services they receive.
- 6. In July 2021, Ofsted completed a monitoring visit with a focus on children in our care, as part of their inspection they requested to speak to children. With the help of their foster carers, we recruited fourteen children aged between six and seventeen years into three groups to speak with the Ofsted inspectors. The children and young people did a fantastic job and the Ofsted inspectors said they felt "blessed" to speak with them. The children and young people involved were invited to attend the monthly fun sessions starting in August 2021 to start developing our shadow Children in Care Council.
- **7.** On 3<sup>rd</sup> August 2021, the Participation Strategy was discussed and approved at Children's Scrutiny Panel.
- 8. In exploring if the Children in Care Council was the right fit for Luton's children and young people with care experiences, we held our first monthly fun virtual session on 19<sup>th</sup> August 2021 in the evening. During the session, we explored with the children and young people whether the youth group model was the right fit for them to engage and participate, to get to know each other better and play some fun games. When we carried out the online session evaluation, the children who attended gave the 'thumbs up' sign to say that they enjoyed it being part of it and wanted to attend the next session. We have organised monthly sessions to take place.



9. On 27<sup>th</sup> August 2021 we had a summer day trip to Willen Lake. The children took part in activities such as kayaking, raft building and archery and had a picnic near the Lake. The children felt that archery and kayaking were the best activities of the day and recommended that we should organise a theme park trip in the future. Most of the children have indicated that they would want to get involved in our shadow children in care council.

### **Goals and Objectives**

- 10. To deliver on our aspiration and ambition to put children, young people and their families at the heart of everything we do through embedding a culture of actively listening to children and young people through a range of activities and taking account of their views, wishes and feelings on individual, operational and strategic levels. We want to facilitate and enable children to understand their rights and their ability to exercise them.
- **11.** We want to embed a culture of 'working with children' and not 'doing to' children. This in turn will enable children and young people to take charge of their plans and experiences.
- **12.** To continue our aspiration and ambition, we'll focus first on the children and young people we have corporate parenting responsibilities for.
- **13.** To navigate the constitutional process and reach the Executive so that Young People's Panel, in its current form, can be stood down.
- **14.** To replace Young People's Panel with an established and thriving modern children in care council and leaving care forum.
- 15. To work collaboratively with colleagues from corporate parenting service, virtual school, social work academy, youth offending service, quality assurance, audit, independent reviewing officers, leaving care and family partnership service to develop and strengthen the approach towards engagement and participation within the children in care council and leaving care forum.
- 16. To recruit an engagement and participation lead to develop and strengthen the engagement and participation approach. This post will be a fixed term post and we hope that there will be expressions of interest from internal candidates. If not, timescales could be up to 3 months to recruit to the role. It is anticipated to be an M3 and the role will have line management function of the E&P manager role and additional support to get us to a place where we have a thriving and established Children in Care Council and Leaving Care Forum.

#### **Proposal**

- 17. That the Executive approve that the organisation develop a modern children in care council and leaving care forum that provides the opportunity for all children in our care or leaving our care to have a voice, to influence decisions that impact them and to meet with the Corporate Parenting Board members both formally at the Board meetings but also through the fun activities that the children and young people enjoy.
- **18.** That the Executive approve that the modern children in care council and leaving care forum are able to provide representation at the Corporate Parenting Board and a



- standing agenda item would be added for the children in care council and leaving care forum feedback, both for our young children and older.
- **19.** That officers continue to develop proposals for hearing the voice of young people represented at the Children in Care Council, through the Corporate Parenting Partnership Board

### **Key Risks**

- **20.** The organisation doesn't discharge its statutory duty to hear from children and young people with care experiences.
- **21.** The organisation doesn't discharge 'corporate parenting responsibilities' to children and young people with care experiences.
- **22.** Reputational damage to the organisation through not discharging its 'corporate parenting responsibilities.
- 23. Legal challenge to the organisation for not discharging its statutory duties in relation to the voice of children and young people specifically the Children's Act 1989 as amended and United Nations Convention on the Rights of the Child (UNCRC).

#### **Consultations**

**24.** Children's Services Scrutiny Group considered this report on 26<sup>th</sup> October 2021 and had no observations to make.

### Alternative options considered and rejected (please specify)

**25.** To continue status quo with Young People's Panel. This was rejected because children and young people with care experiences tell us it is time expired and that it no longer serves their interests in the way they wish.

### **Appendices Attached**

26. Integrated Impact Assessment

### List of Background Papers - Local Government Act 1972, Section 100D

**27**. None

### Implications - an appropriate officer must clear all statements

For CLMT only Legal and Finance are required

#### Required

Item	Details	Clearance Agreed By	Dated
Legal	There is no risk legally due to the council still adhering to the requirements outlined above in point 23. The Young People Panel is being replaced with the Children in Care Council which will continue to provide a voice for the Child/ Young person.	Vicky Sowah	26.10.2021



Item	Details	Clearance Agreed By	Dated
Finance	Financial Implications are included in the main body of the report.	Atif Iqbal (Finance Business Partner)	26/10/2021
Equalities / Cohesion / Inclusion (Social Justice)	No risk, the Children in Care council is a collaborative approach for all children and young people. There is an approach outlined to share how this will be accessible for all and needs met to ensure full collaboration.	Maureen Drummond, Equality and Diversity Adviser	26 October 2021
Environment	No effect on environment. Will be a collaboration with all children and young people across Luton.		
Health	Will promote Health and Wellbeing through this Children in Care Council.	Elizabeth Elliott	26/10/21

### Optional

Item	Details	Clearance Agreed By	Dated
Community Safety			
Staffing			
Other			

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The key aim of an impact assessment is to ensure that all Council policies, plans and strategies support the corporate mission statement

'Enabling Luton to be proud, vibrant, ambitious and innovative'.

### Why do I need to do an IIA?

The aim of this impact assessment process is to:

- Ensure adherence to the legal duties contained within the Equality Act 2010 and associated Public Sector Duty to analyse the impact of decisions to be undertaken by Council.
- Ensure the Council has **due regard** to equality taking a proportionate and timely approach to analysing the impact on citizens.
- Minimise duplication of initial impact assessments with regards to Environment and Health and maximise consideration of other key Council priorities of Inclusion and Community Cohesion.
- Ensure that the Council has been able to consider the social, health, environmental
  and economic impacts in its decision making in a single document and, where
  necessary enable the production of a comprehensive action plan to mitigate any
  potential negative impacts identified.

### When do I need to do an IIA?

- An IIA must be started at the beginning of any project, policy or strategy, and cannot be finalised until such time as all consultations, as required, are undertaken.
- The Impact Table will help you to make early consideration of the potential impacts of your proposal and should be used from the point at which preliminary report is taken to Corporate Leadership and Management Team (CLMT) where appropriate. By using this table at your earliest point in the project, potential impacts can be highlighted and it will also be clear whether you need to carry out a full IIA.
- If you complete this table and all impacts identified are neutral, i.e. there is no
  noticeable impact on characteristics and priorities listed and you are fully confident of
  this, please contact the SJU by email setting out how you have reached this
  judgement as it is unlikely you will need to carry out a full IIA.
- An IIA must at all times identify those who will be affected by the decision, policy or strategy.
- At a time of economic austerity IIA authors are minded to consider the whole range of decisions, both locally and nationally when analysing the impact on citizens.
- Your first early draft is to be sent to the Social Justice Unit for comments and guidance
- Once consultation has ended, the IIA must be updated with results of the consultation and returned to Executive, where required, for further consideration and approval – at this stage it will be signed off as completed by the Social Justice Unit.

If you need further guidance please contact the Social Justice Unit (SJU). Please see links at the end of this document to key Corporate and Partnership documents that may help you complete this IIA.



Proposal Title:	Creation of a modern children in care council and leaving care forum.
Lead Officer Name:	Alli Parkinson.
Date of IIA:	20 <sup>th</sup> September 2021

Date updated after consultation:	
Early draft Seen by: (Please send an early draft of your IIA to the SJU to ensure all impacts are being considered at the appropriate time)	Maureen Drummond, Equality and Diversity Adviser, 27 September 2021

Finalised IIA Signed and seen by SJU :	
Name:	
Date	

Names of all other contributors and stakeholders involved in the preparing of this proposal who have been consulted with and agreed this assessment:  (Please note the IIA must not be carried out by one person)	Children with care experiences (under eighteen). Young People with care experiences (over eighteen). Young People's Panel members. Corporate Parenting Partnership Board members. Sancha Thomas (Head of Service for Strategic Safeguarding, Quality Assurance, Practice Improvement and Principal Social Worker) Mike Brown (Improvement Lead for Social Work Academy and Children and Young people's engagement and participation). Essex County Council (as Performance Improvement Partners). James Houghton- Future Voices (external consultant).
If there is any potential impact on staffing please include the name/s of the trade union representative/s involved in the preparation of this assessment or any supporting evidence of request to participate:	Not applicable.



### **Proposal Outline**

Information supporting the proposal (**who, what, where, how**, **why**). Breakdown of present users by ethnicity, age, sex, disability, religion/belief, sexual orientation (if recorded). Show areas in the town with the biggest and lowest needs. Greater emphasis is required at the start of the IIA on the service, how it is delivered now and how the new service will be delivered.

### Who is the proposal for?

Children and young people with care experiences aged 0-25.

### What is the proposal?

We are proposing to the Executive that Young People's Panel, Luton's version of a children in care council, is 'stood down' in its current format and replaced with a modern children in care council and leaving care forum using age appropriate youth groups that focus on the fun first before the formal. The voice from our children in care council and leaving care forum will be heard and acted upon at the Corporate Parenting Partnership Board.

### Where will the proposal take place?

The youth groups will run on a monthly basis at a Luton venue.

### How will the proposal work?

The youth groups will have an informal curriculum so that we can blend fun, creative activities with the 'business' side of understanding what children and young people with care experiences are telling us about their experiences- what is good and what could be improved.

### Why propose this?

Children and young people with care experiences tell us that the Young People's Panel is time expired and that it no longer serves their interests in the way they wish. The cohort would rather have fun first before formalities such as meetings.

Present youth members of Young People's Panel are;

MA- Male, 21 years old British Pakistani, doesn't identify as disabled, non-religious.

HK- Female, 23 years old, White British, doesn't identify as disabled, non-religious.

EA- Female, 17 years old, White British, doesn't identify as disabled, Christian.

MS- Female, 20 years old, White British, doesn't identify as disabled, non-religious.

#### Current operation of Young People's Panel.

The Panel meets quarterly and requires three young people and three councillors to be quorate. It is agenda led with written reports heard and an update written report is a standing agenda item on the corporate parenting partnership board. The youth representatives meet every two weeks in between to work on the 'business' aspects of the Young People's Panel and as a social function. The young people who are involved are on their journey to leaving care and not in care.

### Modern Children in Care Council Operation.

Children and young people with care experiences are 'auto-enrolled' in the Children in Care Council and written to with an age appropriate copy of the Pledge. Children and young people are encouraged to engage and participate on a level they feel comfortable from answering survey questions, to attending our activities in school holidays through to attending our monthly age appropriate youth groups. Same applies for those on their journey to leaving care, they will be auto-enrolled into the leaving care forum.



### Impact Table

The purpose of this table is to consider the potential impact of your proposal against the Equality Act 2010 'protected characteristics' and the Council's Social, Environmental and Economic priorities.

Once you have completed this process you should have a clearer picture of any potential significant impacts<sup>1</sup>, **positive**, **negative** or **neutral**, on the community and/or staff as a result of your proposal. The rest of the questions on this form will help you clarify impacts and identify an appropriate action plan.

Protected Crouns	Citizens/Community			Staff (for HR related issues)		
Protected Groups	Positive	Negative	Neutral	Positive	Negative	Neutral
Race	х					
Sex	х					
Disability	х					
Sexual Orientation			х			
Age	х					
Religion/Belief			х			
Gender Reassignment			х			
Pregnancy/Maternity			х			
Marriage/Civil Partnership (HR issues only)						
Care Responsibilities <sup>2</sup> (HR issues only)						
Social & F	lealth <sup>3</sup>					
Impact on community cohesion	X					
Impact on tackling poverty	X					
Impact on health and wellbeing	X					
Environi	ment					
Impact on the quality of the natural and built environment			x			
Impact on the low carbon agenda			х			
Impact on the waste hierarchy			х			
Economic/B	usiness					
Impact on Luton's economy and/or businesses			x			
Impact on jobs	X					
Impact on skills	X					

<sup>&</sup>lt;sup>1</sup> "Significant impact" means that the proposal is likely to have a noticeable effect on specific section(s) of the community greater than on the general community at large.

<sup>&</sup>lt;sup>2</sup> This is a Luton specific priority added to the 9 protected characteristics covered under the Equality Act and takes into account discrimination by association.

<sup>&</sup>lt;sup>3</sup> Full definitions can be found in section 3



### Please answer the following questions:

#### 1. Research and Consultation

1.1. Have you made use of existing recent research, evidence and/or consultation to inform your proposal? Please insert links to documents as appropriate.

### Click here for local demographics and information

We have researched operational children in care councils and leaving care forums with other local authorities such as Essex County Council (Performance Improvement Partner) and members of the Go East regional participation leads group including Central Beds, Bedford Borough and Hertfordshire. We have taken these findings and consulted with our children and young people with care experiences who have stated their preferences for the youth group model. We have consulted with Young People's Panel and the Corporate Parenting Partnership Board.

1.2. Have you carried out any specific consultation with people likely to be affected by the proposal? (if yes, please insert details, links to documents as appropriate).

**Guidance Notes**: If you have not yet undertaken any consultation you may wish to speak to the Consultation Team first as a lack of sufficient consultation could place the Council at risk of legal challenge.

#### Click here for the LBC Consultation Portal

As above, we have consulted with the stakeholders most likely to be affected specifically, children and young people with care experiences and officers who work with the cohort.

1.3. Have you carried out any specific consultation with citizens likely to be affected by the proposal? If yes, please insert details, links to documents, as appropriate above. Please show clearly who you consulted with, when you consulted and the outcomes from the consultation. Mitigations from consultation should be clearly shown in Action Plan at end of document.

For advice and support from Consultation Team click here

Not applicable.



### 2. Impacts Identified

2.1. Where you have identified a **positive** impact, for **communities or staff**, please outline how these can be enhanced and maintained **against each group identified**. Specific actions to be detailed in action plan below.

**Guidance Notes**: By positive impact we mean, is there likely to be a noticeable improvement experienced by people sharing a characteristic?

Age- This will be a positive impact as the proposed model of delivery will mean improved engagement and participation from younger children with care experiences. Currently, the Panel model is attended by older young people with previous cared for experiences so the 'voice' of our younger children with care experiences is not fully represented. Disability/SEND- This will be a positive impact as we will work with colleagues in our children with disabilities and SEND social work team to bring the voice of this cohort through to the children in care council either through physical representation on the children in care council or through use of the existing skill sets within the team to establish what children and young people with disabilities/SEND are telling us about their experiences.

Race- This will be a positive impact as we will undertake targeted work to increase the range of diversity of active members of our children in care council. This will best reflect the ethnicities of our children and young people with care experiences.

Sex- This will be a positive impact as we will undertake targeted work to increase our

range and reach with regards to children and young people with care experiences. In our current format, we have low numbers of active male members.

2.2. Where you have identified a **negative** impact please explain the nature of this impact and why you feel the proposal may be negative. Outline what the consequences will be **against each group identified**. You will need to identify whether mitigation is available, what it is and how it could be implemented. Specific actions to be detailed in action plan below.

**Guidance Notes**: By negative impact we mean is there likely to be a noticeable detrimental effect on people sharing a characteristic?

The negative impact is likely to be noticeable if we remain as is with the current model of delivery. Specifically, with regards to age and disability/SEND.

2.3. Where you have identified a **neutral**\* impact for any group, please explain why you have made this judgement. You need to be confident that you have provided a sufficient explanation to justify this judgement.

**Guidance Notes**: By neutral impact we mean that there will be no noticeable impact on people sharing a characteristic

With regards to the groups identified as having a neutral impact, we are confident that children and young people who identify in these groups will be included within the proposed youth group model.



### 3. Social & Health Impacts

3.1. If you have identified an impact on community cohesion<sup>4</sup>, tackling poverty<sup>5</sup> or health and wellbeing<sup>6</sup>, please describe here what this may be and who or where you believe could be affected, Please also ensure that you consider *any* possible impacts on Looked After Children.

**Guidance Notes:** Please use this section to describe the social and health impacts and detail any specific actions or mitigations in the action plan below.

For advice & support from the Social Justice Unit click here

For advice and support from the Public Health team click here

Community cohesion- The proposal will have a positive impact on cohesion within the care experienced community. The social and fun aspects of the model will encourage appropriate socialising and help to build a community for our children and young people with care experiences.

Tackling poverty- With regards to the Leaving Care Forum, we will be able to signpost to services and agencies that can support our young people with care experiences with regards to employment, education and training opportunities. For those who need to travel to the leaving care forum, we will cover reasonable travel expenses.

Health and Well-being- Using an informal curriculum format in a creative and engaging manner through group work, will support us to develop health and wellbeing with our children and young people with care experiences. We will co-design the work programmes with them so the sessions address the needs they have identified through consultation. Returning to face to face delivery from virtual spaces will improve the connection between children and young people and the adults who work with them.

<sup>&</sup>lt;sup>4</sup> is the proposal likely to have a noticeable effect on relations within and between specific section(s) of the community, neighbourhoods or areas.

<sup>&</sup>lt;sup>5</sup> is the proposal likely to have a noticeable effect on households that are vulnerable to exclusion, e.g. due to poverty, low income and/or in areas of high deprivation

<sup>&</sup>lt;sup>6</sup> Is the proposal likely to have a positive or negative impact on health inequalities, the physical or mental health and wellbeing of an individual or group, or on access to health and wellbeing services?



### 4. Environment Impacts

4.1. If you have identified any impacts related to the built and natural environment<sup>7</sup>, low carbon<sup>8</sup> and waste minimisation please describe here what this may be and who or where you believe could be affected

**Guidance Notes:** Is the proposal likely to impact on the waste hierarchy which includes issues shown in the table below:

#### **Waste Hierarchy**



For advice and support from the Strategy & Sustainability Team click here

Not applicable.

<sup>&</sup>lt;sup>7</sup> Is the proposal likely to Impact on the built and natural environment covers issues such as heritage, parks and open space, cleanliness, design, biodiversity and pollution?

<sup>&</sup>lt;sup>8</sup> Is the proposal likely to impact on low carbon includes issues such as use of energy, fuel and transport.



#### 5. Economic Impacts

5.1. If you have identified any impacts related to Luton's economy and businesses 9, creating jobs10 or improving skill levels 11, please describe here what this may be and who or where you believe could be affected

**Guidance Notes:** Please use this section to describe the social impacts and detail any specific actions or mitigations in the action plan below. Please detail all actions that will be taken to enhance and maintain positive impacts and to mitigate any negative impacts relating to this proposal in the table below.

### For advice and support on Economic Development click here

As highlighted earlier in the IIA, the leaving care forum in particular will help to improve skills levels as we are able to signpost to service and agencies that can support our young people in relation to skills and employment with schemes such as the passport to employment and apprenticeships within the organisation and beyond.

<sup>&</sup>lt;sup>9</sup> Is the proposal likely to impact on Luton's economy and businesses for example by creating an opportunity to trade with the Council, support new business opportunities?

<sup>&</sup>lt;sup>10</sup> Is the proposal likely to impact on the creation of new jobs in the local economy? This will also link to health and well-being and the reduction of poverty in the social box.

<sup>&</sup>lt;sup>11</sup> There are significant skills gaps in Luton's economy. Is the proposal likely to create opportunities for up skilling the workforce or to create apprenticeships?



### **Impact Enhancement and Mitigation**

Please detail all actions that will be taken to enhance and maintain positive impacts and to mitigate any negative impacts relating to this proposal in the table below:

Action	Deadline	Responsible Officer	Intended Outcome	Date Completed / Ongoing
Targeted work around disability and SEND.	30 <sup>th</sup> June 2022.	Mike Brown/Kate Burchell/Ellie Smith/Philip Hilaire-Moore	To ensure that the 'voice' of our children and young people with disabilities/SEND is heard either through physical presence where possible or through those that care and work with them.	Ongoing

A review of the action plan will be prompted 6 months after the date of completion of this IIA.

### **Key Contacts**

Name	Position
Alli Parkinson	Service Director for Operations, Statutory Social Work and Family Partnership Service
Sancha Thomas	Head of Service for Strategic Safeguarding, Quality Assurance, Practice Improvement and Principal Social Worker.
Mike Brown	Improvement Lead for Social Work Academy and Engagement and Participation.

# **Integrated Impact Assessment Form (IIA)**



#### **Next Steps**

- All Executive Reports, where relevant, must have an IIA attached
- All report authors must complete the IIA section of Executive Reports (equalities, cohesion, inclusion, health, economic, business and environment)
- All reports are to be forwarded to the Social Justice Unit, Legal Department, Public Health and Strategy & Sustainability Unit for sign off in time for Executive deadline
- On the rare occasion that the Social Justice Unit are unable to sign off the report, e.g. recommendations are in breach of legislation, a statement will be submitted by Social Justice Unit Manager or Equality and Diversity Policy Manager

Completed and signed IIA's will be published on the internet once the democratic process is complete

#### **Useful Documents**

Corporate Plan

http://intranet/SupportServices/Document%20library/LBC-corporate-plan.pdf

**Equality Charter** 

https://www.luton.gov.uk/Community\_and\_living/Lists/LutonDocuments/PDF/Social%20Justi

ce/Equality%20Charter.pdf

**Social Justice Framework** 

Joint Strategic Needs Assessment (JSNA)



Report For:	Executive	Item No:
Date:	8 <sup>th</sup> November 2021	•
Report Of:	Colin Moone - Service Director, Housing	9
Report Author:	Dave Stevenson, Strategic Regulatory Manager	
-	(Special Operations)	

Subject:	Additional HMO & Selective Licensing Consultation	
Lead Executive Member(s):	Cllr Shaw	
Wards Affected:	All	
Consultations:	Councillors	
	Scrutiny	□*
	Stakeholders	✓
	Others	

#### Recommendations

- 1. Executive is recommended to:-
  - (i) Confirm that making a designation will significantly assist them to achieve the Housing Strategy objectives;
  - (ii) Delegate to the Service Director, Housing, in consultation with the Portfolio Holder, to instruct officers to proceed with the implementation of a Selective Licensing Scheme, requiring all privately rented accommodation, in South ward to have a property licence;
  - (iii) Delegate to the Service Director, Housing, in consultation with the Portfolio Holder, to instruct officers to proceed with the implementation of a Borough-wide Additional Licensing Scheme, requiring all Houses in Multiple Occupation to have a property licence;
  - (iv) Approve the Draft Licence Conditions set out at Appendix A1;
  - (v) Delegate to the Service Director, Housing in conjunction with the Portfolio Holder to make any necessary amendments to the Licence Conditions, and
  - (vi) Approve the fee structure set out at Appendix A2.

#### **Background**

2. The Council has powers under Part 1 of the Housing Act 2004 to deal with disrepair in privately rented properties. Houses in Multiple Occupation (HMO) occupied by 5 or more people are required to be licensed under the Housing Act 2004 (mandatory HMO licensing), and these powers can be supplemented with Additional Licensing powers (for Houses in Multiple Occupation) under Part 2 of the Act and Selective Licensing powers (for privately rented single family dwellings) under Part 3, as part of the wider strategy to improve housing conditions and drive management standards up through intervention and advocacy. The council can take enforcement action under Part 1 of the Act, whilst ensuring, through licence conditions, that the properties are properly managed to prevent further deterioration.

- 3. The Council's previous Additional Licensing Scheme applied to all Houses in Multiple Occupation (HMO) in Luton between 2013 and 2018. Since the end of the scheme the Council has only been able to licence those HMOs housing 5 or more people, and a substantial number of HMOs, are not covered, estimated to be around 3,800.
- 4. Selective Licensing Schemes, cover *all* rented accommodation, within a defined area and can include Houses in Multiple Occupation as well as those properties rented to single families.
- 5. Licensing schemes, require the premises to be licensed, meet certain standards and the landlord to be a fit and proper person. Local authorities have discretion to set the precise conditions of the licence in relation to anti-social behaviour and general management of the property. These can include conditions relating to the use and occupation of the house, and measures to deal with anti-social behaviour of the actual tenants or those visiting the property. There are also certain mandatory conditions which must be included in a licence. Licensees are required to:
  - present a gas safety certificate annually to the local housing authority (LHA), if gas is supplied to the property;
  - keep smoke alarms in proper working order;
  - keep electrical appliances and furniture (supplied under the tenancy) in a safe condition;
  - supply the occupier with a written statement of the terms of occupation, and
  - demand references for persons wishing to occupy the house.
- 6. The licence conditions (Appendix A1) may also assist with managing the level of fly tipping as landlords will have a duty to ensure that their tenants are informed of how to dispose of household refuse, including bulky items, correctly.
- 7. Licences run for a five year period and the scheme itself would be reviewed five years from introduction.
- 8. If an authority believes that a landlord has breached licence conditions they can issue legal proceedings which could result in an unlimited fine for each offence. Operating a property without a licence in a designated area is a criminal offence and can attract an unlimited fine on summary conviction. The Council additionally has powers to issue a Civil Penalty for such offences. Properties suspected of needing a licence but failing to do so will be visited by the Council's Rogue Landlord Team, which has already seen a significant number of successful prosecutions in relation to unlicensed HMOs and, where appropriate, legal proceedings may be commenced. Local authorities are required to obtain confirmation from the Secretary of State for any selective licensing scheme which would cover more than 20% of their geographical area or would affect more than 20% of privately rented homes in the local authority area. Local authorities are required to obtain confirmation from the Secretary of State for any selective licensing scheme which would cover more than 20% of their geographical area or would affect more than 20% of privately rented homes in the local authority area. South ward covers 6.64% of the Borough and the BRE data indicates there to be 24,006 privately rented properties in the Town, and 4,444 privately rented properties within South ward. 162 of these are covered by the mandatory HMO licensing scheme leaving 4,282 properties which would be subject to Selective Licensing or 17.8% of privately rented properties in the Town.
- 9. In conjunction with external consultants, the Council completed a consultation exercise in the summer of 2021, proposing the introduction of a Borough-wide Additional Licensing Scheme together with a Selective Licensing Scheme in South ward, which has the highest number of privately rented properties. The consultation document is included at Appendix A3 and a summary of the consultation is included at Appendix B.

10. The Council also commissioned a Private Sector Stock Modelling Report from the Building Research Establishment (BRE) to provide current data/intelligence relating to the condition of the private sector stock as required by section 3 of the Housing Act 2004, to inform future policy direction.

#### **The Current Position**

- 11. The Private Rented Sector (PRS) in England has grown from 1 in 10 households in 2004 to 1 in 5 households in 2019 (19%). Private rented sector housing is a large and growing proportion of the overall housing stock in Luton. Although owner occupation still predominates in the borough, for an increasing number of our residents the private rented sector is the only solution to securing an affordable place to live. The sector is therefore meeting an essential need, and as the population continues to grow this is unlikely to change for the foreseeable future.
- 12. The BRE report estimated that the PRS in Luton is higher than the national average now accounting for 29% of the 83,438 dwellings in Luton. Additionally, around 80% of HMOs in the Borough fall outside of the mandatory HMO licensing scheme.
- 13. Poor housing in the private rented sector however, has negative impacts, not just on tenants, and these can be wide ranging including for example poor health and educational outcomes, but also on the wider community.
- 14. Licensing will help identify irresponsible landlords who impact negatively on the reputation of responsible landlords. It will assist landlords that are not familiar with all the requirements for establishing a rental business with what they need to do. It will raise conditions, management standards, improve tenancy arrangements and help tackle anti-social behaviour (ASB). Licensing will improve the renting in Luton by improving conditions, raising management standards and ensuring proper tenancy arrangements are in place. Tenants and prospective tenants will know that landlords are 'fit and proper' persons who have agreed to abide by the conditions of their licence. All licensed properties will be listed on a public register, which tenants can access to find out whether the property is licensed and will therefore be able to refuse to rent properties that aren't.
- 15. Before introducing a Licensing Scheme the Council must also:
  - ensure that the exercise of the power is consistent with their overall housing strategy
  - seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining licensing with other action taken by them or others
  - consider whether there are any other courses of action available to them that might provide an effective method of achieving the objective or objectives that the designation would be intended to achieve, and
  - consider that making the designation will significantly assist them to achieve the objective or objectives (whether or not they take any other course of action as well).
- 16. The Council's housing strategy 2019-2022 sets out "Quality Homes and Places" as one of our four priorities and the Council's strategic ambition for Luton 2020 2040 aims to ensure that everybody in Luton can afford a quality, safe and secure home to eradicate poverty and improve health outcomes for our population. The licensing scheme would support this strategy and policies relating to housing, private sector enforcement, empty homes, anti-social behaviour and homelessness. The scheme would also contribute to an improvement in housing conditions and lead to an increase in the numbers of properties reaching the required standard and giving the Council the potential to discharge its homeless duty into the private sector.

- 17. Similarly, the Council encourages owners of empty homes to bring them back into use and properties recovered in this way would reach the standard and could be licensed and used to house homeless households.
- 18. A Licensing scheme would further support the Council's ambition to drive up standards in the Private Rented Sector by requiring *every* HMO in the Town and privately rented residential property in South ward to be licensed. A scheme would complement existing enforcement powers and the cost of implementing the scheme would be met from the additional income generated.
- 19. Draft licence conditions are included at Appendix A1

#### **Finance**

- 20. The Council is able to set fees for the scheme to make it self-funding (but not to make a profit) and the level of fee will be set, in conjunction with the Portfolio Holder, reported to Executive and reviewed through the Scale of Charges process.
- 21. Fee setting is of critical importance in assuring the effectiveness of the selective licensing scheme. The scheme would be operated on a full cost recovery basis for all of the administration, processing, inspection, compliance and enforcement functions. The costs for monitoring and enforcing against unlicensed operators can also be included in the fee setting calculations.
- 22. The proposed fee structure is included at Appendix A2 and incorporates an "early bird" flat-rate fee applicable to Additional and Selective Licensing only, of £150, for completed full applications (with all relevant supporting documentation, certificates and the correct fee) submitted and received by the Council in the three month period prior to the commencement of the Additional and Selective schemes. The fee is not applicable to mandatory HMO licences because the scheme is already in force.
- 23. After the 3 month period and the schemes are in force, there are also discounts for landlords who are members of a trade body, recognised by the Council, which regulates its members through a Code of Management Practice, such as National Residential Landlords Association (NRLA), Association of Residential Letting Agents (ARLA), the Association of Residential Managing Agents (ARMA), the Royal Institute of Chartered Surveyors (RICS), the National Association of Estate Agents (NAEA) and Safeagent; and where the application is accompanied by an EPC showing the property to have a rating of band C or above, supporting the Council's green agenda. Only one discount can be claimed against each application.
- 24. Although self-funding, there is likely to be a revenue cost to the Council before any income is realised. The officers administering the scheme will need to be in post and operational in order to assess applications, set fees for each property and ensure properties reach the required standard before the licence is issued.
- 25. The BRE report indicates that there are around 3800 HMOs which would require a licence under a Borough-wide Additional Licensing scheme and in South ward there are around 3600 privately rented properties which would require a licence under a Selective Licensing scheme. Assuming the landlords of these properties all apply for a licence taking advantage of the early-bird discount, this will realise around £220,000 per year over the 5 years of the schemes, which would be enough to support 3 Private Sector Housing Enforcement Officers at M2 and 1½ L7 posts to administer the scheme. There can be no guarantee that landlords will come forward to license and so it is proposed to phase in the staff as the scheme develops. The Private Sector Housing Enforcement team is currently recruiting to an Enforcement Officer vacancy which would be dedicated to the schemes and it is anticipated that existing Private Sector Housing Enforcement Officers would pick up some of the enforcement work in the Selective Licensing

area as they encounter unlicensed properties during their routine casework, whilst passing the subsequent licensing of the properties back to the specialist team. The calculation is shown at Appendix A4

#### **Goals and Objectives**

26. To tackle poor conditions within the private sector stock through intervention and advocacy

#### **Proposal**

- 27. Due to:
  - a. the high proportion of properties in the private rented sector,
  - b. increasing levels of Private Sector Housing enforcement activity,
  - c. the area experiencing an influx of migration, and
  - d. the area suffering from a high level of deprivation
- 28. It is proposed to introduce a Selective Licensing Scheme from 1<sup>st</sup> April 2022 which will require all privately rented accommodation within South ward to have a property licence.
- 29. It is proposed to introduce a Borough-wide Additional Licensing Scheme from 1<sup>st</sup> April 2022 which will require all HMOs to have a property licence.

#### **Key Risks**

30. Legal challenge from local affected landlords and legal challenge from landlords' professional bodies who are generally against such schemes. It is difficult to predict what focus a challenge might take but is likely to be around the fees being charged and can be mitigated by ensuring that the evidence base is robust and the fees are transparent and set at a level to cover costs only.

#### **Consultations**

- 31. The consultation process ran from 12<sup>th</sup> July 2021 and ended on 22<sup>nd</sup> September 2021 a period of 10 weeks. During this period two online consultation events and a landlord forum were held, together with 4 drop-in sessions. A number of social media alerts were released directing people to the Council's consultation portal which hosted the scheme documents and an online survey.
- 32. During the consultation period e-mails from the Private Sector Housing Enforcement team officers all carried information advising people of the consultation and directing them to the consultation portal. Direct e-mails were sent to those landlords/letting agents who had provided their e-mail addresses and a letter was hand-delivered to all letting agents in the Town.
- 33. Key Headlines from the consultation are as follows:
  - Landlords represent close to half of all respondents to the online survey, influencing the results.
  - Support for an Additional licensing scheme was strongest overall, with half (50%) of respondents agreeing with the proposal. However, a large proportion disagreed (41%) with the proposal.
  - Landlord opposition was weaker for the Additional licensing proposal than for Selective licensing, conditions and fees, where opposition to these aspects of the proposal were much stronger.
  - Around half of respondents (49-58%) disagreed with the proposed Additional and Selective licensing conditions.
  - Disagreement was led by landlord opposition, and in complete contrast to the opinion of residents.
  - More than half of respondents (55-58%) felt the proposed licence fees were unreasonable.
  - Residents were less vehement in their opposition than landlords' views on the fee structure.

- At the end of the survey respondents were given the chance to provide any other comments on the proposals or any alternatives Luton Borough Council could consider. The most common was support for the proposed licensing scheme mentioning need for improving living conditions, standards and safety, better monitoring and control and/or protection for tenants.
- There were a similar number of comments regarding a desire for regular monitoring and checks to enforce conditions, and in-person inspections by the Council to ensure the proposed conditions were being met, and non-compliant landlords are penalised financially.
- There was a lot of overlap between feedback from the public meetings, landlord forums and formal written submissions. These are summarised here:
- Support for licensing was stronger among residents with opposition coming from landlords.
   Those opposed generally wanted Luton Council to make better use of existing regulations and to enforce standards.
- Landlords questioned how far they should be responsible for the behaviour of tenants, with many suggesting more input from the Council to support evictions and fines. Others felt the ASB stemmed from HMOs or social housing, both excluded from both licensing schemes.
- Respondents believed fees and added costs to landlords would be passed onto tenants in higher rents. Some suggested a flat-fee structure or a one-off charge with financial penalties for non-compliance as alternatives.
- Some believed that introducing a scheme would deter landlords and some would sell up, leaving tenants homeless.
- Alternatives included greater partnership working with landlords and agents, a stronger focus
  on ASB and using existing powers. There was a desire for landlord forums to be extended
  and become a regular event.
- 34. An analysis of the consultation is included at Appendix B

#### Alternative options considered and rejected (please specify)

- 35. The Council could re-launch a local landlord accreditation scheme. There would be a lot of administration for the scheme without any income being generated and could have minimal enforcement back-up. The previous scheme was withdrawn due to lack of take-up.
- 36. The Council could increase staffing levels in the Private Sector Housing Enforcement team, which would generate income and potentially be self-funding through the issuing of Civil Penalties, however, this option could only tackle issues such as disrepair at the property and would not include the fit and proper person test for landlords nor ensure that proper tenancy arrangements are in place.

#### **Appendices Attached**

Appendix A1 – Draft Licence Conditions

Appendix A2 - Fee Structure

Appendix A3 - Consultation Document

Appendix A4 - Fee Calculation

Appendix B – Consultation Analysis

#### **Background Papers**

Building Research Establishment Stock Modelling Report December 2019

# **IMPLICATIONS**

## For Executive Reports:

- All grey boxes must be completed
- All statements must be cleared by an appropriate officer

# For CLMT Reports:

- Only the dark grey boxes must be completed
- Clearance is not required

Legal	Clearance Agreed By	Dated
The legal implications are included in the body of the report. However, if Executive approve the recommendations, the Council must make a Designation by the beginning of January 2022, before the schemes go live in April 2022. During the Designation Period, landlords can take advantage of the 'early bird' discount on offer.	Samantha McKeeman	25 <sup>th</sup> October 2021
But I would like a bit in the legal bit stating. 'Any scheme that impacts more than 20% of geographical area or privately rented houses in the area needs Secretary of State approval.'		

Finance	Clearance Agreed By	Dated
The financial calculations included in the report are based on licensing at the discount rate. This conservative approach to income estimation is supported by resourcing that will be based on workloads. Taken together the budgetary implication is for a net nil position which also covers Shared Service Centre recharges.	Brighton Fong Interim Finance Business Partner	26/10/2021

Equalities / Cohesion / Inclusion (Social Justice)	Clearance Agreed By	Dated
Positive Impact on community cohesion; health & well-being; quality of the natural and built environment and on the low carbon agenda and jobs. There could be a potential impact on poverty as fees and added costs could be passed onto tenants, resulting in higher rents. This could be mitigated by ensuring that the evidence base is robust and the fees are transparent and set at a level to cover costs only.	Maureen Drummond, Equality and Diversity Adviser	20 October 2021
Environment	Clearance Agreed By	Dated
Enforcement of the standards may result in improvements to a number of components, including heating systems and window replacements, with more thermally efficient units and lead to reduction in energy use and carbon emissions.	Shaun Askins – Service Manager Strategy & Sustainability	25 October 2021

Health	Clearance Agreed By	Dated
There is a positive impact in improving private sector housing. Interventions that focus on landlords and housing repairs will support improved mental wellbeing and physical health. This also contributes to tackling health inequalities within the town by improving a key determinant of health.	Elizabeth Elliott, Public Health Registrat	25/10/21
Community Safety	Clearance Agreed By	Dated
Staffing	Clearance Agreed By	Dated
Other	Clearance Agreed By	Dated

**APPENDIX A** - Additional HMO & Selective Licensing Consultation

**A1 - Draft Licence Conditions** 

A2 - Fee Structure

**A3 – Consultation Document** 

A4 – Fee Calculation



# Luton Borough Council Draft Schedule of Property licensing scheme conditions Schedule 4 Housing Act 2004

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# Schedule of Property licensing scheme conditions – schedule 4 Housing Act 2004

The following conditions apply to **all** privately rented properties used for residential accommodation requiring a property licence from Luton Borough Council. Additional conditions apply to Houses in Multiple Occupation (HMO), requiring a property licence from Luton Borough Council, and these are detailed at the end of this document

#### General

The local authority (LA) will grant a licence to the most appropriate person. Where the licence holder is not the registered owner of the property, the LA may require the owner to sign an agreement that they will be bound by the conditions contained in the licence.

This will not affect the LA's statutory duty to enforce the legislation against any person with management or control. The licence holder must at all times be a fit and proper person to be the licence holder

The licence holder must take steps to ensure that the property, fixtures, fittings and furniture, including fire precautions, carbon monoxide alarms, gas, electrical, water and drainage installations, are maintained in a good state of repair, good working order and good decorative repair throughout the period of the licence.

The Licence Holder must ensure compliance with any relevant legislation and any Statutory Notice served in respect of the premises within the timescales specified on that Notice, or such other period as may be determined on Appeal of that Notice.

**Transfer of licence** – licences cannot be transferred to another person or organisation or property.

**Registered companies** – If the licence holder is a registered company and it is dissolved whilst the licence is in force, the licence ceases to be in force on the date of dissolution.

Failure to comply with any condition may result in the Licence being revoked and legal proceedings which could lead to unlimited fines and a criminal conviction.

#### 1. Tenancy management

- 1.1 The licence holder must give every occupier a written statement of the terms on which they occupy the property (tenancy agreement) and details of the arrangements in place to deal with repairs and emergencies when the tenancy agreement is signed, as well as how to report nuisance and provisions for dealing with anti-social behaviour. Full names of all occupiers must be listed on the tenancy agreement.
- 1.2 During the fixed term of the tenancy agreement, the licence holder must not make any attempt to increase the rent or make extra charges other than what is allowed for in the tenancy agreement. If the tenancy becomes periodic (there is no fixed term and the tenancy is continuing after the fixed term) any rent increases will be proposed through the appropriate legal procedure.
- 1.3 The licence holder must make a copy of the tenancy agreement available before the property is let so that tenants can read it before and have the opportunity to get independent advice before signing. Copies of the written statement of terms must be provided for inspection within 7 days of receiving a request in writing from the LA.
- 1.4 The licence holder must provide every occupier/prospective occupier with an information pack containing the following written information:

- the name, address, contact number and emergency contact number of the licence holder, landlord, manager and or managing agent or any representative acting on their behalf, if these details change then every occupier must be informed of these changes in writing and provided with the new contact information
- details of the amount and frequency of rent payable
- details of which Redress Scheme the property manager and or agent (if any) is a member of
- written rent receipts, note the written rent receipts must contain the following information:
  - o amount of rent payable
  - o date on which it is paid
  - o name of person receiving the payment
  - o name of person making the payment
  - o name(s) and room(s) number (if applicable) to which the rent relates to
- details of any deposit required
- details of what the deposit covers and arrangements for its return
- details of the approved scheme protecting the deposit
- details of who is responsible for the payment of any utilities (gas, electric, water) or other charges included in the rent including any agent fee's or charges
- details of who is responsible for the payment of council tax
- details of how to dispose of rubbish properly, including appropriate use of the bulky waste collection service and information on the recycling centre provided by Luton Borough Council. it must also include a prohibition regarding the illegal burning of waste and warn residents not to fly tip from the property
- details of the collection days for the refuse and recycling bins for the property
- details on what they can and cannot recycle
- details of how they can dispose of bulky waste and the penalties for fly tipping
- a copy of the licence and conditions
- current gas safety certificate (if supplied)
- energy performance certificate
- tenancy deposit certificate

In addition to giving the prescribed information to the tenants the licence holder must keep a record of having given this information i.e. a signed disclaimer, to demonstrate this information was received by the tenants, this must be retained and made available for inspection within 7 days of receiving a request in writing from the LA.

- 1.5 The licence holder must act lawfully and reasonably in requiring any deposits from occupiers, in handling rents, in returning deposits and in making deductions from deposits.
- 1.6 The licence holder must ensure that each tenant is made aware, in written format, that they are responsible for their own behaviour and the behaviour of other occupiers and visitors.
- 1.7 If the tenant does not comprehend English sufficiently to understand this information, the licence holder is required to make sure that someone is present who can act as an interpreter and explain these points for the tenant to understand. This can be achieved by obtaining a declaration signed by the tenant. This signed declaration must be kept by the licence holder for the period of the licence and made available for inspection within 7 days of receiving a request in writing from the LA the interpreter must also sign the declaration.

#### 2. References

- 2.1 The licence holder must obtain references for prospective tenants. These references must provide testimony as to the tenants past record of adhering to tenancy conditions and not committing antisocial behaviour.
- 2.2 The licence holder must undertake sufficient financial checks to satisfy themselves of the tenant(s) ability to pay the required amount of rent.
- 2.3 The licence holder must carry out the required home office and 'right to rent' checks.

- 2.4 It is understood that in certain circumstances it may not be possible to obtain a reference, i.e. where it is a first tenancy or newcomer to the UK. In these circumstances the licence holder must provide evidence to show this has been explained, and the tenant understands the implications of them not adhering to tenancy conditions.
- 2.5 The licence holder must retain the above information and make it available for inspection within 7 days of receiving a request in writing from the LA.

#### 3. Utility supplies

- 3.1 Gas and electric meters, fuse boards, gas and water stop taps should be accessible to all occupants at all times without having to pass through other accommodation or through a shop/business premises. Where this is not possible due to security issues, tenants must be able to shut off gas and electrics from within their accommodation.
- 3.2 The licence holder must not unreasonably cause or permit the water supply or drainage used by the occupants of the house to be interrupted.
- 3.3 The licence holder must not unreasonably cause or permit the gas or electric supplies used by the occupants to be interrupted.

#### 4. Gas

4.1 If gas is supplied to the property, the licence holder must produce to the LA for their inspection a gas certificate obtained in respect of the property within the last 12 months, within 7 days of receiving a request in writing from the LA. The inspection must be carried out annually by a competent engineer and the certificate should be retained for at least two years following its issue. The safety of the gas installation and appliances must be constantly maintained.

#### 5. Electrics

- 5.1 The licence holder must keep electrical appliances made available by the licence holder in the property in a safe condition and must provide a declaration as to their safety at the time of application and thereafter within 7 days of receiving a request in writing from the LA.
- 5.2 The licence holder must comply with the terms of The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020, and any other relevant legislation

#### 6. Furniture and furnishings

6.1 The licence holder must ensure that furniture and furnishings supplied by them are compliant with current fire safety legislation and must provide a declaration as to their safety at the time of application and thereafter within 7 days of receiving a request in writing from the LA.

#### 7. Energy efficiency

7.1 The licence holder must supply the LA with an energy performance certificate within 7 days of receiving a request in writing from the LA.

#### 8. Smoke and carbon monoxide alarms

8.1 It is a legal requirement for all rented properties to be fitted with smoke alarms and carbon monoxide alarms in rented homes. Smoke alarms must be fitted on every floor of the property as well as carbon monoxide alarms in properties which burn solid fuels. The licence holder must check the alarms are working at the start of every new tenancy in accordance with these regulations.

- 8.2 The licence holder must ensure that smoke alarms are installed in the property and kept in proper working order and provide a declaration as to their condition and position to the LA upon request. Smoke alarms must be tested at each property inspection, details of the test recorded by the licence holder and supplied to the LA within 7 days of receiving a request in writing from the LA.
- 8.3 The licence holder must inform the LA of any changes to the positioning of alarms.

#### 9. Fire safety

- 9.1 Fire alarm systems where fitted must be installed and maintained in accordance with the relevant British standard. The licence holder must provide, within 28 days of receiving a request in writing from the LA, a 'commissioning or annual inspection certificate', issued by a competent electrician.
- 9.2 Emergency lighting systems, where fitted, should be maintained in accordance with the relevant British Standard. The licence holder must provide, within 28 days of receiving a request in writing from the LA, a 'commissioning or annual inspection certificate', issued by a competent electrician.

#### 10. Overcrowding

- 10.1 The licence holder must not allow anyone to live or stay in the property if it is going to make it overcrowded. The licence will state how many people can live in the property. If the licence holder becomes aware the property has become overcrowded the licence holder must make the tenant aware that it is an offence and take appropriate action to alleviate the overcrowding.
- 10.2 The licence holder must ensure that rooms other than bedrooms are not used for sleeping purposes. The number of persons residing in the property shall not exceed the maximum number permitted on the licence.
- 10.3 The Licence Holder must ensure that the occupation and usage of the premises complies with the following

Room	Max no of occupants	Usage
Ground Floor Front room	This room is designated as communal areas (or other) and not	Lounge
Ground Floor Rear room	This room is designated as communal areas (or other) and not permitted to be used for sleeping	Dining Room
Kitchen	This room is designated as communal areas (or other) and not permitted to be used for sleeping	Kitchen
Bathroom	This room is designated as communal areas (or other) and not permitted to be used for sleeping	Bathroom
First Floor Front room		
First Floor Rear room		
Second Floor Front room		

Second Floor Rear room	
Outbuildings	

This table will be completed on a case by case basis

#### 11. Property management

- 11.1 The licence holder must ensure all reasonable and practical steps are taken to respond to repair and maintenance issues at the property and that any works to deal with repairs are undertaken within a reasonable period of time. The licence holder must notify tenants of dates and times when access is required for repairs and give reasonable notice.
- 11.2 The licence holder must ensure that:
  - the property is kept in a good state of repair and free from hazards
  - the property is secure by carrying out any emergency work necessary to protect the security of the property within 24 hours of notification e.g., damage to windows/entrance points to the property
  - the exterior of the property is maintained in a reasonable decorative order, and in a good state of repair
  - the exterior of the property and boundary walls, fences and gates etc are kept free from graffiti
  - gardens, yards and any external areas within the boundary of the property are kept in a reasonably clean and tidy condition and free from rodent infestation
- 11.3 The licence holder must ensure that the water supply and drainage system serving the property is maintained in good, clean and working order.
- 11.4 The licence holder must take reasonable steps to protect occupants from injury.
- 11.5 The licence holder must ensure that all fixtures are maintained in a safe condition including handrails, windows, stair coverings, fixtures, fittings and appliances.
- 11.6 The licence holder is required to have in place suitable emergency and other management arrangements in their absence, which must be communicated to the occupants.
- 11.7 The licence holder must take all reasonable steps to ensure that competent persons carry out all repairs to the property or any installations, facilities or equipment within it or its boundary, and that, repairs are completed to a reasonable standard. All tradespersons must remove all debris and redundant materials from the property and exterior after completing works.

#### 12. Property inspections

- 12.1 The licence holder and/or their manager must inspect the property within three to six months of the commencement of the tenancy and thereafter annually, to identify any problems relating to the condition and management of the property. The records of such inspections must be kept for the duration of the licence. As a minimum requirement the records must contain a log of who carried out the inspection, date and time of inspection and issues found and actions(s) taken. Copies of these must be provided to the LA within 28 days of receiving a request in writing from the LA.
- 12.2 The licence holder must ensure that the tenant's right to quiet enjoyment of the property is respected. Where entry is required to the property, the licence holder must ensure that any notice requirements contained in the tenancy agreement are complied with. Where the tenancy agreement does not contain any such requirements, the licence holder must ensure that the tenant receives **at least 24 hours written notice or 48hrs verbal notice** of intention to enter the property specifying the reason entry is required, say where it would not be reasonable to give such notice, such as where services are to be provided more quickly or in an emergency

#### 13. Waste and recycling

- 13.1 The licence holder should ensure suitable and adequate provision is made available at the start of a tenancy for storage of refuse generated in the property.
- 13.2 The licence holder must ensure that at the end of each tenancy any rubbish or unwanted household goods left behind must be removed and disposed of appropriately before the start of the next tenancy.
- 13.3 The licence holder must ensure that any rubbish, mattresses or goods left in the front or back garden or the pavement in front of the property must be immediately removed.

#### 14. Antisocial behaviour (ASB) (including noise)

- 14.1 The licence holder must take reasonable and practical steps to prevent or reduce antisocial behaviour by persons occupying or visiting the house and the use of the premises for illegal purposes. They must:
  - co-operate with the LAs ASB and Environmental Protection teams, and Bedfordshire Police, in resolving complaints of antisocial behaviour
  - undertake an investigation of any complaints regarding their tenants and implement an
    appropriate course of action in consultation with the Police and LA if either organisation is also
    involved in addressing the complaints. Written records of the investigations will be required
  - where the licence holder has reason to believe that the ASB involves serious criminal activity the licence holder must ensure that the police are informed
  - tenants must be made aware that they may be liable to enforcement action which may include possession proceedings under the terms of their tenancy if they, other occupiers, or their visitors:
    - o cause nuisance or annoyance to neighbours
    - o fail to dispose of refuse properly
    - o cause damage to fixtures, fittings, fire prevention or alarm equipment or installations or to the fabric of the premises
      - o fail to give access to inspection of works undertaken within their accommodation
- 14.2 The licence holder must take appropriate action upon discovery that the property is being sublet by the tenants

#### 15. Notification of changes

- 15.1 The licence holder must inform the LA of the following, directly in writing or by email, **within 14** days of the change occurring:
  - any change in the ownership or management of the property
  - any change in address, email or telephone number for the licence holder and/or agent/manager or any representative on their behalf
  - any change to their or the manager's circumstances which could affect their fit and proper person status
- **15.2** The licence holder must advise the LA directly, in writing or by email of any changes in the construction, layout, fire precautions or amenity provision of the property that would affect the licence or licence conditions **at least 28 days before starting work**.
- 15.3 The licence holder must advise the LA of any major works to be undertaken to the property, including conversions and modernisations or emergency problems relating to fire, flood or disaster and the tenants are made temporarily homeless.
- 15.4 The licence holder must ensure that whilst any alteration or construction works are in progress, the work is carried out to ensure the safety of all persons occupying or visiting the premises and to ensure that the appropriate consents are obtained from the planning and building control departments at Luton Borough Council **prior to any relevant improvement or repair works commencing**.

## HMO licensing scheme additional conditions – schedule 4 Housing Act 2004

The following conditions apply **only** to Houses in Multiple Occupation requiring a licence from Luton Borough Council.

#### 16. General

- 16.1 A copy of the following documents are to be displayed in a prominent position within the property at all times:
  - The licence
  - Gas Safety Certificate (If Supplied)
  - Electrical Installation Certificate
  - Energy Performance Certificate
  - Name and address of landlord
  - Name and address of any manager

#### 17. Space Standards

- 17.1 The licence holder must
  - a) ensure that the floor area of any room in the HMO used as sleeping accommodation by one person aged over 10 years is not less than 6.51 square metres;
  - b) ensure that the floor area of any room in the HMO used as sleeping accommodation by two persons aged over 10 years is not less than 10.22 square metres;
  - c) ensure that the floor area of any room in the HMO used as sleeping accommodation by one person aged under 10 years is not less than 4.64 square metres;
  - d) ensure that any room in the HMO with a floor area of less than 4.64 square metres is not used as sleeping accommodation.
  - e) notify the local housing authority of any room in the HMO with a floor area of less than 4.64 square metres.
  - ensure that where any room in the HMO is used as sleeping accommodation by persons aged over 10 years only, it is not used as such by more than the maximum number of persons aged over 10 years specified in the licence;
  - g) ensure that where any room in the HMO is used as sleeping accommodation by persons aged under 10 years only, it is not used as such by more than the maximum number of persons aged under 10 years specified in the licence;
  - h) ensure that where any room in the HMO is used as sleeping accommodation by persons aged over 10 years and persons aged under 10 years, it is not used as such by more than the maximum number of persons aged over 10 years specified in the licence and the maximum number of persons aged under 10 years so specified.

#### **Notes**

Reference to a number of persons using a room in an HMO as sleeping accommodation does not include a person doing so as a visitor of an occupier of the HMO.

A room is used as sleeping accommodation if it is normally used as a bedroom, whether or not it is also used for other purposes.

Any part of the floor area of a room in relation to which the height of the ceiling is less than 1.5 metres is not to be taken into account in determining the floor area of that room.

#### 18. Facilities

- 18.1 Where all or some of the units of accommodation within the HMO do not contain any facilities for the cooking of food
  - a)There must be a kitchen, suitably located in relation to the living accommodation, and of such a layout and size and equipped with such facilities so as to adequately enable those sharing the facilities to store, prepare and cook food;
  - b)The kitchen must be equipped with the following equipment, which must be fit for the purpose and supplied in a sufficient quantity for the numbers of those sharing the facilities
    - i) Sinks with draining boards;
    - ii) An adequate supply of cold and constant hot water to each sink supplied;
    - iii) Installations or equipment for the cooking of food;
    - iv) Electrical sockets;
    - v) Worktops for the preparation of food;
    - vi) Cupboards for the storage of food or kitchen and cooking utensils;
    - vii) Refrigerators with an adequate freezer compartment (or, where the freezer compartment is not adequate, adequate separate freezers);
    - viii) Appropriate refuse disposal facilities; and
    - ix) Appropriate extractor fans, fire blankets and fire doors.
- 18.2 Where a unit of living accommodation contains kitchen facilities for the exclusive use of the individual household, and there are no other kitchen facilities available for that household, that unit must be provided with
  - i) Adequate appliances and equipment for the cooking of food;
  - ii) A sink with an adequate supply of cold and constant hot water;
  - iii) A work top for the preparation of food (min 1,000mm x 500mm for single person unit);
  - iv) Sufficient electrical sockets;
  - v) A cupboard for the storage of kitchen utensils and crockery; and
  - vi) A refrigerator
- 18.3 Where all or some of the units of living accommodation in an HMO do not contain bathing and toilet facilities for the exclusive use of each individual household
  - i) Where there are four or fewer occupiers sharing those facilities there must be at least one bathroom with a fixed bath or shower and a toilet (which may be situated in the bathroom);
  - ii) Where there are five or more occupiers sharing those facilities and, where reasonably practicable, there must be
    - a) One separate toilet with wash hand basin with appropriate splash back for every five sharing occupiers; and
    - b) At least one bathroom (which may contain a toilet) with a fixed bath or shower for every five sharing occupiers;
  - iii) Where there are five or more occupiers of an HMO, and where reasonably practicable, every unit of living accommodation must contain a wash hand basin with appropriate splash back, (except any unit in which a sink has been supplied as kitchen facilities for the exclusive use of the individual household).
  - iv) All baths, showers and wash hand basins in an HMO must be equipped with taps providing a satisfactory supply of cold and constant hot water and must be connected to an appropriate drainage system.
  - v) All bathrooms in an HMO must be suitably and adequately heated and ventilated
  - vi) All bathrooms and toilets in an HMO must be of adequate size and layout;
  - vii) All baths, toilets and wash hand basins in an HMO must be fit for the purpose.
  - viii) All bathrooms and toilets in an HMO must be suitably located in or in relation to the living accommodation in the HMO.
- 18.4 Space heating, kitchen, bathroom and laundry facilities and equipment must be provided to meet the Houses in Multiple Occupation Standards adopted by Luton Council, and must be kept in good repair and proper working order.

19 Waste and Recycling
The licence holder must comply with any scheme which is provided by the LA relating to the storage and
disposal of household waste at the HMO pending collection.

A2 – Fee Structure



# **Residential Property Licensing Fees**

Licences will generally be issued for a 5 year period. Fee structure itself is subject to annual review in scale of charges.

Mandatory and Additional HMO Licensing	Licence fee
Up to 3 bedrooms	£488
Plus a charge per additional bedroom (or self-contained flat)	£122
over 3	
Selective Licensing	
Flat-fee	£488
Regardless of property size	
Early bird fee (Additional and Selective	
Licensing)	
Flat-fee	£150
Regardless of property size	
Completed full applications (with all relevant supporting	
documentation, certificates and the correct fee) submitted	
and received by the Council in the three month period prior	
to the commencement of the Additional and Selective	
schemes. No discount on mandatory HMO licences because	
the scheme is already in force.	
No further discounts apply during this 3 month period	
Discounts (only 1 discount per application)	
Discount for accredited landlords*	£122
EPC discount	£122
Where the application is accompanied by an EPC showing	
the property to have a rating of Band C or above	
Other	
Fee for production of floor plan by the council (HMOs	£228 + VAT = <b>£273.60</b>
only)	
Fee for copy of register	£43 + VAT = <b>£51.60</b>
Renewal fee	As licence fee
Online applications	No additional fee
Paper applications additional charge	£43 + VAT = <b>£51.60</b>

**Note:** All licence fees are made up of two parts - the first £122 of each fee covers the processing of the application which is not refundable and the remainder of the fee covers monitoring and enforcement which is refundable to unsuccessful applicants. Only one payment will be taken covering both parts of the fee.

#### \*Accredited landlords

A discount is available where the Landlord or manager of the property is a member of a trade body, recognised by the Council, which regulates its members through a Code of Management Practice, such as:

- National Residential Landlords Association (NRLA)
- Association of Residential Letting Agents (ARLA)
- the Association of Residential Managing Agents (ARMA)
- the Royal Institute of Chartered Surveyors (RICS)
- the National Association of Estate Agents (NAEA)
- Safeagent

The Membership/Registration number will be required during the application process.

A3 – Consultation Document



# **Luton Borough Council:**

# Private rented sector licensing scheme proposal

Consultation document

**Author:** Housing

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# Appendix 1 Private Sector Stock Modelling Report from the Building Research Establishment (BRE)

Appendix 2 Case study

**Appendix 3** Proposed Additional and Selective Licence Conditions

Appendix 4 Proposed schedule of licensing fees

#### What is property licensing?

There are three types of licensing schemes councils can use to regulate private rented properties in their boroughs. Two of the schemes relate to houses in Multiple Occupation – often referred to as HMOs. An HMO usually has a shared kitchen, bathroom and sometimes a shared living room (known as amenities).

Mandatory licensing: Since 2006, all councils in England have operated a licensing scheme for certain larger HMOs. Under this scheme, most HMOs that have five or more occupants living as two or more households have to be licensed by the local authority. The scheme was originally restricted to HMOs comprising three or more storeys, but that restriction was removed in October 2018.

Additional licensing: Councils can introduce additional licensing to cover any other type of HMO in their area. It can apply to specific types of HMOs in specific areas as determined by the local authority.

Selective licensing: this type of scheme covers all other privately rented properties within the designated area, subject to statutory exemptions.

The council can designate an area for additional or selective licensing for five years but must first demonstrate the evidence of their concerns, look at alternative approaches and consult widely.

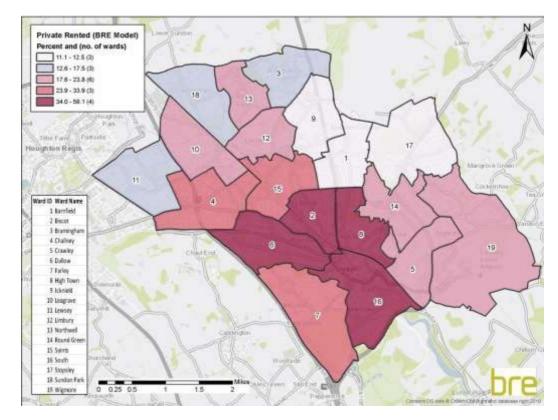
# Why is Luton considering licensing?

The Private Rented Sector (PRS) in England has grown from 1 in 10 households in 2004 to 1 in 5 households in 2019 (19%). Private rented sector housing is a large and growing proportion of the overall housing stock in Luton. Although owner occupation still predominates in the borough, for an increasing number of our residents the private rented sector is the only solution to securing an affordable place to live. The sector is therefore meeting an essential need, and as the population continues to grow this is unlikely to change for the foreseeable future.

Poor housing in the private rented sector however, has negative impacts, not just on tenants, and these can be wide ranging including for example poor health and educational outcomes, but also on the wider community.

In 2019, the Council commissioned a Private Sector Stock Modelling Report from the Building Research Establishment (BRE) in 2019 (Appendix 1) to provide current data/intelligence relating to the condition of the private sector stock as required by section 3 of the Housing Act 2004, to inform future policy direction.

The BRE report estimated that the PRS in Luton is higher than the national average now accounting for 29% of the 83,438 dwellings in Luton. More than half of the wards (12 out of 19 wards) in Luton have a percentage of private rented sector dwellings greater than the national average, in particular High Town (58.1%) and South (49.1%).



Some of the key issues identified with the PRS include:

#### Disrepair:

Disrepair is a problem across the private sector. On the modelled data used by BRE (and supported by information provided by the borough's enforcement activity), as many as 12% of all properties in the private sector have serious Category 1 HHSRS hazards, that is 8,655 dwellings in total. In the PRS alone this figure is slightly higher at 13%, or 3,138 dwellings.

Four wards are identified in the BRE report as having more than 40% private rented stock and of these South ward has the highest number of Category 1 hazards (572) (Table 8: Private rented sector stock – number and percentage of dwellings for each of the Housing Standards Variables, and average Simple SAP ratings by ward (BRE report).

# **Houses in Multiple Occupation:**

It is estimated that there are 4,576 Houses in Multiple Occupation (HMOs) in Luton, comprising 6.5% of PRS dwellings. At present, about 20% of HMOs (705) require licensing under the mandatory HMO licensing scheme and 80% of HMOs (3,871) fall outside the current licensing criteria. There are currently 440 licensed HMOs in the borough.

HMOs in the borough have slightly higher levels of excess cold and fall hazards than in the PRS overall and notably higher levels of fuel poverty but lower levels of disrepair and low income families. This latter fact is probably because HMOs are more likely to house working single person households.

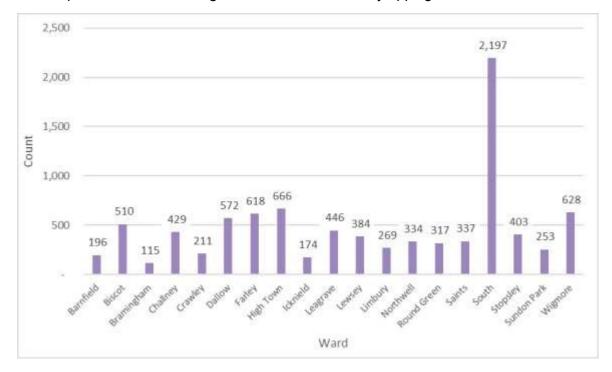
55% of all HMOs in Luton are in the four wards with over 40% private rented stock, South (847), High Town, (719), Dallow (638) and Biscot (330). Although HMOs are concentrated in the older central parts of Town they are becoming more common across the Borough.

Anti- Social Behaviour (ASB) and deprivation

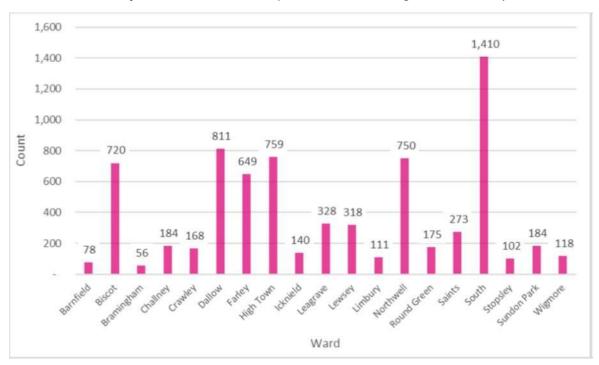
A number of issues have been associated with high concentrations of PRS housing, principally anti-social behaviour (ASB), fly tipping and deprivation. Problems with ASB are highest in South

ward (including data for the town centre), High Town and Wigmore, but it is very difficult to link incidences of ASB directly related to housing. However the BRE data suggests there could be some correlation between high levels of ASB and fly tipping with high levels of PRS stock.

The BRE report also shows the highest levels of ASB and fly-tipping in South ward.



Incidences of ASB by ward, 1/4/16 - 31/3/17 (Source: Luton Borough Council ward profiles



Incidences of fly tipping by ward, 1/4/16 – 31/3/17 (Source: Luton Borough Council ward profiles))

The report identified a correlation between concentrations of PRS dwellings and deprivation. In Farley ward for example, 83% of PRS dwellings are in the 20% of the most deprived Lower Super Output Areas in England. For Northwell the figure is 81%, for Biscot it is 72%., and for South ward it is 59%.

## **Enforcement Activity:**

,	nest levels of enforcement activity related to property conditions have been in south ward. The Council's show enforcement activity has been increasing in South Ward as follows:
	2017-18: 62 Statutory Notices served
	2018-19: 70 Statutory Notices served
	2019- 20: 81 Statutory Notices served

In each year the ward with the next highest activity is Biscot with 62 notices in 2017-18; 46 in 2018-19 and 44 in 2019-20.

A particular focus has been on the town centre where the highest levels of PRS and old buildings are located. It is frequently necessary to serve informal notices to resolve issues and in some cases take further action.

#### What are the benefits of licensing?

Licensing will help identify irresponsible landlords who impact negatively on the reputation of responsible landlords. It will assist landlords that are not familiar with all the requirements for establishing a rental business with what they need to do. It will raise conditions, management standards, improve tenancy arrangements and help tackle Anti Social Behaviour (ASB), see <u>Tackling anti-social behaviour (ASB)</u> together for more information on Anti Social Behaviour.

Licensing will improve the renting in Luton by improving conditions, raising management standards and ensuring proper tenancy arrangements are in place.

Tenants and prospective tenants will know that landlords are 'fit and proper' persons who have agreed to abide by the conditions of their licence.

All licensed properties will be listed on a public register, which tenants can access to find out whether the property is licensed and will therefore be able to refuse to rent properties that aren't.

How licensing fits with Luton Council's strategies

# **Housing Strategy**

The council's Housing Strategy 2019-22 sets out "Quality Homes and Places" as one of our four priorities. It should be noted that the Council is reviewing its housing strategy and a revised approach to housing in Luton will be available in the new year.

The strategy identifies that "Although most residents are satisfied with the town, where dissatisfaction exists, the condition of neighbourhoods is a key reason". Enforcement information quoted in the strategy demonstrated that the wards with the highest proportion of privately rented homes (Biscot, Dallow, Farley, High Town and South) were also particularly affected by noise, crime, fly tipping and poor housing conditions. The poor quality of homes in the private rented sector was also highlighted as a concern in consultation by "family workers and health partners, as well as residents of the town".

One of the actions from the housing strategy was to update our information about stock condition in the private sector, particularly the private rented sector. This information was intended to shape our work to improve housing quality in the private rented sector.

We also set out ambitions in the Housing Strategy to reduce fuel poverty by 25% and to capture improvements in the private rented sector to demonstrate the effectiveness of licensing schemes.

Since the Strategy was published we have carried out the stock condition survey update in 2019 and this has shown us some important data including:

- □ The proportion of private renting has increased to 29%, compared to a national average of 19%
- □ In High Town ward, 58% of homes are privately rented, and in South ward the proportion is 49%.
- Around 6.5% of privately rented homes in the town are HMOs, but in Dallow ward the proportion is 29%, followed by High Town ward (25%) and South ward (19%). South ward has the highest number of HMOs of any ward.

The updated stock condition survey was a key evidence document in our internal Residential Review which focused on the quality of private rented homes and how this connects with other information around neighbourhood enforcement, public health and planning enforcement. The Review concluded that High Town, Dallow, South and Biscot wards had high levels of private renting, HHSRS Category 1 hazards, antisocial behaviour and fly tipping.

#### Luton 2020-2040

The Council has set out its overarching strategic ambition Luton 2020-2040.

Our <u>"Plan on a Page"</u> clearly sets out ambitions to improve the quality and safety of homes in the town as part of our housing ambitions:

#### Quality and affordable Housing

Ensuring that everybody in Luton can afford a quality, safe and secure home is central to eradicating poverty and improving health outcomes for our population.

The strategy will aim to ensure that all households can access good quality house at a more affordable cost.

The strategy will also focus on more preventative measures to reduce debit and financial hardship from leading to homelessness for people of all ages.

Key outcomes for this strategy

- More affordable homes for families in Luton
- Fewer people and families who are homeless or living in temporary accommodation
- Ensuring more housing is decent, safe and secure

However, the overarching 2020-2040 plan also has other areas where ensuring quality homes are part of the delivery, including:

#### Ageing and Dying Well:

Ensuring elderly residents are living in decent housing Tackling

fuel poverty and pensioner poverty

#### A Town built on fairness and social justice:

Achieving equitable outcomes for all who are disadvantaged or at risk of disadvantage

#### A "Child Friendly" Town:

Making sure children and young people grow up feeling safe and secure

Reducing educational and health inequalities for children and young people in Luton

#### **Population Wellbeing Strategy**

Our <u>Population Wellbeing Strategy</u> was updated based on our new overarching Luton 2020-2040 vision and published in 2020.

Specific targets in the Population Wellbeing strategy which a licensing scheme would support, by ensuring improved quality of accommodation, are:

Overall ambition: Luton is a more equitable place where people thrive, have the opportunity to live a healthy life mentally, socially and physically; and maximize their potential	Percentage of households in fuel poverty
Priority 1: Giving all Luton's children the best start to their education, including speech and language development; and meet the SEND agenda	Excess Winter Deaths Source:     Office for National Statistics: Public     Health England Annual Births and     Mortality Extracts
Priority 8: Improve mental health and wellbeing for adults	Non-decent housing

#### Co-ordination with other functions and agencies

The licensing proposal will co-ordinate with, and support, a range of broader functions and agencies, for example, interested partner agencies working with private sector tenants such as Citizens Advice, the Irish Forum etc, to raise awareness both of the service and the standards that tenants should expect, and in particular:

	the Fire Service to improve fire safety in rented accommodation
	the Police tackling issues such as exploitation and modern day slavery
□ carried	Planning and Building Control Enforcement to ensure that relevant permissions are in place and work is out to the required standard
□ approp	Colleagues in the Council's Revenue's team to ensure that premises are correctly banded and riately charged for council tax and business rates
_ tipping	Colleagues in the Neighbourhood Delivery team dealing with anti-social behaviour and fly-
result c	The Council's Housing Solutions team where tenants threatened with homelessness as a flicensing activity or poor housing conditions
	The Council's Empty Homes officer for any homes identified as a result of licensing activity

#### Alternatives to licensing

Before implementing additional or selective licensing schemes, the Council must consider whether there are any other courses of action available to them that might provide an effective method of dealing with the problem or problems in question.

The Council must also consider that the proposed schemes will significantly assist in dealing with the problems identified, whether or not the Council also take other courses of action.

The Council has carefully considered whether there are any courses of action, other than licensing, which might achieve the same objectives in the proposed area.

The following alternative options have been considered to deal with the problems associated with the PRS in Luton. Whilst no single option will be effective, they will all be investigated further and progressed where appropriate in conjunction with licensing.

#### Planning Issues:

Introduction of an Article 4 direction to limit spread of HMOs - The introduction of such a direction would have no effect on developments already completed but would allow the Council to require planning permission for future developments, and could assist with improving the concentration and quality of HMOs over time.

Local Plan - The local plan review will consider the approach to purpose-built student accommodation, flats and HMOs.

#### Refuse Issues:

**Charging for collection** - Any additional waste above the max allowance to any private household (360 litre refuse bin for large family) from rented properties could be treated as (and charged for) trade waste. **Increased collections** - Similarly more frequent collections could be introduced (at a charge) for HMOs and flats where larger amounts of refuse is generated/accumulates.

The Council has also considered and discounted the following courses of action

#### Landlord accreditation

The Council could re-launch a local landlord accreditation scheme.

There would be a lot of administration for the scheme without any income being generated and could have minimal enforcement back-up. The previous scheme was withdrawn due to lack of take-up.

#### Landlord training

The Council could offer a training to (licensed) landlords with ad-hoc events on specific relevant topics. It is difficult to predict uptake, particularly where there are a number of other organisations offering similar training.

## Licensing Schemes being considered

# Additional licensing – rationale and evidence

The Council is proposing to introduce an additional HMO licensing scheme that will apply borough wide for five years. It will apply to all HMOs that are not already licensable under the mandatory HMO licensing scheme. This includes smaller rental properties occupied by three or four unrelated people forming two or more households who share amenities such as a kitchen or bathroom. For example, house and flat shares and bedsits.

The additional licensing scheme will include purpose built multi-occupied flats in blocks that comprise three or more flats. These properties are currently exempt from mandatory HMO licensing.

The additional licensing scheme will include certain converted blocks of flats known as section 257 HMOs. These are buildings that have been converted into self-contained flats, less than two thirds of the flats are owner occupied and where the conversion into flats does not meet the relevant building regulations. For historic conversions, they are assessed against the Building Regulations 1991. For more recent conversions, they are assessed against the Building Regulations in force at the time the building was converted.

To implement a borough wide additional licensing scheme covering all HMOs, the Council must consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public.

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. A number of landlords do not maintain their properties, leaving tenants at risk, and failing to adequately manage their properties leading to anti-social behaviour affecting neighbouring premises.

The Council continues to receive complaints across the Borough about HMOs averaging at 221 per year since August 2018 (when the previous Additional Licensing Scheme ended), many of which relate to premises accommodating less than 5 occupants.

Issues encountered at the premises include overcrowding, disrepair and inadequate fire precautions. Fire Safety in HMOs is a particular concern for the Council. Tenants of such accommodation may have cooking facilities in their rooms and not have the benefit of a single individual taking responsibility for the entire premises, ensuring appliances are switched off and electrical sockets not overloaded etc., which could result in the outbreak of fire.

Luton is a relatively compact local authority with 3 railway stations, and a university, and has seen the numbers of HMOs proliferate from 2,496 (Luton Borough Council private sector stock condition survey 2006) to an estimated 4,576 (BRE Integrated Dwelling Level Housing Stock Modelling and Database for Luton Borough Council 2019) – 3,871 of which having less than 5 occupants and, therefore, falling outside of the mandatory licensing scheme.

South ward has the highest number of HMOs (847 HMOs, 19% of private rented stock in that ward), followed by High Town ward (719 HMOs, 25%), and Dallow ward (638 HMOs, 29%). The same three wards also have some of the highest numbers and proportions of licensable HMOs.

HMOs have slightly higher levels of excess cold and fall hazards, notably higher levels of fuel poverty (Low Income High Costs definition) but lower levels of disrepair and low income households. Average Simple SAP ratings are poorer in private rented non-HMOs compared to HMOs. The higher levels of low income households in non-HMOs compared to HMOs may be a result of HMOs being occupied by the working population in Luton whereas non-HMOs could be more likely to be occupied by lone parents and/or families on benefits.

Appendix 2 contains an abridged and depersonalised version of an article which appeared in in Fire Safety Matters 13 November 2020 relating to a fatal fire which occurred at an HMO in Luton. At the time of the fire, there may have been up to 7 people staying in the premises, our investigation and a witness statement tells us that the premises had 4 tenants, and as such, would not have required a mandatory HMO licence.

#### Selective Licensing – rationale and evidence

Before introducing a Selective Licensing Scheme, the council must be satisfied that certain conditions are met. The evidence we have considered shows that the criteria under the Housing Act are met; specifically those relating to having a high proportion of properties in the private rented sector, poor housing conditions, deprivation and experiencing an influx of migration.

The BRE report identified 4 wards, High Town, Biscot, Dallow and South, where the levels of the private rented sector exceeded 40%. These same 4 wards had high levels of HHSRS Category 1 hazards, ASB and fly-tipping.

The following table considers those 4 wards further, showing the numbers in each category, and percentage level for the Index of Multiple Deprivation (IMD).

Ward		HMOs Mandatory	HMOs  Non mandator y <sup>1</sup>	PRS (non- HMO)	HHSRS Cat 1 hazards	ASB 3	Fly- tipping⁴	IMD 20% 5	Fuel Poverty 10% <sup>2</sup>
High Town	2848	136	583	2129	361	666	759	46%	140
Dallow	2188	84	554	1550	359	572	811	49%	158
South	4444	162	685	3597	572	219 7	1410	59%	227
Biscot	2139	68	262	1809	284	510	720	72%	147

In terms of migration, Data on migration is only available at the local authority level, therefore the BRE report compared migration figures for Luton to the 10 largest cities in England and England overall for the latest year available (mid-2017 to mid-2018). The data shows that for international migration the greatest turnover rate is in Manchester, followed by London, Liverpool and then Luton (BRE report 5.2.6).

Of the four wards with over 40% of private rented properties, South ward has the highest number of private rented stock, highest numbers of HMOs and the highest numbers of HHSRS category 1 hazards, ASB, flytipping and fuel poverty and the second highest levels of deprivation.

The Council is proposing to introduce a selective licensing scheme in the South ward for five years, as indicated on the map below.

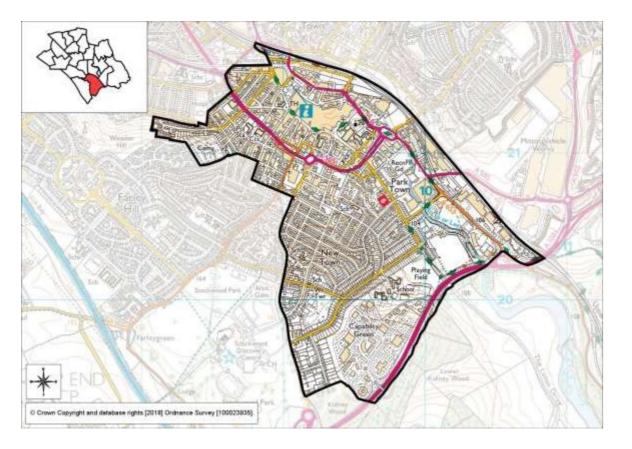
<sup>&</sup>lt;sup>1</sup> Number (and % of private rented stock) of HMOs and mandatory licensable HMOs by ward (BRE report)

<sup>&</sup>lt;sup>2</sup> Private rented sector stock – number and percentage of dwellings for each of the Housing Standards Variables, and average Simple SAP ratings by ward (BRE report)

<sup>&</sup>lt;sup>3</sup> Incidences of ASB by ward 1/4/16 – 31/3/17 (BRE report)

<sup>&</sup>lt;sup>4</sup> Incidences of fly-tipping by ward 1/4/16 – 31/3/17 (BRE report)

<sup>&</sup>lt;sup>5</sup> Percentage of privately rented dwellings in each ward in Luton which are in the 20% most deprived areas in England (IMD 2019) (BRE report)



If you are unsure whether your property falls within the South ward, you can check using the postcode search facility on the Council's website:

#### https://democracy.luton.gov.uk/cmis5public/Councillors/tabid/63/ScreenMode/Ward/Default.aspx

The proposed licensing scheme will apply to all private rented properties that are not already licensable under the mandatory HMO and additional licensing schemes. This includes private rented properties occupied by a single household or two unrelated people.

There are some statutory exemptions, as set out in the Selective Licensing of Houses (Specified Exemptions) (England) Order 2006. These include, for example, properties managed or controlled by a local authority, police or fire authority and certain health service bodies. Also exempt are holiday homes and properties where the occupant shares the property with the landlord or a member of the landlord's family. This list is not exhaustive.

In choosing the size and location of the selective licensing area, the Council has decided to focus on South ward which has a very high number of private rented properties. It also has the most private rented properties with serious category 1 hazards. The ward contains 9,042 dwellings, of which almost half (49.1%) are privately rented.

By focusing solely on South ward, the selective licensing designation would cover less than 20% of the geographical area of the borough and would affect less than 20% of private rented homes in the borough. Such a scheme can be approved locally by the Council without requiring approval from the Secretary of State.

Within the ward, about 19% of private rented properties are let as HMOs and 81% are let as single family lets, or to two unrelated people. This shows that without selective licensing, the proposed additional licensing scheme will fail to tackle most private rented properties in the ward.

The Council has serious concerns about the condition of private rented homes in South ward and this is the primary reason for implementing the scheme. Before implementing a selective licensing scheme, the Council must be satisfied that the area has a high proportion of private rented properties compared to the total number of properties in the area. This requirement is met. In South ward, almost half of all properties are privately rented. This is far higher than the national average of 20% and the Luton average of 29%.

The second consideration is that having carried out a review of housing conditions under section 3(1) of the Housing Act 2004, the Council considers it would be appropriate for a significant number of the private rented properties to be inspected with a view to determining whether any category 1 or category 2 hazards exist under the Housing Health and Safety Rating System. This requirement is met. The Council believes that a targeted proactive inspection programme is required.

The third consideration is that the Council intends to carry out such inspections with a view to carrying out any necessary enforcement action. This requirement is met. The Council will develop a risk-based and prioritised programme to inspect a significant proportion of private rented homes in South ward during the five-year scheme. The Council is prepared to use their full set of housing enforcement powers in a proportionate and risk-based manner.

In some cases, the landlord may improve conditions after receiving advice and guidance from council officers. In other cases, it may be necessary to serve an Improvement Notice or Prohibition Order. Where serious contraventions exist, this may result in prosecution on service of a civil financial penalty. The Council will explore what other interventions may be necessary to resolve any issues.

By adopting this approach, the Council believe that this proactive and targeted activity in the South ward will contribute to an improvement in the general housing conditions in the area.

Looking more specifically at the data, the BRE stock modelling report found there are 572 private rented properties in South ward with serious Category 1 hazards. This includes 324 properties with fall hazards and 138 properties with excess cold hazards. These figures are far higher than any other ward. In second place is Dallow ward which has 359 private rented properties with serious Category 1 hazards.

The BRE report also found South ward has an estimated 160 properties suffering from disrepair, which is a significantly higher number that in any other ward.

Under a Selective Licensing Scheme, local authorities have discretion to set the precise conditions of the licence in relation to anti-social behaviour and general management of the property. These can include conditions relating to the use and occupation of the house, and measures to deal with anti-social behaviour of the actual tenants or those visiting the property.

There are also certain mandatory conditions which must be included in a licence. The licence holder is required to:

present a gas safety certificate annually to the local housing authority (LHA),if gas is supplied to the property;

keep smoke alarms in proper working order;

keep electrical appliances and furniture (supplied under the tenancy) in a safe condition;

supply the occupier with a written statement of the terms of occupation; and demand references

The licence conditions (Appendix 3) may also assist with managing the level of fly tipping as landlords will have a duty to ensure that their tenants are informed of how to dispose of household refuse, including bulky items, correctly.

for persons wishing to occupy the house.

#### What are the proposals?

The Council is proposing to introduce the following:

- 1. A selective licensing scheme in South ward.
- 2. A borough-wide additional HMO licensing scheme.

Therefore if these proposals are agreed, there will be 3 distinct licensing schemes in operation in Luton.

The proposed schemes would extend licensing of privately rented homes to cover specific types of rented accommodation. The proposal is to include all HMOs across the local authority that are not already subject to mandatory licensing, along with all other privately rented accommodation within the South ward of Luton. Any scheme would run for a period of 5 years during which the Council would undertake a review of the scheme(s). At the end of the 5 years the scheme ceases to exist unless the Council designate a further scheme following an appraisal of the evidence of need and public consultation exercise.

The objectives of the scheme would be to achieve:

Raising standards in the private rented sector
Reduced levels of complaints about the condition of property from tenants
Reduced levels of ASB
Reduced levels of fly-tipping
Enable private tenants to receive support quickly if they encounter problems during their tenancy
Support landlords to provide accommodation at a required standard to renting tenants

#### How will the proposed schemes be delivered?

The Council is committed to ensuring that any Licensing scheme contributes to improvements in housing conditions across the private rented sector. The Council intends to inspect a significant number of licensable properties over the period of the licence.

The administration of the application process, including inspections and providing general advice and support to landlords will be undertaken by Officers funded by licence fee income.

The Council's Private Sector Housing Enforcement team will be responsible for the enforcement and will follow up reports of properties operating without a licence where one is required. The council will investigate properties operating without a licence and may instigate legal action - each case will be considered on its merits in accordance with the Council's housing enforcement policy.

The manager or person in control of the property has responsibility to ascertain whether the building should have a licence, and commits an offence if, without a reasonable excuse, fails to apply for a licence for the property if one is required.

Failure to license a property that is required to be licensed, and failure to comply with licence conditions (see Appendix 3) and/or other relevant legislation are criminal offences and may result in the council taking legal proceedings which could result in an unlimited fine or a civil penalty of up to £30,000

A prosecution may also lead to the council no longer considering that person to be a fit and proper person and revoking the licence.

The Council may,	depending of	on the offence	, take legal	proceedings	against any,	or all,	of the
following:							

licence holder,
the manager, or managing agent

anyone bound by the licence conditions
the person ultimately receiving the rent

If any of these positions are held by a company, the council may prosecute the director(s), manager(s), secretary or other similar officer, in addition to the company.

#### Enforcement of licensing

Selective and Additional (HMO) Licensing operate in the same way as mandatory (HMO) licensing and have the same legal status and penalties for non-compliance. Landlords will need to abide by a set of conditions as part of their licence.

Draft licence conditions have been drawn up, with different conditions proposals for the additional and selective licensing schemes. The proposed conditions are listed in Appendix 3. The Council welcomes any feedback on the proposed conditions as part of the consultation.

Officers will carry out a programme of pro-active compliance inspections of licensed properties. A firm approach to compliance will be taken. Enforcement action proportionate to the circumstances of the case and in line with the Housing Services Enforcement Policy will be taken against landlords found to be operating an unlicensed property covered by the scheme or failing to comply with licence conditions.

#### Monitoring the schemes

It is important that progress of the licensing scheme be monitored in line with its respective objectives. These are, in relation to privately rented properties subject to the schemes:

minimum standards of safety and welfare or better for residents
effective and appropriate management of privately rented properties
a reduction of the impact of poorly managed HMOs on local communities
the provision of support for landlords and agents to meet their objectives;
high levels of compliance with licence conditions; and
effective enforcement of the scheme.

Monitoring will be carried out through compliance inspections of licensable properties and collecting data on follow up action, work carried out with landlords and agents, and environmental impact.

#### Licence application and fees

#### **Application**

It is anticipated that licence applications will be accepted through an online application system on the council's website. The precise application system is still to be decided.

The council will only process applications which are valid - this means that each application for each property must be fully completed. Incomplete applications will be rejected and an administration fee retained.

Applicants will need to provide details including the number of letting rooms, storeys, occupants including any children/families etc, statements and declarations that the licence holder(s), person(s) in control and or managing the property are 'fit and proper persons' and a statement and declaration that any furniture

and furnishings within the property comply with The Furniture and Furnishings (Fire)(Safety) Regulations 1988 (as amended) They also need to provide details, of the management arrangements, for example how complaints from tenants, items of disrepair and emergencies are dealt with. Required documents/certificates for all properties: If there is gas at the property a current Landlords Gas Safety Certificate - the certificate must be carried out by a competent Engineer (within the last 12 months) and must cover any gas appliances within the property: Current (within the last five years) Electrical Installation Condition Report (EICR) - the report must be carried out by a competent engineer; Energy Performance Certificate (EPC); Copy of the existing Tenancy Agreement/Rental Contract(s), or if the premises are currently unoccupied, a copy of the agreements you propose to issue to your tenants and Residency check - tenants will be required to demonstrate that they are entitled to reside and remain in the United Kingdom, such as a valid UK Passport, or a permanent residence card issued by the Home Office. HMOs, will require the following documents in addition to those detailed above: A copy of floor plans showing the layout of the property, Where appropriate, a fire alarm test certificate complying with BS5839 (tested within the last 12 months □ If an emergency lighting system is present, a test certificate complying with BS5266 (tested within the last 12 months) Fire Safety Checklist, Fees In setting licence fees, the Council must ensure that the fee income does not exceed the costs of running the scheme, including the processing of applications, monitoring compliance and enforcing the scheme. The fee structure is also required to be reasonable and proportionate. 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; therefore a change of licence

## Additional licensing:

they may be adjusted to reflect changes in costs.

The standard application fee for a House in Multiple Occupation (HMO) with up to three bedrooms would be £488. There would be an extra charge of £122 for each additional bedroom. So, for example, the application fee for a four-bedroom HMO would be £488 + £122 = £610.

holder will require a new application and fee payment. A review of fees will be undertaken annually and

#### Selective licensing:

The standard application fee would be £488 per property, regardless of the size of the property.

Discounts:

For both schemes, the council will offer a flat-rate £150 'early bird' fee if a valid application is received in the three month period prior to the commencement of the scheme. This will benefit landlords and agents who act promptly to get their property licensed.

Once the licensing scheme is in force, the council will offer a £122 discount if the licence holder or their designated property manager are members of an accredited scheme or trade body recognised by the council.

The Council will offer a £122 discount where the application is accompanied by an EPC showing the property to have a rating of Band C or above

The full schedule of fees is included in Appendix 4.

#### How the fees have been calculated

Under the Housing Act 2004, councils are permitted to charge a fee for licence applications in order to cover their costs. Councils are not allowed to make a profit; equally they do not want to run at a loss. Local Authorities are not permitted to charge a fee for finding unlicensed properties but are allowed to charge for enforcement, administration and costs included in running the scheme for its full duration.

#### Consultation

The Housing Act 2004 requires that before making a designation, the Council is required to take reasonable steps to consult with persons likely to be affected by the proposed schemes. This includes local residents, 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 commences on the 12 July 2021 and finishes on the 22 September 2021. To provide an impartial consultation, M·E·L Research, an independent research agency are undertaking the consultation process on behalf of the council.

#### Evaluation and decision making

Following the closure of the consultation period the responses will be evaluated and a summary published on the Council's website. The responses will be considered and will inform officer recommendations to Executive Members before making a final decision as to whether to proceed with one or both licensing schemes.

If the Council's Executive agree the proposals, formal scheme designations would be made, giving three month's notice of the scheme start date. It is anticipated the schemes could start in April 2022 and last for five years, although this timescale may be subject to change.

If Executive decide not to introduce additional or selective licensing, the Council will continue to operate the existing mandatory HMO licensing scheme and the current reactive enforcement regime.

A4 – Fee Calculation

## Licensing Fees

#### Income

Additional Licensing	
Additional Electronist	
BRE estimates 3800 non-mandatory HMOs across the whole town; Assuming they all apply during first 3 months at £150 rate  Income over a 5 year period	£570,000
Selective Licensing	
BRE estimates 3597 private rented sector dwellings non-HMOs in South ward; Assuming they all apply during first 3 months at £150 rate  Income over a 5 year period	£539,550
Total for both schemes for the 5 year scheme	£1,109,550
For each year	£221,910

Expenditure	
3 Private Sector Housing Officers (assume top of M2) @ £50,000 (inc on-costs) each per year	£150,000
1.5 Property Licensing/Admin posts (assume top of L7) @ £40,000 (inc-on costs) each per year	£60,000
Licensing application software package	£10,000
Misc expenditure (paper/printing/software support etc)	£1,910

Net cost	£0

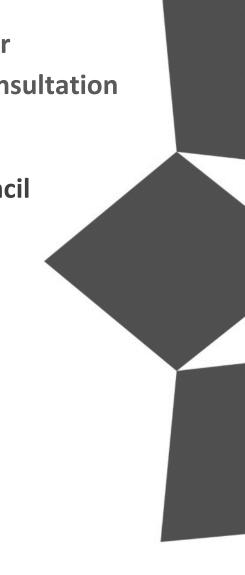


Private rented sector licensing scheme consultation

**Luton Borough Council** 

Final report v2.0

October 2021







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# **Project details and acknowledgements**

Title	Consultation on Additional and Selective licensing of private rented property in Luton
Client	Luton Borough Council
Project number	21035
Author	Alison Johnstone
Reviewer	Adam Knight-Markiegi

M·E·L Research would like to thank Luton Borough Council for their support with the consultation. We would also like to thank residents, tenants, landlords, agents and stakeholders for taking part in the consultation.

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## **Executive summary**

The private rented sector is a growing and important part of the housing offer. However, it often has concentrations of challenges for local authorities to address. One way to address these issues is licensing of private rented properties.

Luton Borough Council commissioned M·E·L Research to carry out a public consultation on introducing a borough-wide Additional licensing schemes of houses in multiple occupancy (HMOs) and Selective licensing of other private rented properties into South ward in Luton.

The consultation took place between 12 July and 22 September 2021, including an online survey, two public workshops, attendance at the Landlord Forum and written submissions.

Table 1: Summary responses on proposal (overall/by respondent group)

	Overall	landlord	Letting/ mgmt. agents	Private tenants	Residents
Base	282	134	13	28	95
Agree with Additional licensing	50%	25%	23%	61%	81%
Disagree with Additional licensing	41%	62%	62%	29%	16%
Agree with Selective licensing	39%	12%	23%	50%	76%
Disagree with Selective licensing	55%	83%	69%	36%	21%
Agree with Additional licensing conditions	50%	24%	23%	68%	82%
Disagree with Additional licensing conditions	41%	63%	69%	21%	14%
Agree with Selective licensing conditions	43%	16%	31%	54%	76%
Disagree with Selective licensing conditions	49%	78%	62%	25%	16%
Agree with Additional licensing fees	37%	11%	15%	39%	73%
Disagree with Additional licensing fees	55%	78%	85%	46%	22%
Agree with Selective licensing fees	43%	11%	15%	39%	73%
Disagree with Selective licensing fees	49%	84%	85%	46%	22%

# **Key headlines**

- Landlords represent close to half of all respondents to the online survey, influencing the results.
- Support for an **Additional licensing** scheme was strongest overall, with half (50%) of respondents agreeing with the proposal. However, a large proportion disagreed (41%) with the proposal.



- Landlord opposition was weaker for the Additional licensing proposal than for Selective licensing, conditions and fees, where opposition to these aspects of the proposal were much stronger.
- Around half of respondents (49-58%) disagreed with the proposed Additional and Selective licensing conditions.
  - Disagreement was led by landlord opposition, and in complete contrast to the opinion of residents.
- More than half of respondents (55-58%) felt the proposed licence fees were unreasonable.
  - Residents were less vehement in their opposition than landlords' views on the fee structure.

At the end of the survey respondents were given the chance to provide any other comments on the proposals or any alternatives Luton Borough Council could consider. The most common was support for the proposed licensing scheme mentioning need for **improving living conditions**, **standards and safety**, **better monitoring and control and/or protection for tenants**.

There were a similar number of comments regarding a desire for regular monitoring and checks to enforce conditions, and in-person **inspections by the Council to ensure the proposed conditions were being met**, and non-compliant landlords are penalised financially.

There was a lot of overlap between feedback from the public meetings, landlord forums and formal written submissions. These are summarised here:

- Support for licensing was stronger among residents with opposition coming from landlords.
   Those opposed generally wanted Luton Council to make better use of existing regulations and to enforce standards.
- Landlords questioned how far they should be responsible for the behaviour of tenants, with many suggesting more input from the Council to support evictions and fines. Others felt the ASB stemmed from HMOs or social housing, both excluded from both licensing schemes.
- Respondents believed fees and added costs to landlords would be passed onto tenants in higher rents. Some suggested a flat-fee structure or a one-off charge with financial penalties for noncompliance as alternatives.
- Some believed that introducing a scheme would deter landlords and some would sell up, leaving tenants homeless.
- Alternatives included greater partnership working with landlords and agents, a stronger focus on ASB and using existing powers. There was a desire for landlord forums to be extended and become a regular event.



# Introduction

The private rented sector is a growing and important part of the housing offer. However, it often has concentrations of challenges for local authorities to address. One way to address these issues is licensing of private rented properties.

Luton Borough Council commissioned M·E·L Research to carry out a public consultation on introducing a borough-wide Additional licensing schemes of houses in multiple occupancy (HMOs) and Selective licensing of other private rented properties into South ward in Luton. This report independently summarises the consultation responses.

## **Proposals**

Luton Council believes licensing will help identify irresponsible landlords who impact negatively on the reputation of responsible landlords. It will assist landlords who are not familiar with all the requirements for establishing a rental business with what they need to do. It aims to raise conditions, management standards, improve tenancy arrangements and help tackle anti-social behaviour (ASB). Tenants and prospective tenants will know that landlords are 'fit and proper' persons who have agreed to abide by the conditions of their licence.

The consultation focused on the degree to which respondents agree or disagree with the proposal to introduce the Additional and Selective licensing schemes. It also looked at any problems in Luton such as ASB, deprivation and property conditions, and the degree to which respondents feel the proposed fees and licensing conditions are reasonable or unreasonable.

### **Consultation methods**

We have gathered views of residents, tenants, local landlords, agents, businesses and others in order to help Luton Council make a decision on the licensing schemes. This has included the following elements:

- An **online survey** opens to all for the duration of the consultation period, from 12 July to 22 September 2021.
- Two online workshops for people to find out more about the proposals, ask questions and make comments. These were held on 3 August and 8 September 2021, with 12 people registered.
- Took part in the online Landlord Forum on 17 August 2021, when 51 people registered.



- Received written responses to the consultation using a dedicated email address. This received 27 responses from a mix of individuals and organisations.
- Luton Council carried out **drop-in sessions** during the consultation period.

## **Reporting conventions**

Owing to the rounding of numbers, percentages displayed on charts in the report may not always add up to 100% and may differ slightly when compared with the text. The figures provided in the text should always be used. For some questions, respondents could give more than one response (multiple choice). For these questions, the percentage for each response is calculated as a percentage of the total number of respondents and therefore percentages do not usually add up to 100%. The number of respondents to each question is presented as 'n=' throughout the report.



# **Survey results**

In total, we received 282 responses to the online survey. The sample profile is shown in Appendix C. Below is a summary of these responses.

## Survey respondent profile

The online survey asked respondents to choose their respondent type. Of the 282 responses, almost half (48%) were landlords and a third (34%) residents. A detailed respondent profile is shown at the end of this report (Appendix C).

Table 2: Profile of survey respondents by type

	Percentage of total	Number of respondents
A landlord	48%	134
A letting or management agent	5%	13
A privately renting tenant	10%	28
A resident	34%	95
Other*	4%	12

# Views on the proposed licensing schemes

## **Additional licensing**

The proposed **Additional licensing** scheme would require landlords to license all privately rented HMOs borough-wide unless they are covered by the existing mandatory HMO licensing scheme or exempt. An HMO is a dwelling of three or more people not forming a single household, who may share facilities such as a bathroom or kitchen.

Overall, half (50%) of survey respondents agreed with the proposal for Additional licensing and 41% disagreed. On both fronts, more respondents had stronger views, either strongly agreeing (38%) or strongly disagreeing (34%).

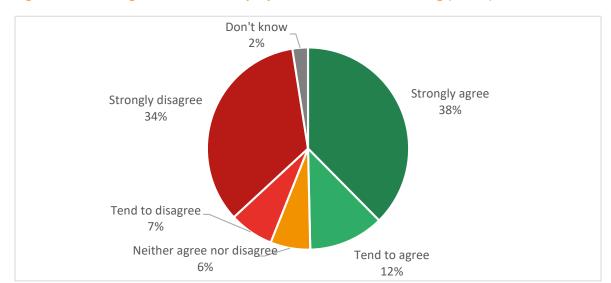


Figure 1: Level of agreement with the proposal for Additional licensing (n=282)

It can be useful to look the responses by respondent type, particularly to compare the feeling between landlords and agents, for example, and residents or tenants. As shown below, support for Additional licensing was strongest amongst residents (81%). In contrast, most landlords disagreed (62%). Views among private tenants were more mixed, although 61% did support the proposed Additional licensing scheme (albeit with a low number of responses altogether from private tenants).

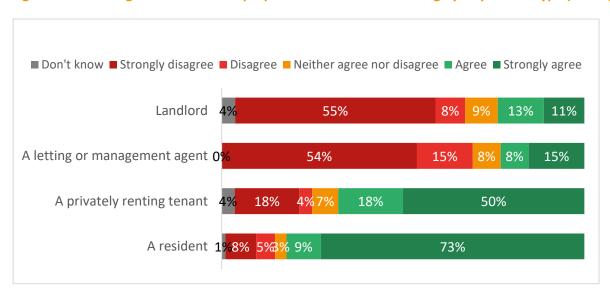


Figure 2: Level of agreement with the proposal for Additional licensing by respondent type (n=282)

All respondents were given the opportunity to tell us in more detail the reason for their agreement or disagreement with the Additional licensing proposal.



The most mentioned reason for agreement was that licensing HMOs will **improve the living** conditions, local area, standards and safety, and lead to better monitoring and control to protects tenants (114 respondents).

"Because whilst I am a responsible landlord who takes those responsibilities seriously there are a large number of landlords in Luton who do not, yet they seem to get away with it. landlord Licensing would bring them on radar and make them carry out their responsibilities."

The negative responses centred around the **additional costs** for landlords (27), and a feeling that it will penalise good landlords and let bad landlords to continue to operate (25), and concerns that the costs will ultimately be **passed on to tenants through rent increases** (20).

"I believe the licensing scheme will add an additional financial burden on landlords, who have already had the impact of COVID 19... The introduction of the licensing scheme will mean that being a landlord is no longer viable. The financial burden will be too much."

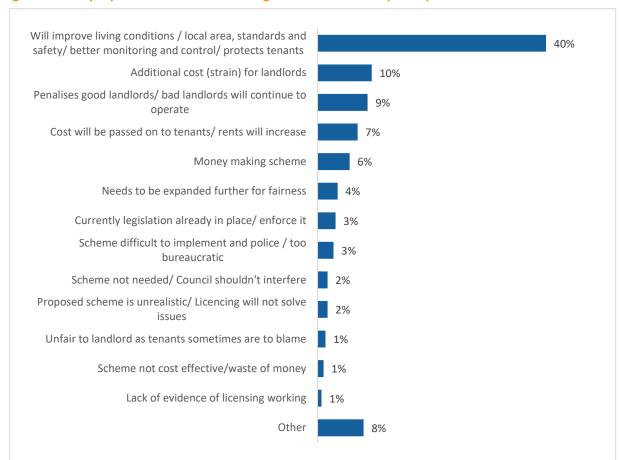


Figure 3. How proposed Additional licensing scheme will affect participants

### **Selective licensing**

**Selective licensing** would require landlords to licence all privately rented properties that are rented as single-family properties occupied by one household (ie single persons or couples, or one family) in South ward.

Many respondents agreed with the proposed Selective licensing scheme, with 43% agreeing. However, overall respondents were most likely to disagree with the proposal, with half (49%) disagreeing, most strongly so.

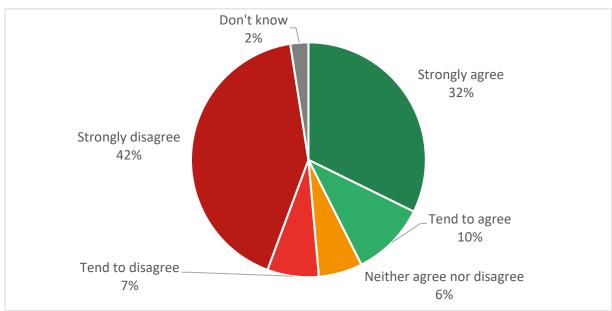


Figure 4: Level of agreement with the proposal for Selective licensing (n=282)

By respondent type, landlords again were most likely to disagree with the proposal (83%) compared to residents who were most likely to agree (76%).

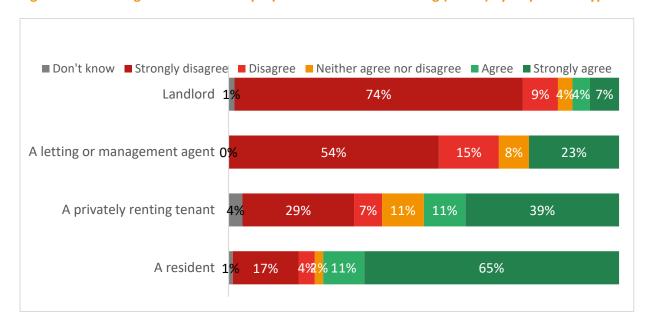


Figure 5: Level of agreement with the proposal for Selective licensing (n=282) by respondent type

Respondents were given the opportunity to tell us in more detail the reason for their agreement or disagreement with the Selective Licensing proposal for private rents to single families.

Most mentioned reason was that licensing single-household private rentals will improve the living conditions, local area, standards and safety, and lead to better monitoring and control to protects tenants.

"So much awful slum housing in Luton and no consequences for Rackman [sic] Landlords. Children and families living in terrible conditions, paying extortionate rent and fearful of ending up on the street." - ANON-9X8N-HVPY-X

The more negative responses centred around the additional costs for Landlords, and a feeling that the additional costs will penalise good Landlords.

"It will be financially penalizing me. Adding to the costs involved in maintaining my property for rental. Ultimately increasing the rent being asked for." - ANON-9X8N-HVP3-R

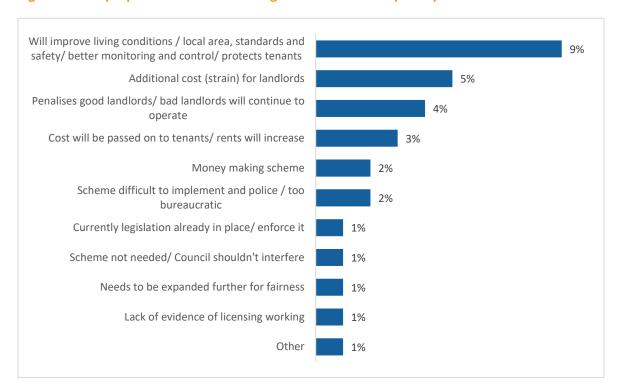


Figure 6: How proposed Selective licensing scheme will affect participants

## Views on the proposed licensing conditions

The online survey also asked respondents about the proposed licensing conditions. For **Additional licensing** of HMOs, respondents were more likely to be in favour: 50% agreed with the proposed conditions for Additional licensing compared to 41% who disagreed with them.

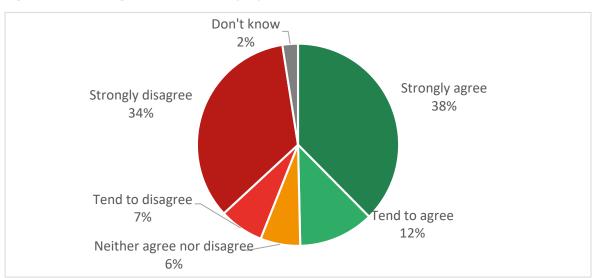


Figure 7: Level of agreement with the proposal for Additional licence conditions

In terms of sub-groups, residents were far more likely to be in favour of the Additional licensing conditions, with 82% agreeing. Landlords were more likely to disagree (63%). Having said this, it should be noted that one in four (24%) landlords did agree with the proposed conditions for HMO licenses.

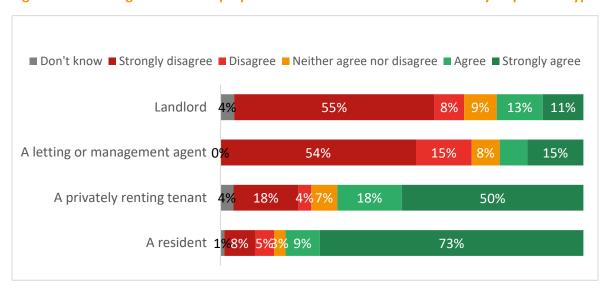


Figure 8: Level of agreement with proposal for Additional licence conditions by respondent type

Overall, 43% of survey respondents agreed with the proposed conditions for **Selective licensing**, compared to half (49%) who disagreed. Strong disagreement was more likely than strong agreement, too (42% vs 32% respectively).

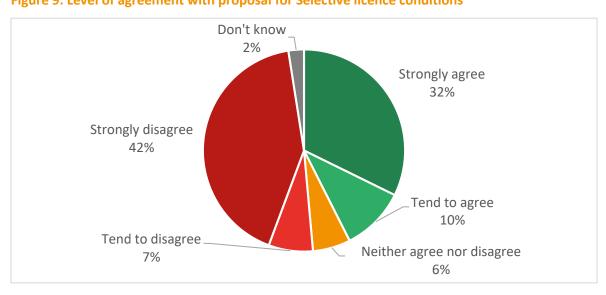


Figure 9: Level of agreement with proposal for Selective licence conditions

The chart below illustrates that residents were far more likely to be in favour of licensing conditions for privately rented properties of single families than landlords were: 65% of residents strongly agreed; 68% of landlords strongly disagreed.



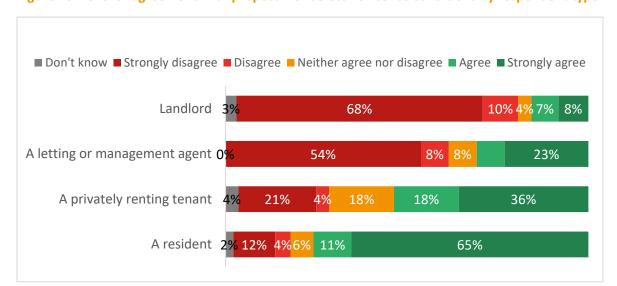


Figure 10: Level of agreement with proposal for Selective licence conditions by respondent type

Respondents were given the opportunity to tell us in more detail the reason for their agreement or disagreement with the proposed conditions for Selective Licensing.

Most mentioned reason was that the **conditions should be appropriate and reasonable** and have positive effects (e.g. improved standards, hold Landlords to account) (40 respondents), and **will require regular monitoring** (16).

"I think this is a brilliant idea - the private rental sector is inconsistent and can cause serious physical, mental and financial difficulties for tenants with very little recourse. ... local councils can start to implement conditions such as these to try and deter money hungry Landlords." - ANON-9X8N-HVFS-E

"The exact measures are unclear, and that's not a good thing... Whatever conditions are applied, they must be clear, consistent, fair, and measurable." - ANON-9X8N-HV9Q-Y

However, a minority expressed the belief that licensing will not solve ASB or fly-tipping (9) and that ultimately the **licensing costs will be passed to tenants** (8).



Appropriate/ reasonable/ will have positive effect (e.g. improved standards, hold landlords to account) Need regular monitoring / checks to enforce conditions / Inspections Licensing will not solve issues (e.g ASB, fly-tipping, cleaning) Costs passed on to tenants/ rent will rise / fixed rents needed Money making scheme 2% Legislation or standards already in place/ enforce current 1% legislation Existing landlords may sell up/ will put landlords off Costly, bureaucratic, waste of money/resources Other

**Figure 11: Comments about licensing conditions** 

## Views on the proposed licensing fees

The standard application fee for **Additional licensing**, for an HMO with up to three bedrooms, would be £488. There would be an extra charge of £122 for each Additional bedroom.

Overall, one in three (37%) considered the proposed Additional licensing fees to be reasonable. However, more considered the fees to be 'not reasonable at all' (44%), with another 11% feeling they were 'not very reasonable'.

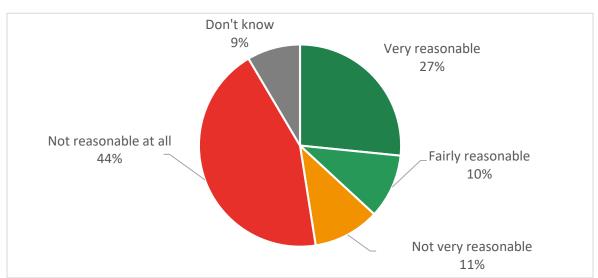
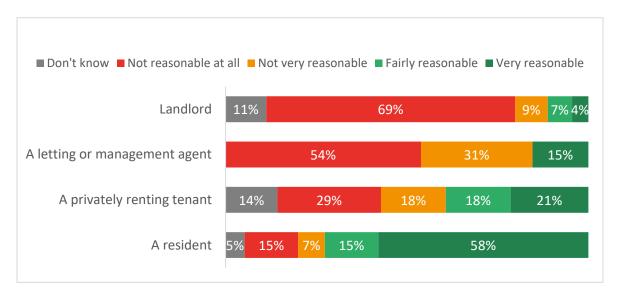


Figure 12: Level of agreement with proposal for Additional licensing fees is reasonable

Most (78%) landlords considered HMO fees to be not very reasonable or not reasonable at all, while the majority (73%) of residents thought the Additional license fees to be 'very' or 'fairly' reasonable. Interestingly, landlords were more likely to be unsure about the reasonableness of the fees, whereas residents were more likely to have an opinion on the effect of the fees (5% of residents stated 'Don't know' compared to 11% of landlords).

Figure 13: Level of agreement with proposal for Additional licensing fees is reasonable by respondent type



The proposed **Selective licensing** fee would be £488 per property, regardless of the size of the property.

Almost half (47%) of all respondents felt the proposed fees for Selective licensing were not at all reasonable, with just 26% feeling they were very reasonable.

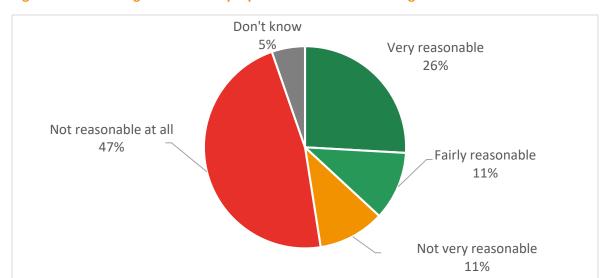


Figure 14: Level of agreement with proposal for Selective licensing fees is reasonable

The majority (84%) of landlords considered the Selective licensing fees to be not very reasonable or not reasonable at all, while the majority (73%) of residents thought the Selective license fees to be 'very' or 'fairly' reasonable.

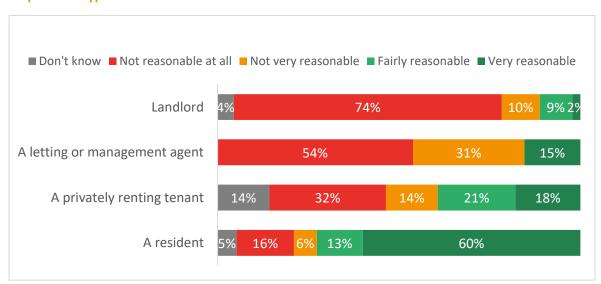


Figure 15: Level of agreement with proposal for Selective licensing fees is reasonable by respondent type

Like elsewhere in the survey, respondents were given the opportunity to tell us in more detail why they considered the proposed fees to be reasonable or unreasonable.

There was a common theme that the **cost of licensing fees may be passed on to tenants** (32 respondents)., but generally, the fees were expected to have a **positive effect – if they are appropriate** (25 respondents).



"It's not the fee that matters, it's the authorisation of licenses that is key. Must ensure all conditions are continually met. The fee must cover the cost of vetting, authorisation, and continued compliance monitoring by an adequate number of staff."

The fees were often noted to be too high and should be lowered (22).

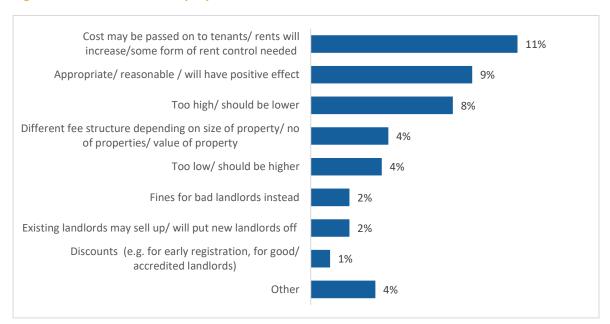


Figure 16. Comments about proposed licence fees

# Other comments and suggestions

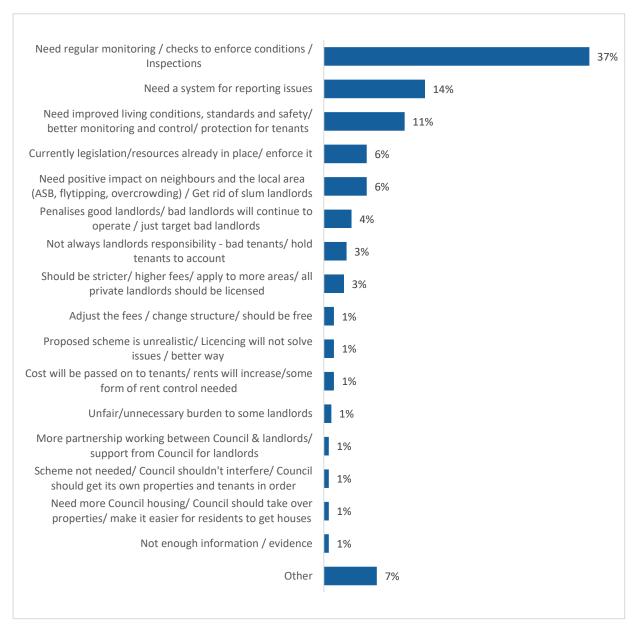
Respondents were given the chance to make suggestions for alternative ways Luton Council could address poor property conditions management and migration in private rented properties in the borough.

The strongest theme mentioned by more than a third of respondents was the need for **regular monitoring** and inspections (105 respondents) and **better monitoring** to improve conditions (32). There was also a call for **mechanisms for reporting issues** direct to the Council (40).

"There needs to be a whistle blowing hotline/website where tenants can inform the Council just how bad there [sic] home is... but they are scared to talk out as they know they will be evicted. Any tenant should not be able to be evicted until all repairs are satisfactory."



Figure 17: Suggestions on alternative ways to address poor property conditions management and migration in private rented properties



The last words left by respondents reflected again the feeling that the **proposals are unfair and unnecessary** for Landlords (37 respondents).

"Extra licensing at this time is unnecessary, please use the licensing powers that you have. Get Council staff back to full time work be less wasteful."

# **Public meetings**

Two public meetings were held as part of this consultation along with a Landlord Forum, all online due to the COVID-19 restrictions. This offered people the chance to hear and see the proposals outlined by Luton Council, ask questions and put forward their views. Below is a summary of the key points from all three meetings. In total, 63 people had registered for these three events, mostly landlords or agents.

### Scheme overall

- There was generally more opposition to the scheme than support.
- Some participants questioned doing this consultation during the summer when many people were away on holiday and unable to contribute.

#### Fees and administration

- One private landlord objected to the scheme for their property, describing it as a 'blanket approach' and felt it should be reviewed. The suggestion was to break up the scheme by age of property e.g. brand-new properties, separate new build less than 10 years etc.
- There was a request for Luton Council to consider reducing the fees or offer financial assistance to landlords. A flat-rate fee for Additional and Selective licensing would be a preferred fees structure. The early bird discount was welcomed.
- There was a comment that application processes have already been proven to be time consuming, especially when multiple properties were involved. There were calls for simpler processes this time, that are tested before implementation. There was also a call for the live systems to be usability tested before launch, too.
- If the application process and forms will be the same as the previous time Luton Council tried to implement this initiative, it was requested that this time a digital application process be made available alongside online forms.
- It was expressed that inspections should be conducted regularly throughout the five-year licence period, not only before issuing a license.

## **Enforcement powers already available**

- It was felt that the proposal presented no evidence that proved licensing improves ASB or fly tipping by private tenants.
- There were objections to how far landlords are responsible for the behaviour of their tenants, particularly around ASB. Others questioned what would be offered by the Council to support landlords with ASB tenants.



- With regards to PRS, it was felt Luton Council has sufficient powers already and should be able to manage existing resources better and improve response rates through better planning.
- It was recognised by participants that council officers do walk the streets and pick up issues, but this was felt to be reactive and a **more proactive approach** was requested i.e. talk directly to tenants about ASB and fly tipping.
- It was suggested the Council increase capacity to improve communications with landlords and residents, become more visible in the community, and to follow up and investigate complaints.
- One participant asked if Article 4 will be initiated to convert single dwellings to small HMOs
  through the planning system before licensing is introduced. It was asked if Luton Council knew
  how many HMOs are currently in each area, and if there were plans to limit the number of HMOs
  in the area.

## Support with difficult tenants

- Landlords said it is becoming hard to deal with fly tipping and ASB, and don't want to be penalised for housing irresponsible tenants.
- Landlords also wanted more support from the Council to ensure tenants aren't evicted because
  of the conditions of licensing.

## Working with private landlords

- It was recognized that Luton is experiencing rapid growth, higher than the national average, and high levels of migration, too. It was felt this population expansion has led to a significant growth in HMOs, and subsequently complaints about multiple occupancy households have increased. It is hoped that licensing will raise standards, reduce complaints, and improve conditions for tenants and landlords.
- More clarity on which properties will be affected by the proposed licensing was requested.

## **Evidence that licensing works**

- It was questioned how it has been proven that licensing landlords drives better behaviour from tenants, and what will determine if this pilot is a success before it is rolled out across the rest of Luton Borough.
- There was a request for the Council to publish comparative and statistical analysis of the initiative between the social housing and not only the private sector. It was felt that looking at the private rented sector only was statistically biased. One participant mentioned research that showed ASB is higher in social housing relative to PRS.



## Written responses

In addition to the open meetings and survey, we received written responses via email from 27 individuals or organisations. Most emails were based on template copy and were almost identical in content. In addition to the templated responses, there was one email from a landlord and another from Safeagent, a UK-wide organisation for lettings and management agents operating in PRS. We have summarised the responses into themes and include the full responses, anonymised for individuals as a separate Appendix D.

## Reasons for opposing the licensing scheme

- It was felt that Luton Council is introducing licensing primarily to tackle ASB and fly tipping in Luton, and every written response received expressed the belief that licensing will not solve these problems.
- Responses expressed the belief that licensing will not identify rogue landlords, new HMO conversions without planning, overcrowding in properties, poorly managed properties, or stem the rise in housing health and safety rating system (HHSRS) incidents.
- There is prevalent opinion in PRS that most ASB comes from Council tenants and so it is the
   Council's responsibility to deal with ASB and not private landlords through the licensing scheme.

### Fees and administration

- On top of the monetary cost, it was felt that licensing will create Additional administration for which agents will charge landlords, and therefore landlords 'will have no choice but to add' to rents to cover these Additional costs.
- Safeagent's submission supports the headline fee of £488 for HMOs but does not agree that a
  further £122 should be charged for bedrooms above three or believe that there are no benefits
  in Additional charges for tenants or landlords.
- The organisation also had concerns that licence applications made part way through the designated period would incur the full fee, and that this would be unfair and poor value for money. In these cases, they suggest fee should be charged 'pro-rata'. Safeagent feel this practice to be anti-competitive and will add costs to the process of licence holding management.

## **Enforcement powers already available**

It was felt that the Council already have powers enough to deal with the ASB and fly tipping issues.
One landlord wanted to know why these existing powers aren't being used 'to their full effect.'



## **Consultation process**

- The written responses commented that the consultation was poorly advertised, and that many landlords and letting agents should have been contacted by Luton Council directly. It was felt that this lack of openness and opportunity to contribute will create ill-feeling and be detrimental to cooperation between landlords, letting agents and the Council in the future.
- COVID restrictions meant people were allowed to attend Council meetings two at a time only, which meant many people were not able to take part in the consultation.

## Third party involvement

- Safeagent wanted the Council to see it as an equivalent recognised landlord accreditation body.
   Its response included detail about why membership of Safeagent should be considered adequate in place of licensing.
- The organisation also suggested that the **early bird discount be restricted to accredited agents** and landlords only or to members of recognised accreditation bodies, such as themselves.

## **Evidence that licensing works**

- Safeagent were the only written responders to mention evidencing the outcome of the initiative. They asked for regular information on implementation of the scheme to be made available, and should include:
  - the estimated number of private rented properties that require licensing under the HMO and Selective licensing schemes
  - the **number of applications** received in respect of these properties
  - status of processing (granting, querying or refusing) the received licence applications
  - analysis of the reasons for licence queries or refusals and the extent to which remedial action is identified and taken as a result
  - analysis of the outcomes of ongoing inspections and the extent to which remedial action is identified and taken as a result
  - progress reports across the five-year period covered by the scheme





# **Appendices**

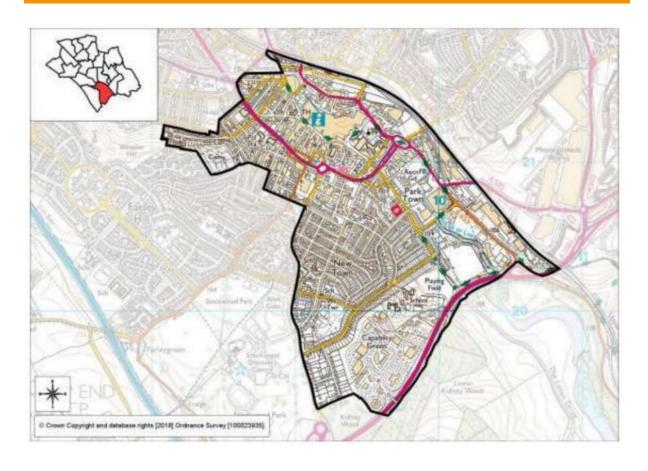
**Appendix A: map of proposed Selective licensing scheme** 

**Appendix B: questionnaire** 

**Appendix C: survey respondent profile** 

**Appendix D: written responses to consultation** 

# Appendix A: map of proposed Selective licensing scheme: South ward



# **Appendix B: questionnaire**

## **Licensing Private Rented Homes in Luton**

#### Overview

The Council are consulting on proposals to improve housing conditions in the private rented housing sector in Luton. The Council want to ensure that private rented properties in Luton offer tenants a choice of safe, quality and well-managed properties. We are proposing introducing licensing of all houses in multiple occupation across the Town and all privately rented properties within South Ward.

#### Why your views matter

Before making a decision, the Council want to hear your views about the proposals and any alternatives that they could consider. We would specifically like to hear from private tenants, landlords, letting and managing agents, residents and businesses and organisations operating in Luton and surrounding areas.

#### About you

To help us understand any differing views across the area, please write in your postcode below

This will be used for analysis purposes only



1 Which of the following best describes you? (Please tick all that apply)
(Required)
Please select only one item
A resident A privately renting tenant A landlord
A letting or management agent Own or manage a business
Represent a business organisation A community group or charity
Other (please write in the box below)
2 To help us understand any differing views across the area, please write
in your postcode below. (Please note this will be used for analysis
purposes only)
(Required)

#### Section 1 Views on the proposed licensing schemes

The proposed Additional Licensing scheme would require landlords to license all privately rented HMOs across the whole of Luton, that are not covered by the current Mandatory HMO scheme. An HMO is a dwelling of three or more people not forming a single household, who may share facilities such as a bathroom or kitchen. Additional Licensing would cover privately rented properties occupied by at least three individuals who do not form part of a single household and are not related to each other, but share amenities such as a kitchen or bathroom.

The proposed Selective Licensing scheme would require landlords to licence all privately rented properties that are rented as single family properties occupied by one household (i.e., single persons or couples, or one family) in South ward.

3 To what extent do you agree or disagree with the proposed Additional Licensing scheme? (Please tick one box only)
(Required)
Please select only one item
Strongly agree Tend to agree Neither agree nor disagree
☐ Tend to disagree ☐ Strongly disagree ☐ Don't know
4 Please tell us the reason for your answer in the box below. (You may
want to tell us how the proposed licensing scheme will affect you)
(Required)
5 To what extent do you agree or disagree with the proposed Selective Licensing scheme? (Please tick one box only)
(Required)
Please select only one item
Strongly agree Tend to agree Neither agree not disagree
Tend to disagree Strongly disagree Don't know
6 Please tell us the reason for your answer in the box below. (You may
want to tell us how the proposed licensing scheme will affect you)
(Required)



address poor property conditions management and migration in private
rented properties in the borough, if any?
Section 2 Views on licence conditions
There are mandatory licence conditions that must be applied to Additional and Selective icences. The Council can also apply other conditions to deal with the management, use and
occupation of the property. The proposed licensing conditions would seek to prevent
overcrowding, poor property conditions and help tackle deprivation and anti-social behaviour.
8 To what extent do you agree or disagree with the proposed Additional
Licence conditions? (Please tick one box only)
(Required)
Please select only one item  Strongly agree Tend to agree Neither agree nor disagree
Tend to disagree Strongly disagree Don't know
To what extent do you agree or disagree with the proposed Selective
Licence conditions? (Please tick one box only)
(Required)
Please select only one item
<ul><li>○ Strongly agree ○ Tend to agree ○ Neither agree nor disagree</li><li>○ Tend to disagree ○ Strongly disagree ○ Don't know</li></ul>
O fond to diouglos O ottorigly diouglos O Don't Mion
10 If you have any other comments you would like to make around the
proposed conditions, please write in the box below

## Section 3 Views on proposed licence fees

The proposal is to set fees for licence applications which take into account the Council's costs in administering and carrying out its licensing and enforcement functions under the proposed schemes. The Council has provisionally set the licence fees in accordance with the law to ensure that they are reasonable and proportionate and will not exceed the cost of the proposed licensing schemes. The licence fee is to be split into two parts: Part one will be charged at the initial application and Part two would become payable when the licence has been approved.

The Council is proposing to charge a minimum of £488 per property for a licence (based on a house with up to three bedrooms) and £122 for each additional bedroom. The licences are for up to five years. Fees will be kept under review throughout that period.

11 To what extent do you think the proposed fee for Selective Licensing is reasonable?
(Required)
Please select only one item
Very reasonable Fairly reasonable Not very reasonable
O Not reasonable at all O Don't know
12 To what extent do you think the proposed fee for Additional Licensing is reasonable?
(Required)
Please select only one item
Very reasonable Fairly reasonable Not very reasonable
○ Not reasonable at all ○ Don't know
13 If you have any other comments you would like to make around the proposed licence fees, please write in the box below



14 If there are any other comments that you would like to make about the proposed licensing schemes for Luton, please write in the box below
Section 4 More about you
This last section asks you some questions about yourself so we can fully understand different people's views and experiences, in particular those with protected characteristics as defined by the Equality Act 2010.
15 How old are you (years)?
(Required)
Please select only one item
Under 18 18-24 25-34 35-44 45-54 55-64
65 or older Prefer not to say
16 Ara vau - 2
16 Are you? (Required)
Please select only one item
Male Female Prefer to self-describe Prefer not to say
If you prefer to self-describe, please provide details in the box below

17 How would you describe your ethnic background? (Required)
Please select only one item
White: British(including English/Welsh/Scottish/Northern Irish) White: Irish
White: Gypsy/Irish Traveller White: Other Mixed: White and Asian
Mixed: White and Black Caribbean Mixed: White and Black African
Mixed: Other Asian: Asian British Indian Asian: Asian British Pakistani
Asian: Asian British Bangladeshi Chinese Asian: Asian British other
Black: Black British African Black: Black British Caribbean
Black: Black British other Arab
Any other ethnic group (please specify in box below) Prefer not to say
Any other ethnic group please specify in the box below
18 Are your day to day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months? (Required) Please select only one item
Yes - limited a lot Yes - limited a little No Prefer not to say
19 What is your email address?  If you enter your email address then you will automatically receive an acknowledgement email when you submit your response.
20 What is your name?
21 What is your organisation?



# Appendix C: survey respondent profile

## By gender

	Percentage of total	Number of respondents
Female	40%	113
Male	49%	139
Prefer not to say	11%	30
Total	100%	282

## By age band

	Percentage of total	Number of respondents
18-24	0%	1
25-34	12%	34
35-44	23%	64
45-54	26%	73
55-64	22%	62
65+	10%	28
Prefer not to say	7%	20
Total	100%	282

# By disability

	Percentage of total	Number of respondents
Disabled	12%	33
Not disabled	74%	209
Prefer not to say	14%	40
Total	100%	282

## By ethnic group

	Percentage of total	Number of respondents
White	59%	165
Asian / Asian British	19%	53
Black / Black British	3%	9
Mixed / multiple ethnic group	2%	5
Other	0%	0
Prefer not to say	17%	47
Total	100%	282



# By respondent type

Respondents could tick more than one option.

	Percentage of total	Number of respondents
A landlord	48%	134
A resident	34%	95
A privately renting tenant	10%	28
A letting or management agent	5%	13
Other	2%	6
Own or manage a business	1%	4
A community group or charity	0%	1
Represent a business organisation	0%	1
Total	100%	282



# Appendix D: written responses to consultation

### **PRS landlord**

I would like to make my views known to you about the selective licensing scheme proposed for LU1 and LU2. I am a PRS landlord of a house in each ward. Both houses are let to private families and are professionally managed by local Luton letting agents. Both houses are fully compliant with all the current legislation and have EICR, Gas Safety Certificate and EPC. Why should I be penalised for being a good landlord? This scheme is a way of raising council funds without admitting it. It is hard enough to make a regular income from letting houses to people who need them without being further encumbered by this unfair licensing scheme.

I do not accept the scheme will do anything to combat fly tipping and antisocial behaviour. My tenants are families and were carefully screened. They are not in any way living in HMO situation - however you wish to style it. The scheme is unfair to good landlords like me and will do absolutely nothing to weed out rogue landlords who are under the radar, pay no tax to HMRC and anyway you already have the necessary powers to catch these landlords - why don't you use them ruthlessly?

## Template email copy (sent by 23 landlords/agents)

I wish to express my views regarding the current consultation on Additional Licensing and Selective Licensing:

During the Zoom meetings you have focused on Anti-Social Behaviour (ASB) and Fly Tipping being amongst the main problems being faced in Luton and particularly in South Luton.

ASB and fly tipping is not confined to South Luton, it is a problem through-out the Town, so I disagree strongly with your basis for justifying the introduction of AL and SL as the cure for these problems:

- 1. Licensing will not solve the problem of ASB and fly tipping.
- 2. Licensing will not help to identify Rogue Landlords.
- 3. Licensing will not help to identify new conversions without planning.
- 4. Licensing will not help to solve the problem of fuel poverty.
- 5. Licensing will not help to solve the rise in HHSRS incidents that occur, you seem to hold the landlord responsible for these, when the tenant's actions may have led to the incident.



- 6. Licensing will not help to identify overcrowding in properties, responsible landlords and agents create tenancies with the names of people to whom they have let the property, if tenants are dishonest and then bring in others without the landlord or agents' knowledge.
- 7. Licensing will not solve the problem of dis-repair, again, responsible landlords and agents, rent properties that are good condition and meet all the requirements for Gas, Electric, fire protection and EPC. What happens to a property once occupied is difficult for landlords and agents to control, at the end of the tenancy only a limited amount of damage can be covered by the deposit.
- 8. Licensing will not solve the problem of crime in Luton as a whole or in any specific area.
- 9. Licensing will not help to identify poorly managed properties, if the landlord doesn't apply for a licence, how do you find him.
- 10. The Council already have more than enough powers to deal with the above problems.
- 11. How will licensing give the Council more effective super powers to deal with the above problems.
- 12. Good landlords and agents will be penalised for compliance, whilst bad landlords will escape.
- 13. How will licensing protect good landlords and agents from the actions of poor tenants.

#### **Anti-Social Behaviour (ASB)**

Most of the ASB that I know of are from tenants that the council themselves put in the properties without providing the agents and/or landlords with risk assessments, only for the aforementioned to subsequently discover that many of the tenants the council are housing in private properties are convicted murderers, rapists and child sex offenders, often placed in buildings where families with children have also been placed, which has not only endangered other people living within the buildings, but also letting agency staff who have received verbal and physical abuse as well as death threats.

Despite this and evidence of it, the council have taken months and moths to remove such people from these private properties, and in once case a young girl was actually raped, and in another one of your tenants hot-wired a metre in a property causing a fire risk, and then was rehoused in another property owned by the same landlord and did the same again. Many of the single individuals placed within the private properties let bad crowds into the buildings who cause further ASB, whilst terrorising and terrifying the respectable tenants living within the buildings, all of which is reported to the council and hardly any action is taken.



The solution to ASB is not to penalise landlords with licencing schemes for what is essentially the councils responsibility, since the people causing the ASB are the councils own tenants that they appear to have washed their hands of

#### **Additional Licensing**

This is part of the HMO national legislation; I have outlined above the case for the non-introduction of any form of additional licensing, it will not solve the problems faced by the residents and the council of Luton. Luton is fast growing as a service town, there are high levels of migration because people come here to find employment and commute to London.

Supply of housing, I disagree that there is low demand, in fact demand outstrips supply, there is insufficient housing available which is why the Council is having to use hotels and B&B's, planning permission has been granted for a large number of new builds to try and meet the demand.

#### **Selective Licensing**

This is not part of national legislation; I am strongly opposed to the introduction of SL this will not solve the problems you have outlined, how much rubbish can there be for fly tipping, what you need to address is why rubbish is being fly tipped. This could be due to insufficient facilities for tenants to dispose of rubbish, this could be due to the size of bins, lack of transport to take to the tidy tip, lack of space to store whilst waiting for the Council to collect. Fly tipping by definition applies to large quantities of waste being dumped not single items such as a mattress, wardrobe, fridge/freezer or a sofa.

#### **Increased Rents Due To Increased Costs**

With the cost of labour and materials at an all time high and rising on almost a daily basis, mortgage costs and the cost of maintaining properties squeeze out what little profit there is in lettings, often to the point where landlords are having to put money into their investments as the rent they receive does not cover their mortgages (due to house prices being at an all-time high) and maintenance costs, even more so when you consider how many tenants are not paying the rent they owe, often almost bankrupting landlords who have little recourse as it is now taking years to evict a tenant for not paying rent due to the backlog at the courts, whilst the landlord still has to pay his mortgage.

Although the initial cost of your scheme is £480, this is not the end of it as it creates an incredible amount of additional administration that the landlords agent will be charging for and possibly having to employ extra staff to fulfil the additional workload. With the landlord already being squeezed, he will have no choice but to add £25-£50 per month to the rent to cover the additional costs brought



about by your licencing schemes, thus resulting in higher rents for tenants, which nobody wishes to see, but is unavailable in the light of the costs you are trying to inflict on landlords.

#### The Consultation

The consultation has been poorly advertised with many landlords and letting agents I know of not knowing about it and not hearing anything from LBC in this regard (morning consultations especially), which is reminiscent of how LBC tried to steamroll the previous licencing scheme through, thus creating ill-feeling and is detrimental to conducive cooperation between landlords, letting agents and the council. Furthermore, the consultation was started in the summer when many people are away. Not to forget the fact that people were only allowed in to your meetings two at a time, meaning many people were not able to come in and take part in the meetings and consultation to air their views and have their opinions on your consultation represented.

I have outlined above my objections to the introduction of Additional and Selective Licensing.

We agree with the above, please take these comments into account when making your decision.

## Safeagent response

#### **LUTON COUNCIL'S HMO AND SELECTIVE LICENSING PROPOSALS**

#### A RESPONSE TO THE CONSULTATION FROM SAFEAGENT - SEPTEMBER 2021

#### **INTRODUCTION**

**safeagent** <u>www.safeagents.co.uk</u> is an accreditation scheme for lettings and management agents operating in the Private Rented Sector (PRS) **safeagent** firms are required to:

- deliver defined standards of customer service
- operate within strict client accounting standards
- maintain a separate client bank account
- be included under a Client Money Protection Scheme

Firms must provide evidence that they continue to meet **safeagent** criteria on an annual basis, in order to retain their licence. The scheme operates UK wide and has 1500 firms with over 2500 offices.

**safeagent** is an accredited training provider under the Rent Smart Wales scheme and meets the requirements for training for agents under the Scottish Government Register. Recently, we have been approved by Government as an approved Client Money Protection scheme.

#### SAFEAGENT AND LICENSING

**safeagent** is supportive of initiatives such as HMO and selective Licensing, providing they are implemented in a way that takes account of the PRS's own efforts to promote high standards.

**safeagent** believes that positive engagement with voluntary schemes and the representative bodies of landlords and agents (such as **safeagent**) is essential to the success of initiatives such as HMO and selective licensing. We are mindful that the operational problems associated with lack of such



engagement have been highlighted in House of Commons Standard Note SN/SP 4634 <a href="https://publications.parliament.uk/pa/cm201314/cmselect/cm">https://publications.parliament.uk/pa/cm201314/cmselect/cm</a>

The same note sets out how important it is for licensing schemes to avoid being burdensome. We believe that promoting voluntary schemes, and offering discounted licence fees to accredited landlords and agents, can help to achieve this. Voluntary schemes often require members to observe standards that are at least compatible with (and are often over and above) those of licensing schemes. We believe, therefore, that if Luton Council were to allow discounts based on membership of **safeagent** (as well as other similar bodies) implementing and policing the licensing scheme would ultimately be less costly and more effective, allowing resources to be concentrated in the areas where they are most needed.

This is a commonly accepted approach by many English Local Authorities. We would further point out that, in Wales, the Welsh Government has recently recognised the importance of membership of specified bodies such as **safeagent** and is offering discounted fees to members as a consequence <a href="https://www.rentsmart.gov.wales/en/">https://www.rentsmart.gov.wales/en/</a>

#### PROMOTING PROFESSIONALISM IN THE PRS - THE ROLE OF AGENTS

safeagent's engagement around the country, with various local authorities, suggests that lettings and management agents have a key role to play in making licensing, accreditation and other, voluntary regulatory schemes work effectively. Agents tend to handle relatively large portfolios of properties, certainly when compared to small landlords. They tend, therefore, to be in a position to gain an understanding of licensing based on wider experience. They become expert in trouble shooting and ensuring that the balance of responsibilities between the agent and the landlord is clearly understood. This, amongst other things, can help to prevent non-compliance due to misunderstandings about local licensing arrangements.

**safeagent** ensures its members maintain certain operational standards, have Client Money Protection arrangements in place, keep separate client accounts and comply with their legal obligation to be a member of a redress scheme. We also provide training. All this can be of assistance to councils who are trying to drive up standards in the PRS.

Although agents are now required to belong to a government approved redress scheme, display their fees and publish their mandatory client money protection status, our experience to date suggests local authorities face challenges in enforcing these standards. Membership of bodies such as **safeagent** can reduce the need for the local authority to use its formal, legal powers in these areas.

Furthermore, safeagent firms have a key role to play in helping to avoid the occurrence of widespread evictions, following the expiry of the COVID-19 eviction ban. Lettings and management agents are uniquely placed to offer mediation and negotiation between tenants and landlords.

In a survey of **safeagent** firms across England, agents were asked about the proportion of landlords who have been sympathetic and willing to help tenants affected by COVID-19, by offering rent reductions or payment plans. 47% of firms said 75-100% of their landlords were willing to help, showing a high level of support for tenants to allow them to stay in their homes. Agents can provide the important service of setting up payment plans, as well as collating and holding the confidential evidence needed at all stages of the process.



#### **LUTON COUNCIL'S PROPOSALS - SPECIFIC ISSUES**

#### **Partnership Working with Lettings and Management Agents**

We would urge Luton Council to work closely with accredited lettings & management agents to ensure that the regulatory effort associated with the licensing schemes is focussed on the greatest risks. The highest priority should be tackling rogue landlords and agents, not policing the compliant.

Many rogue landlords and unaccredited agents operate "under the radar". Resources should, therefore, be directed towards these serious cases. There is danger that too much time will be spent on those properties and landlords where an existing, reputable agent is best placed to ensure compliance with license conditions.

We would urge the council to fully recognise the compliance work reputable agents carry out as part of their day to day work. We would also suggest that the Council work closely with accredited agents to proactively seek out and identify unlicensed properties. We are pleased that Luton Council want to "identify irresponsible landlords who impact negatively on the reputation of responsible landlords"

#### **HMO** and Selective Licensing Fee

A headline fee of £488 seems reasonable. However, in HMOs, we do not agree that a further £122 should be charged for "extra bedrooms" above three. We do not think that there are extra costs to the council that accrue on a "per bedroom" basis above the three bedroom threshold. Nor do we believe that there are additional, licensing related, benefits to the landlord.

We welcome the significant discount that the "early bird" fee represents (total fee £150) However, we are concerned that "no further discounts apply" during the relevant three month period. This seems to us to undermine the incentives towards accreditation that feature in the "full" fee structure. Such heavy emphasis on speed could, in fact, lead to landlords and agents making a quick payment and foregoing accreditation altogether.

We believe the early bird discount should be restricted to accredited agents and landlords. Alternatively, discounts should be available for members of recognised accreditation bodies, such as **safeagent**, in both the early bird and full fee periods. Furthermore, the discount for accreditation should be available alongside the EPC discount, as it is highly desirable that landlords/agents with Band C or above properties are also accredited.

We would suggest that this is justified because **safeagent** members and the landlords who engage them are less likely to be non-compliant and that, as a result, there would be reduced costs to the council. We would also suggest that **safeagent** membership mitigates the need for compliance visits to be carried out by the council. For example, the timing and content of inspections could be risk based, recognising that the risk of non-compliance is much lower in the case of properties managed by **safeagent** agents.

To sum up, the council will have fewer concerns about the management, use, condition or occupation of the property where a **safeagent** member is managing it.

#### Fee Waiver - Tackling Homelessness

We would suggest that, in cases where a private landlord is assisting the Council to achieve the aims set out in its Homelessness and Rough Sleeping Strategy, by offering permanent accommodation to meet homelessness duties, license applications should be accepted without any fee being payable.



This approach could become more structured if the council were to enter into partnership arrangements whereby lettings agents source properties for council referrals of homeless people or those at risk of homelessness. **safeagent** is currently working on a model whereby a "Social Lettings Agency" is created through links to one or more established local agents. This is an alternative to the traditional approach whereby entirely new voluntary sector entities need to be set up. We would be happy to discuss this model with the council at any time.

#### **Licensing Period and Changes in License Holder**

We would be concerned if any licence application made part way through the designated period was to incur the full fee. This is unfair and makes licenses granted later in the designated period poor value for money. In these cases, we believe the fee should be charged "pro-rata".

This issue is highlighted in the government report "An Independent Review of the Use and Effectiveness of selective Licensing" (MHCLG 2019)

This report describes how "Most licence fees do not take any account of the remaining time of the licensing designation. This can lead to landlords being required to pay the full cost five-year of licensing even if there is only a short time remaining before the designation expires (with no option to "carry over" where re-designation is intended). This negatively impacts on relationships with landlords, who perceive this as manifestly unfair. **This issue can be partially mitigated by making the enforcement portion of the licence fee payable on a pro-rata basis"** 

Charging of full fees for part periods is also anti-competitive, as it can add cost to the process of engaging or changing a license holding managing agent. Specifically, we often see cases where a reputable agent has to take on management of a property and the license, when there has been a history of management and/or compliance problems. We would suggest that, in cases where an agent steps in as licence holder/manager, the licensing fee should again be charged "pro rata".

Alternatively, it should be made clear that licenses taken out part way through the period last for a full 5 years - and remain valid when the designation is renewed or comes to an end. The "early bird" discount should apply to licence applications made part way through the designated period.

#### **Proposed Licensing Area**

We welcome the targeted nature of the licensing proposals.

#### LICENCE CONDITIONS

In our detailed comments below, we point out some of the areas where compliance with key standards is an inherent part of the **safeagent** scheme. These are the areas where we think promotion of **safeagent** membership through license fee discounts could ultimately save the Council money, as well as increase the take up of voluntary accreditation.

#### **Tenant Referencing**

We are supportive of the requirement to obtain references for prospective tenants. **safeagent** is actively involved in promoting good practice in tenant referencing. We would be happy to discuss our work in this area with the Council.



#### **Tenancy Management**

**safeagent** agents are expected provide and fill in a tenancy agreement on behalf of the landlord. they will always make sure the terms of the tenancy are fair and help the tenant to understand the agreement.

They will always provide clear information to the tenant about any pre-tenancy payments and what these cover. They will explain any requirement for a guarantor and what the guarantor role entails.

At the end of a tenancy, they will always serve the tenant with the correct period of notice as set out in the tenancy agreement.

Under **safeagent's** service standards, agents are required to take a deposit to protect against possible damage. They are required to explain the basis on which the deposit is being held and the purpose for which it is required, as well as to confirm the deposit protection arrangements. When joining **safeagent**, agents are asked to provide details of the number and value of the deposits they have registered with the scheme.

Agents are asked to authorise **safeagent** to contact the scheme to verify this information. During the course of a tenancy, **safeagent** agents will check the condition of the property and draw up a schedule to outline any deductions to be made from the tenant's deposit. They will return the deposit in line with timescales and processes required by the statutory tenancy deposit schemes. **safeagent** agents are also required to:

- have a designated client account with the bank
- operate to strictly defined Accounting Standards
- be part of a mandatory Client Money Protection Scheme.

These requirements provide additional security for client monies held, over and above the requirements of the Luton licensing scheme. Again, this is an area where increased **safeagent** membership would be of benefit to the Council and local tenants.

#### Licence Conditions Relating to the Property

We welcome Luton Council's drive to improve property standards. We believe that **safeagent**'s standards go a long way to ensuring compliance with license conditions.

Under **safeagent**'s service standards, **safeagent** agents are expected to visit any property to be let with the landlord and advise on any action needed before letting the property. This includes any repairs and refurbishments needed to put it into a fit state for letting. They will also go with possible new tenants to view unoccupied property. Tenants can, therefore, be confident that **safeagent** agents have provided advice to the landlord concerning any repairs or refurbishments which are necessary.

**safeagent** agents are expected to explain both the landlord's and the tenant's the rights and responsibilities. To guard against misunderstandings, they will arrange for the preparation of a schedule of the condition of the property.

**safeagent** agents are required to ensure that tenants are provided with copies of safety certificates on gas and electrical appliances before they commit to the tenancy. They will provide details of the condition of the property, plus a list of its contents. The property will have undergone all required safety checks on furnishings, and gas and electrical services.

Thereafter, **safeagent's** standards require agents to carry out property inspections periodically, as agreed with the landlord, in line with normal good practice. **safeagent** and our firms would anticipate inspections to be carried out every 6 months as a minimum, to identify any problems relating to the condition and management of the property. In line with common practice, records of



such inspections would contain a log of who carried out the inspection, the date and time of inspection and issues found and action(s) taken. Under a licensing scheme, this information could be shared with the council in an appropriate format.

Tenants will be fully aware of access arrangements. **safeagent** agents are expected to arrange in advance a time for access, in order to inspect the condition of the property in accordance with the tenancy agreement. **safeagent** agents will arrange to have routine maintenance work carried out, up to a limit agreed with the landlord. The agent will refer expenditure above that limit to the landlord. **Training** 

We would welcome any proposal requiring agents who are license holders to undergo training. Membership of **safeagent** means that agents already have access to an extensive training package, engagement with which should reduce the need for the local authority to intervene. Although not a *condition* of **safeagent** membership, **safeagent** offers accreditation through an online foundation course as well as qualifications such as BTEC Level 3 in Lettings and Management practice.

safeagent offers training to those who have been involved in lettings and management for some time as well as those who are just starting out. Training is available for principals of firms as well as employees. Thus, safeagent's Virtual Learning Environment (VLE) is designed to cater for a wide range of professional development needs. Training is easily accessible and can be undertaken when it suits the trainee. Any candidate completing the safeagent Foundation Lettings Course successfully also has the opportunity to use the designation 'safeagent qualified'. safeagent Foundation Lettings Course (Wales) is also approved training recognised by Rent Smart Wales, the Welsh Government's regulatory body as meeting the requirements for agents to have complying with their licensing requirement.

One advantage of this approach is that it makes it easy to ascertain (through on-line monitoring) that participants have in fact undertaken the required training, prior to or immediately after accreditation. Modules available cover:

- Pre-tenancy issues
- Responsibilities and liabilities
- Setting up a tenancy
- During a tenancy
- Ending a tenancy
- General law concepts, statute vs contract
- Relationships
- Obligations
- Process
- Considerations for corporate tenants
- Continuing Professional Development (CPD)

In addition, **safeagent** provides mini online courses designed to cover a number of elements in more detail, as appropriate to the learner's role, include topics such as:

Assured Shorthold Tenancies (ASTs)
Client Money
Consumer Protection Regulations (CPRs)
Deposits
Disrepair



Electrical Appliances & Safety
Gas Appliances & Safety
Houses in Multiple Occupation
Housing, Health & Safety Rating System (HHSRS)
Inventories and schedules of condition
Joint Tenancies
Notice Requiring Possession

We would further suggest that discounted fees for **safeagent** firms would provide an incentive to positive engagement with training that is fully compatible with the requirements of the licensing scheme.

#### **Anti-Social Behaviour (ASB)**

For our members, dealing with actual and perceived anti-social behaviour in the PRS is a day to day activity. However, in general, we have concerns about the assumed link between the amount of PRS accommodation in the neighbourhood and the incidence of ASB. In our experience, levels of ASB can be just amongst homeowners and tenants of social housing.

There may be some *correlation* between incidences of ASB and the prevalence of PRS accommodation on the area. However, correlation does not equate to *causation*. The *causes* of ASB are many and varied. It is not, in our view, reasonable to expect agents and landlords to play a disproportionately large part in tackling them.

Furthermore, we would strongly advise against any proposals which imply a parity of approach between the PRS and the social rented sector. Social landlords are publicly funded (and regulated) to develop and manage housing on a large scale. Their social purpose brings with it wider responsibilities for the communities in which they work. As private businesses, PRS landlords and their agents, whilst having clear responsibilities to manage their properties professionally, cannot reasonably be expected to tackle wider social problems.

#### Fit and Proper Person Test - Suitability of Licence Holder

All principals, partners and directors of a **safeagent** firm are asked to make the following declaration on application:

— "I confirm that: for a period of 10 years prior to this application I have had no conviction for any criminal offence (excluding any motor offence not resulting in a custodial sentence) nor have I been guilty of conduct which would bring the Scheme or myself into disrepute; I am not an undischarged bankrupt nor is there any current arrangement or composition with my creditors; I am not nor have I been a director of a company which has within the period of 10 years prior to this application entered into liquidation whether compulsory or voluntary (save for the purpose of amalgamation or reconstruction of a solvent company) nor had a receiver appointed of its undertaking nor had an administration order made against it nor entered into an arrangement or composition with its creditors; nor have I at any time been disqualified from acting as a Director of a company nor subject to a warning or banning order from the Consumer Markets Authority or the Department for Business, Enterprise and Regulatory Reform.



If I am subject to any current claim or am aware of any impending claim for professional negligence or loss of money or if I have been the subject of any investigation by the Consumer Markets Authority and/or local Trading Standards Office, full details of the circumstances are set out in a report enclosed with the application; all information provided by me in connection with this application is, to the best of my knowledge, correct"

We believe this certification is broadly in line with Luton council's licensing conditions and is another example of where promotion of **safeagent** membership through discounts could help to ensure compliance.

#### **Complaints**

All **safeagent** firms are required to have a written customer complaints procedure, available on request. Our guidance sets out how the first step for complainants is to ask the firm they are dealing with for a copy, which will outline the method by which they can seek to resolve any issues.

In line with statutory requirements, all **safeagent** members must also be members of a recognised redress scheme. Firms are required, at the request of the complainant, to refer the complaint to a redress scheme once their in-house procedure has been exhausted. They are also required to comply with any award determined by the redress scheme, within the timescale prescribed.

Under co-regulation schemes elsewhere in the UK, **safeagent** has undertaken to review any complaints that have been adjudicated upon by any of the redress schemes. Under such an arrangement, **safeagent** can report to the Council on the number of complaints reaching this stage and on the adjudications made. Non-compliance with a redress scheme's adjudication would eventually lead to disqualification of the agent from **safeagent**. We would be happy to come to a similar arrangement with Luton.

#### **MEASURING THE SUCCESS OF THE SCHEME**

We believe that regular information on implementation of the scheme should be made available in a clear and consistent format. Reports to local landlord and agent forums, representative bodies and other stakeholders should include at minimum:

- The estimated number of private rented properties that require licensing under the HMO and selective licensing schemes
- The number of applications received in respect of these properties
- Progress in processing (granting, querying or refusing) the licence applications received
- Analysis of the reasons for any queries or refusals and the extent to which remedial action is identified and taken as a result
- Analysis of the outcomes of ongoing inspections and the extent to which remedial action is identified and taken as a result
- Progress reports across the whole 5 year period covered by the scheme.

This should help to enable the Council to work in partnership with landlords, agents, representative bodies and other stakeholders to ensure the success of the scheme.

#### **CONCLUSION**

It seems to us that many of the licencing requirements in the Luton scheme highlight how important it is for landlords to work with reputable agents such as **safeagent** members. Offering a discount to licence holders who work with a **safeagent** accredited agent would help to promote this.

**safeagent** would welcome a collaborative approach with Luton Council, based on shared objectives. We believe that agents who are members of a recognised body are more likely to embrace HMO and selective licensing and less likely to generate complaints or breaches of their licence. Discounted fees for **safeagent** members would be a significant incentive to positive engagement by agents. In return, the Council would experience reduced administration and compliance costs.



#### **CONTACT DETAILS**

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# APPENDIX 1 – COMPATIBILITY OF SAFEAGENT SERVICE STANDARDS WITH TYPICAL SCHEME CONDITIONS

Example Scheme Conditions	SAFEAGENT Service Standard Requirements	
Fees	SAFEAGENT promotes complete transparency in agency fee Members provide landlords with a statement of account as often as agreed.	
Rent Liabilities and Payments	SAFEAGENT agents collect the rent and pass it on every month or as otherwise agreed. The agent will keep a separate clients' account to hold all monies.	
Contact Details	SAFEAGENT agents are expected to respond to tenant and other legitimate enquiries in a timely manner. Up to date contact details will enable them to respond to tenants' requests for maintenance or repairs which might in some cases have to be referred to the landlord for approval.	
State of Repair	SAFEAGENT agents visit the property with landlords and advise on any action needed before letting the property. This includes any repairs and refurbishments needed to put it into a fit state for letting. They will also go with possible new tenants to view unoccupied property. Tenants can be confident that SAFEAGENT agents have provided advice to the landlord concerning any repairs or refurbishments which are necessary.	
Access and Possession arrangements	SAFEAGENT agents will visit the property periodically during the course of the tenancy as often as agreed with the landlord. Tenants will be fully aware of access arrangements. At the end of a tenancy, they will always serve the tenant with the correct period of notice as set out in the tenancy agreement.	

<b>Example Scheme Conditions</b>	SAFEAGENT Service Standard Requirements		
Repairs and Maintenance	SAFEAGENT agents will arrange to have routine maintenance work carried out, up to a limit agreed with the landlord. The agent will refer expenditure above that limit to the landlord.		
Access, Cleaning and Maintenance of Common Parts	SAFEAGENT agents will arrange in advance a time for access to the property in order to inspect the condition of the property in accordance with the tenancy agreement.		
Level of Facilities	SAFEAGENT agents ensure that tenants are provided with copies of safety certificates on gas and electrical appliances before you commit to the tenancy. They provide details of the condition of the property, plus a list of its contents. The property will have undergone all required safety checks on furnishings, and gas and electrical services.		
Deposits	SAFEAGENT agents provide and fill in a tenancy agreement and take a deposit to protect against possible damage. They will explain the basis on which it is being held and the purpose for which it is required		
References	SAFEAGENT agents choose a tenant in a way agreed with the landlord, taking up references or checking the tenant's rent payment record.		
Complaints & Dispute Handling	SAFEAGENT agents explain both the landlord's and the tenant's the rights and responsibilities. To guard against misunderstandings, they will arrange for the preparation of a schedule of the condition of the property.		
	During the tenancy, they will arrange to check the condition of the property and draw up a schedule to outline any deductions to be made from the tenant's initial deposit. They will return the deposit as soon as possible, less any appropriate deductions.		







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